Annual Report 2020

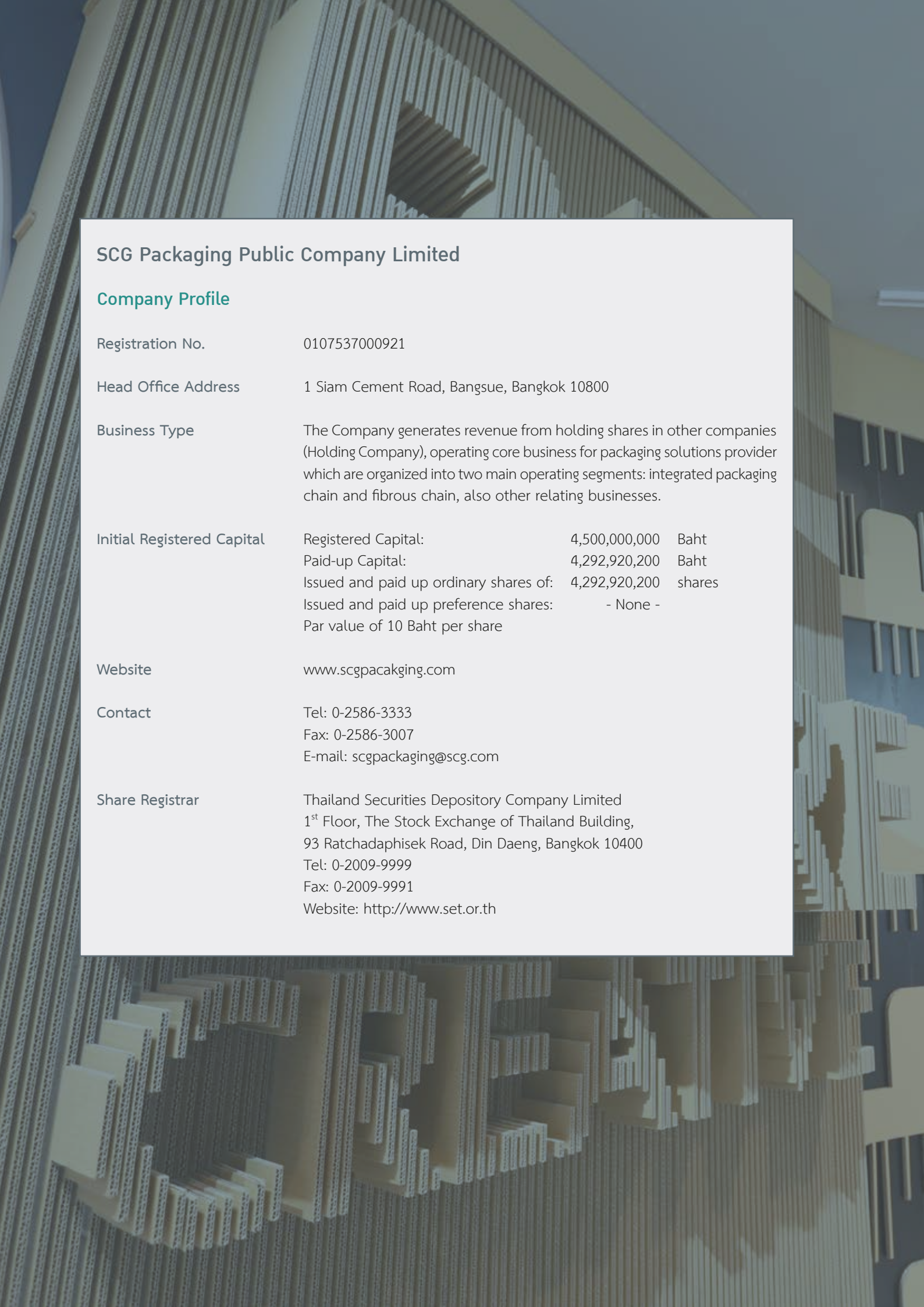
(Form 56-1 One Report)

SCG Packaging Public Company Limited



RESILIENCE FOR THE QUALITY GROWTH

SCGP



SCG Packaging Public Company Limited

Company Profile

Registration No.	0107537000921
Head Office Address	1 Siam Cement Road, Bangsue, Bangkok 10800
Business Type	The Company generates revenue from holding shares in other companies (Holding Company), operating core business for packaging solutions provider which are organized into two main operating segments: integrated packaging chain and fibrous chain, also other relating businesses.
Initial Registered Capital	Registered Capital: 4,500,000,000 Baht Paid-up Capital: 4,292,920,200 Baht Issued and paid up ordinary shares of: 4,292,920,200 shares Issued and paid up preference shares: - None - Par value of 10 Baht per share
Website	www.scgpacakging.com
Contact	Tel: 0-2586-3333 Fax: 0-2586-3007 E-mail: scgpackaging@scg.com
Share Registrar	Thailand Securities Depository Company Limited 1st Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: 0-2009-9999 Fax: 0-2009-9991 Website: http://www.set.or.th

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Other Related Information*

1. Corporate Governance Policy and Guidelines and Code of Conduct (Full Version)
2. Environment and Climate Policy
3. Sustainability Report 2020

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

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

Financial Overview

SCG Packaging Public Company Limited and its Subsidiaries

Baht million

		2020	2019	2018	2017	2016
Consolidated income statement[1]						
Revenue		**93,389**	90,034	87,770	82,862	75,128
Costs and expenses		**85,148**	83,147	79,661	76,888	70,799
EBITDA[2]		**16,876**	15,147	14,566	12,082	10,554
Profit for the year[3]		**6,457**	5,269	6,066	4,425	3,285
Consolidated statement of financial position						
Assets		**172,429**	139,513	93,246	91,312	85,369
Liabilities		**62,588**	76,697	39,986	35,661	32,617
Total equity attributable to owners of the parent		**88,738**	42,952	40,441	42,891	40,402
Total shareholders' equity		**109,841**	62,816	53,260	55,651	52,752
Share information						
Total number of shares issued[4]	*(Million Shares)*	**4,293**	3,126	3,126	3,126	3,126
Book value per share[4]	*(Baht)*	**20.67**	13.74	12.94	13.72	12.92
Basic earnings per share[4]	*(Baht)*	**1.95**	1.69	1.94	1.42	1.05
Dividends per share[4, 5]	*(Baht)*	**0.45**	0.98	0.50	2.50	0.25
Financial Ratio						
Dividends payout ratio	*(%)*	**29.9**	57.9	25.8	176.6	23.8
Net profit margin[6]	*(%)*	**7.0**	5.9	7.0	5.4	4.4
Return on assets	*(%)*	**4.7**	5.1	7.4	6.1	4.6
Return on equity attributable to owners of the parent	*(%)*	**9.8**	12.6	14.6	10.6	8.3

Remarks:

[1]The figures for year 2019 are reclassified

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

[3]Represents profit for the year attributable to owners of the parent

[4]For the year 2019 changed in par value of ordinary shares (from Baht 10 per share to Baht 1 per share) and issue stock dividend of ordinary share The number of ordinary shares used in the financial ratio calculation during year 2016-2018 are adjusted as if such change had occurred at the beginning of the earliest reporting period

[5]Dividends Baht 0.98 per share is calculated from 1) Interim dividend in an amount of Baht 1.11111111 per share on ordinary shares 1,563 million shares 2) Final dividend in an amount of Baht 0.42 per share on ordinary shares 3,126 million shares

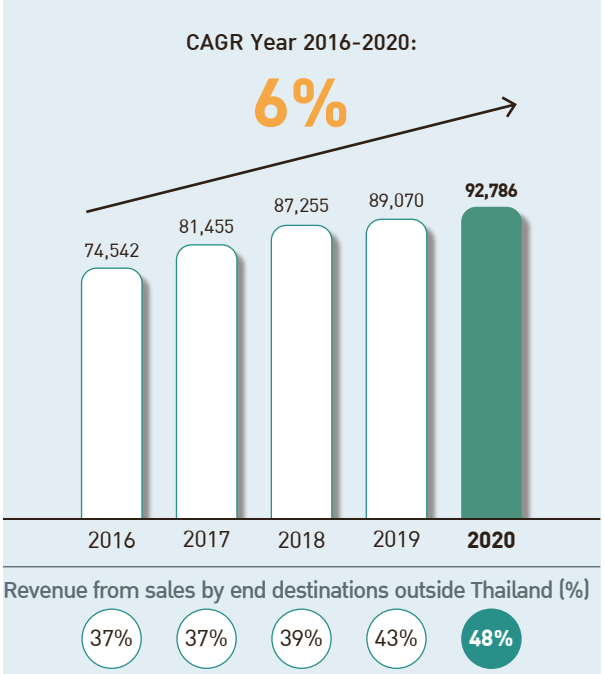
[6]Net profit margin = Profit for the year attributable to owners of the parent divided by Revenue from sales

Financial Overview

SCG Packaging Public Company Limited and its Subsidiaries

Baht million

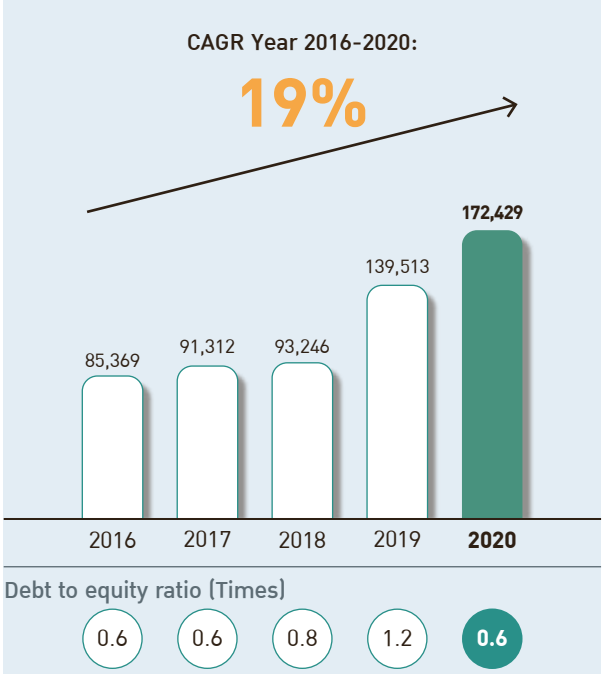
Revenue from sales



Revenue from sales by end destinations outside Thailand (%)

2016	2017	2018	2019	2020
37%	37%	39%	43%	**48%**

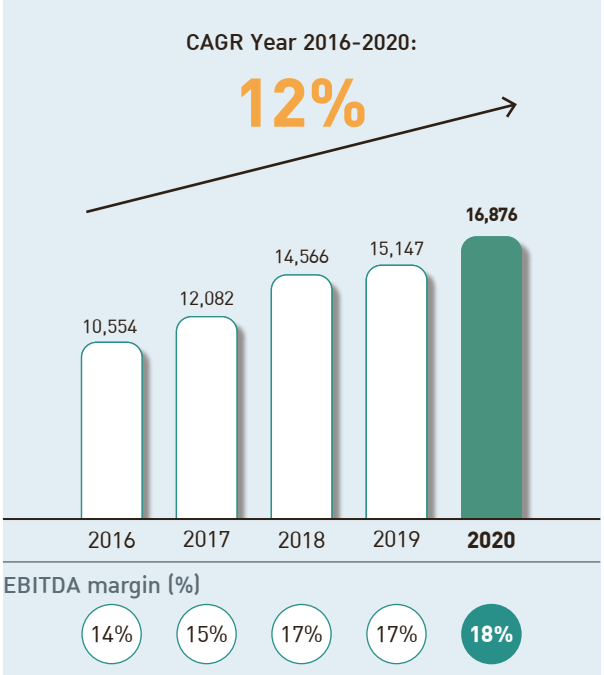
Assets



Debt to equity ratio (Times)

2016	2017	2018	2019	2020
0.6	0.6	0.8	1.2	**0.6**

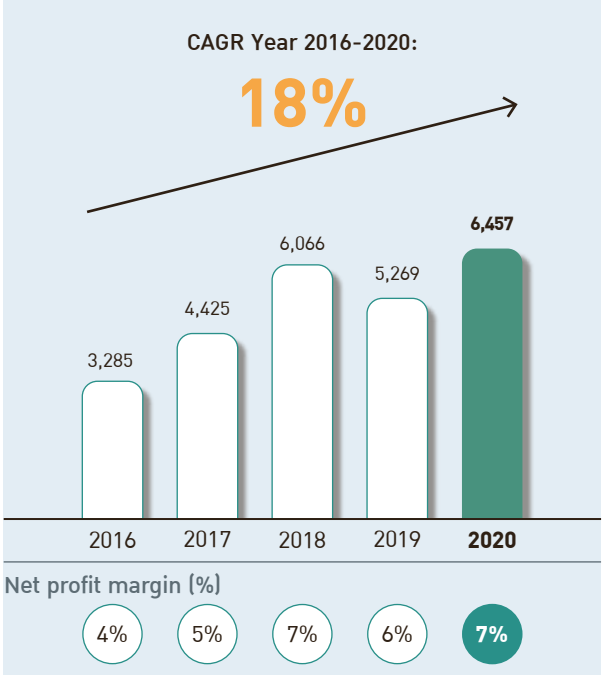
EBITDA



EBITDA margin (%)

2016	2017	2018	2019	2020
14%	15%	17%	17%	**18%**

Profit for the year*



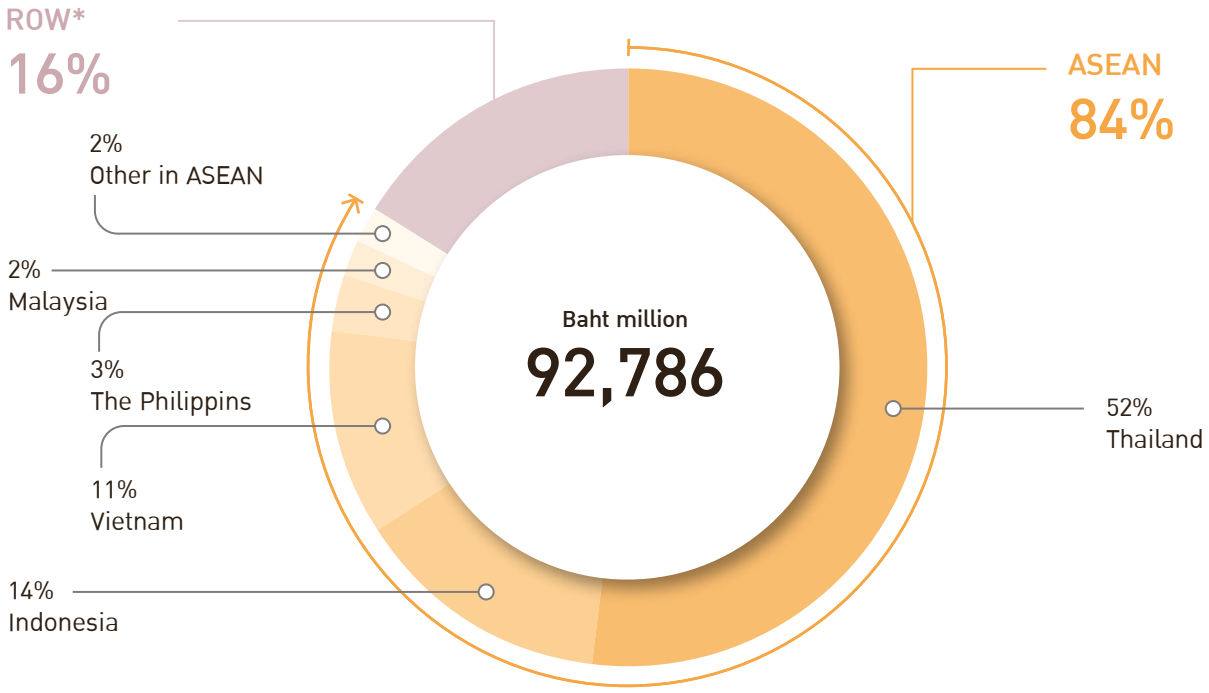
Net profit margin (%)

2016	2017	2018	2019	2020
4%	5%	7%	6%	**7%**

**Attributable to owners of the parent*

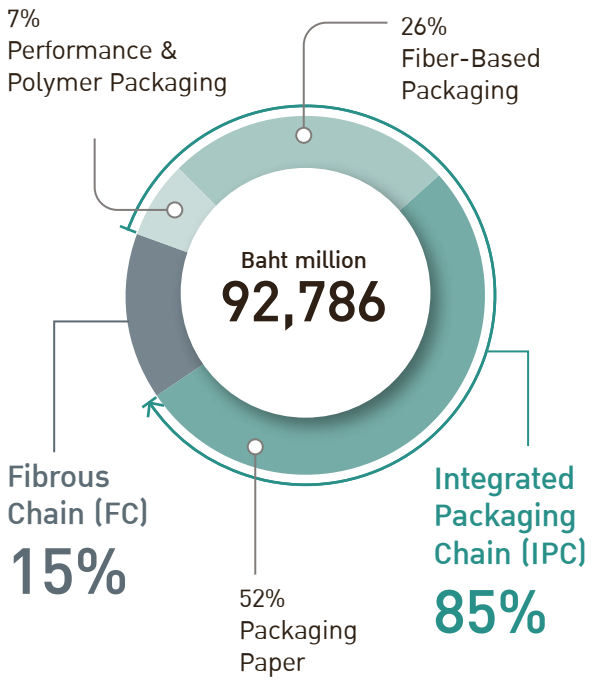
Financial Overview 2020

SCGP's consolidated sales by end destinations

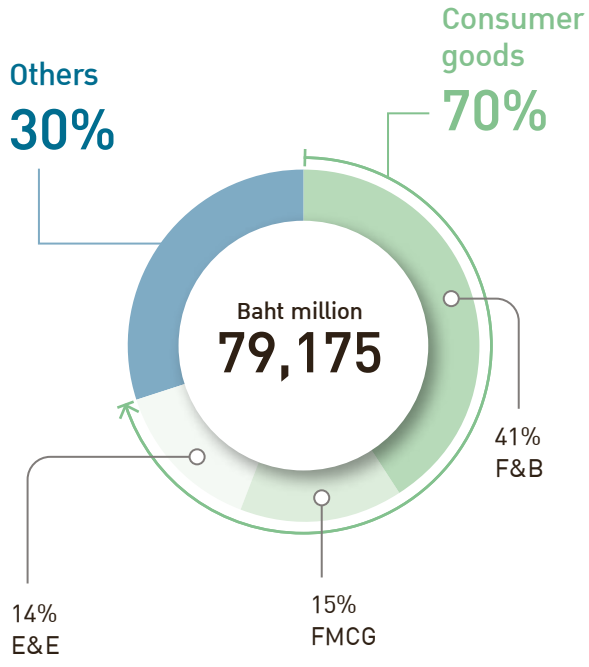


*Row = Rest of the world

SCGP's consolidated sales by business units



Integrated Packaging's sales by consumers segments



Financial Overview 2020

Revenue from sales
Baht million

92,786





Profit for the year
Attributable to owners of the parent
Baht million

6,457

EBITDA
Baht million

16,876





Assets
Baht million

172,429

Sustainability Performance Highlight 2020

Green procurement purchased
Baht million
4,790

17.0%

14 products

Environment-related investments and expenses
Baht million
1,081

1.2%
of revenue from sales

Business partners who passed the environmental, social and governance risk assessment
100.0%
of suppliers with procurement spending over Baht 1 million

Waste to landfills
0.77 tonnes
from total waste management 1,066,999 tons

GHG emission reduction
428,281
tons carbon dioxide equivalent
12.8%
compared with BAU at the base year of 2007

Waste to incineration without energy recovery decreased
99.6%
compared with BAU at the base year of 2014

Energy Saved
2.3 petajoules
5.4%
compared with BAU at the base year of 2007

Proportion of alternative fuel
31.0%

Water withdrawal reduction
11.1
million cubic meter
16.8%
compared with BAU at the base year of 2014

Proportion of recycled water
14.1%
compared with total water withdrawal volume

Lost time injury frequency rate (employee/contractor)
0.087 cases or 0.296 day
per 1,000,000 hours worked

Research & development and innovation investment
Baht million
529

"SCG Green Choice" products, services and solutions
32 products

Check dams program
687 projects

NCS plantation
74,097 trees

Support community products
Baht 1,910,259

Scholarship program
1,142 scholarships
in 60 schools

Career development center in communities
29 centers

Social enterprise development
Income from handicraft product from industrial waste
Baht 1,859,700

Zero waste communities development
36
communities


SCGP

Message from the Board of Directors



Growth with Quality, and Readiness for Challenges

In 2020, many countries, both in ASEAN and around the world, faced economic challenge due to the COVID-19 pandemic. The spread of the virus resulted in a decreased demand for durable goods, especially in the electrical and automotive industries. Furthermore, the demand for printing & writing paper significantly decreased, compared to the previous year. However, the demand for consumer related goods, including food and beverage and healthcare products, continued to increase, alongside E-commerce market growth. This was because consumers paid more attention on hygiene while adjusting their purchasing behaviour, buying more products through online channels.

Amid these challenges, SCGP has adapted itself to cope with the economic fluctuations by further reinforcing its integrated business model. SCGP has responded to the changes in consumer behaviour with various packaging solutions, continue to integrate its upstream and downstream products to capture business opportunities, and diversify risk to different countries and industries. SCGP believes that packaging demands show promising long-term growth potential that is supported by rising consumption and the consumer mega-trends in ASEAN. As such, SCGP aims to continue and expand its consumer-related segments which is essential to daily living and demonstrates resilient demand in most economic condition. Currently, the consumer-linked revenue contributes higher than 70% of total.

With the challenges of the COVID-19 pandemic, SCGP continues to prioritise the health, safety and occupational management of its employees, while stabilizing the supply chain of all customers and business partners, and closely monitoring and adjusting to the dynamic situation for continual business operations. These proactive actions have contributed to SCGP's Baht 92,786 million in sales revenue in 2020, increasing 4% as compared to 2019. This was driven by consumer demand of daily necessities and the financial consolidation of PT Fajar Surya Wisesa Tbk. (Indonesia) and Visy Packaging (Thailand) Co., Ltd. SCGP's annual net profit in 2020 was Baht 6,457 million, or a 23% increase as compared to 2019. This came from our focus on offering a variety of products, services, and solutions and our ongoing cost management.



IPO success to accelerate the journey of growth

SCGP commenced trading its shares on the Stock Exchange of Thailand on October 22, 2020 with an initial market capitalisation of approximately Baht 150,000 million (at IPO price) and received about Baht 40,092 million from fundraising. These will be used for business expansion, financial restructuring and working capital. This is an important step for us to increase our growth potential, strengthen financial position to accelerate future business expansion.

Collaborating with partners to expand our packaging business to support ASEAN demand

SCGP is expanding its business and strengthening its potential to be the leader in packaging solutions in ASEAN. With its experience, expertise and collaboration with partners in different countries, SCGP pursues organic growth, such as in increasing of sales and expanding production capacity, as well as inorganic growth through merger and partnership (M&P) to create synergies with its partners. SCGP has been expanding its production capacity in four strategic countries, with a total investment of over Baht 8,200 million. In the third quarter, SCGP commenced an additional 84 million square meters of flexible packaging per year in Tin Thanh Packing Joint Stock Company (BATICO), Vietnam. In the last quarter, SCGP acquired 94.1% shareholding in Bien Hoa Packaging Joint Stock Company (SOVI), a leading manufacturer of fiber-based packaging and a listed company on the Vietnam Stock Exchange. This helps SCGP to expand in the consumer market, which is likely to grow well. In addition, in January 2021, SCGP acquired the entire stake of Go-Pak UK Limited (Go-Pak), a leading provider of foodservice products in the UK, Europe and North America which has a production base in the south of Vietnam. In the Philippines, Rengo Co., Ltd. (Rengo) invested as joint venture partner in United Pulp and Paper Co., Inc. (UPPC), with a shareholding structure between SCGP and Rengo at 74.8% and 25.0%, respectively. These investments will strengthen SCGP's integrated packaging business in ASEAN.

Being an integral part of the daily lifestyle of customers and consumers by developing innovative products, services and solutions

SCGP focuses on working alongside with customers to help solve problems and respond to customer needs. We also strive to develop packaging solutions that are suitable for each and diverse customer through systematic work processes and professional teams with strong technical support. We have more than 500 account executives and customer service staff, 90 researchers and developers who are responsible for innovations, covering from upstream to downstream businesses, and more than 35 professional designers ready to serve customers with creativity. We also continuously invest in advanced machinery and technology to be able to produce packaging to meet consumer needs in different industries; making our packaging be a part of consumers' everyday life.

In 2020, SCGP opened the SCGP-Inspired Solutions Studio to enhance customer experiences. The studio introduced various packaging designs, solutions and innovations to allow SCGP to meet customers' multi-dimensional needs such as functionality, marketing needs, care for the environment, and added value to their products. SCGP successfully launched OptiSorb-X, an innovative packaging with high oxygen and moisture barrier properties in combination with oxygen absorption techniques. This helps to preserve finished product quality and extend shelf-life, which is suitable for bakery, processed meats, etc. There's also Odorlock packaging, which solves odour problem such as durian from spreading its odour to other products, allowing those products to be transported and sold together.

Driving the organisation with good governance principles, taking care of society and the environment for sustainable growth

SCGP takes exception care of its customers, develops its human capital, and maintains involvement of all its stakeholders. We commit to ESG (Environmental, Social, and Corporate Governance) by operating our business with adherence to good governance and sustainable development principles. We also focus on environmental protection throughout the production processes, and we adopt Circular Economy principles in business practice to minimize the use of resources. An example of this is the development of alternative environmental-friendly packaging for environmentally conscious customers and the use of renewable and recyclable resources.

SCGP also looks after society while preserving the environment. For example, we ran a waste management project in the Banpong District for the second consecutive year. The project enabled 41 communities within the Banpong district to reduce their amounts of organic waste by more than 40%. The Banpong District is now a liveable community with a sustainable environment, being a model city for waste management for other areas. SCGP also collaborated with more than 60 partners, such as Tesco Lotus, Thai Post, Sansiri, Property Perfect etc. in a recycling campaign and promote to consumers. The group installed more than 380 paper-recycle drop points throughout Thailand.

The Board of Directors would like to express our gratitude all shareholders and other relevant parties who have always trusted and supported the Company. We would like to assure that the Company will continuously deliver business success with a good governance practice, and sustain its packaging solution leadership in the ASEAN region. SCGP will continue to embed the Circular Economy principles to enhance operational processes throughout the value chain, which is an important foundation for strengthening the business and enabling it to grow sustainably.

Bangkok, January 26, 2021



(Mr. Prasarn Trairatvorakul)
Chairman



(Mr. Wichan Jitpukdee)
Chief Executive Officer

Audit Committee's Report

The Board of Directors has appointed the Audit Committee on June 21, 2019 to independently perform its duties in accordance with the scope of duties as prescribed in the Audit Committee Charter, which has been reviewed in accordance with the current situation and approved by the Board of Directors annually. In 2020, the Audit Committee emphasizes on the application of digital technology in auditing, supervision, strategy formulation, performance and monitoring the results.

In 2020, the Audit Committee convened a total of eight meetings accounted for 100% attendance rate of all members. In order to comply with the principles of good governance, the annual year-end performance assessment of the Audit Committee as a whole and self-assessment were conducted in the assessment areas namely the structure and qualifications of the committee, the roles and responsibilities, the performance of duties and meeting, general opinions, the performance of the Audit Committee's secretary, and the performance of the Internal Audit Office, which the results were satisfactory. The Committee's key activities could be summarized as follows:

1. **Review of Financial Statements** The Audit Committee reviewed material information in the quarterly and 2020 annual financial statements of SCG Packaging Public Company Limited (or "SCGP") as well as the consolidated financial statements of SCGP and its subsidiaries, which were prepared in accordance with the Thai Financial Reporting Standards (TFRS) and in conformance to the International Financial Reporting Standards (IFRS). The Committee reviewed material issues and special items and obtained sufficient clarification from the external auditors, the Executives, and the Director of the Internal Audit Office to confirm that the financial statements and the disclosure of the notes to the financial statements were in compliance with the relevant laws and financial reporting standards. The Audit Committee, then, endorsed the financial statements, reviewed and audited by the external auditors without reservation.

   In addition, the Committee held a meeting with the external auditors without the Management so as to freely discuss the acquisition and review of material information involved in the preparation of the financial statements, the disclosure of information in accordance with relevant financial reporting standards for the benefits of the user of financial statements, Key Audit Matters, any suspicious information indicating potential fraud according to Section 89/25 of the Securities and Exchange Act B.E. 2535, as amended by the Securities and Exchange Act (No.4) B.E. 2551.) In 2020, the external auditors made no remarks and indicated no suspicious circumstances.

2. **Review of Connected Transactions or Potential Conflicts of Interest** The Audit Committee outlined the scope of connected transactions and reviewed connected transactions and other transactions that may lead to conflict of interest. The results suggested that SCGP's transactions are in line with the policies of connected transaction and the outlined scope, of which had been timely disclosed to the Stock Exchange of Thailand.

3. **Review of Good Corporate Governance** SCGP aimed to operate its businesses with strict adherence to Sustainable Development and Corporate Governance principles with reference to international standards including the Organization for Economic Co-operation and Development (OECD), Thailand Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), and Thai Institute of Directors Association (IOD). The Audit Committee reviewed the efficiency and effectiveness of the policies and corporate governance policies and

concluded that the Directors, the Management, and all employees had strictly complied with the policy, by having the Board of Directors and the Management as the role models. All employees passed the Ethics e-testing, implemented for the sixth consecutive year.

In 2020, SCGP announced its intention to join Thailand's Private Sector Collective Action Coalition Against Corruption Council (CAC) to cultivate the implementation of the anti-corruption policy, and extended the application of SCG Packaging Supplier Code of Conduct to be used a business guideline, with a goal to encourage its suppliers to be good citizens in parallel with the integrating social and environmental commitments into corporate governance beyond legal and regulatory requirements.

4. **Review of Risk Management Assessment System** The Audit Committee reviewed the efficiency and effectiveness of the risk management process and assigned SCGP Risk Management Committee to roll out the structures, core working team, policies, strategies, risk management frameworks, and risk management plans, in addition to the review of risk profile and risk management monitoring throughout the organization. The Planning and Risk Management Office is responsible for compiling risks and risk management reports in the form of Risk Dashboard, underlining Emerging Risk such as regulatory prohibitions or restrictions on import of recycled wastepaper, which are more strictly imposed in many countries, environmental pollution caused by plastics and plastic waste, and cyber security, etc., all of which are considered risks of significance and were likely to materialize in the future. The Risk Management Committee has formulated risk management measures by developing medium-term plans and annual plans as well as taking investment projects.

5. **Review of Internal Control System** The Audit Committee reviewed the results of internal control assessment for both operational and information technology systems as part of the duties stipulated in the Charter of Internal Audit Office, as well as the results of internal control adequacy assessment of the Securities and Exchange Commission (SEC) and concluded that SCGP's internal control was sufficient for its business operations. This corresponded with the external auditor's opinion that there was no material deficiency that might impact the Company's financial statements. The Management emphasizes on raising awareness to continuously promote morality, ethics, code of conduct, and anti-corruption to its employees by developing a preventive system (Proactive and Preventive System), consisting of Ethics e-Testing and e-Policy e-Testing, risk management and good control practices in accordance with the "Three Lines Model", as well as on communicating case studies related to fraud and non-compliance with laws, the Company's regulations, policies, and code of conduct to employees. Workshops were also organized for different business units, using case studies based on the materiality findings to create a better understanding of risks, impacts and key internal controls of each operating procedures among person in charge at all levels. to further enable them to adopt appropriate tools.

In addition, the control self-assessment tools have been appropriately adopted in accordance with the level of business readiness, both domestic and overseas, and in compliance with relevant laws and regulations. To further mitigate risks for overseas companies, the Company fostered awareness on governance, risk management, compliance with laws and regulations, and controls. In addition, the Internal Audit Office, in collaboration with business units (First Line), continued to introduce more Data Analytics to its report preparation process in order for businesses to supervise work in their responsibilities and for auditors to use in the auditing process.

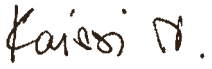
6. **Internal Audit** The Audit Committee conducted an annual review of the Audit Committee Charter and the Internal Audit Office Charter. In 2020, the Internal Audit Office scrutinized, both operational and information technology systems for 54 projects in total. The findings concluded that there were no material issue concerns. The Internal Audit Office reviewed and adjusted auditing strategies in response to COVID-19 pandemic and risks in the New Normal era by using Machine Learning (ML), Robotics Process Automation (RPA), Data Analytics (DA), to analyze risk with more efficiency, lessening number of necessary fieldworks, and outsourcing the external auditing firms in the countries where the Internal Audit Office was unable to perform due to lockdown situation and lack of local staff. Awareness was raised in respect of governance, risk management, operational supervision and internal control on cyber security. An online seminar and workshops were conducted on Data Science to

enable auditors to write preliminary programs, while organizing also a hackathon activity for the second year. Continuous efforts were made to promote the implementation of the Three Lines Model, in which the High-Level First Line were encouraged to take key roles and serve as role models for employees, and to communicate and provide guidance to their subordinates for collaborative risk assessment, internal control identification, and performance monitoring for SCGP's current work system, new systems, new businesses, or new information technology systems. Furthermore, the Internal Audit Office also trained the auditors to assess the effectiveness and efficiency of governance. risk management, compliance with laws and regulations, internal controls of SCGP's subsidiaries in both domestic and overseas, as well as increasing skills in digital technology to analyze auditing data by themselves.

7. **Review of Complaints and Whistleblowing Investigation** SCGP has established the system for complaints filing and clues reporting for employees and external parties, through which they could file complaints via www.scgpackaging.com in addition to the existing channels of making report by verbal communication or submitting report by e-mail to the Directors, the Audit Committee, the Internal Audit Office, and the Corporate Secretary Office. In 2020, a total of 10 cases involving non-compliance with laws, the Company's regulations, Anti-Corruption Policy, Corporate Governance Policy, SCGP's Four Core Values, SCGP Code of Conduct or SCGP Supplier Code of Conduct were filed through SCGP Whistleblowing System for external parties and employees. 11 cases were fully investigated (including 1 complaint case from the year 2019), comprising 1 cases of non-compliance with the Company's regulations. None was related to non-compliance with Anti-corruption policy, Anti-trust policy, and Human Right Policy. The damages were non-materiality. Finding from the investigation were taken into consideration for determination of future procedure and preventive guideline. In addition, the Audit Committee reviewed the measures and established guidelines to prevent corruption and fraud that may occur in different business process and system, also review fraud investigation and risk assessment that are relevant to ongoing business conditions.

8. **Appointment of the External Auditors and Review of the Audit Fees for 2021** KPMG Phoomchai Audit Ltd. has been selected and appointed as the external auditor of the Company and its subsidiaries. Based on qualifications as independent auditors, professional knowledge and expertise, including experience in auditing and ability to share knowledge related to SCGP's businesses in addition to auditing, the Audit Committee recommended the Board of Directors to consider and seek approval at the Shareholders' Meeting for the appointment of Mr. Wairoj Jindamaneepitak, Certified Public Accountant Registration No. 3565; or Ms. Thanyalux Keadkaew, Certified Public Accountant Registration No. 8179; or Ms. Dusanee Yimsuwan, Certified Public Accountant Registration No. 10235 of KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2021.

On behalf of the Audit Committee



(Mrs. Kaisri Nuengsigkapian)
Chairman of the Audit Committee

Corporate Governance and Nomination Committee Report

> The Board of Directors appointed and assigned the Corporate Governance and Nomination Committee to assist the Board by recommending corporate governance policies and guidelines, considering Board's structure and composition and qualifications of members of the Board, as well as nominating qualified candidates to be elected as members of the Board.

In 2020, the Corporate Governance and Nomination Committee convened a total of five meetings, with an attendance record of 100%. The significant duties performed by the Committee, which were in line with its scope of responsibilities defined in the Corporate Governance and Nomination Committee Charter, in 2020 can be summarized as follows:

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

In 2020, the Board of Directors, as recommended by the Corporate Governance and Nomination Committee, resolved to review SCGP's corporate governance policies and practices, and impose additional policies apart from those prepared for the initial public offering (IPO) and the listing of SCGP common shares in the Stock Exchange of Thailand and in an effort to foster awareness and promote adherence to SCGP Corporate Governance Principles and Code of Conduct among the directors, executives and employees. Relevant initiatives included the following:

- Reviewed the implementation of 2017 Corporate Governance Code for Listed Companies (CG Code), issued by the Securities and Exchange Commission (SEC), as deemed fit to SCGP's business and enhance SCGP's sustainable value. The major outcomes included the revising of the Charter of the Board of Directors in order to enrich the effectiveness of the Board's performances, such as the Board's accessibility to essential information, the term of office of independent directors, and the governance pertaining to the Board of Directors meetings.
- Reviewed all charters of the Sub-committees, Core Values, Code of Conduct, SCGP's corporate governance structure, scope of duties and responsibilities of Chief Executive Officer as well as corporate policies, measures and guidelines to support business strategies and changes in laws and regulations by serving as the guidance for the directors, executives, and employees to conduct business and management in adherence to fairness and transparency, generate returns and create long-term value for shareholders, foster confidence and trust in all stakeholders, and enhance SCGP's competitiveness in a sustainable fashion. These have been compiled in the Corporate Governance Handbook, which is regularly reviewed and updated to ensure the validity. The policies approved by the Board of Directors are published on SCGP's website.

2. Review of the structure and composition of the Board of Directors and qualifications of directors

To ensure that the Board of Directors' structure constitutes an adequate size, composition, and proportion of independent directors to lead the organization to attain its objectives and achieve its goals, the Board of Directors, as advised by the Corporate Governance and Nomination Committee, resolved that having two additional directors, from ten in 2019 to twelve, would be fruitful and enhance the Board effectiveness. To add qualified board members having knowledge, expertise, and long experience in trading business, especially in consumer business with the skill in Know Your Client (KYC), as well as managing large organization and

international business helps support the business operation and expansion.

Moreover, the Corporate Governance and Nomination Committee had determined the policy on qualifications and nomination of SCGP's directors as well as identified the required qualifications, knowledge, expertise, and specific experience of members of the Board of Directors (Board Skills Matrix), which included the core qualifications and diversity of knowledge, expertise, and specific experience; all aimed to meet the required composition of the Board of Directors. The Corporate Governance and Nomination Committee initiated the performance assessment of the Board of Directors, Sub-committees, and Chairman of the Board in 2020, the results of which would be used to improve their respective performances.

3. Nomination of qualified candidates to replace the directors due to retire by rotation in 2021

To promote the participation of shareholders in the director nomination process, the Board of Directors, as proposed by the Corporate Governance and Nomination Committee, resolved to grant, for the first time, the minority shareholders the right to nominate candidates for the directors ahead of the 2021 Annual General Meeting of Shareholders, during the period of August 3 to November 3, 2020. The criteria, procedures, qualifications, and prohibited characteristics of the nominated candidates were disclosed to the shareholders to make the recruiting and selecting process more transparency.

On behalf of the Corporate Governance and Nomination Committee



(Mr. Chalee Chantanayingyong)
Chairman of the Corporate Governance and Nomination Committee

Remuneration Committee's Report

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

In 2020, the Remuneration Committee convened four meetings, with 100% attendance rate of the committee members attended. The Committee performed its primary role in considering the remuneration of the Board of Directors and Sub-committees, taking into account their duties and responsibilities, before proposing the approach to the Board of Directors and shareholders for approval. The Committee also considered the remuneration of the Company's CEO and top executives, in relative to performance and the operating performance, inclusive of the maintaining of leading remuneration rate in the industry and the creation of incentives for top executives to continue to perform their duties for the progress of the Company.

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

On behalf of the Remuneration Committee



(Mr. Chumpol NaLamlieng)
Chairman of the Remuneration Committee


BIO

Operating Results in 2020



Operating Results

SCGP continues to grow steadily by working closely with its customers despite the economic recession during the COVID-19 pandemic and the measures that have been adopted by governments. SCGP has created new packaging solutions to meet changing consumer needs and to protect the health of customers, business partners and employees. SCGP also ensures that its supply chain management guarantees business continuity. Lastly, SCGP strives to be a leading regional packaging solutions provider with its expanded production capacity, and Merger and Partnership.

In 2020, SCGP's total revenue from sales amounted to Baht 92,786 million, an increase of 4% when compared to the previous year. This was due to the ongoing growth in demand for essential daily products and consolidation of PT Fajar Surya Wisesa Tbk. and Visy Packaging (Thailand) Limited's operating results. EBITDA was Baht 16,876 million, an increase of 11% when compared to the previous year. By focusing on offering a wide range of products, services and solutions, as well as ongoing cost management, the net profit in 2020 was Baht 6,457 million, an increase of 23% compared to the previous year.



> **Integrated Packaging Chain:** In 2020, sales revenue from the Integrated Packaging Chain was Baht 79,175 million, an increase of 10% from the previous year. EBITDA was Baht 15,789 million, increased 14% from the previous year, mainly due to domestic and international business expansion, the continuous demand growth for consumer goods despite the economic slowdown, and SCGP's comprehensive packaging solutions strategy that serves diverse customer groups and industries.

Revenue from sales
Baht Million
79,175
increasing ▲ 10%
from the previous year

EBITDA
Baht Million
15,789
increasing ▲ 14%
from the previous year

> **Fibrous Chain:** Sales revenue from the Fibrous Chain was Baht 15,488 million, a decrease of 18% from the previous year. EBITDA was Baht 1,027 million, a decrease of 15% from last year, mainly due to a shrinking demand for pulp, printing and writing paper as a result of lockdown measures, schools and offices closure, and work from home policy.

Revenue from sales
Baht Million
15,448
decreasing ▼ 18%
from the previous year

EBITDA
Baht Million
1,027
decreasing ▼ 15%
from the previous year

Business Challenges

SCGP has faced challenges from the economic recession in ASEAN and across the world in the wake of the COVID-19 pandemic, resulting in a year-on-year decline of demand for durable goods, especially electronics and electrical appliances and automotive, as well as printing & writing paper. However, demand from the consumer goods segment, particularly food and beverages, healthcare as well as E-commerce have witnessed stronger growth, thanks to consumers growing health conscious and shift in consumer behavior to online shopping.



Business Growth and Investment



- Commenced trading on the Stock Exchange of Thailand (SET) on October 22, 2020, with a Market Capitalization Value of approximately Baht 150,000 million (at the IPO offering price). It is also listed in the SET 50 index from the IPO (including over-allotment shares) of approximately Baht 40,092 million for investment and expansion – both domestic and overseas, capital restructuring, and working capital.

- Entered into a partnership with Rengo Co., Ltd. (Rengo) in United Pulp and Paper Co., Inc. (UPPC), the Philippines. The shareholding ratios of SCGP and Rengo are at 74.8% and 25.0%, respectively. This will strengthen SCGP's integrated packaging chain in the ASEAN region.

- Expanded downstream business and its customer base in the consumer goods sector. A merger & partnership was carried out through cooperation with its business partner, Bien Hoa Packaging Joint Stock Company (SOVI), a leading fiber-based packaging company in Vietnam. It has also expanded its packaging capacity of Performance and Polymer Packaging from Tin Thanh Packing Joint Stock Company (BATICO) in Vietnam. In addition, it has signed a share purchase agreement to acquire a 100% stake in Go-Pak UK Ltd. (Go-Pak), which the transaction has been concluded in January 2021.

Human Resource Development





- Focused on the Organizational Capabilities that meets business needs, the company that has designed a platform to develop People Capabilities with a variety of learning activities. This will allow staff to work effectively by applying the knowledge and skills they have acquired. Learning methods include self-learning, coaching at work, as well as learning through digital platforms with up-to-date content and approaches are designed in accordance to the business, organizational and individual goals.

- Encouraged continuous Self Development among employees and enhance Leadership Development through collaborative learning, the promotion of Leader's mindset and behavior which will foster the organizational culture. It also encompasses developing teams' knowledge and capacity (People Development), driving collaboration, encouraging adaptability and readiness when faced with rapidly changing circumstances.

- Created Succession Plan for future transition between generations of SCGP management. The talent group is evaluated annually to see whether their characteristics, knowledge and capabilities align with the Company's Organizational Capabilities in the future. In addition, SCGP will support the talent group's career path and employee development through different learning opportunities – both for professional development (Functional) and leadership development (Transformative Leadership). This will prepare employees to support SCGP's business expansion, especially overseas, and rise to the rank of future leaders.

Product, Service and Solution Development



- Developed R-1 flexible packaging, which consists of multi-layer mono material, offers excellent durability and product protection. It can be recycled into good quality plastic pellets and other materials for reuse in the production process.

- Developed OptiSorb-X packaging that provides an exceptional barrier against oxygen and moisture. Along with the oxygen absorbent feature, the sealed package preserves the processed food and extend shelf life.

- Developed Odorlock packaging that controls permeation of the odor, prevent the stinking on nearby product; for instance, this packaging allows durian to be transported and displayed on the same shelf to other products.



"The demand for consumer related goods, including food and beverage and healthcare products, continued to increase, alongside E-commerce market growth"

- Invented the Detect Odor & Monitoring (DOM) system: an innovation to detect and assess odor, and continuously monitor gas and air pollution. Also, the detection results will be used together with climate projection. The DOM system displays results on an easily accessible website and has a risk alert function. In addition, a machine learning technique is used to create an odor identification database, allowing for more accurate and faster analysis in the future.



- Developed innovative Nanocellulose material for the production of Fortified fiber for stronger paper products. This also reduces paper's weight while maintaining its strength. The increased use of self-produced short fibers will also reduce the amount of imported long fiber. The Company's packaging can also protect products so that they reach customers in perfect condition – without being damaged during transportation. This presents an opportunity to expand and develop the business's other paper and packaging processes. Lastly, using this innovation allows the company to follow Circular Economy principles.

- Developed the Angel-Maintenance system to manage the plant more efficiently. It also processes data to plan, forecast, manage and organize resources more effectively. In addition, it offers tracking and working systems that shorten the staff's working duration. It also assists with maintenance needs so that machines are kept up to standard, and creates maintenance processes that can be developed as part of a comprehensive system. Lastly, it improves operations by reducing maintenance downtime by 5% and increasing machine reliability.





- Established the SCGP-Inspired Solutions Studio to offer wide range of opportunities for customers and interested parties, to experience and explore its solutions, including different packaging designs and innovations that meet various customers' needs such as functionality, market demands, and environmental concern, and ways to add value to their products.



Business Operations Following Sustainable Development Principles

Industrial Waste Management

- SCGP continues to manage industrial waste based on the 3R strategy (Reduce, Reuse, Recycle) and Circular Economy principle by improving its production processes. SCGP is also researching and developing innovations that will enable the efficient use of raw materials. It focuses on recycling materials and waste throughout the supply chain; recycled raw materials and alternative fuels are used in the production process or are transformed into value added products. To that end, materials are either recycled and reuse across the supply chain or processed into value-added products to reduce natural resources consumption.

Integrated Water Management

- SCGP has continuously attending the Water Trend Monitoring and Analysis Subcommittee meeting, along with the participation of the Royal Irrigation Department and other relevant agencies such as the Office of National Water Resources, the Hydro and Agro Informatics Institute (Public Organization), the Electricity Generating Authority of Thailand and the Regional Irrigation Offices 1-17. These departments cover different regions across the country and are united to analyze the water data from different areas every two weeks. Also, SCGP's Business Continuity Management team monitors the water situation in every area where plants are located, to establish measures that will prevent water shortages at plants.

- SCGP reuses treated wastewater through its improved, modern and highly efficient technology wastewater treatment system. It enhances the quality of treated water so that it can be used for other purposes, such as cleaning machines and floor, watering plants, and etc. In 2020, a project to reuse treated wastewater was launched, and it reduced water consumption by an additional of 8.9 million cubic meters per year.

Reducing PM2.5 Through Purchases of Sugar Cane Leaves and Rice Straw

- SCGP collaborated with the Thai Chamber of Commerce and the Board of Trade of Thailand to purchase sugar cane leaves from sugar cane agriculturalists. These sugar cane leaves were used as a renewable energy source for boilers with electrostatic precipitators, which are efficient dust collectors. Using this type of renewable energy helps reduce pollution issue from agricultural burning and greenhouse gas emissions from coal. It also provides income for Thai farmers, ensuring a cost-effective use of resources in accordance with Circular Economy principles. SCGP has been purchasing sugar cane leaves and rice straw from the Sugar Cane Farmers' Association, Region 7 since the end of 2020. The raw material bought from The Sugar Cane Farmer's Association, Region 7; consisted of Kanchanaburi, Ratchaburi, Suphanburi and Phetchaburi, were generated as an alternative fuel source in power plants to reduce greenhouse gas emissions from coal by approximately 3,000 tCO_2/year. Moreover, SCGP improved the system of preparing and feeding sugar cane leaves into the incinerator to generate steam and electricity. SCGP's target purchase amount for sugar cane leaves and rice straw is 10,000 rai.

Natural Climate Solutions (NCS)

- SCGP launched a nature conservation project to plant forests in plant and non-plant areas in various provinces, including Kamphaeng Phet, Khon Kaen, Kanchanaburi, Ratchaburi and Prachinburi. In total, 74,097 trees were planted. Also, SCGP cooperated with local communities to restore watershed forests by building 687 check dams.

Climate Change Risk Management

- SCGP reduced 5.3% energy consumption and 12.8% greenhouse gas emissions compared to BAU at base year of 2007 by improving energy efficiency in the production process, increasing the portion of renewable and alternative energy, and restoring forests in both company and community forest areas to increase natural carbon dioxide retention.



Social and Environmental Activities





- **Ban Pong Model:** SCGP and Ban Pong District, Ratchaburi Province, worked together to promote the Circular Economy, as well as developed and expanded solid waste management to support Ban Pong's Circular Community Model for the second year. This project aims to cut the community's waste by 40%. As a result of this initiative in 2020, 41 communities are participated in the waste management model; intriguing individual's interest in waste management.

- **"Conserving Water from Mountain to Mighty River" Project:** SCGP celebrated the royal birthday of His Majesty King Phra Vajiraklaochaoyuhua on July 28, 2020, with the 9th Infantry Division joined the Royal Water Management Initiative in building 268 check dams in Baan Mai Huai Nam Khao, Ban Kao Subdistrict, Mueang District, Kanchanaburi Province. This activity aimed to bring atmospheric moisture back to forests, improve ecological conditions and maintain ecological balance. Moreover, this activity aimed to generate more income for the community and raise people's awareness of the importance of water and forests and will work together to conserve natural resources.





- **Tree Planting in Honor of His Majesty the King Project:** SCGP, together with the government agencies and communities, organized an activity called 'Trees Planting in Honor of His Majesty the King to Reduce Global Warming' on the auspicious occasion of His Majesty King's 68th Birthday. This project aimed to promote community tree planting throughout 2020. In total, 37,828 trees were planted.

- **"Sang Boon" Merit-making classroom towards food security project:** SCGP organized a merit-making classroom towards food security project to provide planting techniques and improve the harvest crops. Techniques include growing on drought tolerant crops, using special pest prevention methods, growing a wide variety of crops (instead of monoculture farming) to maintain soil fertility, making seed capsules, and etc. This classroom project aims to provide communities with knowledge and techniques on growing vegetables to ensure a reliable food source for their families, as well as a main or secondary source of income, and solve community issue for a sustainable quality of life.

- **The '3-in-1 Paper Desk' Project:** provides Thai youth with opportunities for sustainability: The World Vision Foundation of Thailand and SCGP have worked together to design and manufacture 3-in-1 paper desks that are made from lightweight recycled paper. These paper desks are strong, durable and easy to transport to rural areas. They are produced from biodegradable materials and are entirely recyclable. Also, these desks do not cause waste that pollutes the environment. They can be used as desks to sit, write and read at, and store items and school supplies. Moreover, they can be folded into a bag to take books back and forth between home and school. This project also aims to provide children with appropriate desks to help them avoid incorrect ergonomic sitting postures – which can affect their long-term health.

- **'reBOX – Transforming Boxes/Envelopes into 2021 New Year Gifts' project:** SCGP and Thai Post collect and put all types of parcel boxes and unused paper envelopes through SCGP processing to make tables, chairs and school supplies. These recycled products total 224 sets will be delivered as 2021 New Year gift to students at the Border Patrol Police School. This pilot project will help recycle paper and add value to parcel boxes.

- SCGP has partnered with more than 60 partners such as Tesco Lotus, Thai Post, Sansiri Property Perfect, etc. to launch a campaign that encourages people to recycle packaging. There are more than 380 collection points throughout Thailand where people can bring waste paper and used cardboard boxes to be recycled.

- SCGP provided packaging for medical equipment, food and beverages for various sectors to help communities during the COVID-19 pandemic.



Awards and Achievement in 2020

- SCG Packaging Public Company Limited and Thai Containers Group Co., Ltd. received awards as following:
  - WorldStar Packaging Award 2020 awarded by World Packaging Organization (WPO) in 3 Awards;
    - > 1 Award of Point of Sale Reward
    - > 2 Awards of Luxury Packaging Reward



- ThaiStar Packaging Awards 2020 from the Department of Industrial Promotion, Ministry of Industry in 10 Awards;
  - > 4 Awards of Point of Purchase Reward
  - > 4 Awards of Consumer Packaging Reward
  - > 1 Award of Eco Packaging Reward
  - > 1 Award of Transport Packaging Reward



- SCG Packaging Public Company Limited received the National Innovation Award for Product & Service Design 2020 for the Detect Odor and Monitoring (DOM) system from the National Innovation Agency.

- SCG Packaging Public Company Limited received the Best IPO Retail Investors Award at the Alpha SEA's Best Deal & Solutions Awards 2020 from Alpha Southeast Asia, the leading magazine for institutional investment, banking and capital markets in Southeast Asia.

- Siam Kraft Industry Co., Ltd., Ban Pong plant received the Green Industry Level 4 certificate from the Ministry of Industry.

- Dyna Packs Co., Ltd. received the Outstanding Model Establishment Award for Occupational Safety, Health and Work Environment 2020 (Gold Level) from the Ministry of Labor.

- Thai Containers Group Co., Ltd., Songkhla plant received the Outstanding Workplace Award for Safety, Occupational Health and Environment 2020 from Department of Labor Protection and Welfare, Ministry of Labor.

- Thai Containers Group Co., Ltd., Nava Nakorn Plant, Prachinburi Plant, Saraburi Plant, Kamphaeng Phet Plant, Samut Prakan Plant, Songkhla Plant, Pathum Thani Plant and Chonburi Plant, Thai Containers Khonkaen Co., Ltd., Dyna Packs Co., Ltd., Thai Cane Paper Public Company Limited, Prachinburi plant, and Phoenix Pulp & Paper Public Company Limited received the Outstanding Establishment Award for Labor Relations and Welfare from the Department of Labor Protection and Welfare, Ministry of Labor.



- Siam Kraft Industry Co., Ltd., Banpong Plant and Wangsala Plant, and Thai Cane Paper Public Company Limited, Kanchanaburi Plant and Prachinburi Plant received the CSR-DIW Continuous Award 2020 from the Ministry of Industry.

- Siam Kraft Industry Co., Ltd., Ban Pong Plant and Wangsala Plant received the Prime Minister's Industry Award 2020 for their outstanding achievement in corporate social responsibility. Also, Siam Kraft Industry Co., Ltd., Wangsala Plant won an award in the Energy Management category from the Ministry of Industry.

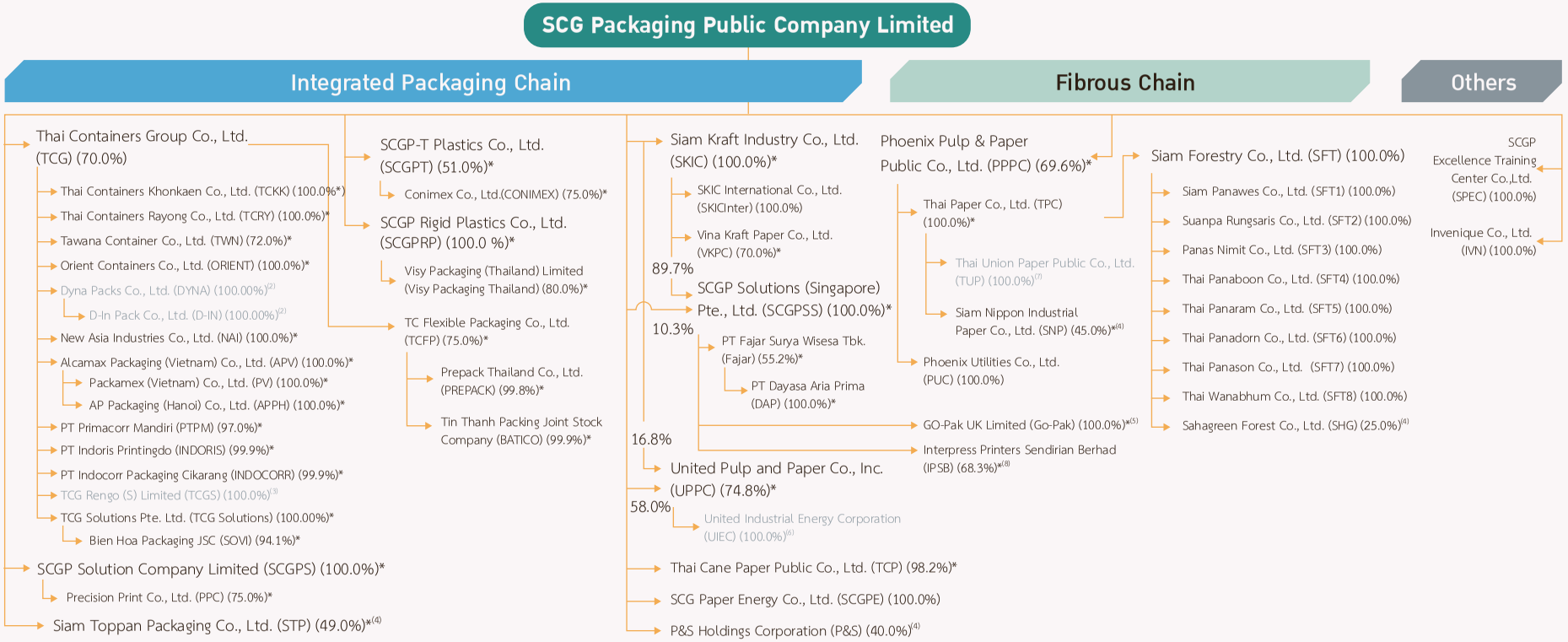
- Thai Cane Paper Public Company Limited received the Kincentric Best Employer Awards 2020 or Best Employer of Thailand 2020. This award has been running for more than 20 years. Contenders are judged based on factors that affect sustainability, such as employee opinion surveys, the organization's human resource management processes, the CEO's perspective on the organization's sustainability policy, including the consistency and coherence of the overall policy.



PACKAGING
IN EVERYDAY LIFE

Shareholding Structure as at December 31, 2020

As at December 31, 2020, the Company holds shares in 52 subsidiaries[1] and 4 associated companies. The operations are divided into two main businesses: Integrated Packaging Chain and Fibrous Chain, with detail of shareholding as follows:



Remarks: ** Companies that operate the main businesses*

(1) Excluding Go-Pak, which was completed in January 2021.

(2) DYNA and D-IN transferred the entire business to ORIENT on November 1, 2020 and registered the dissolution of the company with the Department of Business Development, Ministry of Commerce on December 22, 2020. It is currently in the process of liquidation.

(3) At the Board of Directors' meeting held on February 13, 2018, approval was given for TCGS to cease operations from mid-2018.

(4) Associated company.

(5) Completion of Go-Pak merger in January 2021.

(6) UIEC registered the termination of its business on April 24, 1997.

(7) TUP registered its dissolution with the Department of Business Development, Ministry of Commerce, on July 31, 2018 and is in the process of liquidation.

(8) SCGPSS has 68.3% of IPSB's total voting rights as some of the shares that SCGPSS holds in IPSB are net preferred shares with no voting rights.



Business Operations and Results

Business Policy and Operations

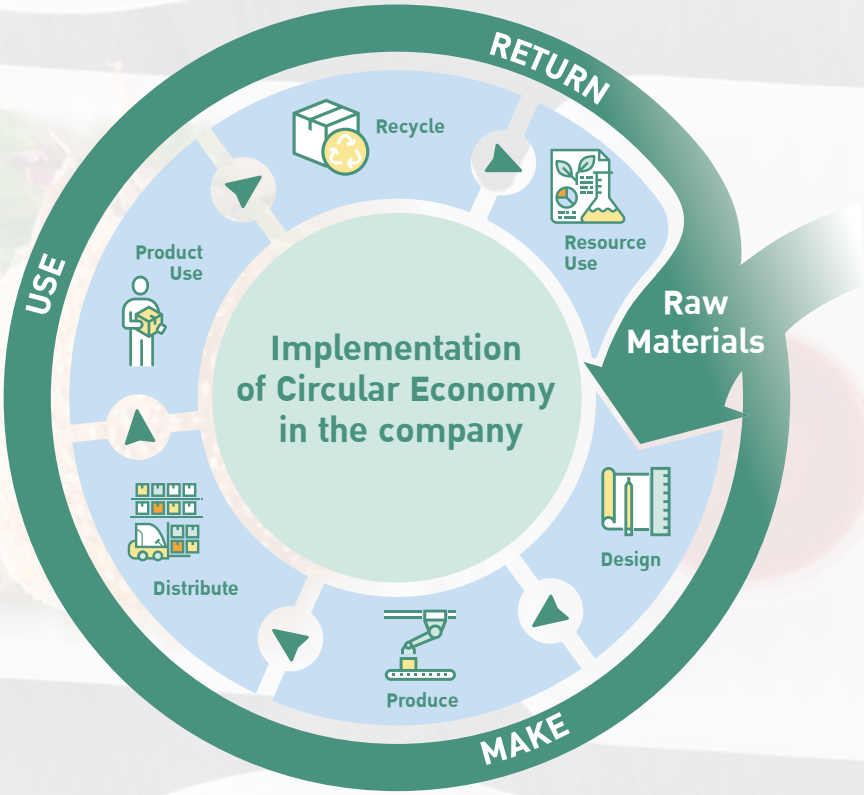
SCGP Vision, Objective, Mission and Strategy

SCG Packaging Public Company Limited (SCGP) believes in and follows the four core values of doing business: adherence to fairness, dedication to excellence, belief in the value of the individual, and concern for social responsibility. The SCGP's vision is **to be the leading regional packaging company offering solutions through innovative products and services and sustainable business practice.** The Company focuses on achieving the following mission:

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



The Circular Economy principle and sustainability is in line with the Company's core values and are at the heart of its vision and mission. The goal of the Circular Economy principle is to optimize the use of resources, raw materials and products and to preserve their value through the methodology of reuse, reduce and recycle. This is to solve problems linked to limited natural resources and waste issues. In addition, the Company uses this principle to create a business model that sustains the Company's competitiveness and supports its commitment in sustainable development. The principle is different from the more prevalent linear economy, in which raw materials are used to manufacture products without reusing or recycling, and there is also no principle that focuses on utilizing raw materials for maximum benefit.



Company's Business Strategy

SCGP believes that the following business strategy will help support its growth and future outlook.

(1) The Company intends to increase its exposure on sales to high-growth sectors, including food and beverage, consumer products, foodservice and E-commerce packaging sectors.

(2) The Company intends to replicate its successful business model overseas through further vertical integration to increase proximity to customers and customer engagement.

(3) The Company will continue to deploy its merger and partnership strategy to accelerate its growth strategy and extract operational synergies.

(4) The Company will continue to invest in product and solution innovation to anticipate and respond to the needs of its customers, differentiate its product and solution offerings from its competitors' and grow its presence further in attractive end-markets.

(5) The Company will continue to enhance its operations and supply chain efficiency through automation and digitalization.

(6) The Company will continue to pioneer the Circular Economy, sustainability and social responsibility in ASEAN and encourage other businesses to do the same.

Major Changes and Developments

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

Jan 2018 — *Acquired 68.3% of shares in IPSB, a leading food-grade packaging company in Malaysia.*

May 2019 — *Acquired an additional 19.9% of shares in INDOCORR, resulting in its total shareholding in INDOCORR increasing to 99.9%.*

Jun 2019 — *Acquired 55.0% of shares in Fajar, the Indonesian second-largest packaging paper manufacturer, in terms of sales volumes in 2018, according to Frost & Sullivan.*

Aug 2019 — *Acquired 80.0% of shares in Visy Packaging Thailand, Asia Pacific's leader in high-barrier rigid food packaging.*

Dec 2019 — *Increased the Company's registered capital by up to Baht 2,937 million from its original registered capital of Baht 1,563 million, to a new registered capital of up to Baht 4,500 million by issuing up to 2,937 million ordinary shares with a par value of Baht 1 per share for the purposes of distributing an interim stock dividend and for the initial public offering (IPO). As of December 6, 2019, the Company registered the increase in paid-up capital to Baht 3,126 million after the distribution of an interim stock dividend.*

Jan 2020 — *Entered into a partnership with Rengo in the Philippines through UPPC, with a shareholding proportion between the Company and Rengo in UPPC at 74.8% and 25.0% respectively, to increase the opportunity to expand its customer base in the Philippines.*

Oct 2020 — *Started trading on the Stock Exchange of Thailand on October 22, 2020 with a market capitalization value of approximately Baht 150,000 million (at the IPO offering price) and obtained approximately Baht 40,092 million from IPO fundraising (including over-allotment) for inancing both domestic and international expansion, financial restructuring, and working capital for the business.*

Dec 2020 — *Acquired 94.1% of shares in Bien Hoa Packaging JSC (SOVI), a leading manufacturer of Fiber-Based Packaging in Vietnam. The balance sheet consolidation of SOVI will be as at the end of 2020, while the financial performance will be consolidated from January 2021.*

Nov 2020 — *Signed a share purchase agreement to acquire 100% of shares in Go-Pak, one of the leading food packaging solution providers in the UK, Europe and North America, for which the Company received final regulatory approval from the relevant national authorities in January 2021. Go-Pak will be consolidated from January 2021.*



Utilization of Proceeds

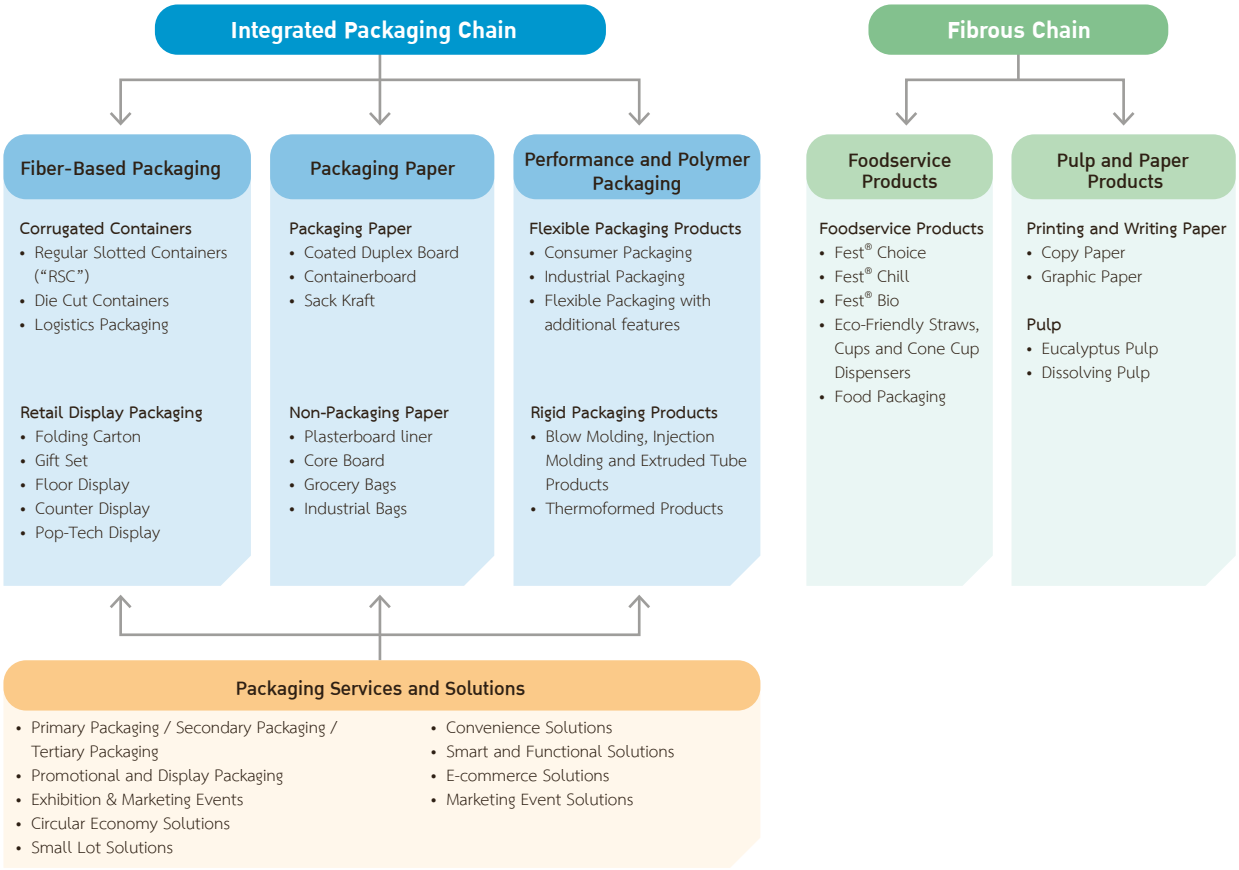
With respect to SCGP initial public offering (IPO) of 1,166,920,200 shares, comprising 1,127,550,000 newly issued ordinary shares in the IPO in combination with the over-allotment of 39,370,200 newly issued ordinary shares to over-allotment agent, at the selling price of Baht 35 per share, in which the Company received the net proceeds in the amount of Baht 40,092 million after deduction of expenses relating to IPO from the initial process of Baht 40,842 million. Up to the issuance date of this report, the Company has used proceeds from the share of Baht 16,957 million offering as follows:

Description	Amount and duration	Proceeds used until Dec 31, 2020	Details
1. For the finance of business expansion projects for organic growth or inorganic growth such as acquisitions and/or for maintenance	Baht 27,000 million (by 2023)	Baht 3,865 million	Spent the proceeds to purchase Bien Hoa Packaging Joint Stock Company, including investments in capacity expansion and on other maintenance needs.
2. For the repayment of loans from financial institutions (which may include the financial institutions having relationship with the financial advisor and/or the lead underwriter and/or the underwriters.)	Baht 13,000 million (by 2021)	Baht 13,000 million	Used to repay loans to financial institutions.
3. For the Company's working capital	Baht 92 million (by 2023)	Baht 92 million	Used as working capital in business operations.



Nature of Business

The Company's operations are organized into two main operating segments: Integrated Packaging Chain and Fibrous Chain.



- **Integrated Packaging Chain:** SCGP offers Fiber-Based Packaging, Packaging Paper, and PPP. For Fiber-Based Packaging, the Company produces and sells corrugated containers, retail display packaging, grocery and industrial bags. To complement already strong and responsive Fiber-Based Packaging offering to our customers and to serve customers' needs, the Company has been developing PPP business line since 2015, which produces flexible and rigid packaging that are, in particular, suitable to our customers that operate in the fast-moving consumer goods ("FMCG") industry such as food and consumer products. Currently, the Company has a comprehensive and diversified portfolio of more than 120,000 SKUs in Integrated Packaging Chain business to serve diversified end-markets. To complement integrated packaging offering, the design solutions department, SCGP-Inspired Solutions Studio, the comprehensive product design and development center, offering award-winning design services for packaging products, point-of-sale system, and other marketing and promotional events for customers.

- **Fibrous Chain:** SCGP offers Foodservice Products, pulp and paper products comprising mainly printing and writing paper, and pulp.

Revenue Structure

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

(Baht million except percentages)

	Year					
	2020	(%)	2019	(%)	2018	(%)
Integrated packaging chain						
Fiber-Based Packaging[1]	23,747	25.6	24,615	27.7	25,376	29.1
Packaging Paper[1]	48,293	52.0	41,725	46.8	38,135	43.7
Performance and Polymer Packaging[1]	6,863	7.4	5,285	5.9	4,723	5.4
Revenue from sales from Integrated Packaging Chain[2]	78,903	85.0	71,625	80.4	68,234	78.2
Fibrous chain						
Revenue from sales from Fibrous Chain[2]	13,883	15.0	17,445	19.6	19,021	21.8
Total revenue from sales	**92,786**	**100.0**	**89,070**	**100.0**	**87,255**	**100.0**

Remarks:

(1) Data is extracted from the Company's management accounts.

(2) Net of intersegment elimination.

Product Information

Product Characteristics

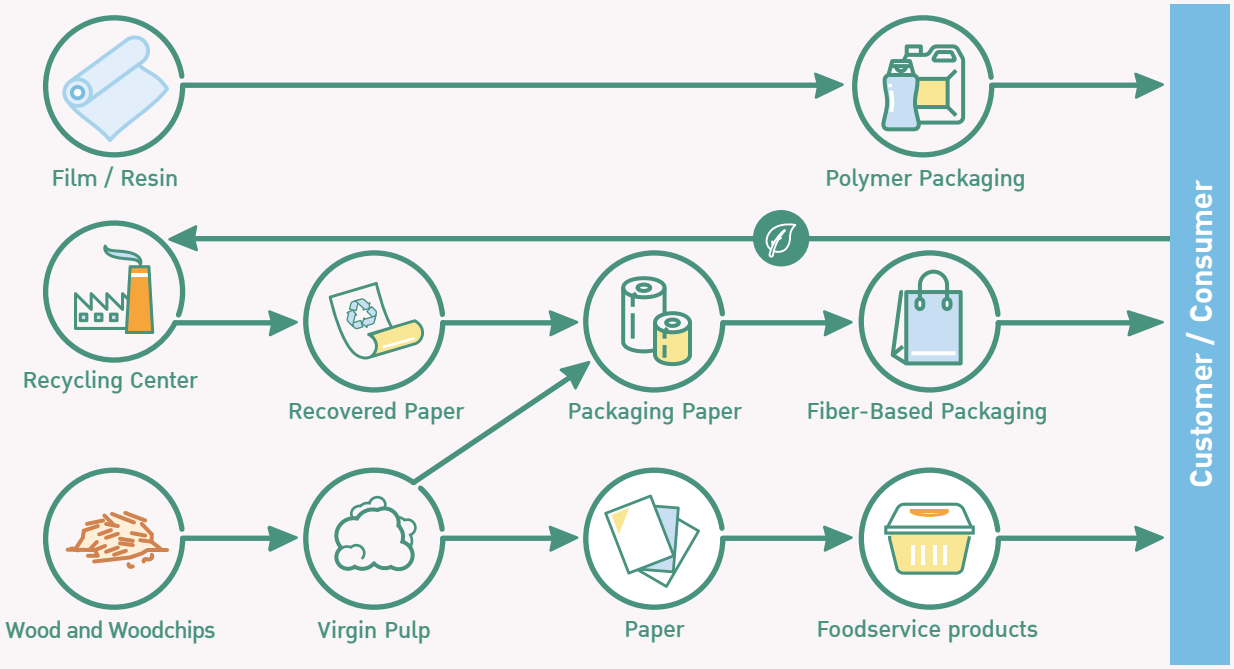
SCGP believes that its leading market position in the paper packaging market stems from its long operating history in ASEAN, understanding its customers' needs and competitive cost management capability achieved through economies of scale and its vertically integrated fiber-based packaging supply chain. In addition, the Company believes its leading market position stems from its relentless focus on innovation, the quality and diversity of its product and the efficiency of the manufacturing process; and its ability to expand to high growth markets through selective and accretive mergers and acquisitions, as well as contribute to maintaining its market leading position on a sustainable basis. The Company believes that packaging is a key component in its customers' supply chain because of the important role its comprehensive packaging solutions play in protecting, transporting, marketing and contributing to enhancing the brand of their products among consumers



while enabling speedy and high volume packaging productions across multiple geographies, especially in light of the increase in E-commerce in ASEAN.

SCGP focuses on all operations across the packaging value chain: from raw materials to upstream to downstream as well as its customers' products which are then delivered to consumers. The Company selects and uses high-quality materials, develops efficient production processes, manages time to delivery and serve customers' various needs including primary (for product packaging), secondary (display and branding) and tertiary (protection and logistics), which includes promotional and display packaging for marketing purposes, using a variety of substrates such as fiber-based or polymer-based materials. The Company also offers additional services which include design, printing and other innovative solutions that its customers may need. The control SCGP has over its fiber-based packaging supply chain uniquely positions the Company uniquely to serve its customers better through its proprietary knowhow and integration strategies. The diagram below illustrates the simplified value chain of the Company's integrated production process:

SCGP's products are divided into two main categories: products in the Integrated Packaging Chain and products in the Fibrous Chain.



Integrated Packaging Chain

Our Products

The Company' products fall into two main categories: Integrated Packaging Chain and Fibrous Chain.

Integrated Packaging Chain

Fiber-Based Packaging

SCGP manufactures and sells a wide range of Fiber-Based Packaging and other paper supplies, including Packaging Paper comprising corrugated containers, retail display packaging, and packaging solutions. The Fiber-Based Packaging business generates most of its revenues from corrugated containers. It can be divided into the following two main categories:



- **Corrugated Container**

The Company's corrugated containers are made of quality containerboard and have multiple users. In addition to shipping products and protecting them from damage, corrugated containers can bear the details of the products for the information of end-customers and can be designed to prevent the counterfeiting of products they contain. Due to their ability to withstand external impact, they are increasingly used for packing consumer goods and consumer electronics. Moreover, they play a fundamental role in the last-minute delivery logistics of the fast-growing E-commerce business.

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

- **Retail Display Packaging**

The Company's retail display packaging includes packaging to help display products at the point-of-purchase, packaging that can be placed directly on the shelves in retail stores (shelf-ready and retail-ready) and seasonal promotional packaging. These packaging products can serve as an extra layer of protection during shipping and as a marketing tool for branding and marketing campaigns. They can be placed directly on the retail shelves without having to unpack the product, are easy to install, and can help to increase space utilization and product visibility. The Company can modify the packaging design to meet the needs of each customer.



Packaging Paper

The Company's packaging paper products can be divided into two main categories: packaging paper and non-packaging paper. Apart from the main packaging paper products, the Company has laminated rolls, ream cut paper, slit rolls and special paper such as high-pressure laminate (HPL), evaporative cooling pads and pulp etc.



Performance and Polymer Packaging (PPP)

PPP products are used for goods that the Company's fiber-based packaging offerings may not already appropriately address, as it requires special properties such as direct food contact, packaging that can hold liquid content, or carry a secure seal. PPP products can be divided into two main types: rigid packaging and flexible packaging, in which most of the revenue are from flexible packaging. The details of each PPP product are as follows.

- **Flexible Packaging**

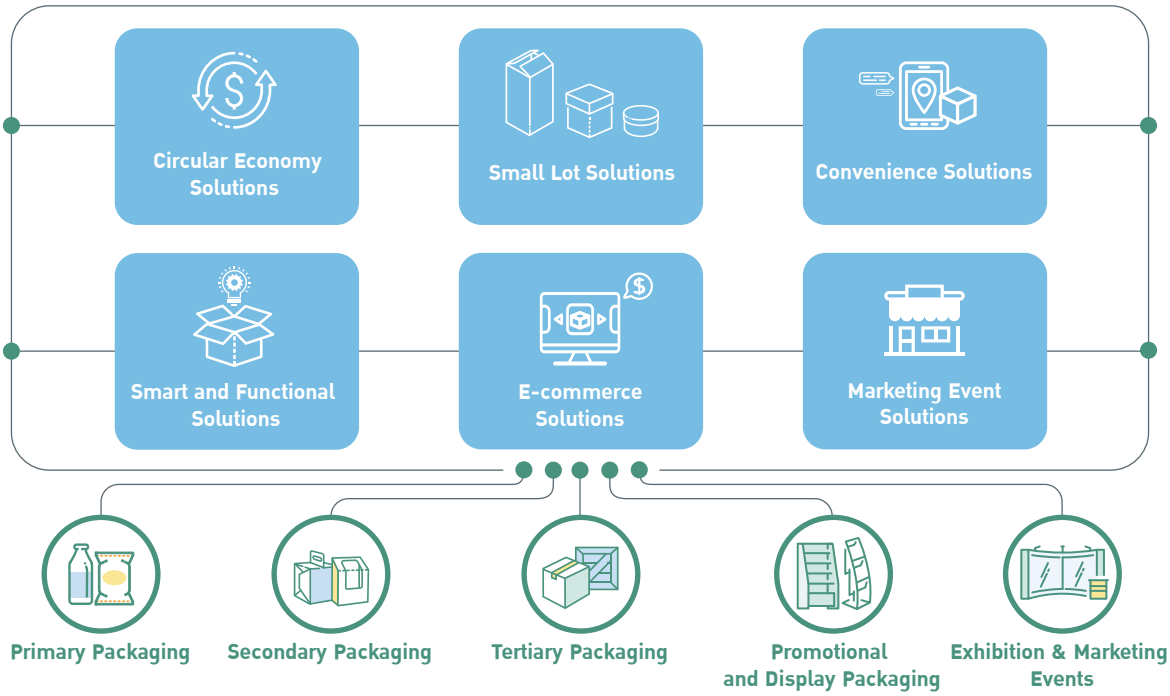
  This packaging type can change its shape according to what it contains. Before packing, the product is flat, which saves space for storage and transportation. Some types of packaging can use paper as the base material. However, most packaging types use polymer film that is flexible, retractable and durable. The Company offers a wide range of flexible packaging with an emphasis on quality, features and safety. However, it does not manufacture basic packaging or single-use plastic packaging. So, the flexible packaging helps to reduce food waste, greenhouse gas emissions (carbon footprint), and extends product shelf life. The packaging is also lightweight for transportation, can support a high product weight, and takes up less space.



- **Rigid Packaging**

  Rigid packaging allows products to be clearly displayed on the shelf and makes the product easy to handle and carry. Its rigid structure makes this type of packaging easy to collect and recycle. Most rigid packaging is extruded or molded (by extrusion blow molding or injection), and uses high-density polyethylene (HDPE) or polypropylene (PP) as raw materials. The Company collaborates closely with customers to design packaging that has suitable shape and form for use, such as bottles with resealable caps, squeeze tubes, and packaging with special diffusers, e.g. spray nozzles, airless mist sprays, pumps, and roll-ons. The packaging can be used for containing detergents, lubricants, food products such as syrups and jams, cosmetics and body care products such as body lotions and shampoos, as well as pharmaceutical products such as sanitizers, creams, gels, and topical medications.

Packaging Solutions



SCGP has developed a wide range of products and services to cover customer needs throughout the supply chain. It has also offered extensive innovative solutions, promoted sustainable business operations to support a full range of packaging services, and addressed customers' special needs. The diagram above shows how the Company can respond with products and services for each packaging requirement.



- **Primary Packaging**

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

- **Secondary Packaging**

  Secondary packaging is combined with primary packaging to prevent products from being damaged, increase ease and efficiency with transportation and distribution, as well as add value to products. The packaging can also attract consumers' attention. With beautiful print quality and attractive packaging design, the packaging can also be a marketing tool for branding and promotions. Examples of secondary packaging include folding carton packaging for cookies, cosmetics, shoes, etc.

- **Tertiary Packaging**

  Tertiary packaging includes corrugated containers which are strong, support the products' weight and protect them from being damaged during storage and handling. This allows end customers to receive complete products. This type of packaging also includes paper pallets and corner guards.



- **Promotional and Display Packaging**

  This kind of packaging not only protects products, but also functions as a marketing tool that helps to communicate product information to consumers. It can be carefully designed and printed in an attractive shape and pattern, and it is suitable for packaging products for special occasions such as the Bird's Nest drink packaging for Mother's Day celebrations in Thailand, or paper bags that add value to the product. In addition, the design team has created a shelf made out of paper to answer customer marketing needs: the shelf is designed to be beautiful, quickly made and easy-to-move. It is also manufactured in an environmentally-friendly way and is designed and produced according to the retail store's sales display area and product type. Also, it has a distinctive style that helps attract customers making purchasing decisions.



- **Exhibition Marketing Event**

  SCGP has expanded its corrugated paper product offerings by developing exhibition booth designs and starting an installation service for events and product presentations that is mainly made of corrugated paper. This results in work that is unique and stands out, has a low cost, and meets customer needs. In addition, it follows the Circular Economy principle because it reduces waste and can be reproduced.



Fibrous Chain

Foodservice Products

The Company's production for fibrous chain is in Thailand, except for food container production by IPSB in Malaysia. However, the Company plans to expand its operations to other countries in ASEAN and other regions with a focus on foodservice packaging. The Company firstly launched the Fest® brand in 2015 and





acquired shares of IPSB in 2018, a leading company in the food-grade paper industry in Malaysia. SCGP believes that the Company has a competitive advantage in the foodservice products market because the Company partly produces our own food-grade paper (from our own pulp), which can be converted into foodservice products.

Products under the Fest® brand were launched to be safe and convenient, responding to the needs of consumers, environmentally friendly, and becoming a part of consumers' modern-day lifestyle. Fest® foodservice products are heat-resistant, non-melting, and non-leaking. The products under the Fest® brand can be divided into three main groups: Fest® Choice, Fest® Chill, and Fest® Bio. The Company sells products under the Fest® brand to wholesalers and retailers, such as a major cash-and-carry wholesaler. The Company also sells directly to retail customers via online systems and restaurants.

Following acquisition of IPSB in 2018, the Company has been manufacturing and providing foodservice products to well-known international and domestic restaurant chains. IPSB has obtained the British Retail Consortium ("BRC") Packaging Certification (AA Level) for food packaging. It focuses on printed food packaging for large multinational fast food chains. IPSB's customers include restaurants and fast food chains as customers across Asia, including Japan and South Korea.

Pulp and Paper Products

- **Printing and Writing Paper**

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

- **Pulp**

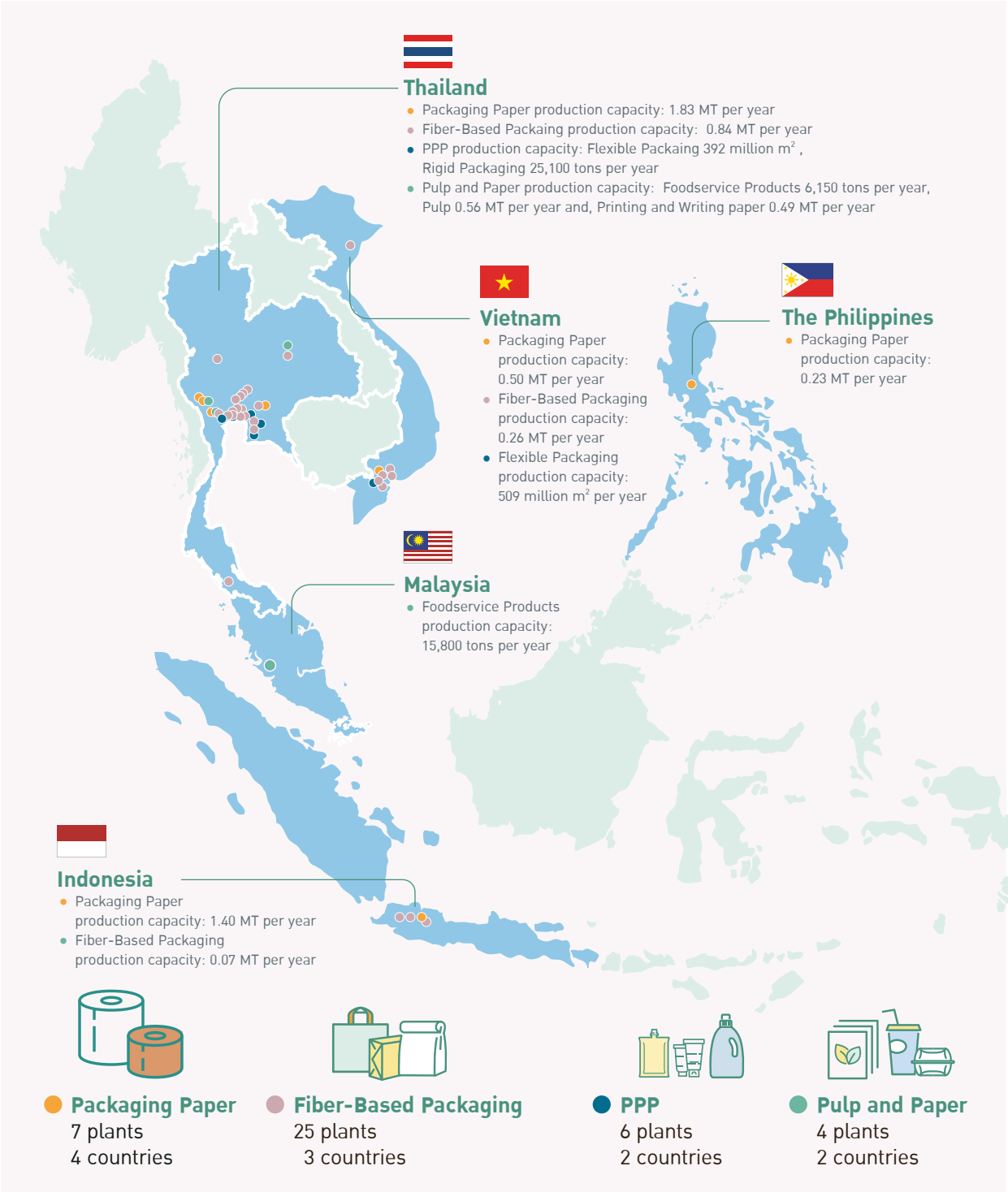
  Eucalyptus pulp is divided into three types: eucalyptus bleached kraft pulp, eucalyptus unbleached kraft pulp, and eucalyptus semi-chemical bleached pulp.

  Dissolving Pulp: PPPC's plant in Khon Kaen is the only manufacturer in Thailand that produces dissolving pulp. The Company produces dissolving pulp from eucalyptus wood to be used in the textile industry (known as rayon fiber). It is mostly sold to textile enterprises in China and for kitchen utensils. The Company's R&D continues to conduct research to improve the quality of dissolving pulp, starting from the cross-breeding stage for eucalyptus.

Business Operations According to Geographical Area

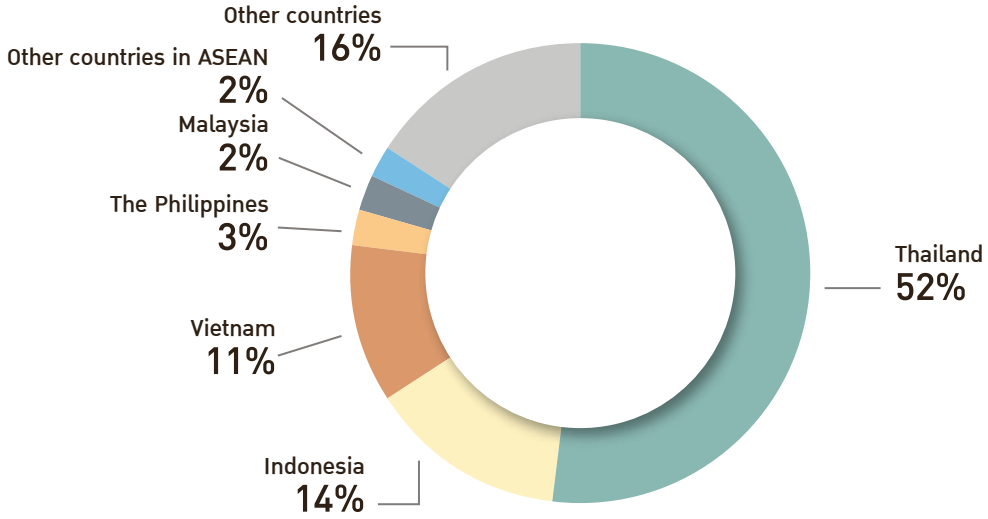
SCGP's business operations span across ASEAN. In 2020, the Company has total 42 production facilities in five countries: Thailand, Vietnam, Indonesia, the Philippines and Malaysia. The Company's geographical presence strengthens our vertically integrated business model as it allows for more intra-group synergy among subsidiaries across ASEAN.

The diagram below shows the locations of the Company's production facilities as of December 31, 2020.



The majority of our customers are in ASEAN. Revenue from sales in Thailand accounted for 52% of revenue from sales for the year ended December 31, 2020, followed by Indonesia at 14%, Vietnam at 11% and the Philippines at 3% respectively. The Company's revenue from sales was Baht 92,786 million.

The diagram below shows the revenue from sales for the year ended December 31, 2020 by main country and region based on the location of customers:



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

- **Vietnam**
  SCGP first entered the Vietnamese market through the establishment of its joint venture with Rengo and VKPC in 2007 to produce packaging paper. Currently, the Company has 7 Vietnamese subsidiaries: NAI APV PV APPH VKPC BATICO and SOVI, consisting of 1 packaging paper facility, 6 corrugated container facilities and 1 PPP factory. Besides these, the Company has 22 recycling centers.

- **Indonesia**
  SCGP first entered the Indonesian market through the acquisition of PTPM in 2013. Currently, the Company has 5 subsidiaries in Indonesia, including Fajar, DAP, PTPM, INDOCORR, and INDORIS consisting of 2 corrugated container facilities, 1 corrugated container printing facility, and 1 packaging paper facility.

- **The Philippines**
  SCGP first entered the Philippines market in 1996 through the acquisition of UPPC, a packaging paper manufacturer. Currently, the Company has one subsidiary which is UPPC and its two affiliates which are P&S and UIEC, as well as 24 recycling centers and 1 packaging paper facility.

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



Industry Trends and Competitive Landscape

1) Industry Trends

Industry Trends for Integrated Packaging Chain

In 2020, the demand for corrugated containers declined by 2% compared to the previous year. However, demand for corrugated containers has grown significantly better than GDP. Overall domestic consumption declined in 2020 due to the COVID-19 pandemic, which resulted in the slowing down of private investment and consequently affected the consumer confidence and spending. In addition, there were measures to contain the COVID-19 pandemic in many countries, plus an ongoing trade war between China and the United States. As a result, exports to trading partners such as the United States, China, the European Union and Japan did not grow as expected. This led to a decrease in demand for corrugated containers for export products.

However, the FMCG and food industries continue to grow well in 2020 at the rate of approximately 4-6% compared to the previous year, due to consumers started stocking up on products in the beginning of the COVID-19 pandemic. Furthermore, the pandemic caused exponential growth in both E-commerce and food delivery business, with the growth rate of approximately 15-20% compared to the previous year, while the beverages, especially alcoholic beverages, had a lower demand due to government measures of banning the alcohol sales in the second quarter to cope with the COVID-19 pandemic. Similarly, industries that rely on raw material imports and products exports, such as electronics and electrical appliances segment, also witnessed lower demand for their products. This was because of the import of raw materials were impacted by the pandemic at the country where they are manufactured. In addition, product demand in the trading partners' markets declined, resulting in a drop in overall demand for corrugated containers.

ASEAN market was also affected by the COVID-19 pandemic situation, resulting in a 9% drop in demand for corrugated containers in Indonesia due to the economic contraction. This was especially the case for the automotive, electronics and electrical appliances, as well as footwear and textile for exports industries. Meanwhile, demand for corrugated containers in Vietnam increased by 3% due to production base relocations for manufacturers in the electronics and electrical appliance, footwear, and textile industries.

The demand for packaging paper in Thailand in 2020 declined by 2% because of the global COVID-19 pandemic and the lockdown measures which affected consumer confidence both domestically and internationally. This can be seen from the delay in purchasing luxury and durable goods. The demand for packaging paper in ASEAN also declined by 3% compared to the previous year. In this regard, the trade tensions between the United States and China, which may lead to the relocation of production bases in or out of the region, the domestic political instability and the new wave of COVID-19 pandemic both inside and outside the country are likely to continue and remain difficult to to establish certainty about outcomes. This could present both a challenge and opportunity for the Company.

However, during the COVID-19 pandemic, producers have to accelerate and enhance their internal efficiency by improving service levels and reducing costs to increase their competitiveness. The development of packaging that adds value to customer products remains a key factor in sustaining long-term customer relationships.

Industry Trends for Fibrous Chain

Pulp

In 2020, the global demand for bleached chemical pulp increased 2% from 2019. This demand was driven by demands from manufacturers for hygiene products such as tissue paper. But the demand for printing and writing paper dropped due to the COVID-19 pandemic situation, and the demand for dissolving pulp decreased 8% from the previous year. The demand from fiber producers in the rayon industry was also affected by the US-China trade war and the COVID-19 pandemic.

Printing and Writing Paper

In 2020, demand for printing and writing paper in Thailand dropped 20% compared to the previous year, as there was higher use of electronic media than printing and writing paper. Moreover, The COVID-19 pandemic situation forced companies, offices and consumers to conduct transactions and various public relations through online channels, notwithstanding the decline

in government usage due to its "Zero Copy" Policy and "Thailand 4.0" Policy.

The volume of imported printing and writing paper in 2020 decreased by 30% compared to the previous year due to the COVID-19 pandemic lessened domestic demand and the implementation of lockdown measures in many countries where production takes place.

2) Competitive Landscape

Fiber-Based Packaging and Paper Packaging

In the ASEAN region, SCGP is a leading comprehensive packaging solutions provider and holds the largest market share in terms of production capacity, sales volume and sales revenues for corrugated container paper in 2019. Owing to its vertical integration in its value chain, SCGP enjoys significant cost advantage, including the pulp production stage, the paper production stage and the conversion of corrugated containers contributes to the competitiveness of the Company.

In terms of production capacity of paper packaging, SCGP is the largest with a total capacity of 4.0 MT, helping it hold a significant market share in ASEAN and be the industry leader.

SCGP also has its own recycling centers that collect RCP in Thailand, Vietnam, and the Philippines for efficient RCP collection and recycling in these countries. These recycling centers exhibit another advantage for the Company as RCP is an important raw material in the packaging paper production process. This helps increase the cost advantage and allows the Company to stabilize its raw material demand.

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

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

Performance and Polymer Packaging (PPP)

In the ASEAN packaging market, SCGP has the advantage of being a packaging operator that offers both paper packaging solutions and polymer packaging solutions. Although it doesn't hold the same market share in this region compared to other paper packaging businesses, SCGP is the only local or regional level company (headquartered in the ASEAN region), while competitors are large multinational corporations with headquarters outside the ASEAN region.

The ASEAN polymer packaging market is highly dispersed and relies on product pricing. As there are many small and medium-sized enterprises within the country, the industry is highly competitive. The Company has the advantage of supplying polymer packaging products to major brands in the region and can expand its market and market share based on internal and external factors.

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

Sales and Distribution Channels

Fiber-Based Packaging

The Company's production plants are located in different areas that are close to our customers' factories. The proximity of factories to customers is one of our strengths. SCGP has strategies which can assist our customer and allow for: (1) fast and consistent procurement and delivery, (2) reduced delivery cost and less time from factories to the place of delivery, and (3) communication and quick access to our services.

The Company's factories are generally located near our customers' factories (less than 100 km distance). For instance, the Company's packaging factory in Rayong,

Thailand, provides packaging solutions for operations in the electronic appliance industry as many operations in this industry are located in the vicinity of the Eastern Seaboard Project. The multi-location strategy gives us a competitive advantage. The proximity of factories to customers allows us to provide services to efficiently assist them in their production process. For instance, the Company offers just-in-time delivery, inventory management services, and vendor managed inventory ("VMI".)

Nowadays, the majority of customers are Multinational Corporation ("MNC") that have similar systems of procurement using a central procurement system with a single procurement unit handling the procurement of all equipment and raw materials for all group companies in all regions. In order to efficiently respond to such customers' needs, the Company established a dedicated team specifically to handle MNCs. In order to respond to our customers' needs with the highest efficiency, the procurement team is responsible for contacting and cooperating with customers, identifying their needs, presenting packaging designs to customers and providing integrated packaging services. The Company has factories across ASEAN: in Thailand, Vietnam, and Indonesia, which allows us to rapidly provide services to MNCs located in different regions. The procurement team develops new customer relations leveraging the knowledge and experience it has gained from providing services to its customers in Thailand and uses such knowledge and experience as a guideline for providing services of a good standard.

Packaging Paper

SCGP sells packaging paper products to box plants in Thailand entirely through direct sales. With regards to exports, in 2019, the Company sold 45% of exported packaging paper (based on sales volume) through direct sales and the other 55% through agents. As packaging paper is a business-to-business ("B2B") commodity, the marketing policy for packaging paper includes offering reliable quality, timely delivery, giving discounts and rebates at certain sales volumes, special projects or new customers.

Performance and Polymer Packaging (PPP)

The Company's main distribution channel for both flexible and rigid packaging products is direct sales in Thailand and Vietnam, which accounted for 96% of PPP sales (based on sales volume). Sales through key agents and traders accounted for 4% of PPP (sales based on sales volume), predominantly for export.

Foodservice Products

SCGP sells Fest® foodservice products primarily in Thailand (98% of sales of such products, based on sales volume) to wholesale retailers (customers that are retailers who operate a cash and carry business model) and wholesale and retail store, and overseas through agents (2% of sales of such products, based on sales volume).

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

Additionally, 30% of food packaging paper, based on sales volume, is exported through agents. The Company uses most of the food packaging paper produced internally to manufacture foodservice products.

Pulp and Paper Products

For printing and writing paper business chain: (1) The Company sells graphic paper either directly to printing houses (38% of sales, based on sales volume) or through agents (56% of sales, based on sales volume) for export to overseas markets. (2) The Company sells copy paper through direct sales (63% of sales, based on sales volume) and through agents (37% of sales, based on sales volume) to export to the overseas market. With regard to pulp, the Company's sales channels differ according to the type of pulp product. The Company sells bleached kraft pulp entirely through direct sales to our related parties and customers who operate tissue mills. The Company sells eucalyptus unbleached kraft pulp through direct sales (85% of sales, based on sales volume) and through agents (15% of sales, based on sales volume) to export to customers who operate tissue mills. The Company trades eucalyptus semi-chemical pulp within group companies.

Targeted Customers

Fiber-Based Packaging and Performance and Polymer Packaging

SCGP has developed long-term relationships with many of the leading customers and brand owners in ASEAN and other regions. The Company has sold packaging solutions to over 4,000 customers, including Blue Chip companies and MNCs as well as individual retailers in the ASEAN region. Our customers comprise a diversified mix of well-established global, regional and leading local companies, principally in the consumer products, food & beverage, frozen food, canned food, electronic equipment, E-commerce and logistics industries. Generally, as the Company's major customers are MNCs, they are highly sophisticated companies with changing needs and requirements. These customers tend to prefer collaborating with full-service packaging with global or regional scale and capabilities so that they may reach their packaging objectives. As a result of integrated business models, the Company can more readily adapt to our customers' requirements, has more channels of distribution as well as more cross-selling opportunities.

The Company estimates that approximately 70% of revenue from sales (excluding export revenue) from Integrated Packaging Chain was generated by sales, directly or indirectly, to end-customers that operate in the consumer goods market (including principally in the FMCG, food & beverage and consumer electronics market segments).

For Fiber-Based Packaging, the Company has a diverse customer portfolio of large domestic companies and MNCs that principally operate in the food and beverage, consumer products, frozen food, electrical appliances, canned food, and E-commerce industries.

For Performance and Polymer Packaging, the Company has a diverse customer portfolio comprising large domestic companies and MNCs that operate in the food, personal care, cosmetics, pharmaceutical, chemicals, and industrial products sectors. The majority of PPP products are used for food and consumer products packaging.

Packaging Paper

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

Foodservice Products

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

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

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

Pulp and Paper Products

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

With regards to pulp, as the Company uses pulp for manufacturing Fest® and printing and writing products, the Company sells most of virgin pulp to our subsidiaries.

Research and Development Policy

Research and development (R&D) is key part of delivering total packaging solutions to customers. This follows our motto of 'Passion for Better' by offering various innovative packaging products, services, and solutions that enhance customers' brand image and their total supply chain operation, which complies with the principles of Circular Economy with the aims to uplift quality of life. The Company's R&D focuses on

improving our product lines and production process in a consistent manner so that it can continue to deliver high-quality packaging solutions, as well as offer solutions which address customers' unique and specific needs that help customers' products to stand out from others. In 2020, the Company has invested Baht 529 million, equivalent to 0.6% of revenue from sales, for R&D purposes. The Company's R&D department has 12 key technology platforms as follow:

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



Product or Service Provisions

Production Factories and Production Capacity

SCGP has a total of 42 manufacturing factories located in Thailand, Vietnam, Indonesia, the Philippines, and Malaysia.

Company name	Location	Production capacity	
		Amount	Unit
Fiber-Based Packaging			
1. TCG	Pathum Thani/Thailand	80,000	ton per year
2. TCG	Saraburi/Thailand	45,000	ton per year
3. TCG	Kamphaeng Phet/Thailand	32,000	ton per year
4. TCG	Samut Prakan/Thailand	92,000	ton per year
5. TCG	Ratchaburi/Thailand	82,000	ton per year
6. TCG	Songkla/Thailand	34,000	ton per year
7. TCG	Chonburi/Thailand	66,000	ton per year
8. TCG	Prachinburi/Thailand	28,000	ton per year
9. TCG	Pathum Thani/Thailand	55,000	ton per year
10. TCK	Khon Kaen/Thailand	55,000	ton per year
11. TCRY	Rayong/Thailand	72,000	ton per year
12. TWN	Samut Prakan/Thailand	61,000	ton per year
13. ORIENT	Samut Sakhon/Thailand	77,000	ton per year
14. DYNA	Samut Sakhon/Thailand	44,000	ton per year

Company name	Location	Production capacity	
		Amount	Unit
15. D-IN	Nakhon Pathom/Thailand	14,900	ton per year
16. PPC	Samut Sakhon/Thailand	5,000	ton per year
17. NAI	Ho Chi Minh/Vietnam	53,500	ton per year
18. APV	Binh Duong/Vietnam	70,000	ton per year
19. PV	Binh Duong/Vietnam	2,000	ton per year
20. APPH	Hanoi/ Vietnam	38,000	ton per year
21. SOVI	Dong Nai/Vietnam	50,000	ton per year
22. SOVI	Binh Duong/Vietnam	50,000	ton per year
23. PTPM	Tangerang/Indonesia	37,000	ton per year
24. INDORIS	Tangerang/Indonesia	6,000	ton per year
25. INDOCORR	Bekasi/Indonesia	32,000	ton per year
Total production capacity of Fiber-Based Packaging		**1,181,400**	**ton per year**
Packaging Paper			
1. SKIC	Kanchanaburi/Thailand	818,000	ton per year
2. SKIC	Ratchaburi/Thailand	715,000	ton per year
3. TCP	Kanchanaburi/Thailand	120,000	ton per year
4. TCP	Prachinburi/Thailand	180,000	ton per year
5. UPPC	Bulacan/the Philippines	230,000	ton per year
6. Fajar	Bekasi/Indonesia	1,400,000	ton per year
7. VKPC	Binh Duong/Vietnam	500,000	ton per year
Total production capacity Packaging Paper		**3,963,000**	**ton per year**
Flexible Packaging			
1. PREPACK	Samut Sakhon/Thailand	223	million square meters
2. PREPACK	Samut Sakhon/Thailand	138	million square meters
3. PREPACK	Rayong/Thailand	31	million square meters
4. BATICO	Long an/ Vietnam	509	million square meters
Total production capacity of Flexible Packaging		**901**	**million square meters**
Rigid Packaging			
1. CONIMEX	Samut Prakan/Thailand	10,000	ton per year
2. Visy	Rayong/Thailand	15,100	ton per year
Total production capacity Rigid Packaging		**25,100**	**ton per year**
Foodservice Products			
1. PPPC	Khon Kaen/Thailand	3,500	ton per year
2. TPC	Ratchaburi/Thailand	2,650	ton per year
3. IPSB	Selangor/Malaysia	15,800	ton per year
Total production capacity of Foodservice Products		**21,950**	**ton per year**

Company name	Location	Production capacity	
		Amount	Unit
Printing and writing paper			
1. PPPC	Khon Kaen/Thailand	200,000	ton per year
2. TPC	Ratchaburi/Thailand	290,900	ton per year
Total production capacity of Printing and writing paper		**490,900**	**ton per year**
Pulp			
1. PPPC	Khon Kaen/Thailand	257,000	ton per year
2. TPC	Kanchanaburi/Thailand	180,100	ton per year
3. TPC	Ratchaburi/Thailand	118,900	ton per year
Total production capacity of Pulp		**556,000**	**ton per year**

Raw Materials

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

Raw Materials Used in Fiber-Based Packaging

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

Recovered Paper (RCP)

RCP is the main source of recycled pulp used in packaging paper production. RCP, which often comprises used corrugated containers, is collected, sorted, compressed into bales and then transported to a paper manufacturing plant. In 2020, the Company recycled approximately 4 MT of RCP, which accounted for approximately 95% of the pulp needed in packaging paper production.

In 2020, the Company sourced RCP intake from our recycling centers and locally within ASEAN while the rest of RCP needs were addressed through imports from qualified sources in Europe, United States, and Japan.

The Company owned and operated 68 recycling centers across ASEAN: 22 in Thailand, 22 in Vietnam and 24 in the Philippines.

In addition, the Company also directly sources RCP from our business partners. For example, in Thailand, under our partnership with hypermarket chain, the Company has been authorized to put our recycling center with baling machines at their distribution center, which generated considerable amounts of used corrugated containers. The Company also collects RCP from our own and third-party corrugated container plant, which generated the trimming of corrugated containers. Additionally, the Company seeks to facilitate the collection of RCPs through mobile application (‘Paper-X’) which was developed by the Company. Paper-X can help with transferring cash to the waste paper merchants without having to go through agents. This gives us data on the activity of waste paper merchants, which can be analyzed and used to design incentive schemes to encourage more recycling.

Although RCP is a globally traded commodity, the Company believes that having direct control of a significantly secured portion of waste paper requirement is very important in our operations. Given a scale and many years of experience in running recycling centers, the Company has established strong local networks in various locations and long-standing relationships with our RCP supplier. This allows us to have quality RCP, reliable supply and stable cost. This advantage minimizes the risks of global RCP price volatility and supply shocks, which can be caused by various external factors such as government regulations.

Starch

Starch is used to enhance the strength of packaging paper which is procured mostly from local sources in each of the countries where the Company operates. Starch is used to increase paper strength in three stages of production: the process of modeling to form a paper sheet, the process for making the pulp hold together, and the coating process that is coating the surface of the paper to increase the strength and smoothness of the paper and enhancing the quality of printing. Additionally, starch powder is mixed with glue to increase the strength of the packaging paper. The Company uses approximately 100,000 tons of starch per year in the production process by acquiring cassava powders from domestic producers.

Virgin pulp

Virgin pulp is added into paper production to strengthen our packaging paper products. The virgin pulp used by the Company is made from wood chips that are either sourced from our eucalyptus plantation, or our network of third-party farmers, or from importation from overseas market.

Raw Materials Used in the Production of PPP Products

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

Polymer resin

Polymer resin is a key component of PPP products, constituting approximately 33% of the total variable costs that the Company used in PPP products production. The Company sources resins such as linear-low density polyethylene (LLDPE), low density polyethylene (LDPE), high density polyethylene (HDPE), polypropylene (PP) and polyethylene terephthalate (PET) from various reputable regional and international suppliers. The Company purchases resins from different producers as the Company needs resins with different properties and characteristics. The Company also uses recycled resins upon our customer's request. Some of our rigid packaging customers request us to mix recycled resins to manufacture packaging products for them.

Polymer-based film

Polymer-based film constitutes 25% of the total variable costs that the Company uses in PPP products. The Company produces some of LLDPE film and sources the rest of polymer-based film from reputable regional and international suppliers.

Raw Materials Used in the Fibrous Chain

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

Wood Chips

SCGP sources all of wood chips and wood (which the Company later converts into wood chips themselves) from Thailand. Sourcing wood chips begins with our forestry plantations and purchases from farmers in Thailand. The Company's subsidiary, Siam Forestry (SFT), is a wood plantation company that develops and produces eucalyptus trees in different areas across Thailand. Siam Forestry is the first wood plantation company in Thailand to support the paper manufacturing process with plantation areas certified by the Forest Stewardship Council (FSC). It develops and produces seedlings in tissue culture so that growth is consistent and immune to mutations. Our seedlings are high-yielding within four years. The Company distributes young eucalyptus trees and seedlings to third party farmers throughout Thailand ("the farmer network"), especially those in the vicinity of our plants and wood collection centers and offer integrated services to third-party farmers. With support from the Research and Development Department, the Company maintains continuous development of the eucalyptus species, which is capable of growing in diverse climate and soil profiles.

Normally, the Company procures wood chips or wood used in the production process from our plantations. This accounts for approximately 1% of total wood supply. The Company sources wood chips approximately 39% from the farmer network located throughout Thailand. It procures the rest from general farmers who have wood plantations throughout Thailand.

Not only does the Company uses its wood chips and procure wood from third-party farmers for the production process, it also procures wood chips from third parties to source excess raw wood materials for biomass power plants, and sells other sizes of wood chips to buyers in Korea and Japan.

Assets Used in Business Operations

Major Fixed Assets Used in Business Operations of the Company and its Subsidiaries

As at December 31, 2020, the Company has major fixed assets that it uses for its business and its subsidiaries' business operations as follows.

Major Fixed Assets Used in Business Operations of the Company

Major fixed assets in business operations of the Company set forth in the following table, consisting of land and land improvement, buildings and structures, machinery and equipment, furniture and office equipment, vehicles, construction in progress, and bearer plant.

Assets	Net book value (Baht million)	Type of Ownership	Encumbrance
Land and land improvements	6,708.3	Ownership rights of possession (Nor Sor 3 Kor) and HGB certificate(1)	None
Buildings and structures	9,745.3	Owned	None
Machinery and equipment	56,924.7	Owned	None (Except some machinery and equipment)(2)
Furniture fixtures and office equipment	365.5	Owned	None
Transportation and equipment	119.7	Owned	None
Construction in progress(3)	10,033.3	Owned	None
Bearer plant	39.5	Owned	None
Right-of-use assets(4)	3,335.0	Leased	None
Total	**87,271.3**		

Remarks:

(1) The HGB Certificate or the Right to Build is a form of land title in Indonesia.

(2) In the fourth quarter of 2020, a subsidiary of the Company used some machinery and equipment as collateral for the loan. The Company is now in the process of releasing of mortgage.

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

(4) Before the adoption of TFRS 16, the Company, as the lessee, recognized expenses under lease agreement as profit or loss by a straight-line method over the term. Since the adoption of TFRS 16, from January 1, 2020, the Company has been applying a single accounting method for the lessee.TFRS 16 requires that leases recognize assets, right-of-use and liabilities under the lease agreement by applying the improvement method by retrospectively recognizing the accumulated effect on the right-of-use and liabilities under the lease agreement without having to apply comparative information.

Right-of-use assets

As at December 31, 2020, right-of-use assets of the Company and its subsidiaries have a net book value of Baht 3,335.0 million. Details are given in the table below.

Right-of-use type	Ownership type	Net book value (Baht million)
Land and land improvements	Leased	811.0
Buildings and structures	Leased	712.4
Machinery and equipment	Leased	1,387.8
Furniture fixtures and office equipment	Leased	34.8
Transportation and equipment	Leased	389.0

Intangible Assets

As at December 31, 2020, intangible assets of the Company and its subsidiaries which operate the main business consist of the following:

Items	Net book value (Baht million)	Details
Software license fee	392.2	Installation cost and the right to use computer software for all operations of the Company and its subsidiaries.

Intellectual Property

Trademarks

As at December 31, 2020, the Company owns and is licensed to use 116 trademark applications that are registered with the Ministry of Commerce in Thailand, with 89 of such trademark being fully registered (including trademarks that are in the process of renewal), and 108 trademark applications that are registered with foreign agencies, with 27 of such trademark being fully registered. The Company has a policy to register and maintain trademarks in every country where the Company operates.

Patents and Petty Patents

As at December 31, 2020, the Company has registered 64 patents and petty patents with the Ministry of Commerce in Thailand and has registered patents with foreign agencies, including 1 invention patent and 4 product design patents. Also, 103 patents and petty patents are in the registration process for both Thailand and abroad.

Business and Property Insurance Used in Business Operations

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

Investment Promotion Benefits

As at December 31, 2020, SCGP has received benefits from 28 investment promotion certificates from the Board of Investment.

Shareholders

First 10 major shareholders

Shareholding structure of the Company as at December 31, 2020 after the initial public offering of the newly issued ordinary shares is shown in the table below.

	Major Shareholders	Number of shares (registered and paid-up capital)	Shareholding (%)
1	The Siam Cement Public Company Limited	3,095,882,660	72.12
2	Ladawan Capital Company Limited	71,498,900	1.67
3	Bualuang Long-Term Equity Fund	46,131,418	1.07
4	Thai NVDR Company Limited	43,832,192	1.02
5	Social Security Office	36,495,486	0.85
6	Mr. Narat Jiwalai	35,650,400	0.83
7	Mr. Taweerat Prungpattanasakul	33,853,800	0.79
8	NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	28,800,895	0.67
9	Bualuang Top-Ten Fund	26,520,761	0.62
10	Thai Life Insurance Public Company Limited	13,976,700	0.33

Remark: The total share numbers held by other minor shareholders are 860,276,988, equivalent to 20.03%.

Shareholders of Subsidiaries Operating the Main business

(1) Thai Containers Group Company Limited (TCG)

Shareholder	Number of shares	Shareholding (%)
SCGP	9,687,999	70.0
Rengo Co., Ltd. (RENGO)	4,152,000	30.0
Mrs. Pattarawan Tunsakul	1	0.0
Total	**13,840,000**	**100.0**

(2) TC Flexible Packaging Company Limited (TCFP)

Shareholder	Number of shares	Shareholding (%)
Thai Containers Group Co., Ltd. (TCG)	15,809,395	75.0
Rengo Co., Ltd. (RENGO)	4,215,839	20.0
Howa Sangyo Co., Ltd.	1,053,960	5.0
Total	**21,079,194**	**100.0**

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

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

Remarks:

(1) This includes 6,857,036 preferred shares, representing 2.8% of PPPC's total shares. Preferred shares have the same voting rights in PPPC as ordinary shares.

(2) This includes 2,941,914 preferred shares, representing 1.2% of PPPC's total shares. Preferred shares have the same voting rights in PPPC as ordinary shares.

(4) Siam Kraft Industry Co., Ltd. (SKIC)

Shareholder	Number of shares	Shareholding (%)
SCGP	34,499,998	100.0
Mrs. Pattarawan Tunsakul	1	0.0
Ms. Prapanrat Tangwiriyapaiboon	1	0.0
Total	34,500,000	100.0

(5) PT Fajar Surya Wisesa Tbk. (Fajar)

Shareholder	Number of shares	Shareholding (%)
SCGP Solutions (Singapore) Pte. Ltd. (SCGPSS)	1,368,663,916	55.2
PT Intercipta Sempana (PTICS)	1,102,069,224	44.5
Other minor shareholders	7,155,647	0.3
Total	**2,477,888,787**	**100.0**

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

- None -

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

- None -

Relationships with Major Shareholders

The Siam Cement Public Company Limited (SCC) is the Company's major shareholder with a shareholding of 72.1% of the Company's issued and paid-up capital. SCC has three main businesses: cement and building materials, chemicals and packaging. These businesses are operated by the group of companies. The group enters into related transactions with ordinary commercial agreements with SCC to sell certain products to SCC, such as industrial bags for cement products, corrugated containers for transport, display advertising and raw materials from SCC group, including petrochemicals and recycled waste paper.

Authorised Capital and Paid-up Capital

As of December 31, 2020, the Company's registered capital is Baht 4,500,000,000 and the paid-up capital is Baht 4,292,920,200. There are 4,292,920,200 ordinary shares at par value of Baht 1 per share.

Issuance of Other Securities

At the extraordinary general shareholders' meeting No. 2/2019, held on November 25, 2019, the issuance and offering of debentures of up to Baht 40,000 million was approved to support investment, expand business and increase financial liquidity, as well as to adjust the Company's financial structure for the purpose of becoming independent of SCC. To do this, the Company may make a public offering where it offers stock to the general public, private investors in a private placement and/or institutional investors and/or high net worth investors. Also, the Board of Directors will consider issuing and offering new or additional debentures, and/or issuing debentures to replace existing debentures, which are redeemed with any method. These offerings may be made one time or several times, depending on the discretion and conditions of the Board of Directors or the designated directors. The issued debentures must not exceed the limit specified above.

SCGP's Dividend Policy

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

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

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

Dividend Policy for Subsidiaries

The dividend policy for subsidiaries must be considered and approved by the Board of Directors every year. The exception is for interim dividend payments, which the Board of Directors of the subsidiary can approve from time to time if the Board believes that the subsidiary has sufficient profits to do so under the legal framework of the country in which the subsidiary or associated company is located. In addition, the Board of Directors of the subsidiary must report the decision at the next shareholders' meeting of the subsidiary. When considering the dividend payment, the Board of Directors of the subsidiary needs to consider various factors, mainly for the shareholders' benefit. These factors include operating results, financial structure and financial position, liquidity, additional investment needs, investment plans, business expansion, provision for repayment of borrowings or working capital within subsidiaries, the conditions and limitations stipulated in any loan agreement, and other factors involved in the management of the subsidiary, determined by the Board of Directors and/or the shareholders of the subsidiary company, as appropriate.

SCGP's guidelines for subsidiaries to make regular dividend payments state that the main subsidiary must have a dividend payout ratio of 20% to 100% of its net profit. However, the dividend payment of the main subsidiary depends on factors such as operating results, financial structure and financial position, legal reserves, and agreements between shareholders.

Investments in Subsidiaries and Associates

As at December 31, 2020, SCGP has investments in 14 subsidiaries and associates directly held by the Company, with the total investment of Baht 34,797.6 million, recorded by the cost method. Details of the investments are presented in the notes to the SCGP's financial statements no.7 and 8 of the Financial Report 2020.

The following table details investments in subsidiaries and associates of direct and indirect holding companies:

	Name	Principal Business / Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct / Indirect Holding* (Percent)
Subsidiaries										
Fiber-Based Packaging										
1	Thai Containers Group Co., Ltd.	Fiber-Based Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	1,384	13,840,000	9,687,999	70.00
2	Thai Containers Khonkaen Co., Ltd.	Fiber-Based Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	150	150,000	-	70.00
3	Thai Containers Rayong Co., Ltd.	Fiber-Based Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	650	650,000	-	70.00
4	Tawana Container Co., Ltd.	Fiber-Based Packaging	599 Mu 4, Phatthana 1 Road, Phraksa Sub-district, Mueang Samut Prakan District, Samut Prakan Province	0 2324 0781	0 2324 0079	Ordinary Shares	300	3,000,000	-	50.40
5	Orient Containers Co., Ltd.	Fiber-Based Packaging	12/5, 12/8 Mu 8, Soi Liab Khlong Chonprathan Suan Som,Rama II Road, Ban Kho Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province	0 3488 3422-4	0 3488 3421	Ordinary Shares	260	26,000,000	-	70.00
6	Dyna Packs Co., Ltd.	Fiber-Based Packaging	297/2 Mu 2, Soi Wiroonrat, Setthakit 1 Road, Om Noi Sub-district, Krathum Baen District, Samut Sakhon Province	0 2810 9346-7	0 2810 9103	Ordinary Shares	90	900,000	-	70.00
7	D-In Pack Co., Ltd.	Fiber-Based Packaging	58/2 Mu 6 Phra Prathon-Ban Phaeo Road, Talad Jinda Sub-district, Sam Phran District, Nakhon Pathom Province	0 3498 1401-4	0 3498 1406-7	Ordinary Shares	50	5,000	-	70.00
8	New Asia Industries Co., Ltd.	Fiber-Based Packaging	Lot B3, Road 2, Binh Chieu Industrial Park, Binh Chieu Ward, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 83729 4160	(84) 83729 3028	**	345	-	-	70.00
9	Alcamax Packaging (Vietnam) Co., Ltd.	Fiber-Based Packaging	No.7, Street 6, Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	(84) 0650 374 3031	(84) 0650 378 2816	**	607	-	-	70.00

	Name	Principal Business / Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct / Indirect Holding* (Percent)
10	Packamex (Vietnam) Co., Ltd.	Fiber-Based Packaging	Lot No. 20, Road B, Lin Trung EPZ, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 83 729 1030	(84) 83 729 1031	**	220	-	-	70.00
11	AP Packaging (Hanoi) Co., Ltd.	Fiber-Based Packaging	Lot 6 Nam Sach Industrial Zone, Nam Sach District, Hai Duong Province, Vietnam	(84) 0320 375 3862	(84) 0320 375 2868	**	248	-	-	70.00
12	PT Primacorr Mandiri	Fiber-Based Packaging	Jl. Raya Serang KM 13.8, Tristate Industrial Estate, Desa Sukadamai, Kecamatan Cikupa, Kabupaten Tangerang, Provinsi Banten, Indonesia	(62) 21 596 2345	(62) 21 596 2000	Ordinary Shares	294	101,000	-	67.90
13	PT Indoris Printingdo	Fiber-Based Packaging	Jl. Raya Serang KM 18.8, Sukanegaka Village, Rt.003/Rw.01, Cikupa District, Tangerang Regency, Banten Province, Indonesia	(62) 21 596 0772-3	(62) 21 596 0774 (62) 21 596 3076	Ordinary Shares	55	20,000	-	69.97
14	PT Indocorr Packaging Cikarang	Fiber-Based Packaging	Jl. Industri Selatan 2 Block LL-3, Jababeka Industrial Estate Cikarang, Pasirsari Village, South Cikarang Sub-District, Bekasi Regency, Indonesia	(62) 21 893 6868	(62) 21 893 6565	Ordinary Shares	308	503,167	-	70.00
15	SCGP Solutions Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	170	1,700,000	1,699,998	100.00
16	Precision Print Co., Ltd.	Fiber-Based Packaging	30/139 Mu 1, Sinsakhon Industrial Estate, Khok Kham Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province	0 2105 4477	0 3445 2339	Ordinary Shares	33	3,340,000	-	75.00
17	TCG Solutions Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	2,756	123,742,000	-	70.00
18	Bien Hoa Packaging Joint Stock Company	Fiber-Based Packaging	Street7, Bien Hoa Industrial Zone 1, An Binh, Ward Bien Hoa, Dong Nai Province, Vietnam	(84) 061 3836 121	(84) 061 3832 939	Ordinary Shares	165	12,832,437	-	65.88
19	TCG Rengo (S) Limited	Fiber-Based Packaging	21, Fourth Chin Bee Road, Singapore	(65) 6261 5846	(65) 6265 3144	Ordinary Shares	56	2,400,000	-	70.00
Packaging Paper										
20	Siam Kraft Industry Co., Ltd.	Packaging Paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3,450	34,500,000	34,499,998	100.00
21	Vina Kraft Paper Co., Ltd.	Packaging Paper	D-6A-CN, My Phuoc Industrial Park No.3, Ben Cat District, Binh Duong Province, Vietnam	(84) 8268 0240-2	(84) 8268 0239	**	6,069	-	-	70.00
22	Thai Cane Paper Public Company Limited	Packaging Paper	222 Mu 1, Saeng Xuto Road, Wangkanai Sub-district, Tha Muang District, Kanchanaburi Province	0 3461 5800	0 3461 5899	Ordinary Shares	3,583	358,253,721	351,791,210	98.20

	Name	Principal Business / Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct / Indirect Holding* (Percent)
23	United Pulp and Paper Co., Inc.	Packaging Paper	9th Floor, Fort Legend Tower, 3rd Avenue corner 31st Street, Bonifacio Global City, Taguig City, the Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	1,462	199,824,043	109,995,290	74.77
						Preference Shares	4,105	1,107,746,820	648,244,594	
24	SCGP Solutions (Singapore) Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	21,736	962,381,330	99,000,000	100.00
25	PT Fajar Surya Wisesa Tbk.	Packaging Paper	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	2,713	2,477,888,787	-	55.24
26	PT Dayasa Aria Prima	Packaging Paper	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	547	250,000,000	-	55.24
27	SCG Paper Energy Co., Ltd.	Energy and Utilities	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	890	8,900,000	8,899,998	100.00
28	SKIC International Company Limited	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1.0	10,000	-	100.00
29	United Industrial Energy Corporation	Holding Company	166 Salcedo St. Legaspi Village, Makati City, Mctro Manila, the Philippines	0 2586 3333	0 2586 2164	Ordinary Shares	0.2	-	-	99.70
Performance and Polymer Packaging										
30	SCGP-T Plastics Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	386	3,859,000	1,968,124	51.00
31	Conimex Co., Ltd.	Rigid Packaging	40 Mu 12, Soi Sahamit 2, Sukhumvit 77 Road, Srisajorakhenoi Sub-district, Bang Sao Thong District, Samut Prakan Province	0 2738 0305	0 2326 6275	Ordinary Shares	420	4,200,000	-	38.25
32	SCGP Rigid Plastics Company Limited	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	4,403	62,400,000	62,399,998	100.00
33	Visy Packaging (Thailand) Limited	Rigid Packaging	500/54 Moo 3 Hemaraj Eastern Seaboard Industrial Estate (Freezone), Pluak Daeng District, Rayong Province	0 3895 8200	0 3895 0078	Ordinary Shares	497	4,972,000	-	80.00
34	TC Flexible Packaging Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	2,108	21,079,194	-	52.50
35	Prepack Thailand Co., Ltd.	Flexible Packaging	30/145 Mu 1, Khok Kham Sub-district, Mueang Samut Sakhon District, Samut Sakhon Province	0 3444 0600-5	0 3444 0606-7	Ordinary Shares	322	3,220,000	-	52.38
						Preference Shares	90	900,000		

	Name	Principal Business / Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct / Indirect Holding* (Percent)
36	Tin Thanh Packing Joint Stock Company	Flexible Packaging	Lot C20, Duc Hoa Ha Plastic Industrial Group, Binh Tien Hamlet, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam	(84) 723 779 747	(84) 723 779 750	Ordinary Shares	254	17,204,201	-	52.49
Pulp and Paper Products										
37	Phoenix Pulp & Paper Public Company Limited	Foodservice Products / Pulp and Paper Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2,365	236,474,780	164,506,148	69.58
						Preference Shares	98	9,806,380	6,857,036	
38	Thai Paper Co., Ltd.	Foodservice Products / Pulp and Paper Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	7,770	77,700,000	-	69.58
39	Phoenix Utilities Co., Ltd.	Utilities	99 Mu 3, Gud Nam Sai Sub-district, Nam Phong District, Khon Kaen Province	0 4343 3104-6	0 4343 3101	Ordinary Shares	1,500	15,000,000	-	69.58
40	Interpress Printers Sendirian Berhad	Foodservice Products	No.1 Jalan Taylor's, 47500 Subang Jaya, Selangor Dural Ehsan, Malaysia	(603) 5542-1716	(603) 5542-1703	Ordinary Shares	384	47,478,796	-	68.30
						Preference Shares	225	28,000,000		
41	The Siam Forestry Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	184	1,840,000	-	69.58
42	Siam Panawes Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2.5	25,000	-	69.58
43	Suanpa Rungsaris Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1.5	15,000	-	69.58
44	Panas Nimit Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1.5	15,000	-	69.58
45	Thai Panaboon Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3.0	30,000	-	69.58
46	Thai Panaram Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1.5	15,000	-	69.58
47	Thai Panadorn Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1.5	15,000	-	69.58
48	Thai Panason Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1.5	15,000	-	69.58
49	Thai Wanabhum Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2.5	25,000	-	69.58

	Name	Principal Business / Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Shares (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct / Indirect Holding* (Percent)
50	Thai Union Paper Public Company Limited	Pulp and Paper Products	131 Mu 2, Pu Chao Saming Phrai Road, Samrong Klang Sub-district, Phra Pradaeng District, Samut Prakan Province	0 2754 2100-10	0 2754 2118	Ordinary Shares	-	-	-	-
Others										
51	SCGP Excellence Training Co., Ltd.	Training	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3876	0 2586 4507	Ordinary Shares	49	1,150,000	1,149,998	100.00
52	Invenique Co., Ltd.	Asset and Intellectual Property Management	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	70	702,000	701,998	100.00
Associates										
53	Siam Toppan Packaging Co., Ltd.	Fiber-Based Packaging	543 Mu 4, Phraksa Sub-district, Mueang Samut Prakan District, Samut Prakan Province	0 2709 3110-7	0 2324 0336	Ordinary Shares	500	5,000,000	2,450,000	49.00
54	P&S Holdings Corporation	Holding Company	9th Floor, Fort Legend Tower, 3rd Avenue corner 31st Street, Bonifacio Global City, Taguig City, the Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	263	27,650,000	11,059,998	40.00
55	Siam Nippon Industrial Paper Co., Ltd.	Specialty Paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1,100	11,000,000	-	31.31
56	Sahagreen Forest Co., Ltd.	Energy and Utilities	88 Mu 6, Khui Ban Ong Sub-district, Phran Kratai District, Kamphaeng Phet Province	0 5585 8033	0 5585 8031	Ordinary Shares	190	19,000,000	-	17.40

** Directly and indirectly holding through the company, subsidiaries, associates and others.*

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



Risk Management

Risk Management Policy and Framework

SCGP emphasizes the importance of good corporate management in driving growth and expanding business with stability. This includes financial stability, the ability to generate appropriate returns for shareholders, as well as embracing Environmental, Social and Governance (ESG) principles as guidelines for business operations. As the business landscape continues to change, this may affect the Company's ability to compete and achieve its goals and core objectives. Therefore, the Board of Directors has established a Risk Management Policy to ensure that there is an efficient and effective Enterprise Risk Management System that covers all aspects of our operation. This includes a risk management framework that is in accordance with good international practices, the establishment of the Risk Management Committee chaired by the Chief Executive Officer, as well as risk mitigation plans covering strategies, investment projects and operational aspects. These plans also include sharing risk management knowledge with employees on a regular basis to assist them in assessing risk and in determining appropriate risk mitigation measures so that risks are maintained at an acceptable level.

Risk Management Framework

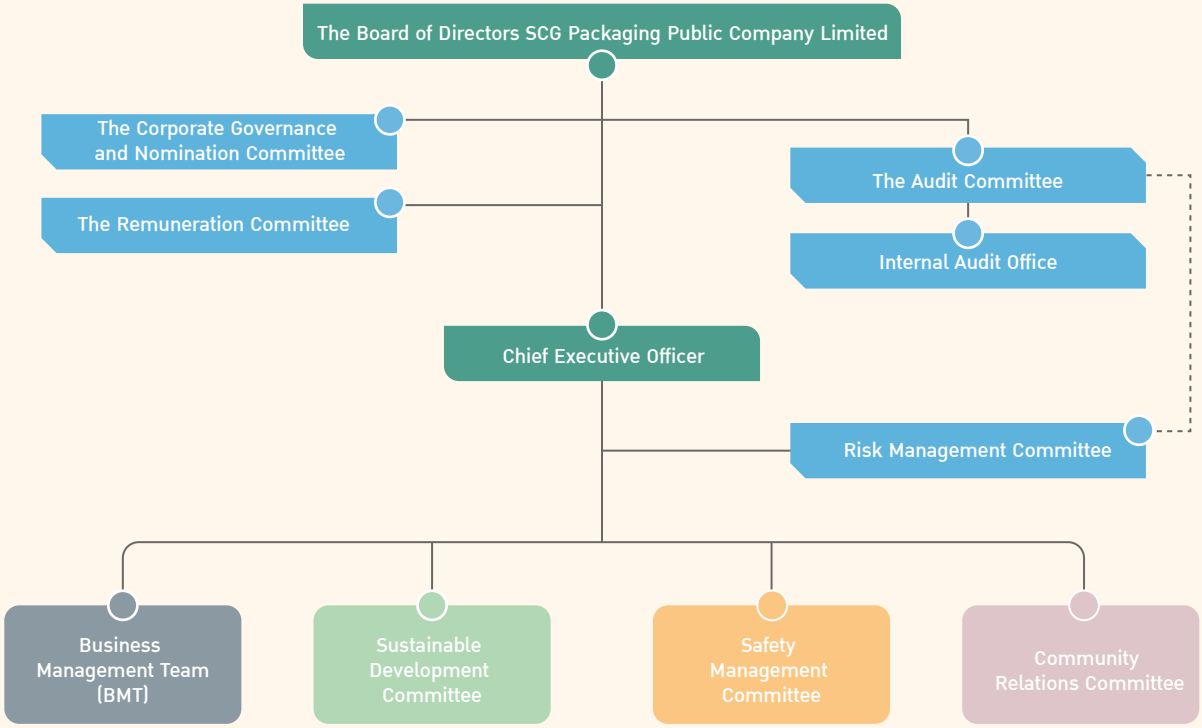
SCGP has an Enterprise Risk Management Framework that is in accordance with international standards. The framework consists of the areas discussed in the sections below.

1. Strategy Establishment

SCGP established explicit risk management objectives and risk appetite by considering short-term, medium-term and long-term risks for the enterprise risk management strategy

2. Risk Management Structure and Responsibilities

SCGP established a risk management structure as illustrated below:



Roles and Responsibilities of the Risk Management Committee

- Define the risk management structure and identify responsible persons.
- Consider and approve risk management policies, strategies, frameworks and plans.
- Review the Company's risk profile and monitor risk management regularly.
- Report risk management results to the Audit Committee on a quarterly basis.

Risk Management Process

SCGP has adopted the risk management framework in three main areas: strategic risk management, investment project risk management and operational risk management. The risk management process is incorporated into the Risk Management Manual, and is divided into four steps: 1) Risk/Opportunity Identification 2) Risk Assessment 3) Risk Response (including defining the Key Risk Indicators and Key Performance Indicators – which are the leading and lagging indicators – to anticipate risks and manage risk levels so they are in line with targets), 4) Risk Reporting to the Risk Management Committee. The reports are then presented to the Audit Committee on a quarterly basis.

Building a Corporate Risk Culture

SCGP realizes that a corporate culture is an essential component to the success of risk management. Therefore, the Company assigned management to communicate its importance and to be a role model for risk management. This includes establishing practical guidelines on common risk language, risk appetite and risk assessment systems. Moreover, the Company has encouraged each company to include risk management in major meeting agendas. Risk management has also been made a component of training and development programs for employees. Experience sharing across departments to continuously communicate the benefits of risk management is also something that the Company has encouraged.

Risk Factors

In 2020, SCGP assessed significant risk events, including risks related to strategy, business operation, securities holders' investments, as well as emerging risks. All identified risks are also considered in accordance with sustainable development principle which includes environmental, social and governance aspects:

Risks Related to the Company's Business Operations

1. Environmental Risks

1.1 Drought Risks

SCGP's pulp and paper production processes consume large quantities of water. The fact that the Company has pulp and paper production facility in the Northeastern region – an area more likely to be affected by severe drought than other regions in Thailand – exposes the Company to a risk that the production process could be interrupted. The Company realizes that natural factors are beyond its control and cannot be accurately predicted. The Company has therefore deployed measures to closely monitor the water level in Ubolratana Dam, Khon Kaen Province – an important dam for the Company's production process – and worked with communities and the government authorities to effectively mitigate risks associated with drought as follows:

- Conduct a holistic water management by assessing the water situation with internationally recognized instruments and GISTDA satellite imagery to create an Early Warning System (EWS). Attend meetings with the subcommittee and relevant government sectors that are monitoring and analyzing the water situation to jointly agree on preventive measures such as water consumption reduction measures in factories, construction of a water reservoir, and reusing treated wastewater in the production process, etc.
- Increase water consumption efficiency in the production process by improving wastewater treatment system so that more water can be reused. In 2020, the Company consumed 16.8% less fresh water compared to the 2014 BAU basis, and in 2021, the Company aims to further reduce the consumption of fresh water to 35.0% compared to the 2014 BAU basis.
- Improve the capability of water-related personnel.
- Rehabilitate the ecosystem that relates to water sources both inside and outside the factory to support communities and agriculture around the plant.

1.2 Greenhouse Gas (GHG) Emissions Risks

Industrial production processes and machine operation emit greenhouse gases that contribute to global warming and adversely affect the ecosystem, livelihoods, living organisms and humans. Responding to the global warming and climate change impact are therefore a critical issue at international level. Countries around the world have jointly set a goal to control the average global temperature increase at a rate not higher than 1.5 Degrees Celsius, according to the Paris Agreement. As the Company operates business with 42 plants spread across Southeast Asia, greenhouse gas emissions are inevitable.

SCGP is aware of our duties and responsibilities towards society, especially surrounding communities. SCGP is committed to reducing greenhouse gas emissions and energy consumption. In 2020, the Company achieved a 12.8% reduction in greenhouse gas emissions and has set to achieve a Net Zero goal by 2050. It is also committed to other measures that would reduce its impact on the environment as follows:

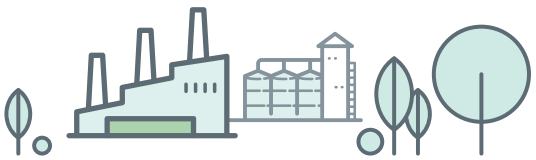
- Improve or modify production processes and equipment for greater energy efficiency.
- Increase the proportion of renewable energy usage – biomass fuels and clean energy sources to reduce the dependence on fossil fuels.
- Research and develop technologies to achieve the Net Zero goal by 2050.
- Apply economic tools to encourage a reduction in greenhouse gas emissions.
- Develop products, services and solutions that reduce greenhouse gas emissions throughout the value chains.
- Plant and restore terrestrial forest areas for biodiversity and carbon dioxide absorption.
- Organize activities to raise awareness for energy conservation and climate change response among employees and business partners.

2020

16.8% less fresh water Consumption

compared to the 2014 BAU*

GHG emissions down by 12.8%



compared to the 2007 BAU*

Tree Plantation



74,097 trees

Proportion of alternative fuel



31.0%

*BAU = Business - As - Usual

2. Social Risks

2.1 Health and Safety Risks

SCGP operations involve manufacturing, providing services, and logistics, and therefore expose employees to work environment risks from machinery, chemicals and heat that could result in injury or fatality of employees or contractors. Everyone's health and safety is the Company's highest concern. To emphasize this, the Company has set a target for zero Lost Time Injury Frequency Rate ("LTIFR") within 2022 and has established the following measures to reduce health and safety risks:

- Established an Occupational Health and Safety Supervision Committee, including the Contractor Safety Management Committee, the Transportation Safety Committee, the Office Safety Committee, the Safety Culture Committee and the Intelligent Safety Management Platform Development Committee to drive and oversee occupational health and safety work so that it is more rigorous and efficient.

- Raised awareness and changed working behavior to develop a safety culture by strictly enforcing Life Saving Rules with employees and contractors, assigning executives and supervisors to be safety role models – which is in line with the Company's practices.

- Used SCG's Safety Framework, together with the Safety Performance Assessment Program "SPAP", as guidelines that enhance the standard of occupational health and safety for the Company and its subsidiaries – both domestically and overseas.

- Developed SAFEsave Intelligent Safety Management to enhance safety standards, both domestically and overseas. This has advanced data analysis capabilities by using machine learning technology, real time danger alerts, and centralized database (instead of paper-based records) to mitigate risk as quickly as possible.



2.2 Human Rights and Labor Disputes

SCGP operates in many countries which have different laws and regulations for labor, immigration contractor as well as acquiring visas and work permits for foreign workers. Therefore, there are risks that the Company may not be able to update human resource policies or practices to follow the labor laws of each country. In addition, the labour unions of some subsidiaries may expose the Company with risk of employee strikes, which could slow down work and increase labor costs among other labor problems.

The Company believes in the value of the individual and adheres to fairness to all employees and business partners. An emphasis is placed on carefully formulating labor policies and practices by having human rights and labor disputes risk mitigation plan in place that includes:

- Establishing the Company's human resources management policy in accordance with the human rights and labor laws of the countries where the Company invests.

- Controlling compliance with labor laws and presenting details of laws that have changed to the management committee, and adjusting Company's practices to comply with legal requirements.

- Monitoring the labor relations process and collective labor agreement schedule; and preparing plans to accommodate risks at various points.

3. Governance Risks

3.1 Compliance Risks

SCGP operates various businesses from upstream packaging to downstream packaging, and has manufacturing plants located in many countries, where there are unique set of laws and regulations that the Company must comply with. However, each country's laws and regulations are constantly changing and new law and regulation may be issued. Also, there could be changes to interpretations of applicable laws and regulations. Therefore, there are risks that the Company may not be complying with those laws or regulations.

In the past, the Company never experienced a serious regulatory violation that materially affected the Company's business operations. However, the Company realizes the importance of risk management in this area. Consequently, the Compliance Management Committee has been established to closely monitor compliance with laws and regulations, as well as implement a digital platform to manage compliance and regulations, including storing related documents. This is to ensure that the Company is able to effectively comply with changing laws and regulations.

4. Hazardous Risks

4.1 Operational Risks During the COVID-19 Pandemic

With the worldwide COVID-19 pandemic, governments have enforced strict containment measure to restrict the spread of the virus such as some public transportation routes shut down, social distancing measures, and cross-provincial or cross-border travel restriction. These measures significantly affect people's daily lives and business operations. They also cause operational delays as employees who require to operate the facilities are unable to travel to the workplace, require extra time to import raw materials or to export products abroad due to the shortage of containers, or may be impacted by the disruption to the Company's customers and business partners who are critical to the Company's supply chain. The Company expects that the situation will continue through the first six months of 2021.



During the COVID-19 pandemic situation, the Company put in place the following risk mitigation measures to reduce the impact on the Company's operations in Thailand, Vietnam, Indonesia, the Philippines, and Malaysia:

- Established an Emergency Committee to monitor the COVID-19 situation and report to management on a weekly basis so that adjustments can be made to the Company's operating plans.
- Increased the level of compliance with Occupational Health and Safety standards with strict screening measures for visitors at office buildings such as checking temperatures, having visitors wear a cloth or medical mask, practicing physical distancing in all areas and cleaning common spaces every hour to ensure the safety of employees, customers and business partners.
- Established policies for high-risk employees to practice self-monitoring or self-quarantine and allowed office employees to work from home according to the government's control measures.

- Maintain the Company's liquidity by delaying non-operating budgets and managing the Company's inventories for maximum efficiency to reduce working capital.

- Manage the raw material sources proportion to reduce risks of delayed delivery. This included increasing the proportion of domestic raw material procurement and imports from short haul, as well as implementing an IT system to manage and plan raw material purchases and delivery schedules.

- Adjust purchasing and exporting modes by increasing the proportion of purchases in the FOB (Free On Board) term where the Company will book ships by itself to reduce dependence on outside operators. This also allows the Company to understand the transport situation faster and in more detail. Also, cross borders logistics through truck delivery is being used to replace some portions of sea exports

- Build trust with customers by enhancing compliance with occupational health and safety standard, especially with customers in consumer packaging segment. This included internal management to be able to deliver products and services to customers without interruption, and communicate COVID-19 prevention measures to stakeholders regularly.



5. Input Risks

5.1 Risk Associated with Volatility in Main Raw Materials and Energy Prices

The Company's production process consumes large quantities of raw materials and energy. The main raw materials include recovered paper (RCP), wood, virgin pulp and chemicals. The Company's main energy costs include coal and biomass – used for coal-fired power plants that transmit electricity and steam for the Company's production processes. During the past few years, the prices of key raw materials and energy were frequently volatile and fluctuated. This was caused by many factors such as the market demand and supply, environmental regulations, natural disasters, climate change and other factors beyond the Company's control and are expected to continue to volatile in the future.

The Company realizes that the volatility in main raw materials and energy prices presents risks and may cause production costs to fluctuate as well. In the event that main raw materials and energy prices rise significantly, the Company may not be able to adjust product prices to entirely reflect the rising energy costs. This may affect the Company's operating results. Therefore, the Company has put in place the following measures to mitigate risks:

- Operate an integrated business from upstream to downstream, by conducting a holistic approach in wood procurement activities such as promoting fast growing trees, operating our own eucalyptus plantation, and wood procurement from outside to be used as raw material in pulp production, which is then used as raw material for producing printing and writing paper, foodservice product, and packaging paper.

- Diversify risks by sourcing raw materials from multiple sources. This includes domestic RCP sourcing, both from the recycling center, direct purchases, and from trading partners. For overseas RCP sourcing, purchases were also distributed to every continent to increase the raw materials procurement channels.

- Pool sourcing of raw materials through a central department to optimize costs.

- Use various alternative fuels such as biomass from wood chips and wood bark, and reduce the energy cost volatility with derivatives.

6. Business Risks

6.1 Strategic Investment Risks on Merger & Partnership (M&P)

The Company's growth strategy relies on mergers and partnerships with business that aligns with the Company's future business direction. The success of this strategy depends on the Company's ability to selectively identify target businesses, execute and integrate with the business that the Company has acquired. Various risks are involved, including risks in assessing value, strengths and weaknesses of potential acquisitions, in verifying information prior to the acquisition, and in integrating and managing newly acquired businesses, which include risks associated with integrating existing personnel with the personnel of acquired businesses from the differences in culture and language perspectives, or political and regulatory risks in some countries. These risks could result in the Company's inability to fully achieve benefits within the expected time frame. Therefore, the Company has the following risk management measures:

- Improved the screening procedure and the clarity of merger integration process – both in terms of the way in which the information gets presented for decision making by executives, and in the scope covering from the screening stage to the completion of the merger and partnership, which is called the Pre & Post Merger Integration Framework (PPMI).
- Required that the integration plan be presented to executives and established a procedure to follow up on the results of the integration regularly with emphasis on business synergy, good corporate governance, and cultural integration.
- Required to appoint teams of advisory in legal, finance and others to assess risks associated with the acquisition and provide measures to mitigate these risks.

6.2 Operation Disruption Risks

The Company has 42 production facilities across Thailand, Vietnam, Indonesia, the Philippines and Malaysia. The Company also plans to expand business operations – both in the medium and long term to other countries within and outside ASEAN. The business operations and the distribution processes of our products associates the Company with operational and other general risks by the nature of the manufacturing of pulp and paper, packaging paper, and Performance and Polymer Packaging (PPP) such as manufacturing risk, storage risk and transportation risk. These risks may cause an unscheduled downtime for machinery, reducing the production capacity of the plant and affecting the Company's operation. Therefore, the Company put in place the following risk mitigation measures:

- Required all factories to carry machinery standard information which can be used as a common guideline by all plants.
- Assigned SCGP employees overseeing operation in each country or each plant to help manage the business, and report to the Chief Operation Officer on a regular basis.
- Arranged a joint operation review meeting with all overseas subsidiaries on a monthly basis, and identified a backup plant that can produce similar products to support production in case of interruption in some countries.
- Established regional sales teams that focuses on Multi-National Companies (MNC) customers with production in Thailand, Vietnam and Indonesia.
- Continuously raise awareness among employees through trainings and various activities.

6.3 Risks Associated with the Inability to Anticipate Technology Trends and Develop Products to Respond to Changing Customer Needs

The growth in the ASEAN market can be attributed megatrends such as increased consumption from rapid urbanization, and growth in the middle class and disposable income. These factors are associated with changes in consumer behavior and needs. Customers are shifting to e-commerce, focusing on the convenience of product uses and increasingly aware of impacts on the environment and sustainability. The Company's design and format of packaging must be able to adapt immediately to suit changes in customer needs. For example, polymer packaging needs to have an even longer shelf life, small and lightweight, resealable, microwaveable and can be disposed easily. And pulp and paper packaging needs to be produced using less raw materials and from low energy production

"The Company's design and format of packaging must be able to adapt immediately to suit changes in customer needs."



process (Lightweight G Technology), which reduces the impact on the environment, etc.

The Company's business strategy depends on capability to offer different packaging solutions and meet customer needs. To mitigate such risks, the Company has adopted the following measures associated with the introduction of new packaging solutions and quickly responding to customer needs:

- Developed a Customer Relationship Management Platform
- Established the Company's design solutions division ("SCGP-Inspired Solutions Studio"), which provides packaging design services.
- Provided more than 120,000 SKUs of comprehensive and diverse products in the integrated packaging business line to serve the varied needs and high growth consumer market.

7. Emerging Risks

7.1 Risks Associated with the Prolonged Demand Contraction and the Changing Business Landscape

In 2020, the COVID-19 pandemic affected the economies of ASEAN countries, including Thailand, Vietnam, Indonesia and the Philippines, and reduced the consumers' purchasing power. Although the government began easing lockdown measures from the second half of 2020 and the COVID-19 vaccine's development progress was faster than expected allowing the economies of some countries to recover from their lowest point, but the COVID-19 situation and the vaccine's effectiveness still remain highly uncertain. Thus, there is still a chance that the economy will remain stagnant in the near future. If the economy grows at a low level for a long time, it may adversely affect the purchasing power of some consumers permanently. The COVID-19 pandemic is currently driving a dramatic change in the business landscape such as the shifts in consumer behavior that can be seen with the increase in online shopping, or restaurants increasingly changing to online sales platforms. This has lead to more demand for packaging that is transportable, small in size and offers better protection. The fact that more consumers are also ordering food delivery to their homes and becoming more health conscious has resulted in a need for safe packaging that reduces the risk of contamination and does not affect people's health.

Soft economic growth situation and change in consumer behavior may affect the Company's business operations in the next three to five years. If the Company cannot adjust its strategy and business model accordingly, in a timely manner, or if the Company is not able to adopt new technology fast enough, this would result in losing customers or increasing operating costs. The Company has the following plans to mitigate these risks:

- Increase the share of packaging sales for customers in the consumer segments which impacts from the COVID-19 pandemic are limited.
- Work closely with customers to streamline production, transportation, and create packaging solutions for each individual customer – especially customers in the e-commerce segment where the demand for products is increasing rapidly.
- Implement various measures to ensure that the Company's packaging is hygienic and meets high standards in accordance with Good Manufacturing Practices ("GMP").
- Provide a comprehensive range of packaging with over 120,000 SKUs to meet different consumer needs.

7.2 Risks Associated with a Recovered Paper Shortage from The Stricter RCP Import Regulations in Other Countries

In 2018, China introduced a ban on imported waste on local Chinese operators. This cover controls and limitations on RCP imports, with a government-approved quota system to reduce the import of waste into China. In previous years, the Chinese government has been reducing the RCP import quota on a yearly basis and was regularly increasing quality screenings on imported RCP. The quota has been reduced to zero in 2021. This will prevent operators in China from importing RCP from January 1, 2021 onwards. As a result, RCP that is normally imported into China will need to be sent to other countries including ASEAN. The ban has had an impact on governments of different countries: Indonesia has now put in place strict measures to control the quality of imported RCP from July 2019; and Vietnam has announced from January 2022 onwards its target to ban imports

of mixed paper. Although these countries' measures may not be as strict as China's. But there is a chance that they will increase level of measures, and that other countries in the ASEAN region will begin adopting similar measures in the future. For Thailand, even though no regulations have been announced by the government, the business sector has increased waste management measures to meet international standards, and has designed an appropriate prevention process that includes selecting a certified supplier to reduce the risk if regulations become stricter in the future.

The Company relies on RCP for more than 95% of raw fiber materials for the production process of the Integrated Packaging Chain. With the change in the RCP trade flow and with the chance of governments of ASEAN countries (where the Company has packaging paper plants) introducing stricter restrictions than the current ones, or even restrictions that are as strict as China's, the Company's production processes may be at risk. If the Company is unable to source enough RCP from within the country, or if the Company's production processes cannot consume RCP from other sources in a greater portion, the Company's business and outputs will be significantly impacted.

The Company set a long-term target to increase the proportion of locally sourced RCP to equal to approximately half of the amount of RCP that the Company consumes each year with the following measures:

- Increased the number of recycling centers operated by the Company, as well as the number of centers that are operated by external companies in every countries where the Company has packaging paper plants.
- Expanded the collection network with large wholesalers and retailers, factories and industrial estates.
- Diversified sources of raw material imports from the USA, Europe, Japan and Australia.
- Initiated the Paper-X application to buy back paper for recycling in March 2019. General users can use the application to request for RCP collection quickly and conveniently.
- Arranged a campaign to boost the country's recovery rate and to support sorting from the source. This was done in collaboration with residential juristic persons, schools, universities, office buildings and various cooperation networks to setup drop points through Paper-X program to collect back RCP directly from customers to use as Company's raw material. This helped reduce the amount of waste in communities and commercials. In 2020, more than 380 drop points were set up in Thailand.
- Continuously promoted the principle of Circular Economy by organizing with business partners activities such as the SCG SD symposium, Perks from Trash, as well as joining the Thailand Responsible Business Network (TRBN) to drive the Circular Economy agenda through the "Circular Change the World" project.

7.3 Risks Associated with Environmental Pollution Caused by Plastics and Plastic Waste

Nowadays, environmental pollution caused by plastics and plastic waste is becoming a serious prevalent problem. At the same time, consumers are more aware of their impact on the environment and the concept of sustainability. This has had a significant impact on consumer behavior, which will become more clearly defined over the next three to five years such as the preference in purchasing products and services that are more environmentally friendly, or from responsible producers who explicitly stage a clear direction in reducing the use of resources in their production processes, including the emphasis on the usage of recycled contents as raw materials in their production processes. These trends may make consumers shying away from purchasing the Company's polymer packaging products. If the Company does not develop recycling technology, business operations and results may be significantly impacted. The Company has the following measures to address this:

- Set the target to increase the proportion of recyclable polymer packaging to approximately 100% of PPP revenue by 2025 and implement the Circular Economy principle.
- Develop innovative products and services that reduce the use of resources or promote recycling in accordance with the Circular Economy principle:
- A mono material film such as laminated mono material or R-1 to produce rice bags instead of multi-layered film that is difficult to recycle.



- FybroZeal – a fiber-based packaging made from natural pulp and coated with special water-based chemicals that are environmentally friendly. The packaging is heat-sealed without plastic film coating so that it can is recyclable and compostable.

- Paper straws to replace single-use plastic straws.

- Packing system: the Company has introduced Multi-Pack technology in the beverage industry which uses folding carton packaging in conjunction with the Multi-Pack Machine to replace plastic wrap.

- Have a process for plastic collection in conjunction with the Drop Point project to provide a complete solution.

7.4 Cyber Security Risks

The Company uses information technology in our business operations to achieve efficiency. Information technology is used for planning corporate resources, ordering, production, shipping and warehouse management for the Company's products. It is also used for quality control, dealing with customers and is used to ensure the Company's financial system is operating correctly. Since the COVID-19 pandemic started, the Company has adapted employees' way of working so they can work from home. This makes employees rely more on connecting to the work system through an external network. These networks may have a lower level of security in comparison to the Company's network or the security patch may have not been updated on a regular basis, which increases risks associated with cyber security such as malware, hacking attempts, and other cyber security attacks that may lead to leaked or stolen product development information, trade

secrets, as well as customer, partner and employee personal information. The system's infrastructure may be affected, which would impact the Company's production process.

The Company realizes the importance of cyber security. Therefore, the following risk mitigation measures have been put in place:

- Implemented the SCG e-Policy, which is referenced to the ISO 27001 international standard, and cyber security plans such as data classification and management, guidelines on using social media, regulations on information technology usage for employees in the Human Resources Department.
- Determined and promoted awareness on the use of information technology system among employees through regular training and various activities that promote the right way to use information technology system and be safe from cyber security threats, including an SCG Ethics e-test that is administered annually.
- Added and installed more cybersecurity protection devices such as web application firewall, privileged access management system, and network access control system, including installations of anti-virus and anti-malware software, and update patch management for the entire SCGP.
- Conducted a cyber risk assessment on the computer system that is used to control the production process and implemented risk mitigation plans.
- Joint with SCG in conducting drills for the Disaster Recovery Plan (DRP) to be prepared for emergencies. This included preparing a Cyber Incident Response Plan and implementing regular drills to practice preventing cyber attacks.





8. Investment Risks Associated with Investment of the Securities Holders

8.1 Conflicts of Interest with the Major Shareholder (SCC)

SCC is the Company's direct and indirect shareholder. Its proportion of issued shares is not less than 70%, and it has control over the Company as long as it continues to hold a majority of the Company's shares. SCC is able to nominate a person to serve as the Chairman of the Board. In addition, SCC is able to pass a majority vote at the general shareholder meeting and at the Company's extraordinary general shareholders meeting. It can also forbid changes to the Company's control. Therefore, SCC's interests may not be the same, or there may be a conflict of interest with other shareholders.

The Company has provided measures to manage this risk. These measures adhere to principles of good corporate governance and sustainable business to ensure fairness and equality among all shareholders.



Driving Sustainability in Business

Sustainability Management Policy and Goals

SCGP and its subsidiaries, both domestic and overseas, have a policy to operate their businesses in accordance with sustainability guidelines - considering risks and opprtunities of sustainability improvement at all levels of the organization, short and long-term needs, expectations of all stakeholders, as well as environmental, social and governance (ESG) impacts. The Company and its subsidiaries use this information to formulate business strategies that help the business grow sustainably within rapidly changing circumstances - taking into account the balance between economic and ESG aspects.



The Company's Corporate Governance Manual has published the Sustainable Development Policy, Corporate Governance Policy, Human Rights Policy, Risk Management Policy, Stakeholders Engagement Policy, Sustainable procurement framework and supplier code of conduct. In addition, the Company has announced an Environment and Climate Policy to demonstrate its business principles that take effectiveness and efficiency of environmental and climate management into consideration.

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



No Poverty
End poverty in all its forms everywhere



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



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



Gender Equality
Achieve gender equality and empower all women and girls



Clean Water and Sanitation
Ensure availability and sustainable management of water and sanitation for all



Decent Work and Economic Growth
Promote 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



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



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

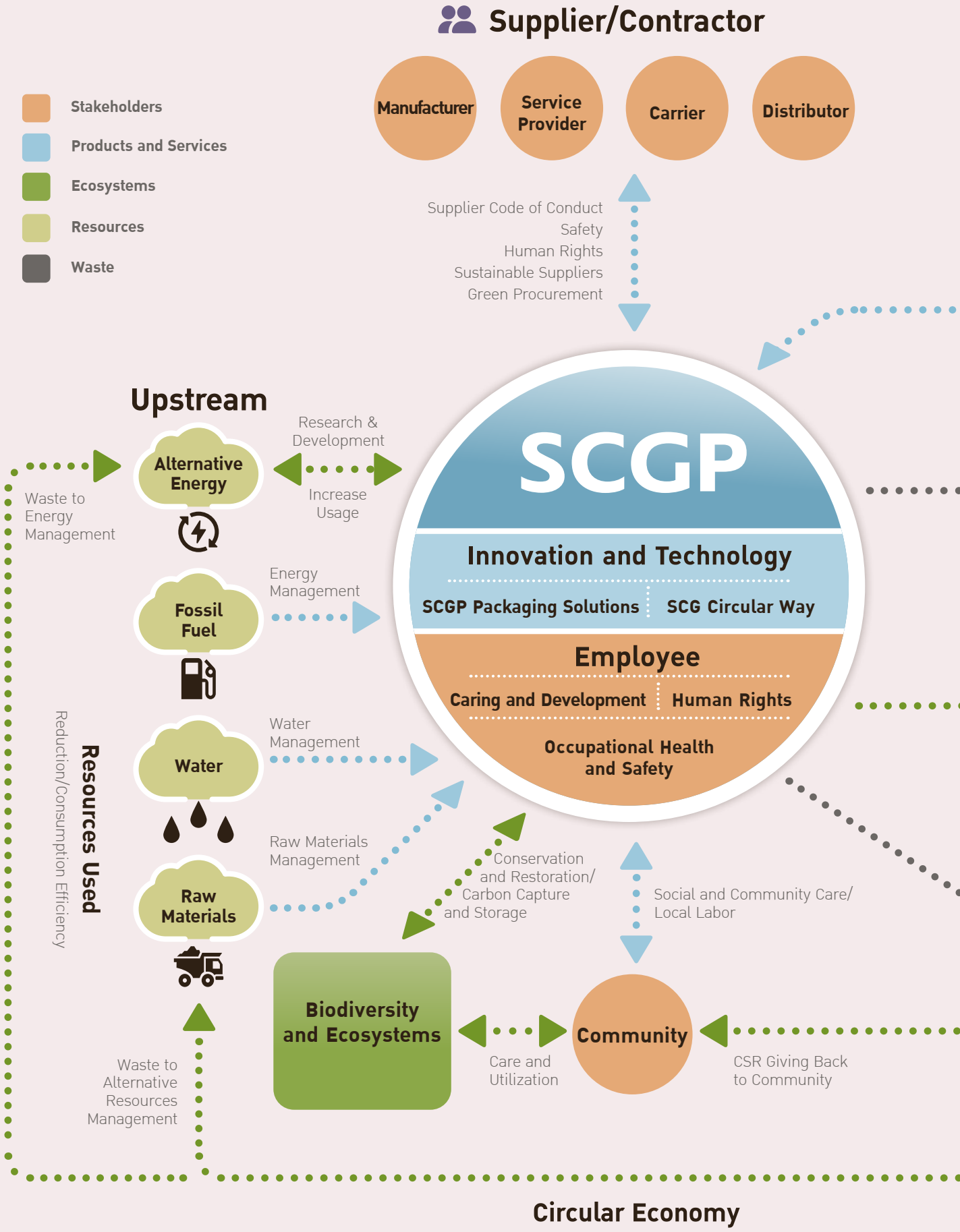


Partnerships for the Goals
Strengthen the means of implementation and revitalize the global partnership for sustainable development

The Company's sustainable development goals and guidelines for 2020 are as follows:

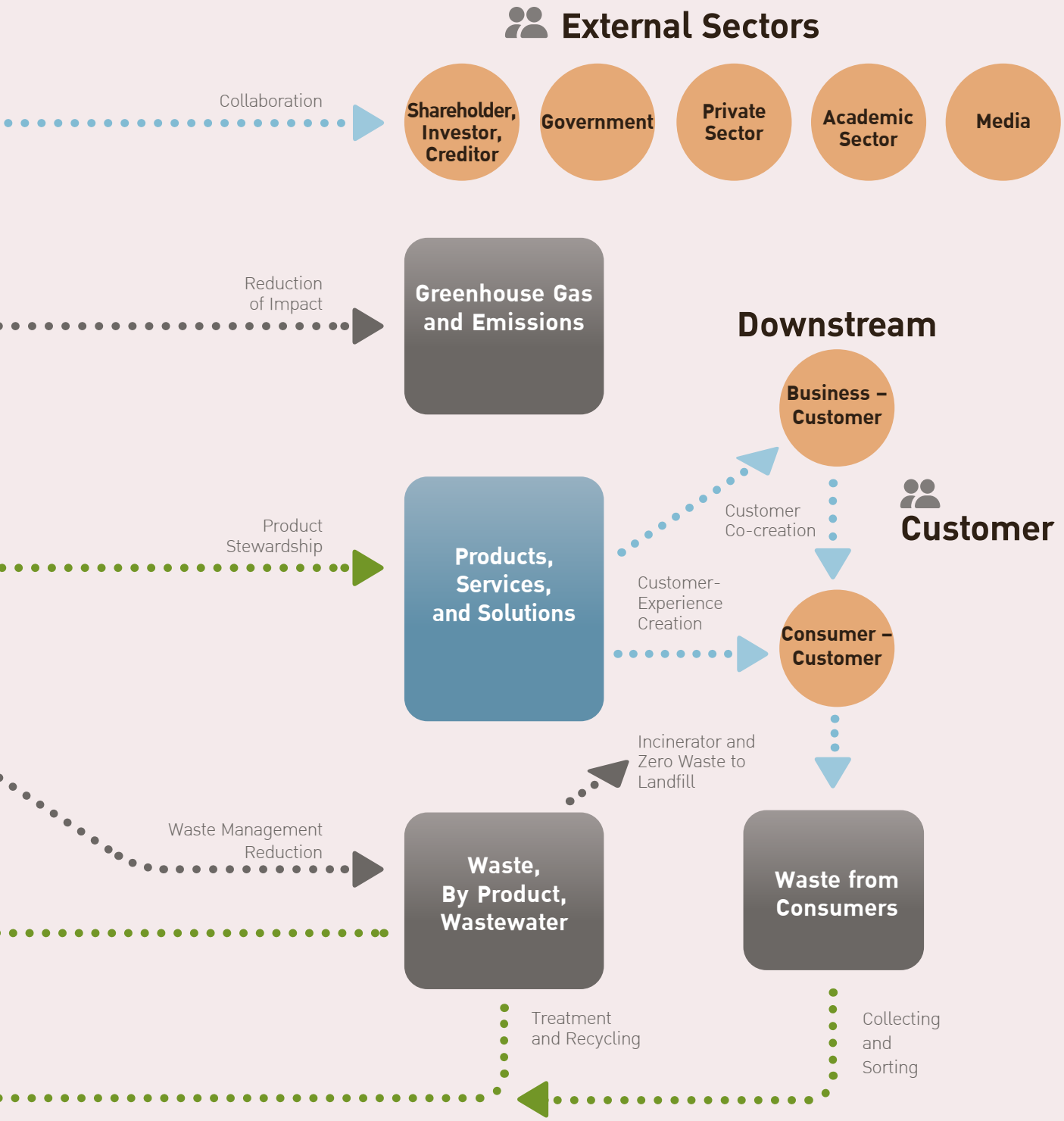
	Goals	Management Guidelines
Economic Guidelines	**Product Stewardship** • 66.7% (2/3) of revenue comes from sales of products and services that received the SCG Green Choice label by 2030. • 33.3% (1/3) of revenue comes from sales of products and services that are environmentally friendly and received the SCG Green Choice label by 2030.	• Develop products, services and solutions that meet consumer needs and ensure consumer well-being, and responsibility towards climate change and the Circular Economy. • Develop business processes throughout the value chain that are in line with international standards. • Use innovations to develop products, services, solutions and create new business opportunities.
	Customers Experience • 100% overall customer satisfaction.	• Create business-to-business-to-customer (B2B2C) engagement. • Create business-to-customer (B2C) engagement.
	Supply Chain Stewardship • Business partner shows a commitment to the SCGP Code of Business Conduct 90% of procurement spending. • Business partner passes the Environmental, Social and Governance Risk Assessment (ESG) 100% of procurement spending. • Production line contractors passes the SCG Contractor Safety Certification System (SCS) 100%.	• Select and evaluate business partners based on their potential to operate sustainably. • Assess risks to formulate strategies and plan business partners' development. • Develop business partners so that they are able to operate sustainably. • Raise employees' awareness of, and capacity to source and purchase efficiently.
Social Guidelines	**Health and Safety** • The number of fatality for employees and contractors is zero every year. • Lost Time Injury Frequency Rate of employees and contractors is zero by 2022.	• Raise awareness and promote behaviour change towards a safety culture. • Have executives and supervisors act as safety leaders who care about employees and contractors. • Use a safety management system to raise the level of safety standards both domestic and overseas. • Develop digital technologies that are convenient and operational management tools that are fast to reduce the risk of accidents.
	Human Rights • Become an organizational model for human rights, both directly for SCGP's business operations, and indirectly by supporting business partners and joint venture partners in protecting and respecting human rights in business operations. • Risks have mitigation and prevention plans, with 100% remediation.	• Comply with "SCGP's human rights principles", law, or the treaty obligation of each country. • Continue to implement the Human Rights Due Diligence Process.

	Goals	Management Guidelines
Social Guidelines	 **Employee Caring and Development** • By 2022, employees in Thailand receive 100% of their competency assessment and Individual Development Plan (IDP) on the Learning Management System (LMS) yearly. • Organizational employee engagement more than 80% by 2022. • Build a culture of learning and coaching. Employees are responsible for their own learning and development and are supported by their supervisors.	• Develop employees' capacity to meet the needs of business competition. Develop leaders that have the appropriate attitude, knowledge and competencies to build their subordinates' potential and ensure they play important roles at SCGP. • Build learning support initiatives through the Learning Management System (LMS) that have the same quality and standard throughout the region, and provide digital learning opportunities. • Create corporate value to attract talent. • Take care of employees fully and fairly, and create business value by engaging employees.
	 **Community Engagement and Development** • Community satisfaction at 90%.	• Use expertise within and outside SCGP to support society. • Encourage employee and stakeholder participation to create sustainable value for society. • Innovate to meet the needs of communities and solve social problems. • Develop a model community that can serve as an example for the community network.
Environmental Guidelines	 **Climate Resilience** • Reduce greenhouse gas emissions by 10% in 2020, 20% in 2025 and 28% in 2030, compared with BAU at the base year of 2007. • Reduce energy consumption by 13% in 2025 compared with BAU at the base year of 2007. • Increase the consumption of biomass fuels and clean energy sources instead of fossil fuels. • Improve or modify processes and equipment for higher energy efficiency.	• Research and develop technologies to achieve the Net Zero goal by 2050. • Develop products, services and solutions that reduce greenhouse gas emissions throughout the value chain. • Apply economic tools to promote the reduction of greenhouse gas emissions. • Restore forest areas on land and coasts, and plant seagrass for greater biodiversity and carbon dioxide absorption. • Organize activities to raise awareness among employees and business partners on energy conservation and on how to cope with climate change.
	 **Water Stewardship** • Reduce external water use by 35% in 2025 compared with BAU at the base year of 2014.	• Increase the efficiency of water use in production processes and products. • Reuse treated wastewater. • Develop the capability of personnel employed to manage water. • Restore ecosystems related to water resources and support water sources for communities and agriculture.
	 **Waste Management** • Zero waste from production to landfill every year. • By 2025, reduce the amount of waste disposed per tonne of products by incineration by 92% compared with BAU at the base year of 2014.	• Reduce waste at the source. • Manage industrial waste in accordance with the 3Rs and the Circular Economy Principle - both hazardous and non-hazardous waste within SCGP and SCG. • Research and innovate to reuse raw materials and recycle waste. • Add value to waste by converting it into value-added products.


Supplier/Contractor
Manufacturer
Service Provider
Carrier
Distributor
Stakeholders
Products and Services
Ecosystems
Resources
Waste
Supplier Code of Conduct
Safety
Human Rights
Sustainable Suppliers
Green Procurement
Upstream
Alternative Energy
Research & Development
Increase Usage
Waste to Energy Management
Fossil Fuel
Energy Management
Water
Water Management
Raw Materials
Raw Materials Management
Resources Used
Reduction/Consumption Efficiency
SCGP
Innovation and Technology
SCGP Packaging Solutions
SCG Circular Way
Employee
Caring and Development
Human Rights
Occupational Health and Safety
Conservation and Restoration/ Carbon Capture and Storage
Social and Community Care/ Local Labor
Biodiversity and Ecosystems
Community
Care and Utilization
CSR Giving Back to Community
Waste to Alternative Resources Management
Circular Economy

Business Value Chain

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



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

In addition, the Company's production and service processes strive to reduce greenhouse gas emissions, energy consumption and waste generation. The Company also takes care of communities surrounding the plant and supports all stakeholders with the implementation of various social projects, including campaigns and awareness raising activities on environmental conservation. Moreover, the Company coordinates with all sectors including the government and the private and public sector - this is a key factor in the realization of a circular economy.

Analysis of Stakeholder Expectations

SCGP has 12 stakeholder groups: shareholders, joint venture partners, creditors, employees, customers, suppliers, business partners, communities, government, mass media, civil society/academics/thought leaders and competitors. Each stakeholder group may be affected by the Company's operations at different levels. Therefore, the stakeholders were grouped to manage and analyze their expectations, communication channels and objectives have been implemented to continuously respond to stakeholder needs.

The following table shows the results of the stakeholder expectation analysis conducted in 2020:

Stakeholder group	Needs and expectations	Communication channels	Examples of what has been done
1. Shareholders, joint venture partners, creditors 	• Performance and business growth. • Good corporate governance, management with transparency. • Disclosure of information on the Company's operations. • Appropriately paid dividends.	• Annual general shareholders' meeting. • Operating results announced every quarter. • Annual Report and Annual Sustainability Report. • Analyst conference. • Investor Relations (IR): travel to clarify results and action plans with investors around the world. • Hotline and e-mail managed by the IR team. • Website. • Organized factory visits and CSR activities.	• Important information concerning SCGP's operations is disclosed. • Corporate governance is carried out with transparency, fairness, and is verifiable. • Comments and suggestions are listened to in order to further develop operations.

Stakeholder group	Needs and expectations	Communication channels	Examples of what has been done
2. Employees 	• Reskill and upskill to enhance their ability to respond to changes in business. • Regular updates on the organization's direction and operations, and guidelines to adapt to changes. • Employee care.	• Organizational journals shared regularly. • Meeting arranged between management and employees quarterly. • Employee satisfaction survey. • Official and unofficial polls. • E-mail. • Whistleblowers.	• Problems and expectations are recognized. • The needs of employees are taken into account to provide a happy and efficient working environment. • Information of all types is disclosed to employees so that they are aware of changes to SCGP's operations. • A culture that promotes cooperation with other stakeholders has been built.
3. Customers 	• Integrate services and solutions that meet the needs of customers. • Provide online channels for customers during the COVID-19 pandemic. • Quality products and services that meet customer needs and are environmentally friendly.	• Receiving complaints and suggestions from customers through various channels 24 hours a day. • Customer satisfaction survey administered every year. • Brand reputation survey. • Receiving feedback through Facebook, website and visits to customers to improve products and services.	• Customer needs are recognized and taken into account to improve products and services. • Products are co-developed with business customers. Cooperation among business customers is promoted to develop sustainable products and services. • Channels have been created for customers to give feedback on products, ask for advice and make complaints.
4. Suppliers, Business partners 	• Knowledge-sharing to enhance transportation safety and mentoring for businesses to grow alongside SCGP. • Knowledge-sharing with business and trading partners to improve business operations, integrate ESG factors into plans and reduce operational and reputational risks.	• Visiting business partners and suppliers regularly to exchange ideas and listen to suggestions for improvements. • Raising awareness of, and promoting workplace safety. • Organizing seminars to share knowledge on new trends that may affect the operations of business and trading partners. • Enhancing transportation for business partners by assessing and developing sustainable programs every year. • Establishing measures and using digital technologies to ensure safety for all business and trading partners during the COVID-19 pandemic.	• Safety measures have been promoted and implemented within the workplace to protect business partners in production and transportation. • Value within the operations of business and trading partners is being created. • The operations of business and trading partners have been supported and enhanced for maximum efficiency. • Cooperation projects have been developed for further business growth.

Stakeholder group	Needs and expectations	Communication channels	Examples of what has been done
5. Communities 	• Ensuring that operations do not affect communities and the environment. • Develop and improve lives within communities with SCGP's support. • Learning and development opportunities for sustainable livelihoods and income.	• Community visits and activities to hear opinions, suggestions, and needs. • Annual community satisfaction survey. • Partnerships to give advice and support community development in various dimensions with the organization's capacity and resources. • Collaborating with communities, experts, the government and related sectors to create social impact. • Social media (Line, Facebook, Twitter). • Open house activities - community visits to the factory and opinion-sharing sessions.	• Relationships with communities, and respect for community rights and the surrounding environment have been established and upheld. • Communities have been continuously supported by SCGP within Thailand and throughout the ASEAN countries the Company operates in. • Community opinions are listened to. • Cooperation projects have been established to improve lives within communities and create opportunities for social development.
6. Government 	• Being a good role model for other organizations, with management that is transparent and that maintains high standards. • Cooperating with government agencies and proposing guidelines for sustainable development. • Disclosure of information on business operations with transparency and accountability. • Operating business with consideration of the environment and communities.	• Listening to various opinions and suggestions from the government sector. • Giving opinions and suggestions on government regulations and guidelines. • Engaging with the government sector and sharing good practices that can be further disseminated. • Establishing committees or working groups with the government to discuss guidelines and best practices. • Visiting various government agencies to receive opinions and suggestions. • Providing information on the organization's operations through articles, media, meetings, exhibitions, academic work and seminars.	• Business activities are conducted properly, appropriately and in accordance with applicable laws and regulations. • Cooperation with government agencies and academic bodies to support various activities.

Stakeholder group	Needs and expectations	Communication channels	Examples of what has been done
7. Mass media 	• Be a large corporation that focuses on sustainable business (taking into account economic, social and environmental factors), shows continuous commitment and has concrete outcomes.	• Disseminating information on business operations regularly through various channels, such as public announcements and press conferences. • Organizing visits or social activities. • Supporting media activities that contribute positively to society and are in line with SCGP's guidelines. • Listening to suggestions and opinions to develop a communication strategy that meets the needs of various industries requiring information on the Company.	• Information on the organization has been communicated through in-depth media interviews and online media surveys to meet different media needs and requirements. • An online communication channel has been created to disseminate correct, complete and up-to-date information and facilitate communication with the media. • Good relationships and engagement with the media are continuously upheld.
8. Civil society/ academics/ thought leaders 	• Be a model and mentor to small and medium-sized enterprises, and share best practices to uphold their commitment to sustainable development. • Partnerships with large corporations to make significant and sustainable change. • Cooperate with government agencies and share recommendations on sustainability.	• Listening to opinions and suggestions from civil society, academics and thought leaders to develop operations. • Participating in projects that promote sustainability. • Providing information on the operations of the organization through articles, media, meetings, exhibitions, academic work and seminars.	• Complete and transparent disclosures of information are made. • Comments and suggestions from civil society are listened to. • Opportunities to build partnerships and address issues related to sustainability are sought. • Awareness and understanding is promoted among society on important issues related to sustainability. • Knowledge of experts is sought to support sustainability projects.

Sustainability Performance

Based on the stakeholder expectation analysis, the Company has put in place guidelines for sustainability which cover economic, social and environmental factors that influence corporate governance. The key sustainability results regarding economic, social and environmental factors under good governance for 2020 are as follows:

Economic Guidelines



Products Stewardship

33.9% of total revenue came from sales of goods and services that received the **SCG Green Choice label** (31,484 MB)

2.2% of total revenue came from sales of products and services that are environmentally friendly and received the **SCG Green Choice label**

32 products received the **SCG Green Choice Label**

Building the Customer Experience

Overall customer satisfaction **80%** in the 2019 survey (conducted every two years)

Green Procurement

Business partner shows a commitment to **the SCGP Code of Business Conduct** **90%** of procurement spending

Business partner passes the Environmental, Social and Governance Risk Assessment (ESG) **100%** of procurement spending (Business partner with procurement spending over 1 MB)

95% Production line contractors passes the SCG Contractor Safety Certification System (SCS)

The procurement value and products on the environmentally friendly procurement list amounted to **4,790** MB (**17%** of the purchasing value) for **14** products

Health and Safety

Number of fatalities as a result of Work-related injury **0** case

Lost time injury frequency rate (employee/contractor) **0.217** cases per 1,000,000 hours worked

Human Rights

The proportion of female employees is **17.5%** with female management staff accounting for **20.6%**

The number of human rights violations is **0**

Helped **17** persons with disabilities gain income and full-time employment, and supported **51** local disabilities become self-employed

Social Guidelines



Employee Caring and Development

Expenses for employee development both domestically and overseas amounted to **172** MB

The average number of training days for both domestic and overseas employees is **2** days per person (excluding e-learning)

Employee engagement rate in Thailand is **80%**

Community Development and Engagement

Community satisfaction **90%** from survey results.

Environmental Guidelines



Climate Resilience

Reduced GHG emissions by 12.8%

Reduced energy consumption by 5.4%

compared with BAU at the base year of 2007

Water Stewardship

Reduced external water consumption by **16.8%** compared with BAU at the base year of 2014

The proportion of **recycled water** is **14.1%**

Waste Management

Waste to landfills **0.77** tonnes from total waste management 1,066,900 tons

Waste to incineration without energy recovery decreased **99.6%** compared with BAU at the base year of 2014

Sustainable Development Performance

No.	Performance	2016	2017	2018	2019	2020
1	Revenue from Sales of High Value Added Products and Services (%)	43	47	51	52	63
2	Revenue from Sales of SCG Green Choice Products and Services (%)	33	27	34	16	34
3	Research & Development and Innovation Investment (Million Baht)	449	574	425	584	529
4	Number of Patent	n/a	n/a	55	69	69
5	ESG Spending on Sales (%)	1.71	1.32	1.29	1.24	1.20
6	Raw Materials (Thousand Tons)	4,795	5,224	5,483	5,177	6,405
7	Recycled Materials (Thousand Tons)	2,430	2,887	2,550	2,597	4,003
8	GHG Scope 1 and 2 (Million Tons carbondioxide equivalent)	3.04	3.02	2.96	2.91	2.92
9	GHG Emission Reduction compare with business as usual (BAU) at base year of 2007 (%)	9.21	11.00	13.20	14.45	12.79
10	GHG Emission (Tons carbondioxide equivalent per Ton Production)	0.94	0.89	0.86	0.85	0.87
11	Alternative Fuel (Petajoules) - Renewable Biomass	1.05	0.95	0.96	1.39	1.59
12	Alternative Fuel (Petajoules) - Renewable Industrial Waste	8.21	8.55	9.80	9.81	8.81
13	Alternative Fuel (Petajoules) - Non Renewable Industrial Waste	1.17	1.25	1.08	0.89	1.94
14	Portion of Renewable Energy (%)	23.53	23.52	26.27	27.52	25.57
15	Energy Consumption Reduction compare with business as usual (BAU) at base year of 2007 (%)	n/a	6.99	8.23	8.42	5.36
16	Energy Consumpiton (Gigajoules per Ton Production)	12.14	11.84	11.91	11.86	12.14
17	Water Withdrawal Reduction compare with business as usual at base year of 2014 (%)	-0.33	-0.80	4.32	10.40	16.81
18	Portion of Recycled Water (%)	6.48	8.35	9.75	12.04	14.08
19	Water Withdrawal (Cubic Meter per Ton)	20.09	19.70	19.05	17.82	16.31
20	Hazardous and Non Hazardous Waste to Landfilled (Tons)	10.69	1	0.00	0.00	0.77
21	Hazardous and Non Hazardous Waste to incineration without energy recovery compare with base year of 2014 (%)	75.86	82.38	93.49	96.17	99.62
22	Lost Time Injury Frequency Rate : LTIFR (Cases per 1,000,000 hours worked) - Employee+Contractor	0.725	0.507	0.532	0.605	0.217
23	Total Number of Work-Related Fatalities (Cases) - Employee (male : female)	1 : 0	0 : 0	0 : 0	0 : 0	0 : 0
24	Total Number of Work-Related Fatalities (Cases) - Contractor (male : female) (Workplace and Direct Transportation)	3 : 0	0 : 0	1 : 0	0 : 0	0 : 0
25	Recordable Work-Related Injury Rate (Cases per 1,000,000 hours worked) - Employee	1.517	2.169	1.526	1.423	1.006
26	Female share of total workforce (%)	16.65	16.69	16.91	16.92	17.52
27	Female in all management positions (%)	18.6	19.0	18.90	19.6	20.6

Remarks:

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

[2] *Indirect GHG emissions (Scope 2) It is caused by indirect GHG emission from energy consumption, e.g. greenhouse gases arising from electricity generation, imported thermal or steam for internal utilization.*

SCGP has disclosed information in the Sustainability Report in accordance with GRI standards. The accuracy of the sustainability information has been verified for the year ended December 31, 2020 by KPMG Phoomchai Business Advisory Company Limited. The Company has disclosed details of its sustainable development performance in the 2020 Sustainability Report on its website: (www.scgpackaging.com)

Management Discussion and Analysis: MD&A

Business and Operations Overview

SCG Packaging Public Company Limited (SCGP)'s operations across the region are through its subsidiaries in two business chains, which are (1) Integrated Packaging Chain and (2) Fibrous Chain.



1. **Integrated Packaging Chain:** revenue accounts for approximately 85% of the total consolidated revenue from sale and services, and are comprised of:
    - Fiber-Based Packaging, such as corrugated containers, retail display packaging, recycled paper bags for consumer products, and industrial bags.
    - Packaging Paper which is the upstream material.
    - Performance and Polymer Packaging (PPP), both Flexible Packaging and Rigid Packaging.
2. **Fibrous Chain:** revenue accounts for approximately 15% of total consolidated revenue, and is comprised of Foodservice Products, Pulp and Paper Products, which mainly consists of writing paper and pulp.

The year 2020 was a year of growth for SCG Packaging Public Company Limited. SCGP was listed on the Stock Exchange of Thailand on October 22, 2020, amidst the volatile of the world economy from the COVID-19 pandemic. As ever, SCGP remains committed to the highest safety for its employees, production process and products, as well as maintaining an efficient supply chain management for its customers.

During global economic fluctuation of 2020, SCGP continued to maintain steady growth. Its sales revenue in 2020 was Baht 92,786 million, an increase of 4% year-on-year. This was attributed to the Company's portfolio of clients in the various industries which experienced continued demand stability and growth, especially consumer products that are essential to daily life, food and drink, health care products, and E-commerce shopping, as well as from the synergy from mergers and acquisitions in Thailand and Indonesia. Gross profit was Baht 19,453 million, an increase of 12% year-on-year, due to increased sales revenues from consolidated companies post-acquisition. EBITDA in 2020 registered Baht 16,876 million an increase of 11% year-on-year with an EBITDA margin of 18%, which was attributed to continued efforts towards solutions to meet our customers' needs, alluring and innovative product designs, as well as effective cost management. Net profit was Baht 6,457 million, an increase of 23% year-on-year, and the net profit margin was 7%.

Important Milestones

- SCGP commenced trading on the Stock Exchange of Thailand on October 22, 2020 with an initial market capitalization value of approximately Baht 150,000 million (at the IPO offering price) and was classified in the SET 50 Securities Group. IPO fundraising (including sale of excess stock over-allotment) brought approximately Baht 40,092 million for investment in both domestic and international expansion. It is used for financial restructuring as well as for working capital within the business.

- SCGP entered into a business alliance with Rengo Co., Ltd. (Rengo) regarding United Pulp and Paper Co., Inc. (UPPC), the Philippines. The stakes between SCGP and Rengo are 74.8% and 25.0%, respectively. This alliance increases UPPC's opportunities to increase sales and expand its customer base in the Philippines while strengthening SCGP's packaging business line in the ASEAN region.

- SCGP successfully merged with Bien Hoa Packaging Joint Stock Company (SOVI), which is a listed company in Vietnam, with a proportion 94.1% of total investment, or approximately Baht 2,700 million. SOVI is a Fiber-Based Packaging leader and has a main customer base of both multinational corporations and leading companies in Vietnam. This investment enables SCGP to expand its customer base in food, beverages and consumer products. It also increases the proportion of vertical integration with the packaging paper plant.

- SCGP invested 100% in Go-Pak UK Limited ("Go-Pak") in January 2021. Go-Pak is one of the leading providers of food packaging solutions for takeaway and ready-to-eat food and beverage businesses in the UK, Europe and North America. The merger with Go-Pak extends SCGP's food packaging business which will help strengthen the Company's consumer market base and expand its customer base and production and distribution capabilities.

- SCGP has increased its competitiveness by developing innovative new packaging solutions and seeking ways to differentiate itself from its competitors. In the past year, the business launched its SCGP-Inspired Solutions Studio, which provides packaging design and development solutions services to meet a wide range of customer needs, enhancing the uniqueness of customers' brands.

Table 1: SCGP's consolidated financial statements

Baht million

	Year		% y-o-y
	2020	2019	
Operating Results from Consolidated Financial Statements			
Revenue from Sales	92,786	89,070	4%
Integrated Packaging Chain	78,903	71,625	10%
Fibrous Chain	13,883	17,445	(20%)
Cost of Sales	73,333	71,651	2%
Gross Profit	19,453	17,419	12%
Gross Profit Margin (%)	*21%*	*20%*	
Distribution Costs and Administrative Expenses	10,363	9,754	6%
EBITDA	16,876	15,147	11%
EBITDA Margin (%)	*18%*	*17%*	
Net Profit	6,457	5,269	23%
Net Profit Margin (%)	*7%*	*6%*	
Earnings per Share (Baht)	1.95	1.69	
Dividends per Share (Baht)	0.45	0.98	
Dividends Payout Ratio on Net Profit (%)	30%	58%	
Core Performance			
Core EBITDA	17,537	14,974	17%
Core Profit	6,638	5,573	19%

Remarks: Revenue from sales by chain = Revenue from sales after intersegment elimination
EBITDA = Profit before finance costs, income tax expense, depreciation and amortization
(excluded dividend from associates and included FX gain/loss from loans)
In 2020, dividends received from associates was Baht 8 million and 2019 was Baht 12 million.
Net Profit = Profit for the year attributable to owners of the parent

Operations Overview by Chain[1, 2]

Integrated Packaging Chain (IPC)

The operating results in 2020 from the integrated packaging business chain was Baht 79,175 million, an increase of 10% year-on-year. This is attributed to the business expansions, both domestic and within the region. In addition, the demand for consumer goods continued to grow despite the economic slowdown. EBITDA was Baht 15,789 million, an increase of 14% year-on-year, with an EBITDA margin of 20% for net profit, up 17% year-on-year at Baht 7,200 million, which was the result of SCGP's continued comprehensive efforts towards packaging solution strategy to serve diverse customer groups and industries, both large domestic companies and multinational corporations. SCGP integrated within its value chain to create a more competitive advantage:

Remark: [1]Operating results by chain shows data before eliminate between subsidiaries business. / [2]Subsidiaries business lines show information after the intersegment elimination.

- "Fiber-Based Packaging": Revenue from sales was Baht 23,747 million, a decrease of 4% year-on-year. This was due to the declining demand for durable goods and the export volume of clothing and shoes during the COVID-19 pandemic.

- "Packaging Paper": Revenue from sales was Baht 48,293 million, an increase of 16% year-on-year. This was mainly due to the merger of the packaging paper business in Indonesia, which made SCGP the second largest manufacturer in Indonesia.



- "Performance and Polymer Packaging": Revenue from sales was Baht 6,863 million, an increase of 30% year-on-year from mergers. Exports of food industry goods and the demand for healthy and clean products was increasing. The Company has continuously developed its innovative packaging, such as recyclable rice bags due to mono-material technology (R-1) to meet the environmental conservation needs of manufacturers and consumers.

Fibrous Chain (FC)





The operating results in 2020, revenue from sales of Fibrous chain was Baht 15,448 million, a decrease of 18% year-on-year. This is mainly because the demand for pulp and writing paper dropped significantly as a result of pandemic control measures, namely with school shutdowns and work-at-home campaigns. EBITDA was Baht 1,027 million, a decrease of 15% year-on-year, with an EBITDA margin of 7%. Although sales volumes decreased, the EBITDA margin was slightly higher due to cost management and production efficiency enhancement. The net loss was Baht 655 million, an increase of 53% year-on-year.

Following SCGP's strategic business model transformation to food packaging, SCGP invested 100% in Go-Pak in January 2021. This merger with Go-Pak expanded SCGP's food packaging business and take-away and ready-to-eat beverages in the UK, Europe and North America. The merger with Go-Pak is an expansion of the company's food packaging business, which will further strengthen the Company's consumer market base and expands its customer base by expanding production and distribution capabilities. Gross sales of the food packaging business will increase from 10% to 25% of sales revenue in the Fibrous Chain.

Table 2: Operating results by business segment

Baht million

Revenue from Sales	Year 2020	Year 2019	% y-o-y
Consolidated SCGP	**92,786**	**89,070**	**4%**
Integrated Packaging Chain	79,175	72,006	10%
Fibrous Chain	15,448	18,794	(18%)
Intersegment Elimination	(1,837)	(1,730)	(6%)

EBITDA	Year 2020	Year 2019	% y-o-y
Consolidated SCGP	**16,876**	**15,147**	**11%**
Integrated Packaging Chain	15,789	13,880	14%
Fibrous Chain	1,027	1,207	(15%)
Others	3,270	2,581	27%
Intersegment Elimination	(3,210)	(2,521)	(27%)

EBITDA Margin (%)	Year 2020	Year 2019
Consolidated SCGP	**18%**	**17%**
Integrated Packaging Chain	20%	19%
Fibrous Chain	7%	6%

Net Profit (Loss)	Year 2020	Year 2019	% y-o-y
Consolidated SCGP	**6,457**	**5,269**	**23%**
Integrated Packaging Chain	7,200	6,153	17%
Fibrous Chain	(655)	(429)	(53%)
Others	2,388	1,259	90%
Intersegment Elimination	(2,476)	(1,715)	(44%)

Remarks: EBITDA = Profit before finance costs, income tax expense, depreciation and amortization (excluded dividends from associates and included FX gain/loss from loans)
In 2020, dividend received from associates was Baht 8 million and 2019 was Baht 12 million.
EBITDA Margin = EBITDA / Revenue from Sales
Net Profit (loss) = Profit (loss) for the year attributable to owners of the parent
Consolidated SCGP is presented after the intersegment elimination.
Revenue from sales by chain is presented before the intersegment elimination.

Cost of Sales

SCGP's cost of sales are as follows:

Table of cost of sales classified by business segment

Baht million / %

	Year				%
	2020	(%)	2019	(%)	y-o-y
Cost of Sales					
Integrated Packaging Chain	61,008	83.2	56,245	78.5	9%
Fibrous Chain	14,422	19.7	17,483	24.4	(18%)
Intersegment Elimination	(2,097)	(2.9)	(2,077)	(2.9)	(1%)
Total cost of sales	**73,333**	**100.0**	**71,651**	**100.0**	**2%**

The Company's cost of sales was Baht 73,333 million, an increase of Baht 1,682 million or 2%. The increase was mainly due to the 2019 merger of Fajar and Visy Packaging Thailand. Excluding this merger, the Company group's cost of sales decreased from 2019 mainly because of effective cost management of RCP raw materials and the business situation.

1. Integrated Packaging Chain

The integrated packaging chain's cost of sale was Baht 61,008 million, a 9% increase year-on-year. This was mainly due to the merger, which resulted in an increase in operating costs and depreciation.

2. Fibrous Chain

The fibrous chain's cost of sale was Baht 14,422 million, a 18% decrease year-on-year. This was mainly due to the reduction in raw material costs and effective cost management.

Total Expenses

The main expenses of SCGP consists of distribution costs and administrative expenses by the following details;

In 2020, total expenses were Baht 10,363 million, a 6% increase from the previous year. This was mainly due to distribution costs, which was Baht 5,149 million, a 7% increase from the previous year from transportation expenses. The administrative expenses were Baht 4,992 million, a 1% increase from the previous year. This was mainly due to an increase in employee-related expenses, following the business expansion. While in 2019, there was an employee benefits from labour's law compensation adjustments amount Baht 527 million. In addition, in 2020 SCGP had an exchange loss of Baht 222 million, mainly due to exchange rate loss on foreign currency loans. However, SCGP has been managing risks to reduce the fluctuations of foreign currencies and interest rates through cross-currency swaps and interest rate swaps since the middle of the third quarter of 2020.

Summary of the Company's Consolidated Financial Statements

Consolidated statement of financial position as at December 31, 2020

- **Total assets** were Baht 172,429 million, an increase of Baht 32,916 million or 24% from the previous year. Most of the assets of SCGP consisted of property, plant and equipment 51%, current assets 37% and non-current assets 12% of all assets.

- **Current assets** were Baht 62,919 million, an increase Baht 27,536 million or 78% from the previous year, mainly comprising cash and cash equivalents, trade and other current receivables and inventories.

  - **Cash and cash equivalents** were Baht 31,256 million, an increase of Baht 26,862 million which is mainly from the IPO equity fundraising.

  - **Trade and other current receivables** were Baht 16,334 million, an increase of Baht 1,136 million or 7% from the previous year, attributed to the expansion of the packaging paper business within the region. The trade receivables were net of allowance for expected credit loss amounting to Baht 167 million and the credit term is 30-90 days as disclosed in note 31 "Financial Instruments" of the Financial Report 2020.

  - **Inventories** were Baht 12,760 million, a decrease of Baht 516 million or 4% from the previous year, which was mainly due to adjustments in the production management plan and inventories. The inventories mainly consist of finished goods, goods-in-process, raw materials, spare parts, stores supplies and goods in transit as disclosed in note 8 "Inventories" of the Financial Report 2020. In 2020, the Company has no significant deteriorated or obsolete inventories.

- **Non-current assets** mainly consist of property, plant and equipment and goodwill as detailed below.

  - **Property, plant and equipment** were Baht 87,271 million, an increase of Baht 4,407 million or 5% from the previous year, which was mainly due to the expansion of packaging paper capacity with the merger of SOVI and the increase in the right-to-use assets according to comply with TFRS 16 (Leases), for which the right-to-use assets are related to the plant, machinery, equipment, land and land improvement.

  - **Goodwill** was Baht 18,624 million, an increase of Baht 1,012 million or 6% from the previous year. The change in goodwill was mainly due to the merger and acquisition.

  - **Investments in associates** were Baht 823 million, an increase of Baht 52 million, due to an increase from share of net profit of investments using equity method. Movements and balances of investments in associates are disclosed in Note 9 "Investments in associates" of the Financial Report 2020.

- **Total liabilities** were Baht 62,588 million, a decrease of Baht 14,109 million or 18% from the previous year. The main reason was because a loan, which was Baht 44,928 million, a decreased of Baht 14,656 million or 25% from the previous year, from a debt repayment to the financial institution after the IPO was completed in the fourth quarter of 2020.

  - **Trade and other payables** were Baht 10,365 million, an increase of Baht 306 million or 3% from the previous year. Cash management is in place to reduce liquidity risk during the COVID-19 pandemic with an emphasis on trade payables management. The payment terms with business partners is between 30-60 days.

- **Total shareholders' equity** were Baht 109,841 million, an increase of Baht 47,025 million or 75% from the previous year. This was mainly due to the issuance of new capital through stock exchange fundraising and the increase in unappropriated retained earnings.

Table 3: Summary of SCGP's consolidated statement of financial position

Baht million

	Year		Change	
	2020	2019	Baht million	%
Total Assets	**172,429**	**139,513**	**32,916**	**24%**
Current assets	62,919	35,383	27,536	78%
Cash and cash equivalent	31,256	4,394	26,862	611%
Short-term investments	1,630	565	1,065	188%
Trade and other receivables	16,334	15,198	1,136	7%
Inventories	12,760	13,276	(516)	(4%)
Investments in associates	823	771	52	7%
Property, plant and equipment	87,271	82,864	4,407	5%
Goodwill	18,624	17,612	1,012	6%
Total Liabilities	**62,588**	**76,697**	**(14,109)**	**(18%)**
Trade and other payables	10,365	10,059	306	3%
Loans	44,928	59,584	(14,656)	(25%)
Total Shareholders' Equity	**109,841**	**62,816**	**47,025**	**75%**
Total equity attributable to owners of the parent	88,738	42,952	45,786	107%
Non-controlling interests	21,103	19,864	1,239	6%

Table 4: SCGP's net debt

Baht million

	Year		%
	2020	2019	y-o-y
Short-term Loans	**15,080**	**40,959**	**(63%)**
Foreign	5,769	4,985	16%
Baht	9,311	35,974	(74%)
% of Total Loans	34%	69%	
Long-term Loans	**29,848**	**18,625**	**60%**
Foreign	8,630	6,368	36%
Baht	21,218	12,257	73%
% of Total Loans	66%	31%	
Average Cost of Debt (%)	**2.8%**	**4.0%**	
Total Loans	**44,928**	**59,584**	**(25%)**
Cash & Cash Under Management	**32,886**	**4,959**	**563%**
Cash and cash equivalents	31,256	4,394	611%
Short-term Investments	1,630	565	188%
Loans to	**-**	**5**	**(100%)**
Net debt	**12,042**	**54,620**	**(78%)**

Cash flow statement summary for the year 2020

In 2020, SCGP's net cash generated from operating activities amounted to Baht 15,728 million. This was mainly due to the annual profit amounted to Baht 7,306 million, the addition of depreciation and amortization amounted to Baht 7,183 million and the increase in operating assets amounted to Baht 174 million.

Net cash from investing activities amounted to Baht 10,672 million. This was mainly due to property, plant and equipment acquisitions amounted to Baht 7,568 million and the purchase of subsidiaries from net cash acquired for Baht 2,708 million.

Net cash used in financing activities amounted to Baht 21,790 million. This was mainly from fundraising in the stock market of Baht 40,092 million, received from long-term loans from financial institutions amounted to Baht 15,328 million and repayment of short term loans from related parties for Baht 33,826 million.

Liquidity and Capital Management

The Company's usage of cash

- Business expansion investments through production capacity expansion (organic), acquisitions including other assets (inorganic) and investments for machine maintenance
- Loan repayments to financial institutions, which may include a financial institution having a relationship with a financial advisor or underwriter
- Working capital

The Company's capability to procure cash which is obtained from operations depends on future performance, along with general economic factors, financial factors, marketing factors, regulatory factors and other factors, the details of which are identified under Section Risks factor of this report. However, such factors are beyond the Company's control. Regarding cash and cash equivalents, cash from operating activities, existing bank loans, and capital expected to be raised from offerings, the Company is of the opinion that it has enough working capital to meet its needs at present and for the next 12 months.

CAPEX Highlights: 2018-2020

CAPEX

In 2020, SCGP has four capacity expansion projects under construction, with the combined total investment value of approximately Baht 8,266 million. These expansions are in Vietnam, Indonesia, the Philippines and Thailand, with details as follows:

Vietnam, Long An City (BATICO #2) – This expansion project for flexible polymer packaging adds 84 million square meters per year to production capacity, accounting for 20% of current production capacity. The investment cost was approximately Baht 543 million, and it's expected to be completed in the fourth quarter of 2020.

Indonesia, Surabaya City (Fajar #2) – This packaging paper expansion project for container board and white coated paper (duplex paper) adds 400,000 tons per year to production capacity, accounting for 29% of current production capacity. The investment cost was approximately Baht 1,735 million, and it's expected to be operational in the second quarter of 2021.

The Philippines, Bulacan City (UPPC #3) – This packaging paper expansion project has an incremental capacity of 220,000 tons per year, accounting for 88% of current production capacity. The investment cost was approximately Baht 5,388 million, and it's expected to be operational in the third quarter of 2021.

Thailand, Samut Sakhon Province (Prepack #2) – This flexible packaging expansion project adds 53 million square meters per year to production capacity, accounting for 14% of current capacity. The investment cost was approximately Baht 600 million, and it's expected to be operational in the third quarter of 2021.

The company has used capital expenditure in the past to expand its operations, for maintenance and improvements of production, plant and equipment, and to regularly increase the Company's operational efficiency and sustainability measures.

The following table shows the Company's past capital expenditures in each year:

Baht million

	Year		
	2020	2019[2]	2018
Machine maintenance	2,924	2,680	2,704
Expansion	3,195	2,573	1,228
Cost optimization and sustainability	962	547	973
Greenfield	36	145	772
Debottlenecking	401	358	286
Others[1]	208	1,611[3]	907
Total capital expenditures	**7,726**	**7,914**	**6,870**

Remarks:

(1) 'Others' means capital expenditures related to other projects in all businesses of the Company, such as the cost of replacing machinery that does not increase productivity, automation that improves the quality of the process of a product or produce, or the acquisition of land.

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

(3) The increase in 'other' capital expenditures for 2019 was mainly due to the capital expenditures of the construction of the Surabaya plant which is a subsidiary of Fajar.

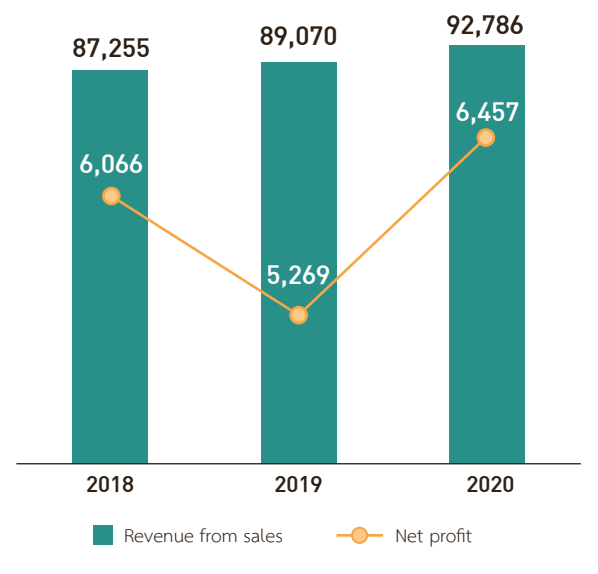
In 2020, the capital expenditures associated with the Company were mainly towards increasing the production capacity of its packaging paper business line and its flexible packaging production line, following the integrated business expansion strategy (both vertical and horizontal).

Factors that may significantly affect the Company's future operations or financial statements (forward-looking), including the risk management involved

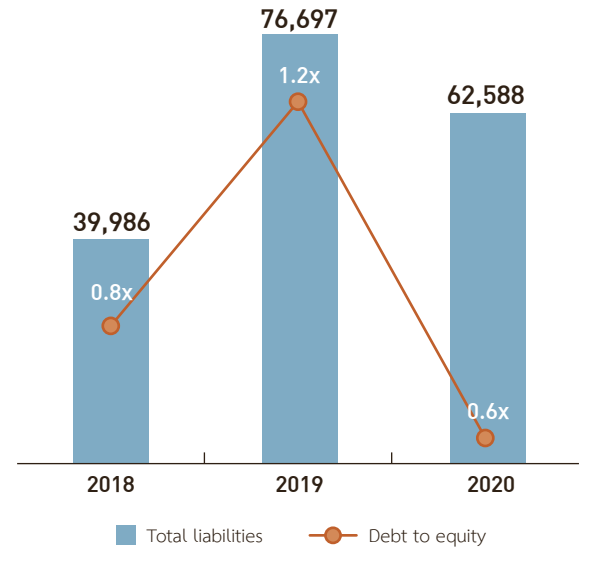
The global and regional economic situation continues to be affected by the COVID-19 pandemic. However, packaging is still a necessity for daily consumer product purchases and online purchases. At the same time, consumer purchasing power may lessen due to slow economic recovery. The demand volume for durable goods remains uncertain. In addition, the insufficient container turnover of imported and exported goods has contributed to the global high cost of shipping throughout the second quarter of 2021. The price of pulp is likely to rise after its lowest point due to its demand in the production of tissue paper for hygiene products.

SCGP is committed to continuously developing complete packaging solutions to satisfy its customers and constantly accelerating business expansion in the ASEAN region to strengthen its integrated packaging business model. In 2021, SCGP set up an approximately Baht 20,000 million investment budget (including the Go-Pak merger announced to the Stock Exchange of Thailand on January 13, 2021). This investment will be used for the existing expansion, merger investments and investments to increase production efficiencies. The Company emphasizes effective cost management, innovation, operating under social responsibility, and sustainable development.

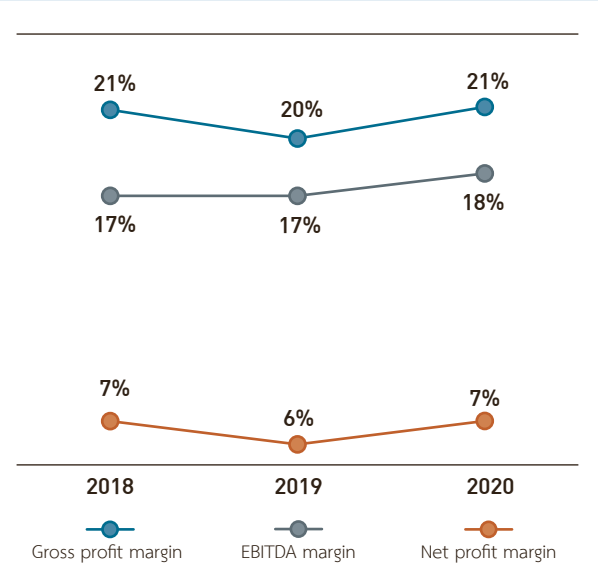
Revenue from sales and Net profit[1] (MB)



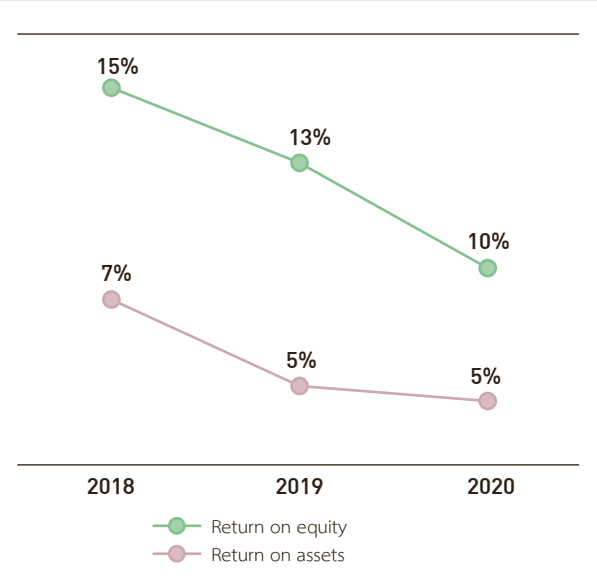
Total liabilities (MB) and Debt to equity ratio (Times)



Profitability margin (%)



Return on equity[2] and Return on assets (%)



Remarks:

[1] *Profit for the year attributable to owners of the parent*

[2] *In year 2020, Equity increases approximately Baht 40,000 million from IPO fundraising.*

Summary of Important Financial Information (Three Years Comparison)

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated Statement of Financial Position
As at 31 December 2020, 2019 and 2018

Baht million

Assets	2020	%	2019	%	2018	%
Current assets						
Cash and cash equivalents	31,256	18.1	4,394	3.1	2,095	2.2
Short-term investments	1,630	0.9	565	0.4	803	0.9
Trade and other current receivables	16,334	9.5	15,198	10.9	13,704	14.7
Advance payment for assets	807	0.5	1,716	1.2	132	0.1
Short-term loans to related parties	-	-	5	-	127	0.1
Long-term loan to related parties due within one year	-	-	-	-	93	0.1
Inventories	12,760	7.4	13,276	9.5	12,894	13.8
Other current assets	132	0.1	229	0.2	226	0.2
Total current assets	**62,919**	**36.5**	**35,383**	**25.4**	**30,074**	**32.3**
Non-current assets						
Investments in equity instrument	6	-	16	-	16	-
Investments in associates	823	0.5	771	0.6	730	0.8
Other non-current receivables	603	0.3	981	0.7	768	0.8
Investment property	144	0.1	187	0.1	185	0.2
Property, plant and equipment	87,271	50.6	82,864	59.4	58,379	62.6
Goodwill	18,624	10.8	17,612	12.6	2,290	2.5
Other intangible assets	813	0.5	814	0.6	308	0.3
Deferred tax assets	972	0.6	745	0.5	379	0.4
Other non-current assets	254	0.1	140	0.1	117	0.1
Total non-current assets	**109,510**	**63.5**	**104,130**	**74.6**	**63,172**	**67.7**
Total assets	**172,429**	**100.0**	**139,513**	**100.0**	**93,246**	**100.0**

Remark: Analysis with the vertical scaling calculation method against the total assets of the company (Common-size).

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated Statement of Financial Position
As at 31 December 2020, 2019 and 2018

Baht million

Liabilities and shareholders' equity	2020	%	2019	%	2018	%
Liabilities						
Bank overdrafts and short-term borrowings from financial institutions	15,080	8.7	7,132	5.1	4,312	4.6
Trade and other current payables	10,365	6.0	10,059	7.2	8,573	9.2
Current portion of long-term borrowings from financial institutions	16,302	9.5	2,183	1.6	152	0.2
Current portion of lease liabilities	427	0.3	88	0.1	14	-
Short-term borrowings from related parties	-	-	33,827	24.2	23,416	25.1
Corporate income tax payable	888	0.5	605	0.4	530	0.6
Other current liabilities	175	0.1	120	0.1	194	0.2
Total current liabilities	**43,237**	**25.1**	**54,014**	**38.7**	**37,191**	**39.9**
Non-current liabilities						
Long-term borrowings from financial institutions	12,052	7.0	16,319	11.7	587	0.6
Lease liabilities	1,067	0.6	35	-	15	-
Deferred tax liabilities	2,403	1.4	2,874	2.1	217	0.2
Non-current provisions for employee benefits	3,598	2.1	3,375	2.4	1,906	2.1
Other non-current liabilities	231	0.1	80	0.1	70	0.1
Total non-current liabilities	**19,351**	**11.2**	**22,683**	**16.3**	**2,795**	**3.0**
Total liabilities	**62,588**	**36.3**	**76,697**	**55.0**	**39,986**	**42.9**
Shareholders' equity						
Share capital						
Authorized share capital - Ordinary share	4,500		4,500		1,563	
Issued and paid share capital - Ordinary share	4,293	2.5	3,126	2.2	1,563	1.7
Share premium	40,860	23.7	1,935	1.4	1,935	2.1
Retained earnings						
Appropriated						
Legal reserve	338	0.2	219	0.2	156	0.2
General reserve	3	-	3	-	3	-
Unappropriated	46,836	27.2	41,930	30.1	40,145	43.0
Other components of shareholders' equity	(3,592)	(2.1)	(4,261)	(3.1)	(3,361)	(3.6)
Total equity attributable to owners of the parent	**88,738**	**51.5**	**42,952**	**30.8**	**40,441**	**43.4**
Non-controlling interests	21,103	12.2	19,864	14.2	12,819	13.7
Total shareholders' equity	**109,841**	**63.7**	**62,816**	**45.0**	**53,260**	**57.1**
Total liabilities and shareholders' equity	**172,429**	**100.0**	**139,513**	**100.0**	**93,246**	**100.0**

Remark: Analysis by vertical scaling calculation method against the company's total liabilities and shareholders' equity (Common-size).

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated Income Statement
For the years ended 31 December 2020, 2019 and 2018

Baht million

	2020	%	2019	%	2018	%
Revenue from sales	92,786	100.0	89,070	100.0	87,255	100.0
Cost of sales	(73,333)	(79.0)	(71,651)	(80.4)	(69,074)	(79.2)
Gross profit	**19,453**	**21.0**	**17,419**	**19.6**	**18,181**	**20.8**
Gains on exchange rate	-	-	250	0.3	152	0.2
Other income	603	0.6	714	0.8	363	0.4
Profit before expenses	**20,056**	**21.6**	**18,383**	**20.6**	**18,696**	**21.4**
Distribution costs	(5,149)	(5.5)	(4,801)	(5.4)	(4,964)	(5.7)
Administrative expenses	(4,992)	(5.4)	(4,426)	(5.0)	(4,583)	(5.3)
Employee benefit expense from the amended severance pay of the Labor Law	-	-	(527)	(0.6)	-	-
Loss on exchange rate	(222)	(0.2)	-	-	-	-
Total expenses	**(10,363)**	**(11.2)**	**(9,754)**	**(11.0)**	**(9,547)**	**(10.9)**
Profit from operations	**9,693**	**10.4**	**8,629**	**9.7**	**9,149**	**10.5**
Finance costs	(1,452)	(1.6)	(1,742)	(2.0)	(1,040)	(1.2)
Share of profit of associates accounted for using equity method	66	0.1	53	0.1	(15)	-
Profit before income tax	**8,307**	**9.0**	**6,940**	**7.8**	**8,094**	**9.3**
Tax expense	(1,001)	(1.1)	(1,049)	(1.2)	(1,268)	(1.5)
Profit for the year	**7,306**	**7.9**	**5,891**	**6.6**	**6,826**	**7.8**
Profit attributable to						
Owners of the parent	**6,457**	**7.0**	**5,269**	**5.9**	**6,066**	**7.0**
Non-controlling interests	849	0.9	622	0.7	760	0.9
	7,306	7.9	5,891	6.6	6,826	7.8
Basic earnings per share (in Baht)						
Attributable to owners of the parent	**1.95**		**1.69**		**1.94**	

Remark: Analysis by vertical scaling calculation method against the company's revenue from sales (Common-size).

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended 31 December 2020, 2019 and 2018

Baht million

	2020	2019	2018
Profit for the year	**7,306**	**5,891**	**6,826**
Other comprehensive income			
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translating financial statement	(408)	(1,147)	(320)
Components of other comprehensive income that will not be reclassified to profit or loss			
Defined benefit plan actuarial losses	(159)	(200)	(343)
Share of other comprehensive income of associates accounted for using equity method	(4)	-	(1)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	34	39	67
Total components of other comprehensive income that will not be reclassified to profit or loss	**(129)**	**(161)**	**(277)**
Other comprehensive income for the year - net of tax	**(537)**	**(1,308)**	**(597)**
Total comprehensive income for the year	**6,769**	**4,583**	**6,229**
Total comprehensive income attributable to			
Owners of the parent	**6,111**	**4,332**	**5,557**
Non-controlling interests	658	251	672
	6,769	4,583	6,229

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated Statement of Cash Flows
For the years ended 31 December 2020, 2019 and 2018

Baht million

	2020	2019	2018
Cash flows from operating activities			
Profit for the year	7,306	5,891	6,826
Adjustments for			
Tax expense	1,001	1,049	1,268
Depreciation and amortization	7,183	5,991	5,382
Expected credit loss (reversal)	(6)	32	43
Loss on inventories devaluation (reversal)	(35)	93	170
Employee benefit expense	352	832	239
Loss (gain) on foreign currency exchange	350	(164)	(9)
Share of profit of associates accounted for using equity method	(66)	(53)	15
Loss (gain) on sales of property, plant and equipment and others	3	(240)	49
Dividend received	-	-	(11)
Interest income	(217)	(114)	(61)
Interest expense	1,387	1,651	989
Cash flows generated from operations before changes in operating assets and liabilities	**17,258**	**14,968**	**14,900**
Decrease (increase) in operating assets			
Trade and other current receivables	(646)	2,422	170
Inventories	725	2,199	292
Other assets	(253)	57	114
Net decrease (increase) in operating assets	**(174)**	**4,678**	**576**

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated Statement of Cash Flows
For the years ended 31 December 2020, 2019 and 2018

Baht million

	2020	2019	2018
Increase (decrease) in operating liabilities			
Trade and other current payables	228	(1,985)	(286)
Provision for employee benefits	(281)	(139)	(173)
Other liabilities	186	66	8
Net increase (decrease) in operating liabilities	**133**	**(2,058)**	**(451)**
Net cash flows generated from operations	**17,217**	**17,588**	**15,025**
Income tax paid	(1,489)	(1,574)	(773)
Net cash flows provided by operating activities	**15,728**	**16,014**	**14,252**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	(2,708)	(24,022)	(451)
Proceeds from sales of investment	-	-	257
Short-term investments	(481)	(716)	(556)
Proceeds from sales of property, plant and equipment	23	521	151
Acquisition of property, plant and equipment	(7,568)	(7,914)	(6,935)
Acquisition of intangible assets	(158)	(88)	(77)
Proceeds from (payment of) loans to related parties	5	207	(126)
Dividends received	8	12	27
Interest received	207	110	51
Net cash flows used in investing activities	**(10,672)**	**(31,890)**	**(7,659)**

SCG Packaging Public Company Limited and its Subsidiaries
Consolidated Statement of Cash Flows
For the years ended 31 December 2020, 2019 and 2018

Baht million

	2020	2019	2018
Cash flows from financing activities			
Proceeds from issue of shares	40,092	-	-
Proceeds from changes in ownership interests in subsidiaries that do not result in a loss of control	2,557	194	-
Payments of changes in ownership interests in subsidiaries that do not result in a loss of control	(547)	(192)	(640)
Proceeds from (payments of) borrowings			
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	7,734	36	(933)
Increase (decrease) in short-term borrowing from related parties	(33,826)	10,415	7,919
Proceeds from long-term borrowings from financial institutions	15,328	13,137	351
Payments of long-term borrowings from financial institutions	(5,652)	(1,577)	(3,307)
Payments of lease liabilities	(490)	(65)	(141)
Net increase (decrease) in borrowings	**(16,906)**	**21,946**	**3,889**
Dividends paid			
Dividends paid to owners of the parent	(1,313)	(1,737)	(7,815)
Dividends paid to non-controlling interests	(667)	(221)	(255)
Total dividends paid	**(1,980)**	**(1,958)**	**(8,070)**
Interest paid and front-end fee	(1,426)	(1,733)	(1,012)
Net cash flows provided by (used in) financing activities	**21,790**	**18,257**	**(5,833)**
Net increase in cash and cash equivalents	**26,846**	**2,381**	**760**
Effect of exchange rate changes on cash and cash equivalents	16	(82)	(49)
Cash and cash equivalents at beginning of the year	4,394	2,095	1,384
Cash and cash equivalents at end of the year	**31,256**	**4,394**	**2,095**
Supplementary information for cash flows			
Non-cash transactions			
Account payables from purchase of assets	706	979	539
Contingent consideration from acquisition of business	573	961	182
Stock dividends	-	1,563	-

Financial Ratios

			Year		
			2020	2019	2018
	Liquidity Ratio				
1	Current ratio	(Times)	1.46	0.66	0.81
2	Quick ratio	(Times)	1.09	0.34	0.41
3	Cash flow liquidity ratio	(Times)	0.32	0.35	0.41
4	Account receivable turnover	(Times)	6.54	6.73	6.94
5	Collection period	(Days)	56	54	53
6	Inventory turnover	(Times)	19.25	17.69	17.49
7	Inventory days	(Days)	19	21	21
8	Account payable turnover	(Times)	9.68	10.04	9.87
9	Account payable days	(Days)	38	36	37
10	Cash cycle	(Days)	37	39	37
	Profitability Ratio				
11	Gross profit margin	(%)	20.97	19.56	20.84
12	EBITDA margin	(%)	18.19	17.01	16.69
13	Net profit margin	(%)	6.96	5.91	6.95
14	Return on equity	(%)	9.81	12.63	14.56
	Efficiency Ratio				
15	Return on assets	(%)	4.68	5.06	7.40
16	Return on fixed assets	(%)	16.84	16.67	21.05
17	Assets turnover	(Times)	0.60	0.77	0.95
	Financial Policy Ratio				
18	Debt to equity ratio	(Times)	0.57	1.22	0.75
19	Interest-bearing debt to equity	(Times)	0.41	0.95	0.54
20	Interest coverage ratio	(Times)	11.62	8.70	14.14
21	Debt service coverage ratio	(Times)	0.53	0.35	0.52
22	Interest-bearing debt to EBITDA	(Times)	2.66	3.93	1.96
23	Net debt to EBITDA	(Times)	0.71	3.61	1.75
24	Dividends payout ratio	(%)	29.92	57.89	25.77

Remarks:

(1) Current ratio is calculated by dividing current assets by current liabilities.
(2) Quick ratio is calculated by dividing the combined total of cash and cash equivalents, short-term investments and trade receivables by current liabilities.
(3) Cash flow liquidity ratio is calculated by dividing cash flows from operating activities by average current liabilities.
(4) Account receivable turnover is calculated by dividing revenue from sales by trade receivables before allowance for expected credit loss.
(5) Collection period is calculated by dividing 365 by account receivable turnover.
(6) Inventory turnover is calculated by dividing cost of sales by average finished goods.
(7) Inventory days calculated by dividing 365 by inventory turnover.
(8) Account payable turnover is calculated by dividing cost of sales by average trade payable.
(9) Account payable days is calculated by dividing 365 by account payable turnover.
(10) Cash cycle is calculated by adding collection period and inventory days minus account payable days.
(11) Gross profit margin is calculated by dividing gross profit by revenue from sales.
(12) EBITDA margin is calculated by dividing EBITDA by revenue from sales.
(13) Net profit margin is calculated by dividing profit for the year attributable to owners of the parent by revenue from sales.

(14) Return on equity is calculated by dividing profit for the year attributable to owners of parent by average total equity attributable to owners of the parent.
(15) Return on assets is calculated by dividing profit for the year by average total assets.
(16) Return on fixed assets is calculated by dividing profit for the year and depreciation by average property, plant and equipment.
(17) Assets turnover is calculated by dividing revenue by average total assets.
(18) Debt to equity ratio is calculated by dividing total liabilities by total shareholders'equity.
(19) Interest-bearing debt to equity is calculated by dividing total interest-bearing debt by total shareholders' equity.
(20) Interest coverage ratio is calculated by dividing EBITDA by finance costs.
(21) Debt service coverage ratio is calculated by dividing EBITDA by the combined total of short-term interest-bearing debt and current portion of long-term interest-bearing debt.
(22) Interest-bearing debt to EBITDA is calculated by dividing total interest-bearing debt by EBITDA.
(23) Net debt to EBITDA is calculated by subtracting total interest-bearing debt from cash and cash under management and dividing this amount by EBITDA.
(24) Dividends payout ratio is calculated by dividing dividend payment by profit for the year attributable to owners of the parent.

Explanation of Key Financial Ratios for the Year 2020

Liquidity ratio

The liquidity ratio of the Company's group is 1.46 times as of December 31, 2020.

- In 2020, the liquidity ratio and quick ratio increased from the previous year. This was mainly due to the increase in current assets from stock market funding. The Company has managed cash flow, trade accounts receivable, trade accounts payables, and inventories to reduce liquidity risk during the COVID-19 pandemic and laid the foundation for efficient business expansion in the future.

Profitability ratio

- The Company's gross profit margin was 21% compared to 20% in the previous year, which was mainly due to an increase in the proportion of revenue from the integrated packaging chain, which had a higher gross margin than the fibrous chain. As a result, the overall gross margin was higher.

- For the Company's net profit margin was at 7% compared to the previous year at 6%. This increase was mainly because of lower financial costs due to the Company's financial restructuring. In the past, SCGP was funded by internal loans from the Siam Cement Public Company Limited, and then replaced by loans from a financial institution. Moreover, the Company raised funds from the stock exchange and repaid short-term loans of commercial banks in the fourth quarter of 2020 (after the completion of the stock exchange funding).

- In addition, in 2020, the Company's EBITDA margin increased to 18% compared to 17% last year.

Efficiency ratio

The Company's return on total assets stayed at 5% as compared to the previous year. The return on fixed assets also stayed at 17% as compared to the previous year. This was caused by mergers and acquisitions both in the country and abroad which increased total income and total assets.

Financial leverage ratio

As of December 31, 2020, the Company had a debt to equity ratio of 0.6 times, a decrease from 1.2 times year-on-year, with an interest-bearing debt to equity ratio of 0.4 times (0.9 times year-on-year) and net debt to EBITDA ratio of 0.7 times (3.6 times year-on-year) after IPO fundraising from the stock exchange.

General Information and Other Material Facts

Registrar

Thailand Securities Depository Company Limited
1st Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road,
Din Daeng, Ban kok 10400

Tel: +66 2009 9000
Fax: +66 2009 9991
Website: http://www.set.or.th

Registrar of Debenture

Bank of Ayudhya Public Company Limited
1222 Rama III Road, Bang Phongphang,
Yannawa, Sathorn, Bangkok, 10120

Tel: +66 2296 2000

Auditor

KPMG Phoomchai Audit Ltd.
Empire Tower 48th - 50th Floor, 1 South Sathorn Road,
Yannawa, Sathorn, Bangkok, 10120

Tel: +66 2677 2000

Debenture Holders' Representative

Bangkok Bank Public Company Limited
Securities Service Department
333 Silom Road, Bang Rak, Bangkok, 10500

E-mail: dhr.grp@bangkokbank.com
Fax: +66 2626 4545-6

Legal Advisor

SCG Legal Counsel Limited
1 Siam Cement Road, Bangsue, Bangkok 10800

Tel: +66 2586 5777 or +66 2586 5888
Fax: +66 2586 2976

Legal Disputes

As at 31 December 2020, SCGP and its subsidiaries are not involved in any litigation or legal action, and are not a party in any dispute that is not yet resolved, that the Company believes could negatively impact the assets of the Company and its subsidiaries at an amount higher than 5% of shareholders' equity presented in the consolidated financial statements as at 31 December 2020, or that could significantly affect business operations of the Company or its subsidiaries but the amount cannot be determined; and they are not involved in any other cases that are outside normal business operations. However, they may occasionally be involved in legal proceedings or be a party in litigation related to normal business operations of the Company and its subsidiaries.

Financial Institutions (For Debt Instruments)

- The Siam Commercial Bank Public Company Limited
- Kasikornbank Public Company Limited
- Bangkok Bank Public Company Limited
- Krung Thai Bank Public Company Limited
- Bank of Ayudhya Public Company Limited





Corporate Governance

Corporate Governance Policy

As part of its business policy, SCGP has established the Corporate Governance Policy. The Corporate Governance and Nomination Committee is responsible for supervising corporate governance.

The Board of Directors, executives and employees see that their roles and responsibilities are to increase SCGP's competitiveness and build trust among shareholders, investors and other related parties. The Board, performing its leadership roles, has adopted principles of good corporate governance for listed companies in 2017, or the Corporate Governance Code (CG Code) recommended by the Office of the Securities and Exchange Commission. As part of its roles and responsibilities, the Board regularly reviews its policies and guidelines following the CG Code and other guidelines for good corporate governance at the international level.

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

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

Overview of Corporate Governance Policies and Practices

SCGP's Board of Directors has established policies related to corporate governance and the SCG Packaging Code of Conduct. These are in the SCG Packaging Corporate Governance Handbook, which are intended to be understood and implemented by the Board of Directors, executives and employees in the same way. The contents of the Corporate Governance Handbook are as follows:

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

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

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

SCGP has established its values, code of conduct, and corporate governance structure and policies to be used as guidelines for directors, executives, employees and subsidiaries when conducting business. These elements will help manage fairness and transparency, as well as generate returns and long-term value for shareholders. This also includes building stakeholder trust and promoting SCGP's competitiveness and sustainable growth which can be summarized as follows:

1.1 SCG Packaging's Core Values

SCGP and its subsidiaries have four core values: Adherence to fairness, Dedication to excellence, Belief in the value of the individual, and Concern for social responsibility.

1.2 SCG Packaging's Code of Conduct

SCGP has established its Code of Conduct that all SCGP and its subsidiaries' staff are obliged to observe the principles and guidelines set forth in the Code of Conduct. The Code of Conduct will help ensure that staff and subsidiaries are aligned with SCGP's philosophy, and that directors can serve as role models - by being good citizens when handling business dealings with all countries, and creating value and benefit for SCGP.

1.3 SCG Packaging's Corporate Governance Structure

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

1.4 SCG Packaging's Corporate Governance Policy

SCGP conducts business responsibly, transparently and fairly, while also adhering to its values. It also balances benefits and happiness in a sustainable manner - with SCGP's directors serving as role models in this respect. There is also a Corporate Governance and Nomination Committee to supervise and set policies and guidelines, monitor and evaluate performance, and review business practices every year. One of the main agenda topics at the Board of Directors' meeting is corporate governance.

Part 2: Corporate Governance Policies and Guidelines of SCG Packaging

SCGP has established corporate governance policies and guidelines for directors and top executives. They also cover how to manage business and work with key stakeholders. SCGP regularly reviews and updates policies and guidelines, and promotes awareness and compliance among employees. The summary of the main policies and practices for good corporate governance is as follows:

2.1 Policies and Guidelines for Directors and Executives

Policies and guidelines in this section relate to directors, the Chairman of the Board, the Chief Executive Officer and top executives. They cover the Board of Directors and sub-committee Charters, the qualifications of directors, independent directors and for nominating directors, as well as guidelines for holding directorships in other organizations:

2.1.1 Charter of the Board of Directors

The Board of Directors' roles are as follows:

(1) **Take responsibility as a leader who sustainably bring value to the Company's business** - managing business and its subsidiaries to maximize benefit for SCGP, subsidiaries and shareholders. The Board must review and approve the vision, mission and business strategy, consider ethics, as well as the impact on the environment and society. The Board must also comply responsibly, cautiously and honestly with laws, regulations, and resolutions of the shareholders' meeting.

(2) **Set SCGP's objectives and main goals for sustainability** - defining the main operational plans, budgets, goals and operational policies to increase international competitiveness, as well as supervising administration and management in accordance with policies, plans, budgets and goals.

(3) **Strengthen the Board of Directors' effectiveness** - determining and reviewing the Board's structure so that it is suitable for business operations. The Board must also have transparent processes for selecting and determining compensation for Board and sub-committee members, and establish supervision mechanisms for directors, and processes to manage subsidiaries and associated companies. It must also put in place structures to conduct an annual performance evaluation of the Board and continuously develop directors' competencies.

(4) **Ensure effective CEO and Human resource management** - considering the organization structure, executive development plan and the Chief Executive Officer's succession plan. The Chief Executive Officer's performance should also be evaluated annually.

(5) **Promote innovation and encourage responsible operations** - supervising and supporting the creation of innovation that brings value to SCGP, its subsidiaries, and stakeholders. It should also monitor the implementation of strategies and work plans of SCGP and its subsidiaries.

(6) **Strengthen risk management and internal control** - establishing the Risk Management Policy that covers the entire organization and ensures effectiveness. The policy must be reviewed and evaluated regularly and when the level of risk changes. The Board must also promote moral and ethical awareness among employees at all levels so that they are able to comply with principles of corporate governance, the Code of Conduct and policies. Also, it must ensure that SCGP and its subsidiaries have appropriate internal audit and internal control systems, and provide a process to assess the appropriateness of SCGP and subsidiaries' internal control system regularly to reduce corruption risk, and the abuse of power, and prevent illegal acts.

(7) **Ensure disclosure and financial integrity** - having SCGP and its subsidiaries act with integrity when handling SCGP's financial reporting system, and ensuring that SCGP accurately discloses material information in a way that is consistent with applicable requirements. This includes disclosing appropriate information to stakeholders, persons having a conflict of interest and any related persons, as well as disclosing important information to shareholders in the financial statements and various reports.

(8) **Ensure there is engagement and communication with shareholders** - giving shareholders the opportunity to make decisions on SCGP and subsidiaries' significant corporate matters, as well as holding shareholder meetings as scheduled. These meetings should be conducted properly, with transparency and efficiency, and be inclusive and fair when it comes to shareholders exercising their rights. There should also be accurate and complete disclosure of shareholder meeting minutes. The rights of all shareholders must be respected, they must be treated with fairness and transparency.

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

- **Roles and Duties of the Chairman**

  The Chairman of the Board is responsible for determining the agenda for every Board of Directors meeting with the Chief Executive Officer, and making sure the directors receive correct, complete and clear information before the meeting. The Chairman must also lead both the Board and shareholders' meeting. The Chairman must support and be a role model for corporate governance and ethics, strengthen the relationship between SCGP's board members and management, support the Chief Executive Officer and the management team to follow SCGP's policies. In addition, he must supervise disclosures of information and the performance of the Board, sub-committees, and each director to ensure efficiency and effectiveness.

- **Composition of the Board of Directors and Qualifications of the Directors**

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

  Directors must have qualifications as specified by the law and must not operate a business of the same nature as SCGP or a subsidiary's business, or one that is in competition, unless they notify at the shareholders' meeting before they are appointed. Independent directors must be independent from management and major shareholders. They must not be involved or have any invested interest in the management and finances of the business. Moreover, the number of directorships that each director can hold in other listed companies cannot exceed four companies.

  Any person who is appointed as a director of SCGP will be given an orientation session arranged by SCGP. Information about their roles and duties as directors will also be sent to them.

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

- **Board of Directors meetings and quorum**
  A Board of Directors meeting must be held at least once every three months, and not less than six times per year. This is to ensure that the Board of Directors can supervise management's performance regularly. There should be a meeting between non-executive directors (without the management team) held as regularly as necessary. Directors should attend at least 80% of meetings. Each director should attend at least 75% of meetings held throughout the year. Supporting documents for a meeting should be submitted to the Board of Directors at least five business days before a meeting takes place.

- **Approval Authority of the Board of Directors**
  The Board of Directors has the authority to approve matters as required by laws, regulations, charters and shareholders' meeting resolutions. This includes setting up a delegation of authority to review the vision, mission, strategy, operational plans, Risk Management Policy, annual budget and business plans, medium-term business plans, and performance goals. The delegation must also assess monitoring and evaluation results, capital expenditures, significant related-party transactions, mergers, settlers, and joint ventures.

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

2.1.2 Charter of the Audit Committee

The Audit Committee is responsible for oversight, risk management, operational supervision and internal control. For instance, it will review the financial reporting system and disclosures of information in the financial statements to make sure they are according to standards and meet financial reporting requirements. The Audit Committee must also take into consideration connected transactions, asset acquisitions or dispositions or transactions that may lead to conflicts of interest for SCGP and its subsidiaries. In addition, it performs reviews to ensure that SCGP has risk management, anti-corruption and control processes, as well as compliance monitoring systems. This includes a review of SCGP's internal control and internal audit systems, as well as the selection, nomination and termination of SCGP's auditors. It is also responsible for proposing audit fees, holding meetings with auditors without management, approving work plans, budgets and audit team numbers. Lastly, the Audit Committee must approve the appointment, removal, transfer or termination of the Director of the Internal Audit Office.

In addition, the Charter sets out that the Audit Committee must hold meetings at least every 3 months. The Audit Committee will receive remuneration as approved at the shareholders' meeting

2.1.3 Charter of the Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee is responsible for defining the corporate governance scope and policy and regularly shares with the Board of Directors, as well as monitoring and supervising the Board of Directors' and Management Committee's performance so that it aligns with the corporate governance policy. It must also take into consideration the Board's structure, composition, independence and any conflict of interest which may arise in the performance of the Board's duties. The Corporate Governance and Nomination Committee also establishes guidelines for recruitment, selecting SCGP directors, directors' development plans, and suggests methods to evaluate the Board of Directors, sub-committees, and Chairman of the Board.

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

2.1.4 Charter of the Remuneration Committee

The Remuneration Committee proposes remuneration guidelines (both monetary and non-monetary), as well as benefits for SCGP's directors and executives in accordance with their duties, responsibilities and qualifications. The remuneration for directors must be submitted to the annual shareholders' meeting for approval. Also, the Committee evaluates the performance of senior executives individually and proposes their remuneration to the Board of Directors every year. Their duties, responsibilities and any risks related to increasing the value of shareholders' long-term equity are considered for this. The Remuneration Committee establishes succession plans for the Chief Executive Officer and SCGP's top executives.

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

2.1.5 Independent Director's Qualifications

SCGP has set independent director qualifications to prevent any impact on his/her independent judgement.

2.1.6 Policy on Qualification and Nomination of Company Directors Policy

To ensure diversity and that directors have the appropriate knowledge and expertise fit with business requirements, the clear, efficient and transparent nomination procedures that also support the participation of shareholders should be in place. The Board of Directors then has established a policy defining qualifications of the directors and nomination procedures: directors must have all the required qualifications, with no undesirable attributes as determined by the law. The Board should also be made up of directors who display a variety of skills, experience, knowledge and expertise that will benefit SCGP. There should be no limitations or discrimination based on sex, age, race and nationality.

The Board of Directors has assigned the Corporate Governance and Nomination Committee to recruit persons with skills, experience, knowledge and expertise that benefit SCGP and can replace directors who retire by rotation or for other reasons. The Corporate Governance and Nomination Committee proposes candidates to the Board of Directors and/or at the shareholders' meeting for election. The qualification criterion for directors include:

- ethical and responsible
- rational in decision-making (this should be based on data)
- able to express an independent opinion
- able to adhere to professional principles and standards
- knowledgeable and capable to use their expertise to help the Board formulate strategies and policies and support the implementation of strategies; all of which are based on the Board Skills Matrix approved by the Board of Directors.

The Corporate Governance and Nomination Committee uses several channels to recruit directors including inviting shareholders to nominate qualified persons and considering the list of persons who are capable of being a director of a listed company (Chartered Director) of the Thai Institute of Directors Association, and the list of directors of listed companies whose qualifications are consistent with SCGP's Board Skills Matrix.

2.1.7 Scope of Duties and Responsibilities of the Chief Executive Officer

The Board of Directors has a resolution that clearly allocate the scope of work of the directors and management and defines the Chief Executive Officer's duties and responsibilities. The Chief Executive Officer's duties include to define the business's vision, mission, strategies, operating plans, budgets, goals and policies with the Board of Directors, as well as to communicate with management and create a framework for planning and oversight to ensure management's duties align with the business plan, budget, goals and policies that have been approved by the Board of Directors. In addition, the Chief Executive Officer has the authority to set regulations for hires, relocations, dismissals and compensation of employees that hold positions that are not within the authority of the Board or sub-committees. The Chief Executive Officer can also approve investment project budgets, finances, etc., within limits specified in the Delegation of Authority Manual approved by the Board of Directors.

In terms of management, the Chief Executive Officer must oversee the management of finances, marketing, production, human resources, risks, SCGP and subsidiaries' internal control system as well as other operational aspects to make sure they comply

with policies, the business plan, laws, regulations, Articles of Association, objectives and resolutions from the Board of Directors' and shareholders' meetings. This ensures that operations are carried out in good faith, with care, prudence and integrity to preserve the highest interests of SCGP and fairness towards all parties involved. In addition, the Chief Executive Officer must develop and improve SCGP and subsidiaries' operations, and support innovation that adds value and makes the organization grow sustainably according to its strategic plan. They must also take a supervisory role to ensure that the Management contributes to fostering an ethical corporate culture and practices good corporate governance. Also, the Chief Executive officer must follow up on SCGP, subsidiaries and/or associates' performance assessments (scheduled regularly), and supervise the preparation of financial reports and disclosures - all important information must be correct, adequate, timely and in accordance with relevant rules and practices.

2.1.8 Policy and Guidelines on the Chief Executive Officer and Top Executives Holding Directorships in Organizations Outside SCG Packaging

The Chief Executive Officer and top executives are able to hold positions as directors or spend their time with SCGP working for outside organizations or institutions that are not subsidiaries, associated companies or other companies that SCGP invests in if they are public or private organizations established for a common benefit, or private organizations established for trading purposes, but does not present a conflict of interest with SCGP, and does not take up too much of the director's time - to the extent that it is disadvantageous for SCGP. In addition, it must not be an organization established for the benefit of political parties.

2.2 Corporate Management Policies and Practices

Policies and guidelines in this section deal with the implementation of various organizational activities to effectively manage work and comply with good corporate governance guidelines.

2.2.1 Charter of the Internal Audit Office

The Internal Audit Office is responsible for supervising risk management, operations, internal control, and reviewing operational processes so that they adhere to good governance. It must also evaluate whether the main business activities of SCGP have appropriate and adequate internal control systems and comply with the COSO 2013 Framework to prevent significant damages. The Director of the Internal Audit Office is responsible for defining and controlling the audit monitoring system, establishing preventive procedures, as well as summarizing audit reports for the Audit Committee.

2.2.2 Sustainable Development Policy

SCGP operates business according to sustainable development guidelines by considering risks and opportunities for improvement at all levels of the organization. This is done with both the short and long-term needs and expectations of stakeholders in mind, and takes into account the impact on society and the environment. It also draws on information to help formulate business strategies and enable businesses to grow sustainably in rapidly changing situations - balancing economic, social and environmental aspects.

2.2.3 Compliance Policy

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

2.2.4 Anti-corruption Policy

SCGP has a clear Anti-corruption Policy that has been shared with all levels of the organization and third parties to achieve practical implementation and ensure that business decisions and actions associated with risks of corruption are carefully considered and treated. Employees must strictly follow the Anti-corruption Policy and not conduct or accept any form of corruption, either directly or indirectly. This covers all businesses in every country and all related departments. The Anti-corruption Policy's implementation is regularly reviewed. The review covers any guidelines it contains to make sure they comply with business, regulatory and legal requirements. The Director of the Audit Office prepares risk assessments related to corruption. They must also put together measures and guidelines to mitigate risks associated with corruption and present



them to the Audit Committee and the Board of Directors. The Director is also responsible for auditing and verifying that operations are correct and in accordance with policies, practices, guidelines, laws, and regulatory requirements. This ensures that the control system is appropriate, concise and sufficient to prevent any form of corruption from occurring, and that any cases are reported to the Audit Committee.

In addition, SCGP communicates and disseminates its Anti-corruption Policy through various channels: orientation sessions for new directors and employees, trainings or seminars, internal communications within the work area and through SCGP's various electronic systems. This includes periodic communication with employees to highlight different forms of corruption, the risk of being involved in corruption, and whistleblowing. In 2020, SCGP announced its intention to join the Thai Private Sector Collective Action Against Corruption (CAC) and is in the process of preparing its application to become a Certified Company.

The Board of Directors sets a mechanism for receiving complaints and taking action on cases of whistleblowing. In addition, SCGP has a policy for receiving fraud and misconduct complaints: it has a system for complaints and whistleblowing of improper practices that is in line with SCGP's Code of Conduct. SCGP established the whistleblowing policy to protect any employee who files a complaint. It also organized e-learning materials to teach employees about the steps and communication channels to inform the responsible departments of any misconduct.

2.2.5 Connected Transaction Policy

The Board of Directors has established a Connected Transaction Policy to comply with laws and guidelines such as The Securities and Exchange Act B.E. 2535 (and its amendments), the Notification of Capital Market Supervisory Board Tor Jor. 21/2008 regarding Rules on Connected Transactions and the Notification of the Stock Exchange of Thailand's Board of Governors (BorJor / Por 22-01) re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions 2003. SCGP also follows good corporate governance principles for listed companies of the Stock Exchange of Thailand and the Securities and Exchange Commission. Conducting a connected transaction must be approved from the management, the Board of Directors or the Shareholders' meeting based on the size of said connected transaction.

2.2.6 Prevention of Conflict of Interest Policy

SCGP has a policy to prevent any conflicts of interest. It has established guidelines, prohibitions, and various considerations for directors, executives and employees to understand how to implement the policy, including disclosing and submitting in advance to the Company Secretary the information whether their (including their related persons) stakes involving potential conflicts of interest and monitor and manage conflicts of interest that may arise between SCGP, management, the Board of Directors, or shareholders. This includes preventing improper use of property, SCGP's information and opportunities, and preventing transactions from being conducted with those who have an improper connection with SCGP. Also, directors, executives and employees must abide by SCGP's Code of Conduct which establishes guidelines on conflicts of interest and treatment of SCGP's information and assets. There are also guidelines on keeping information within the organization, using inside information that is sensitive, and maintaining information technology systems and intellectual property.

2.2.7 Antitrust Policy

SCGP will not engage in any activity which may result in trade injustice, disrupt market forces or free competition, or may destroy, damage, block or limit business operations for other businesses. SCGP will not use power over the market in the wrong way or take any action which may result in ending competition with competitors in business, either directly or indirectly. Also, SCGP will not exchange business information,

make agreements with competitors, partners or customers to reduce or limit market competition, compliance with the antitrust law, or that impede ethics and awareness raising among SCGP's business partners on legal compliance.

2.2.8 Whistleblowing Policy

SCGP established a system to receive complaints and take action if there is an indication of violation of the law, regulations, SCGP's Articles of Associations and the Code of Conduct, or behavior that is conducive to corruption. It also has a complaint channel for internal and external persons of SCGP, as well as protection measures for those who give information and procedures to investigate complaints. In addition, SCGP imposes penalties on offenders, and communicates policies and associated guidelines to ensure efficiency in compliance.

SCGP's employees can make a complaint through the intranet system and select the person who should receive their complaint - their supervisor, the HR Director, the Audit Office Director, the Secretary to the Board of Directors or any member of the Board of Directors. Outsiders can make complaints through SCGP's website (www.scgpackaging.com) or by sending SCGP a written letter of complaint. They can also select the recipient of their complaint - the Audit Committee, any director, the Internal Audit Office or the Corporate Secretary Office.

2.2.9 Policy on Investment in Subsidiaries and Associates

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

2.2.10 Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Business

SCGP established the Management and Corporate Governance Policy for core business subsidiaries and associates. This provides a framework and mechanism for corporate governance, as well as guidance for subsidiaries and associate companies, both directly and indirectly. In addition, there are measures to monitor the performance of subsidiaries and associated companies to maintain SCGP's investment interests effectively.

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

Directors and executives of subsidiaries or associated companies (appointed or nominated by SCGP) are responsible for ensuring that the subsidiary or associated company can enter into transactions or undertake material activities which are significant to the financial status and operating results of subsidiaries or associated companies, as specified in the Delegation of Authority Manual. The subsidiary or associated company's regulations must be agreed upon or approved at SCGP's Board of Directors' or shareholders' meeting (as the case may be) before proceeding with any actions.

2.2.11 Risk Management Policy

SCGP makes risk management decisions as a part of its strategies, plans and operations. It aims to manage any risks to an acceptable level and in an effective way so that there is minimal impact on SCGP and its objectives. SCGP has an Enterprise Risk Management Framework that is in line with international standards and includes a process for determining strategies, risk management structure and accountabilities. This framework also aims to create a risk management culture at SCGP.

2.2.12 Disclosure Policy

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

2.2.13 Insider Information Management and IT Governance Policy

To prevent any misuse of internal information that has not been disclosed to the public and that may have a material effect on the price or value of securities, the Board of Directors has established the Insider Information Management Policy, as part of the Insider Information Management and IT Governance Policy. This policy must be observed by all directors, executives and employees and should be communicated properly. It covers measures to prohibit trading in securities, reporting on holds and changes in securities and derivatives, as well as the protection and use of insider information.

With regard to information technology management and security measures for information technology systems, SCGP has provided guidelines to protect the computer system's security and information (as part of the Insider Information Management and IT Governance Policy). The use of computer and information technology must comply with the computer-related Crime Act and other relevant laws. SCGP also restricts access to insider information and does not alter, duplicate, delete or destroy its information. Also, SCGP does not disclose information in its information system without permission. It has also established a security system to prevent unauthorized access and use of confidential files and documents. This also ensures that the information technology system is used in accordance with access rights.

2.2.14 Human Rights Policy

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

2.2.15 SCGP Privacy Policy

SCGP has established personal data protection measures as part of SCGP Privacy Policy. SCGP defined clear and appropriate structures, mechanisms and measures for personal data management that are in accordance with Privacy Laws. This includes appointing a Personal Data Protection Committee and a Personal Information Protection Officer to oversee and manage the policy's implementation. The Officer is also responsible for evaluating and reviewing operating standards and practices to ensure they are in line with laws and policies set by the Board.

2.2.16 Investor Relations Code of Conduct

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

2.3 Policies and Guidelines for Key Stakeholders

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

2.3.1 Stakeholder Engagement Policy

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

1) Policy and Practice Towards Shareholders

As SCGP gives priority to shareholders, SCGP's directors, management and employees must operate business according to principles of good governance and SCGP's core values in an honest manner. This includes making sure business is conducted without conflicts of interest, and with an aim to create the greatest benefit and added value for shareholders in the long term. Also, operations must respect the rights of shareholders and treat all shareholders fairly and equitably. Shareholders can propose agendas and candidates for election of directors before general shareholder meetings are held, and clarify various details about the shareholders' meeting before decisions are made. The directors, management and employees in relevant departments, as well as spouses and underage children of such persons, are prohibited

from using insider information that has not yet been disclosed to the public to seek personal benefit and take advantage of shareholders. The Board must provide an independent director to be in charge of minority shareholders and to receive complaints or suggestions from shareholders through established and accessible channels.

2) Policy and Practice Towards Employees

SCGP believes that employees are a valuable resource and a factor of success. For this reason, SCGP treats employees fairly in accordance with human rights principles and takes into account their needs to create good and sustainable relationships with them. SCGP also promotes skills development to empower its employees, and is prepared to provide stability and career advancement opportunities. In addition, SCGP has established employee recruitment practices, ensures a fair selection process and respects and protects employees' personal rights. SCGP also conducts performance appraisals and provides compensation after considering the duties, responsibilities and capabilities of each individual employee. It also provides fair and appropriate welfare for employees, cultivates awareness of, and promotes health and safety in the workplace. SCGP operates based on the occupational health, safety and environmental management system that is in line with international standards. This includes providing a channel for disclosures of important information to employees. This is done so employees have an understanding of business operations and the impact they have on SCGP's various businesses and subsidiaries. SCGP also provides a complaint and whistleblowing system to report behavior that does not follow SCG Packaging's Code of Conduct. It also protects employees from being bullied, or that have been punished as a result of complaints (the Whistleblowing Policy).

3) Policy and Practice Towards Customers

SCGP is committed to providing customers with the best benefits and services by focusing on quality, fair prices as well as developing and maintaining lasting relationships. SCGP strives to deliver products and services that meet the needs of consumers and the people around them. It promotes a good quality of life, sustainable social growth, innovation, research and development for high value products and services that meet customer needs. SCGP also develops products and services that are environmentally friendly by using less resources, reusing where possible, saving energy and ensuring durability. SCGP produces safe products and services which are not harmful to consumers' health and can be trusted. SCGP aims to provide correct and sufficient information to consumers, and keeps customer information in a systematic and safe manner to avoid misusing it. It also has a quality management system that is in line with international standards and has a department that is responsible for providing product recommendations, advice, solutions, and receiving complaints to ensure customers highest satisfaction regarding products and services.

4) Policy and Practice Towards Suppliers

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

5) Policy and Practice Towards Business Partners

SCGP has a policy of taking good care of its business partners by following human rights standards, as well as considering the environment, workplace safety and remuneration based on reasonable and fair compensation. In addition, SCGP develops the capabilities and knowledge of its business partners both within and outside their lines of work for greater work efficiency. At the same time, SCGP encourages its business partners to enhance their own knowledge for the same reason. SCGP promotes and supports business partners to operate according to principles of sustainable development and social responsibility, and to adhere to SCG Packaging's Supplier Code of Conduct.

The Board of Directors approved the implementation of SCGP's Policy and Guidelines for the Procurement and Selection of SCGP Suppliers and Business Partners to ensure ethical business conduct and uphold its responsibility towards society and the environment. SCGP also refuses to conduct business with a person or a juristic person who violates the law or demonstrates behavior involving corruption.

6) Policy and Practice Towards Joint Venture Partners

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

7) Policy and Practice Towards Creditors

SCGP has a policy to treat creditors with equality, fairness and transparency, and to strictly comply with any agreed terms and conditions. To maintain creditors' confidence, SCGP stresses the importance of managing its finances to create an appropriate financial structure. SCGP also strives to constantly keep creditors abreast of SCGP's business status and to maintain sustainable relations with creditors.

8) Policy and Practice Towards Communities

SCGP and its subsidiaries are committed to social responsibility and supporting activities that improve the quality of life, and benefit the communities and societies they operate business with. This includes encouraging employees and stakeholders to be good citizens by contributing to their communities and societies, and supporting activities or projects that improve people's livelihoods, such as career development and sustainable solutions. SCGP also encourages communities and stakeholders to participate in activities, projects, and make suggestions or complaints to SCGP and its subsidiaries. The goal of this is to foster harmonious and sustainable co-existence between industries and communities.

9) Policy and Practice Towards Governmental Agencies

SCGP has clearly defined guidelines in its Code of Conduct for engaging in transactions with government agencies. Furthermore, SCGP ensures strict compliance with relevant laws and regulations. In addition to refusing to engage in matters that could provide incentives for officers in government agencies and make them commit inappropriate or unlawful acts, SCGP also cooperates with government agencies in providing academic assistance or support for various activities. It is also open to comments, suggestions, and complaints from government agencies. Lastly, there are operational requirements in SCGP's Anti-corruption Policy related to business relations and government procurement. These specifically prohibit giving or accepting bribes in any kind of business or SCGP operation. Dealings with the government must be transparent, honest and in accordance with applicable laws.



10) Policy and Practice Towards Media

SCGP realizes the importance of disclosing information to the media to communicate with the public accurately and quickly. Therefore, SCGP has guidelines on disclosing information to the media so that it is accurate, clear and relevant. SCGP also facilitates access for the media when it reaches out to SCGP, and opens up opportunities for the media to meet with high executives and build good relations with them. SCGP is open for media visits and plant tours of the production process and management systems so that the media has access to correct and accurate information.

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

SCGP conducts business with concern for social responsibility and all stakeholders. In addition to full, accurate, transparent and verifiable disclosure of information, SCGP builds relationships and facilitates community involvement with relevant agencies. It also listens to opinions and various recommendations from civil society to create shared and sustainable business practices.

12) Policy and Practice Towards Competitors

SCGP has a policy to treat competitors fairly under an honest competition framework. SCGP is committed to carrying out business in compliance with the law and SCG Packaging's Code of Conduct, with concern for trade ethics and laws. SCGP also refuses to gain an unfair advantage over its competitors through unlawful activities, seeking confidential information through unethical or inappropriate means, engaging in any action that violates competitors' intellectual property rights, or destroying competitors' reputations with defamatory and untruthful statements. In addition, SCGP supports and promotes free trade, and avoids any acts that monopolize the market, or impede or limit fair competition.

2.3.2 Dividend Policy of SCGP and its Subsidiaries

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

The subsidiaries' Board of Directors will consider their respective dividend policies, which must be approved at the subsidiaries' shareholder meeting each year and take into account various factors that mainly benefit shareholders.



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

SCGP conducts systematic procurement according to tightly controlled regulations and procurement methods. SCGP takes into account needs in terms of quality, price, quantity, service time, delivery, after sales service, warranties and other conditions. SCGP also refuses to conduct business with a person or a juristic person who violates the law or demonstrates behavior involving corruption. SCGP selects vendors in a systematic, fair and transparent manner, and supports vendors who conduct business ethically, and consider their social and environmental responsibility.

Vendors may file a complaint on unfair treatment under the SCGP corporate governance principle through the specified channel at https://whistleblower.scgpackaging.com

2.3.4 SCG Packaging's Supplier Code of Conduct

SCGP has established a Supplier Code of Conduct so that all business partners follow the same guidelines. It is used as a standard for business operations together with five principles: 1) Business Ethics Practices 2) Labor Protection and Human Rights 3) Occupational Health and Safety 4) The Environment and 5) Laws and Regulations.

Measures to Take - Non-Compliance with Policies and Guidelines

SCGP has measures in place for cases where policies and practices are violated, or if there has been a disciplinary offense that must be punished. SCGP has set penalty guidelines and focuses on remedial action to avoid recurring cases which may subject to punishment according to the law. The policy details are published on SCGP's website.

Additional information on the Corporate Governance Handbook can be found on SCGP's website (www.scgpackaging.com).

Code of Conduct

SCGP conducts business with responsibility, transparency, and fairness. It adheres to the long-standing principles defined in the SCG Packaging's Code of Conduct, and is dedicated to sustainable and balanced benefits. SCGP has prepared the SCG Packaging's Code of Conduct as an operational handbook for directors, management and employees of all levels. Having a Code of Conduct also ensures that all employees of SCGP and its subsidiaries can gain an understanding of same principles and operational guidelines throughout the organization, and hence bring utmost benefit to all stakeholders.

SCG Packaging's Code of Conduct consists of principles, practices and examples, with recommendations of important and necessary matters to consider when working towards the organization's goals. There are 12 matters in total:

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

SCGP has published SCG Packaging's Code of Conduct on its website: (www.scgpackaging.com).

The Company produces self-learning video for employees (e-learning) to learn about SCGP's operations and how to apply principles and practices that are specified in SCG Packaging's Code of Conduct (covering all 12 matters) - especially those related to their duties and responsibilities. This covers the right actions to take if an employee encounters unethical behavior. SCGP gives training on SCG Packaging's Code of Conduct in its orientation session for new employees (this is also intended for supervisors). It also requires all Thai employees to pass an ethics e-test annually so that they regularly review SCG Packaging's Code of Conduct. Results from the e-test are reported to the Audit Committee so it can consider ways to improve compliance with the Code of Conduct and promote a corporate culture that supports SCG Packaging's core values.

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

SCGP has adopted the principles of good corporate governance for listed companies in 2017, or the Corporate Governance Code (CG Code). This has been applied to SCGP's business to create sustainable value and benefits. The Board of Directors' duties under the CG Code are set in the Charter of the Board of Directors. The Board of Directors realizes that the principles of corporate governance are accepted internationally and are in line with SCGP's core values and Code of Conduct. Thus, the Board reviews policies, practices, corporate governance systems and the Charter of Board of Directors at least once a year to increase efficiency and raise its standards on corporate governance so that they are in line with domestic and overseas guidelines.

SCG Packaging's corporate governance system for 2020 includes further developments from the previous year. The Board of Directors has reviewed and adopted all 8 principles of the CG Code by means that are suitable for SCGP in the areas of business context, technological advancements, as well as social, environmental and legal requirements. All Board members recognize their role as corporate leaders, and more than half of the directors have studied or attended presentations on the CG Code to understand it benefits and ways to apply its guidelines to create sustainable business value. The Board has also assessed results from applying each principle of the CG Code to ensure the appropriateness. The Board of Directors' and all sub-committees' performance results from the assessment are used to prepare for their continuous development plans.

The Board of Directors has approved additional corporate governance policies and practices in 2020: the Human Rights Policy, SCGP Privacy Policy, Qualification and Nomination of Company Directors Policy, Investor Relations Code of Conduct, Policy and Guidelines on the Chief Executive Officer and Top Executives Holding Directorships in Organizations outside SCGP. In addition, the Board of Directors has revised the Board of Directors and Sub-Committee Charters - the main issues that were addressed include the terms of office of independent directors, and meetings which covers guidelines on organizing virtual meetings that comply with the CG Code and electronic communication technology development.

At the 2020 Annual General Shareholders' Meeting on March 24, 2020, a resolution was passed to increase two more directors, and to elect two new directors: Mr. Vanus Taepaisitphongse and Mr. Vibul Tuangsitthisombat. SCGP has arranged an orientation for the two new directors, which is being coordinated by the Company Secretary. The new directors will be given information covering general business knowledge, the business structure, the Board of Directors' structure and meeting schedule for 2020, the Corporate Governance Handbook, SCGP's Articles of Association, and concerned laws and regulations. A meeting has also been arranged with the Chief Executive Officer and Chief Financial Officer before the new directors attend the first Board of Directors meeting. These meetings will cover SCGP's and subsidiaries' business operations.

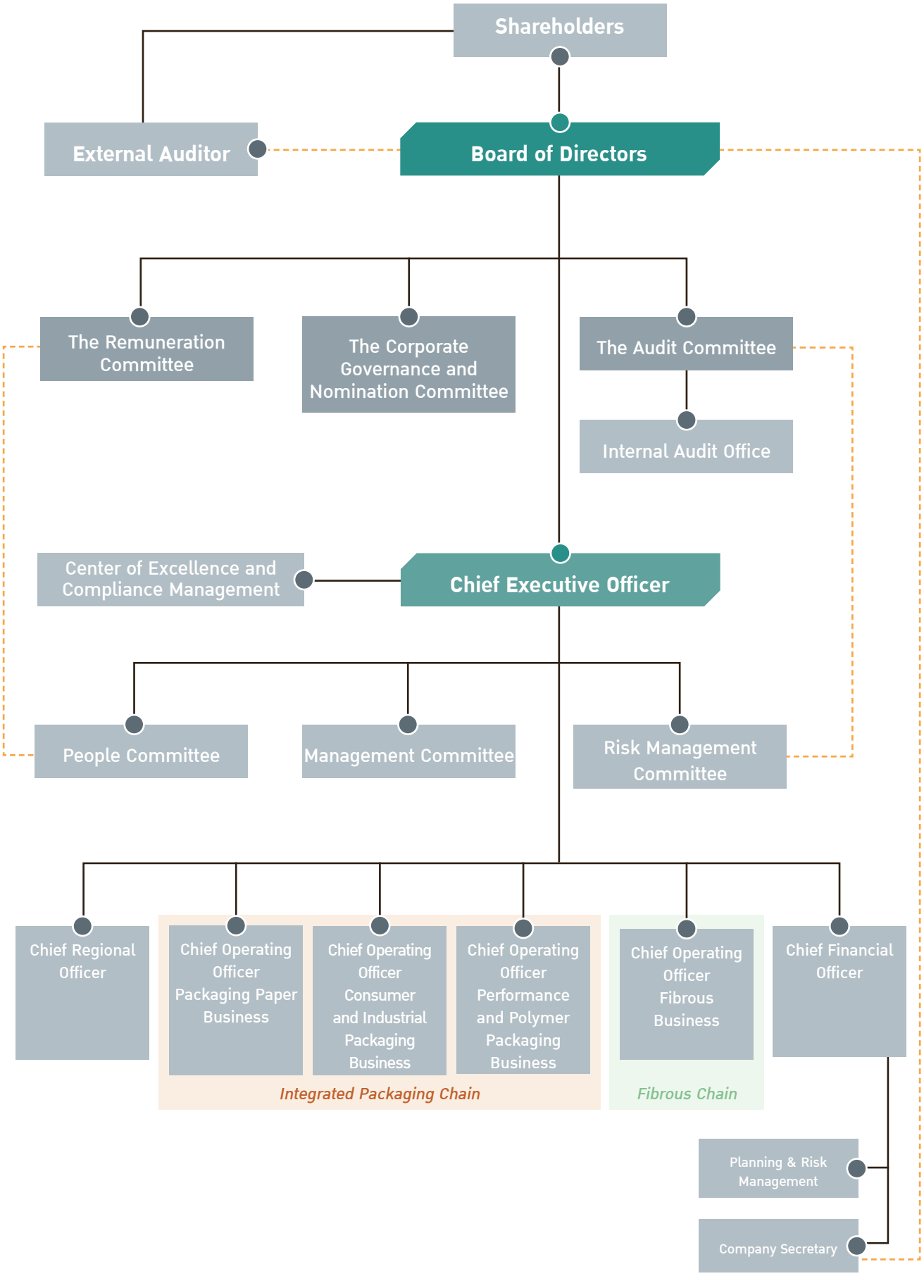
In 2020, SCGP promoted other shareholder rights besides voting. These included the right to propose meeting agendas and to nominate suitable persons to be directors before the annual general meeting in 2021 - proposals must be submitted in advance, between August 3 and November 3, 2020. These rights are published on SCGP's website. (www.scgpackaging.com).

SCGP was listed on the Stock Exchange of Thailand and started trading the Company's securities on the stock market on October 22, 2020. Since then, SCGP has provided additional information besides the disclosure of information in the annual report and on SCGP's website. In 2020 SCGP has shared more information on the SET's website, including a summary of SCGP's operating results and financial statements in Q3/2020, a progress report on major investment projects, and the Roadshow Presentation that was published when SCGP met with analysts. In addition, there have been press conferences with the media and quarterly newsletters have been issued on SCGP's financial position and its regular meetings with investors.

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

Corporate Governance Structure

As of December 31, 2020, SCGP's corporate governance structure as approved at the Board of Directors No. 224 (8/2020) on December 1, 2020, effective from December 1, 2020, is as follows:


Shareholders
External Auditor
Board of Directors
The Remuneration Committee
The Corporate Governance and Nomination Committee
The Audit Committee
Internal Audit Office
Center of Excellence and Compliance Management
Chief Executive Officer
People Committee
Management Committee
Risk Management Committee
Chief Regional Officer
Chief Operating Officer Packaging Paper Business
Chief Operating Officer Consumer and Industrial Packaging Business
Chief Operating Officer Performance and Polymer Packaging Business
Chief Operating Officer Fibrous Business
Chief Financial Officer
Integrated Packaging Chain
Fibrous Chain
Planning & Risk Management
Company Secretary
Reporting Line

Information on the Board of Directors

Composition of the Board of Directors

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

Directors and Individual Controlling Persons

As of December 31, 2020, members of the Board of Directors are as follows:

Directors	Position
1. Mr. Prasarn Triratvorakul	Chairman and Independent Director
2. Mr. Cholanat Yanaranop	Vice Chairman and Member of Remuneration Committee
3. Mr. Chumpol NaLamlieng	Independent Director and Chairman of Remuneration Committee
4. Mrs. Kaisri Nuengsigkapian	Independent Director and Chairman of Audit Committee
5. Mr. Chalee Chantanayingyong	Independent Director, Member of Audit Committee and Chairman of Corporate Governance and Nomination Committee
6. Mrs. Pongpen Ruengvirayudh	Independent Director and Member of Audit Committee
7. Professor Kitipong Urapeepatanapong	Independent Director and Member of Corporate Governance and Nomination Committee
8. Mr. Vanus Taepaisitphongse	Independent Director and Member of Remuneration Committee
9. Mr. Vibul Tuangsitthisombat	Director and Member of Corporate Governance and Nomination Committee
10. Mr. Tanawong Areeratchakul	Director
11. Mr. Thammasak Sethaudom	Director
12. Mr. Wichan Jitpukdee	Director and Chief Executive Officer

Remarks:

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

(2) Directors No. 1, 3, 4, 5, 6, 7 and 8 are independent directors who meet all the SCGP's criteria of an independent director, which are more stringent than those stipulated by the Capital Market Supervisory Board.

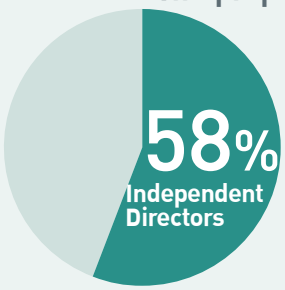
(3) Directors No. 4 and 6 are directors who have sufficient knowledge and experience to be able to perform their duties in reviewing the reliability of SCGP's financial statements.

(4) Directors authorized to sign for and with binding effect on the Company are any two of the four directors, namely Mr. Cholanat Yanaranop or Mr. Tanawong Areeratchakul or Mr. Thammasak Sethaudom or Mr. Wichan Jitpukdee, who must jointly sign their names.

The Board of Directors consists of members with a diverse range of knowledge, skills, experiences and expertise that are beneficial to the business operation of SCGP and its subsidiaries (the Board Skills Matrix), and align with SCGP's business strategy. Other required qualifications of individual directors include morality and accountability, leadership, exemplary vision and the ability to devote sufficient time, without any discrimination on the grounds of gender, race, religion, or professional skills.

The composition of the Board of Directors

The proportion of the Directors



Female Directors



2 persons

The diversity in the composition of the Board of Directors (the number of directors with expertise in each area):

SCG Packaging Core Business	Business Chain	International Business	Consumer Market
5	7	8	3
Strategic Planning	Risk Management	Corporate Governance	Innovation and Sustainability
11	9	9	8
Review of Financial Statements	Industrial Technology	Business and Investment Law	
6	4	3	

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

Roles and Responsibilities of the Board of Directors

SCGP defines the composition and qualifications of the Board of Directors in the Charter of the Board of Directors, by having adopted the good corporate governance principles for listed companies in 2017 or the Corporate Governance Code (CG Code) recommended by the Office of the Securities and Exchange Commission. The scope of duties of the Board of Directors, Chairman of the Board and Chief Executive Officer are posted on SCGP's website (www.scgpackaging.com) and summarized in the Corporate Governance section of this report.

Sub-committee Information

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

(a) The Audit Committee

As of December 31, 2020, the Audit Committee comprises the following three members:

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

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

(b) The Corporate Governance and Nomination Committee

As of December 31, 2020, the Corporate Governance and Nomination Committee comprises the following three members:

Directors	Position
1. Mr. Chalee Chantanayingyong	Chairman of the Corporate Governance and Nomination Committee
2. Professor Kitipong Urapeepatanapong	Member of the Corporate Governance and Nomination Committee
3. Mr. Vibul Tuangsitthisombat	Member of the Corporate Governance and Nomination Committee

Remarks:
(1) Mr. Vibul Tuangsitthisombat was appointed as a member of the Corporate Governance and Nomination Committee replacing Mr. Cholanat Yanaranop at the Board of Directors' meeting No. 220 (4/2020) on June 2, 2020, effective from June 2, 2020.
(2) Directors No. 1 and 2 are independent directors.

(c) The Remuneration Committee

As of December 31, 2020, the Remuneration Committee comprises the following three members:

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

Remarks:
(1) Mr. Vanus Taepaisitphongse was appointed as a member of the Remuneration Committee replacing Mrs. Pongpen Ruengviraydh at the Board of Directors' Meeting No. 220 (4/2020) on June 2, 2020, effective from June 2, 2020.
(2) Directors No. 1 and 3 are independent directors.

Information on the Executives

Name and Positions of the Executives

(a) Executives

As of December 31, 2020, the executives comprise the following eight members:

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

Remarks:

(1) The Board of Directors' meeting No. 217 (1/2020) on January 28, 2020 approved management positions effective from February 1, 2020.

(2) Mrs. Nadarat Pomtri was appointed as the Accounting Director assigned with direct responsibility for accounting controls, replacing Ms. Wassana Torrungruang, effective from July 1, 2020.

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

(b) Management Committee

As of December 31, 2020, the Management Committee comprises the following seven members:

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



Board of Directors and Management Committee

Board of Director's Profile



Mr. Prasarn Trairatvorakul Age 68 years
Director qualified as an Independent Director (From August 26, 2019)
Positions Chairman
Independent Director

Date of Appointment as a Director
June 21, 2019

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

Knowledge/Skills/Expertise
- Businesses in the Company's Supply Chains and Consumer Markets
- Other Large Businesses or Industries
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Economics, Accounting and Finance
- Business and Investment Laws
- Application of Technology in Industries and Business Sectors

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

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

Since 2019	Chairman, Central Retail Corporation Public Company Limited
Since 2019	Chairman, Pruksa Holding Public Company Limited (Director qualified as an Independent Director effective from 2016)
Since 2017	Independent Director and Chairman of Remuneration Committee, The Siam Cement Public Company Limited (Director qualified as an Independent Director effective from August 26, 2019)

Position in other Company/Organization/Institution (13)

Since 2019	Chairman of the Board, Mahidol Witayanusorn
Since 2018	Chairman, Education Equity Fund
Since 2018	Director, Siam Sindhorn Co., Ltd.
Since 2018	Director, CPB Equity Company Limited
Since 2018	Director, Prince of Songkla University
Since 2018	Distinguished Scholar, Faculty of Commerce and Accountancy, Chulalongkorn University
Since 2017	Member, Asset Management Committee of Vajiravudh College
Since 2017	Member, Committee on King's Scholarships for Thai Buddhist Monks
Since 2017	Chairman of the Council of Trustees and the Board of Directors, Thailand Development Research Institute (TDRI)
Since 2016	Senior Advisor, CENTRAL Group
Since 2016	Member, Property Management Committee, Chulalongkorn University
Since 2015	Advisor, Crown Property Bureau
Since 1998	Director, Thai Red Cross Society

5-year Past Experiences and/or Remarkable Positions

2017 - 2019	Chairman, Economic Reform Committee
2017 - 2019	Director, Education Reform Committee
2017 - 2019	Chairman, Public Procurement Committee
2015 - 2019	Director, National Anti-Corruption Commission
2015 - 2019	Director, Committee to Enhance Competitiveness of the Nation
2014 - 2019	Director, State Enterprise Supervisory Board
2010 - 2015	Governor, The Bank of Thailand
2004 - 2010	President, KASIKORNBANK Public Company Limited
1999 - 2003	Secretary-General, The Securities and Exchange Commission, Thailand

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: - None -
Held by spouse or minor children: - None -

Family Relationship among Directors and Executives
- None -



Mr. Cholanat Yanaranop Age 61 years

Positions Vice Chairman
Member of the Remuneration Committee

Date of Appointment as a Director
June 1, 2019

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

Knowledge/Skills/Expertise
- Core Business of the Company and Businesses in the Company's Supply Chains
- Other Large Businesses or Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Marketing, Accounting and Finance
- Application of Technology in Industries and Business Sectors
- Total Quality Management (TQM)

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

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

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

Position in other Company/Organization/Institution (7)

Since 2020	Director, SCG Foundation
Since 2016	Director, Siam Bioscience Company Limited
Since 2016	Director, Apexcela Company Limited
Since 2016	Advisor The Committee of Chemical and Petrochemical Engineering, - Institute of Thailand Under H.M. The King's Patronage
Since 2009	Advisor, Thai Institute of Chemical Engineering and Applied Chemistry
Since 2008	Authorized Representative at the Members Council, Long Son Petrochemicals Company Limited, Vietnam
Since 2006	Director, Petroleum Institute of Thailand

5-year Past Experiences and/or Remarkable Positions

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

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: 2,607 shares (0.0001%)
Held by spouse or minor children: - None -

Family Relationship among Directors and Executives
- None -

*Remark: *Listed in the Stock Exchange of Indonesia*



Mr. Chumpol NaLamlieng Age 73 years

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

Positions Independent Director
Chairman of the Remuneration Committee

Date of Appointment as a Director
June 21, 2019

Education/Training
- MBA, Harvard Business School, USA
- B.S. Mechanical Engineering, University of Washington, USA

Knowledge/Skills/Expertise
- Core Business of the Company and Businesses in the Company's Supply Chains and Consumer Markets
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Accounting and Finance
- Business and Investment Laws
- Application of Technology in Industries and Business Sectors

Director Training
Role of the Chairman Program (RCP) 2/2001, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand (1)
Since 2020 Vice Chairman, Independent Director and Chairman of the Governance and Nomination Committee, The Siam Cement Public Company Limited

Position in other Company/Organization/Institution (3)
Since 2017 Director, CPB Equity Company Limited
Since 2012 Director, Kempin Siam Company Limited
Since 2010 Director, Siam Sindhorn Company Limited

5-year Past Experiences and/or Remarkable Positions
2012 - 2017 Director, Kempinski International SA
2007 - 2016 Director, The Siam Commercial Bank Public Company Limited
2005 - 2009 Director, British Airways Public Company Limited
2004 - 2011 Chairman and Director, Singapore Telecommunication Company Limited, Singapore
1993 - 2005 President, The Siam Cement Public Company Limited
1992 - 2005 Chairman, The Siam Pulp and Paper Company Limited (presently SCG Packaging Public Company Limited)

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: 28,329 shares (0.0007%)
Held by spouse or minor children: - None -

Family Relationship among Directors and Executives
- None -



Mrs. Kaisri Nuengsigkapian Age 59 years

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

Positions Independent Director
Chairman of the Audit Committee

Date of Appointment as a Director
June 1, 2019

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

Knowledge/Skills/Expertise
- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Consumer Markets, Accounting and Finance

Director Training
- Director Certification Program (DCP) 0/2000, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) 30/2013, Thai Institute of Directors Association
- Role of the Compensation Committee Program (RCC) 16/2013 Thai Institute of Directors Association
- Advance Audit Committee Program (AACP) 36/2020, Thai Institute of Directors Association
- Director Leadership Certification Program 0/2020, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand (1)
Since 2016 Chairman of the Board of Directors and Chairman of Executive Committee, Mc Group Public Company Limited

Position in other Company / Organization / Institution (6)
Since 2020 Independent Director, Indorama Ventures Public Company Limited
Since 2019 Chairman, Buono (Thailand) Company Limited
Since 2018 Directors, Thai Institute of Directors
Since 2016 Member of Corporate Governance Committee, Bank of Thailand
Since 2016 Director and Treasurer, Rakkaew Foundation
Since 2016 Director, TOP T 2015 Company Limited

5-year Past Experiences and/or Remarkable Positions
2018 - 2019 Independent Director and Member of the Audit Committee, SCG Ceramics Public Company Limited
2016 - 2017 Advisor, Securities and Exchange Commission, Thailand
2010 - 2014 Director, The Stock Exchange of Thailand
2003 - 2015 President, KPMG Phoomchai Holdings Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: - None -
Held by Spouse or minor children: - None -

Family Relationship among Directors and Executives
- None -



Mr. Chalee Chantanayingyong Age 64 years

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

Positions Independent Director
Chairman of the Corporate Governance and Nomination Committee
Member of the Audit Committee

Date of Appointment as a Director

June 21, 2019

Education/Training

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

Knowledge/Skills/Expertise

- Corporate Governance, Large Organization Management and Human Resource Management
- Vision, Mission and Policy Setting and Strategic Planning
- Risk Management and Crisis Management
- Business and Investment Laws including Rules, Regulations and Practices related to Capital Market and Financial Institutions
- Financial Statements Reviewing

Director Training

- Director Certification Program (DCP) 7/2001, Thai Institute of Directors Association
- Anti-corruption for Executive Program (ACEP) 8/2013, Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) 38/2020, Thai Institute of Directors Association
- Risk Management Program for Corporate Leaders (RCL) (21/2020), Thai Institute of Directors Association
- Boards that Make a Difference (BMD) 10/2020, Thai Institute of Directors Association
- Facilitator for Director Accreditation Program (DAP) and Audit Committee Program (ACP), Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

- None -

Position in other Company/Organization/Institution (5)

Since 2019	Chairman, Disciplinary Sub-Committee, Thailand Clearing House Company Limited
Since 2019	Chairman, Appealing Committee, Thailand Futures Exchange Public Company Limited
Since 2019	Member, Appealing Committee, The Stock Exchange of Thailand
Since 2018	Member, Education Equity Fund
Since 2013	Member, the Anti-Corruption Organization of Thailand

5-year Past Experiences and/or Remarkable Positions

2017 - 2020	Member, Financial Institutions Policy Committee, The Bank of Thailand
2017 - 2018	Chairman, Audit Committee, The Bank of Thailand
2015 - 2018	Member, Corporate Governance Committee, The Bank of Thailand
2015 - 2018	Director, The Bank of Thailand
2009 - 2015	Deputy Secretary-General, The Securities and Exchange Commission, Thailand

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -



Mrs. Pongpen Ruengvirayudh Age 65 years

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

Positions Independent Director
Member of the Audit Committee

Date of Appointment as a Director

June 21, 2019

Education/Training

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

Knowledge/Skills/Expertise

- Financial Statements Reviewing
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Accounting and Finance
- Investment Strategy

Director Training

Director Certification Program (DCP) 262/2018, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

- None -

Position in other Company/Organization/Institution (5)

Since 2019	Chairman, Sub-Committee on Investment Seeking Benefits from Money and Assets Supervision, Equitable Education Fund
Since 2019	Qualified member, Dhurakij Pundit University Council
Since 2019	Associate Judge, Central Intellectual Property and International Trade Court
Since 2017	Chairman, Supervisory Board of The ABF Thailand Bond Index Fund (ABFTH), The Bank of Thailand
Since 2016	Member, Investment Management Sub-Committee, Social Security Fund

5-year Past Experiences and/or Remarkable Positions

2018 - 2020	Member, Risk Management Sub-Committee, Government Pension Fund
2018	Director, Board of Directors, Government Savings Bank
2016	Chairman, Sukhumvit Asset Management Company Limited
2015 - 2016	Governor's Advisor, The Bank of Thailand
2013 - 2017	Member, The 19th National Wage Committee, Ministry of Labour
2012 - 2015	Director, Board of Directors, Government Pension Fund
2012 - 2015	Director, Board of Directors, The Bank of Thailand Member, Monetary Policy Committee, The Bank of Thailand Member, Financial Institutions Policy Committee, The Bank of Thailand Deputy Governor, Monetary Stability, The Bank of Thailand
2010 - 2011	Assistant Governor, Financial Markets Operations Group, The Bank of Thailand
2009 - 2010	Senior Director, Risk Management Policy Department, Financial Institutions Policy Group, The Bank of Thailand
2005 - 2009	Senior Director, Financial Markets and Reserve Management Department, Financial Markets Operations Group, The Bank of Thailand

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -



Professor Kitipong Urapeepatanapong Age 65 years

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

Positions Independent Director
Member of the Corporate Governance and Nomination Committee

Date of Appointment as a Director

August 21, 2019

Education/Training

- LL.M., The University of British Columbia, Canada
- Master of Laws, Chulalongkorn University
- Admitted as Thai Barrister-at-law
- Bachelor of Laws (Second Class Honors), Chulalongkorn University
- Honorary Doctorate Degree, Faculty of Law, Hatyai University
- Top Executive Program in Commerce and Trade (TEPCoT), Class 1, Commerce Academy, University of the Thai Chamber of Commerce
- Senior Executives Program, Class 4, Capital Market Academy
- Director Executive Program, School of Management, Yale University, USA
- Certificate of Completion on Company Directors, Australian Institute of Company Directors, Australia
- Certificate Executive Program, J.L. Kellogg School of Management, Northwestern University, USA

Knowledge/Skills/Expertise

- Businesses in the Company's Supply Chains
- International or Regional Business Administration and Cultural Difference Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Business and Investment Laws
- Capital Market Law, Tax Law, Merger and Acquisition, Restructuring and Family Business

Director Training

- Role of the Chairman Program (RCP) 21/2009, Thai Institute of Directors Association
- Directors Certification Program (DCP) 0/2000, Thai Institute of Directors Association
- IT Governance and Cyber Resilience Program (ITG) 15/2020, Thai Institute of Directors Association

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

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

Position in other Company/Organization/Institution (20)

Since 2020	Chairman, Chotiwat Manufacturing Co., Ltd.
Since 2020	Member of the Sub-Committee, Office of Social Enterprise Promotion
Since 2020	Member of the Law Sub-Committee, The Board of Investment of Thailand
Since 2020	Advisor to the Board of Investment, The Board of Investment of Thailand
Since 2020	Member of the Corporate Governance Committee, Thai Institute of Directors Association
Since 2020	Member of the Economics Situation Administration Committee, Center for COVID-19 Situation Administration (CCSA)
Since 2019	Member of the Professional Expert of Steering Committee, Office of the National Higher Education, Science, Research and Innovation Policy Council
Since 2019	Director, The Stock Exchange of Thailand
Since 2018	Director, Rachakarn Asset Management Company Limited
Since 2018	Director, Thai Institute of Directors Association
Since 2018	Honorary Member of the National Reform Commission (Legal and member of the Critical Issues Committee)
Since 2018	Member of the Professional Expert Committee, National Commission for Justice Administration Development
Since 2017	Chairman, Cheevamitr Social Enterprise Company Limited
Since 2017	Director, The Hub 99 Company Limited
Since 2017	Vice President, National Reform Committee on Legal
Since 2012	Chairman, Tax and Regulatory Commission, Thai Chamber of Commerce
Since 2009	Chairman, Baker & McKenzie Company Limited
Since 1999	Director, Siam Piwat Retail Holding Company Limited
Since 1999	Executive Director, Siampiwat Company Limited
Since 1993	Director, Business Strategic Holding Company Limited

5-year Past Experiences and/or Remarkable Positions

2014 - 2015	Member, National Reform Council
1999	Independent Director, Krung Thai Bank Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -



Mr. Vanus Taepaisitphongse Age 61 years

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

Positions Independent Director
Member of the Remuneration Committee

Date of Appointment as a Director
March 24, 2020

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

Knowledge/Skills/Expertise
- Businesses in the Company's Supply Chains and Consumer Markets
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- Innovation and Sustainable Organization Management
- Risk Management and Crisis Management
- Economics and Investment
- Foreign Affairs
- Information Technology
- Community Development

Director Training
- Director Certification Program (DCP) 70/2006, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand
- None -

Position in other Company/Organization/Institution (58)
Since 2018 Chairman of the Executive Board, Betagro Public Company Limited
Directors of Companies in Betagro Group (34 Companies)
Honorary Institute Councilor of King Mongkut's Institute of Technology Ladkrabang
Member of University Council, University of the Thai Chamber of Commerce
Honorary Board of Trustee of CMKL University
Executive Committee Member, CMKL University
Board Member of King Mongkut's University of Technology Thonburi (KMUTT)'s University Council
Chairman of the University Promotion, King Mongkut's University of Technology Thonburi
KX Board of Director member
Governing Board Member, National Science and Technology Development Board
Expert Committee, the National Food Committee
Member of the Agricultural Technology and Innovation Management Institute Steering Committee
Advisor of National Commission on Science, Research and Innovation Promotion (CSRP)
Advisor of Research and Innovation Utilization Promotion Committee, Thailand Science Research and Innovation (TSRI)
Research and Innovation Promotion Director, National Research Council of Thailand (NRCT)
Director of the Board of Trade of Thailand
Honorary Advisory Committee on National Policy and Strategy Framework for Higher Education and Manpower Development, Office of National Higher Education Science Research and Innovation Policy Council (NXPO)
Committee Member of High-Skilled Workforce Promotion and Development, Ministry of Higher Education, Science, Research and Innovation
Committee Member of Innovation Development for Partnership School Management, Office of Basic Education Commission (OBEC)
Executive Board Member of Thailand International Chamber of Commerce - (ICC Thailand)
Committee Member of Public Engagement Committee of Princess Maha Chakri Award Foundation
Nomination of Director Member of the Chulalongkorn University Alumni Association Under The Royal Patronage of His Majesty The King
Advisor to the Board of Chulalongkorn University Economics Association
Chairman of The Saitarn Foundation
Chairman of Betagro Foundation

5-year Past Experiences and/or Remarkable Positions

2018 - 2019	Member of the Working Committee on Innovation Development for Partnership School Management, Office of Basic Education Commission (OBEC)
2017 - 2019	Working Group Member, Advisor to Deputy Minister of Education (Clinical Professor Emeritus Udom Kachintorn, MD.)
2016 - 2019	Honorary Member of the University Council, Khon Kaen University
2014 - 2018	Honorary Member of the University Council, Institute of Vocational Education in Agriculture Central Region
2013 - 2018	Chief Executive Officer, Betagro Group
2013 - 2016	Honorary Member of the University Council, Kasetsart University
1987 - 2013	Managing Director, Betagro Group

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: - None -
Held by Spouse or minor children: - None -

Family Relationship among Directors and Executives
- None -



Mr. Vibul Tuangsitthisombat Age 55 years

Positions Director
Member of the Corporate Governance and Nomination Committee

Date of Appointment as a Director
March 24, 2020

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

Knowledge/Skills/Expertise
- Businesses in the Company's Supply Chains and Consumer Markets
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Economics and Investment
- Domestic and International Marketing
- Information Technology

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

Board Member/Management of other Listed Company in Thailand
- None -

Position in other Company/Organization/Institution (22)
Since 2019 Advisor, The Thai Chamber of Commerce
Since 2017 Director, Iconic International Co., Ltd.
Since 2015 Director, Top T 2015 Co., Ltd.
Since 2013 Director and Chief Executive Officer, Nan Yang Textile Group (18 Companies)
Since 2001 Director, Paddy Holding Co., Ltd.

5-year Past Experiences and/or Remarkable Positions
Holding positions in the subsidiaries of Nan Yang Textile Group
Director, The Association of Thai Textile Bleaching Dyeing Printing and Finishing Industries
Director, Thai Garment Manufacturers Association

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: - None -
Held by Spouse or minor children: 1,042 shares (0.00002%)

Family Relationship among Directors and Executives
- None -



Mr. Tanawong Areeratchakul Age 57 years

Position Director

Date of Appointment as a Director
March 23, 2015

Education/Training
- Bachelor of Engineering, Electrical Engineering, King Mongkut's Institute of Technology Thonburi
- Advanced Management Program (AMP), Harvard Business School, USA

Knowledge/Skills/Expertise
- Core Businesses of the Company and Businesses in the Company's Supply Chains
- Other Large Businesses or Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Economics and Investment
- Consumer Markets, Accounting and Finance
- Application of Technology in Industries and Business Sectors

Director Training
- Director Accreditation Program (DAP) 149/2018, Thai Institute of Directors Association

Board Member/Management in other Listed Company (1)
Since 2019 President, Chemicals Business, The Siam Cement Public Company Limited

Position in other Company/Organization/Institution (45)
Since 2020 Chairman of PTIT Refining and Petrochemical Standing Committee, Petroleum Institute of Thailand
Since 2019 Director, SENFI Swiss GmbH, Switzerland
Since 2019 Director, SENFI UK Limited, UK
Since 2019 Director, SENFI Norway AS (Norner Holding AS), Norway
Since 2019 Chairman, Norner AS, Norway
Since 2019 President Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia*
Since 2019 Commissioner, PT Chandra Asri Petrochemical Tbk., Indonesia*
Since 2019 Chairman of the Members' Council, Long Son Petrochemicals Co., Ltd., Vietnam
Since 2018 Sub-committee, Royal Project Foundation

Chairman and director of SCG's subsidiaries, associates, and other companies which are non-listed in the Stock Exchange of Thailand and Overseas, as assigned (36)

5-year Past Experiences and/or Remarkable Positions
2015 - 2019 Chairman, Thai Cane Paper Public Company Limited
2015 - 2019 Chairman, Phoenix Pulp & Paper Public Company Limited
2015 - 2019 Chairman, Thai Containers Group Company Limited
2015 - 2019 President, Packaging Business, The Siam Cement Public Company Limited
2015 - 2017 Committee, Thai Listed Companies Association
2014 - 2018 Executive Director, the Electronic Transactions Development Agency (Public Organization)
2012 - 2015 Vice President-Corporate Administration, The Siam Cement Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: - None -
Held by Spouse or minor children: - None -

Family Relationship among Directors and Executives
- None -

*Remark: *Listed in the Stock Exchange of Indonesia*



Mr. Thammasak Sethaudom Age 51 years

Position Director

Date of Appointment as a Director
October 1, 2018

Education/Training
- Master of Business Administration, London Business School, United Kingdom (Distinction)
- Bachelor of Engineering, Electrical Engineering, Chulalongkorn University
- Management Development Program, The Wharton School, The University of Pennsylvania, USA
- Executive Development Program, Columbia University, USA
- Advanced Management Program (AMP), Harvard Business School, USA

Knowledge/Skills/Expertise
- Core Business of the Company and Businesses in the Company's Supply Chains
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Financial Statements Reviewing
- Economics and Investment
- Marketing, Accounting and Finance
- Application of Technology in Industries and Business Sectors

Director Training
- Director Accreditation Program (DAP) 159/2019, Thai Institute of Directors Association
- Director Certification Program (DCP) 298/2020, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand (1)
Since 2018 Vice President-Finance and Investment & CFO, The Siam Cement Public Company limited

Position in other Company/Organization/Institution (42)
Since 2020 Project Director of Central Bank Digital Currency
Since 2019 Director, Thai Listed Companies Association
Since 2018 Commissioner, PT Chandra Asri Petrochemical Tbk., Indonesia*
Since 2018 Authorized Representative at the Members Council, Long Son Petrochemicals Company Limited, Vietnam

Director of SCG's subsidiaries, associates, and other companies which are non-listed in the Stock Exchange of Thailand, as assigned (38)

5-year Past Experiences and/or Remarkable Positions
2012 - 2018 General Director, Long Son Petrochemicals Company Limited
2008 - 2012 Deputy General Director, Long Son Petrochemicals Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: - None -
Held by Spouse or minor children: - None -

Family Relationship among Directors and Executives
- None -

*Remark: *Listed in the Stock Exchange of Indonesia*



Mr. Wichan Jitpukdee Age 54 years

Positions Director
Chief Executive Officer

Date of Appointment as a Director
June 1, 2019

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

Knowledge/Skills/Expertise
- Core Business of the Company and Businesses in the Company's Supply chains
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Innovation and Sustainable Organization Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Financial Statements Reviewing
- Application of Technology in Industries and Business Sectors

Director Training
- Director Accreditation Program (DAP) 163/2019, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand
- None -

Position in other Company/Organization/Institution (2)
Since 2019	Director of Executive Board, Thai Chamber of Commerce
Since 2019	President Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia*

Other Positions in SCGP (42)
Chairman and director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

5-year Past Experiences and/or Remarkable Positions
2019	President, Packaging Business, The Siam Cement Public Company Limited
2018 - 2019	Managing Director, Thai Containers Group Company Limited
2017 - 2018	President, The Thai Pulp and Paper Industries Association
2014 - 2019	Managing Director, Siam Kraft Industry Company Limited
2011 - 2014	President & CEO, United Pulp and Paper Company Limited, Philippines
2011	Director, Procurement Office, Siam Kraft Industry Company Limited
2010 - 2011	Director, Corporate Sustainable Development, SCG Paper Public Company Limited
2007 - 2010	Vice President - Manufacturing, United Pulp and Paper Company Limited, Philippines

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: - None -
Held by spouse or minor children: - None -

Family Relationship among Directors and Executives
- None -

*Remark: *Listed in the Stock Exchange of Indonesia*

Report of Changes in Securities Holdings of Directors

	SCG Packaging PLC			Affiliated Companies					
	Ordinary Shares (Shares)			Ordinary Shares (Shares)			Debentures (Units)		
Directors	As at January 1, 2020	As at December 31, 2020	Increase/ (decrease) during fiscal year	As at January 1, 2020	As at December 31, 2020	Increase/ (decrease) during fiscal year	As at January 1, 2020	As at December 31, 2020	Increase/ (decrease) during fiscal year
1. Mr. Prasarn Trairatvorakul	-	-	-	-	-	-	5,000**	25,000**	20,000**
2. Mr. Cholanat Yanaranop	-	2,607	2,607	33,500*	18,500*	(15,000*)	51,000**	56,000**	5,000**
3. Mr. Chumpol NaLamlieng	-	28,329	28,329	201,000*	201,000*	-	20,000**	-	(20,000**)
4. Mrs. Kaisri Nuengsigkapian	-	-	-	-	-	-	-	-	-
5. Mr. Chalee Chantanayingyong	-	-	-	-	-	-	-	-	-
6. Mrs. Pongpen Ruengvirayudh	-	-	-	-	-	-	-	-	-
7. Professor Kitipong Urapeepatanapong	-	-	-	-	-	-	2,000**	1,000**	(1,000**)
8. Mr. Vanus Taepaisitphongse	-	-	-	-	-	-	-	-	-
9. Mr. Vibul Tuangsitthisombat	-	-	-	-	-	-	-	-	-
Spouse	-	1,042	1,042						
10. Mr. Tanawong Areeratchakul	-	-	-	-	-	-	-	-	-
11. Mr. Thammasak Sethaudom	-	-	-	-	-	-	-	-	-
12. Mr. Wichan Jitpukdee	-	-	-	-	-	-	-	-	-

Remarks:

5. *SCG Packaging Public Company Limited has a registered capital of 4,500,000,000 Baht and paid-up capital of 4,292,920,200 Baht (4,292,920,200 shares).*
6. *According to the Public Limited Companies Act, an "affiliated company" means a public limited company which is related to one or more private companies or public limited companies in any of the following manner:*
   - *One company has control over the appointment and withdrawal of directors who have full or substantial authority of another company; or*
   - *One company holds in another company more than fifty percent of shares sold.*

   ** Ordinary shares of The Siam Cement Public Company Limited*

   *** Debentures of The Siam Cement Public Company Limited*
7. *According to SEC regulation, ordinary shares of a company held by the directors include those held by a spouse, partners in a de facto relationship and minor children.*
8. *The Public Limited Companies Act requires divulging the ordinary shares and debentures in the company and in affiliated companies held solely by a Board member as an individual.*

Management Committee's Profile



Mr. Wichan Jitpukdee Age 54 years
Positions Director
Chief Executive Officer

Education/Training

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

Knowledge/Skills/Expertise

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

Director Training

- Director Accreditation Program (DAP) 163/2019, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

- None -

Position in other Company/Organization/Institution (2)

Since 2019	Director of Executive Board, Thai Chamber of Commerce
Since 2019	President Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia*

Other Positions in SCGP (42)

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

5-year Past Experiences and/or Remarkable Positions

2019	President, Packaging Business, The Siam Cement Public Company Limited
2018 - 2019	Managing Director, Thai Containers Group Company Limited
2017 - 2018	President, The Thai Pulp and Paper Industries Association
2014 - 2019	Managing Director, Siam Kraft Industry Company Limited
2011 - 2014	President & CEO, United Pulp and Paper Company Limited, Philippines
2011	Director, Procurement Office, Siam Kraft Industry Company Limited
2010 - 2011	Director, Corporate Sustainable Development, SCG Paper Public Company Limited
2007 - 2010	Vice President - Manufacturing, United Pulp and Paper Company Limited, Philippines

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -

Remark: **Listed in the Stock Exchange of Indonesia*



Mr. Sangchai Wiriyaumpaiwong Age 58 years

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

Education/Training

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

Knowledge/Skills/Expertise

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

Director Training

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

Board Member/Management of other Listed Company in Thailand

- None -

Position in other Company/Organization/Institution (6)

Since 2020	Director, The Federation of Thai Industries
Since 2020	Director, Pulp and Paper Industry Club, The Federation of Thai Industries
Since 2020	Chairman, The Federation of Thai Industries, Ratchaburi Chapter
Since 2020	Director, The Federation of Thai Industries, Central Region Chapter
Since 2019	Director, The Thai Pulp and Paper Industries Association (TPPIA)
Since 2019	Commissioner, PT Fajar Surya Wisesa Tbk., Indonesia*

Other Position in SCGP (14)

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

5-year Past Experiences and/or Remarkable Positions

2018 - 2019	Managing Director, Thai Cane Paper Public Company Limited
2018 - 2019	Managing Director, Siam Kraft Industry Company Limited
2014 - 2018	Managing Director, Vina Kraft Paper Company Limited, Vietnam

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -

*Remark: *Listed in the Stock Exchange of Indonesia*



Mr. Suchai Korprasertsri Age 53 years

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

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

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

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

Board Member/Management of other Listed Company in Thailand
- None -

Position in other Company/Organization/Institution (1)
Since 2020 Chairman, Bien Hoa Packaging Joint Stock Company, Vietnam*

Other Position in SCGP (26)
Director of SCGP's subsidiaries, associates and other companies which are non-listed as assigned by the Company

5-year Past Experiences and/or Remarkable Positions
2017 Corporate Marketing Director, SCG Packaging Public Company Limited
2017 Marketing Director and Domestic Marketing Director (Assignment), Siam Kraft Industry Company Limited
2016 Domestic Marketing Director, Siam Kraft Industry Company Limited
2015 General Manager - TCPB / TCCB, Thai Containers Group Company Limited
2013 Regional Operations Director, Thai Containers Group Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2020)
Held personally: - None -
Held by spouse or minor children: 38,000 (0.0009%)

Family Relationship among Directors and Executives
- None -

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



Mr. Karan Tejasen Age 52 years

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

Education/Training

- Master of Business Administration (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- CBI (Confederation of British Industry) Scholarship, UK
- Advanced Management Program (AMP), Harvard Business School, USA

Knowledge/Skills/Expertise

- Vision, Mission and Policy Setting and Strategic Planning for Organizations
- Corporate Governance, Organization Management and Human Resource Management
- Negotiation for Merger and Partnership
- Risk Management and Crisis Management
- Economics and Investment
- Consumer Market, Accounting and Finance

Director Training

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

Board Member/Management of other Listed Company in Thailand

- None -

Position in other Company/Organization/Institution (2)

Since 2020	Vice Chairman, Plastic Industry Club, The Federation of Thai Industries
Since 2018	Advisor of the Board of Directors, Thailand Institution of Packaging and Recycling Management for Sustainable Environment, The Federation of Thai Industries

Other Position in SCGP (10)

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

5-year Past Experiences and/or Remarkable Positions

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

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -



Mr. Wichan Charoenkitsupat Age 56 years

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

Education/Training

- MSC., Paper Science and Engineering, Western Michigan University, USA
- Bachelor of Science (Chemical Engineering), Chulalongkorn University
- Bachelor of Economics (Human Resource Economics), Ramkhamhaeng University
- Advanced Management Program (AMP), IMD business school (IMD), Switzerland

Knowledge/Skills/Expertise

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

Director Training

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

Board Member/Management of other Listed Company in Thailand

- None -

Position in other Company/Organization/Institution (2)

Since 2020	Vice Chairman, Pulp and Paper Industry Club, The Federation of Thai Industries
Since 2020	Executive Director, The Thai Pulp and Paper Industries Association (TPPIA)

Other Position in SCGP (16)

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

5-year Past Experiences and/or Remarkable Positions

2014	President & CEO, United Pulp and Paper (Philippines)
2013	Director, Wangsala Plant, Siam Kraft Industry Company Limited
2010	Managing Director, Thai Union Paper Industry Company Limited
2006	Director, Product & Technology Development Center, SCG Packaging Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -



Mr. Danaidej Ketsuwan Age 48 years

Position Chief Regional Officer

Education/Training

- Master of Business Administration, Sloan School of Management, Massachusetts Institute of Technology, USA
- Bachelor of Science, Mechanical Engineering, University of California at Berkeley, USA

Knowledge/Skills/Expertise

- Other Large Businesses and Industries
- Vision, Mission and Policy Setting and Strategic Planning for Large Organizations
- International or Regional Business Administration and Cultural Difference Management
- Corporate Governance, Large Organization Management and Human Resource Management
- Risk Management and Crisis Management
- Economics and Investment

Director Training

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

Board Member/Management of other Listed Company in Thailand

- None -

Position in other Company/Organization/Institution

- None -

Other Position in SCGP (3)

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

5-year Past Experiences and/or Remarkable Positions

2013 - 2018 Director, Business Planning Office, SCG Packaging Public Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -



Mr. Kulachet Dharachandra Age 47 years

Position Chief Financial Officer

Education/Training

- Bachelor of Engineering (Chemicals Engineering), Chulalongkorn University

Knowledge/Skills/Expertise

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

Director Training

- Director Accreditation Program (DAP) 175/2020, Thai Institute of Directors Association

Board Member/Management of other Listed Company in Thailand

- None -

Position in other Company/Organization/Institution

- None -

Other Position in SCGP (13)

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

5-year Past Experiences and/or Remarkable Positions

2016 - 2019	Vice President Director and Chief Operating Officer, PT. Chandra Asri Petrochemical Tbk., Indonesia*
2013 - 2016	Director, Corporate Planning Office, The Siam Cement Public Company Limited
2012 - 2013	Director, Finance and Investment Office, SCG Chemicals Company Limited
2010 - 2012	Director, Business Development Office, SCG Chemicals Company Limited
2009 - 2010	Deputy Manager, Business Development Office, SCG Chemicals Company Limited
2005 - 2009	Coordination Manager, Iran Project, SCG Chemicals Company Limited

Shareholdings (Ordinary Shares) (as at December 31, 2020)

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

Family Relationship among Directors and Executives

- None -

*Remark: *Lisited in Stock Exchange of Indonesia*

Report of Changes in Securities Holdings of Executives

Executives	Ordinary Shares of SCG Packaging Public Company Limited (Shares)		
	As at January 1, 2020	As at December 31, 2020	Increase/ (decrease) during fiscal year
1. Mr. Sangchai Wiriyaumpaiwong	-	-	-
1. Spouse	-	1,000	1,000
2. Mr. Suchai Korprasertsri	-	-	-
2. Spouse	-	38,000	38,000
3. Mr. Karan Tejasen	-	-	-
4. Mr. Wichan Charoenkitsupat	-	-	-
5. Mr. Danaidej Ketsuwan	-	-	-
6. Mr. Kulachet Dharachandra	-	-	-
7. Mrs. Nadarat Pomtri	-	-	-

Remarks:

1. *SCG Packaging Public Company Limited has a registered capital of 4,500,000,000 Baht and paid-up capital of 4,292,920,200 Baht (4,292,920,200 shares).*
2. *In reference to the Notification of Capital Market Supervisory Board No. Sor Jor. 38/2561, "Executives" means the manager, the next four executives succeeding the manager, every person holding an equivalent position to the fourth executive and shall include the persons holding an executive position in accounting or finance at a managerial or equivalent or higher level.*
3. *According to SEC regulation, ordinary shares of a company held by the directors include those held by a spouse, partners in a de facto relationship and minor children.*
4. *Considering the Company's structure, the executives pursuant to the Notification of Capital Market Supervisory Board comprise the above-mentioned 7 members.*
5. *The executive no. 7 holds an executive position in accounting.*

Executive Director and Executive Remuneration Policy

The Remuneration Committee proposes the executive remuneration structure and performance appraisals of the Chief Executive Officer (CEO) and executives to the Board of Directors for consideration. To build both short and long-term motivation, the executives' remuneration is determined based on their responsibilities and performance, taking into account business operating results, the success of policy implementation, and their ability to develop the business and improve operational efficiency. Economic and social conditions are also considered by comparing SCGP's compensation structure with other organizations in the same industry, both locally and internationally.

Executive Director and Executive Remuneration

(a) Executive Director Remuneration

SCGP does not appoint executive directors.

(b) Executive Remuneration

(1) Monetary Remuneration

For the fiscal year ended December 31, 2020, SCGP paid monetary remuneration of Baht 81,717,000 to seven executives[(1)], consisting of salary and bonus (but excluding the remuneration as a director).

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

(2) Other Remuneration

For the fiscal year ended December 31, 2020, SCGP made provident fund contributions of Baht 6,537,790 to executives.



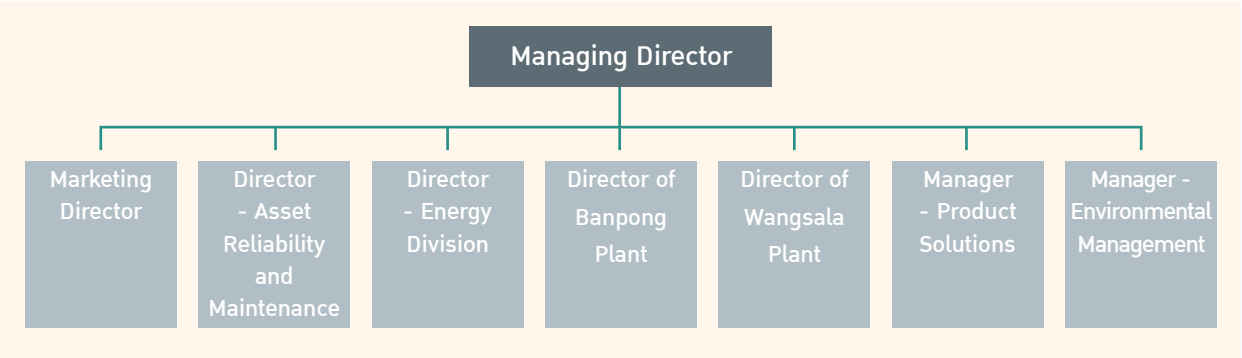
Subsidiaries Operating Core Businesses

No.	Company	Registered Country	Business Type
1	SKIC	Thailand	Packaging paper
2	Fajar	Indonesia	Packaging paper
3	TCG	Thailand	Fiber-based packaging
4	PPPC	Thailand	Foodservice Products, pulp and paper products
5	TCFP	Thailand	Investment in polymer packaging

The five subsidiaries operating SCGP's core businesses are SKIC, Fajar, TCG, PPPC and TCFP. Details of each subsidiary's management structure, Board of Directors, executives and their remuneration are given below.

(1) SKIC

(a) Management Structure[1]



Remark: *(1) SKIC restructured its organization, the Manager - Productivity Management & Continuous Improvement was cancelled, effective from February 1, 2020.*

(b) The Board of Directors

As of December 31, 2020, the Board of Directors of SKIC comprises the following five members:

Directors	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Sangchai Wiriyaumpaiwong*	Director
3. Mr. Kulachet Dharachandra*	Director
4. Mr. Ekaraj Niroj*	Director
5. Mr. Suracha Udomsak*	Director

Remark: **Director appointed by SCGP.*

Directors authorized to sign for and with binding effect on the company:
Any two directors must sign jointly, together with the company seal.

(c) Executives

As of December 31, 2020, the executives of SKIC are as follows:

Executives	Position
1. Mr. Sangchai Wiriyaumpaiwong	Managing Director
2. Mr. Ekaraj Niroj	Marketing Director
3. Mr. Wiwat Walaiphachara	Director - Asset Reliability and Maintenance
4. Mr. Kitti Viwatborvornwong	Director - Energy Division
5. Mr. Saharath Pattanavibool	Director - Banpong Mill
6. Mr. Thanate Pongpaiboon	Director - Wangsala Mill
7. On recruitment process	Manager - Product Solutions
8. Mr. Pinyo Manowarangkoon	Manager - Environmental Management

(d) Executive Remuneration

(1) Monetary Remuneration

For the fiscal year ended December 31, 2020, SKIC paid monetary remuneration of Baht 50,712,525 to nine executives[(1)], consisting of salary and bonus.

Remark: *(1) Mr. Jessada Kesprathum resigned from the position of Manager - Productivity Management & Continuous Improvement on February 1, 2020, and Mr Panu Ratanasingha resigned from the position of Manager - Product Solutions on October 1, 2020.*

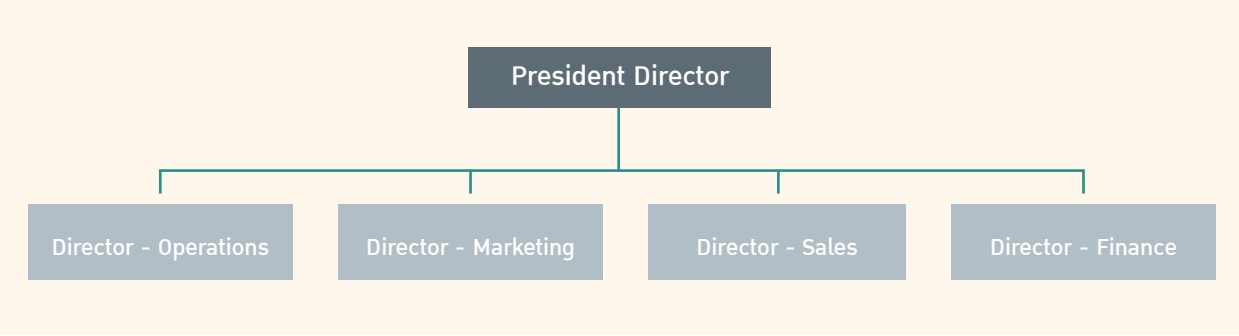
(2) Other Remuneration

For the fiscal year ended December 31, 2020, SKIC made provident fund contributions of Baht 4,443,270 to nine executives[(1)].

Remark: *(1) Mr. Jessada Kesprathum resigned from the position of Manager - Productivity Management & Continuous Improvement on February 1, 2020, and Mr Panu Ratanasingha resigned from the position of Manager - Product Solutions on October 1, 2020.*

(2) Fajar

(a) Management Structure



(b) Board of Commissioners

As of December 31, 2020, the Board of Commissioners of Fajar comprises the following nine members:

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

*Remark: *Commissioner appointed by SCGP*

Directors authorized to sign for and with binding effect on the company:
Mr. Peerapol Mongkolsilp* must sign, together with the company seal.

Remark: **President Director of Fajar (Board of Directors).*

(c) The Audit Committee

As of December 31, 2020, the Audit Committee of Fajar consists of three members as follows:

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

(d) The Nomination and Remuneration Committee

As of December 31, 2020, the Nomination and Remuneration Committee of Fajar comprises the following three members as follows:

Directors	Position
1. Mr. Tony Tjandra	Chairman of Nomination and Remuneration Committee
2. Ms. Vilia Sulistyo	Member of Nomination and Remuneration Committee
3. Mr. Kurniawan	Member of Nomination and Remuneration Committee

(e) Executives

As of December 31, 2020, the executives of Fajar are as follows:

Executives	Position
1. Mr. Peerapol Mongkolsilp	President Director
2. Mr. Jusuf Kusumah*	Director - Operations
3. Mr. Ponthep Tuntavadcharom	Director - Marketing
4. Mr. Arif Razif*	Director - Sales
5. Mr. Thalengsak Ratchburi	Director - Finance

*Remark: *Non-employee executive of SCGP*

(f) Executive Remuneration

(1) Monetary Remuneration

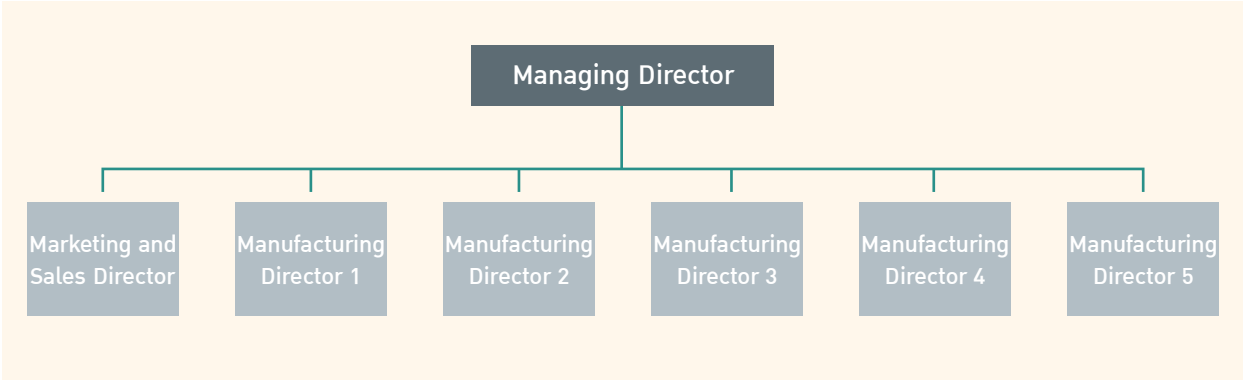
For the fiscal year ended December 31, 2020, Fajar paid monetary remuneration of Rupiah 3,686,400,000 (Baht 7,822,540.80) to two executives who are not SCGP's employees, consisting of salary and bonus.

(2) Other Remuneration

- None -

(3) TCG

(a) Management Structure [1]



Remark: (1) TCG restructured its organization, the Technology and Engineering Director was cancelled, effective from February 1, 2020.

(b) The Board of Directors

As of December 31, 2020, the Board of Directors of TCG comprises the following eight members as follows:

Directors	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Hirofumi Hori	Director
3. Mr. Sangchai Wiriyaumpaiwong*	Director
4. Mr. Tamotsu Shiiya	Director
5. Mr. Kulachet Dharachandra*	Director
6. Mr. Mr. Suchai Korprasertsri*	Director
7. Mr. Suracha Udomsak*	Director
8. Mr. Toshinobu Sada	Director

*Remark: *Director appointed by SCGP*

(1) Mr. Toshinobu Sada was appointed as a director on April 9, 2020, replacing Mr. Yosuke Kawamoto.

Directors authorized to sign for and with binding effect on the company:
Two directors must sign jointly, together with the company seal.

(c) Executives

As of December 31, 2020, the executives of TCG are as follows:

Executives	Position
1. Mr. Suchai Korprasertsri	Managing Director
2. Mr. Leaudej Vimonpackt	Marketing and Sales Director
3. Mr. Niwat Phusrisalap	Manufacturing Director 1
4. Mr. Tawatchai Jungsomsri	Manufacturing Director 2
5. Mr. Jakjit Klomsing	Manufacturing Director 3
6. Mr. Panu Ratanasingha	Manufacturing Director 4
7. Mr. Ekasit Kitisakchaikul	Manufacturing Director 5

Remark: (1) Mr.Panu Ratanasingha was appointed as an executive and Manufacturing Director, replacing Mr. Paytai Rutchanagul, effective from October 1, 2020.

(d) Executive Remuneration

(1) Monetary Remuneration

For the fiscal year ended December 31, 2020, TCG paid monetary remunerations of Baht 54,267,283.33 to nine TCG executives[(1)], consisting of salary and bonus.

Remark: *(1) Mr. Chotichai Junwattarunggul resigned from the position of Technology and Engineering Director on February 1, 2020, and Mr. Panu Ratanasingha was appointed as an executive and Manufacturing Director replacing Mr. Paytai Rutchanagul, effective from October 1, 2020.*

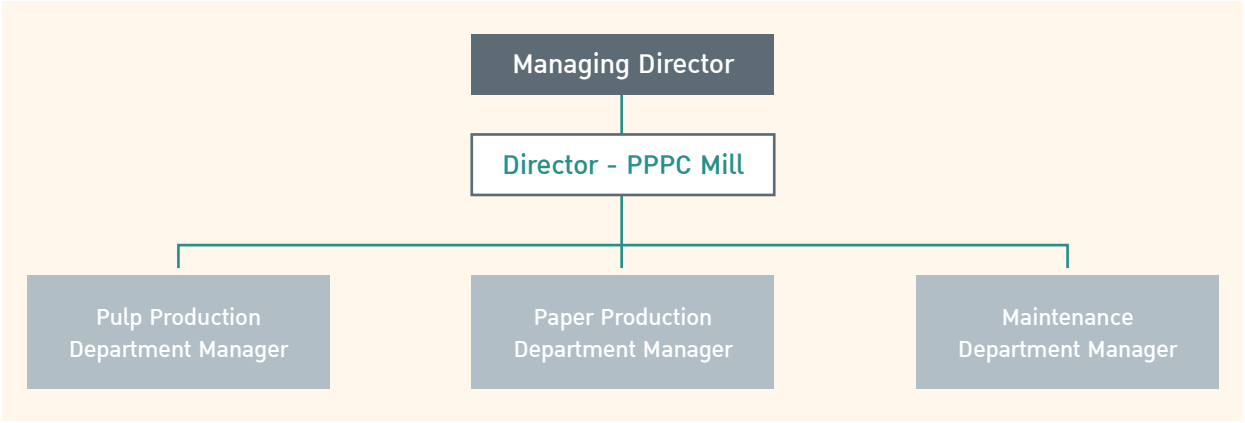
(2) Other Remuneration

For the fiscal year ended December 31, 2020, TCG made provident fund contributions of Baht 4,740,515 to nine executives.[(1)]

Remark: *(1) Mr. Chotichai Junwattarunggul resigned from the position of Technology and Engineering Director on February 1, 2020, and Mr. Panu Ratanasingha was appointed as an executive and Manufacturing Director replacing Mr. Paytai Rutchanagul, effective from October 1, 2020.*

(4) PPPC

(a) Management Structure



(b) The Board of Directors

As of December 31, 2020, the Board of Directors of PPPC comprises the following seven members:

	Directors	Position
1.	Mr. Wichan Jitpukdee*	Chairman
2.	Mr. Sangchai Wiriyaumpaiwong*	Director
3.	Mr. Wichan Charoenkitsupat*	Director
4.	Mr. Yusuke Mano	Director
5.	Mr. Kulachet Dharachandra*	Director
6.	Mr. Suracha Udomsak*	Director
7.	Mr. Norio Ozawa	Director

Remark: **Director appointed by SCGP*

(1) Mr. Norio Ozawa was appointed as a director on May 13, 2020, replacing Mr. Noboru Morita.

Directors authorized to sign for and with binding effect on the company:
Two directors must sign jointly.

(c) Executives

As of December 31, 2020, the executives of PPPC are as follows:

Executives	Position
1. Mr. Wichan Charoenkitsupat	Managing Director
2. Mr. Krittasak Vecharoenying	Director - PPPC Mill
3. Mr. Anucha Pooboonthong	Pulp Production Department Manager
4. Mr. Watcharachai Chaicharoen	Maintenance Department Manager
5. Mr. Surat Khoonrugsa	Paper Production Department Manager

Remark: (1) Mr. Anucha Phuboonthong was appointed as Pulp Production Department Manager on December 1, 2020.

(d) Executive Remuneration

(1) Monetary Remuneration

For the fiscal year ended December 31, 2020, PPPC paid monetary remuneration of Baht 32,914,450.07 to eight executives of PPPC[(1)], consisting of salary and bonus.

Remark: *(1) Mr. Soonthorn Yongvibulsiri resigned from the position of Deputy Director - PPPC Mill on May 1, 2020, Mr. Phasith Sensiriwatana resigned from the position of Paper Production Department Manager on June 1, 2020, Mr. Rangsan Raksa resigned from the position of Pulp Production Department Manager on November 1, 2020, and Mr. Anucha Pooboonthong was appointed as Pulp Production Department Manager on December 1, 2020.*

(2) Other Remuneration

For the fiscal year ended December 31, 2020, PPPC made provident fund contributions of Baht 3,020,970.80 to eight executives.[(1)]

Remark: *(1) Mr. Soonthorn Yongvibulsiri resigned from the position of Deputy Director-PPPC Mill on May 1, 2020, Mr. Phasith Sensiriwatana resigned from the position of Paper Production Department Manager on June 1, 2020, Mr. Rangsan Raksa resigned from the position of Pulp Production Department Manager on November 1, 2020, and Mr. Anucha Pooboonthong was appointed as Pulp Production Department Manager on December 1, 2020.*

(5) TCFP

(a) Management Structure

TCFP has no management structure because it is a holding company that operates a polymer packaging business.

(b) The Board of Directors

As of December 31, 2020, the Board of Directors of TCFP comprises the following eight members:

Directors	Position
1. Mr. Wichan Jitpukdee*	Chairman
2. Mr. Karan Tejasen*	Director
3. Mr. Hirofumi Hori	Director
4. Mr. Kenzo Sano	Director
5. Mr. Suchai Korprasertsri*	Director
6. Mr. Kulachet Dharachandra*	Director
7. Mr. Suracha Udomsak*	Director
8. Mr. Toshinobu Sada	Director

*Remark: *Director appointed by SCGP*

(1) Mr. Toshinobu Sada was appointed as a director on April 9, 2020, replacing Mr. Yosuke Kawamoto.

Directors authorized to sign for and with binding effect on the company:
Two directors must sign jointly, together with the company seal.

(c) Executives

TCFP has no executives because it is a holding company.

(d) Executive Remuneration

(1) Monetary Remuneration

- None -

(2) Other Remuneration

- None -

Executives' remuneration received from subsidiaries

No.	Company	Executives' Remuneration		
		Number of Persons*	Monetary Remuneration** (Baht)	Other Remuneration*** (Baht)
1.	SKIC	9	50,712,525.00	4,443,270.00
2.	Fajar	2	7,822,540.80	None
3.	TCG	9	54,267,283.33	4,740,515.00
4.	PPPC	8	32,914,450.07	3,020,970.80
5.	TCFP	None	None	None

Remarks:
**Including executives who resigned/retired during the year.*
***In terms of salary and bonus.*
****In terms of provident fund contributions.*

Directors, Executives and Controlling persons of the Company, Subsidiaries and Related Companies

Company	Directors / Executives							
	Mr. Tanawong Areeratchakul	Mr. Wichan Jitpukdee	Mr. Sangchai Wiriyaumpaiwong	Mr. Suchai Korprasertsri	Mr. Karan Tejasen	Mr. Wichan Charoenkitsupat	Mr. Danaidej Ketsuwan	Mr. Kulachet Dharachandra
Subsidiaries								
Fiber-Based Packaging								
1. TCG		X	/	/				/
2. TCKK		X	/	/				/
3. TCRY		X	/	/				/
4. TWN		X		/				
5. Orient		X		/				
6. NAI		X		/				
7. APV		X		/				
8. PV		X						
9. APPH		X		/				
10. PTPM				X				

Company	Directors / Executives							
	Mr. Tanawong Areeratchakul	Mr. Wichan Jitpukdee	Mr. Sangchai Wiriyaumpaiwong	Mr. Suchai Korprasertsri	Mr. Karan Tejasen	Mr. Wichan Charoenkitsupat	Mr. Danaidej Ketsuwan	Mr. Kulachet Dharachandra
11. INDORIS				X				
12. INDOCORR				X				
13. SCGPS		X		/				/
14. PPC				X				
15. TCG Solutions		X		/				/
16. SOVI				X				
Packaging Paper								
17. SKIC		X	/					/
18. VKPC			X	/				/
19. TCP		X	/					
20. UPPC		X	/				/	
21. SCGPSS	X				/			
22. Fajar	X	/	/					
23. DAP			X					
24. ENERGY		X	/	/		/		
25. SKICINTER	/	X	/					
Performance and Polymer Packaging								
26. SCGPT		X			/			/
27. Conimex		X		/	/			/
28. SCGPRP		X		/	/			
29. VISY		X		/	/			/
30. TCFP		X		/	/			/
31. PREPACK		X		/	/			
32. BATICO				/	X			
Pulp and Paper Products								
33. PPPC		X	/			/		/
34. TPC		X	/	/		/		/
35. PUC		X				/		
36. IPSB		X		/		/		

Company	Directors / Executives							
	Mr. Tanawong Areeratchakul	Mr. Wichan Jitpukdee	Mr. Sangchai Wiriyaumpaiwong	Mr. Suchai Korprasertsri	Mr. Karan Tejasen	Mr. Wichan Charoenkitsupat	Mr. Danaidej Ketsuwan	Mr. Kulachet Dharachandra
37. SFT		X				/		
38. SFT2		X				/		
39. SFT3		X				/		
40. SFT4		X				/		
41. SFT5		X				/		
42. SFT6		X				/		
43. SFT7		X				/		
44. SFT8		X				/		
45. SFT9		X				/		
Other Businesses								
46. SPEC		X	/	/	/	/		
47. IVN		X		/				
Associated Companies								
48. STP		/			/			
49. P&S							/	
50. SNP		/				/		
51. SHG			/					

Remarks:

(1) X = Chairman / = Director

(2) Exclusions:

1. *DYNA and D-IN transferred their entire business to ORIENT on November 1, 2020, and registered the company's dissolution with the Department of Business Development, Ministry of Commerce, on December 22, 2020. It is currently in the process of liquidation.*
2. *At the Board of Directors' meeting on February 13, 2018, the Board approved the ceasing of TCGS operations from mid-2018 onwards.*
3. *TUP registered the company's dissolution with the Department of Business Development, Ministry of Commerce, on July 31, 2018. It is currently in the process of liquidation.*
4. *UIEC registered to cease its business on April 24, 1997.*

(3) SCGP's directors do not hold any positions in any subsidiary or associate, except those shown in the table above.

(4) Details of SCGP's directorships in related companies are under 'Information on the Board of Directors and Management Committee'.

(5) SCGP executives are not directors of any related company that may present a conflict of interest.

Employee Information

Employees of SCGP and its Subsidiaries

(a) Employee Numbers

As of December 31, 2020, SCGP and its subsidiaries had 14,961 employees. As of December 31, 2019, there were 15,515 employees. Further details are given below.

Department	December 31, 2020 (Employees)	December 31, 2019 (Employees)
Production	7,757	8,044
Technical	2,386	2,474
Sales & Marketing	1,030	1,068
QC/QA	666	691
Human Resources & Administration	559	580
Supply Chain	402	417
Accounting & Finance	292	303
Research & Development	130	135
Project	118	122
Management Information System	88	91
Business Planning	32	33
Others	1,501	1,557
Total	**14,961**	**15,515**

Country	December 31, 2020 (Employees)	December 31, 2019 (Employees)
Thailand	8,802	9,231
Indonesia	3,974	3,916
Vietnam	1,693	1,763
Philippines	376	403
Malaysia	116	202
Total	**14,961**	**15,515**

(b) Significant Change in Employee Numbers - Past Two Years

Details of the change in SCGP and subsidiaries' employee numbers are provided below:

As of	Employees	Increase/(Decrease)	Percentage
December 31, 2019	15,515	3,282	26.8
December 31, 2020	14,961	(554)	(3.7)

In 2019, the number of SCGP and subsidiaries' employees increased significantly due to acquisitions that resulted in a 55.24% shareholding in Fajar in June and an 80% shareholding in Visy Packaging Thailand in August. In 2020, employee numbers subsequently decreased due to the adoption of management optimization processes such as Lean, Automation, Work Approach and Tools.

(c) Employee Remuneration

SCGP budgets its employee remuneration in accordance with its short and long-term operating results. In the short term, SCGP considers annual operating results, such as revenues from sales, net profit, and EBITDA. In the long term, SCGP takes into account the performance of its medium and long-term plans, such as business expansion, profit growth, market shares, overall sustainable development performance, and ongoing operational enhancement.

For the fiscal year that ended on December 31, 2020, SCGP and its subsidiaries paid remunerations to their employees of Baht 8,989,331,000, which included salary and provident fund contributions.

(d) Provident Fund

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

- BBL Asset Management Company Limited
- Principal Asset Management Company Limited
- SCB Asset Management Company Limited
- One Asset Management Company Limited
- Krung Thai Asset Management Public Company Limited
- MFC Asset Management Public Company Limited
- UOB Asset Management (Thailand) Company Limited
- TISCO Asset Management Company Limited

*Remark: *Except PPC - under consideration.*

(e) Labor Disputes

SCGP and its subsidiaries have had no labor disputes that have caused a significant impact to business operations over the past three years.

(f) Human Resource Development Policy

SCGP's Human Resources Policy is based on SCGP's core values. SCGP believes that employees are the most important asset. The recruitment, retainment and development of qualified and capable employees are hence designed to be in line with SCGP's values. To attract skilled and competent employees, SCGP's compensation is competitive and above average when compared to leading companies. In addition, employee welfare is offered to ensure that SCGP's employees work in a safe environment and get sufficient support to undertake their duties efficiently under any circumstances and conditions.

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

All SCGP employees must attend the Competency Development Program and work under the Performance Management System, which encourages cooperation between employees and SCGP to add value to SCGP. Employees' knowledge, abilities and skills are built by focusing on:



1. Global Mindset to enhance business within the Merger & Partnership Strategy, under the Regional and ASEAN Beyond Growth Policy

2. Consumer Link, which is SCGP's way of responding to their needs. It was established to achieve sustainability and increase competitiveness.

3. Transformative leaders who understand and can promote mutual cooperation and sustainability across the business.

In 2020, SCGP provided an average of 23 hours of training per person for executives and employees in Thailand, with a focus on developing operational potential.

In addition, SCGP cultivates an awareness of social and environmental responsibilities in the organization through training courses on environmental management for employees at all levels. These include an orientation training course on "Environmental Conservation Management" for new employees, which covers the Environmental and Climate Policy, the 3R, environmental conservation and waste separation. The objective of this course is to communicate SCGP's Environmental Policy and raise employees' awareness of environmental conservation. SCGP also provides in-depth staff training for their roles, such as on wastewater treatment for industrial and surrounding communities, energy management, renewable energy uses and environmental practices according to laws and regulations. Additionally, SCGP organizes activities to raise environmental awareness and promotes environment-related campaigns for employees and business partners in accordance with Sustainable Development Guideline.

SCGP also supports employee development by providing scholarships to employees for further study at leading universities around the world in fields related to SCGP's business, such as materials science and



packaging design. As of December 31, 2020, SCGP had 87 scholarship employees, with some employees pursuing a Master of Business Administration (MBA) or a Doctor of Philosophy (PhD) in a specific field. As of December 31, 2020, 82 scholarship employees completed their master's degrees and five completed their PhDs.

Other Important Information

The Company Secretary

The Board of Directors' meeting No. 224 (8/2020) on December 1, 2020, approved the appointment of Ms. Wararee Toah-ngern as the Company Secretary, effective from December 1, 2020. The roles and responsibilities of this position are specified in Section 89/15 of the Securities and Exchange Act B.E. 2535 (and the amendment).

Remark: Ms. Wararee Toah-ngern was appointed as the Company Secretary replacing Mrs. Veranuch Sethameteekul, effective from December 1, 2020.

Person Supervising Accounting

Mrs. Nadarat Pomtri is the Accounting Director and is directly responsible for accounting controls and making sure that SCGP's accounting transactions are in accordance with regulations, company procedures and accounting standards.

Remark: Mrs. Nadarat Pomtri was appointed as the Accounting Director replacing Ms. Wassana Torrungruang, effective from July 1, 2020.

Head of Internal Audit

Ms. Panunda Sunyakorn is the Internal Audit Director and SCGP's internal auditor. She has been assigned to prepare reports and suggest improvements in accordance with SCGP's internal control plans and policies.

Remark: Ms. Panunda Sunyakorn was appointed as the Internal Audit Director, replacing Mrs. Punpaween Sukcharoenmitr, effective from December 1, 2020.

Head of Compliance

Mr. Twatchai Wongpaisarn, the Director - Sustainability, Productivity & Innovation Management, has been assigned to ensure that SCGP complies with the laws and government policies.

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

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

Name-Surname/ Position	Age (Year)	Education/ Training	Past Experience		
			Period	Position	Department/Company/Business Type
Ms. Wararee Toah-ngern	42	• Master of Arts in Diplomacy and International Relations, Seton Hall University, USA • Bachelor of Arts, Thammasart University **Training Certificate from the Thai Institute of Directors Association (IOD)** • Company Secretary Program (CSP) 113/2020 • Board Reporting Program (BRP) 33/2020	December 1, 2020 - Present	Company Secretary	SCGP/Holding company
			2019 - Present	Company Secretary and Secretary to the Board of Directors	Thai Cane Paper Public Company Limited/ Manufacturing and sale of kraft paper
			2019 - Present	Secretary to the Board of Directors	Phoenix Pulp and Paper Public Company Limited/Manufacturing and sale of pulp and food packaging
			2017 - Present	Secretary to the Board of Directors of Subsidiaries	SCGP's subsidiaries, as assigned
			2014 - 2017	Associate Secretary to the Board of Directors of Subsidiaries	SCG Cement - Building Material Group/ Cement and building materials industry

Name-Surname/ Position	Age (Year)	Education/ Training	Past Experience		
			Period	Position	Department/Company/Business Type
Mrs. Veranuch Sethameteekul	47	• Master of Language and Communication, National Institute of Development Administration • Bachelor of Arts, Chulalongkorn University **Training Certificate from the Thai Institute of Directors Association (IOD)** • Company Secretary Program (CSP) 22/2007 • Company Reporting Program (CRP) 23/2019	2019 - December 1, 2020	Company Secretary	SCGP/Holding company
			2018 - 2019	Assistant Secretary: Audit Committee, Governance and Nomination Committee	SCC/Holding company
			2018 - 2019	Secretary to the Board of Directors and Company Secretary	SCG Ceramics Public Company Limited/ Floor and wall ceramic tiles and industrial estates
			2014 - 2018	Secretary of Sub-committee (Audit Committee, Nomination Committee, Remuneration and Governance Committee and Executive Committee)	Thai-German Ceramic Industry Public Company Limited/Manufacturing and sale of ceramic tiles, industrial estate business
			2013 - 2018	Secretary of Sub-committee (Audit Committee, Nomination Committee, Remuneration and Governance Committee and Executive Committee)	Quality Construction Products Public Company Limited/Manufacturing concrete products for construction, tools and equipment
			2009 - 2018	Secretary to the Board of Directors of Subsidiaries	SCG Cement Business Group - Building materials for SCG, as assigned

Name-Surname/ Position	Age (Year)	Education/ Training	Past Experience		
			Period	Position	Department/Company/Business Type
Mrs. Nadarat Pomtri	48	• Bachelor of Accountancy, Kasetsart University • Management Development Program - Wharton University of Pennsylvania • Management Acceleration Program - Duke University • McKinsey Management Program - McKinsey	July 1, 2020 - Present	Accounting Director	SCGP/Holding company
			2018 - 2020	Head of Business Process Improvement Accounting System	SCC/Holding company
			2016 - 2018	Senior Manager of Process Design and Improvement Accounting System	SCC/Holding company
			2015 - 2016	Senior Manager of Accounting System	SCC/Holding company
			2013 - 2015	Manager of Accounting System	SCC/Holding company
			2009 - 2013	Manager of Finance & Taxation - Paper & Investment/General Ledger Process	SCG Accounting Services Company Limited/ Activities related to accounting, auditing and tax advisory
Ms. Wassana Torrungruang	51	• Bachelor of Accountancy, Chulalongkorn University	2014 - July 1, 2020	Accounting Director	SCGP/Holding company
			2015 - 2019	Chief Accounting Officer - Packaging	SCC/Holding company
			2014 - 2019	Financial Controller	SCGP/Holding company
			2014 - 2015	Senior Manager - CAO - Paper	SCC / Holding company

Name-Surname/ Position	Age (Year)	Education/ Training	Past Experience		
			Period	Position	Department/Company/Business Type
Ms. Panunda Sunyakorn	45	• Master of Economics, Kasetsart University • Bachelor of Accountancy, Kasetsart University • Management Development Program - Duke University • Certified Professional Internal Audit of Thailand (CPIAT), The Institute of Internal Auditors of Thailand	December 1, 2020 - Present	Internal Audit Director	SCGP/Holding company
			2014 - November 30, 2020	Audit Manager	SCC/Holding company
			1996 - 2013	Auditor	SCC/Holding company
Mrs. Punpaween Sukcharoenmitr	57	• Master of Accountancy, Thammasat University • Bachelor of Accountancy, Thammasat University • Certified Internal Auditor (CIA) The Institute of Internal Auditors	2019 - December 1, 2020	Internal Audit Director	SCGP/Holding company
			2018 - 2019	Head of Business Audit - CBM2	SCC/Holding company
			2013 - 2017	Senior Internal Auditor, Head of the Internal Audit Business Group 3	SCC/Holding company
Mr. Twatchai Wongpaisarn	59	• Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Engineering, Chulalongkorn University	April 1, 2020 - Present	Director - Sustainability Productivity & Innovation Management	SCGP/Holding company
			2019 - 2020	Director - SD & Productivity Improvement	SCGP/Holding company
			2017 - 2019	Director - Center of Productivity Improvement	SCGP / Holding company

Investor Relations Office and Contacts

Investor Relations:

Name: Mr. Wachara Iamsakul and Mr. Vikorn Phongsathorn
Address: 1 Siam Cement Road, Bangsue, Bangkok 10800
Tel.: 02-586-2939
Fax: 02-587-2213

Audit Fees

In the 2020 Annual General Meeting of Shareholders on March 24, 2020, KPMG Phoomchai Audit Company Limited, which is an SEC-licensed auditor, was appointed as the external audit firm of SCGP and its subsidiaries for 2020. SCGP's audit fee was approved and its subsidiaries' audit fees were acknowledged as follows: (a) audit fee of Baht 10.37 million for KPMG Phoomchai Audit Company Limited and (b) audit fee of Baht 9.96 million for KPMG Group overseas.

Non-audit Fees

For the fiscal year ended December 31, 2020, the non-audit fees paid by SCGP and its subsidiaries to KPMG Phoomchai Audit Ltd. and the companies in the group of KPMG Phoomchai Audit Ltd. for the review of compliance with conditions of the Thai government's Board of Investment Promotion Certificate, for tax consulting, and other services totaled Baht 6.45 million.

The aforementioned auditors are not related to any person or companies that are related to SCGP or its subsidiaries, in accordance with accounting standards on the disclosure of related persons or companies.


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Important Corporate Governance Performance Report

Summary of the Board's Performance in the Past Year

SCGP conducts business and operates under the Board of Directors' oversight. The Board is determined to adhere to its core values of doing business with fairness, and takes responsibility for all stakeholders according to the principles of good corporate governance for listed companies 2017 - recommended by the Office of Securities and Exchange Commission or Corporate Governance Code (CG Code). The Board also acts in accordance with SCG Packaging's Corporate Governance Policy and Code of Conduct to build confidence among shareholders, investors and stakeholders. It also aims to create a good corporate culture and values, and support the creation of good business results for the Company by strengthening competitiveness and sustaining growth.

In 2020, the Board of Directors reviewed the policies, measures and guidelines for corporate management in accordance with the CG Code, including international good corporate governance principles. The Company's important performance results are as follows:

- Reviewed and approved the formulation of visions, strategic plans, business models, and business plans for both the medium term (five years) and annually, with an emphasis on increasing competitiveness by reducing production costs, creating innovative products and services (consisting of both horizontal and vertical businesses) and regularly assessing the strategic plan's performance.

- Reviewed the Good Corporate Governance Policy and practices in accordance with SCG Packaging's Corporate Governance Handbook and approved amendments to the corporate governance structure. This included determining responsible persons and related management processes to make the structure more complete, revising the Board and Sub-committee Charters so that they are in line with the CG Code and developments in communication technology. Revisions included setting the Board of Directors' meetings at least once every three months and at least six meetings per year. Meeting schedules must also be set prior to the start of each new year. If there is a month where a Board meeting is not conducted, management must report operating results to the Board in order for them to control and oversee management's performance continuously and promptly. This revision also included determining that meetings between non-executive directors (without the Management) would take place. In 2020, a meeting between non-executive directors (without the Management) was held on December 1, 2020. It also specifies that an average attendance of all directors should be at least 80% of total Board meetings each year and that each director should attend at least 75% of the Board meetings each year. In addition, the deadline was set for document submission to the Board, which is at least five working days before a meeting. Furthermore, the Board approved additional corporate governance policies and practices in 2020, as detailed in the Corporate Governance Policy part.

- Reviewed the guidelines for organizing the 2021 Annual General Meeting of Shareholders which is the first general shareholders' meeting after SCGP's securities listing on the Stock Exchange of Thailand. This resulted in a significant increase in shareholder



numbers. To facilitate and encourage shareholders to attend the annual general meeting and vote according to their opinions, the Board has approved the distribution of proxy forms by the Company, which is required by the Department of Business Development, Ministry of Commerce. SCGP distributes proxy form Type A, B, and C, and other supporting documents that must be presented before attending the meeting to ensure that shareholders that are ordinary persons, juristic persons, institutional investors and custodians all follow this same correct process. SCGP also provides business envelops for the shareholders to send their documents to SCGP before the meeting. Shareholders can also download all meeting materials from the SCGP's website. In addition, SCGP provides opportunities for shareholders to authorize independent directors or any other person to attend meetings on their behalf, and provide information on independent directors who are not nominated for election as the directors in the shareholders' meeting and could be proxy of the shareholders. In the shareholders' meeting, SCGP uses a registration and vote counting system with modern technology for efficiency and accuracy. Lastly, it prepares staff to facilitate the shareholders throughout the meeting.

Directors' Nomination, Development and Performance Assessment

Directors' nomination, development and performance assessment are important matters in SCGP's Corporate Governance guidelines. This is because the Board of Directors is responsible for formulating strategies and business practices to sustain growth. Details on nomination and selection of directors are given in Corporate Governance Policy part.

Nomination of Independent Directors

The Board of Directors assigns the Corporate Governance and Nomination Committee to consider and scrutinize the qualifications of persons who will serve as independent directors. Independent director selection is based on qualifications and required characteristics in the Public Companies Act, the Securities and Exchange Act, the Capital Market Supervisory Board's notifications, other relevant announcements, rules and/or regulations, as well as the qualifications of independent directors disclosed on SCGP's website (www.scgpackaging.com). The Board also follows the Board Skills Matrix by choosing candidates with the qualifications, knowledge, expertise and experience that SCGP needs for its business strategy. The committee then presents the candidates to the Board of Directors and/or at the shareholders' meeting for further consideration. According to SCGP's policy, at least one-third of its directors shall be independent, and there shall be at least three persons. In addition, the Charter of the Board of Directors requires independent directors to hold their position for no more than nine years from the date of their first appointment as the independent directors. Whenever an independent director is asked to keep their position for longer than this period, the Board should reasonably consider whether this is necessary.

In 2020, SCGP had seven independent directors, more than half of its total number of directors (12). Two independent directors have professional capacities or business relationships that exceed the criteria specified in the notification of the Capital Market Supervisory Board as follows:

(1) Professor Kitipong Urapeepatanapong is the Chairman of the Board, and a director and shareholder of Baker & McKenzie Company Limited (BM) - SCGP's legal advisor which receive service fees more than Baht 2 million per year. Such value received from providing professional service exceeds the criteria specified in the notification of the Capital Market Supervisory Board. The Board of Directors (excluding Professor Kitipong Urapeepatanapong), with the Corporate Governance and Nomination Committee's recommendations, carefully considered the principles of fiduciary duties in accordance with Section 89/7 of the Securities and Exchange Act B.E. 2535 (as amended) and opined that the appointment of Professor Kitipong Urapeepatanapong as the Company's independent director neither impact his independent performance of duties nor his independent opinions. His knowledge, expertise and experience in all aspects of the law, especially in tax law, corporate law, securities law, business law and other regulations relating to SCGP's business, were deemed necessary to promote and strengthen the business's operations and expansion. His expertise will also support SCGP's management and compliance needs, and increase the Board of Directors' efficiency. SCGP disclosed the above information in the shareholders' meeting notice and proposed at the 2020 Annual General meeting (the 27th Meeting) on March 24, 2020, that Professor Kitipong Urapeepatanapong be elected to remain as an independent director of the Company for another term.

(2) Mr. Vanus Taepaisitphongse is the Chief Executive Officer of Betagro Public Company Limited and of Betagro's affiliates, which have business relationships with SCGP's subsidiaries that are valued at more than Baht 20 million. This exceeds the criteria regarding value of business relationship specified in the notification of the Capital Market Supervisory Board. The Board of Directors (Mr. Vanus Taepaisitphongse not being a director at the time), with the Corporate Governance and Nomination Committee's recommendations, carefully considered the principles of fiduciary duties in accordance with Section 89/7 of the Securities and Exchange Act B.E. 2535 (as amended) and opined that the appointment of Mr. Vanus Taepaisitphongse as the Company's independent director neither impact his independent performance of duties nor his independent opinions. No conflict of interest was created with SCGP's aforementioned subsidiaries. His knowledge, capabilities and extensive experience in the trading business, especially in consumer businesses involving close customer contact, will help promote and strengthen business operations and expansion. His experience managing large companies will also increase the Board of Directors' efficiency. SCGP disclosed the above information in the notice of the shareholders' meeting and proposed at the 2020 Annual General meeting (the 27th Meeting) on March 24, 2020, that Mr. Vanus Taepaisitphongse be elected as an independent director of SCGP.

Nomination of Directors and Top Executives

The Board of Directors assigns the Corporate Governance and Nomination Committee to consider and nominate qualified persons to replace retiring directors or other cases. They must propose candidates to the Board of Directors and/or at the shareholders' meeting. Qualified candidates are selected from various professional backgrounds and must exhibit leadership, exemplary vision, morality, ethics, clear and unblemished career records and able to express opinions independently.

Shareholders have the right to elect directors at the shareholders' meeting in accordance with rules and procedures prescribed in SCGP's Articles of Association. The shareholders' voting rights are equal to one vote per share. Directors are elected individually, and shareholders have the right to elect nominated persons as directors (but not exceeding the number of directors that can be elected at that time). Votes cannot be divided. The meeting's Chairman has a casting vote which will determine the number of directors to be elected at that time. According to the Board's proposal, the 2020 Annual General meeting (the 27th Meeting) on March 24, 2020, considered and re-elected four former directors, namely Professor Kitipong Urapeepatanapong, Mrs. Kaisri Nuengsigkapian, Mr. Cholanat Yanaranop, and Mr. Tanawong Areeratchakul. The meeting also approved

an increase in the number of directors from 10 to 12, with the election of Mr. Vanus Taepaisitphongse and Mr. Vibul Tuangsitthisombat as additional directors

To nominate top executives, the Board of Directors appoints the Chief Executive Officer according to the Remuneration Committee's recommendations. The Remuneration Committee is responsible for considering succession plans for the Chief Executive Officer and the SCGP's top executives, and proposing them to the Board of Directors for further consideration to maintain performance continuity. In this regard, the Chief Executive Officer has the power and duty to manage SCGP, as assigned by the Board of Directors. This is stated in Corporate Governance Policy part, Scope of Duties and Responsibilities of the Chief Executive Officer. This was revised in 2020 at the Board of Directors' meeting No. 224 (8/2020) on December 1, 2020.



Meeting Attendance and Remuneration Payment for Individual Directors

Board of Directors' Meeting Attendance in 2020

Details of the Board of Directors' meeting attendance for the fiscal year ended December 31, 2020 are as follows:

Directors	Meetings (number of meetings attended/number of meetings invited)		
	Board of Directors' Meeting	Annual General Meeting	Extraordinary General Meeting
	Jan 1 - Dec 31, 2020	Mar 24, 2020	Jan 1 - Dec 31, 2020
1. Mr. Prasarn Triratvorakul	10/10	1/1	0/0
2. Mr. Cholanat Yanaranop	10/10	1/1	0/0
3. Mr. Chumpol NaLamlieng	10/10	0/1*	0/0
4. Mrs. Kaisri Nuengsigkapian	10/10	0/1*	0/0
5. Mr. Chalee Chantanayingyong	10/10	0/1*	0/0
6. Mrs. Pongpen Ruengvirayudh	10/10	0/1*	0/0
7. Professor Kitipong Urapeepatanapong	10/10	0/1*	0/0
8. Mr. Vanus Taepaisitphongse**	8/8	0/0	0/0
9. Mr. Vibul Tuangsitthisombat**	8/8	0/0	0/0

Directors	Meetings (number of meetings attended/number of meetings invited)		
	Board of Directors' Meeting	Annual General Meeting	Extraordinary General Meeting
	Jan 1 - Dec 31, 2020	Mar 24, 2020	Jan 1 - Dec 31, 2020
10. Mr. Tanawong Areeratchakul	10/10	1/1	0/0
11. Mr. Thammasak Sethaudom	10/10	1/1	0/0
12. Mr. Wichan Jitpukdee	10/10	1/1	0/0
Total meetings in 2020	**10**	**1**	**0**
Average meeting attendance (%)	100	50*	0

Remarks:

**Due to the COVID-19 pandemic, only half of the directors were recommended to attend the 2020 Annual General Meeting. This was to reduce the number of attendees, in accordance with guidelines to prevent and control the spread of COVID-19 at meetings, seminars or other events, as stated by the Department of Disease Control, Ministry of Public Health, on February 11, 2020.*

***Mr. Vanus Taepaisitphongse and Mr. Vibul Tuangsitthisombat were appointed as directors according to the resolution of the 2020 Annual General Meeting (the 27th Meeting) on March 24, 2020 (adding two directors). They attended all Board of Directors' meetings after starting their director positions.*

Charter of the Board of Directors stipulates that an average attendance of all directors should be at least 80% of total Board meetings each year and that each director should attend at lest 75% of the Board meetings each year (including electronic meetings).

Monetary Remuneration

At the 2020 Annual General Meeting (the 27th Meeting) on March 24, 2020, the remunerations of the Company's directors and sub-committee members were approved as proposed by the Board. Details are as follows:

Directors	Position	Regular Remuneration (Baht)		Attendance Fee (Baht/Person/Meeting)
		Monthly	Annually	
The Board of Directors	Chairman	150,000	-	-
(one chairman/11 directors)	Director	100,000	-	-
The Audit Committee	Chairman	-	150,000	45,000
(one chairman/two directors)	Director	-	100,000	30,000
The Corporate Governance and Nomination Committee	Chairman	-	120,000	30,000
(one chairman/two directors)	Director	-	100,000	20,000
The Remuneration Committee	Chairman	-	120,000	30,000
(one chairman/two directors)	Director	-	100,000	20,000

SCGP does not pay other remunerations or benefits to directors other than those specified above.

The following table represents the monetary remuneration given by SCGP to directors and independent directors for the fiscal year ended December 31, 2020.

Table of Remuneration for the Board of Directors and Sub-committees in 2020 (January 1 - December 31, 2020)

Directors	Board of Directors (12 directors)	Audit Committee (three members)	Corporate Governance and Nomination Committee (three members)	Remuneration Committee (three members)	Bonus Paid to Directors in 2020** (Baht)	Total Amount (Baht)
1. Mr. Prasarn Triratvorakul*	1,800,000	-	-	-	295,522	2,095,522
2. Mr. Cholanat Yanaranop	1,200,000	-	102,033	180,000	219,590	1,701,623
3. Mr. Chumpol NaLamlieng*	1,200,000	-	-	240,000	199,067	1,639,067
4. Mrs. Kaisri Nuengsigkapian*	1,200,000	510,000	-	-	219,590	1,929,590
5. Mr. Chalee Chantanayingyong*	1,200,000	340,000	270,000	-	199,067	2,009,067
6. Mrs. Pongpen Ruengvirayudh*	1,200,000	340,000	-	62,033	199,067	1,801,100
7. Professor Kitipong Urapeepatanapong*	1,200,000	-	200,000	-	136,474	1,536,474
8. Mr. Vanus Taepaisitphongse*	925,806.50	-	-	117,967	-	1,043,773.50
9. Mr. Vibul Tuangsitthisombat	925,806.50	-	97,967	-	-	1,023,773.50
10. Mr. Tanawong Areeratchakul	1,200,000	-	-	-	219,590	1,419,590
11. Mr. Thammasak Sethaudom	1,200,000	-	-	-	219,590	1,419,590
12. Mr. Wichan Jitpukdee	1,200,000	-	-	-	219,590	1,419,590
13. Mr. Roongrote Rangsiyopash***	-	-	-	-	35,400	35,400
Total Amount	**14,451,613**	**1,190,000**	**670,000**	**600,000**	**2,162,547**	**19,074,160**

Remarks:

**Independent director*

***The directors' bonus paid in 2020 is calculated based on the annual dividend for 2019 that was paid to shareholders on April 23, 2020, proportionately to the directorship period of each director from June 1, 2019 to December 31, 2019.*

****In 2019, Mr. Prasarn Triratvorakul held the position of the Chairman of the Board from January 1 to June 23, and thus received the director bonus paid in 2020, proportionately to his chairmanship period from January 1 to June 23, 2019.*

1. *Director No. 1 is the Chairman of the Board.*
2. *Director No. 2 served as a member of the Corporate Governance and Nomination Committee until June 2, 2020, and received remuneration between January 1, 2020 - June 2, 2020.*
3. *Director No. 3 served as the Chairman of the Remuneration Committee.*
4. *Director No. 6 served as a member of the Remuneration Committee until June 2, 2020, and received remuneration from January 1, 2020 - June 2, 2020.*
5. *Director No. 8 has been a director since March 24, 2020, and a member of the Remuneration Committee since June 2, 2020.*
6. *Director No.9 has been a director since March 24, 2020, and a member of the Corporate Governance and Nomination Committee since June 2, 2020.*

The Company does not pay other remunerations or benefits to directors other than those approved by the shareholders' meeting as specified above.

Remuneration Received by Independent Directors for Being Independent Directors in the Parent Company in 2020

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

Directors	Position in SCC	Total Remuneration (Baht)
1. Mr. Prasarn Triratvorakul	Independent director and Chairman of the Remuneration Committee	5,300,500.00
2. Mr. Chumpol NaLamlieng	Independent director and Chairman of the Corporate Governance and Nomination Committee	5,272,478.02

Remuneration Received by Directors for Being Directors in Subsidiaries in 2020

- None -

Details on the Board of Directors meeting attendance and the remuneration of directors and executives of the five subsidiaries operating SCGP's core business, namely Siam Kraft Industry (SKIC), PT Fajar Surya Wisesa Tbk. (Fajar), Thai Containers Group Company Limited (TCG), Phoenix Pulp and Paper Public Company Limited (PPPC), and TC Flexible Packaging Company Limited (TCFP), for the fiscal year ended December 31, 2020, are as follows:

1) Siam Kraft Industry (SKIC)

(a) The Board of Directors

As of December 31, 2020, SKIC's Board of Directors consists of five directors. Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings	
		Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020
1. Mr. Wichan Jitpukdee*	Chairman	3/3	6/6
2. Mr. Sangchai Wiriyaumpaiwong*	Director	10/10	6/6
3. Mr. Kulachet Dharachandra*	Director	3/3	6/6
4. Mr. Ekaraj Niroj*	Director	3/3	6/6
5. Mr. Suracha Udomsak*	Director	2/2	6/6

*Remark: *Director appointed by SCGP*

(b) Remuneration for the Board of Directors

(1) Monetary Remuneration

- None -

(2) Other Remuneration

- None -

2) PT Fajar Surya Wisesa Tbk. (Fajar)

(a) Board of Commissioners

As of December 31, 2020, Fajar's Board of Commissioners consists of nine members. Details of Board meeting attendance are as follows:

Commissioners	Position	Number of meetings attended/ Total number of meetings	
		Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020
1. Mr. Tanawong Areeratchakul*	Chairman	3/3	7/7
2. Mr. Tony Tjandra	Independent Commissioner	7/7	7/7
3. Mr. Wichan Jitpukdee*	Commissioner	3/3	7/7
4. Mr. Sangchai Wiriyaumpaiwong*	Commissioner	3/3	7/7
5. Mr. Winarko Sulistyo	Commissioner	7/7	7/7
6. Ms. Vilia Sulistyo	Commissioner	3/3	7/7
7. Mr. Chong Thian Lim	Independent Commissioner	3/3	7/7
8. Mr. Sudarmanto Wiryodiatmo	Independent Commissioner	7/7	7/7
9. Mr. Kitti Tangchitmaneesakda*	Commissioner	-	3/3

*Remark: *Commissioner appointed by SCGP*

(b) The Audit Committee

As of December 31, 2020, Fajar's Audit Committee of Fajar consists of three members. Details of Board meeting attendance are as follows:

Commissioners	Number of meetings attended/ Total number of meetings	
	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020
1. Mr. Tony Tjandra	4/4	5/5
2. Mr. Sudarmanto Wiryodiatmo	4/4	5/5
3. Mr. M. Fadil	4/4	5/5

(c) The Nomination and Remuneration Committee

As of December 31, 2020, Fajar's Nomination and Remuneration Committee consists of three members. Details of the directors' positions are as follows:

Commissioners	Number of meetings attended/Total number of meetings	
	Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020
1. Mr. Tony Tjandra	3/3	3/3
2. Ms. Vilia Sulistyo	-	0/0
3. Mr. Kurniawan	3/3	3/3
4. Mr. Winarko Sulistyo	3/3	3/3
5. Ms. Linda Laulendra	3/3	-

Remark:
(1) Ms. Vilia Sulistyo was appointed as a member of the Nomination and Remuneration Committee on November 30, 2020, replacing Mr. Winarko Sulistyo.
(2) Ms. Linda Laulendra resigned from the position on January 31, 2020.

(d) Commissioner Remuneration

(1) Monetary Remuneration

For the fiscal year ended December 31, 2020, Fajar paid monetary remuneration to five of its commissioner who are not directors of SCGP. This amounted to 4,598,160,000 rupiah (9,757,295.52 Baht).

Commissioners	Monetary Remuneration from Jan 1 - Dec 31, 2020 (Rupiah)			
	The Board of Commissioners	The Audit Committee	The Nomination and Remuneration Committee	Total Amount
1. Mr. Tanawong Areeratchakul*	-	-	-	-
2. Mr. Tony Tjandra	1,148,160,000	-	-	1,148,160,000
3. Mr. Wichan Jitpukdee*	-	-	-	-
4. Mr. Sangchai Wiriyaumpaiwong*	-	-	-	-
5. Mr. Winarko Sulistyo	1,200,000,000	-	-	1,200,000,000
6. Ms. Vilia Sulistyo	960,000,000	-	-	960,000,000
7. Mr. Chong Thian Lim	600,000,000	-	-	600,000,000
8. Mr. Sudarmanto Wiryodiatmo	690,000,000	-	-	690,000,000
9. Mr. Kitti Tangchitmaneesakda*	-	-	-	-

*Remark: *Commissioners who are directors or executives of SCGP do not receive remuneration as a director of the subsidiary.*

(2) Other Remuneration

- None -

3) Thai Containers Group Company Limited (TCG)

(a) The Board of Directors

As of December 31, 2020, TCG's Board of Directors consists of eight directors. Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings	
		Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020
1. Mr. Wichan Jitpukdee*	Chairman	8/8	7/7
2. Mr. Hirofumi Hori	Director	2/8	1/7
3. Mr. Sangchai Wiriyaumpaiwong*	Director	8/8	7/7
4. Mr. Yosuke Kawamoto	Director	2/8	0/4
5. Mr. Tamotsu Shiiya	Director	8/8	7/7
6. Mr. Kulachet Dharachandra*	Director	3/3	7/7
7. Mr. Suchai Korprasertsri*	Director	3/3	7/7
8. Mr. Suracha Udomsak*	Director	2/2	7/7
9. Mr. Toshinobu Sada	Director	-	1/3

*Remark: *Director appointed by SCGP*
(1) Mr. Toshinobu Sada was appointed as a director on April 9, 2020, replacing Mr. Yosuke Kawamoto.

(b) Director Remuneration

(1) Monetary Remuneration

- None -

(2) Other Remuneration

- None -

4) Phoenix Pulp and Paper Public Company Limited (PPPC)

(a) The Board of Directors

As of December 31, 2020, PPPC's Board of Directors consists of seven directors. Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings	
		Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020
1. Mr. Wichan Jitpukdee*	Chairman	2/2	6/6
2. Mr. Noboru Morita	Director	4/6	0/2
3. Mr. Sangchai Wiriyaumpaiwong*	Director	6/6	6/6
4. Mr. Wichan Charoenkitsupat*	Director	6/6	6/6
5. Mr. Yusuke Mano	Director	3/3	6/6
6. Mr. Kulachet Dharachandra*	Director	2/2	6/6
7. Mr. Suracha Udomsak*	Director	1/1	6/6
8. Mr. Norio Ozawa	Director	-	2/4

*Remark: *Director appointed by SCGP*
(1) Mr. Norio Ozawa was appointed as a director on May 13, 2020, replacing Mr. Noboru Morita.

(b) Director Remuneration

(1) Monetary Remuneration

- None -

(2) Other Remuneration

- None -

5) TC Flexible Packaging Company Limited (TCFP)

(a) The Board of Directors

As of December 31, 2020, TCFP's Board of Directors consists of eight directors. Details of Board meeting attendance are as follows:

Directors	Position	Number of meetings attended/ Total number of meetings	
		Jan 1 - Dec 31, 2019	Jan 1 - Dec 31, 2020
1. Mr. Wichan Jitpukdee*	Chairman	5/5	4/4
2. Mr. Karan Tejasen*	Director	5/5	4/4
3. Mr. Hirofumi Hori	Director	2/5	1/4
4. Mr. Yosuke Kawamoto	Director	2/5	0/1
5. Mr. Kenzo Sano	Director	4/4	4/4
6. Mr. Suchai Korprasertsri*	Director	2/2	4/4
7. Mr. Kulachet Dharachandra*	Director	2/2	4/4
8. Mr. Suracha Udomsak*	Director	1/1	4/4
9. Mr. Toshinobu Sada	Director	-	1/3

*Remark: *Director appointed by SCGP*
(1) Mr. Toshinobu Sada was appointed as a director on April 9, 2020, replacing Mr. Yosuke Kawamoto.

(b) Director Remuneration

(1) Monetary Remuneration

- None -

(2) Other Remuneration

- None -

Table of Director Remuneration Received From Subsidiaries

No.	Company	Director Remuneration		
		Number of Directors	Monetary Remuneration (Baht)	Other Remuneration (Baht)
1.	SKIC	5	None	None
2.	Fajar	9	9,757,295.52	None
3.	TCG	9	None	None
4.	PPPC	8	None	None
5.	TCFP	9	None	None

Oversight for Subsidiaries and Associated Companies

At the Board of Directors' meeting No. 224 (8/2020) on December 1, 2020, the Board resolved to review and improve the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Business, to align with management structure improvements within the organization. The policy determined the framework and mechanisms for governing the policies and operations of subsidiaries and associated companies. The following framework and mechanisms were defined:



- **Appointment or nomination of persons as directors or executives in subsidiaries and associated companies**

  To ensure that subsidiary companies efficiently comply with policy guidelines, goals, vision, medium-term business plans and strategic plans for company growth, SCGP created a policy to appoint persons as directors

or executives in subsidiaries and associated companies. This appointment must at least be in proportion to SCGP's shareholding in each subsidiary or associated company, unless the Board of Directors considers that having a lesser appointment does not affect the power of SCGP in formulating policies and conducting matters that have a significant effect on the financial status and operating results of that subsidiary or associated company. Whether that or, there is an appropriate balance of power in that subsidiary or associated company. In addition, the persons to be appointed or nominated as directors or executives in subsidiaries or associated companies must have qualifications as specified by the Board of Directors.

- **Determination of scope, powers, roles and responsibilities of directors and executives being SCGP's representatives in subsidiaries or associated companies to control or participate in establishing policies that are important to business operations**

  Directors and executives of subsidiaries or associated companies who are appointed or nominated by SCGP have a duty to supervise subsidiaries or associated companies before they enter into any transactions or activities which would have a significant effect on the financial status or performance of subsidiaries or associated companies (as specified in the Delegation of Authority manual or the Articles of Association of the subsidiaries or associated companies). Before subsidiaries, or associated companies organize their own Board or shareholders' meetings to consider and approve proceeding with such matters, they must also be given consent/approved by SCGP's Board of Directors or at the shareholders' meeting (as the case may be).

- **Information Disclosures of Subsidiary Companies**

  Subsidiaries must completely and accurately disclose to SCGP information on their financial status and operating results within the time prescribed by SCGP. This includes connected transactions with subsidiaries the acquisition or disposition of assets or any other significant transactions, business plans, business expansion, large investment projects as approved by SCGP, and investments with other entrepreneurs.

- **Establishing an appropriate and concise internal control system and other governance mechanisms for subsidiaries which operate SCGP's core business**

  Examples of internal control systems and governance mechanisms for the subsidiaries operating SCGP's core business are as follows:

  - **Insider trading of subsidiaries**

    SCGP prohibits directors, executives, employees or assignees of subsidiary companies, including their spouses and underage children, from using SCGP's or subsidiaries' insider information, either derived from the performance of their duties or in any other way, which may create a material effect on SCGP's securities price, for their own or for others' benefit, whether directly or indirectly, and whether or not the effect will be rewarded.

  - **Regulation of authorization and execution of various transactions**

    The Board of Directors of subsidiaries have the power to approve the subsidiary companies' matters in accordance with the scope of their duties as prescribed by the law, the Articles of Association of the subsidiaries and resolutions of the subsidiaries' shareholders' meetings. SCGP stipulates that transactions or actions of the subsidiaries in the following matters must be approved by SCGP's Board of Directors or at SCGP's shareholders' meeting (as the case may be). These include approvals of the annual budget, dividend payments, auditor appointments (if not affiliated with an auditing firm in the same network as SCGP's auditors), capital increases or reductions resulting in a change in shareholding proportion, amendments to Articles of Association, making connected transactions, sales or transfers within subsidiary businesses, leasing/ lending/ guarantee/ financial assistance, business dissolution, and any other transactions which are not normal business transactions. In these instances, subsidiaries shall adopt the criteria for calculating these transactions as prescribed in the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission regarding the acquisition or disposal of assets and/or connected transactions (as the case may be), and the application of mutatis mutandis.

Guidelines for Overseeing Conflicts of Interest of Directors, Executives and Major Shareholders

The Board of Directors has established a policy for entering into connected transactions and policies for preventing conflicts of interest to ensure that SCGP can manage any cases of this among directors, executives and major shareholders of SCGP and its subsidiaries. These policies are in accordance with the Securities and Exchange Act B.E. 2535 (as amended), the notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 on rules on connected transactions, and the notification of the Stock Exchange of Thailand (Bor Jor/Por 22-01) on disclosures of information and operations of listed companies for connected transactions B.E. 2546. They also follow laws, regulations, announcements or related orders. Directors, executives or related persons of subsidiaries can only enter into transactions with subsidiaries with the permission from either the subsidiary's and/or SCGP's Board of Directors, and/or through the subsidiary's and/or SCGP's shareholders' meetings (as the case may be). Permission requirements are determined on a case by case basis according to the calculated transaction size, determined using the criteria for calculating transactions as prescribed in the notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand Commission regarding connected transactions and/or other applicable amended notifications, and the application of mutatis mutandis.

Unless it is a trade agreement, transactions will follow the same processes as transactions between person of ordinary prudence and general counterparties that are in the same situation. There is no trade bargaining power from being a director, executive or related person to directors or executives (as the case may be). Trade agreements must be approved by the Board or in accordance with principles that have already been approved by the Board.

In addition, SCGP has established other important guidelines, such as:

1. Directors and management of subsidiaries must avoid transactions that may cause a significant conflict of interest with subsidiaries. In the event of such transactions, the subsidiaries' Board of Directors must be informed. The subsidiaries' Board must report such matters to SCGP's Board for consideration and approval.

2. Directors of subsidiaries must not participate in approving matters which present a conflict of interest either directly or indirectly.

3. The following actions could result in directors or related persons of subsidiary companies receiving extra financial benefits, or they may cause damage to SCGP or its subsidiaries. It is therefore assumed that the following actions materially conflict with the interests of the subsidiaries:

   (a) transactions between subsidiaries and directors or related persons that are not in accordance with the rules of entering into connected transactions.

   (b) use of information of SCGP or its subsidiaries unless it is information that has been disclosed to the public.

   (c) use of property or business opportunities of SCGP or its subsidiaries that violate the rules or general practices as specified by the Capital Market Supervisory Board.

Qualifications of Directors, Executives and Controlling Persons

The Board of Directors has determined the qualifications of persons who can be appointed or nominated as directors or executives in subsidiaries and associated companies in the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Business. The Chief Executive Officer uses these qualifications as a basis to appoint and transfer persons to represent SCGP as directors or executives of subsidiaries and associated companies. They must:

(a) have all necessary qualifications and not exhibit any prohibited characteristics as prescribed by the law or the relevant requirements;

(b) have knowledge, capabilities and experience that is beneficial to the business's operations and suitable for the performance of duties and responsibilities;

(c) have leadership skills and be able to give wide recommendations that will drive the subsidiary or associated company to achieve their objectives;

(d) have the ability to make reasonable decisions in accordance with Corporate Governance practices and the Code of Conduct.

Shareholder Agreements that are Significant to the Company's Group Operations and Have a Material Effect on Management:

PT Fajar Surya Wisesa Tbk. (Fajar)

Deed of Undertaking on Fajar	
Counterparties	SCGP and PT Intercipta Sempana (PTICS)
Shareholding proportion as of December 31, 2020	SCGP holds 55.24% of total shares. PTICS holds 44.48% of total shares.
Powers and duties of the Board of Directors and the Board of Commissioners	**Board of Directors** (1) The Board of Directors consists of not more than six directors, three of which are nominated by SCGP and two are nominated by PTICS. One director must be qualified as an independent director. (2) The quorum of the Board's meeting consists of more than half of all directors, provided that at least one director nominated by PTICS must attend the meeting to form a quorum. (3) The Chairman of the Board must be appointed from one of the directors nominated by SCGP. (4) Any matter or action must be approved by a majority vote of the Board. **Board of Commissioners** (1) The Board of Commissioners consists of not more than eight commissioners, three of which are nominated by SCGP and another two are nominated by PTICS. Three commissioners must be qualified as independent commissioners. (2) The quorum of the Board of Commissioners' meeting consists of more than half of all commissioners, provided that one Commissioner nominated by PTICS must attend the meeting to form a quorum. (3) The Chairman of the Board of Commissioners must be appointed from one of the commissioners nominated by SCGP. (4) Unless otherwise specified in the important administrative requirements, any matter or action must be approved by a majority vote of the Board of Commissioners.
Important administrative requirements	The following matters require approval by a majority of the Board of Commissioners, provided that such majority includes at least one commissioner nominated by PTICS: - Amendments to incorporation documents - Changes in the dividend policy - Acquisitions - Mergers or acquisitions by any group of companies - Incorporations of more than US$50 million in debt or funding - Entering into, amending, altering or terminating a major agreement of any group of companies with a value exceeding US$10 million.

Dividend payments	If the actual investment costs of Fajar's applicable accounting period are less than US$20 million, Fajar will pay dividends of at least 50% of the net profit. If the actual investment costs for Fajar's relevant accounting period are greater than US$20 million but less than US$100 million, Fajar will pay dividends between 30-50% of net profit. If expenses in terms of actual investment for Fajar's relevant accounting period are more than US$100 million, Fajar will pay dividends of at least 30% of the net profit.

Thai Containers Group Company Limited (TCG)

Agreement between shareholders of TCG	
Counterparties	SCGP and Rengo Co., Ltd. (RENGO)
Shareholding proportion as of December 31, 2020	SCGP holds 70.00% of total shares. Rengo holds 30.00% of total shares.
Powers and duties of the Board of Directors	(1) The Board of Directors consists of ten directors, seven of which are nominated by SCGP and another three are nominated by Rengo. (2) The Chairman of the Board and the Managing Director must be appointed from the directors nominated by SCGP. (3) The quorum of the Board's meeting consists of at least six directors, provided that one director appointed by Rengo must attend the meeting to form a quorum. (4) Unless otherwise specified in the important administrative requirements, any matter or action must be approved by a majority vote of the Board.
Important administrative requirements	The following matters require approval by a majority vote of the directors at the Board meeting, provided that such majority includes at least one director nominated by Rengo: (1) Significant changes in the nature of TCG's business, including but not limited to (a) creation, moving, dissolution or divestment of a subsidiary and (b) merger, acquisition or any other form of amalgamation with other companies. (2) Investing in any other company or juristic person, or acting on behalf of TCG as a shareholder or partner in another company or juristic person, such as a joint venture. (3) Lending money or providing insurance for the benefit of other companies or juristic persons except SCGP or a subsidiary of TCG. (4) Issuance of new shares or capital reduction of TCG. (5) Any dividend payment of TCG. (6) Entering into any contract or agreement that is material to TCG.

Shareholders' meeting	(1) The quorum of the ordinary general shareholders' meeting consists of shareholders who attend in person or by proxy and account for more than 50% of the total number of TCG paid-up shares. (2) The following matters require special resolutions at the ordinary general meeting or the extraordinary general meeting of shareholders: (2.1) Amending, cancelling or certifying the Memorandum of Association and the Articles of Association of TCG (2.2) Increasing capital and issuing new shares (2.3) Reducing capital (2.4) Issuing debentures (2.5) Mergers and acquisitions (2.6) Liquidating TCG (3) The following matters must be approved at the ordinary general meeting of shareholders by a majority of more than 70% of total votes: (3.1) Appointment or discharge of directors and auditors (3.2) Directors' and auditors' remuneration (3.3) Profit dividends or stock dividends (3.4) Acquisition of all or a substantial portion of the business of any other person or juristic person (3.5) Transfer of TCG's core business and of all or the majority of TCG's assets.
Dividend payments	The counterparty must comply with the requirements under the Civil and Commercial Code of Thailand. TCG must also declare all profits after taxes as dividends each year unless the parties agree otherwise. However, if TCG affiliates have losses, dividends must be agreed upon by both parties.

Phoenix Pulp and Paper Public Company Limited (PPPC)

PPPC Joint Venture Agreement	
Counterparties	SCGP and Nippon Paper Industry Co., Ltd. (NPI)
Shareholding proportion as of December 31, 2020	SCGP holds 69.58% of total shares. NPI holds 30.00% of total shares.
Powers and duties of the Board of Directors	(1) PPPC's Board of Directors consists of seven directors, five of which are nominated by SCGP and another 2 are nominated by NPI. (2) The quorum of the Board's meeting consists of more than half of total directors. (3) The Chairman of the Board must be appointed from the directors nominated by SCGP and serve as the chairman at the shareholders' and Board's meetings. The Vice-Chairman may be appointed from the directors nominated by NPI. (4) The Managing Director of PPPC must be appointed from one of the directors nominated by SCGP. (5) Matters must be approved by a majority vote of the Board.

Important administrative requirements	The following matters require approval by a majority vote of the directors at the Board meeting, provided that such majority includes at least one director nominated by NPI: (1) Approval of a business plan that is longer than 12 months. (2) Proposals to the shareholders' meeting to approve dividend payments and announcement of the interim dividend. (3) Listing PPPC on the Stock Exchange of Thailand. (4) Transactions worth more than Baht 30 million between PPPC and its shareholders or directors. (5) Acquiring shares in other companies or disposing of a shareholding in a subsidiary. (6) Entering into guarantees for claims worth more than Baht 50 million.
Shareholders' meeting	(1) The shareholders' meeting must consist of at least 25 shareholder attendees or not less than half of the total number of shareholders, with a total number of shares in proportion of not less than 50% of the total shares issued by PPPC. (2) Any matter must be approved by affirmative votes of more than 50% of the total number of shares of the shareholders attending the meeting and eligible to vote. (3) The following matters must be approved at the shareholders' meeting by affirmative votes of not less than 75% of the total number of shares of the shareholders attending the meeting and eligible to vote: - Amendment of the Memorandum of Association and Articles of Association - Capital increase and capital reduction - Mergers - Stock Dividend - Acquisition of another person or juristic person. - Transfer of the PPPC business or transfer of PPPC's substantial assets. (4) The following matters must be approved at the shareholders' meeting by affirmative votes of not less than 71% of the total number of shares of the shareholders attending the meeting and eligible to vote: - Directors' remuneration - Auditor appointment and compensation - Investing in another company or other business entity.
Dividend payments	Dividend payments must be made in accordance with the resolution of the shareholders' or Board of Directors' meeting, as the case may be. However, PPPC will pay dividends at an agreed percentage of the net profit, depending on the performance of PPPC and its subsidiaries, including the provision of reserves as required by law.

TC Flexible Packaging Company Limited (TCFP)

Agreement between shareholders of TCFP	
Counterparties	TCG and Rengo
Shareholding proportion as of December 31, 2020	TCG holds 75.00% of total shares. Rengo holds 20.00% of total shares. HOWA holds 5.00% of total shares.
Powers and duties of the Board of Directors	(1) The Board of Directors consists of eight directors, five of which are nominated by TCG and another three are nominated by Rengo. (2) The Chairman of the Board and the Managing Director must be appointed from the directors nominated by TCG. (3) The quorum of the Board's meeting consists of at least five directors, provided that one director nominated by Rengo must attend the meeting to form a quorum. (4) Unless otherwise specified in the important administration requirements, matters must be approved by a majority vote of the Board.
Important administrative requirements	The following matters require approval by a majority vote of the directors attending the Board's meeting in person, provided that such majority includes at least one director nominated by Rengo: (1) Significant changes in the nature of TCFP's business operations, including but not limited to (a) creation, moving, dissolution or sale business of subsidiary companies. (b) merger and acquisition or any other form of amalgamation with other companies and (c) any business start-up other than TCFP's current business. (2) TCFP's investment in any company or juristic person as a shareholder or partner in another company or juristic person, such as a joint venture. (3) Lending or providing guarantee for the benefit of another company or any juristic or natural person. (4) Issuance of new shares or TCFP capital reduction. (5) Any TCFP dividend payment. (6) Entering into any contract or agreement that is material to TCFP. (7) Acquisition of all business or all significant parts of other persons.

Shareholders' meeting	(1) An ordinary general shareholders' meeting must have shareholders attending in person or by proxy and include more than 50% of the total paid-up shares of TCFP and Rengo must attend the meeting to form a quorum. (2) A resolution will be considered a special resolution when it is passed by a majority of more than three-fourths of the total number of shares of the shareholders who attend the meeting and are eligible to vote. (3) The following matters must be decided at an ordinary or extraordinary general meeting of shareholders by a special resolution: (3.1) Amending, cancelling or certifying the Memorandum of Association and the Articles of Association of TCFP (3.2) Increasing capital and issuing new shares (3.3) Reducing capital (3.4) Issuing debentures (3.5) Mergers and acquisitions (3.6) Liquidating TCFP (3.7) Election or discharge of directors and auditors (3.8) Directors and auditors' remuneration (3.9) Profit dividends or stock dividends (3.10) Transfers of TCFP's core business and any transfers or commitment for contingent liabilities on a substantial portion of assets or all assets of TCFP.
Dividend payments	The counterparty must comply with the requirements under the Civil and Commercial Code of Thailand. A portion of the income must be reserved for TCFP expansion and/or investment in accordance with TCFP policy, and TCFP must pay dividends of 50% of its net profit after tax.

Monitoring to Ensure Compliance with Corporate Governance Policies and Practices

SCGP strictly monitors its adherence to SCG Packaging's Good Governance Handbook, especially with regards to disclosure, connected transactions, acquisitions or dispositions of assets, investments and oversight of subsidiaries and associated companies, and risk management. This monitoring has revealed that SCGP has operated in accordance with related policies and practices.

In 2020, the Board of Directors organized a performance assessment of the Board of Directors, all sub-committees and the Chairman of the Board. Performance assessment of the Board of Directors and sub-committees as a whole were conducted, along with self-assessments, which were divided into five main topics: 1) Structure and qualifications of the Board of Directors/sub-committees 2) Roles, duties and responsibilities 3) Performance of duties and meetings 4) Development of directors and executives and 5) The performance of the main support department. The Corporate Governance and Nomination Committee reviews and proposes the Board of Directors for approval of the assessment forms, evaluation method, percentage calculation and assessment criteria for further improvement. The performance assessment is conducted at least once a year. The Secretary of the Corporate Governance and Nomination Committee collects, summarizes and submits the assessment results to the Corporate Governance and Nomination Committee for consideration. The results are then reported to the Board of Directors and sub-committees for their consideration along with the guidelines for further improvement on operational efficiency.

Performance assessment of the Board of Directors and sub-committees are summarized as follows:

Board of Directors/Sub-committees	Performance assessment results (As a whole) (%)	Performance assessment results (Self-assessment) (%)
1. Board of Directors	95.26	91.50
2. Audit Committee	99.78	96.13
3. Corporate Governance and Nomination Committee	97.33	96.67
4. Remuneration Committee	92.38	NA*

**Self-assessments had not yet started in 2020.*

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

In addition, SCGP has performed a self-assessment on the following four aspects of good corporate governance:

(1) Preventing Conflicts of Interest

Apart from the explicit shareholding structure, there is no cross-shareholding with major shareholders and no pyramidal shareholding structure in the group of companies, thus no conflict of interest is created between parties. The shareholding structure of SCGP and its subsidiaries is disclosed in the annual report. SCGP has monitored the implementation of its policies on preventing conflicts of interest to ensure that they are practiced to maximize SCGP's interests. In 2020, there were no conflict of interest transactions found in the monitoring results.

(2) Preventing Misuse of Internal Information

Use of insider information

SCGP monitors the use of insider information, or material information that has not yet been disclosed to the public and can lead to changes in the price or value of SCGP securities. The Board of Directors has established the Insider Information Management and IT Governance Policy so that all directors, executives and employees can perform duties and communicate correctly. The sharing of insider information must be within the limits of assigned duties and responsibilities. Public disclosure of insider information, including any communications related to insider information, must only be approved by the Chief Executive Officer, Chief Financial Officer or those who have been assigned. In 2020, there were no incidents that contradicted these policies.

Measures to prohibit trading in securities

The Board of Directors has established measures to prohibit securities trading (Blackout Period). Directors, executives (including those holding executive positions in accounting or finance as department managers or equivalent level), employees in departments related to insider information, including spouses, de facto partners, or underage children of persons who have received insider information, must not trade in the securities of SCGP or other listed companies related to the insider information for the period of one month before the disclosure of the quarterly and annual financial statements, and within 24 hours after the public disclosure of said financial statements.

In addition, directors, executives, employees in departments related to insider information, including spouses, de facto partners, or underage children of persons who have received insider information of SCGP or other listed companies related to insider information, must not trade in said companies' securities until 24 hours after the insider information has been publicly disclosed.

The Company Secretary will give prior notification regarding the Blackout Period to SCGP's directors, executives, and executives in charge of divisions relating to insider information so as to ensure that the information is not used for personal benefits. In 2020, no directors or executives traded in SCGP securities during the Blackout Period.

Reporting on holdings and changes in securities and derivatives holdings

Under the Insider Information Management and IT Governance Policy, SCGP must inform the Board of Directors and executives, including those holding managerial positions in accounting or finance (and are department managers or equivalent) of their duties regarding the preparation, disclosure and submission of reports of their holdings and changes in their securities holdings and derivatives holdings - including holdings of their spouse, de facto partner and underage children. These reports are submitted to the Securities and Exchange Commission (SEC) in accordance with the provisions of the Securities and Exchange Act, the notifications of Securities and Exchange Commission, relevant notifications of the Capital Market Supervisory Board, and relevant penalties under the law. The reports on holdings and changes in securities and derivatives holdings must be submitted to the Company Secretary before submission to the SEC Office. The Company Secretary must compile and report holdings at the Board of Directors' meeting for the Board's awareness and acknowledgment. Securities holdings and changes is one of the agenda topics at the Board of Directors' meetings.

(3) Anti-corruption

At the Board of Directors' meeting No. 211 (7/2019) on August 5, 2019, the Board of Directors approved the Anti-corruption Policy which sets out the definitions, responsibilities, guidelines and appropriate operational requirements to prevent corruption in all activities of SCGP. The Audit Committee must oversee the internal control system and the Management Committee is responsible for communicating and raising awareness of the policy among employees. SCGP has disclosed the Anti-corruption Policy on its website. (www.scgpackaging.com) under the 'Corporate Governance' section.

SCGP announced its intention to join the Thai Private Sector Collective Action Against Corruption (CAC) on December 1, 2020. SCGP is in the process of applying for certification.

In the past year, SCGP has taken the following actions against corruption:

- Raised awareness, communicated about the management's operations with honesty, and their acts as role models for all employees.
- Disseminated and explained SCG Packaing's Code of Conduct and Anti-corruption Policy to all employees through various channels such as the SCGP's website.
- Organized trainings on the Code of Conduct and Anti-corruption Policy. This included an orientation session for new employees and a Business Concept Development training to promote SCG Packaging's corporate culture.
- Cultivated awareness among all employees on actions that may create corruption risk, including how to analyze indications, assess corruption risk, create prevention systems at work, establish risk mitigation and control measures, determine responsible persons and monitor processes. SCGP also provides guidelines on how to review and evaluate risk management results for corruption prevention. In addition, the Internal Audit Office is responsible for evaluating and monitoring compliance with good governance, Code of Conduct and the Anti-corruption Policy.
- Arranged an annual ethics e-testing, which has been administered for the sixth consecutive year, to ensure employees know about and understand SCG Packaging's Code of Conduct and Anti-corruption Policy. So far, all Thai employees have passed this test.
- Communicated anti-corruption concepts to suppliers so that they can also apply principles of good citizenship and corporate governance for the benefit of their community, society and environment.
- Provided a system to receive complaints and whistleblowing as a channel to report violations of laws, regulations, SCGP's Articles of Association and the Code of Conduct.

In 2020, there were no violations of the Anti-corruption Policy.

(4) Whistleblowing

SCGP has established a mechanism to receive complaints and for whistleblowing with regards to SCGP's personnel not complying with the law, rules, regulations or Code of Conduct, or for behavior that may imply corruption. The mechanism includes appropriate

protection measures for whistleblowers in accordance with the Whistleblowing Policy. SCGP provides multiple channels for complaints: they can be made through a website, by phone, e-mail and in writing.

In 2020, ten non-compliance issues were revealed through complaints of non-compliance with the law, SCGP's regulations, the Anti-corruption Policy, Corporate Governance Policy, Four Core Values, Code of Conduct or Supplier Code of Conduct. After fact inquiries were completed for a total of 11 issues (including one from 2019), ten of which were determined as false complaints matters or matters with unclear evidence, and one was categorized as matters of non-compliance with SCGP's regulations. There were no issues regarding the Anti-corruption Policy, Antitrust Policy or Human Rights Policy, and no damages were material. Findings from the investigations were considered in determining future procedures and preventive guidelines. In addition, the Audit Committee reviewed the measures and guidelines for the prevention of corruption in various systems, fraud investigation, risk assessment, and found them suitable for ongoing business conditions.

Report on the Audit Committee's Performance in the Past Year

Meetings Attendance of Individual Audit Committee Members

Audit Committee meetings

Directors	Number of meetings attended/ Total number of meetings Jan 1 - Dec 31, 2020
1. Mrs. Kaisri Nuengsigkapian	8/8
2. Mr. Chalee Chantanayingyong	8/8
3. Mrs. Pongpen Ruengvirayudh	8/8
Total meetings in 2020	**8**
Average meeting attendance (%)	**100**

Audit Committee Performance Results

The Audit Committee independently performed its duties in accordance with the Charter of the Audit Committee, which is regularly reviewed to stay in line with the current business situation and is then approved annually by the Board of Directors.

In 2020, the Audit Committee emphasized its role in implementing digital technology in auditing, governance, strategy formulation, performance and monitoring. The annual year-end performance assessment of the Audit Committee as a whole and self-assessments were conducted and the results were satisfactory. The areas under assessment were namely the committee's structure and committee members' qualifications, roles and responsibilities, performance of duties, meeting attendance and overall contributions. The performance of the Audit Committee's secretary and the Internal Audit Office were also assessed.

In 2020, Audit Committee's essential duties included reviewing financial statements, connected transactions or transactions that may present conflicts of interest, corporate governance, the risk management assessment system, the internal control system and the internal audit. Its responsibilities also include investigating complaints and whistleblowing reports, appointing auditors and setting audit fees for 2021.

Performance of Other Sub-committees

The Board of Directors established two other sub-committees: (1) the Corporate Governance and Nomination Committee and (2) the Remuneration Committee.

Meeting Attendance of Sub-committee Members

The Corporate Governance and Nomination Committee

Directors	Number of meetings attended/ Total number of meetings Jan 1 - Dec 31, 2020
1. Mr. Chalee Chantanayingyong	5/5
2. Professor Kitipong Urapeepatanapong	5/5
3. Mr. Vibul Tuangsitthisombat*	2/2
4. Mr. Cholanat Yanaranop**	3/3
Total meetings in 2020	**5**
Average meeting attendance (%)	**100**

*Remarks: *Mr. Vibul Tuangsitthisombat was appointed to the Corporate Governance and Nomination Committee replacing Mr. Cholanat Yanaranop, effective from June 2, 2020.*
***Mr. Cholanat Yanaranop was a member of the Corporate Governance and Nomination Committee until June 2, 2020.*

The Remuneration Committee

Directors	Number of meetings attended/ Total number of meetings Jan 1 - Dec 31, 2020
1. Mr. Chumpol NaLamlieng	4/4
2. Mr. Cholanat Yanaranop	4/4
3. Mr. Vanus Taepaisitphongse*	3/3
4. Mrs. Pongpen Ruengvirayudh**	1/1
Total meetings in 2020	**4**
Average meeting attendance (%)	**100**

*Remarks: *Mr. Vanus Taepaisitphongse was appointed to the Remuneration Committee replacing Mrs. Pongpen Ruengvirayudh, effective from June 2, 2020.*
***Mrs. Pongpen Ruengvirayudh was a member of the Remuneration Committee until June 2, 2020.*

Other Sub-committees' Performance Results Determined by the Board of Directors

Performance of the Corporate Governance and Nomination Committee

In 2020, the Corporate Governance and Nomination Committee performed its duties in accordance with the Charter of the Corporate Governance and Nomination Committee, such as recommending and reviewing SCGP's corporate governance policies and practices, setting up guidelines for corporate governance development, assessing the performance of the Board of Directors, Sub-committee and the Chairman of the Board, considering the structure and composition of the Board of Directors and qualifications of directors, and nominating people to replace retiring directors in 2021.

Performance of the Remuneration Committee

In 2020, the Remuneration Committee performed its duties in accordance with the Charter of the Remuneration Committee, such as evaluating the performance of top management based on the Chief Executive Officer's recommendations, proposing guidelines and methods, and considering the remuneration of the Board of Directors and Sub-committee members by taking into account their duties and responsibilities before proposing remuneration decisions to the Board of Directors and shareholders for approval. The Remuneration Committee also considered the remuneration of the Chief Executive Officer and SCGP's top executives in accordance with their performance and SCGP's operating results to maintain industry leadership and create incentives among top executives for SCGP's further progress.

Internal Control and Related Transactions

Internal Control

The Board of Directors' Report on the Company's Internal Control System

The Board of Directors' meeting no. 224 (8/2020) was held on December 1, 2020 and was attended by all three members of the Audit Committee. The Board of Directors assessed SCGP and its subsidiaries' internal control system according to the internal control sufficiency evaluation form, which is based on the five components of the COSO 2013 internal control framework (The Committee of Sponsoring Organizations of the Treadway Commission): Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities - these have all been reviewed by the Audit Committee. The Board of Directors agreed that the internal control system of SCGP and its subsidiaries is adequate, appropriate and did not find any significant deficiencies. SCGP and its subsidiaries have provided a sufficient number of personnel to effectively comply with laws, regulations, policies, ethics, and guidelines. In addition, there is a system for controlling and supervising the operations of the Company and its subsidiaries so that assets can be protected from improper or unauthorized use by directors or executives. This includes transactions with persons who present a conflict of interest and connected persons.

In addition, SCGP has encouraged the management team, supervisors and employees to remain aware and perform their work by focusing on good governance, risk management, compliance and internal control. SCGP strives to have sufficient quality employees and an information technology system that operates in accordance with the internal control system efficiently and effectively.



In 2020, the management team approved the following principles and advocated for a better internal control system than the one used in previous years.

1. Proactive and Preventive System

The key factor enabling SCGP to achieve its goals and be sustainable is employees, who perform their duties with integrity and ethics following the Code of Conduct. In order to promote morality and ethics, SCGP has set up a Proactive and Preventive System to support the expansion of foreign and domestic investments which consists of the following:

1.1 Conducting Ethics e-Testing to promote awareness and educate employees annually on ethics, SCG Packaging four Core Values, Code of Conduct, and Anti-corruption Policy to ensure that employees can effectively put concepts into practice. In 2020, the Ethics e-Testing was administered for the sixth consecutive year, and the e-Policy e-Testing was administered for the fourth consecutive year. All employees achieved a passing score in these tests. Test answers were also analyzed, then communicated to all employees to ensure they had an accurate understanding of concepts. The test is also reviewed annually to reflect current risks. This year, there was an additional test on the Personal Data Protection Act (PDPA), Integrated Governance, Risk Management, Compliance and Internal Control (Integrated GRC).

1.2 Adopting the Three Lines Model, which is an internationally recognized approach that serves as a framework for the performance of all stakeholders, including of the governing body, management team, employees and the Internal Audit Office. The management team is the First Line role which is the most important part in driving the success and efficiency of the Three Lines Model, in terms of risk assessment, design control, monitoring and assessment. There is also need for coordination and information exchange across both the management team and the Internal Audit Office. Additionally, SCGP fosters awareness through various methods, such as assigning the top First Line person of the Company/unit to communicate with employees, and organizing workshops on the practical application and execution of the approach. The management team closely supervises the First and Second Lines and communicates with the governing body in a two-way manner.

1.3 Organizing seminars where case studies on fraud and non-compliance with laws, regulations, SCGP's policies, and SCG Packaging's Code of Conduct are discussed to raise awareness among employees and to prevent similar cases from reoccurring.

1.4 Evaluating the internal control system: this includes the operating system and information technology system for companies doing Merger & Partnership (M&P), both domestic and overseas, and reviewing the internal control system's suitability for SCGP's business operations. Recommendations on good practices, and on how to establish a Proactive and Preventive System to reduce risks in business operations are also made.

2. Integrated Governance, Risk Management, Compliance and Internal Control (Integrated GRC)

SCGP has conducted and elevated its governance, risk management, compliance and internal control practices to meet international standards (Integrated GRC), for enhancing efficiency and effectiveness, and reducing redundant activities in SCGP's operations. This is being done across activities such as governance, strategy formulation, risk management and results monitoring. Top Executive also communicates to employees the importance of adopting Integrated GRC when performing duties to achieve sustainable business growth. In addition, the GRC Helpline was introduced on SCGP's Intranet and mobile application for SCGP employees to submit their questions on best practices related to governance, risk management, compliance and internal control. These questions are then answered by experts.

3. Supervision of Operations and Compliance with Relevant Rules

SCGP has continued to conduct and implement its Compliance Policy & Guidelines, with the Compliance Management System (CMS), which is an important mechanism for efficient and effective compliance monitoring. The system has been designed to ensure that the operating processes for employees in the First Line prevent compliance risks, while the Compliance Unit (Second Line) acts as a supporting role to ensure that the operating processes are concretely implemented by educating employees, fostering awareness, providing consultations, and establishing controls to continuously prevent compliance risks on a regular basis. SCGP revised its guidelines and checklists to ensure more efficient and effective compliance with changes in business operations and SCGP's key policies – namely the Anti-trust Policy, Insider Trading Policy, and Disclosure Policy.

Furthermore, SCGP introduced a transfer and assessment system for new laws and amendments to ensure all employees remain informed of new and amended laws and are able to fully perform and timely comply with them.

4. Anti-corruption Practices

At the Board of Directors' meeting No. 211 (7/2019) on August 5, 2019, The Committee approved the Anti-corruption Policy that outlines its definition and related responsibilities, practices, and appropriate operational requirements to prevent corruption in SCGP's activities. More details on the Anti-Corruption Policy can be found on SCGP's website (www.scgpackaging.com), under the Corporate Governance heading. SCGP announced its intention to join the Thai Private Sector Collective Action Against Corruption (CAC) on December 1, 2020. It is in the process of submitting proof of being a Certified Company. In addition, SCGP has expanded this to business partners by preparing SCG Packaging's Supplier Code of Conduct. This will be used as business guidelines for all partners to collaboratively behave as good corporate citizens and follow corporate governance principles that prioritize society and the environment (other than those required by law).

5. Information Technology Governance, Data and Network Security

5.1 SCGP has appointed the IT Governance working team to be a representative of the parent company. It is responsible for establishing policies and regulations on the use of IT and communication technology (e-Policy) in accordance with ISO/IEC27001. These policies and regulations will ensure uniform IT-related



practices among SCGP employees. In 2020, the following initiatives were undertaken:

- Three additional policies: the Mobile Device and BYOD Policy, the System Acquisition Development and Maintenance Policy, and the System Access Control Policy – established to support work from home needs during the COVID-19 pandemic.

- Improved/prepared four standards: the Data Classification and Handling Standard, the Penetration Testing Standard, the Remote Access Standard and the Guidelines for Personal Data Protection and Endpoint.

5.2 SCGP has appointed the Personal Data Protection Steering Committee to examine the operations of the Company's departments, make recommendations in accordance with the data privacy law and policy, and implement Data Protection Tools – preparing relevant legal documents and applying Privacy Management Software.

5.3 Documents have been prepared to help disseminate knowledge on good internal control in the implementation/use of Robotic Process Automation (RPA).



6. Development and Promotion of Data Analytics in Business Governance

Due to the variety of information systems in SCGP, the Internal Audit Office prepared a report using Data Analytics for audits, and handed it to various departments as a tool to analyze, monitor, correct anomalies and determine prevention methods timely. The data is displayed as a graph so that users can analyze results easily and more efficiently.

7. Whistleblowing System

SCGP has developed a Whistleblowing System for employees and external stakeholders to report instances of whistleblowing and acts that do not comply with corporate governance, the Code of Conduct, regulations, laws and the Anti-Corruption Policy – this includes acts of corruption. Employees can report instances of this through the Intranet Web. External stakeholders can make reports through SCGP's website (www.scgpackaging.com), or in writing (email or posted letter). SCGP clearly stipulates procedures to handle complaints that are received: gather facts in a confidential manner, establish a fact-checking working group and an investigation committee, review and approve sanctions and report results. In addition, complainants can follow up on complaints through the system. This system promotes ethical and sustainable business operations. In terms of system security, two password layers are used. The server is also independent from other applications so as to maintain security and prevent any leakage of information.

Internal Control Monitoring

In 2020, the Internal Audit Office performed 54 audit projects in accordance with the risk-based internal audit plan, which was approved by the Audit Committee on November 25, 2019. The Internal Audit Office is responsible for assessing the adequacy of the internal control system, and monitoring issues that have been found be corrected and improved. This monitoring includes internal control system on SCGP activities in order to protect SCGP and its subsidiaries' assets from improper use, or use without authorization by directors or executives. This includes adequate control over connected transactions and transactions that may present a conflict of interest. Findings are presented to the Audit Committee for consideration and approval

before reporting them to the Board of Directors on a quarterly basis.

According to the audit results in 2020, there were no significant flaws in the internal control system. The Internal Audit Office has followed up on improvements to the internal control based on the issues that were founded. The management team had completely revised the internal control according to recommendations. In addition, the Company's auditor, KPMG Phoomchai Holdings Company Limited, reported that there were no material deficiencies that had an impact on the company's financial statements.

The Audit Committee Report

The Audit Committee gave opinions on SCGP's corporate governance, risk management, compliance and internal control in 2020. These are outlined in the Audit Committee Report, which included in the message from the Audit Committee. This is summarized as follows:

Review of Financial Statements

The Audit Committee reviewed significant data and information in quarterly and yearly financial statement of SCG Packaging Public Company Limited for the year 2020, as well as the consolidated financial statements of SCGP and its subsidiaries which were prepared in accordance with Thai Financial Reporting Standards and are in line with International Financial Reporting Standards. The Audit Committee reviewed material issues and special items, and also received clearly clarifications from the external auditor, management and Head of Internal Audit. The review was performed until ensuring that the preparation of the financial statements and the notes disclosed in the financial statements were complied with the requirement of relevant laws and financial reporting standards. The Audit Committee therefore approved the financial statements that were reviewed and audited by the auditor, as an unqualified opinion report.

Review of Connected Transactions or Transactions Which May Present a Conflict of Interest

SCGP has complied with policies and rules on entering into connected transactions. It has also made disclosures to the Stock Exchange of Thailand in a timely manner.

Review of Corporate Governance

Directors, the management team and employees strictly adhere to the Good Corporate Governance Policy and guidelines. All employees have passed the Ethics e-test, which has been conducted for the sixth consecutive year. In 2020 SCGP announced its intention to join the Thai Private Sector Collective Action Against Corruption (CAC) to cultivate implementation an anti-corruption policy.

Review of Risk Management

SCGP has the Risk Management Committee that is responsible for determining the risk management structure, responsible persons, policies, strategies, frameworks, and risk mitigation plans with a focus on emerging risks, for instance regulatory risk that prohibits or restricts the importation of recycled waste paper (which is likely to become more stringent in many countries), environmental pollution caused by plastics and plastic waste, cyber security risks, etc.

Review of Internal Control System

The Audit Committee reviewed the results of the internal control assessment for both operational and information technology systems. As reported by the Internal Audit Office, there are adequate and appropriate internal control systems for SCGP's business operations.

Internal Audit

The Audit Committee reconsiders the Audit Committee Charter and Internal Audit Charter annually. In 2020, the Internal Audit Office audited 54 projects related to operations and information technology and found no significant issues. The Internal Audit Office reviewed and adjusted audit strategies to be consistent with the COVID-19 pandemic, and New Normal situation risks by using Machine Learning (ML), Robotics Process Automation (RPA) and Data Analytics (DA) to improve the efficiency of risk analysis. Fieldwork was conducted as needed, and outsourcing was relied on for auditing in countries where the Internal Audit Office was unable to operate due to lockdown measures and the lack of local staff. The auditors' capacity was also developed to assess governance efficiency and effectiveness, risk management, regulatory and law compliance, and internal controls for both domestic and foreign subsidiaries. This included increasing their knowledge of digital tools for auditing data analysis by themselves.

Review of Complaints and Whistleblowing Cases

In 2020, there were a total of ten complaints through the whistleblowing system. 11 cases were fully investigated (including 1 complaint case from the year 2019). The Audit Committee reviewed the complaints, and found that there were no issues that come under the Anti-corruption Policy, Anti-Trust Policy or Human Rights Policy, and damages were insignificant. In addition, the Audit Committee has reviewed measures and established guidelines to prevent corruption and fraud that may occur in different business process and system, also reviewd fraud investigation for compliance purposes and risk assessment that are relevant to ongoing business conditions.

Head of Internal Audit

At the Board of Directors' meeting No. 209 (5/2019) on May 27, 2019 and at the Audit Committee meeting No. 5/2019 on October 16, 2019, the Board of Director and the Audit Committee approved the appointment of Mrs. Punpaween Sukjaroenmitr as the Internal Audit Supervisor, and for her to hold this position from June 1, 2019 until November 30, 2020.

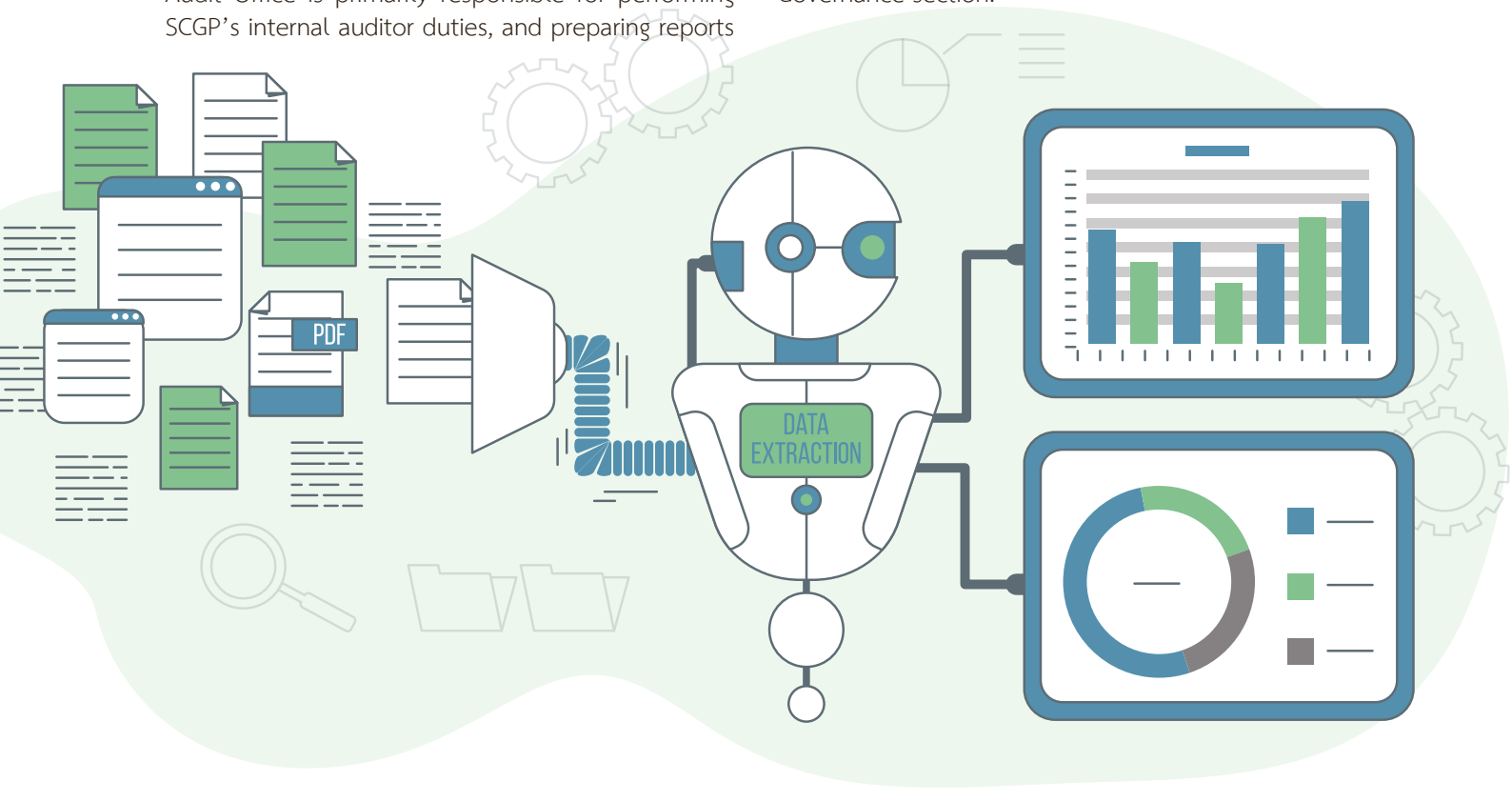
At the Audit Committee meeting No. 4/2020 on November 10, 2020, the Audit Committee approved the appointment of Ms. Panunda Sunyakon as the Internal Audit Supervisor – Internal Audit Director. The Internal Audit Office is primarily responsible for performing SCGP's internal auditor duties, and preparing reports and recommendations for the management team to make improvements, in accordance with SCGP's internal control plans and policies.

The Audit Committee has considered the qualifications of Mrs. Punpaween Sukjaroenmitr and Ms. Panadda Sanyakon, which were found to be appropriate and adequate for their duties – this includes their qualifications, educational backgrounds, experiences, and trainings they have attended to be in charge of operations. The Company has summarized the qualifications, educational backgrounds and past experiences of the Internal Audit Supervisor in the Corporate Governance section.

The appointment, removal or transfer of the person holding the Internal Auditor position at SCGP must be approved by the Audit Committee.

Head of Compliance

According to Order No. 90/2563, it was announced on September 22, 2020 that the Chief Executive Officer approved Mr. Thawatchai Wongpaisarn, the Director of Sustainability Productivity & Innovation Management, to supervise SCGP's operations and ensure they comply with laws and government policies (Compliance). This appointment has been in effect since October 1, 2020. The Company has summarized the qualifications, educational backgrounds and past experiences of the Head of Operational Supervision in the Corporate Governance section.



Related Transactions

Details of significant connected transactions between SCG Packaging Public Company Limited (SCGP) and its Subsidiaries ("the Group") and a company or a person which/who may have a potential conflict.[1]

Type of transaction/Connected companies/Relationship	Total direct/ indirect holding (%)	Amount (Baht million) 2019	2020	Pricing policy
1. Transactions with ultimate parent company [The Siam Cement Public Company Limited ("SCC")]				
- **Purchases from the Group**		17	12	Market price applied with third party transactions
- **Intellectual properties fees**		272	263	Based on percentage of revenue from sales
- **Interest received from the Group**		1,256	254	Agreed interest rate
- **Service income charged to the Group**		882	828	Cost plus margin method comparable
2. Transactions with associates				
- **Sales to the Group**		295	254	Market price applied with third party transactions
Siam Nippon Industrial Paper Co., Ltd.	31	189	173	
Siam Toppan Packaging Co., Ltd.	49	106	81	
- **Purchases from the Group**		669	361	Market price applied with third party transactions
Siam Toppan Packaging Co., Ltd.	49	233	219	
Siam Nippon Industrial Paper Co., Ltd.	31	417	122	
Saha Green Forest Co., Ltd.	17	19	20	
- **Service income charged to the Group**		12	13	Market price applied with third party transactions
P&S Holdings Corporation	40	12	13	
- **Interest paid to the Group**		6	6	Agreed interest rate
- **Guarantees by the Group (as at 31 December)**		264	198	Contract rate
Siam Nippon Industrial Paper Co., Ltd.	31	264	198	
3. Transactions with subsidiaries of SCC				
- **Sales to the Group**		7,027	6,115	Market price applied with third party transactions
SCG International Corporation Co., Ltd.		5,453	4,501	
SCG International Vietnam Co., Ltd.		464	481	
SCG International (Philippines) Corporation Co., Ltd.		471	343	
SCG Performance Chemicals Co., Ltd.		249	250	
SCG International USA Inc.		94	183	
Rayong Olefins Co., Ltd.		99	71	
SCG Cement Co., Ltd.		15	64	
SCG International Australia Pty. Ltd.		-	56	
Siam Fibre-Cement Co., Ltd.		32	46	

Type of transaction/Connected companies/Relationship	Total direct/ indirect holding (%)	Amount (Baht million) 2019	2020	Pricing policy
PT SCG International Indonesia		91	25	
The Siam Refractory Industry Co., Ltd.		25	24	
The Concrete Products and Aggregate Co., Ltd.		10	13	
Siam Sanitary Ware Co., Ltd.		-	13	
SCG Plastics Co., Ltd.		-	14	
Nawa Intertech Co., Ltd.		-	11	
SCG International Hong Kong Limited		-	7	
SCG Landscape Co., Ltd.		8	-	
- **Purchases from the Group**		2,672	2,034	Market price applied with third party transactions
SCG International Corporation Co., Ltd.		1,415	1,193	
Siam Fiber Cement Group Co., Ltd.		45	172	
SCG International Vietnam Co., Ltd.		346	164	
PT SCG International Indonesia		240	82	
SCG Ceramics Public Company Limited		72	73	
Nawaplastic Industries Co., Ltd.		65	68	
Siam Sanitary Ware Industry Co., Ltd.		56	47	
Siam Cement (Kaeng Khoi) Co., Ltd.		18	40	
Sosuco Ceramic Co., Ltd.		40	33	
Siam Cement (Ta Luang) Co., Ltd.		13	30	
Prime Group Joint Stock Company		43	29	
PT Siam-Indo Gypsum Industry		17	25	
Siam Sanitary Ware Industry (Nong Khae) Co., Ltd.		30	23	
Siam Cement (Thung Song) Co., Ltd.		-	14	
The Siam Fibre-Cement Co., Ltd.		149	-	
SCG Logistics Management Co., Ltd.		50	-	
SCG Cement-Building Materials Co., Ltd.		11	-	
Panel World Co., Ltd.		7	-	
- **Service income charged to the Group**		2,805	2,268	Market price applied with third party transactions
SCG Logistics Management Co., Ltd.		2,023	1,630	
SCG International Vietnam Co., Ltd.		376	361	
SCI Eco Services Co., Ltd.		219	181	
SCG Legal Counsel Limited		30	33	
SCG Vietnam Co., Ltd.		12	12	
SCG Learning Excellence Co., Ltd.		35	10	
Texplore Co., Ltd.		37	9	

Type of transaction/Connected companies/Relationship	Total direct/ indirect holding (%)	Amount (Baht million) 2019	2020	Pricing policy
SCG Skill Development Co., Ltd.		-	8	
SCG Cement-Building Products Co., Ltd.		37	-	
Siam Sanitary Ware Co., Ltd.		14	-	
- Interest paid to the Group		2	-	Agreed interest rate
- Interest received from the Group		7	1	Agreed interest rate
PT SCG Indonesia		7	1	
4. Transactions with associates of SCC				
- Sales to the Group		151	164	Market price applied with third party transactions
Siam Synthetic Latex Co., Ltd.		99	117	
Siam Tohcello Co., Ltd.		46	46	
- Purchases from the Group		792	602	Market price applied with third party transactions
Siam Gypsum Industry (Saraburi) Co., Ltd.		545	417	
Siam Gypsum Industry (Songkhla) Co., Ltd.		89	56	
Thai MFC Co., Ltd.		79	44	
Siam Polyethylene Co., Ltd.		25	35	
Siam Synthetic Latex Co., Ltd.		17	17	
Siam Kubota Corporation Co., Ltd.		18	13	
Siam Polystyrene Co., Ltd.		12	10	
- Service income charged to the Group		84	110	Market price applied with third party transactions
IT One Co., Ltd.		83	94	
Green Siam Resources Corporation		-	16	
5. Transactions with other companies of which SCC's executives hold director titles				
- Purchases from the Group		43	49	Market price applied with third party transactions
Asia Cement Public Company Limited		41	48	
6. Transactions with other companies which have directors or major shareholders or controlling persons in common[2]				
- Sales / Service income charged to the Group		59	369	Market price applied with third party transactions
The Deves Insurance Public Company Limited		58	190	
SCB Securities Co., Ltd.		-	154	
Baker and McKenzie Co., Ltd.		1	24	
- Purchases / Service expenses and others charged by the Group		312	300	Market price applied with third party transactions
Cargill Meats (Thailand) Limited		142	125	
Better Food Co., Ltd.		43	51	
Betagro Agro Industry Co., Ltd.		45	44	
B. Foods Product International Co., Ltd.		21	20	

Type of transaction/Connected companies/Relationship	Total direct/ indirect holding (%)	Amount (Baht million) 2019	2020	Pricing policy
Nan Yang Garment Co., Ltd.		28	18	
Ajinomoto Betagro Frozen Foods (Thailand) Co., Ltd.		17	17	
Buono (Thailand) Public Company Limited		6	9	
Betagro MF Deli Co., Ltd.		6	8	
- Interest paid to the Group				
The Siam Commercial Bank Public Company Limited		1	2	Agreed interest rate
- Interest received from the Group				
The Siam Commercial Bank Public Company Limited		18	31	Agreed interest rate
- Service fee and others charged to the Group				
The Siam Commercial Bank Public Company Limited		9	134	Contract rate
- Deposits of the Group (as at 31 December)				
The Siam Commercial Bank Public Company Limited		252	1,838	Agreed interest rate
- Loans to the Group (as at 31 December)				
The Siam Commercial Bank Public Company Limited		274	3,224	Agreed interest rate
- Forward exchange contracts (as at 31 December)				
The Siam Commercial Bank Public Company Limited		1,014	888	Contract rate

[1] *List the details by companies with transaction value greater than or equal to 0.01% of Net Tangible Asset (NTA).*

[2] *Conforming to the instruction manual of form 56-1 One Report preparation.*

Necessity and Reasonableness of Related Transactions

The Audit Committee has reviewed the related transactions that occurred during the fiscal year that ended on December 31, 2020, as detailed above. Necessary items are conditions and prices that are fair, appropriate and/or equal to arm's length transactions, and have been approved in accordance with the company's policy before carrying out the transaction.

Related Transactions that Present a Conflict of Interest

SCGP will continue to conduct related transactions with connected persons in the future. These will mainly include normal business and support transactions. If SCGP has connected transactions in the future, SCGP and Group companies will take the following actions:

(1) SCGP must consider the connected transaction. SCGP will use the same pricing criteria and trade agreements as that it uses with general counterparties. It will ensure that the transaction terms and conditions are fair, reasonable and support SCGP's interests.

(2) The prices of goods or services must align with standard prices, as there are many buyers and sellers on the market. SCGP should find information on characteristics, prices and standards on the market and compare them with its connected transactions.

(3) If goods or services are unique or customized, SCGP will not be able to compare their prices with others on the market. SCGP must therefore demonstrate that the gross profit margin from the connected transaction is not different from other transactions, including trading, with other partners.

(4) SCGP may use the independent appraisal report listed in the Securities and Exchange Commission's list, which is compiled by SCGP or Group companies to compare important connected transaction prices to ensure that prices are fair, reasonable and support SCGP's interests.

(5) Directors, executives, or related persons may enter into transactions with SCGP or its subsidiaries if they are approved at the shareholders' meeting. Unless it is a trade agreement, transactions will follow the same processes as transactions between prudent person and general counterparties that are in the same situation. There is no trade bargaining power without the influence or presence of a director, executive or related person. Trade agreements must be approved by the Board of Director or in accordance with principles that have already been approved by the Board of Director. Depending on the size of the transaction, it may or may not need to be approved at the shareholders' meeting.

(6) If SCGP has related transactions or connected transactions that fall under the criteria of entering into connected transactions, SCGP must strictly adhere to the above rules.

(7) SCGP must disclose information on transactions that may present a conflict of interest, connected transactions or related transactions, in accordance with the rules set by the Securities and Exchange Commission and the Stock Exchange. This information must be disclosed in the annual registration statement, annual reports or other reports. SCGP must also prepare details on connected transactions that are in line with the audit program, and related transactions according to accounting standards. Such information must also be given to the Stock Exchange, following the Stock Exchange's regulations. The Internal Audit Office must report to the Audit Committee, and propose control measures, as well as supervise and perform random reviews of actual transactions to ensure accuracy and compliance with specific contracts, policies or conditions.





RESILIENCE FOR THE QUALITY GROWTH

SCGP

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Financial Report 2020

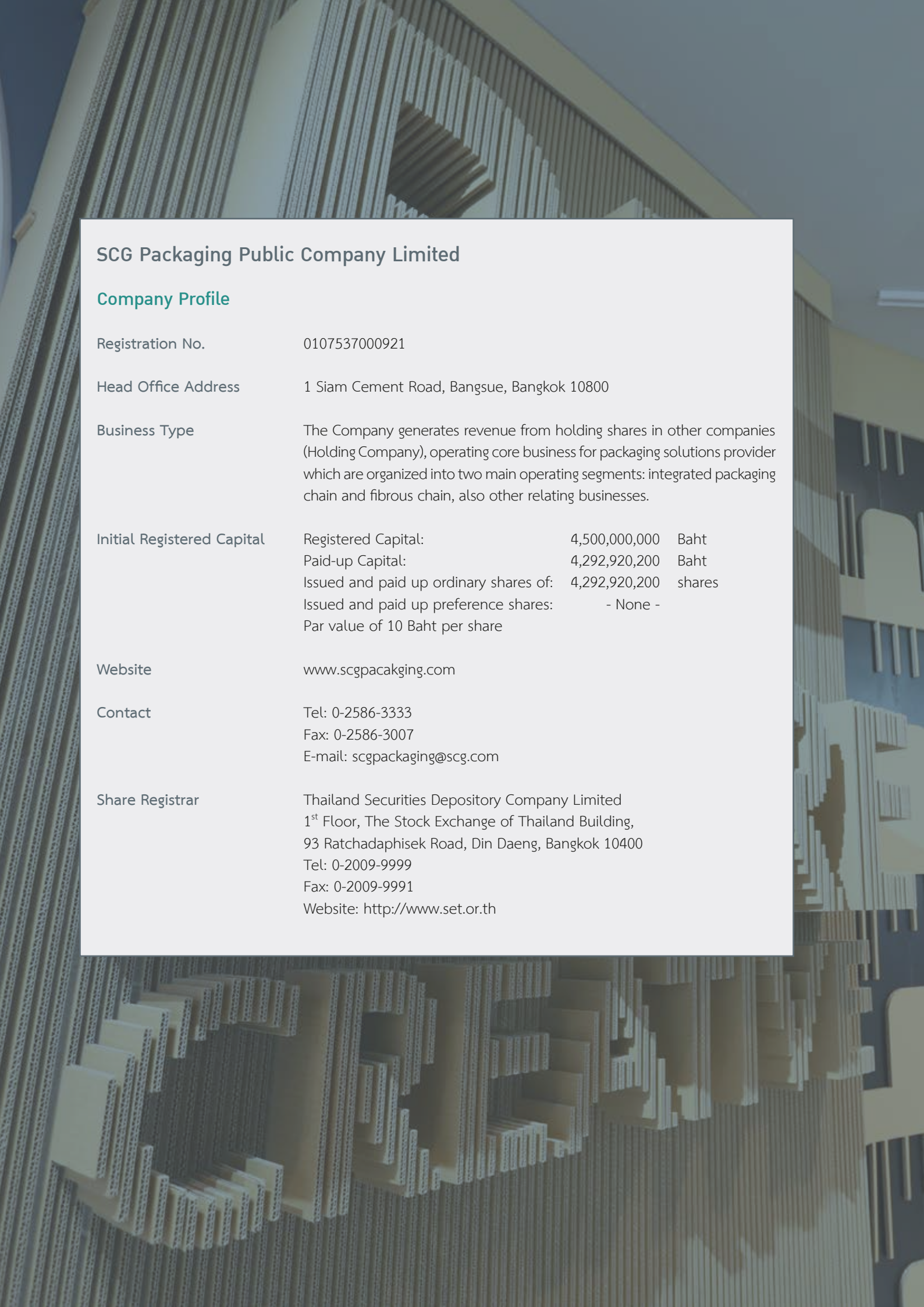
(Form 56-1 One Report)

SCG Packaging Public Company Limited



RESILIENCE FOR THE QUALITY GROWTH

SCGP



SCG Packaging Public Company Limited

Company Profile

Registration No.	0107537000921
Head Office Address	1 Siam Cement Road, Bangsue, Bangkok 10800
Business Type	The Company generates revenue from holding shares in other companies (Holding Company), operating core business for packaging solutions provider which are organized into two main operating segments: integrated packaging chain and fibrous chain, also other relating businesses.
Initial Registered Capital	Registered Capital: 4,500,000,000 Baht Paid-up Capital: 4,292,920,200 Baht Issued and paid up ordinary shares of: 4,292,920,200 shares Issued and paid up preference shares: - None - Par value of 10 Baht per share
Website	www.scgpacakging.com
Contact	Tel: 0-2586-3333 Fax: 0-2586-3007 E-mail: scgpackaging@scg.com
Share Registrar	Thailand Securities Depository Company Limited 1st Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Din Daeng, Bangkok 10400 Tel: 0-2009-9999 Fax: 0-2009-9991 Website: http://www.set.or.th

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Report on the Board of Directors' responsibilities for financial statement

The Board of Directors of SCG Packaging Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financia reporting standards under the Accounting Act B.E.2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 and its amendments. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the audito 's report.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is confident that the internal control system and the internal audit of the Company provide credibility and reliability that the separate financial statements and consolidated financial statements of SCG Packaging Public Company Limited and its subsidiaries for the year ended December 31, 2020 represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards.

(Mr. Prasarn Trairatvorakul)
Chairman

(Mr. Wichan Jitpukdee)
Chief Executive Office

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Independent auditor's report

To the Shareholders of SCG Packaging Public Company Limited

Opinion

I have audited the consolidated financial statements of SCG Packaging Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated income statement and statement of comprehensive income, changes in shareholders' equity and cash flows for year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020, its financial performance and cash flows for year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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.

KPMG

The acquisitions of business	
Refer to Notes 2, 4 (a) and 5 to the financial statements.	
The key audit matter	**How the matter was addressed in the audit**
The Group acquired company in abroad. These result in the increase in production capacity, customer base in region, and competitive advantages of the Group. The accounting for the business acquisition is material, complex and requires management to make significant judgments on identifying and determining the fair values of assets acquired and liabilities assumed from a business acquisition comparing with the consideration transferred to the seller, resulting in the differences that give rise to goodwill recognition. The Group engaged independent appraisers to determine the fair values of assets acquired and liabilities assumed from a business acquisition. Therefore, this is an area of focus in my audit.	My audit procedures focused on assessing the reasonableness of the key assumptions used to determine the fair values of assets acquired and liabilities assumed from a business acquisition with reference to its operating environment, my knowledge of the acquired business and industry, and other information obtained during the audit. The audit procedures included a combination of inquiry of management about the nature and objective for a business acquisition, inspecting share transfer agreement and relevant minutes of meetings of management in order to understand the significant terms and conditions, and the features relevant to the acquisition accounting. I consulted with KPMG valuation specialists when considering the appropriateness of the valuation methodology and approach. I evaluated the appropriateness of identifying assets acquired and liabilities assumed from a business acquisition by management, including the consideration transferred to the seller. I examined the relevant purchase and disbursement documents. I verified the mathematical accuracy of calculation of goodwill. In addition, I evaluated the independence and professional competence of the independent appraisers engaged by the Group. I also considered the adequacy of the Group's disclosures in accordance with the financial reporting standard.

KPMG

The impairment testing of goodwill	
Refer to Notes 2, 4 (i), and 13 to the financial statements.	
The key audit matter	**How the matter was addressed in the audit**
Business risk arising from internal and external factors causes the management to pay more attention to impairment testing of goodwill arising from business acquisition, especially from the acquisition of foreign businesses. Besides this, according to the financial reporting standard, the Group performs an impairment testing on goodwill derived from business combination on an annual basis and whenever an indication of impairment exists. This requires management's judgments and estimates in determining the recoverable amount of cash generating unit, in particular the forecasting of future cash flows from business plan and its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.	My audit procedures focused on assessing the reasonableness of the key assumptions used to evaluate the recoverable amount of cash generating unit and impairment indicator. I evaluated the appropriateness of identification of the CGU by management to which goodwill belongs, reasonableness and tested key assumptions which supported discounted cash flows projection, appropriateness of the valuation methodology and discount rate by management concerning market situations and operating environment, industry knowledge and other information obtained during the audit. I tested the mathematical accuracy of the recoverable amount and impairment calculations. Moreover, I evaluated the reasonableness of the forecasting of financial performances by comparing historical estimation to the actual operating results. I also considered the adequacy of the Group's disclosures in accordance with the financial reporting standard.

KPMG

The impairment testing of property, plant and equipment	
Refer to Notes 2, 4 (h), and 11 to the financial statements.	
The key audit matter	**How the matter was addressed in the audit**
The management assessed the indication of impairment requiring impairment testing of property, plant and equipment of the Group. The management focused on the businesses which performance was consistently below expectations. The impairment testing of property, plant and equipment is considered to be a key risk area due to the fact that it involves significant judgment by management to identify whether there is any indication of impairment and to consider the recoverable amount. Judgmental aspects include estimates and assumptions in respect of the forecasting of future cash flows along with its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.	My audit procedures focused on assessing the reasonableness of impairment indicator and the key assumptions which underpin management's forecast. I evaluated the appropriateness of identification of the CGU by management and valuation methodology, reasonableness of impairment indicator with reference to current market situations and operating environment, industry knowledge, and other information obtained during the audit. I tested significant assumptions which supported discounted cash flows projection by comparing the key assumptions with internal and external sources of information, appropriateness of the valuation methodology, discount rate and sensitivity analysis to determine the effect of changes in the significant assumptions by management concerning recent performance, trend analysis, and tested the mathematical accuracy of the recoverable amount and impairment calculations. Moreover, I evaluated the reasonableness of the forecasting of financial performances by comparing historical forecasts to the actual operating results. I also considered the adequacy of the Group's disclosures in accordance with the financial reporting standard.

Emphasis of Matter

I draw attention to Note 5. The Group acquired a business in Vietnam during the year ended 31 December 2020 and engaged an independent appraiser to determine the fair value of the identifiable assets acquired and liabilities assumed from the business acquisitions. As at the reporting date, the appraisal has not yet been completed therefore the determination of the fair value was determined provisionally and is subject to adjustment. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

KPMG

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Thanyalux Keadkeaw)
Certified Public Accountant
Registration No. 8179

KPMG Phoomchai Audit Ltd.
Bangkok
16 February 2021

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2020

Assets	*Note*	2020	2019
		(in thousand Baht)	
Current assets			
Cash and cash equivalents	*7*	31,255,702	4,393,845
Short-term investments		1,629,897	565,508
Trade and other current receivables	*6, 31*	16,334,040	15,198,020
Advance payment for assets		806,887	1,715,782
Short-term loans to related parties	*6*	-	4,601
Inventories	*8*	12,760,100	13,276,136
Other current assets		132,291	229,431
Total current assets		**62,918,917**	**35,383,323**
Non-current assets			
Investments in equity instrument		6,152	16,192
Investments in associates	*9*	822,620	770,754
Other non-current receivables		603,334	980,633
Investment property	*10*	144,183	187,400
Property, plant and equipment	*11, 12*	87,271,287	82,863,567
Goodwill	*13*	18,623,670	17,612,266
Other intangible assets	*13*	812,571	814,032
Deferred tax assets	*14*	971,601	744,955
Others non-current assets		254,545	139,923
Total non-current assets		**109,509,963**	**104,129,722**
Total assets		**172,428,880**	**139,513,045**

For and on behalf of the Board of Directors

(Mr. Prasarn Trairatvorakul)
Chairman

(Mr. Wichan Jitpukdee)
Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2020

Liabilities and shareholders' equity	*Note*	2020	2019
		(in thousand Baht)	
Current liabilities			
Bank overdrafts and short-term borrowings from financial institutions	*16*	15,080,050	7,131,509
Trade and other current payables	*6, 17*	10,365,118	10,058,564
Current portion of long-term borrowings from financial institutions	*16*	16,302,161	2,183,635
Current portion of lease liabilities	*16*	426,936	87,801
Short-term borrowings from related parties	*6*	-	33,827,196
Corporate income tax payable		887,582	604,793
Other current liabilities		174,838	120,546
Total current liabilities		**43,236,685**	**54,014,044**
Non-current liabilities			
Long-term borrowings from financial institutions	*16*	12,051,646	16,318,425
Lease liabilities	*16*	1,066,814	35,337
Deferred tax liabilities	*14*	2,403,658	2,873,568
Non-current provisions for employee benefits	*18*	3,598,083	3,375,357
Other non-current liabilities		231,212	80,319
Total non-current liabilities		**19,351,413**	**22,683,006**
Total liabilities		**62,588,098**	**76,697,050**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of financial position

As at 31 December 2020

Liabilities and shareholders' equity	*Note*	2020	2019
		(in thousand Baht)	
Shareholders' equity			
Share capital	*19*		
Authorized share capital			
- Ordinary share		**4,500,000**	**4,500,000**
Issued and paid share capital			
- Ordinary share		4,292,920	3,126,000
Share premium	*20*	40,860,245	1,935,000
Retained earnings			
Appropriated			
Legal reserve		337,700	218,600
General reserve		3,000	3,000
Unappropriated		46,836,323	41,929,779
Other components of shareholders' equity	*20*	(3,592,371)	(4,260,330)
Total equity attributable to owners of the parent		**88,737,817**	**42,952,049**
Non-controlling interests	*21*	21,102,965	19,863,946
Total shareholders' equity		**109,840,782**	**62,815,995**
Total liabilities and shareholders' equity		**172,428,880**	**139,513,045**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated income statement

For the year ended 31 December 2020

	Note	2020	2019
		(in thousand Baht)	
Revenue from sales	*6*	92,785,968	89,069,867
Cost of sales	*6*	(73,332,592)	(71,651,345)
Gross profit		**19,453,376**	**17,418,522**
Gain on exchange rate		-	250,086
Other income	*6*	602,365	713,740
Profit before expenses		**20,055,741**	**18,382,348**
Distribution costs	*6, 23*	(5,148,777)	(4,800,607)
Administrative expenses	*6, 24*	(4,991,736)	(4,425,364)
Employee benefit expense from the amended severance pay of the Labor Law	*25*	-	(527,368)
Loss on exchange rate		(222,208)	-
Total expenses		**(10,362,721)**	**(9,753,339)**
Profit from operations		**9,693,020**	**8,629,009**
Finance costs	*26*	(1,451,881)	(1,741,429)
Share of profit of associates accounted for using equity method	*9*	66,384	52,728
Profit before income tax		**8,307,523**	**6,940,308**
Tax expense	*27*	(1,001,605)	(1,049,048)
Profit for the year		**7,305,918**	**5,891,260**
Profit attributable to			
Owners of the parent		**6,457,475**	**5,268,511**
Non-controlling interests	*21*	848,443	622,749
		7,305,918	**5,891,260**
Basic earnings per share (in Baht)			
Attributable to owners of the parent	*29*	**1.95**	**1.69**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of comprehensive income

For the year ended 31 December 2020

	Note	2020	2019
		(in thousand Baht)	
Profit for the year		**7,305,918**	**5,891,260**
Other comprehensive income			
Components of other comprehensive income			
that will be reclassified to profit or loss			
Exchange differences on translating financial statement		(408,129)	(1,146,562)
Components of other comprehensive income			
that will not be reclassified to profit or loss			
Defined benefit plan actuarial losses	*18*	(159,063)	(200,672)
Share of other comprehensive income of associates accounted for using equity method	*9*	(4,184)	118
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	*27*	34,478	38,683
Total components of other comprehensive income that will not be reclassified to profit or loss		**(128,769)**	**(161,871)**
Other comprehensive income for the year, net of tax		**(536,898)**	**(1,308,433)**
Total comprehensive income for the year		**6,769,020**	**4,582,827**
Total comprehensive income attributable to			
Owners of the parent		**6,110,723**	**4,332,205**
Non-controlling interests		658,297	250,622
		6,769,020	**4,582,827**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2020

							Other components of shareholders' equity				
							Other comprehensive income				
				Retained earnings							
				Appropriated		Unappropriated	Exchange differences on translating financial statement	Changes in other components from shareholders	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
	Note	Issued and paid share capital	Share premium	Legal reserve	General reserve						
						(in thousand Baht)					
Balance at 1 January 2019		**1,563,000**	**1,935,000**	**156,300**	**3,000**	**40,145,205**	**(2,083,560)**	**(1,278,308)**	**40,440,637**	**12,819,094**	**53,259,731**
Transactions with owners, recorded directly in shareholders' equity											
Contributions by and distributions to owners of the parent											
Stock dividends	*19, 30*	1,563,000	-	-	-	(1,563,000)	-	-	-	-	-
Dividends	*30*	-	-	-	-	(1,736,667)	-	-	(1,736,667)	(230,850)	(1,967,517)
Total contributions by and distributions to owners of the parent		**1,563,000**	**-**	**-**	**-**	**(3,299,667)**	**-**	**-**	**(1,736,667)**	**(230,850)**	**(1,967,517)**
Changes in ownership interests in subsidiaries											
Changes that do not result in a loss of control		-	-	-	-	-	-	(84,126)	(84,126)	95,267	11,141
Changes that result in an acquisition or a loss of control	*5*	-	-	-	-	-	-	-	-	6,929,813	6,929,813
Total changes in ownership interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**(84,126)**	**(84,126)**	**7,025,080**	**6,940,954**
Total transactions with owners, recorded directly in shareholders' equity		**1,563,000**	**-**	**-**	**-**	**(3,299,667)**	**-**	**(84,126)**	**(1,820,793)**	**6,794,230**	**4,973,437**
Comprehensive income for the year											
Profit or loss		-	-	-	-	5,268,511	-	-	5,268,511	622,749	5,891,260
Other comprehensive income		-	-	-	-	(121,970)	(814,336)	-	(936,306)	(372,127)	(1,308,433)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**5,146,541**	**(814,336)**	**-**	**4,332,205**	**250,622**	**4,582,827**
Transfer to legal reserve		-	-	62,300	-	(62,300)	-	-	-	-	-
Balance at 31 December 2019		**3,126,000**	**1,935,000**	**218,600**	**3,000**	**41,929,779**	**(2,897,896)**	**(1,362,434)**	**42,952,049**	**19,863,946**	**62,815,995**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2020

					Retained earnings		*Other components of shareholders' equity*					
							Other comprehensive income					
				Appropriated		Unappropriated						
	Note	Issued and paid share capital	Share premium	Legal reserve	General reserve		Exchange differences on translating financial statement	Loss on investments in equity instruments measured at fair value	Changes in other components from shareholders	Total equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
							(in thousand Baht)					
Balance at 31 December 2019 - as reported		**3,126,000**	**1,935,000**	**218,600**	**3,000**	**41,929,779**	**(2,897,896)**	**-**	**(1,362,434)**	**42,952,049**	**19,863,946**	**62,815,995**
Impact of changes in accounting policies	*3*	-	-	-	-	(10,477)	-	(7,713)	-	(18,190)	(2,432)	(20,622)
Balance at 1 January 2020		**3,126,000**	**1,935,000**	**218,600**	**3,000**	**41,919,302**	**(2,897,896)**	**(7,713)**	**(1,362,434)**	**42,933,859**	**19,861,514**	**62,795,373**
Transactions with owners, recorded directly in shareholders' equity												
Contributions by and distributions to owners of the parent												
Issue of ordinary share	*19*	1,166,920	38,925,245	-	-	-	-	-	-	40,092,165	-	40,092,165
Dividends	*30*	-	-	-	-	(1,312,920)	-	-	-	(1,312,920)	(666,535)	(1,979,455)
Total contributions by and distributions to owners of the parent		**1,166,920**	**38,925,245**	**-**	**-**	**(1,312,920)**	**-**	**-**	**-**	**38,779,245**	**(666,535)**	**38,112,710**
Changes in ownership interests in subsidiaries												
Changes that do not result in a loss of control	*5*	-	-	-	-	-	-	-	913,990	913,990	1,171,632	2,085,622
Changes that result in an acquisition or a loss of control	*5*	-	-	-	-	-	-	-	-	-	78,057	78,057
Total changes in ownership interests in subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**913,990**	**913,990**	**1,249,689**	**2,163,679**
Total transactions with owners, recorded directly in shareholders' equity		**1,166,920**	**38,925,245**	**-**	**-**	**(1,312,920)**	**-**	**-**	**913,990**	**39,693,235**	**583,154**	**40,276,389**
Comprehensive income for the year												
Profit or loss		-	-	-	-	6,457,475	-	-	-	6,457,475	848,443	7,305,918
Other comprehensive income		-	-	-	-	(108,434)	(238,318)	-	-	(346,752)	(190,146)	(536,898)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**6,349,041**	**(238,318)**	**-**	**-**	**6,110,723**	**658,297**	**6,769,020**
Transfer to legal reserve		-	-	119,100	-	(119,100)	-	-	-	-	-	-
Balance at 31 December 2020		**4,292,920**	**40,860,245**	**337,700**	**3,000**	**46,836,323**	**(3,136,214)**	**(7,713)**	**(448,444)**	**88,737,817**	**21,102,965**	**109,840,782**

The accompanying notes are an integral part of these financial statements

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2020

	2020	2019
	(in thousand Baht)	
Cash flows from operating activities		
Profit for the year	7,305,918	5,891,260
Adjustments for		
Tax expense	1,001,605	1,049,048
Depreciation and amortization	7,183,177	5,990,773
Expected credit loss (reversal)	(6,245)	32,264
Loss on inventories devaluation (reversal)	(34,590)	93,441
Employee benefit expense	352,135	832,147
Loss (gain) on foreign currency exchange	350,106	(164,169)
Share of profit of associates accounted for using equity method	(66,384)	(52,728)
Loss on impairment of assets	-	36,623
Loss (gain) on sales of property, plant and equipment	3,511	(277,002)
Interest income	(217,369)	(114,132)
Interest expense	1,386,550	1,650,495
Cash flows generated from operations before changes in operating assets and liabilities	**17,258,414**	**14,968,020**
Decrease (increase) in operating assets		
Trade and other current receivables	(646,040)	2,421,719
Inventories	724,890	2,199,320
Other assets	(252,725)	57,185
Net decrease (increase) in operating assets	**(173,875)**	**4,678,224**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020	2019
		(in thousand Baht)	
Increase (decrease) in operating liabilities			
Trade and other current payables		227,803	(1,984,926)
Provision for employee benefits		(280,786)	(139,040)
Other liabilities		185,729	65,816
Net increase (decrease) in operating liabilities		**132,746**	**(2,058,150)**
Net cash flows generated from operations		**17,217,285**	**17,588,094**
Income tax paid		(1,488,611)	(1,573,937)
Net cash flows provided by operating activities		**15,728,674**	**16,014,157**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	*5*	(2,707,501)	(24,022,251)
Short-term investments		(480,705)	(715,963)
Proceeds from sales of property, plant and equipment		22,627	520,723
Acquisition of property, plant and equipment		(7,568,057)	(7,914,253)
Acquisition of intangible assets		(157,596)	(87,290)
Proceed from repayment to related party		4,523	206,894
Dividends received		7,739	11,832
Interest received		206,540	110,056
Net cash flows used in investing activities		**(10,672,430)**	**(31,890,252)**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020	2019
		(in thousand Baht)	
Cash flows from financing activities			
Proceeds from issue of shares	*19*	40,092,165	-
Proceeds from changes in ownership interests			
in subsidiaries that do not result in a loss of control	*5*	2,557,172	193,777
Payments of changes in ownership interests			
in subsidiaries that do not result in a loss of control	*5*	(547,469)	(192,187)
Proceeds from (payments of) borrowings			
Increase in bank overdrafts and short-term borrowings			
from financial institutions		7,734,053	36,317
Increase (decrease) in short-term borrowing			
from related parties		(33,825,986)	10,415,065
Proceeds from long-term borrowings			
from financial institutions		15,327,851	13,136,727
Payments of long-term borrowings			
from financial institutions		(5,652,253)	(1,576,976)
Payments of lease liabilities		(490,137)	(65,136)
Net increase (decrease) in borrowings		**(16,906,472)**	**21,945,997**
Dividends paid			
Dividends paid to owners of the parent		(1,312,920)	(1,736,667)
Dividends paid to non-controlling interests		(666,535)	(221,294)
Total dividends paid		**(1,979,455)**	**(1,957,961)**
Interest paid and front-end fee		(1,426,178)	(1,732,722)
Net cash flows provided by financing activities		**21,789,763**	**18,256,904**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

These notes form an integral part of the consolidated financial statements.

The consolidated financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 16 February 2021.

1 General information

SCG Packaging Public Company Limited, the "Company", is a company incorporated in Thailand.

The Company's registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited. It was incorporated in Thailand.

SCG Packaging Public Company Limited ("The Company") and its subsidiaries (the "Group") are a comprehensive packaging solutions providers comprising of two main operating businesses (1) Integrated Packaging Chain; and (2) Fibrous Chain.

Details of the Company' s subsidiaries, which have significant operations and were included in the consolidated financial statements, are as follows:

	2020	2019
	Direct / Indirect Holding (%)	
Registered in Thailand		
Siam Kraft Industry Co., Ltd.	100	100
SCGP Excellence Training Center Co., Ltd.	100	100
SCG Paper Energy Co., Ltd.	100	100
SCGP Solutions Co., Ltd.	100	100
SCGP Rigid Plastics Co., Ltd.	100	100
Thai Cane Paper Public Company Limited	98.20	98.20
Visy Packaging (Thailand) Limited	80	80
Precision Print Co., Ltd.	75	75
Thai Containers Group Co., Ltd.	70	70
Thai Containers Khonkaen Co., Ltd.	70	70
Thai Containers Rayong Co., Ltd.	70	70
Dyna Packs Co., Ltd. *	70	70
Orient Containers Co., Ltd.	70	70
D-In Pack Co., Ltd. *	70	70
Phoenix Pulp & Paper Public Company Limited	69.58	69.58
Phoenix Utilities Co., Ltd.	69.58	69.58
Thai Paper Co., Ltd.	69.58	69.58
The Siam Forestry Co., Ltd.	69.58	69.58
Thai Union Paper Public Company Limited **	69.55	69.55

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	2020	2019
	Direct / Indirect Holding (%)	
TC Flexible Packaging Co., Ltd.	52.50	52.50
Prepack Thailand Co., Ltd.	52.38	37.80
SCGP-T Plastics Co., Ltd.	51	51
Tawana Container Co., Ltd.	50.40	50.40
Conimex Co., Ltd.	38.25	38.25
Registered in Philippines		
United Pulp and Paper Co., Inc.	74.77	99.70
Registered in Vietnam		
Vina Kraft Paper Co., Ltd.	70	70
New Asia Industries Co., Ltd.	70	70
Alcamax Packaging (Vietnam) Co., Ltd.	70	70
AP Packaging (Hanoi) Co., Ltd.	70	70
Packamex (Vietnam) Co., Ltd.	70	70
Bien Hoa Packaging Joint Stock Company	65.88	-
Tin Thanh Packing Joint Stock Company	52.49	47.24
Registered in Singapore		
SCGP Solutions (Singapore) Pte. Ltd.	100	100
TCG Rengo (S) Limited**	70	70
TCG Solutions Pte.Ltd.	70	-
Registered in Indonesia		
PT Indocorr Packaging Cikarang	70	70
PT Indoris Printingdo	69.97	69.97
PT Primacorr Mandiri	67.90	67.90
PT Fajar Surya Wisesa Tbk.	55.24	55.24
PT Dayasa Aria Prima	55.24	55.24
Registered in Malaysia		
Interpress Printers Sendirian Berhad	68.30	68.30

* Currently in the liquidation process due to the transfer of entire business to Orient Containers Co., Ltd. on 1 November 2020 and registered the dissolution with the Department of Business Development, Ministry of Commerce on 22 December 2020.

** Currently in the liquidation process.

Most of the above subsidiaries were established in Thailand unless otherwise stated. There was no material change in the percentage of holding from 2019, except as discussed in note 5.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

During 2020, the Group increased its interest in Prepack Thailand Co., Ltd. and Tin Thanh Packing Joint Stock Company in Vietnam, while the percentage of holding in United Pulp and Paper Co., Inc. in Philippines has decreased due to the entering into a conditional share subscription agreement with Rengo Co., Ltd. in Japan. Moreover, the Group acquired 94.11% of ordinary share of Bien Hoa Packaging Joint Stock Company, which is a listed company on the Vietnam Stock Exchange. The company's assets and liabilities are included in the Group's consolidated financial statements, as discussed in note 5.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The consolidated financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRSs are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRSs have resulted in changes in certain of the Group's accounting policies.

The Group has initially applied TFRS – Financial Instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Lease and disclosed impact from changes to significant accounting policies in note 3.

(b) Functional and presentation currency

The consolidated financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

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(i) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 4 (j) and 12 Leases:
- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 4 (j)	Determining the incremental borrowing rate to measure lease liabilities;
Note 5	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
Note 11 and 13	Impairment test of goodwill: key assumptions underlying recoverable amounts;
Note 14	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized;
Note 18	Measurement of defined benefit obligations: key actuarial assumptions;
Note 31	- Determining the fair value of financial instruments on the basis of significant unobservable inputs. - Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate

Impact of COVID-19 Outbreak

The COVID-19 outbreak resulted in estimation uncertainty. The Group elected to apply accounting guidance on temporary relief measures for additional accounting options in response to impact from the COVID-19 outbreak for transactions related to consolidated financial statements as at 31 December 2020 as follows:

(a) Impairment of assets

The Group considered impairment of trade accounts receivables under simplified approach using historical loss rate for expected credit loss and did not take forward-looking information about the uncertain situation of COVID-19 into account.

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(b) Fair value measurement

The Group elected to measure investment in non-marketable equity instruments at using fair values at 1 January 2020.

(c) Lease modifications

The Group elected to exclude a contractual rental concession as a result of the COVID-19 situation as a lease modification by gradually deducted lease liabilities in proportion to the reduced rental, depreciation of right-of-use assets and interest on lease liabilities in proportion to the reduced rental, and recognized the differences to profit or loss.

3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies are as follows:

(a) TFRS - Financial instruments standards

This TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4 (k) and 4 (w). The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification - Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortized cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. Under TFRS 9, derivatives are measured at FVTPL. It replaces accounting policies of the Group on recognition of revaluation exchange rate at the end of period or when the derivatives were exercised.

The classification - Financial assets under TFRS 9 has no material effect on trade receivables, short-term investments derivatives and long-term investments. For the classification of investments in equity instruments, the Group has options to classify the categories of measurement for each investment according to its objective.

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(2) Measurement at amortized cost

Under TFRS 9, interest income and interest expenses recognized from all financial assets and financial liabilities measured at amortized cost shall be calculated using effective interest rate method. The adoption of TFRS 9 has no material effect on the consolidated financial statements of the Group.

(3) Classification - Financial liabilities

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortized cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative or designated as such on the initial recognition.

The Group classified other financial liabilities which are not held for trading or derivative measured at amortized cost. The adoption of TFRS 9 has no material effect on the consolidated financial statements of the Group.

(4) Hedge accounting

TFRS 9 introduces guidance on hedge accounting while previous TFRSs are silent. There are three hedge accounting models and the type of model applied depends on the hedged exposures consisting of a fair value exposure, a cash flow exposure or a foreign currency exposure on a net investment in a foreign operation. Under TFRS 9, the Group is required to ensure that hedge accounting relationships are aligned with the Group' s risk management objectives and strategies and to apply a more qualitative and forward-looking approach to assess hedge effectiveness.

Accordingly, TFRS 9 provides an option to apply hedge accounting when the transactions are qualified. At the initial date of the first time adoption, the Group has no effect on this matter.

(5) Impairment - Financial assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model of Financial assets whereas previously the Group estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability- weighted basis. The new impairment model applies to financial assets measured at amortized cost or fair value to other comprehensive income, except for investments in equity instruments.

The Group made an assessment of the impairment of financial assets under TFRS 9. This adoption has no material effect on the consolidated financial statements of the Group.

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The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020 with no restatement of comparative information.

	Retained earnings	Other components of equity	Non-Controlling interests
		(in million Baht)	
As at 31 December 2019 - as reported	**42,151**	**(4,260)**	**19,864**
Increase (decrease) due to:			
Classification of financial instruments	2	(8)	-
Impairment losses on financial instruments	(12)	-	(2)
As at 1 January 2020 - restated	**42,141**	**(4,268)**	**19,862**

(b) TFRS 16 Leases

Previously, the Group, as a lessee, recognized payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. When TFRS 16 is effective from 1 January 2020, it introduces a single lessee accounting model for lessees. A lessee recognizes a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items.

The Group applied TFRS 16 for the first time on 1 January 2020 using the modified retrospective approach, by recognizing cumulative impact of right-of-use assets and lease liabilities with no restatement of comparative information. The Group elected to use some practical expedients as stated by TFRS 16.

The Group made an assessment of TFRS 16 adoption. On 1 January 2020, the Group recognized the increase in right-of-use assets approximately amounting to Baht 3,556 million while financial lease decrease amounting to Baht 1,667 million and prepaid rental expenses decrease amounting to Baht 456 million and retained earnings decrease amounting to Baht 2 million which affect to increase in lease liabilities amounting to Baht 1,435 million. The nature of expenses related to those leases will change as the Group will recognize depreciation of right-of-use assets and interest expenses on lease liabilities. The operating lease commitment as at 31 December 2019 was discounted using the incremental borrowing rate and used of exemption for short-term lease and low-value items lease assets. Therefore, the Group has recognized increasing in lease liabilities as at 1 January 2020 amounting to Baht 1,435 million. Incremental borrowing rates were 1.81% - 5.00% and 12.12% per annum.

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4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Group and the Group's interests in associates.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

In a business combination achieved in stages, the Group shall remeasure its previously held equity interest of investment in the acquiree to its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the fair value amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchases is recognized in profit for the period immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognized in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group' s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Interests in associates is accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

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Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(b) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(c) Trade and other receivables and contract assets

A receivable is recognized when the Group has an unconditional right to receive consideration. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss *(2019: allowance for doubtful accounts)* which are assessed on analysis of payment histories and future expectations of customer payments.

(d) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using the following formula:

Finished goods	-	at standard costs which approximate actual production costs
Merchandise	-	at average cost
Goods in process	-	at standard cost
Raw materials, spare parts, stores, supplies and others	-	at average cost

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and goods in process, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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(e) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use which are available for immediate sale and measured at the lower of their carrying amount and fair value less cost to sell.

Once non-current assets classified as held for sale are no longer depreciated or amortized, and any equity-accounted investee is no longer equity accounted.

(f) Biological assets

Biological assets are measured at fair value less costs to sell (the incremental cost directly attributable to the disposal of a biological asset), except for the case where the fair value cannot be measured reliably, there are measured at cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognized in profit or loss.

(g) Investment property

Investment properties are properties which properties that are held as right-of-use assets, as well as properties that are owned by the Group. Investment properties are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying assets.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognized in profit or loss.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	20 years
Buildings and structures	5, 20 years

No depreciation is provided on freehold land or assets under construction.

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Reclassification to property, plant and equipment

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

(h) Property, plant and equipment

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset**.** The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different consumption patterns and useful lives, they are accounted for as separate items **(**major components**)** of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5 - 33 years
Buildings and structures	5 - 40 years
Machinery and equipment	3 - 30 years
Furniture, fixtures and office equipment	3 - 20 years
Transportation and equipment	5 - 10 years
Bearer plant	Actual production in each month

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(i) Goodwill and other intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any assets.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

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Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, other costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs of a qualifying asset. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis and units of production over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

			Depreciation method
Software licenses and others	3 - 10	years	Straight-line
Technology licenses and knowhow	15	years	Straight-line
Customer contracts and relationship	5	years	Contractual agreement

No amortization is provided on assets under development.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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(j) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognized as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received.

Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognized as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment in the statement of financial position.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(k) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties and debt investments), debt investments measured at FVOCI.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

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ECLs are measured on either of the following bases:
- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' s credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group

The Group considers a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument' s credit risk since initial recognition. Increased in loss allowance is recognized as an impairment loss in profit or loss.

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Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

Allowance for doubtful account assessed on analysis of payment histories and future expectations of customer payments.

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortized cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

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(l) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Trade and other payables

Trade and other payables are stated at cost.

(n) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes the related revenue.

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(o) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method which is based on actuarial valuation method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

(q) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Group determines that the fair value on initial recognition differs from the transaction price. The financial instrument will be initially measured at fair value. The difference between the fair value on initial recognition and the transaction price will be recognized in profit or loss on an appropriate basis.

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Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 : quoted prices (unadjusted) in active markets (Stock Exchange) for identical assets or liabilities that the Group can access at the measurement date.
Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 : inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(r) Revenue

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts and volume rebates.

Sale of goods and rendering of services

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognized as services are provided on the basis of stage of completion of the transaction.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

The Group has a timing of revenue recognition mainly from sales of goods which is recognized at a point in time.

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Granting options to purchase additional goods or services

The consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognized as contract liabilities and revenue is recognized when loyalty points are redeemed, the likelihood of the customer redeeming the loyalty points becomes remote or option expire. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

Dividend income

Dividend income is recognized in profit or loss on the date the Group's right to receive payments is established.

Royalty fee income

Royalty fee income is recognized throughout the royalty period.

(s) Interest

Interest income or expense is recognized using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(t) Expenses

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

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Early retirement expense

The Group offered certain qualifiable employees the option to take early retirement from the Group. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Group records expenses on early retirement upon mutual acceptance.

(u) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(v) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the foreign exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the exchange rates at that date. Foreign exchange differences are recognized in profit or loss.

Non-monetary assets and liabilities which include arising from the payment or receipt of advance consideration measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that the fair value was measured.

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Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the end of the reporting period.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates at the date of the transaction for acquisition occurred before the date 1 January 2013, and stated at exchange rates at the end of reporting period for acquisition beginning on or after 1 January 2013.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions and using the weighted average method.

Foreign exchange differences arising on translation are recognized in other comprehensive income and presented in other components of equity until disposal of the foreign operation, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented in other components of equity until disposal of the foreign operation.

(w) Financial instruments

Accounting policies applicable from 1 January 2020

(w.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially measured at fair value. All other financial assets and financial liabilities (unless it is a trade receivable without a significant financing component or measured at FVTPL) are initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(w.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets – business model assessment

The Group makes an assessment of a business model of financial assets by considering policy and objective of investing, risk and return on investment.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Investments in debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Investments in equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

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Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. See note 4 (w.6) for financial liabilities designated as hedging instruments.

(w.3) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(w.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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(w.5) Derivatives

Derivative are recognized at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

(w.6) Hedging

The group held certain derivatives as hedging instruments to hedge risk exposure arising from foreign exchange and interest rate. Embedded derivative is separated from host contract and recognized separately if the host contract is not financial assets and met given condition.

Accounting policies applicable before 1 January 2020

Investments in other equity securities

Investment in equity instruments which are not marketable are stated at cost less any impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognized in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Derivatives

The Group operates internationally and is exposed to risks from changes in interest and foreign exchange rates. The Group uses derivative financial instruments to mitigate those risks. All gains and losses on hedge transactions are recognized in profit or loss in the same period as the interest and exchange differences on the items covered by the hedge.

(x) Business segment reporting

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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5 Acquisitions of business and changes in ownership interests of subsidiaries

Year 2020

(a) Acquisitions

During the year 2020, the Group acquired significant businesses as follows:

(1) Bien Hoa Packaging Joint Stock Company, Vietnam

On 18 December 2020, the Group acquired 94.11% of ordinary shares of Bien Hoa Packaging Joint Stock Company. ("SOVI"), which is listed on the Vietnam Stock Exchange which is one of leading fiber based packaging company, for a total consideration of Vietnamese Dong 2,070 billion or equivalent to approximately Baht 2,669 million.

Obtaining control over SOVI will allow the Group to enlarge customer base particularly in food, beverage and fast-moving consumer goods segments and reinforce internal integration with its packaging paper manufacturing.

With respect to the above acquisitions, the Group has engaged independent appraisers to determine the fair values of net assets and liabilities acquired. As at 31 December 2020, the determination of the fair values has not been completed. Therefore, the assets and liabilities of SOVI have been recorded at provisional amounts in consolidated statement of financial position as at 31 December 2020. The result of valuation may be adjusted when the report of the appraiser is completed.

The Group has continuously determined its review of fair values of the business acquired within one year from the acquisition date, taking into accounts additional information, facts as well as circumstances that existed at the acquisition date. Consequently, the adjustments on accounting transaction of such acquisition will be made.

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Assets acquired and liabilities assumed at the acquisition date were as follows:

	Note	**Fair Value SOVI** *(in million Baht)*
Cash and cash equivalents		42
Trade and other current receivables		532
Inventories		184
Other current assets		194
Property, plant and equipment	*11*	1,017
Other non - current assets		9
Interest-bearing debts	*15, 16*	(252)
Trade and other current payables		(404)
Other current liabilities		(17)
Deferred tax liabilities	*14*	(115)
Net identifiable assets and liabilities		**1,190**
Less non-controlling interests		(70)
Recognized value of net assets acquired		**1,120**
Goodwill	*13*	1,549
Total consideration transferred		**2,669**
Cash acquired		(42)
Net cash outflows		**2,627**
Less cash in escrow account		(534)
Net cash outflows until 31 December 2020		**2,093**

Cash in escrow account amounting to Baht 534 million are presented net of accrued investment and will be released when certain conditions are met within 2 years after acquisition date.

The assets and liabilities since acquisition date have been included in the Group's consolidated financial statements as at 31 December 2020, while the financial performance is not consolidated in these Group's consolidated financial statements. In 2020, SOVI recognized revenue from sale of amounting to Baht 2,272 million and net profit for the year amounting to Baht 197 million.

The Group incurred acquisition costs totaling Baht 51 million which have been included in administrative expenses in the consolidated income statement.

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(2) PT Fajar Surya Wisesa Tbk. and its subsidiary, Indonesia

During the first quarter of 2020, the Group negotiated with the former shareholder of Fajar to reduce the contingent consideration by USD 10 million or equivalent to Baht 307 million. This resulted in a decrease in goodwill by Baht 307 million. In April 2020, the Group paid total consideration payable of Baht 615 million from the escrow account to the former shareholder as certain conditions were achieved.

(b) Change in ownership interests in subsidiaries

- On 31 January 2020 United Pulp and Paper Co., Inc. ("UPPC"), a subsidiary of the Group located in Philippines, has entered into a conditional share subscription agreement with Rengo Co., Ltd. ("Rengo"), a Japanese company. Subsequently, on 6 March 2020, Rengo transferred cash advance to purchase shares amounting to Philippines Peso 4,103 million or equivalent to Baht 2,557 million.

  On 16 October 2020, UPPC completed the registration of the capital increase with the authorities. The Group's equity share in UPPC will decrease from 99.7% to 74.8% and non-controlling interest has increased Baht 1,648 million in the fourth quarter of 2020, UPPC will remain a consolidated subsidiary of the Group.

- In the third quarter of 2020, the Group increased its interest in Prepack Thailand Co., Ltd. ("Prepack") from 72% to 99.77% and its interest in Tin Thanh Packing Joint Stock Company ("Batico"), a subsidiary of the Group located in Vietnam, from 89.99% to 99.98% totalling Baht 547 million.

  The following summarizes the effect of the change in the Group's ownership interests:

	(in million Baht)
Carrying amount of non-controlling interests acquired	475
Less Consideration paid to non-controlling interests	(547)
Decrease in other components from shareholders' equity	**(72)**

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Year 2019

(a) Acquisitions

During the year 2019, the Group acquired significant businesses as follows:

(1) PT Fajar Surya Wisesa Tbk. and its subsidiary, Indonesia

On 28 June 2019, the Group acquired 55.004% of ordinary shares of PT Fajar Surya Wisesa Tbk. ("Fajar"), which is a leading Indonesian packaging paper company and which is also listed on the Indonesia Stock Exchange. Obtaining control in Fajar will allow the Group to enhance its ASEAN growth platform, especially in Indonesia that provides tremendous future growth opportunity for Packaging business, for total consideration of Rupiah 9.6 trillion equivalent to approximately Baht 20,817 million. At 31 December 2019, there was cash in escrow account amounting to Baht 922 million, which will be released when certain conditions are met within March 2020.

(2) Visy Packaging (Thailand) Limited, Thailand

On 30 August 2019, the Group acquired 80% of ordinary shares of Visy Packaging (Thailand) Limited ("Visy Thailand"). Visy Thailand is Asia's leading producer of thermoformed barrier food packaging which is also recyclable, serving established global brand owners that require high quality packaging products. Also, the acquired company possesses global scale with a highly-automated production facility, including proprietary technology to produce packaging that can preserve food and fruit, as well as an integrated process to minimize waste, for a total consideration of Baht 4,305 million.

Obtaining control in Visy Thailand further reinforces the Group's continued growth and capabilities as a total packaging solution provider, especially in the Asian food and fruit segments where the world's major plantations are based.

With respect to the above acquisitions, the Group has engaged independent appraisers to determine the fair values of net assets and liabilities acquired. As at 31 December 2019, the determination of the fair values has been completed, and the assets acquired and liabilities assumed were recognized accordingly.

The Group has continuously determined its review of fair values of the business acquired within one year from the acquisition date, taking into accounts additional information, facts as well as circumstances that existed at the acquisition date. Consequently, the adjustments on accounting transaction of such acquisition will be made.

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Assets acquired and liabilities assumed at the acquisition date were as follows:

	Note	**Fair Value**		
		Fajar	**Visy Thailand**	**Total**
			(in million Baht)	
Cash and cash equivalents		295	23	318
Trade and other current receivables		3,932	263	4,195
Inventories		2,594	235	2,829
Investment properties	*10*	-	44	44
Property, plant and equipment	*11*	22,550	1,406	23,956
Other intangible assets	*13*	3	528	531
Deferred tax assets	*14*	38	-	38
Non-current assets		745	19	764
Interest-bearing debts	*16*	(9,421)	(75)	(9,496)
Trade and other current payables		(3,167)	(154)	(3,321)
Deferred tax liabilities	*14*	(2,523)	(163)	(2,686)
Non-current liabilities		(586)	(10)	(596)
Net identifiable assets and liabilities		**14,460**	**2,116**	**16,576**
Less non-controlling interests		(6,506)	(423)	(6,929)
Recognized value of net assets acquired		**7,954**	**1,693**	**9,647**
Goodwill	*13*	12,863	2,612	15,475
Total consideration transferred		**20,817**	**4,305**	**25,122**
Cash acquired				(318)
Net cash outflows				**24,804**
Less cash in escrow account				(922)
Net cash outflows until 31 December 2019				**23,882**

Cash in escrow account amounting to Baht 922 million are presented net of accrued investment and will be released when certain conditions are met within March 2020.

The assets, liabilities and operating results since acquisition date of those subsidiaries have been included in the Group's consolidated financial statements for the year ended 31 December 2019 . The subsidiaries contributed revenue from sales of Baht 9,044 million and profit for the period of Baht 637 million to the Group's operating results .If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue from sales would have been Baht 99,831 million and consolidated profit for the period would have been Baht 6,275 million.

The Group incurred acquisition costs totaling Baht 43 million which have been included in administrative expenses in the consolidated income statement.

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(b) Change in ownership interests in subsidiaries

In the second quarter of 2019, the Group has restructured its stake in rigid packaging business by having Toppan Printing Company Limited, a Japanese packaging company, join in SCGP-T Plastics Company Limited ("SCGP-T"), a holding company for the rigid packaging business. With this portfolio adjustment, a transaction valued of Baht 194 million, the Group's investment in SCGP-T has decreased from 100% to 51%. The Group recognized an increase in non-controlling interests of Baht 200 million, SCGP-T has remained a consolidated subsidiary of the Group.

In the third quarter of 2019, the Group increased its interest in PT Indocorr Packaging Cikarang ("Indocorr") from 80% to 100% and its interest in PT Fajar Surya Wisesa Tbk. ("Fajar") from 55.004% to 55.235%.

The following summarizes the effect of the change in the Group's ownership interests:

	(in million Baht)
Carrying amount of non-controlling interests acquired	113
Less Consideration paid to non-controlling interests	(192)
Decrease in Other components of shareholders' equity	**(79)**

6 Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa or where the Group and the party are subject to common control or common significant influence.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Toppan Packaging Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Siam Nippon Industrial Paper Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Sahagreen Forest Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
P&S Holdings Corporation	Philippines	An associate of SCG Packaging Public Company Limited
SCG International Corporation Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

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Name of entities	Country of incorporation/ nationality	Nature of relationships
SCG International Vietnam Co., Ltd.	Vietnam	A subsidiary of The Siam Cement Public Company Limited
PT SCG International Indonesia	Indonesia	A subsidiary of The Siam Cement Public Company Limited
Siam Fibre Cement Group Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Ceramics Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Nawaplastic Industries Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Sosuco Ceramic Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Prime Group Joint Stock Company	Vietnam	A subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Fibre-Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement-Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Marketing Philippines, Inc.	Philippines	A subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Concrete Products and Aggregate Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
PT SCG Indonesia	Indonesia	A subsidiary of The Siam Cement Public Company Limited
SCG International (Philippines) Corporation Co., Ltd.	Philippines	A subsidiary of The Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Performance Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG International USA Inc.	USA	A subsidiary of The Siam Cement Public Company Limited
Rayong Olefins Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Vietnam Co., Ltd.	Vietnam	A subsidiary of The Siam Cement Public Company Limited
Nawa Intertech Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG International Australia Pty. Ltd.	Australia	A subsidiary of The Siam Cement Public Company Limited

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Name of entities	Country of incorporation / nationality	Nature of relationships
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Plastics Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Kaeng Khoi) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Ta Luang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Thung Song) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Texplore Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Skills Development Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Tohcello Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Kubota Corporation Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Polystyrene Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
The Siam Gypsum Industry (Saraburi) Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
The Siam Gypsum Industry (Songkhla) Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Thai MFC Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Polyethylene Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Synthetic Latex Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Nippon Paper Industries Co., Ltd.	Japan	Common directors with Phoenix Pulp & Paper Public Company Limited
Rengo Co., Ltd.	Japan	Common directors with Thai Containers Group Co., Ltd.
Asia Cement Public Company Limited	Thailand	Common directors with The Siam Cement Public Company Limited

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Significant transactions with related parties for the year ended 31 December and the pricing policies are summarized as follows:

	2020	2019	Pricing policies
	(in thousand Baht)		
Parent			
Revenue from sales	11,628	16,538	Market price
Intellectual properties fees	262,740	271,616	Percentage of revenue from sales
Interest expense	254,467	1,255,622	Agreed interest rate
Service fee	828,146	882,335	Cost plus margin method comparable
Associates			
Revenue from sales	361,356	669,084	Market price
Dividends income	7,739	11,832	Upon declaration
Purchases	254,029	294,741	Market price
Others			
Revenue from sales	3,900,966	4,420,686	Market price
Purchases	6,347,762	7,286,211	Market price
Service fee	2,470,033	2,990,783	Market price and contract rate

Balances as at 31 December with related parties were as follows:

	2020	2019
	(in thousand Baht)	
Trade receivables		
Parent	1,274	1,712
Associates	39,561	46,481
Others	652,107	524,923
Total	**692,942**	**573,116**
Other current receivables		
Parent	56,387	59,658
Associates	35,977	52,515
Others	9,405	17,054
Total	**101,769**	**129,227**
Short-term loans		
Others	**-**	**4,601**

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Movements during the years on loans to related parties were as follows:

	2020	2019
	(in thousand Baht)	
Short-term		
At 1 January	4,601	127,152
Increase	35,591	17,539
Decrease	(40,192)	(140,090)
At 31 December	**-**	**4,601**
Long-term		
At 1 January	-	92,738
Decrease	-	(92,738)
At 31 December	**-**	**-**

Advance payment from software license fee, long-term receivable and deposit shown under other non-current receivables

	2020	2019
	(in thousand Baht)	
Advance payment from software license fee, long-term receivable and deposit shown under other non-current receivables		
Parent	210,951	256,585
Associate	117,331	111,428
Total	**328,282**	**368,013**

	2020	2019
	(in thousand Baht)	
Trade payables		
Associates	18,312	23,638
Others	839,138	997,229
Total	**857,450**	**1,020,867**
Other current payables		
Parent	106,604	127,888
Associates	4,886	5,471
Others	67,142	78,604
Total	**178,632**	**211,963**

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	2020	2019
	(in thousand Baht)	
Short-term borrowings		
Parent	-	33,756,240
Others	-	70,956
Total	**-**	**33,827,196**

Movements during the years on short-term borrowings from related parties were as follows:

	2020	2019
	(in thousand Baht)	
At 1 January	33,827,196	23,415,700
Increase	7,910,548	36,476,305
Decrease	(41,737,744)	(26,064,809)
At 31 December	**-**	**33,827,196**

	2020	2019
	(in thousand Baht)	
Lease liabilities		
Current and non-current portion		
Parent	99,157	-
Associates	102,423	-
Others	9,148	-
Total	**210,728**	**-**

The Board of Directors and key management compensation

	2020	2019
	(in thousand Baht)	
For the years ended 31 December		
Short-term benefits	110,519	94,414
Post-employment benefits	8,536	18,354
Total	**119,055**	**112,768**

The Board of Directors and key management compensation comprises the remuneration paid to the directors of The Siam Cement Public Company Limited under the articles of the Company and the remuneration paid to the management as staffs expenses in terms of salary, bonus, others and contribution to defined contribution plans.

SCG Packaging Public Company Limited and its Subsidiaries
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For the year ended 31 December 2020

7 Cash and cash equivalents

	2020	2019
	(in thousand Baht)	
Cash on hand	126,005	61,574
Cash at banks - current accounts	2,135,233	1,660,516
Cash at banks - saving accounts	26,749,324	1,128,059
Highly liquid short-term investment	2,245,140	1,543,696
Total	**31,255,702**	**4,393,845**

8 Inventories

	2020	2019
	(in thousand Baht)	
Finished goods	3,491,472	4,128,493
Goods in process	772,706	966,692
Raw materials	3,651,692	4,031,065
Spare parts, stores, supplies and others	3,388,148	3,605,673
Goods in transit	1,748,110	977,173
Total	**13,052,128**	**13,709,096**
Less allowance for decline in value	(292,028)	(432,960)
Net	**12,760,100**	**13,276,136**
Cost of inventories recognized as an expense in cost of sales:	73,369,678	71,543,307
Write-down to net realizable value	350,232	178,733
Reversal of write-down	(388,834)	(71,872)
Changes in inventories of finished goods and goods in process	831,007	(369,904)
Raw materials and supplies used	32,598,256	35,238,582

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9 Investments in associates

Movements for the years ended 31 December in investments in associates accounted for using the equity method were as follows:

	2020	2019
	(in thousand Baht)	
At 31 December 2020 and 2019 - as reported	**770,754**	**729,740**
The effect of changes in accounting policies	(2,595)	-
At 1 January	**768,159**	**729,740**
Share of net profit of investments - equity method	66,834	52,728
Share of other comprehensive income of investment - equity method	(4,184)	118
Dividend income	(7,739)	(11,832)
At 31 December	**822,620**	**770,754**

Investments in associates as at 31 December and dividends from these investments for the years then ended at the same date, were as follows:

	Total direct/ indirect holding		Paid-up capital		Cost method		Equity method		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)		*(in thousand Baht)*							
Associates										
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	429,675	430,231	2,989	9,457
Siam Nippon Industrial Paper Co., Ltd.	31	31	1,100,000	1,100,000	495,000	495,000	314,699	268,307	-	-
Saha Green Forest Co., Ltd.	17	17	190,000	190,000	47,500	47,500	78,246	72,216	4,750	2,375
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-	-	-
Total			**2,052,588**	**2,052,588**	**892,621**	**892,621**	**822,620**	**770,754**	**7,739**	**11,832**

Immaterial associates

The following is summarized financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

	2020	2019
	(in thousand Baht)	
Carrying amount of interests in immaterial associates	**822,620**	**770,754**
The group's share of:		
- Profit for the year	66,384	52,728
- Other comprehensive income for the year	(4,184)	118
- Total comprehensive income for the year	**62,200**	**52,846**

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10 Investment property

	Note	Land and land improvements *(in thousand Baht)*
Cost		
At 1 January 2019		213,680
Acquisitions through business combinations	*5*	43,681
Transfer to property, plant and equipment	*11*	(38,305)
At 31 December 2019 - as reported		**219,056**
Recognition of right-of-use asset on initial application of TFRS 16	*3(b)*	13,271
At 1 January 2020		**232,327**
Transfer to property, plant and equipment	*11*	(50,657)
At 31 December 2020		**181,670**
Accumulated depreciation		
At 1 January 2019		28,105
Depreciation charge for the year		3,551
At 31 December 2019		**31,656**
Depreciation charge for the year		5,831
At 31 December 2020		**37,487**
Carrying amount		
At 31 December 2019		**187,400**
At 31 December 2020		**144,183**

Investment properties were revalued as at 31 December 2020 at open market values on an existing use basis. The fair value was Baht 431 million *(2019: Baht 506 million)*.

The fair value measurement for investment properties have been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which are discounted cash flows and market approach.

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11 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation and equipment	Construction in progress	Bearer plant	Total
				(in thousand Baht)				
Cost								
At 1 January 2019	4,313,560	17,715,193	114,295,987	1,794,586	430,394	4,955,368	23,387	143,528,475
Acquisitions through business combinations *(see note 5)*	3,520,309	1,773,589	24,566,269	158,872	181,017	1,494,695	-	31,694,751
Additions	31,234	269,797	2,062,393	70,626	11,435	4,745,672	281	7,191,438
Disposals/written off	(1,821)	(23,238)	(847,070)	(20,370)	(33,219)	(4,922)	-	(930,640)
Transfer to other current assets	-	-	(6,395)	-	-	-	-	(6,395)
Transfer from investment properties	38,305	-	-	-	-	-	-	38,305
Transfers in (out)	64,035	497,277	2,996,050	50,396	3,989	(3,369,468)	18,016	260,295
Currency translation differences	(40,439)	(155,720)	(981,281)	(6,097)	(4,820)	(62,617)	-	(1,250,974)
At 31 December 2019 as reported	**7,925,183**	**20,076,898**	**142,085,953**	**2,048,013**	**588,796**	**7,758,728**	**41,684**	**180,525,255**
Recognition of right-of-use asset on initial application of TFRS 16 *(see note 3(b))*	568,361	718,330	103,905	9,992	475,436	-	-	1,876,024
At 1 January 2020	**8,493,544**	**20,795,228**	**142,189,858**	**2,058,005**	**1,064,232**	**7,758,728**	**41,684**	**182,401,279**
Acquisitions through business combinations *(see note 5)*	171,636	318,556	1,013,407	14,539	25,604	12,979	-	1,556,721
Additions	197,142	292,908	1,502,510	107,495	175,898	6,567,437	3,919	8,847,309
Disposals/written off	(14,852)	(16,396)	(1,552,849)	(51,254)	(43,057)	(4,616)	(9,617)	(1,692,641)
Transfer from investment properties	50,657	-	-	-	-	-	-	50,657
Transfers in (out)	99,028	589,491	3,551,691	40,158	9,374	(4,288,233)	10,946	12,455
Currency translation differences	(55,809)	(6,098)	(134,699)	710	(1,900)	(10,434)	-	(208,230)
At 31 December 2020	**8,941,346**	**21,973,689**	**146,569,918**	**2,169,653**	**1,230,151**	**10,035,861**	**46,932**	**190,967,550**

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	Land and land improvements	Buildings and structures	Machinery and equipment	Furniture, fixtures and office equipment	Transportation and equipment	Construction in progress	Bearer plant	Total
				(in thousand Baht)				
Accumulated depreciation and accumulated impairment losses								
At 1 January 2019	1,181,321	9,361,582	72,860,757	1,422,842	313,805	-	9,521	85,149,828
Acquisition through business combinations *(see note 5)*	-	670,534	6,836,129	94,471	137,628	-	-	7,738,762
Depreciation charge for the year	99,122	620,844	4,958,239	147,325	48,211	-	3,457	5,877,198
Impairment losses	-	-	34,033	-	-	2,590	-	36,623
Disposals/written off	(121)	(21,229)	(782,226)	(19,766)	(29,593)	-	-	(852,935)
Transfer to other current assets	-	-	(5,670)	-	-	-	-	(5,670)
Transfers in (out)	(13,228)	36,575	267,745	7,038	(797)	-	327	297,660
Currency translation differences	(2,025)	(59,783)	(509,758)	(4,492)	(3,720)	-	-	(579,778)
At 31 December 2019	**1,265,069**	**10,608,523**	**83,659,249**	**1,647,418**	**465,534**	**2,590**	**13,305**	**97,661,688**
Acquisitions through business combinations *(see note 5)*	-	82,020	430,754	11,093	15,609	-	-	539,476
Depreciation charge for the year	157,071	839,953	5,626,132	160,928	269,992	-	3,029	7,057,105
Disposals/written off	(7,350)	(14,564)	(1,503,785)	(50,501)	(27,254)	-	(9,617)	(1,613,071)
Transfers in (out)	4,673	(4,763)	(8,315)	(472)	(283)	-	687	(8,473)
Currency translation differences	2,564	4,891	53,361	932	(2,210)	-	-	59,538
At 31 December 2020	**1,422,027**	**11,516,060**	**88,257,396**	**1,769,398**	**721,388**	**2,590**	**7,404**	**103,696,263**
Net book value								
At 31 December 2019								
Owned assets	6,660,114	9,468,375	56,782,798	400,595	100,565	7,756,138	28,379	81,196,964
Assets under finance leases	-	-	1,643,906	-	22,697	-	-	1,666,603
	6,660,114	**9,468,375**	**58,426,704**	**400,595**	**123,262**	**7,756,138**	**28,379**	**82,863,567**
At 31 December 2020								
Owned assets	6,708,314	9,745,254	56,924,749	365,492	119,658	10,033,271	39,528	83,936,266
Right-of-use assets	811,005	712,375	1,387,773	34,763	389,105	-	-	3,335,021
	7,519,319	**10,457,629**	**58,312,522**	**400,255**	**508,763**	**10,033,271**	**39,528**	**87,271,287**

In 2020, additions to the right-of-use assets of the Group was Baht 481 million.

In 2020, the Group capitalized borrowing costs relating to the acquisition of the property, plant and equipment as part of the cost of construction in progress, amounting to Baht 59 million *(2019: Baht 81 million)*, rates of interest capitalized at 1.30% - 5.35% per annum *(2019: 1.95% - 5.45% per annum)*.

During 2019, the Group had income from sales of some assets in Singapore from a business which was terminated in June 2018. The group recognized a gain on sale of fixed assets amounting to Baht 260 million in the consolidated income statement for the year ended 31 December 2019.

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For the purpose of impairment testing of property, plant and equipment of the Group where indicators occurred, the recoverable amount was based on the higher of its value in use, determined by discounting the future cash flows and its fair value less costs to sale.

The Group used 5 years forecast discounted future cash flows projection, residual value and discount rate from weighted average cost of capital of the Group which determined from estimate and judgment of the management under the discounted future cash flows method. The recoverable amount from fair value in which the Group assessed by independent appraiser and fair value measurement was classified as the fair value level 3.

12 Leases

As a lessee

The Group has entered into the land, buildings, transportation and equipment rental agreements with local and foreign companies. The rental is fixed as specified in the contract.

For the year ended 31 December	2020	2019
	(in thousand Baht)	
Amounts recognized in profit or loss		
Depreciation of right-of-use assets:		
- Land and land improvements	54,205	-
- Buildings and structures	139,214	-
- Machinery and equipment	90,951	-
- Furniture fixtures and office equipment	9,446	-
- Transportation	223,002	-
Interest on lease liabilities	1,369	-
Expenses relating to short-term leases	205,752	-
Expenses relating to leases of low-value assets	60,629	-
Lease expense	-	736,098

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13 Goodwill and other intangible assets

	Goodwill	Other intangible assets			
		Software licenses and other	Technology licenses and knowhow	Customer contracts and relationship	Total other intangible assets
		(in thousand Baht)			
Cost					
At 1 January 2019	2,289,836	1,035,786	-	-	1,035,786
Acquisition through business combinations (see note 5)	15,475,019	75,313	374,341	153,597	603,251
Additions	-	67,948	-	-	67,948
Disposals/written off	-	(9,610)	-	-	(9,610)
Transfers in (out)	-	10,108	-	-	10,108
Currency translation differences	(152,589)	(2,928)	-	-	(2,928)
At 31 December 2019	**17,612,266**	**1,176,617**	**374,341**	**153,597**	**1,704,555**
Acquisition through business combinations (see note 5)	1,208,394	3,822	-	-	3,822
Additions	-	127,314	-	-	127,314
Disposals/written off	-	(3,761)	-	-	(3,761)
Transfers in (out)	-	33,066	-	-	33,066
Currency translation differences	(196,990)	(873)	-	-	(873)
At 31 December 2020	**18,623,670**	**1,336,185**	**374,341**	**153,597**	**1,864,123**
Accumulated amortization					
At 1 January 2019	-	728,070	-	-	728,070
Acquisition through business combinations (see note 5)	-	64,403	-	-	64,403
Amortization charge for the year	-	77,624	8,319	24,081	110,024
Disposals/written off	-	(9,598)	-	-	(9,598)
Currency translation differences	-	(2,376)	-	-	(2,376)
At 31 December 2019	**-**	**858,123**	**8,319**	**24,081**	**890,523**
Acquisition through business combinations (see note 5)	-	2,918	-	-	2,918
Amortization charge for the year	-	87,828	24,956	50,172	162,956
Disposals/written off	-	(3,731)	-	-	(3,731)
Currency translation differences	-	(1,114)	-	-	(1,114)
At 31 December 2020	**-**	**944,024**	**33,275**	**74,253**	**1,051,552**
Carrying amount					
At 31 December 2019	**17,612,266**	**318,494**	**366,022**	**129,516**	**814,032**
At 31 December 2020	**18,623,670**	**392,161**	**341,066**	**79,344**	**812,571**

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For the purpose of impairment testing of goodwill of the Group, the recoverable amount was based on value in use, determined by discounting the future cash flows. The Group used 5 years forecast discounted future cash flows projection, residual value and discount rate from weighted average cost of capital of the Group which determined from estimate and judgment of the management.

14 Deferred tax assets (deferred tax liabilities)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the consolidated statements of financial position as follows:

	2020	2019
	(in thousand Baht)	
Deferred tax assets	971,601	744,955
Deferred tax liabilities	(2,403,658)	(2,873,568)
Net	**(1,432,057)**	**(2,128,613)**

Movements in total deferred tax assets and liabilities during the year were as follows:

		Credited (charged) to				
	At 1 January 2019	profit or loss *(Note 27)*	other comprehensive income	Increase through business combinations	Currency translation differences	At 31 December 2019
			(in thousand Baht)			
Deferred tax assets						
Loss carry forward	27,796	221,119	-	38,618	(335)	287,198
Trade receivables	20,604	6,454	-	-	(1)	27,057
Inventories	89,380	15,255	-	6,241	(43)	110,833
Property, plant and equipment	26,693	(4,686)	-	-	116	22,123
Provisions for employee benefits	392,046	137,085	38,139	144,303	(2,237)	709,336
Others	852	2,681	-	-	(71)	3,462
Total	**557,371**	**377,908**	**38,139**	**189,162**	**(2,571)**	**1,160,009**
Deferred tax liabilities						
Property, plant and equipment	387,864	55,489	-	2,727,285	1,603	3,172,241
Intangible assets	-	(32)	-	106,011	(3)	105,976
Others	7,552	(741)	-	3,599	(5)	10,405
Total	**395,416**	**54,716**	**-**	**2,836,895**	**1,595**	**3,288,622**
Net	**161,955**	**323,192**	**38,139**	**(2,647,733)**	**(4,166)**	**(2,128,613)**

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	At 1 January 2020	Effects of changes in accounting policies	Credited (charged) to profit or loss (Note 27)	Credited (charged) to other comprehensive income	Increase through business combinations	Currency translation differences	At 31 December 2020
				(in thousand Baht)			
Deferred tax assets							
Loss carry forward	287,198	-	212,471	-	-	(1,438)	498,231
Investment	-	-	32,022	-	-	-	32,022
Trade receivables	27,057	795	506	-	-	(6)	28,352
Inventories	110,833	-	(25,212)	-	-	9	85,630
Property, plant and equipment	22,123	-	6,612	-	1,892	(142)	30,485
Provisions for employee benefits	709,336	-	(18,293)	34,093	505	(2,282)	723,359
Others	3,462	628	15,098	-	-	(167)	19,021
Total	**1,160,009**	**1,423**	**223,204**	**34,093**	**2,397**	**(4,026)**	**1,417,100**
Deferred tax liabilities							
Property, plant and equipment	3,172,241	-	(482,312)	-	114,847	(54,799)	2,749,977
Other intangible assets	105,976	-	(16,533)	-	-	(6)	89,437
Others	10,405	(97)	(468)	-	-	(97)	9,743
Total	**3,288,622**	**(97)**	**(499,313)**	**-**	**114,847**	**(54,902)**	**2,849,157**
Net	**(2,128,613)**	**1,520**	**722,517**	**34,093**	**(112,450)**	**50,876**	**(1,432,057)**

The Indonesian Government, through PP No. 1 Tahun 2020 dated 31 March 2020 announced a change in the corporate income tax rate from 25% to 22% for accounting periods 2020 and 2021, and to 20% for accounting periods 2022 onward. The Group has applied in the measurement of deferred tax assets and deferred tax liabilities, which made income tax expense decrease amounting to Baht 482 million in the consolidated income statement.

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The deductible temporary differences and unused tax losses that the Group have not been recognized as deferred tax assets (liabilities) are as the following items:

	2020	2019
	(in thousand Baht)	
Temporary differences		
- Trade receivables	51,117	46,848
- Inventories	2,077	622
- Property, plants and equipment	23,706	3,328
- Provisions for employee benefits	83,725	92,159
- Others	116,590	67,957
Unused tax losses	1,236,556	449,646
Total	**1,513,771**	**660,560**

The unused tax losses which the Group has not recognized these items in deferred tax asset do not expire under tax legislation would be expired within 2025.

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15 Changes in liabilities arising from financing activities

	Note	Bank overdrafts and short-term borrowings	Long-term borrowings	Finance lease liabilities	Total
			(in thousand Baht)		
At 1 January 2019		27,728,164	739,125	29,150	28,496,439
Changes from financing cash flows		10,451,382	11,559,751	(65,136)	21,945,997
Changes arising from obtaining subsidiaries	*5*	2,923,100	6,412,714	160,282	9,496,096
The effect of changes in foreign exchange rates		(143,941)	(209,530)	(1,158)	(354,629)
At 31 December 2019 - as reported		**40,958,705**	**18,502,060**	**123,138**	**59,583,903**
Impact of changes in accounting policies	*3(b)*	-	-	1,435,044	1,435,044
At 1 January 2020		**40,958,705**	**18,502,060**	**1,558,182**	**61,018,947**
Changes from financing cash flows		(26,091,933)	9,675,598	(490,137)	(16,906,472)
Leases		-	-	339,032	339,032
Changes arising from obtaining subsidiaries	*5*	195,153	56,740	-	251,893
The effect of changes in foreign exchange rates		18,125	47,988	7,235	73,348
Other non-cash movement		-	71,421	19,438	90,859
At 31 December 2020		**15,080,050**	**28,353,807**	**1,433,750**	**44,867,607**

In the fourth quarter of 2020, the Company uses the proceeds from the initial public offering of newly issued ordinary shares to repaid the short- term borrowings from financial institutions amounting to Baht 13,000 million according to the intention to use the proceeds from the initial public offering.

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16 Interest-bearing liabilities

	2020	2019
	(in thousand Baht)	
Current		
Bank overdrafts and short-term borrowings from financial institutions		
- Unsecured	15,080,050	7,131,509
Current portion of long-term borrowings from financial institution		
- Secured	7,377	2,037,784
- Unsecured	16,294,784	145,851
	16,302,161	**2,183,635**
Current portion of lease liabilities	426,936	87,801
Total	**31,809,147**	**9,402,945**
Non-current		
Long-term borrowings from financial institutions		
- Secured	49,803	3,405,857
- Unsecured	12,001,843	12,912,568
	12,051,646	**16,318,425**
Lease liabilities	1,066,814	35,337
Total	**13,118,460**	**16,353,762**
Total interest-bearing liabilities	**44,927,607**	**25,756,707**

In the first quarter of 2020, the Group's subsidiary refinance existing borrowings. Resulting from borrowings have been settled, all collaterals has been released during the second quarter of 2020.

The collateral of the secured interest-bearing liabilities from the business acquisition in Vietnam as at 31 December 2020 consists of trade receivables, inventory and property, plant and equipment with a carrying value of Baht 297 million which is in the process of releasing the lien on the collateral.

As at 31 December 2020, bank overdrafts and short-term borrowings from financial institutions of the Group has an average interest rate from 0.55% to 9.50% per annum *(2019: 1.28% to 9.75% per annum)*.

As at 31 December 2020, long-term borrowings from financial institutions of the Group has an average interest rate from 1.00% to 10.90 % per annum *(2019: 2.40% to 12.11% per annum)*.

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17 Trade and other current payables

	Note	2020	2019
		(in thousand Baht)	
Trade payables			
Related parties	*6*	857,450	1,020,867
Other parties		6,845,051	6,436,244
		7,702,501	**7,457,111**
Other current payables			
Related parties	*6*	178,632	211,963
Other parties		2,483,985	2,389,490
		2,662,617	**2,601,453**
Total		**10,365,118**	**10,058,564**

18 Non-current provisions for employee benefits

The Group operates defined benefit plans based on the requirement of the Thai Labor Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, current risk, interest rate risk and market (investment) risk.

Non-current provisions for employee benefits in consolidated statement of financial position as at 31 December

	2020	2019
	(in thousand Baht)	
Post-employment benefits		
Legal severance payments plan	3,465,025	3,248,040
Pension	45,144	46,027
Other long-term employee benefits	109,766	92,437
Total non-current provisions for defined benefit plans	**3,619,935**	**3,386,504**
Other employee benefits	161	10,552
Total	**3,620,096**	**3,397,056**
Less plan assets of foreign subsidiaries	(22,013)	(21,699)
Total non-current provisions for employee benefits - net	**3,598,083**	**3,375,357**

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Movement in the present value of non-current provisions for defined benefits plans

	2020	2019
	(in thousand Baht)	
Non-current provisions for defined benefit plans at 1 January	3,386,504	1,928,199
Included in profit or loss		
Current service costs	217,515	165,863
Interest on obligation	102,852	109,898
Actuarial losses	31,768	15,472
Transfer of employee benefit obligations from related party	-	13,547
Past service cost from the amended severance pay of the Labor Law	-	527,368
	352,135	**832,148**
Included in other comprehensive income		
Actuarial losses	158,262	200,672
Currency translation differences	(6,729)	(11,926)
	151,533	**188,746**
Others		
Benefits paid	(281,908)	(139,803)
Acquisition through business combinations	-	577,214
Others	11,671	-
	(270,237)	**437,411**
Non-current provisions for defined benefit plans at 31 December	**3,619,935**	**3,386,504**

On 5 April 2019, the Labor Protection Act has already been announced in Royal Gazette that became effective on 5 May 2019 to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the maximum rate of 300 days. The Group recognized the effect of this change as the expense amounted to Baht 527 million in consolidated income statement, resulting in the decrease in net profit amounted to Baht 338 million.

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Movements in the fair value of plan assets of foreign subsidiaries

	2020	2019
	(in thousand Baht)	
Plan assets at 1 January	21,699	22,561
Contributions paid into the plan	7,995	7,315
Benefits paid	(7,955)	(7,315)
Actuarial gains	(801)	-
Currency translation differences	1,115	(862)
Plan assets at 31 December	**22,013**	**21,699**

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2020	2019
	(in thousand Baht)	
For the years ended 31 December		
Demographic assumptions	26,358	(1,348)
Financial assumptions	87,068	158,479
Experience adjustment	45,637	43,541
Total	**159,063**	**200,672**

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2020	2019
	(%)	
For the years ended 31 December		
Discount rate *		
- Thailand	1.18 - 1.82	1.46 - 1.90
- Vietnam	2.53	4.01
- Indonesia	6.6 - 7.5	7.5 - 8.05
- Philippines	5.50	5.50
Salary increase rate	3.00 - 8.00	2.00 - 8.00
Employee turnover rate **	2.00 - 50.00	2.00 - 50.00
Mortality rate ***	50.00, 100.00 of TMO2017	50.00, 100.00 of TMO2017

* Market yields on government's bonds for legal severance payments plan and pension
** Upon the length of service
***Reference from TMO2017: Thai Mortality Ordinary Table 2017

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Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

Effect on the non-current provisions for defined benefit plans at 31 December

	Increase (decrease)	
	2020	2019
	(in thousand Baht)	
Discount rate		
0.50% increase	(149,814)	(147,956)
0.50% decrease	163,399	161,670
Salary increase rate		
1.00% increase	306,347	322,451
1.00% decrease	(264,811)	(276,639)
Employee turnover rate		
10.00% increase	(71,156)	(74,066)
10.00% decrease	74,133	77,347

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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19 Share capital

		2020		2019	
	Par Value *(in Baht)*	Number of shares	Value *(in thousand shares / thousand Baht)*	Number of shares	Value
Authorized					
At 1 January					
- ordinary shares	1	4,500,000	4,500,000	-	-
Reduction in par value					
- ordinary shares	1	-	-	1,563,000	1,563,000
Increase of new shares					
- ordinary shares	1	-	-	2,937,000	2,937,000
At 31 December					
- ordinary shares	**1**	**4,500,000**	**4,500,000**	**4,500,000**	**4,500,000**
Issued and paid-up					
At 1 January					
- ordinary shares	1	3,126,000	3,126,000	-	-
Reduction in par value					
- ordinary shares	1	-	-	1,563,000	1,563,000
Increase of new shares					
- ordinary shares	1	1,166,920	1,166,920	1,563,000	1,563,000
At 31 December					
- ordinary shares	**1**	**4,292,920**	**4,292,920**	**3,126,000**	**3,126,000**

Initial public offering

On 26 October 2019, The Board of Directors' Meeting No. 214 (10/2019) has approved the plan to issue and offer newly issued ordinary shares in the Company as an initial public offering (IPO) and to list the ordinary shares in the Company on the Stock Exchange of Thailand. The portion of the shares to be offered for sale in the IPO will not exceed 30% of the Company's paid-up capital after its capital increase.

On 17 December 2019, the Company submitted to Thai SEC a registration statement and draft prospectus for the IPO. In connection with the IPO, the Company will issue and offer no more than 1,374 million ordinary shares with a par value of 1 Thai Baht per share.

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The Company offered 1,296.68 million newly issued ordinary shares with a par value of Baht 1 per share which consists of (1) the offering of 1,127.55 million newly issued ordinary shares in the IPO and (2) the over-allotment of 169.13 million newly issued ordinary shares, the Over-Allotment Agent has borrowed 169.13 million ordinary shares from the parent company to deliver to the subscribers. The Over-Allotment Agent shall procure the aforementioned number of shares by purchasing the Company's shares traded on the Stock Exchange of Thailand (SET) or by exercising the right to purchase the Company's shares allocated for such purpose, in the total number of 169.13 million shares, within 30 days from the date on which the Company's shares start trading on the SET.

On 19 October 2020, the Company registered the increase of 1,127.55 million paid-up share capital with the Ministry of Commerce, with an offering price of Baht 35 per share (par value of Baht 1) amounting to Baht 39,464 million. The shares of the Company began trading on the Stock Exchange of Thailand on 22 October 2020.

On 20 November 2020, after the 30-day period of exercising the right to purchase, the Over-Allotment Agent has purchased the Company's shares traded on the SET in the amount of 129.76 million shares and has announced its intention to exercise its right to purchase the 39.37 million newly-issued ordinary shares from the Company at the price of Baht 35 per share, which is the same price as the IPO price, totaling Baht 1,378 million to return the shares to the parent company. The Company issued and allocated such shares to the Over-Allotment Agent and registered the change in the paid-up capital with the Ministry of Commerce on 25 November 2020, the Company's paid-up capital with a total of 4,293 million issued shares at the par value of Baht 1 per share in the amount of Baht 4,293 million.

Expenses directly attributable to the IPO of Baht 750 million were deducted from the IPO's share premium, which was received from shares offering to investors as at 31 December 2020, resulted in net share premium of Baht 40,860 million.

Year 2019

On 25 November 2019, at the Extra ordinary general meeting of shareholders of the Company, shareholders approved as follows;

1. Reduction in par value of the Company's shares, from Baht 10 per share, totaling 156.3 million shares to Baht 1 per share, totaling 1,563 million shares. As a result, the number of authorized shares, and issued and paid-up shares increased by 1,406.7 million shares. The authorized share capital and issued and paid-up share capital of the Company remain unchanged. The Company completed the registration of the change with the Ministry of Commerce on 25 November 2019.

2. Increasing of authorized share capital of the Company from Baht 1,563 million to Baht 4,500 million by issuing stock dividends of 1,563 million shares at par value of Baht 1 per share in the ratio of 1 current share per 1 dividend share and issuing new ordinary shares of 1,374 million shares at par value of Baht 1 per shares. The Company completed the registration of the change with the Ministry of Commerce on 25 November 2019.

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20 Reserves and other components of shareholders' equity

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

Other components of equity

Exchange differences on translating financial statements

The exchange differences on translating financial statements comprises all foreign currency differences arising from the translation of the financial statements of the Company's foreign operations until disposal of investment.

Fair value changes of 2020

The fair value changes comprise:
- the cumulative net change in the fair value of equity instruments designated at FVOCI until the assets are derecognized; and
- the cumulative net change in fair value of debt instruments at FVOCI until the assets are derecognized or reclassified. This amount is adjusted by the amount of loss allowance.

Fair value changes of 2019

Fair value changes in available-for-sale investments recognized in equity relate to cumulative net changes in the fair value of available-for-sale investments until the investments are derecognized.

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21 Non-controlling interests

The following table summarizes the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	Phoenix Pulp & Paper Public Company Limited		Thai Containers Group Co., Ltd.		PT Fajar Surya Wisesa Tbk.	
	2020	2019	2020	2019	2020	2019 *
			(in thousand Baht)			
Non-controlling interests at 31 December						
Non-controlling interest percentage	30.42%	30.42%	30.00%	30.00%	44.76%	44.76%
Current assets	5,896,710	6,854,079	5,605,154	4,675,657	6,314,406	6,007,852
Non-current assets	18,930,923	19,153,282	14,350,113	11,289,766	15,668,009	14,703,278
Current liabilities	(2,837,349)	(3,548,932)	(9,019,395)	(5,661,055)	(7,295,004)	(8,153,703)
Non-current liabilities	(1,131,329)	(1,093,064)	(682,656)	(630,549)	(7,508,483)	(5,014,272)
Net assets	**20,858,955**	**21,365,365**	**10,253,216**	**9,673,819**	**7,178,928**	**7,543,155**
Carrying amount of non-controlling interest	6,345,294	6,499,344	3,075,965	2,902,146	3,213,288	3,376,316
For the year ended 31 December						
Revenue	5,949,472	6,992,032	16,669,953	16,864,353	17,101,014	8,570,868
Profit (loss) for the year	(413,211)	(249,762)	801,621	548,191	762,600	553,552
Other comprehensive income for the year	5,766	(14,197)	(10,916)	(47,807)	(15,356)	(12,589)
Total comprehensive income for the year	**(407,445)**	**(263,959)**	**790,705**	**500,384**	**747,244**	**540,963**
Profit (loss) for the year:						
- Attributable to owners of the parent	(287,512)	(173,784)	561,135	383,734	421,260	305,324
- Attributable to non-controlling interest	(125,699)	(75,978)	240,486	164,457	341,340	248,228
Other comprehensive income for the year:						
- Attributable to owners of the parent	4,012	(9,878)	(7,641)	(33,465)	(8,483)	(6,936)
- Attributable to non-controlling interest	1,754	(4,319)	(3,275)	(14,342)	(6,873)	(5,653)
	(407,445)	**(263,959)**	**790,705**	**500,384**	**747,244**	**540,963**
Cash flows from operating activities	251,001	445,662	1,305,523	1,494,862	971,679	(2,955,508)
Cash flows from investing activities	621,282	439,060	(4,276,564)	(1,213,413)	(1,640,814)	(903,683)
Cash flows from financing activities	(1,047,568)	(795,387)	2,978,127	(292,976)	671,376	3,786,729
Net increase (decrease) in cash and cash equivalents	**(175,285)**	**89,335**	**7,086**	**(11,527)**	**2,241**	**(72,462)**
Dividends to non-controlling interest	**29,920**	**66,630**	**62,280**	**41,520**	**446,045**	-

* Income statement for the period during July - December 2019.

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22 Business segment information

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment assets, revenues and results of operations include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Group comprises the following main business segments:

Integrated Packaging Chain	Comprise of fiber-based packaging such as corrugated containers, retail display packaging, and grocery and industrial bags, packaging paper, and performance and polymer packaging (flexible packaging and rigid packaging)
Fibrous Chain	Comprise of foodservice products, pulp and paper products comprising mainly printing and writing paper, and pulp
Other	Holding company

The business segment information is used by management to evaluate the performance of segments and to allocate resources. The Group evaluates operating performance based on EBITDA.

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Information relating to business segments for the years ended 31 December was as follows:

	Integrated Packaging Chain		Fibrous Chain		Other		Intersegment Elimination		Consolidated SCGP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
					(in thousand Baht)					
Information from										
statement of financial position										
Current assets	33,741,848	29,893,363	4,891,681	5,881,566	58,028,265	34,339,430	(33,742,877)	(34,731,036)	62,918,917	35,383,323
Investments in associates	-	-	392,945	340,523	429,675	430,231	-	-	822,620	770,754
Long-term investments	813,110	823,150	-	477	34,447,438	34,447,438	(35,254,396)	(35,254,396)	6,152	16,669
Property, plant and equipment	68,705,641	63,651,687	18,774,437	18,739,416	324,220	213,341	(533,011)	259,123	87,271,287	82,863,567
Others non-current assets	19,932,159	19,324,145	1,229,407	982,059	509,216	430,603	(260,878)	(258,075)	21,409,904	20,478,732
Total assets	**123,192,758**	**113,692,345**	**25,288,470**	**25,944,041**	**93,738,814**	**69,861,043**	**(69,791,162)**	**(69,984,384)**	**172,428,880**	**139,513,045**
Short-term borrowings	40,111,534	41,463,749	1,465,130	1,961,047	23,435,242	33,907,033	(33,202,759)	(34,101,688)	31,809,147	43,230,141
Other current liabilities	10,106,365	9,418,073	1,569,240	1,728,494	304,929	266,581	(552,996)	(629,245)	11,427,538	10,783,903
Long-term borrowings	7,639,235	3,987,801	1,185,393	365,961	5,093,582	12,000,000	(799,750)	-	13,118,460	16,353,762
Other non-current liabilities	5,204,726	5,318,259	635,544	704,891	392,683	306,094	-	-	6,232,953	6,329,244
Total liabilities	63,061,860	60,187,882	4,855,307	4,760,393	29,226,436	46,479,708	(34,555,505)	(34,730,933)	62,588,098	76,697,050
Shareholders' equity	60,130,898	53,504,463	20,433,163	21,183,648	64,512,378	23,381,335	(35,235,657)	(35,253,451)	109,840,782	62,815,995
Total liabilities and shareholders' equity	**123,192,758**	**113,692,345**	**25,288,470**	**25,944,041**	**93,738,814**	**69,861,043**	**(69,791,162)**	**(69,984,384)**	**172,428,880**	**139,513,045**
Supplementary information										
Increase in non-current assets	10,302,426	46,397,758	777,140	842,790	121,600	32,376	-	-	11,201,166	47,272,924

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	Integrated Packaging Chain		Fibrous Chain		Other		Intersegment Elimination		Consolidated SCGP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
					(in thousand Baht)					
Information from income statement										
Revenue from sales										
External customers	78,902,697	71,625,219	13,883,271	17,444,648	-	-	-	-	92,785,968	89,069,867
Intersegment	272,241	380,587	1,564,325	1,349,383	-	-	(1,836,566)	(1,729,970)	-	-
Total revenue from sales	79,174,938	72,005,806	15,447,596	18,794,031	-	-	(1,836,566)	(1,729,970)	92,785,968	89,069,867
Cost of sales	(61,007,890)	(56,245,390)	(14,422,014)	(17,483,358)	-	-	2,097,312	2,077,403	(73,332,592)	(71,651,345)
Gross profit	18,167,048	15,760,416	1,025,582	1,310,673	-	-	260,746	347,433	19,453,376	17,418,522
Other income	653,473	1,036,104	133,469	223,639	4,997,217	4,120,961	(5,181,794)	(4,416,878)	602,365	963,826
Profit before expenses	18,820,521	16,796,520	1,159,051	1,534,312	4,997,217	4,120,961	(4,921,048)	(4,069,445)	20,055,741	18,382,348
Operating expenses	(8,401,323)	(7,600,011)	(1,897,789)	(2,080,158)	(1,807,798)	(1,631,573)	1,744,189	1,558,403	(10,362,721)	(9,753,339)
Profit (loss) before finance cost and income tax	10,419,198	9,196,509	(738,738)	(545,846)	3,189,419	2,489,388	(3,176,859)	(2,511,042)	9,693,020	8,629,009
Finance cost	(1,346,227)	(1,359,196)	(77,676)	(83,148)	(818,922)	(1,266,288)	790,944	967,203	(1,451,881)	(1,741,429)
Profit (loss) before income tax	9,072,971	7,837,313	(816,414)	(628,994)	2,370,497	1,223,100	(2,385,915)	(1,543,839)	8,241,139	6,887,580
Tax income (expense)	(1,102,030)	(1,222,821)	94,527	155,075	10,268	22,548	(4,370)	(3,850)	(1,001,605)	(1,049,048)
Profit (loss) after income tax	7,970,941	6,614,492	(721,887)	(473,919)	2,380,765	1,245,648	(2,390,285)	(1,547,689)	7,239,534	5,838,532
Share of profit of associates accounted for using equity method	-	-	59,561	39,485	6,823	13,243	-	-	66,384	52,728
Profit (loss) for the year	**7,970,941**	**6,614,492**	**(662,326)**	**(434,434)**	**2,387,588**	**1,258,891**	**(2,390,285)**	**(1,547,689)**	**7,305,918**	**5,891,260**

Revenue from sales of integrated packaging chain's proportion is 85% of the total revenue from sales including packaging paper 52%, fiber-based packaging 26%, and performance and polymer packaging 7%.

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	Integrated Packaging Chain		Fibrous Chain		Other		Intersegment Elimination		Consolidated SCGP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
					(in thousand Baht)					
Profit (loss) attributable to:										
Owners of the parent	**7,200,544**	**6,152,564**	**(655,082)**	**(429,430)**	**2,387,588**	**1,258,891**	**(2,475,575)**	**(1,713,514)**	**6,457,475**	**5,268,511**
Non-controlling interests	770,397	461,928	(7,244)	(5,004)	-	-	85,290	165,825	848,443	622,749
	7,970,941	**6,614,492**	**(662,326)**	**(434,434)**	**2,387,588**	**1,258,891**	**(2,390,285)**	**(1,547,689)**	**7,305,918**	**5,891,260**
Interest income	185,069	102,149	2,039	2,709	785,509	966,877	(755,248)	(966,848)	217,369	104,887
Depreciation and amortization	5,369,624	4,355,649	1,765,602	1,603,528	80,355	40,535	(32,404)	(8,939)	7,183,177	5,990,773
Other non-monetary items:										
- Loss on inventories devaluation (reversal)	7,212	8,867	(41,802)	84,574	-	-	-	-	(34,590)	93,441
- Loss on impairment of assets	-	36,623	-	-	-	-	-	-	-	36,623

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Geographical segment

The Group has expanded its investment and operating in foreign countries. All significant revenue from sales and non-current assets based on geography is presented in this information. Segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Geographical segment information

	Revenue from sales		Non-current assets	
	2020	2019	2020	2019
	(in thousand Baht)			
Thailand	47,961,357	50,800,749	56,276,421	55,042,618
Indonesia	13,106,956	8,594,958	36,976,381	36,821,744
Vietnam	10,689,361	10,543,127	7,716,954	6,618,906
China	9,640,829	5,690,117	-	-
Philippines	2,917,569	3,447,985	4,627,891	1,899,849
Others	8,469,896	9,992,931	1,254,064	1,094,148
Total	**92,785,968**	**89,069,867**	**106,851,711**	**101,477,265**

Major customer

The Group has no revenue from one customer for the amount over 10% of the Group's total revenue from sales.

23 Distribution costs

	2020	2019
	(in thousand Baht)	
Freight and commission expenses	3,480,445	3,090,286
Salary, welfare and employee expenses	825,363	797,842
Custom, insurance expense and intellectual properties fees	361,297	334,694
Sales promotion and advertising expenses	150,097	223,947
Rent, depreciation and amortization	85,020	94,034
Others	246,555	259,804
Total	**5,148,777**	**4,800,607**

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24 Administrative expenses

	2020	2019
	(in thousand Baht)	
Salary, welfare and employee expenses	2,715,716	2,451,551
Professional and consultant fees	716,178	577,981
Service expenses	326,904	344,270
Rent, depreciation and amortization	312,445	281,932
IT fees	304,321	298,308
Idle costs	43,186	68,287
Others	572,986	403,035
Total	**4,991,736**	**4,425,364**

25 Employee benefit expenses

	2020	2019
	(in thousand Baht)	
Salaries and wages	8,531,895	7,811,125
Welfares and others	1,020,842	922,963
Contribution to defined contribution plans	457,436	449,068
Contribution to defined benefit plans	352,135	291,233
Early retirement expenses	240,296	23,705
Employee benefit expense from the amended severance pay of the Labor Law	-	527,368
Total	**10,602,604**	**10,025,462**

The Group has provident fund plans to provide retirement and gratuity benefits to employees upon resignation at 5% to 10% of the employee's salaries, depending on the length of employment.

The defined contribution plans comprise provident funds established by the Group for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

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26 Finance cost

	2020	2019
	(in thousand Baht)	
Interest - Thai Baht loans	854,458	1,304,689
Interest - Foreign loans	528,200	345,806
Others	69,223	90,934
Total	**1,451,881**	**1,741,429**

27 Income tax

Income tax recognized in profit or loss

	Note	2020	2019
		(in thousand Baht)	
Current tax			
Current tax expense		1,699,728	1,383,451
Under (over) provided in prior years		24,394	(11,211)
		1,724,122	**1,372,240**
Deferred tax			
Movements in temporary differences	*14*	(722,517)	(323,192)
Total		**1,001,605**	**1,049,048**

Income tax recognized in other comprehensive income

	2020	2019
	(in thousand Baht)	
Actuarial losses	(34,478)	(38,683)
Total	**(34,478)**	**(38,683)**

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Reconciliation of effective tax rate

For the years ended 31 December 2020 and 2019, the Group's effective tax rate is not equal to the statutory tax rate of 20% under the Revenue Code because income tax expense is calculated from accounting profit adjusted by non-deductible expenses, deducted income or expense exemption under the Revenue Code and utilized the tax losses carried forward from prior years and also had the exemption from payment of corporate income tax on the net profit derived from the promoted business.

		2020		2019
	Rate (%)	*(in thousand Baht)*	Rate (%)	*(in thousand Baht)*
Profit before income tax expense		8,307,523		6,940,308
Share of profit of associates		(66,384)		(52,728)
		8,241,139		6,887,580
Income tax using the Thai corporation tax rate	20	1,648,228	20	1,377,516
Effect of different tax rates in foreign jurisdictions		51,635		64,825
Income not subject to tax		(97,761)		(44,567)
Tax privileges		(237,692)		(408,357)
Expenses deductible at a greater amount		(177,332)		(55,233)
Expenses not deductible for tax purposes and others		98,754		182,192
Tax losses increase		413,896		267,075
Current tax expense		**1,699,728**		**1,383,451**
Under (over) provided in prior years		24,394		(11,211)
Movement in temporary differences		(722,517)		(323,192)
Income tax expense	**12**	**1,001,605**	**15**	**1,049,048**

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28 Promotional privileges

By virtue of the provisions of the Investment Promotion Act of B.E. 2520, the Group was granted the following privileges.

	Exemption from corporate income tax for 8 years from	50% Deduction of normal corporate income tax for 5 years from
Thai Containers Rayong Co., Ltd.		
Manufacture of corrugated paper and cartons	4 January 2009	4 January 2017
Visy Packaging (Thailand) Limited		
Manufacture of plastics sheet and plastics product	23 September 2009	23 September 2017
Manufacture of plastic containers	18 July 2013	18 July 2021
Manufacture of plastic containers	4 July 2014	4 July 2022
Manufacture of plastic containers	29 August 2015	29 August 2023
Manufacture of plastics sheet and plastics product	6 July 2018	6 July 2026

	50% Deduction of normal corporate income tax for 3 years from
Thai Containers Group Co., Ltd.	
Manufacture of corrugated paper (Chonburi)	4 September 2018
Manufacture of corrugated paper (Prachinburi)	4 September 2018
Manufacture of corrugated paper (Samut Prakan)	21 August 2019
Thai Containers Khonkaen Co., Ltd.	
Manufacture of corrugated paper and cartons	21 August 2019

	Exemption from corporate income tax for 8 years from
Phoenix Utilities Co., Ltd.	
Manufacture of electricity and steam	1 April 2011
The Siam Forestry Co., Ltd.	
Eucalyptus forest plantation	19 June 2013
Siam Kraft Industry Co., Ltd.	
Manufacture of kraft paper	17 March 2011
Manufacture of kraft paper	21 September 2011

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	Exemption from corporate income tax for 8 years from
Thai Cane Paper Public Company Limited	
Manufacture of kraft paper	21 May 2013
Manufacture of kraft paper	21 February 2014
SCG Paper Energy Co., Ltd.	
Power management	1 November 2017
Electricity production	19 October 2018
Electricity production	4 June 2019
Electricity production	17 March 2020
Electricity production	17 June 2020
Thai Containers Group Co., Ltd.	
Manufacture of corrugated paper	3 October 2011
Manufacture of corrugated paper	1 October 2012
Manufacture of corrugated paper	9 June 2017
Precision Print Co., Ltd.	
Manufacture of printing	10 August 2015

	Exemption from corporate income tax for 5 years from
Thai Paper Co., Ltd.	
Manufacture of glassine paper	11 April 2017
Prepack Thailand Co., Ltd.	
Manufacture of printing	7 March 2016

	Exemption from corporate income tax for 3 years from
Phoenix Pulp & Paper Public Company Limited	
Manufacture of pulp	22 July 2017
Manufacture of hygienic food packaging	22 March 2018
Thai Paper Co., Ltd.	
Manufacture of pulp	17 February 2016
Manufacture of hygienic food packaging	3 November 2016
Manufacture of hygienic food packaging	2 March 2018

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Vina Kraft Paper Co., Ltd. also obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 15% of taxable profits for the first 12 years starting from the first year of operation, and exemption from corporate income tax for 3 years from the year that profit is first reported and 50% deduction of the said corporate income tax for 7 years thereafter.

Vina Kraft Paper Co., Ltd. also obtained privileges from a government agency in Vietnam for Expanding capacity project No.2 to pay income tax at a reduced rate of 10% of taxable profits for the first 6 years starting from the first year of operation, and exemption from corporate income tax for 2 years from the year that profit is first reported.

New Asia Industries Co., Ltd. also obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 15% of taxable profits until 2021.

Alcamax Packaging (Vietnam) Co., Ltd. also obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 15% of taxable profits until 2027.

AP Packaging (Hanoi) Co., Ltd. also obtained privileges from a government agency in Vietnam to pay income tax at a reduced rate of 10% of taxable profits until 2052.

Tin Thanh Packing Joint Stock Company also obtained privileges from a government agency in Vietnam to pay income tax for investment of new plant expansion at a reduced rate of 0% of taxable profits in 2020 to 2021 and 10% of taxable profits in 2022 to 2025.

As promoted companies, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

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29 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December was based on the profit for the years attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the years, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the stock split and distribution of stock dividend disclosed in note 19 and 30. The number of ordinary shares used in the calculation are adjusted as if such change had occurred at the beginning of the earliest reporting period as follows:

	2020	2019
	(in thousand Baht / thousand shares)	
Profit for the year attributable to ordinary shareholders of the Company	6,457,475	5,268,511
Weighted average number of ordinary shares outstanding at 1 January	3,126,000	156,300
Effect of shares issued on 19 October 2020	187,925	-
Effect of shares issued on 25 November 2020	3,281	-
Effect of reduction in par value	-	1,406,700
Effect of stock dividend	-	1,563,000
Weighted average number of ordinary shares outstanding at 31 December	**3,317,206**	**3,126,000**
Basic earnings per share *(in Baht)*	**1.95**	**1.69**

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30 Dividends

The dividends paid by the Company to the shareholders were as follows:

	Approval date	Payment schedule	Dividend rate per share *(Baht)*	Amount *(in million Baht)*
2020				
Annual dividend 2019	24 March 2020	23 April 2020	0.42	1,313
Total			**0.42**	**1,313**
2019				
Annual dividend 2018	26 March 2019	25 April 2019	10.00	1,563
Interim dividend 2019	25 November 2019	6 December 2019	1.11111111	1,737
Total			**11.11111111**	**3,300**

On 25 November 2019, at the Extra ordinary general meeting of shareholders of the Company, they passed resolution to approve the interim dividend payment, detail are as follows;

1. Pay dividend by ordinary shares of 1,563 million shares at par value of Baht 1 per share, in the ratio of 1 current share per 1 dividend share.
2. Pay dividend by cash at Baht 0.11111111 per share, totaling Baht 174 million.

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31 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at amortized cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value	
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total	Level 2	Level 3
			(in thousand Baht)			
Balance at 31 December 2020						
Financial assets						
Cash and cash equivalents	-	-	31,255,702	31,255,702		
Short-term investments - deposit at financial institutions	-	-	1,629,897	1,629,897		
Trade receivables	-	-	14,412,211	14,412,211		
Investment in equity instruments	-	6,152	-	6,152	-	6,152
Derivatives assets	26,830	-	-	26,830	26,830	-
Total financial assets	**26,830**	**6,152**	**47,297,810**	**47,330,792**		
Financial liabilities						
Bank overdrafts and borrowings from financial institutions	-	-	43,433,857	43,433,857		
Trade payables	-	-	7,702,501	7,702,501		
Lease liabilities	-	-	1,493,750	1,493,750		
Derivatives liabilities	231,648	-	-	231,648	231,648	-
Total financial liabilities	**231,648**	**-**	**52,630,108**	**52,861,756**		

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Disclosure of the fair value of financial assets and liabilities applicable before 1 January 2020

	Carrying Amount	Fair Value Level 2
	(in thousand Baht)	
Balance at 31 December 2019		
Financial assets and liabilities		
Forward exchange contract		
Forward receivable	-	(10,930)
Forward payable	-	(33,244)

Financial instruments measured at fair value

The fair values of forward exchange contracts and commodity contracts were calculated using the rates initially quoted by the Group's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts.

The Group determined Level 3 fair values for investments in equity instruments which is not actively traded in market. The fair value of the investment was then determined using a valuation technique that used significantly unobservable input such as the latest reporting net assets adjusted by relevant factors because the shares were not listed on Stock Exchange, and there were no recent observable arm's length transactions in the shares.

(b) Financial risk management policies

Risk management framework

The Group's management has responsibility to establish policies, financial risk management and exchange rate in term of capital expenditure, investment, loan, deposit and international trade transaction. This also includes establishing policies and monitoring financial derivative and cash management for efficiency of the Group's financial operation under appropriate risk and in same direction with the Group. Policies are appropriately reviewed to the changing situation. The Group's management monitors the financial status and constantly prepares the report to management regularly.

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(1) Credit risk

Credit risk is the risk of Group's financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

(1.1) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with high credibility, for which the Group considers to have low credit risk.

(1.2) Trade accounts receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Any sales exceeding those limits was required approval.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables

	Note	2020	2019
		(in thousand Baht)	
Trade receivables			
Related parties	*6*	**692,942**	**573,116**
Other companies		13,886,511	13,212,970
Less allowance for expected credit loss		(167,242)	(156,835)
Net		**13,719,269**	**13,056,135**
		14,412,211	**13,629,251**
For the years ended 31 December			
Expected credit loss (reversal)		(7,400)	28,492

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	2020	2019
	(in thousand Baht)	
Trade receivables		
Related parties		
Within credit terms	687,269	557,819
Overdue:		
Less than 1 month	5,324	5,013
1 - 3 months	58	10,274
Over 3 - 12 months	291	10
Total	**692,942**	**573,116**
Other companies		
Within credit terms	12,550,667	11,580,062
Overdue:		
Less than 1 month	959,151	1,114,622
1 - 3 months	161,593	329,675
Over 3 - 12 months	46,148	44,188
Over 12 months	168,952	144,423
	13,886,511	**13,212,970**
Less allowance for expected credit loss	(167,242)	(156,835)
Net	**13,719,269**	**13,056,135**
Total	**14,412,211**	**13,629,251**

Loss rates are based on actual credit loss experience over the past three years, current economics condition and the Group's view of economic conditions over the expected lives of the receivables.

The normal credit term granted by the Group is 30 - 90 days.

Movement of allowance for expected credit loss of trade accounts receivables

	Note	*(in thousand Baht)*
At 31 December 2019 - as reported		**156,835**
Impact of changes in accounting policies	*3(b)*	13,132
At 1 January 2020		**169,967**
Addition		8,312
Reversal		(11,151)
Write-off		(2,274)
The effect of changes in foreign exchange rates		2,388
At 31 December 2020		**167,242**

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(2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rates	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)		*(in million Baht)*		
2020					
Current					
Bank overdraft and	MMR plus (0.60 - 1.15, 2.53)				
short-term borrowings	Cost of fund plus (0.55 - 2.00, 5.00)				
from financial institutions	LIBOR plus (0.75 - 1.50)				
	JIBOR plus (0.75 - 1.50)				
	1.00 - 5.62	15,080	-	-	15,080
Long-term borrowings					
from financial institutions	MLR minus (2.00 - 2.75)				
	Cost of fund plus (0.65, 1.75)				
	LIBOR plus (1.25 - 1.75)				
	VNIBOR plus (0.50)				
	JIBOR plus (1.15)				
	2.00 - 3.00, 10.90	16,302	-	-	16,302
Lease liabilities	1.80 - 15.00	470	-	-	470
Non-current					
Long-term borrowings	MLR minus (2.00 - 2.75)				
from financial institutions	Cost of fund plus (0.60 - 0.65, 1.75)				
	LIBOR plus (1.25 - 1.75)				
	VNIBOR plus (0.50)				
	JIBOR plus (1.15)				
	2.25, 4.90, 10.90	-	10,456	1,596	12,052
Lease liabilities	1.80 - 15.00	-	782	725	1,507
Total		**31,852**	**11,238**	**2,321**	**45,411**
Less Deferred Interest - lease liabilities					(483)
Net					**44,928**

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	Effective interest rates	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)		*(in million Baht)*		
2019					
Current					
Bank overdraft and	MMR, MLR minus 0.50				
short-term borrowings	Cost of fund plus (0.50 - 2.00)				
from financial institutions	LIBOR plus (1.25 - 3.00)				
	1.28 - 9.50	7,132	-	-	7,132
Short-term borrowings					
from related parties	3.50 - 8.70	33,827	-	-	33,827
Long-term borrowings	MLR minus 2.75				
from financial institutions	Cost of fund plus (0.65 - 0.67, 3.78)				
	LIBOR 3 - 6 months plus (1.20 - 3.75)				
	VNIBOR plus 0.50				
	JIBOR plus 4.40				
	4.35 - 10.90	2,184	-	-	2,184
Finance lease liabilities	3.78, 7.00, 10.25 - 15.00, 21.60	88			88
Non-current					
Long-term borrowings	MLR minus 2.75				
from financial institutions	Cost of fund plus (0.65 - 0.67, 3.78)				
	LIBOR 3 - 6 months plus (1.20 - 3.75)				
	VNIBOR plus 0.50				
	JIBOR plus 4.40				
	1.75 - 10.90	-	15,597	721	16,318
Finance lease liabilities	3.78, 7.00, 10.25 -15.00, 21.60	-	35	-	35
Total		**43,231**	**15,632**	**721**	**59,584**

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(3) Market risk

The Group is exposed to risks from changes in interest rates and currency exchange. The Group does not hold or issue derivatives for speculative or trading purposes.

(3.1) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Group is exposed to foreign exchange risk arises from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Group manage that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December 2020, the Group's exposure to foreign currency risk from foreign currency assets and liabilities are as follows;

	US dollar *(in thousand Baht)*
Trade and other current receivables	848,035
Interest-bearing liabilities	(5,590,005)
Trade and other current payables	(2,413,822)
Net statement of financial position exposure	**(7,155,792)**
Currency swaps contracts	
Forward exchange selling contracts	(1,612,977)
Forward exchange buying contracts	2,900,556
Net exposure	**(5,868,213)**

Cross currency swap

The Group has entered into cross currency swap contracts with a foreign bank to hedge against the risk arisen from payment on long-term loan of US dollar 75 million or equivalent to approximately Baht 2,260 million, whereby exchanging currency from US dollar to functional currency. These contracts will be due within January 2027.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
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Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, remain constant and ignores any impact of forecast sales and purchases.

		Profit or loss	
At 31 December 2020	Movement	Strengthening	Weakening
	%	*(in thousand baht)*	
US dollar	1	(57,053)	57,053

As at 31 December 2019, the Group has forward exchange purchase contract of Baht 1,788 million and forward exchange selling contract of Baht 1,759 million, mostly closing risk in US dollar.

(3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows certainty. The Group is primarily exposed to interest rate risk from its borrowings. The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

Exposure to interest rate risk at 31 December 2020

	(in thousand Baht)
Financial instruments with variable interest rates	
Financial assets	2,089
Financial liabilities	(23,391,718)
	(23,389,629)
Interest rate swaps	2,259,727
	(21,129,902)

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
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Interest rate swap contract

The Group has entered into interest rate swap contracts with a foreign bank to hedge against the risk of interest on long- term loans of US dollar 75 million or equivalent to approximately Baht 2,260 million, whereby exchanging floating interest rates based on LIBOR with fixed interest rates at 0.27% per year. These contracts will be due within January 2027.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date would have profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
At 31 December 2020	1% increase in interest rate	1% decrease in interest rate
	(in thousand baht)	
Financial instruments with variable interest rate	(225,840)	225,840
Interest rate swaps	22,597	(22,597)
Cash flow sensitivity (net)	**(203,243)**	**203,243**

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

32 Commitments and contingent liabilities

As at 31 December, the Group had:

(a) The purchase and installation of machinery and equipment of Baht 2,909 million *(2019: Baht 4,571 million)*.

(b) The purchase of raw material of Baht 856 million *(2019: Baht 648 million)*.

(c) Contingent liability for letter of guarantees issued by local banks for the Group to government organizations of Baht 81 million *(2019: Baht 85 million)*.

(d) Contingent liability for borrowings guarantees issued by a local bank for the Group to associate which limit is not exceed Baht 198 million *(2019: Baht 264 million)*.

(e) A subsidiary has entered into agreements with foreign company for the delivery and loading of Woodchips to Vessel. The subsidiary is committed to sell and deliver the Woodchips in volume equivalent to approximately 48,000 BDMT per year. The agreement period is for 12 years with the commencement date in December 2034.

(f) A subsidiary has entered into agreements with local company for provide Biofuel to delivery point. The subsidiary is committed to sell and deliver the Biofuel in volume equivalent to approximately 73,000 tons per year. The agreement period is for 25 years with the commencement date in August 2037.

33 Capital management

The management of the Group has the capital management policy to maintain a strong capital base by emphasis on planning and determining the operating strategies resulting in good business's performance and sustained good cash flows management. In addition, the Group considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustained future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

SCG Packaging Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

34 Events after the reporting period

(a) As disclosed in note 2(c), the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020. The Group recognized the effect of the end of accounting relief measures since 1 January 2021 which is no material impact on the Group's financial performance and position.

(b) On 2 November 2020, the Company has signed a share purchase agreement to acquire a 100% stake in Go-Pak UK Limited ("Go-Pak"), one of leading foodservice packaging solution providers in the UK, Europe and North America. On 13 January 2021, the business acquisition is completed. This purchase will be through SCGP Solutions (Singapore) Pte. Ltd. which is a wholly owned subsidiary of the Group. The payment is initiated by the first payment of GBP 77.5 million (approximately Baht 3,180 million). The remaining payments will be based on Go-Pak's incremental financial performance, which will range from GBP 30 million to no more than the total of GBP 56 million (approximately Baht 1,230 to 2,300 million).

This acquisition of Go-Pak is an expansion of the Group's foodservice packaging. The Group will consolidate assets, liabilities and operating results in January 2021 onwards.

(c) On 26 January 2021, at the Board of Directors' Meeting of the Company, the directors proposed for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2020 at the rate of Baht 0.45 per share, amounting to Baht 1,932 million and is scheduled for payment on 22 April 2021. The dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 30 March 2021.

(d) On 1 February 2021, the Company invested in a mutual fund with an asset management company amounting to Baht 12,000 million with an average return of approximately 1% per year and holding period of approximately 1 year.

(e) The Company is in the process of submitting an application to the Securities and Exchange Commission for the issuance and offering of the debentures No. 1/2021 which will be due in 2024 (SCGP24DA) with offering value not exceeding Baht 5,000 million and additional debentures up to Baht 500 million, with a term of 3 years and 8 months at a fixed interest rate of 2.65% per annum. The company will issue the debentures on 1 April 2021 and maturity on 1 December 2024. The issuance and offering of debentures is in accordance with the resolution of the Board of Directors' Meeting on 1 December 2020, under the Company's debenture scheme in 2021, with the total amount not exceeding Baht 40,000 million at any given moment.

SCG Packaging Public Company Limited and its Subsidiaries
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(f) On 9 February 2021, the Company signed a share purchase agreement to acquire 70% stake in Duy Tan Plastics Manufacturing Corporation (or "Duy Tan"). The purchase will be through the Company's wholly owned new subsidiary, and further transaction detail will be provided in mid of 2021, upon the deal closing and regulatory approval in Vietnam. The remaining 30% share will be held by its existing owners, who will continue to actively support and help manage Duy Tan together with management from the company.

35 Reclassification of accounts

Certain accounts in consolidated income statement for the year ended 31 December 2019 have been reclassified to conform to the presentation in the 2020 consolidated financial statements:

	Before reclass	Reclass	After reclass
		(in thousand Baht)	
Consolidated income statement for the year ended 31 December 2019			
Gain from exchange rate	127,474	122,612	250,086
Finance cost	(1,618,817)	(122,612)	(1,741,429)

36 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2021 and have not been adopted in the preparation of these consolidated financial statements because they are not yet effective. The Group has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.

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Independent auditor's report

To the Shareholders of SCG Packaging Public Company Limited

Opinion

I have audited the financial statements of SCG Packaging Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2020, the income statement and statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

KPMG

Impairment testing of investments in associates and subsidiaries	
Refer to Notes 2, 4 (i), 7 and 8 to the financial statements.	
The key audit matter	**How the matter was addressed in the audit**
The management assessed the indicator of impairment requiring impairment testing of investments in associates and subsidiaries. The management focused on the businesses which performance was consistently below expectations. The impairment testing of investments in associates and subsidiaries is considered to be a key risk area due to the fact that it involves significant judgment by management to identify whether there is any indication of impairment and to consider the recoverable amount. Judgmental aspects include estimates and assumptions in respect of the forecasting of future cash flows along with its forecast growth rate and discount rate used for each cash generating unit. Therefore, this is an area of focus in my audit.	My audit procedures focused on assessing the reasonableness of impairment indicators of investment in associates and subsidiaries and the key assumptions which underpinned the recoverable amount I evaluated the appropriateness of identification of the CGU by management and valuation methodology, reasonableness of impairment indicator with reference to current market situations and operating environment, industry knowledge, and other information obtained during the audit. I tested significant assumptions which supported discounted cash flows projection by comparing the key assumptions with internal and external sources of information, appropriateness of the valuation methodology, discount rate and sensitivity analysis to determine the effect of changes in the significant assumptions by management concerning recent performance, trend analysis, and tested the mathematical accuracy of the recoverable amount and impairment calculations. Moreover, I evaluated the reasonableness of the forecasting of financial performances by comparing historical forecasts to the actual operating results. I also considered the adequacy of the Company's disclosures in accordance with the financial reporting standard.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

KPMG

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Thanyalux Keadkeaw)
Certified Public Accountant
Registration No. 8179

KPMG Phoomchai Audit Ltd.
Bangkok
16 February 2021

SCG Packaging Public Company Limited

Statement of financial position
As at 31 December 2020

Assets	*Note*	2020	2019
		(in thousand Baht)	
Current assets			
Cash and cash equivalents	*24*	25,127,640	8,580
Other current receivables	*5, 6*	362,170	254,306
Short-term loans to related parties	*5, 24*	32,492,002	33,950,895
Other current assets		46,453	125,649
Total current assets		**58,028,265**	**34,339,430**
Non-current assets			
Investments in associates	*7*	350,121	350,121
Investments in subsidiaries	*8*	34,447,438	34,447,438
Investment property	*9*	306,886	297,733
Property, plant and equipment	*10*	324,220	213,341
Intangible assets	*12*	60,510	30,623
Deferred tax assets	*13*	75,006	59,099
Other non-current assets		66,814	43,148
Total non-current assets		**35,630,995**	**35,441,503**
Total assets		**93,659,260**	**69,780,933**

For and on behalf of the Board of Directors

(Mr. Prasarn Trairatvorakul)
Chairman

(Mr. Wichan Jitpukdee)
Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Statement of financial position
As at 31 December 2020

Liabilities and shareholders' equity	*Note*	2020	2019
		(in thousand Baht)	
Current liabilities			
Short-term borrowings from financial institutions	*15, 24*	7,700,000	-
Other current payables	*5, 14*	285,570	249,573
Current portion of long-term borrowings	*15, 24*	14,998,088	-
Current portion of lease liabilities	*5, 15, 24*	37,119	-
Short-term borrowings from related parties	*5, 15, 24*	700,035	33,907,033
Other current liabilities		19,359	17,009
Total current liabilities		**23,740,171**	**34,173,615**
Non-current liabilities			
Long-term borrowings from financial institutions	*15, 24*	4,995,304	12,000,000
Lease liabilities	*5, 15, 24*	98,278	-
Non-current provisions for employee benefits	*16*	381,643	295,507
Other non-current liabilities		11,040	10,587
Total non-current liabilities		**5,486,265**	**12,306,094**
Total liabilities		**29,226,436**	**46,479,709**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Statement of financial position
As at 31 December 2020

Liabilities and shareholders' equity	*Note*	2020	2019
		(in thousand Baht)	
Shareholders' equity			
Share capital	*17*		
Authorized share capital			
- Ordinary share		**4,500,000**	**4,500,000**
Issued and paid share capital			
- Ordinary share		4,292,920	3,126,000
Share premium	*17, 18*	40,860,245	1,935,000
Retained earnings			
Appropriated			
Legal reserve	*18*	337,700	218,600
General reserve		3,000	3,000
Unappropriated		18,938,959	18,018,624
Total shareholders' equity		**64,432,824**	**23,301,224**
Total liabilities and shareholders' equity		**93,659,260**	**69,780,933**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Income statement

For the year ended 31 December 2020

	Note	2020	2019
		(in thousand Baht)	
Dividend income	*5, 7, 8*	2,407,522	1,566,377
Service income	*5*	1,746,785	1,532,035
Interest income	*5*	785,509	966,877
Other income		57,401	55,672
Total revenues before expenses		**4,997,217**	**4,120,961**
Administrative expenses	*5, 19*	(1,807,798)	(1,580,778)
Employee benefit expense from the amended severance pay of the Labor Law	*16, 20*	-	(50,795)
Total expenses		**(1,807,798)**	**(1,631,573)**
Profit before finance costs and income tax		**3,189,419**	**2,489,388**
Finance costs	*5, 15*	(818,922)	(1,266,288)
Profit before income tax		**2,370,497**	**1,223,100**
Tax income	*21*	10,268	22,548
Profit for the year		**2,380,765**	**1,245,648**
Basic earning per share *(in Baht)*	*22*	**0.72**	**0.40**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2020

	Note	2020	2019
		(in thousand Baht)	
Profit for the year		**2,380,765**	**1,245,648**
Other comprehensive income			
Components of other comprehensive income that will not be reclassified to profit or loss			
Defined benefit plan actuarial losses	*16*	(35,478)	(28,246)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	*21*	7,069	5,623
Other comprehensive income for the year, net of tax		**(28,409)**	**(22,623)**
Total comprehensive income for the year		**2,352,356**	**1,223,025**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2020

	Note	Issued and paid share capital	Share premium	Retained earnings: Appropriated: Legal reserve	Retained earnings: Appropriated: General reserve	Retained earnings: Unappropriated	Total shareholders' equity
				(in thousand Baht)			
Balance at 1 January 2019		**1,563,000**	**1,935,000**	**156,300**	**3,000**	**20,157,566**	**23,814,866**
Transactions with owners, recorded directly in shareholders' equity							
Stock dividends	*17, 23*	1,563,000	-	-	-	(1,563,000)	-
Dividends	*23*	-	-	-	-	(1,736,667)	(1,736,667)
Total transactions with owners, recorded directly in shareholders' equity		**1,563,000**	**-**	**-**	**-**	**(3,299,667)**	**(1,736,667)**
Comprehensive income for the year							
Profit or loss		-	-	-	-	1,245,648	1,245,648
Other comprehensive income		-	-	-	-	(22,623)	(22,623)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**1,223,025**	**1,223,025**
Transfer to legal reserve	*18*	-	-	62,300	-	(62,300)	-
Balance at 31 December 2019		**3,126,000**	**1,935,000**	**218,600**	**3,000**	**18,018,624**	**23,301,224**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2020

	Note	Issued and paid share capital	Share premium	Retained earnings: Appropriated: Legal reserve	Retained earnings: Appropriated: General reserve	Retained earnings: Unappropriated	Total shareholders' equity
				(in thousand Baht)			
Balance at 31 December 2019 - as reported		**3,126,000**	**1,935,000**	**218,600**	**3,000**	**18,018,624**	**23,301,224**
Impact of changes in accounting policies	*3*	-	-	-	-	(1)	(1)
Balance at 1 January 2020		**3,126,000**	**1,935,000**	**218,600**	**3,000**	**18,018,623**	**23,301,223**
Transactions with owners, recorded directly in shareholders' equity							
Issuance of ordinary shares	*17*	1,166,920	38,925,245	-	-	-	40,092,165
Dividends	*23*	-	-	-	-	(1,312,920)	(1,312,920)
Total transactions with owners, recorded directly in shareholders' equity		**1,166,920**	**38,925,245**	**-**	**-**	**(1,312,920)**	**38,779,245**
Comprehensive income for the year							
Profit or loss		-	-	-	-	2,380,765	2,380,765
Other comprehensive income		-	-	-	-	(28,409)	(28,409)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**2,352,356**	**2,352,356**
Transfer to legal reserve	*18*	-	-	119,100	-	(119,100)	-
Balance at 31 December 2020		**4,292,920**	**40,860,245**	**337,700**	**3,000**	**18,938,959**	**64,432,824**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Statement of cash flows

For the year ended 31 December 2020

	2020	2019
	(in thousand Baht)	
Cash flows from operating activities		
Profit for the year	2,380,765	1,245,648
Adjustments for		
Tax income	(10,268)	(22,548)
Depreciation and amortization	80,355	40,533
Employee benefit expense	77,225	117,864
Dividend income	(2,407,522)	(1,566,377)
Interest income	(785,509)	(966,877)
Interest expense and others	818,919	1,266,319
Cash flows generated from operations before changes in operating assets and liabilities	**153,965**	**114,562**
Decrease (increase) in operating assets		
Other current receivables	(120,083)	(48,148)
Other assets	74,091	(74,355)
Net increase in operating assets	**(45,992)**	**(122,503)**
Increase (decrease) in operating liabilities		
Other current payables	56,902	93,996
Provisions for employee benefits	(26,567)	(10,181)
Other liabilities	2,803	6,136
Net increase in operating liabilities	**33,138**	**89,951**
Net cash flows generated by operations	**141,111**	**82,010**
Income tax paid	(17,409)	(11,100)
Net cash flows provided by operating activities	**123,702**	**70,910**

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited

Statement of cash flows

For the year ended 31 December 2020

	Note	2020	2019
		(in thousand Baht)	
Cash flows from investing activities			
Investment in subsidiaries	*8*	-	(6,049,073)
Proceeds from sales of property, plant and equipment		-	5,648
Acquisition of property, plant and equipment		(15,224)	(23,866)
Acquisition of intangible assets		(40,153)	(11,827)
Proceeds from (payment of) short-term loans to related parties		1,458,893	(16,087,898)
Dividends received		2,407,522	1,566,377
Interest received		797,728	953,792
Net cash flows provided by (used in) investing activities		**4,608,766**	**(19,646,847)**
Cash flows from financing activities			
Proceeds from issue of shares	*17*	40,092,165	-
Proceeds from short-term borrowings from financial institutes		7,700,000	-
Proceeds from (payment of) short-term borrowings from related parties		(33,206,998)	10,563,631
Proceeds from long-term borrowings from financial institutes		8,000,000	12,000,000
Payments of lease liabilities		(37,459)	-
Net increase (decrease) in borrowings		**(17,544,457)**	**22,563,631**
Dividends paid		(1,312,920)	(1,736,667)
Interest paid and front-end fee		(848,196)	(1,248,120)
Net cash flows provide by financing activities		**20,386,592**	**19,578,844**
Net increase in cash and cash equivalents		**25,119,060**	**2,907**
Cash and cash equivalents at beginning of the year		8,580	5,673
Cash and cash equivalents at end of the year		**25,127,640**	**8,580**
Supplementary information for cash flows			
Non-cash transactions			
Account payables from purchase of assets		3,964	2,207
Stock dividends		-	1,563,000

The accompanying notes are an integral part of these financial statements.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2020

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SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai and English languages, and were approved and authorized for issue by the audit committee, as appointed by the Board of Directors of the Company, on 16 February 2021.

1 General information

SCG Packaging Public Company Limited, the "Company", is incorporated in Thailand.
The Company's registered office is at 1 Siam Cement Road, Bangsue, Bangkok 10800, Thailand.

The parent company is The Siam Cement Public Company Limited. It is incorporated in Thailand.

The Company is engaged in investment.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRSs") guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The new and revised TFRSs are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRSs has resulted in changes in certain of the Company's accounting policies.

The Company has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgments

The preparation of financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

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(i) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 4 (g) and 11 Leases:
- whether an arrangement contains a lease;
- whether reasonably certain to exercise extension options;

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk which result in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 4 (g)	Determining the incremental borrowing rate to measure lease liabilities;
Note 13	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
Note 16	Measurement of defined benefit obligations: key actuarial assumptions

3 Changes in accounting policies

From 1 January 2020, the Company has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies are as follows:

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement and impairment of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4 (h) and 4 (t). The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification - Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortized cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. Under TFRS 9, derivatives are measured at FVTPL. It replaces accounting policies of the Company on recognition of revaluation exchange rate at the end of period or when the derivatives were exercised.

The classification - Financial assets under TFRS 9 has no material effect on derivatives.

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(2) Measurement at amortized cost

Under TFRS 9, interest income and interest expenses recognized from all financial assets and financial liabilities measured at amortized cost shall be calculated using effective interest rate method. The adoption of TFRS 9 has no material effect on the financial statements of the Company.

(3) Classification - Financial liabilities

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortized cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative or designated as such on the initial recognition.

The Company classified other financial liabilities which are not held for trading or derivative measured at amortized cost. The adoption of TFRS 9 has no material effect on the financial statements of the Company.

(4) Hedge accounting

TFRS 9 introduces guidance on hedge accounting while previous TFRSs are silent. There are three hedge accounting models and the type of model applied depends on the hedged exposures consisting of a fair value exposure, a cash flow exposure or a foreign currency exposure on a net investment in a foreign operation. Under TFRS 9, the Company is required to ensure that hedge accounting relationships are aligned with the Company's risk management objectives and strategies and to apply a more qualitative and forward-looking approach to assess hedge effectiveness.

Accordingly, TFRS 9 provides an option to apply hedge accounting when the transactions are qualified. At the initial date of the first time adoption, the Company has no effect from this matter.

(5) Impairment - Financial assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model of financial assets whereas previously the Company estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgment about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortized cost or fair value to other comprehensive income, except for investments in equity instruments.

The Company made an assessment of the impairment of financial assets under TFRS 9. This adoption has no material effect on the financial statements of the Company.

The Company has adopted TFRS - Financial instruments standards for the first time by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020 with no restatement of comparative information.

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(b) TFRS 16 Leases

Previously, the Company, as a lessee, recognized payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. When TFRS 16 is effective from 1 January 2020, it introduces a single lessee accounting model for lessees. A lessee recognizes a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases or leases of low-value items.

The Company applied TFRS 16 for the first time on 1 January 2020 using the modified retrospective approach by recognizing cumulative impact of right-of-use assets and lease liabilities with no restatement of comparative information. The Company elected to use some practical expedients as stated by TFRS 16.

The Company made an assessment of TFRS 16 adoption. On 1 January 2020, the Company recognized the increase in right-of-use assets to Baht 114 million. The nature of expenses related to those leases will change as the Company will recognize depreciation of right-of-use assets and interest expenses on lease liabilities. The operating lease commitment as at 31 December 2019 was discounted using the incremental borrowing rate and used of exemption for short-term lease and low-value items lease assets; therefore, the Company has recognized lease liabilities as at 1 January 2020 amounting to Baht 114 million. Incremental borrowing rates were 1.81% to 3.84% per annum.

4 Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in these financial statements except as explained in note 3.

(a) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(b) Trade and other receivables and contract assets

A receivable is recognized when the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts). Contract assets are measured at the amount of consideration that the Company is entitled to, less impairment losses.

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(c) Investments subsidiaries and associates

Investments in associates and subsidiaries in the financial statements are accounted for using the cost method less any accumulated impairment losses.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method.

(d) Investment property

Investment properties are properties which are held as right-of-use assets, as well as properties that are owned by the Company are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs of a qualifying asset.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognized in profit or loss.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Land improvements	20 years
Building and structures	5, 20 years

No depreciation is provided on freehold land or assets under construction.

Reclassification to property, plant and equipment

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

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(e) Property, plant and equipment

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs of a qualifying asset. Licensed software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different consumption patterns and useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, its carrying amount is recognized and reclassified as investment property.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, including major inspections, is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of property, plant and equipment, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5, 20	years
Building and structures	5, 10, 20	years
Machinery and equipment	5, 10, 15, 20	years
Transportation equipment	5, 10	years
Furniture, fixtures and office equipment	3, 5, 20	years

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No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(f) Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortization

Amortization is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Software licenses	3, 5, 10 years

No amortization is provided on assets under development.

Amortization methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

(g) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company will allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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The Company recognizes a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognized as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability.

The cost of right-of-use asset includes the initial amount of the lease liability any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received.

Depreciation of right-of-use asset is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the implicit interest rate in the lease or, if that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase option if the Company is reasonably certain to exercise option. Variable lease payments that depend on usage are recognized as expenses in the accounting period in which they are incurred.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

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Assets held under other leases were classified as operating leases and lease payments are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(h) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Company recognizes allowances for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents, other receivables and loans to related parties)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:
- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for other receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Company recognizes ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' s credit rating, significant deterioration in the operating results and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are companied based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognized as an impairment loss in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The Company's other financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized in profit or loss.

(i) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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Reversals of impairment

Impairment losses recognized in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Other payables

Other payables are stated at cost.

(k) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognized when the Company receives or has an unconditional right to receive non-refundable consideration from the customer before the Company recognizes the related revenue.

(l) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method which is based on actuarial valuation method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring**.** If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted**.**

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(n) Fair value measurement

'Fair value' is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of the financial instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place frequently with sufficient volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price. The financial instrument will be initially measured at fair value. The difference between the fair value on initial recognition and the transaction price will be recognized in profit or loss on an appropriate basis.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets (Stock Exchange) for identical assets or liabilities that the Company can access at the measurement date.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly. (i.e. observation prices).

- Level 3: inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(o) Revenue

Revenue excludes value added taxes.

Service fee income

Intellectual property income and service income are recognized throughout the royalty period.

Rental income

Rental income is recognized in profit or loss on a straight-line basis over the term of the rent. Lease incentives granted are recognized as expenses in which they are incurred.

Dividend income

Dividend income is recognized in profit or loss on the date the Company's right to receive payments is established.

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(p) Interest

Interest income or expense is recognized using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to carrying amount of the financial assets after impairment losses. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(q) Expenses

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and dividends on preference shares classified as liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Early retirement expenses

The Company offered certain qualifiable employees the option to take early retirement from the Company. Eligible employees who accept the offer are paid a lump sum amount which is calculated based on a formula using their final month's pay, number of years of service or the number of remaining months before normal retirement as variables. The Company records expenses on early retirement upon mutual acceptance.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the

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initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(s) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at the foreign exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currencies at the exchange rates at that date. Foreign exchange differences are recognized in profit or loss.

Non-monetary assets and liabilities which include arising from the payment or receipt of advance consideration measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

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(t) Financial instruments

Accounting policies applicable from 1 January 2020

(t.1) Recognition and initial measurement

Receivables, debt securities issued and trade payables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL is initially measured at fair value. A financial asset and financial liability (unless it is a receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(t.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial assets- business model assessment

The Company makes an assessment of a business model of financial assets by considering policy and objective of investing, risk and return on investment.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

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(t.3) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(t.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(t.5) Derivatives

Derivative are recognized at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss.

(t.6) Hedging

The Company held certain derivatives as hedging instruments to hedge risk exposure arising from foreign exchange and interest rate. Embedded derivative is separated from host contract and recognized separately if the host contract is not financial assets and met given condition.

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5 Related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa.

Relationships with related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
The Siam Cement Public Company Limited	Thailand	Ultimate parent company
Siam Kraft Industry Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Phoenix Pulp & Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Cane Paper Public Company Limited	Thailand	Subsidiary, direct ownership interest
Thai Containers Group Co., Ltd.	Thailand	Subsidiary, direct ownership interest
Invenique Co., Ltd.	Thailand	Subsidiary, direct ownership interest
United Pulp and Paper Co., Inc.	Philippines	Subsidiary, direct ownership interest
SCGP Excellence Training Center Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCG Paper Energy Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Solutions Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP-T Plastics Co., Ltd.	Thailand	Subsidiary, direct ownership interest
SCGP Solutions (Singapore) Pte. Ltd.	Singapore	Subsidiary, direct ownership interest
SCGP Rigid Plastics Company Limited	Thailand	Subsidiary, direct ownership interest
Phoenix Utilities Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Containers Khonkaen Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Containers Rayong Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
The Siam Forestry Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Paper Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Wanabhum Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Siam Panawes Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaboon Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panaram Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Panas Nimit Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Suanpa Rungsris Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panadorn Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Thai Panason Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Tawana Container Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Dyna Packs Co., Ltd.*	Thailand	Subsidiary, indirect ownership interest
Orient Containers Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
D-In Pack Co., Ltd.*	Thailand	Subsidiary, indirect ownership interest
TC Flexible Packaging Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Prepack Thailand Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Precision Print Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Conimex Co., Ltd.	Thailand	Subsidiary, indirect ownership interest

* Currently in the liquidation process due to the transfer of entire business to Orient Containers Co., Ltd. on 1 November 2020 and registered the dissolution with the Department of Business Development, Ministry of Commerce on 22 December 2020.

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Name of entities	Country of incorporation / nationality	Nature of relationships
SKIC International Co., Ltd.	Thailand	Subsidiary, indirect ownership interest
Visy Packaging (Thailand) Limited	Thailand	Subsidiary, indirect ownership interest
Vina Kraft Paper Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
New Asia Industries Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Alcamax Packaging (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
AP Packaging (Hanoi) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Packamex (Vietnam) Co., Ltd.	Vietnam	Subsidiary, indirect ownership interest
Tin Thanh Packing Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
Bien Hao Packaging Joint Stock Company	Vietnam	Subsidiary, indirect ownership interest
TCG Rengo (S) Limited **	Singapore	Subsidiary, indirect ownership interest
TCG Solutions Pte. Ltd.	Singapore	Subsidiary, indirect ownership interest
PT Primacorr Mandiri	Indonesia	Subsidiary, indirect ownership interest
PT Indoris Printingdo	Indonesia	Subsidiary, indirect ownership interest
PT Indocorr Packaging Cikarang	Indonesia	Subsidiary, indirect ownership interest
PT Fajar Surya Wisesa Tbk.	Indonesia	Subsidiary, indirect ownership interest
PT Dasaya Aria Prima	Indonesia	Subsidiary, indirect ownership interest
Interpress Printers Sendirian Berhad	Malaysia	Subsidiary, indirect ownership interest
Siam Toppan Packaging Co., Ltd.	Thailand	Associate, direct ownership interest
P&S Holdings Corporation	Philippines	Associate, direct ownership interest
Sahagreen Forest Co., Ltd.	Thailand	Associate, indirect ownership interest
Siam Nippon Industrial Paper Co., Ltd.	Thailand	Associate, indirect ownership interest
PT SCG Indonesia	Indonesia	Subsidiary of The Siam Cement Public Company Limited
SCG Vietnam Co., Ltd.	Vietnam	Subsidiary of The Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	Subsidiary of The Siam Cement Public Company Limited

** Currently in the liquidation process.

Significant transactions with related parties for the years ended 31 December and the pricing policies are summarized as follows:

	2020	2019	Pricing Policies
	(in thousand Baht)		
Parent			
Service expense	174,880	194,986	Cost plus method
Interest expense	254,467	1,255,622	Contract rate
Subsidiaries			
Rental income	30,319	30,341	Contract rate
Intellectual property income	6,520	7,404	Percentage of net sales
Service charges income	1,736,803	1,522,432	Cost plus method
Dividend income	2,404,532	1,556,920	Upon declaration
Interest income	753,978	966,849	Contract rate
Interest expense	1,270	392	Contract rate

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	2020	2019	Pricing Policies
	(in thousand Baht)		
Associates			
Dividend income	2,990	9,457	Upon declaration

Balances as at 31 December with related parties were as follows:

	2020	2019
	(in thousand Baht)	
Other current receivables		
Parent	4,378	5,396
Subsidiaries	197,267	221,733
Associates	711	546
Others	331	1,356
Total	**202,687**	**229,031**
Short-term loans		
Subsidiaries	**32,492,002**	**33,950,895**

Movements during the years on short-term loans to related parties were as follows:

	2020	2019
	(in thousand Baht)	
At 1 January	33,950,895	17,862,997
Increase	4,696,765	20,438,664
Decrease	(6,155,658)	(4,350,766)
At 31 December	**32,492,002**	**33,950,895**

Advance payment from software license fee shown under other non-current assets

	2020	2019
	(in thousand Baht)	
Parent	**11,474**	**14,050**
Other current payables		
Parent	17,112	43,035
Subsidiaries	10,846	8,611
Others	5,586	7,533
Total	**33,544**	**59,179**
Short-term borrowings		
Parent	-	33,756,240
Subsidiaries	700,035	150,793
Total	**700,035**	**33,907,033**

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Movements during the years on short-term borrowings from related parties were as follows:

	2020	2019
	(in thousand Baht)	
At 1 January	33,907,033	23,343,402
Increase	680,799	24,549,078
Decrease	(33,887,797)	(13,985,447)
At 31 December	**700,035**	**33,907,033**

	2020	2019
	(in thousand Baht)	
Lease Liabilities		
Current and non-current portion		
Parent	48,075	-
Subsidiaries	18,762	-
Total	**66,837**	**-**

The Board of Directors and key management compensation

	2020	2019
	(in thousand Baht)	
For the years ended 31 December		
Short-term employee benefits	82,814	82,730
Post-employment benefits	6,820	16,556
Total	**89,634**	**99,286**

The Board of Directors and key management compensation comprises the remuneration paid to the directors of SCG Packaging Public Company Limited under the articles of the Company and the remuneration paid to the management as staff expenses in terms of salary, bonus, variable pay, others and contribution to defined contribution plans.

6 Other current receivables

	Note	2020	2019
		(in thousand Baht)	
Related parties	*5*	202,687	229,031
Other parties		159,483	25,275
Total		**362,170**	**254,306**

Other current receivables as at 31 December were as follows:

	2020	2019
	(in thousand Baht)	
Accrued service income	289,592	192,409
Accrued interest income	16,893	29,111
Others	55,685	32,786
Total	**362,170**	**254,306**

7 Investments in associates

Investments in associates as at 31 December and dividends from these investments for the years ended at the same date were as follows:

	Total holding		Paid-up capital		Cost method		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)				*(in thousand Baht)*			
Siam Toppan Packaging Co., Ltd.	49	49	500,000	500,000	245,000	245,000	2,990	9,457
P&S Holdings Corporation	40	40	262,588	262,588	105,121	105,121	-	-
Total			**762,588**	**762,588**	**350,121**	**350,121**	**2,990**	**9,457**

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8 Investments in subsidiaries

Movements for the years ended 31 December in investments in subsidiaries accounted for using the cost method were as follows:

	2020	2019
	(in thousand Baht)	
At 1 January	**34,447,438**	**28,398,365**
Acquisitions and additional investments	-	6,049,073
At 31 December	**34,447,438**	**34,447,438**

In February 2019, the Company registered SCGP Rigid Plastics Company Limited ("SCGPRP") which is virtually owned 100% totaling Baht 1 million. In March 2019, the Company had paid-up increased share capital of SCGPRP for 4,990,000 shares at 100 Baht per share totaling Baht 499 million. The Company has already been registered with Ministry Commerce on 27 March 2019.

In April 2019, SCGP-T Plastics Co., Ltd. ("SCGP-T") sold increased share capital for 1,431,500 shares at 100 Baht per share totaling Baht 143 million to Toppan Printing Co., Ltd. As a result, the Company ownership was decreased from 100% to 51%. In May 2019, the Company had paid-up increased share capital of SCGP-T for 478,125 shares at 100 Baht per share totaling Baht 48 million. The Company has already been registered with Ministry Commerce on 16 May 2019.

In June 2019, SCGP Solutions (Singapore) Pte. Ltd. had increased share capital for 927,400,330 shares or approximately Baht 20,888 million. The Company had paid-up increased share capital for 69,400,000 shares totaling United States Dollar 50,000,000 and Singapore Dollar 400,000 or equivalent to approximately Baht 1,598 million. The remaining shares has been purchased by Siam Kraft Industry Co., Ltd.

In August 2019, the Company had initial paid-up increased share capital of SCGP Rigid Plastics Company Limited for 57,400,000 shares at 68 Baht per share totaling Baht 3,903 million. The Company has already been registered with Ministry Commerce on 3 September 2019.

In October 2020, United Pulp Paper Co., Inc. ("UPPC") completed the registration of the capital increase with the authorities. The Company's equity share in UPPC will decrease from 77.33% to 57.99% in the fourth quarter of 2020. UPPC will remain an investment in subsidiary of the Company

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Investments in subsidiaries as at 31 December and dividend income from these investments for the years then ended at the same date were as follows:

	Total holding		Paid-up capital		Cost method		Accumulated impairment losses		Net		Dividend income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)						*(in thousand Baht)*					
Phoenix Pulp & Paper Public Company Limited	69.58	69.58	2,462,812	2,462,812	13,439,561	13,439,561	-	-	13,439,561	13,439,561	68,548	152,516
Thai Cane Paper Public Company Limited	98.20	98.20	3,582,537	3,582,537	5,007,375	5,007,375	-	-	5,007,375	5,007,375	1,407,165	211,075
SCGP Rigid Plastics Company Limited	100	100	4,403,200	4,403,200	4,403,200	4,403,200	-	-	4,403,200	4,403,200	-	-
Siam Kraft Industry Co., Ltd.	100	100	3,450,000	3,450,000	3,982,680	3,982,680	-	-	3,982,680	3,982,680	759,000	1,069,500
United Pulp and Paper Co., Inc.	57.99	77.33	5,567,661	4,327,982	2,963,899	2,963,899	-	-	2,963,899	2,963,899	-	-
SCGP Solutions (Singapore) Pte. Ltd.	10.29	10.34	21,735,991	21,715,830	2,324,941	2,324,941	-	-	2,324,941	2,324,941	-	-
Thai Containers Group Co., Ltd.	70	70	1,384,000	1,384,000	1,013,805	1,013,805	-	-	1,013,805	1,013,805	145,320	96,880
SCG Paper Energy Co., Ltd.	100	100	890,000	890,000	890,000	890,000	-	-	890,000	890,000	-	-
SCGP-T Plastics Co., Ltd.	51	51	385,900	385,900	196,812	196,812	-	-	196,812	196,812	-	-
SCGP Solutions Co., Ltd.	100	100	170,000	170,000	170,000	170,000	-	-	170,000	170,000	-	-
SCGP Excellence Training Center Co., Ltd.	100	100	49,000	49,000	49,000	49,000	-	-	49,000	49,000	24,499	26,949
Invenique Co., Ltd.	100	100	70,200	70,200	70,200	70,200	64,035	64,035	6,165	6,165	-	-
Total			**44,151,301**	**42,891,461**	**34,511,473**	**34,511,473**	**64,035**	**64,035**	**34,447,438**	**34,447,438**	**2,404,532**	**1,556,920**

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9 Investment property

	Land	Land improvements	Buildings	Total
		(in thousand Baht)		
Cost				
At 1 January 2019 and 31 December 2019 as reported	277,933	26,152	36,993	341,078
Impact of change in accounting policies	13,271	-	-	13,271
At 1 January 2020 and 31 December 2020	**291,204**	**26,152**	**36,993**	**354,349**
Accumulated depreciation				
At 1 January 2019	-	26,147	15,359	41,506
Depreciation charge for the year	-	-	1,839	1,839
At 31 December 2019	**-**	**26,147**	**17,198**	**43,345**
Depreciation charge for the year	2,279	-	1,839	4,118
At 31 December 2020	**2,279**	**26,147**	**19,037**	**47,463**
Carrying amount				
At 31 December 2019	**277,933**	**5**	**19,795**	**297,733**
At 31 December 2020	**288,925**	**5**	**17,956**	**306,886**

Investment property was revalued as at 31 December 2020 at open market values on an existing use basis. The fair value was Baht 341 million *(2019: Baht 325 million)*.

The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used, which is discounted cash flows approach.

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10 Property, plant and equipment

	Land and land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
				(in thousand Baht)			
Cost							
At 1 January 2019	43,016	130,654	335,776	969	50,296	14,807	575,518
Additions	175	668	7,980	-	694	11,030	20,547
Disposals	-	-	(2,089)	-	-	(3,605)	(5,694)
Transfers in (out)	-	433	10,508	-	900	(8,170)	3,671
At 31 December 2019 as reported	**43,191**	**131,755**	**352,175**	**969**	**51,890**	**14,062**	**594,042**
Impact of change in accounting policies	19,037	43,679	-	37,943	-	-	100,659
At 1 January 2020	**62,228**	**175,434**	**352,175**	**38,912**	**51,890**	**14,062**	**694,701**
Additions	-	2,134	4,870	45,780	17,729	11,219	81,732
Disposals	-	-	(2,291)	(7,647)	(164)	-	(10,102)
Transfers in (out)	-	218	2,684	-	127	(2,553)	476
At 31 December 2020	**62,228**	**177,786**	**357,438**	**77,045**	**69,582**	**22,728**	**766,807**
Accumulated depreciation							
At 1 January 2019	11,859	80,305	212,317	465	44,977	-	349,923
Depreciation charge for the year	12	3,277	25,434	95	2,236	-	31,054
Disposals	-	-	(276)	-	-	-	(276)
At 31 December 2019	**11,871**	**83,582**	**237,475**	**560**	**47,213**	**-**	**380,701**
Depreciation charge for the year	973	13,005	24,129	24,283	4,570	-	66,960
Disposals	-	-	(2,291)	(2,619)	(164)	-	(5,074)
At 31 December 2020	**12,844**	**96,587**	**259,313**	**22,224**	**51,619**	**-**	**442,587**

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	Land and land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Furniture, fixtures and office equipment	Construction in progress	Total
			(in thousand Baht)				
Carrying amount							
At 31 December 2019							
Owned assets	**31,320**	**48,173**	**114,700**	**409**	**4,677**	**14,062**	**213,341**
At 31 December 2020							
Owned assets	31,301	44,919	98,125	314	3,445	22,728	200,832
Right-of-use-assets	18,083	36,280	-	54,507	14,518	-	123,388
	49,384	**81,199**	**98,125**	**54,821**	**17,963**	**22,728**	**324,220**

In 2020, additions to the right-of-use assets of the Company were Baht 64 million.

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11 Lease

For the year ended 31 December	2020	2019
	(in thousand Baht)	
Amounts recognized in profit or loss		
Depreciation of right-of-use assets:		
- Land and land improvements	954	-
- Building	11,516	-
- Transportation	24,188	-
Interest on lease liabilities	3,702	-
Expenses relating to short-term leases	513	-
Expenses relating to leases of low-value assets	10,905	-
Lease expense	-	68,682

12 Intangible assets

	Software licenses	Software licenses development cost	Total
		(in thousand Baht)	
Cost			
At 1 January 2019	83,643	9,648	93,291
Additions	2,540	9,287	11,827
Transfer in (out)	5,552	(9,223)	(3,671)
At 31 December 2019	**91,735**	**9,712**	**101,447**
Additions	2,951	37,203	40,154
Transfer in (out)	6,715	(7,191)	(476)
At 31 December 2020	**101,401**	**39,724**	**141,125**
Accumulated amortization			
At 1 January 2019	63,184	-	63,184
Amortization charge for the year	7,640	-	7,640
At 31 December 2019	**70,824**	**-**	**70,824**
Amortization charge for the year	9,791	-	9,791
At 31 December 2020	**80,615**	**-**	**80,615**
Carrying amount			
At 31 December 2019	**20,911**	**9,712**	**30,623**
At 31 December 2020	**20,786**	**39,724**	**60,510**

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13 Deferred tax asset (deferred tax liabilities)

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax asset and liability, and they relate to income taxes levied by the same tax authority on the same taxable entity, and are included in the statement of financial position as follows:

	2020	2019
	(in thousand Baht)	
Deferred tax asset	76,328	59,101
Deferred tax liabilities	(1,322)	(2)
Net	**75,006**	**59,099**

Movements in total deferred tax asset and liability during the years were as follows:

	At 1 January 2019	Credited (charged) to profit or loss	Credited (charged) to other comprehensive income	At 31 December 2019
		(Note 21)	*(in thousand Baht)*	
Deferred tax asset				
Provisions for employee benefits	**34,603**	**18,875**	**5,623**	**59,101**
Deferred tax liability				
Unrealized gain on foreign currency exchange	**(1)**	**(1)**	**-**	**(2)**
Net	**34,602**	**18,874**	**5,623**	**59,099**

	At 1 January 2020	Credited (charged) to profit or loss	Credited (charged) to other comprehensive income	At 31 December 2020
		(Note 21)	*(in thousand Baht)*	
Deferred tax asset				
Provisions for employee benefits	**59,101**	**10,158**	**7,069**	**76,328**
Deferred tax liabilities				
Unrealized gain on foreign currency exchange	(2)	2	-	-
Other liabilities-Amortized cost	-	(1,321)	-	(1,321)
Derivative assets	-	(1)	-	(1)
Net	**59,099**	**8,838**	**7,069**	**75,006**

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The deductible temporary differences and unused tax losses that the Company have not recognized as deferred tax assets are as the following items:

	2020	2019
	(in thousand Baht)	
Temporary differences		
- Other current receivables	16,963	16,963
- Investment in subsidiaries	64,035	64,035
- Others	1,523	-
Unused tax losses	1,020,077	333,690
Total	**1,102,598**	**414,688**

The unused tax losses on which the Company has not recognized deferred tax assets are the tax losses which do not expire under tax legislation and would be expired within 2025.

14 Other current payables

	2020	2019
	(in thousand Baht)	
Accrued expenses	152,407	88,798
Withholding tax payable	60,699	41,269
Accrued interest	16,471	39,138
Account payables from purchases of assets	3,964	2,207
Value added tax payable	844	6,922
Others	51,185	71,239
Total	**285,570**	**249,573**

15 Interest-bearing liabilities

	2020	2019
	(in thousand Baht)	
Current		
- Unsecured		
Short-term borrowings from financial institutions	7,700,000	-
Current portion of long-term borrowings	14,998,088	-
Current portion of lease liabilities	37,119	-
Short-term borrowing from relates parties	700,035	33,907,033
	23,435,242	**33,907,033**
Non-current		
- Unsecured		
Long-term borrowings from financial institutions	4,995,304	12,000,000
Lease liabilities	98,278	-
	5,093,582	**12,000,000**
Total	**28,528,824**	**45,907,033**

SCG Packaging Public Company Limited
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As at 31 December 2020, short-term borrowings from financial institutions of the Company has an average interest rate from 0.60% to 0.66% per annum *(2019: nil)*.

As at 31 December 2020, long-term borrowings from financial institutions of the Company has an average interest rate from 2.25% to 2.50% per annum *(2019: 2.36% to 2.50% per annum)*. These agreements will be due within September 2024.

16 Non-current provisions for employee benefits

The Company operates defined benefits plans based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

Non-current provisions for employee benefits in statement of financial position as at 31 December

	2020	2019
	(in thousand Baht)	
Post-employment benefits - legal severance payments plan	371,554	288,374
Other long-term employee benefits	10,089	7,133
Total	**381,643**	**295,507**

Movements in the present value of non-current provisions for defined benefit plans

	2020	2019
	(in thousand Baht)	
Non-current provisions for defined benefit plans at 1 January	295,507	159,578
Included in profit or loss		
Current service costs	16,915	12,689
Interest on obligation	5,520	7,055
Actuarial losses	3,259	889
Past service cost from the amended severance pay of the Labor Law	-	50,795
Transfer of non-current provisions for employee benefits	51,531	46,436
	77,225	**117,864**
Included in other comprehensive income		
Actuarial losses	35,478	28,246
Other		
Benefits paid	(26,567)	(10,181)
Non-current provisions for defined benefit plans at 31 December	**381,643**	**295,507**

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On 5 April 2019, the Labor Protection Act has already been announced in Royal Gazette that became effective on 5 May 2019 to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the maximum rate of 300 days. The Company recognized the effect of this change as the expense amounted to Baht 51 million in income statement, resulting in the decrease in net profit amounted to Baht 41 million.

Actuarial losses (gains) recognized in other comprehensive income as of the end of the reporting period arising from:

	2020	2019
	(in thousand Baht)	
For the years ended 31 December		
Demographic assumptions	21,155	(109)
Financial assumptions	3,237	18,069
Experience adjustment	11,086	10,286
Total	**35,478**	**28,246**

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

	2020	2019
	(%)	
For the years ended 31 December		
Discount rate *	1.43 - 1.49	1.70 - 1.74
Salary increase rate	3.00 - 8.00	2.00 - 7.00
Employee turnover rate **	3.50 - 9.00	4.00 - 9.00
Mortality rate ***	100.00 of TMO 2017	100.00 of TMO 2017

* Market yields on government's bonds for legal severance payments plan
** Upon the length of service
*** Reference from TMO2017: Thai Mortality Ordinary Table 2017

Sensitivity analysis

Reasonably possible changes at the end of the reporting period to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provisions for defined benefit plans by the amounts shown below.

SCG Packaging Public Company Limited
Notes to the financial statements
For the year ended 31 December 2020

Effect on the non-current provisions for defined benefit plans at 31 December

	Increase (decrease)	
	2020	2019
	(in thousand Baht)	
Discount rate		
0.5% increase	(21,662)	(17,148)
0.5% decrease	23,565	18,717
Salary increase rate		
1.0% increase	44,076	37,513
1.0% decrease	(38,300)	(32,253)
Employee turnover rate		
10.0% increase	(15,285)	(13,504)
10.0% decrease	16,133	14,378

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

17 Share capital

		2020		2019	
	Par Value *(in Baht)*	Number of shares	Value *(in thousand shares / thousand Baht)*	Number of shares	Value
Authorized					
At 1 January					
- ordinary shares	1	4,500,000	4,500,000	-	-
Reduction in par value					
- ordinary shares	1	-	-	1,563,000	1,563,000
Increase of new shares					
- ordinary shares	1	-	-	2,937,000	2,937,000
At 31 December					
- ordinary shares	**1**	**4,500,000**	**4,500,000**	**4,500,000**	**4,500,000**
Issued and paid-up					
At 1 January					
- ordinary shares	1	3,126,000	3,126,000	-	-
Reduction in par value					
- ordinary shares	1	-	-	1,563,000	1,563,000
Increase of new shares					
- ordinary shares	1	1,166,920	1,166,920	1,563,000	1,563,000
At 31 December					
- ordinary shares	**1**	**4,292,920**	**4,292,920**	**3,126,000**	**3,126,000**

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Notes to the financial statements
For the year ended 31 December 2020

Initial public offering

On 26 October 2019, The Board of Directors' Meeting No. 214 (10/2019) has approved the plan to issue and offer newly issued ordinary shares in the Company as an initial public offering (IPO) and to list the ordinary shares in the Company on the Stock Exchange of Thailand. The portion of the shares to be offered for sale in the IPO will not exceed 30% of the Company's paid-up capital after its capital increase.

On 17 December 2019, the Company submitted to Thai SEC a registration statement and draft prospectus for the IPO. In connection with the IPO, the Company will issue and offer no more than 1,374 million ordinary shares with a par value of 1 Thai Baht per share.

The Company offered 1,296.68 million newly issued ordinary shares with a par value of Baht 1 which consists of (1) the offering of 1,127.55 million newly issued ordinary shares in the IPO and (2) the over-allotment of 169.13 million newly issued ordinary shares, the Over-Allotment Agent has borrows 169.13 million ordinary shares from the parent company to deliver to the subscribers. The Over-Allotment Agent shall procure the aforementioned number of shares by purchasing the Company's shares traded on the Stock Exchange of Thailand (SET) or by exercising the right to purchase the Company's shares allocated for such purpose, in the total number of 169.13 million shares, within 30 days from the date on which the Company's shares start trading on the SET.

On 19 October 2020, the Company registered the increase of 1,127.55 million paid-up share capital with the Ministry of Commerce, with an offering price of Baht 35 per share (par value of Baht 1) amounting to Baht 39,464 million. The shares of the Company began trading on the Stock Exchange of Thailand on 22 October 2020.

On 20 November 2020, after the 30-day period of exercising the right to purchase, the Over-Allotment Agent has purchased the Company's shares traded on the SET in the amount of 129.76 million shares and has announced its intention to exercise its right to purchase the 39.37 million newly-issued ordinary shares from the Company at the price of Baht 35 per share, which is the same price as the IPO price, totaling Baht 1,378 million to return the shares to the parent company. The Company issued and allocated such shares to the Over-Allotment Agent and registered the change in the paid-up capital with the Ministry of Commerce, the Company's paid-up capital with a total of 4,293 million issued shares at the par value of Baht 1 per share in the amount of Baht 4,293 million.

Expenses directly attributable to the IPO of Baht 750 million were deducted from the IPO's share premium, which was received from shares offering to investors as at 31 December 2020, resulted in net share premium of Baht 40,860 million.

Year 2019

On November 25, 2019, at the extraordinary general meeting of shareholders of the Company, shareholders approved as follows;

1. Reduction in par value of the Company's shares, from Baht 10 per share, totaling 156 million ordinary shares to Baht 1 per share, totaling 1,563 million ordinary shares. As a result, the number of authorized shares, and issued and paid-up shares increased by 1,406.7 million ordinary shares. The authorized share capital and issued and paid-up share capital of the Company remain unchanged. The Company completed the registration of the change with the Ministry of Commerce on 25 November 2019.

SCG Packaging Public Company Limited
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For the year ended 31 December 2020

2. Increasing of authorized share capital of the Company from Baht 1,563 million to Baht 4,500 million by issuing stock dividends of 1,563 million ordinary shares at par value of Baht 1 per share in the ratio of 1 current share per 1 dividend share and issuing new ordinary shares of 1,374 million shares at par value of Baht 1 per shares. The Company completed the registration of the change with the Ministry of Commerce on 25 November 2019.

18 Reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution.

19 Administrative expenses

	2020	2019
	(in thousand Baht)	
Salary, welfare and personnel expenses	1,318,004	1,080,087
Service expenses	113,835	122,647
Rent, depreciation and amortization expenses	103,328	101,126
IT fees	75,018	59,516
Professional and consultant fees	70,049	98,102
Others	127,564	119,300
Total	**1,807,798**	**1,580,778**

20 Employee benefit expenses

	2020	2019
	(in thousand Baht)	
Salary and wages	1,018,981	817,667
Welfares and others	140,727	130,923
Contribution to defined contribution plans	81,071	64,428
Contribution to defined benefit plans	77,225	67,069
Employee benefit expense from the amended severance pay of the Labor Law	-	50,795
Total	**1,318,004**	**1,130,882**

SCG Packaging Public Company Limited
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The defined contribution plans comprise provident funds established by the Company for its employees in addition to the above provident fund. The provident funds were registered with the Ministry of Finance under the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at 2% to 15% of their basic salaries and by the Company at 5% to 13% of the members' basic salaries, depending on the length of employment.

21 Income tax

Income tax recognized in profit or loss

	Note	2020	2019
		(in thousand Baht)	
Current tax			
Over provided in prior years		(1,430)	(3,674)
Deferred tax			
Movements in temporary differences	*13*	(8,838)	(18,874)
Total		**(10,268)**	**(22,548)**

Income tax recognized in other comprehensive income

	2020	2019
	(in thousand Baht)	
Actuarial losses	(7,069)	(5,623)
Total	**(7,069)**	**(5,623)**

Reconciliation of effective tax rate

For the years ended 31 December 2020 and 2019, the Company's effective tax rate is not equal to the statutory tax rate of 20% under the Revenue Code because income tax expense is calculated from accounting profit adjusted by non-deductible expenses, deducted income or expense exemption under the Revenue Code.

	2020		2019	
	Rate *(%)*	*(in thousand Baht)*	Rate *(%)*	*(in thousand Baht)*
Profit before income tax		2,370,497		1,223,100
Income tax using the Thai corporation tax rate	20	474,099	20	244,620
Income not subject to tax		(481,504)		(313,275)
Expenses deductible at a greater amount		(142,095)		(21,219)
Expenses not deductible for tax purposes and others		11,938		23,136
Tax loss		137,562		66,738
Current tax		-		-
Over provided in prior years		(1,430)		(3,674)
Movement in temporary differences		(8,838)		(18,874)
Income tax benefits	**-**	**(10,268)**	**-**	**(22,548)**

SCG Packaging Public Company Limited
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For the year ended 31 December 2020

22 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December was based on the profit for the years attributable to owners of the parent and the weighted average number of ordinary shares outstanding during the years, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the stock split and distribution of stock dividend disclosed in note 17 and 23. The number of ordinary shares used in the calculation are adjusted as if such change had occurred at the beginning of the earliest reporting period as follows:

	2020	2019
	(in thousand Baht / thousand shares)	
Profit for the year attributable to ordinary shareholders of the Company	2,380,765	1,245,648
Weighted average number of ordinary shares outstanding at 1 January	3,126,000	156,300
Issuance of ordinary shares on 19 Oct 2020	187,925	-
Issuance of ordinary shares on 25 Nov 2020	3,281	-
Effect of reduction in par value	-	1,406,700
Effect of stock dividend	-	1,563,000
Weighted average number of ordinary shares outstanding at 31 December	**3,317,206**	**3,126,000**
Basic earnings per share *(in Baht)*	**0.72**	**0.40**

22 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share *(Baht)*	Amount *(in million Baht)*
2020				
Annual dividend 2019	24 March 2020	23 April 2020	0.42	1,313
Total			**0.42**	**1,313**
2019				
Annual dividend 2018	26 March 2019	25 April 2019	10.00	1,563
Interim dividend 2019	25 November 2019	6 December 2019	1.11111111	1,737
Total			**11.11111111**	**3,300**

On 25 November 2019, at the extraordinary general meeting of shareholders of the Company, they passed resolution to approve the interim dividend payment, detail are as follows;

1. Pay dividend by ordinary shares of 1,563 million shares at par value of Baht 1 per share, in the ratio of 1 current share per 1 dividend share.
2. Pay dividend by cash at Baht 0.11111111 per share, totaling Baht 174 million.

SCG Packaging Public Company Limited
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24 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts which is a reasonable approximation of fair value.

	Carrying amount			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Total
		(in thousand Baht)		
Balance at 31 December 2020				
Financial assets				
Cash and cash equivalents	-	-	25,127,640	25,127,640
Loans to related parties	-	-	32,492,002	32,492,002
Total financial assets	**-**	**-**	**57,619,642**	**57,619,642**
Financial liabilities				
Borrowings from financial institutions	-	-	27,693,392	27,693,392
Borrowings from related parties	-	-	700,035	700,035
Lease liabilities	-	-	135,397	135,397
Total financial liabilities	**-**	**-**	**28,528,824**	**28,528,824**

Financial instruments measured at fair value

The fair values of forward exchange contracts and commodity contracts were calculated using the rates initially quoted by the Company's bankers which were based on market conditions existing at the end of the reporting period to reflect current fair values of the contracts.

(b) Financial risk management policies

Risk management framework

The Company' s financial committee has responsibility to establish policies, financial risk management and exchange rate in term of capital expenditure, investment, loan, deposit and international trade transaction. This also includes establishing policies and monitoring financial derivative and cash management for efficiency of the Company' s financial operation under appropriate risk and in same direction with the Company. Policies are appropriately reviewed to the changing situation. The Company' s financial committee monitors the financial status and constantly prepares the report to management regularly.

SCG Packaging Public Company Limited
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(1) Credit risk

Credit risk is the risk of Company's financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

(1.1) Cash and cash equivalent and derivatives

The Company's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with high credibility for which the Company considers to have low credit risk.

(2) Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management for the Company's operations including payment of liabilities that are due and to mitigate the risk from the lack of future liquidity.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

	Effective interest rates *(% per annum)*	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in thousand Baht)		
2020					
Current					
Short-term borrowings from financial institutions	0.60 - 0.66	7,700,000	-	-	7,700,000
Current-portion of long term borrowing from financial institutions	2.25 - 2.50	14,998,088	-	-	14,998,088
Current-portion of finance lease liabilities	1.84 - 3.84	40,250	-	-	40,250
Short-term borrowings from related parties	0.25	700,035	-	-	700,035
Non-current					
Long-term borrowings from financial institutions	2.25 - 2.50	-	4,995,304	-	4,995,304
Finance lease liabilities	1.84 - 3.84	-	89,017	19,051	108,068
Total		23,438,373	5,084,321	19,051	28,541,745
Deferred Interest expense-finance lease liabilities					(12,921)
Net					**28,528,824**

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2019					
Current					
Short-term borrowings from related parties	0.50 - 3.50	33,907,033	-	-	33,907,033
Non-current					
Long-term borrowings from financial institutes	2.355, 2.50	-	12,000,000	-	12,000,000
Total		**33,907,033**	**12,000,000**	**-**	**45,907,033**

(3) Market risk

The Company is exposed to risks from changes in interest rates and currency exchange rates. The Company does not hold or issue derivatives for speculative or trading purposes.

(3.1) Foreign currency risk

Foreign exchange risk arises from the fluctuation of foreign exchange rate.

The Company is exposed to foreign exchange risk arises from the fluctuation of foreign exchange rate from purchases, sales, payment of machines and equipment and other receipt and payment which are denominated in foreign currencies. The Company manage that risk by entering forward exchange contracts to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

(3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows certainly. The Company is primarily exposed to interest rate risk from its borrowing. The Company mitigates this risk by ensuring that the majority of borrowings are at fixed interest rates to manage exposure to fluctuations in interest rates on specific borrowings.

Exposure to interest rate risk at 31 December 2020

	(in thousand Baht)
Financial instruments with variable interest rates	
Financial assets	32,492,002
Financial liabilities	(8,400,035)
	24,091,967

SCG Packaging Public Company Limited
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Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1% in interest rates at the reporting date would have profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
At 31 December 2020	**1% increase in interest rate**	**1% decrease in interest rate**
	(in thousand baht)	
Financial instruments with variable interest rate	240,920	(240,920)
Cash flow sensitivity (net)	**240,920**	**(240,920)**

25 Capital management

The management of the Company has the capital management policy to maintain a strong capital base by emphasis in planning and determining the operating strategies resulting in good business's performance and sustain good cash flows management. In addition, the Company considers investing in projects which have good rate of return, appropriate working capital management, maintain a strong financial position and appropriate investment structure as to maintain sustain future operations of the business and to maintain shareholders, investors, creditors and others interest's confidence.

26 Events after the reporting period

(a) On 2 November 2020, the Company has signed a share purchase agreement to acquire a 100% stake in Go-Pak UK Limited ("Go-Pak"), one of leading foodservice packaging solution providers in the UK, Europe and North America. On 13 January 2021, the business acquisition is completed. This purchase will be through SCGP Solutions (Singapore) Pte. Ltd. which is a wholly owned subsidiary of the Company. The payment is initiated by the first payment of 77.5 million GBP (approximately 3,180 million Baht). The remaining payments will be based on Go-Pak's incremental financial performance, which will range from 30 million GBP to no more than the total of 56 million GBP (approximately 1,230 to 2,300 million Baht).

(b) On 26 January 2021, at the Board of Directors' Meeting of the Company, the directors proposed for approval at the Annual General Meeting of Shareholders, the payment of a dividend for 2020 at the rate of Baht 0.45 per share, amounting to Baht 1,932 million and is scheduled for payment on 22 April 2021. The dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 30 March 2021.

(c) On 1 February 2021, the Company invested in a mutual fund with an asset management company amounting to Baht 12,000 million with an average return of approximately 1% per year and holding period of approximately 1 year.

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(d) The Company is in the process of submitting an application to the Securities and Exchange Commission for the issuance and offering of the debentures No. 1/2021 which will be due in 2024 (SCGP24DA) with offering value not exceeding Baht 5,000 million and additional debentures up to Baht 500 million, with a term of 3 years and 8 months at a fixed interest rate of 2.65% per annum. The company will issue the debentures on 1 April 2021 and maturity on 1 December 2024. The issuance and offering of debentures is in accordance with the resolution of the Board of Directors' Meeting on 1 December 2020, under the Company's debenture scheme in 2021, with the total amount not exceeding Baht 40,000 million at any given moment.

(e) On 9 February 2021, the Company signed a share purchase agreement to acquire a 70% stake in Duy Tan Plastics Manufacturing Corporation (or "Duy Tan"). The purchase will be through the Company's wholly owned new subsidiary, and further transaction details will be provided in mid of 2021, upon the deal closing and regulatory approval in Vietnam. The remaining 30% share will be held by its existing owners, who will continue to actively support and help manage Duy Tan together with management from the Company.

27 Reclassification of accounts

Certain accounts in the income statement as at 31 December 2019 have been reclassified to conform to the presentation in the 2020 financial statements were as follows:

	Before reclassification	Reclassification	After reclassification
		(in thousand Baht)	
Statement of income for the year ended 31 December 2019			
Interest income	-	966,877	966,877
Other income	55,197	475	55,672
Gain on exchange rate	504	(504)	-
Finance costs	(299,440)	(966,848)	(1,266,288)

28 Thai Financial Reporting Standards (TFRSs) that have been issued but are not yet effective

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after 1 January 2021 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Company has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.





RESILIENCE FOR THE QUALITY GROWTH

SCGP

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SCG Packaging

Corporate Governance Handbook

December 2020

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Remark: The Company has revised the executives' titles refered to in policies to align with the revisions of executives' titles during the year, to be effective from December 1, 2020.

Message from the Board of Directors

SCG Packaging Public Company Limited ("the Company") has continuously carried on its business under the thorough supervision of the Board of Directors to fulfill its commitment to just and responsible business conduct towards every stakeholder. All of this is achieved under the Code of Conduct, which is constantly reviewed and adjusted to reflect economic and social changes on the basis of balanced and sustainable growth.

The Board of Directors has deemed that the principle of Corporate Governance is a universally-accepted organizational management guideline that closely corresponds with the Company's core values and Code of Conduct.

Such principle not only build trust and confidence in shareholders, investors, or stakeholders of all parties, but also brings benefits and favorable business performance to the Company while strengthening its competitiveness and sustainable growth. The Board of Directors, therefore, establishes policies, measures and practices for Corporate Management in alignment with the Corporate Governance principle. These are to be used by the directors, the executives and the employees as guidelines to conduct business in a beneficial way to add sustained values to the business, and are complied in this Corporate Governance Handbook.

The Board of Directors believes that the Company's Corporate Governance principle shall serve as a management system which delivers fairand transparent treatment to the shareholders as well as adding long-term profits and values to the shareholders, all the while building trust in all stakeholders and promoting the Company's competitiveness for sustainable growth.

As an individual prospers in life through moral conduct,

so does a company through ethical practices.

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

1.1 SCG Packaging's Core Values

(Resolutions of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019.)

The present prosperity, success, and stability of SCG Packaging are the result of doing business according to its ethical core values – the ideals that have been held in high regard and put into practice by the Board of Directors, by Management, and by staff at all levels. They are:

Adherence to Fairness

Dedication to Excellence

Belief in the Value of the Individual

Concern for Social Responsibility

Adherence to Fairness

It is the responsibility of SCG Packaging to ensure that all who come in contact with us are treated with equal fairness. For example:

- Customers who use our goods and services will obtain maximum benefit in terms of quality and cost.
- Shareholders will receive a proper rate of return on their investment.
- Employees will enjoy both appropriate compensation and a good standard of living.
- All groups of stakeholders will be fairly treated.

Dedication to Excellence

SCG Packaging is dedicated to right conduct and achieving the best results in all we undertake.

All employees and persons who come into contact with SCG Packaging recognize the total effort, knowledge, and skill we devote to constantly improving what we do. We strive to learn and pursue whatever we can to help us overcome obstacles and advance in the path of growth and sustainability. This dedication will generate the best results for both SCG Packaging and all stakeholders.

Belief in the Value of the Individual

SCG Packaging is convinced that each of our staff constitutes our most valuable assets.

SCG Packaging has managed to prosper through the efforts of our good and knowledgeable people, who have chosen to spend their careers with us. We select the most ethical and capable individuals we can find, and then enrich them to cope with challenges of our changing times. In return, we provide all our employees with security and a sense of belonging. With such care and concern between the company and staff, little wonder that our personnel work so hard and skillfully for the progress of SCG Packaging.

Concern for Social Responsibility

SCG Packaging behaves as a good corporate citizen in all communities and countries where we operate. We diligently perform our social duties and responsibilities while engaging in activities to preserve natural resources and sustainability of the environment.

1.2 SCG Packaging's Code of Conduct

(Resolutions of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019)

Who has to be obliged to observe SCG Packaging Code of Conduct?

All employees of SCG Packaging are obliged to observe the principles and guidelines of SCG Packaging Code of Conduct, and the Directors must serve as role models of such conduct.

What do you have to do with SCG Packaging Code of Conduct?

1. **Acquire** an understanding of the principles and guidelines of SCG Packaging Code of Conduct especially those relating to your duties and responsibilities.
2. **Consult** your superior or enquire in SCG Packaging consulting system when you are not sure if what you are going to do complies with SCG Packaging Code of Conduct.
3. **Convey** your knowledge and understanding of business conduct of SCG Packaging staffs according to SCG Packaging Code of Conduct to others you work with or who are involved with SCG Packaging.
4. **Inform** when you find non-compliance with SCG Packaging Code of Conduct via assigned channel and give cooperation to fact-finding investigation.

What happens if one does not comply with SCG Packaging Code of Conduct?

- Failure to comply with the principles and guidelines of SCG Packaging Code of Conduct may result in disciplinary or legal action as the case may be subject to penalties pursuant to specified regulations.
- Besides failure to comply with SCG Packaging Code of Conduct as mentioned above, supporting others to breach SCG Packaging Code of Conduct, ignoring when a non-compliance with SCG Packaging Code of Conduct is noticed, obstructing of an investigation process and unfair treatment to fact providers are also considered non-compliance with SCG Packaging Code of Conduct.

What should you do when finding Non-compliance with SCG Packaging Code of Conduct?

SCG Packaging provides the Whistleblowing System which is a complaint system in line with international standard. In case you learn about or notice any action or become a victim of corruption and violation of laws, regulations, company's rules and code of conduct, you can inform of such action by following these procedures:

- Report to complaint receiver via the assigned channels. However, the information must not be false or made up to defame others which are considered disciplinary guilt according to human resource management regulations.
- SCG Packaging has complaint handling and whistleblower protection procedures.

How Complainant/Fact Givers will be protected?

Any person reporting information to, or co-operating with a fact-finding working team and investigation committee regarding fraud or non-compliance with laws, rules, company regulations and SCG Packaging Code of Conduct shall be protected according to SCG Packaging Whistleblowing Policy as follows:

1. If the complainant and fact givers choose to disclose their identities, the company will be able to inform them of progress or their findings or compensates them more quickly and easily.
2. SCG Packaging regards relevant information as secret, and will disclose only as necessary to ensure the safety of, and prevent harm to, those who report, their sources, and other individuals involved.
3. If the complainant believes that he / she will be under threat or harmful, he / she may ask the company to provide appropriate protection, or the company may provide such protection without the complainant's request if it is believed that danger or harm will likely occur.
4. Those who incur harm will be compensated in a fair and appropriate manner.

More information can be found in the SCG Packaging Whistleblowing Policy on www.scgpackaging.com

Guidelines of SCG Packaging's Code of Conduct

1. Human and Labor Rights

SCG Packaging is aware of respecting human rights of every individual so it treats everyone fairly without discrimination. It promotes and supports human rights and avoids human rights violation. Moreover, SCG Packaging has realized importance of labour so it treats the employees in compliance with labour laws and relevant regulations on a fair basis.

2. Environment, Health and Safety

2.1 Environment

SCG Packaging is determined to take care of the environment through all its value chain starting from environment impact assessment before investing in any business, design of, production process, machine and equipment and adoption of appropriate technology to prevent possible impacts on the environment and raise awareness of these issues among employees and parties relevant to business operation to comply with the guidelines.

2.2 Health and Safety

SCG Packaging has paid great attention to health and safety of employees, contractors, customers, communities and stakeholders throughout our business value chain. Health and safety impact assessment must be carried out before investment or joint-venture is made. Place of business, production process, technology, machines, equipment and raw materials must be taken care of to ensure safety to health. Moreover, employees and relevant parties must be raised awareness in safety consciousness to comply with the health and safety regulations.

2.3 Safety of Products and Services

SCG Packaging has ensured that all the products and services' safety complies with or is higher than those stipulated by laws, has standard compatible with industrial and international standards and as agreed with the customers. This covers design and production process, provides information or warnings about the products and services and appropriate use for the whole life cycle. In addition, SCG Packaging pays attention to safety of products SCG Packaging hires others to produce, import and uses for sale promotion activities.

3. Anti-Corruption

SCG Packaging's business should be conducted with stakeholders in correct, transparent, honest and traceable ways with no corruption. The business must comply with relevant laws and SCG Packaging's Anti-Corruption Policy ensuring it shall not cause condemnation or loss of reputation.

4. Gifts and Entertainment

Receiving and giving benefits including items of value, services, facilitating or entertainment with persons involved in business must be made in accordance with the customs of each locality or country and relevant laws, provided that the value of such is appropriate and it will not motivate an unfair decision making.

5. Conflicts of Interest

SCG Packaging is determined to do right things with an aim for excellence. Therefore, employees must aim to maximize SCG Packaging's benefits, comply with the laws and ethics, and avoid action creating conflicts of interest that may affect any decision.

6. Political Activities

SCG Packaging remains politically neutral, and does not give financial support or support any particular political party, political group, or candidates of any kind in local, regional or national levels or person with political influence. Nonetheless, SCG Packaging recognizes and respects the freedom of employees to exercise their political rights, such as voting or being members of any political party.

7. Handling of Information and Assets

7.1 Personal Information

SCG Packaging respects privacy of relevant person, therefore, personal information of employees and relevant business parties such as status, biographical, career-related, financial record contact information, health-related or other kinds of data must be protected not to use, disclose or transfer to other parties which shall be deemed an infringement.

7.2 Recording, Reporting, and Storing Information

SCG Packaging has realized the importance of internal information management. Recording and storing of information must comply with SCG Packaging's standard and be complete as prescribed by law. For storing, all employees are obligated to ensure that the information involved with their work remains safe and available for reference or use by SCG Packaging whenever needed.

7.3 Buying and Selling Securities and Use of Inside Information

Use of inside information which is material must be appropriately done considering impacts on all stakeholders and legitimacy. The information must not be used for personal or other people's benefits.

7.4 Use and Protection of Company's Assets

SCG Packaging has made efficient and full use of its assets and promoted the employees to protect them from damage, loss or personal use for themselves and other people.

7.5 Use and Protection of Information Technology System

SCG Packaging desires that information technologies are used efficiently and safely according to SCG Packaging e-Policy to protect and preserve them from infringement or use without permission.

7.6 Use and Protection of Intellectual Property

SCG Packaging regards intellectual property as valuable assets to SCG Packaging. Employees must strictly follow established 'SCG Packaging Intellectual Property (IP) Policy' and protect SCG Packaging's intellectual property from unauthorized use or disclosure and must respect and not infringe other people's intellectual properties.

8. Information Disclosure and Communication

8.1 Information Disclosure

SCG Packaging's disclosure of information is based on fairness, transparency and traceability. It must be ensured that the information is correct, clear, complaint with law on fair basis regardless of format as written and verbal, press conference or any other manner.

8.2 Communication

SCG Packaging's communication including SCG Packaging brand communication to internal and external target, marketing communication of brands in SCG Packaging, use of SCG Packaging logo and communication via social media must be properly and accurately done considering fairness to every stakeholder and must not lead to damages to SCG Packaging. The Brand Communication Guidelines and SCG Packaging Social Media Policy should be strictly observed.

9. SCG Packaging's Transactions

9.1 Transactions between Companies in SCG Packaging

Doing business or performing work which incur related transaction between SCG Packaging group of companies must abide by the laws and regulations issued by State agencies, the regulations and delegation of authority of SCG Packaging, as well as the principles and conditions prescribed in each locality.

9.2 Transactions between SCG Packaging and External Parties

Transactions with external parties must strictly comply with guidelines and procedure as specified by laws and regulations issued by state agencies as well as SCG Packaging's policy and delegation of authority. Moreover, it must comply with the conditions agreed upon straightforwardly, transparently and traceably. Avoid transactions that may cause trouble or damage to SCG Packaging or external parties.

10. Doing Business Abroad and International Trading

10.1 Doing Business Abroad

All of SCG Packaging business operation abroad including establishing a company, plant, office, branch, agent; trading with dealer; or doing acquisition overseas must comply with the laws and rules applicable in that country which SCG Packaging has invested and perform as good citizen in each locality. Moreover, such business operation must also take into account the circumstances, customs, traditions, and culture of each locality.

10.2 International Trading

Import and export of products or any transactions of SCG Packaging relating to foreign countries must strictly comply with relevant laws such as laws on import and export, customs act, product safety and consumer protection laws including relevant SCG Packaging's regulations and guidelines.

11. Business Competition

SCG Packaging is committed to fair competition to both SCG Packaging's customers and vendors by considering code of business ethics and competition laws in every country where SCG Packaging conducts its business in accordance with relevant SCG Packaging's guidelines.

12. Anti-Laundering Measures

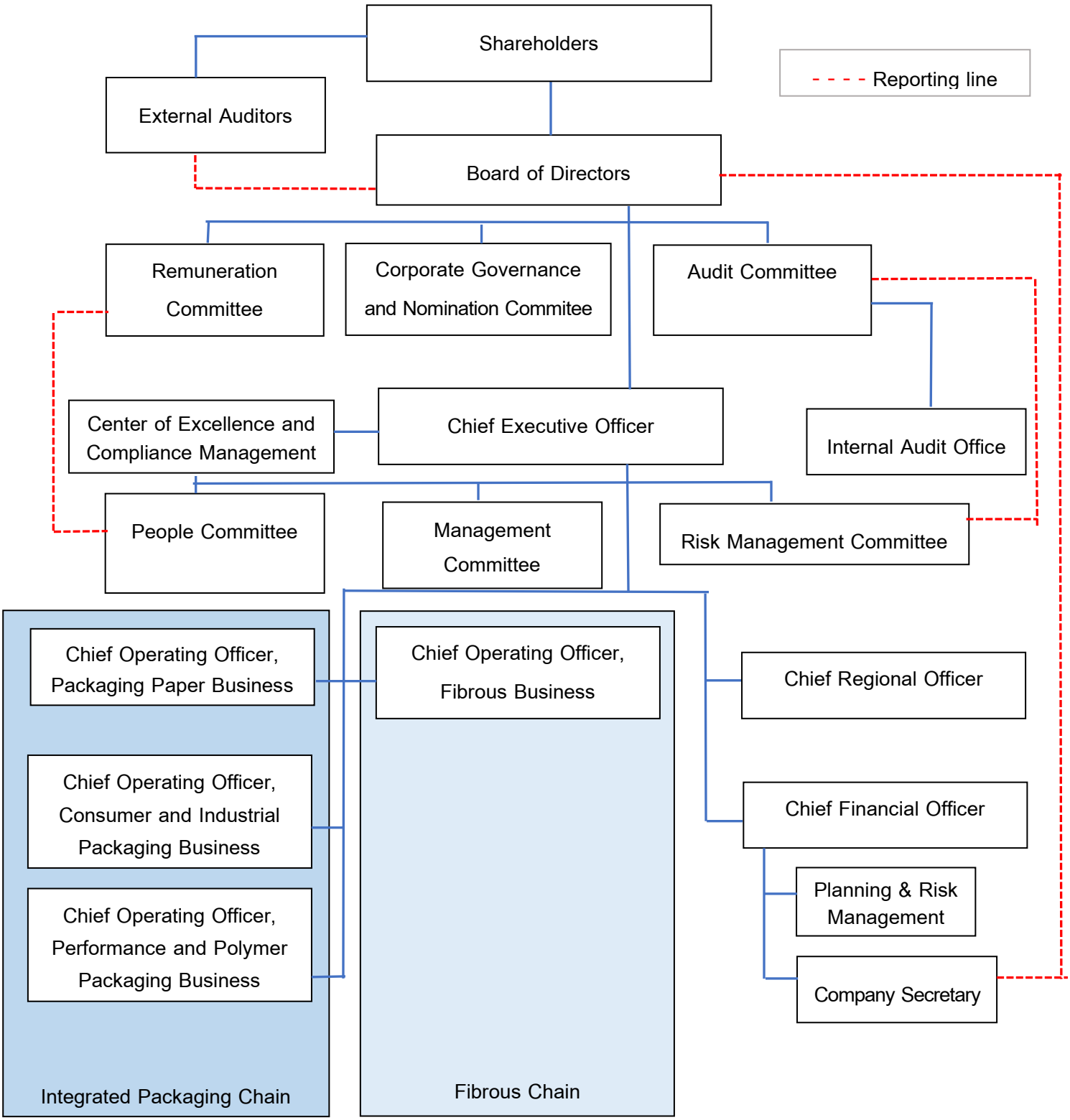
SCG Packaging complies with all guidelines and laws pertaining to the suppression of money laundering. SCG Packaging will not accept transfers or conversions of assets or support such actions insofar as they are related to criminal activities, and will prevent anyone using SCG Packaging as a channel or instrument for the dispersion or concealment of illegally obtained assets.

More information can be found in SCG Packaging's Code of Conduct on www.scgpackaging.com

1.3 SCG Packaging's Corporate Governance Structure

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020)

Corporate Governance Structure of SCG Packaging



1.4 SCG Packaging's Corporate Governance Policy

(Resolution of meeting of the Board of Directors no. 216 (12/2019) held on December 16, 2019)

SCG Packaging operates its business with responsibility, transparency and fairness, while adhering to the principles that have been practiced through generations under SCG Packaging's Code of Conduct as well as operates on the basis of balanced and sustainable success, with the Company's Board and top executives serving as role models in adhering to SCG Packaging's Code of Conduct and Corporate Governance principles.

SCG Packaging's corporate governance is considered an integral part of its business policy. The Governance and Nomination Committee is entrusted with overseeing SCG Packaging's corporate governance matters, encompassing the establishment of policy and guidelines as well as monitoring the performances of the Board of Directors and the Management to ensure their compliance with SCG Packaging's corporate governance policy. The Committee also monitors and evaluates the corporate governance practices, and regularly conducts annual reviews of the guidelines to ensure their alignment with business operations and corporate governance practices on national and international levels. Moreover, corporate governance shall be specified as one of the main items on the agenda at the Board of Directors' meeting.

In addition to matters specified in the Corporate Governance Handbook, SCG Packaging also mutatis mutandis carries out the business in compliance with the corporate governance principles of Siam Cement Public Company Limited.

Part 2: SCG Packaging's Corporate Governance Policies and Guidelines

2.1 Policies and Guidelines for Directors and Executives

2.1.1 Charter of the Board of Directors

(Resolutions of the meeting of the Board of Directors no. 221 (5/2020) on July 24, 2020, effective from July 24, 2020)

The Board of Directors is the driving force of the organization. Its roles and duties are to set strategies and policies pertaining to business operation of the Company as well as governing the Company and its subsidiaries. The Board of Directors must perform its duties accountably, carefully, prudently and loyally, and must protect the interests of the Company and its subsidiaries in order to maximize the long-term benefits of shareholders.

The Board of Directors must act in all fairness to all stakeholders in accordance to the principles of good corporate governance as well as monitoring the operations of the Company and its subsidiaries to comply with laws, objectives, regulations and resolutions of the Board of Directors as well as the shareholders. In addition, the board plays an important role in overseeing and assessing the performances of the Company's executives and the Chief Executive Officer to ensure the accomplishment of action plans of the Company and its subsidiaries.

The meetings of the Board of Directors no. 210 (6/2019) and 212 (8/2019) and 221 (5/2020) have thus resolved to adopt this Charter of the Board of Directors so that every director is aware of his/her duties and responsibilities and performs them correctly and completely.

1. Scope of Duties

The duties of the Board of Directors are as follows:

Take responsibility as the leaders who sustainably bring value to the Company's business

1.1 Directing for the best interests of the Company, its subsidiaries and shareholders (Fiduciary Duty) by abiding by the following four main practices:

1.1.1 Performing its duties with responsibility and all due circumspection and caution (Duty of Care).

1.1.2 Performing its duties with faithfulness and honesty (Duty of Loyalty).

1.1.3 Performing its duties in compliance with laws, objectives, the Company's Articles of Association, resolutions of the Board of Directors, and resolutions of general meeting of shareholders (Duty of Obedience).

1.1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).

1.2 Overseeing the Company and its subsidiaries to ensure that their business conduct complies with their policies.

1.3 Defining the Company and its subsidiaries' visions, missions, and business strategies while taking into account the Code of Conduct and possible effects to the society and environment, with an annual revision and approval by both the Board of Directors and the Management Committee.

1.4 Monitoring the Company and its subsidiaries to conduct their business in compliance with laws, objectives, Articles of Association, and resolutions of the Board of Directors and the general meetings of shareholders with accountability, caution and prudence, and loyalty for the utmost benefits of the Company and fairness to all parties involved.

1.5 Defining the Charter of the Board of Directors and the Sub-committees as well as amending the Charter of the Board of Directors and considering recommendations from the Sub-committees regarding the amendment to the Charter to keep it updated and suitable with changes of rules, regulations and circumstances. The Charter of the Board of Directors shall also be reviewed at least once a year.

Define key objectives and business goals that promote sustainable value creation

1.6 Defining the major operating plans, budgets, business goals and policies and enhancing the capabilities of the Company and its subsidiaries to reach a globally competitive level as well as overseeing the administration and management of the Management to ensure their alignment with policies, operating plans, budgets, business goals and policies for the utmost benefits of the Company, its subsidiaries and shareholders.

Strengthen Board effectiveness

1.7 Determining and reviewing the board structure, in terms of size, proportion of independent directors and diversity, to fit with the Company's nature of business.

1.8 Overseeing and monitoring the director's nomination and election process to ensure its transparency and proposing the appropriate remunerations for directors and Sub-committee members for the approval at the general meetings of shareholders. In order to determine the appropriate remunerations, various factors must be taken into consideration such as the alignment with the Company's business strategies and long-term goals, the directors' experiences, scope of duties and responsibilities, as well as the benefits to the Company each director may offer.

1.9 Devoting sufficient time and efforts to the Company and attending all meetings of the Board of Directors and the general meetings of shareholders, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman, the Secretary to the Board or the Company Secretary in advance of the meeting.

1.10 Defining governing mechanism to ensure the Company's capability to oversee and control the operations and accountability of its subsidiaries as if they were one of its functions as well as monitoring the management of the subsidiaries in order to protect the benefits of the Company's investment in compliance with relevant notifications of The Securities and Exchange Commission and/or the Capital Market Supervisory Board.

1.11 Nominating persons to be appointed as directors or executives of the Company's subsidiaries and associates for not less than the Company's shareholding ratio in such subsidiaries and associates. Determining remunerations and scope of authorities, duties and responsibilities of directors and appointed executives. Defining power of authority framework for voting at the meeting of the Board of Directors of its subsidiaries and associates of significant matters which require prior directions from the Company's Board of Directors. Overseeing the Management and executives of its subsidiaries and associates to comply with the Company's operating plan and policies and monitoring their transactions to comply with applicable laws and regulations including the disclosing of financial information, performances, related party transactions, and acquisition and disposition of material assets to be made completely and accurately and overseeing the directors and executives of the subsidiaries to perform its duties and accountabilities as required by laws.

1.12 Assessing the performance of the Board of Directors annually by performing three types of assessments, namely that of the Board as a whole, that of each individual director as a self-assessment, and that of the chairman together with monitoring the assessment results of the Board and its sub-committees which will be jointly deliberated by the Board of Directors. Reviewing the assessment of both the Board and its sub-committees and disclose the criteria, process, as well as the overall results of the assessment in the Company's annual reports.

1.13 Developing knowledge and capability, joining training or taking courses relating to carrying out director duties, or attending seminars aiming to increase knowledge crucial for performing the Board's duties continuously.

1.14 Appointing the Company Secretary and determining the scope of duties of the Company Secretary so that he/she shall be responsible for conducting his/her duties in various aspects on behalf of the Company or the Board of Directors such as to generate and keep the record of directors' registration, the notices for the meeting of the Board of Directors and their minutes of the meetings, the notices for the general meetings of shareholders and their minutes of the meetings, and collecting the reports stating the directors and their related persons' interests.

Nominate top executives and encourage development of their skills, and manage the Company personnel

1.15 Determining management structure, top executive development plans and the succession plan for the CEO while overseeing to ensure the effective performance assessment of top executives on an annual basis and having appropriate system to thoroughly determine the remuneration of top executives with transparency and based upon their responsibilities and performances to ensure both short-term and long-term incentives.

1.16 Overseeing that an appropriate compensation structure and performance evaluation are in place for all employees. Understanding the structure and relationship of shareholders which may affect the management and operation of the businesses as well as monitoring the human resource management and development to ensure their appropriate number, knowledge, skills, experiences and incentives.

Promote innovation and responsible business

1.17 Overseeing and promoting innovation that creates value for the Company and its subsidiaries together with benefits for its stakeholders.

1.18 Developing a written handbook of code of conduct as a standard for operations and practices of the Company's directors, executives and employees. Strict implementation of the Company's code of conduct shall also be monitored by the Board of Directors.

1.19 Monitoring the implementation of strategies and operating plans of the Company and its subsidiaries and appraising the performances of the Management through the regular operational reports of the Company, its subsidiaries and associates as well as defining a policy for the development and improvement of the business operations by considering safety and health, responsibility to society and environment and human resource development.

1.20 Overseeing that the information technology management and safeguard of the information security system are in place.

Monitor the implementation of effective risk management and internal control systems

1.21 Formulating the corporate risk management policy and monitoring the effectiveness of the risk management as well as reviewing and evaluating the risk management system regularly and when risk status is changed.

1.22 Encouraging employees of all levels to be conscious in ethics and moral and comply with corporate governance, code of conduct and all policies of the Company as well as overseeing that the Company and its subsidiaries have appropriate internal control and audit system as well as its regular assessment in order to mitigate risk pertaining to fraud, miss-authorization and illegal actions.

1.23 Establishing an audit committee that can act effectively and independently.

1.24 Directing, controlling, preventing, monitoring and managing conflicts of interest that might occur between stakeholders of the Company and its subsidiaries, the Company and the management, the Board of Directors or the shareholders. Preventing an inappropriate use of assets of the Company and its subsidiaries as well as inappropriate transactions with related parties of the Company and/or its subsidiaries.

1.25 Considering, approving and/ or expressing opinion on transactions having material impact to the Company's businesses including acquisitions and dispositions of assets of the Company and its subsidiaries, related party transactions between the Company, its subsidiaries, associates and related parties as stipulated in the Securities and Exchange Act and relevant rules and regulations of The Stock Exchange of Thailand (SET) and Capital Market Supervisory Board. Considering for approval of commercial transactions having general commercial conditions made between the Company, its subsidiaries, associates and directors, executives or related parties in order to set an operational framework to authorize the executive committee and management to execute such transactions pursuant to guidelines and scopes set by applicable laws and regulations. Considering and/ or expressing opinion on any transaction of the Company (if the transaction size is not in a level that requires an approval from the general meeting of shareholders) in compliance with applicable laws, notifications, rules and regulations.

1.26 Formulating written corporate governance policies for the Company and its subsidiaries and having them implemented, and supporting communication regarding such policies to everyone in the Company to acknowledge, abide by and implement seriously such as anti-corruption policy, whistleblowing policy and insider trading policy, etc., as well as adapting it effectively in order to ensure that the Company and its subsidiaries have accountability to their stakeholders fairly. Overseeing and developing corporate governance of the Company and its subsidiaries on international standard as the guidelines for business operations. Monitoring and being a role model in implementing corporate governance and code of conduct.

1.27 Overseeing that the process and channel for receiving and managing complaints from the whistle blowers or stakeholders are in place and effective and that stakeholders are able to contact/ complain possible problems to directors directly.

Ensure disclosure and financial Integrity

1.28 Overseeing that the Company and its subsidiaries' accounting system, financial reports and audited financial statements are in accordance with applicable rules, regulations and guidelines.

1.29 Monitoring financial liquidity and debt repayment capability as well as plans or mechanism for problem solving.

1.30 Considering producing the Sustainability Report as appropriate.

1.31 Ensuring that the disclosure of information is made appropriately to stakeholders, parties having conflict of interests and other relevant parties including disclosing material information in financial statements and other reports to shareholders appropriately. Such information should be published firstly through system provided by The Securities and Exchange of Thailand and then it may be posted on the Company's website. Ensuring that the Company assigns a person in charge of disclosing information to investors and performs the disclosure accurately, completely, appropriately and in a timely manner as well as promoting the use of information technology for the disclosure.

Ensure engagement and communication with shareholders

1.32 Ensuring engagement of shareholders in decision-making of significant matters of the Company and its subsidiaries and overseeing that the general meetings of shareholders are held mannerly, transparently, effectively and facilitatively for shareholders to exercise their rights. Overseeing that the disclosure of resolutions of the general meetings of shareholders and the minutes of such meetings are made accurately and completely. Respecting the rights of shareholders and treating the shareholders, both major and minor, and all stakeholders fairly and transparently.

Performing its duties, the Board of Directors may seek additional necessary information from the Chief Executive Officer, the Company Secretary, or other assigned executives, within the scope of stipulated policies. In case of necessity, the Board of Directors may seek independent opinions from external consultants or experts in various fields at the Company's expenses.

2. Scope of Authorities of the Chairman of the Board of Directors

The Chairman of the Board of Directors has the following authorities:

2.1 Sets Board meeting agenda in consultation with the CEO and, in case that the Chairman is not an independent director, one independent director who was elected by the Board to jointly determine the meeting agendas, and oversees to ensure all Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision-making process.

2.2 Provides leadership and direction to the Board of Directors and chairs meetings of the Board.

2.2.1 Conducts a Board meeting according to the agendas, the Company's Articles of Associations, and applicable laws.

2.2.2 Encourages and allocates sufficient time to each Board member to discuss and express their opinion freely with due circumspection and concern for all stakeholders.

2.2.3 Sums up the Board meeting resolutions and required further actions clearly.

2.2.4 Sets up a Board meeting without the presence of the Executive Director.

2.3 Chairs meetings of shareholders according to the agendas, the Company's Articles of Association, and relevant laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded to appropriately and transparently.

2.4 Supports and be a role model in compliance with the principles of good corporate governance and the Company's Code of Conduct.

2.5 Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of the CEO and the Management in accordance with the Company's policies.

2.6 Oversees to ensure the transparent disclosure of information and management in the event of conflicts of interest.

2.7 Oversees to ensure the Board of Directors has appropriate structure and composition.

2.8 Oversees that the Board of Directors as a whole, Sub-committee members, and each individual director perform their duties effectively and efficiently.

3. Composition of the Board of Directors

The compositions of the Board of Directors are as follows:

3.1 The Board of Directors consists of not less than 5 but should not more than 12 directors, each of whom shall be appointed and removed by a general meeting of shareholders. Not less than half of the directors shall be residents of Thailand and qualified by the laws.

3.2 The Board of Directors consists of independent directors of not less than one-thirds of the total number of directors and not less than 3 persons. The independent directors must be independent from the control of Management and major shareholders, not engage or have interests on financial and business management as well as have full qualifications in accordance with requirements specified in the notification of the Capital Market Supervisory Board and have scope of duties and accountabilities in accordance with the notifications of The Stock Exchange of Thailand.

3.3 The Board of Directors consists of qualified persons having knowledge and capabilities, diversity of skills, experiences and expertise that are useful to the business of the Company and its subsidiaries without limitation to gender, race, religious, age or skill.

3.4 The Board of Directors will choose one of the directors to be the Chairman of the Board. If the Chairman is not an independent director, the Board of Directors may appoint an independent director to jointly determine agendas of the Board meetings in order to encourage the balance of power between the Board of Directors and the Management and also comply with the good corporate governance for listed companies.

When a person is appointed as a director of the Company, the Company shall provide he/she with the Company's director orientation and present to every new director a director's handbook and various relevant information so that he/she acknowledges his/her roles and duties as a director of the Company.

4. Qualifications of Company Directors

4.1 All Directors must have full qualifications without any prohibited characteristics in accordance with the Public Limited Companies Act, B.E. 2535 (including its changes) ("PLC Act"), Securities and Exchange Act, B.E. 2535 (including its changes) ("Securities Act") including applicable notifications, regulations and/or rules as well as the Articles of Association of the Company. The Directors must not have untrustworthy characteristics of directors and executives under the Notification of the Office of the Securities and Exchange Commission and must be the persons listed in the database of directors and executives of securities issuing companies under the Notification of the Capital Market Supervisory Board regarding Rules for Listing of Persons' Names on Database of Directors and Executives of Securities Issuing Companies.

4.2 A director must not, without the consent of a general meeting of shareholders, undertake commercial transactions of the same nature as and competing with that of the Company or its subsidiaries, nor may he/she be a partner with unlimited liability or a director in another legal entity carrying on a business of the same nature as and competing with that of the Company or its subsidiaries, either for his/her own benefits or others.

4.3 All directors must be capable and knowledgeable persons fully equipped with leadership, wide-ranging visions, experiences beneficial to the Company, and knowledge of the Company's business.

4.4 All directors must be able to perform his/her duty and independently express their opinions with loyalty and integrity, to conduct the business with morality, and to devote sufficient time to perform his/her duties.

4.5 A director must not hold directorship of more than four other listed companies.

5. Terms of Office

5.1 At the annual general meeting of shareholders, one-third of the directors, or if their number is not multiple of three, then the number nearest to one-third must retire from the office. The director who has held office longest shall retire. However, a retiring director is eligible for re-election.

5.2 The election of directors shall be in line with the Company's Articles of Association and relevant laws. The nomination of directors shall be carried out in a transparent and clear manner by taking into account education and professional experience of each person, as well as qualification and absence of prohibited characteristics. Such information must also be sufficiently provided so as to ensure that it is useful for the Board of Directors and the shareholders' decision making process.

5.3 Apart from the vacancy upon the expiration under the Company's Articles of Association, a director shall vacate office when:

5.3.1 he/she is no longer qualified for the office as specified in the Company's Articles of Association or the Public Limited Companies Act and/or laws regarding securities and exchange;

5.3.2 he/she gives notice of resignation to the Board of Directors, which shall be effective from the date that on which the Company receives the resignation letter;

5.3.3 he/she has been absent from three consecutive meetings of the Board of Directors without leave of absence, and the Board of Directors has passed a resolution by a vote of not less than half of all the directors that he/she retire from his/her office;

5.3.4 the shareholders pass a resolution removing him/her from office in accordance with the provisions of the Public Limited Company Act;

5.3.5 the court so orders;

5.3.6 he/she dies.

5.4 In case of vacancies of all members in the Board of Directors, the said Board of Directors may perform any act in the name of the Board of Directors only in matters necessary until a new Board of Directors takes over.

5.5 In case of a vacancy in the Board of Directors for any reason other than the expiration of the director's term of office, the Board of Directors shall elect a person who is fully qualified as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than 2 months. The substitute director shall hold office only for the remaining term of office of the director whom he/she replaces.

5.6 The Independent directors shall not be in office for more than 9 consecutive years from the first appointed date. In case of necessity, an independent director may be reappointed to continually serve as an independent director after the completion of 9 consecutive years upon the thorough and reasonable consideration of the Board of Directors.

6. Meetings of the Board of Directors

6.1 Meetings of the Board shall be carried out in compliance with laws and the Company's Articles of Association.

6.2 The Company has stipulated that there shall be at least one meeting of the Board of Directors every three month and no less than 6 times per year, of which the main agendas are to be clearly determined in advance. Special meetings may also be called to consider important or urgent matters. The Chairman and the CEO will together determine the agenda and their matters to be considered at the meeting. In addition, should the Chairman of the Board be not an independent director, one independent director will jointly determine the agenda with the Chairman and the CEO to balance the power between the Board and the Management, and to comply with the Corporate Governance Code for Listed Companies, as well as to oversee that important matters are included in the agendas. In addition, the Management shall report the operating results to the Board of Directors during the months that no meetings are held to ensure that the Board of Directors can continually and promptly supervise and monitor the Management's operation.

6.3 A meeting between non-executive directors shall be held as deemed necessary without the Management being present in such a meeting to discuss matters concerning an executive who is the object of interests. The Chairman or the director assigned by the Chairman shall notify the Chief Executive Officer of the results of said meeting.

6.4 An average attendance of all directors should be at least 80% of the total Board meetings each year. Each director should also attend at least 75 percent of all the meetings held each year. Should any director not be able to attend a meeting of the Board of Directors due to necessity, his/her shall notify the Chairman of his/her reasons at the first opportunity he/she has and prior to the said meeting.

6.5 In addition, the act of being present in the meetings stated in this policy covers those of electronics meetings held by the Company, which allows the director to discuss, enquire, and share opinions with one another despite being in different locations.

6.6 In calling a meeting of the Board of Directors, the Chairman or the Secretary to the Board of Directors, by order of the Chairman, shall serve a written notice calling for such meeting as well as meeting documents to the directors not less than 5 business days prior to the date of the meeting. Where it is urgent or necessary for the benefits of the Company, the meeting may be called by other methods and an earlier meeting date may be choosing.

7. Quorum

7.1 At a meeting of the Board of Directors at least half the number of directors must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty or vacant, the Vice Chairman shall perform the duty on behalf of the Chairman (if any). In case both the Chairman and the Vice Chairman are absent or unable to perform his/her duty or vacant, the Board of Directors present at the meeting shall appoint a director to perform the duty as the Chairman of the Meeting.

7.2 Decision in the meeting shall be made by a simple majority vote. Each director is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

7.3 Each director is entitled to one vote, but a director who has an interest in any matter shall not be entitled to vote on such matter.

7.4 In case of vacancies in the Board of Directors resulting in the number of directors being less than the number required for a quorum, the remaining directors may perform any act in the name of the Board of Directors only in matters relating to the calling of a general meeting of shareholders to elect directors to replace all the vacancies, and that such general meeting of shareholders shall be held within one month from the date the number of directors falls below the number required for a quorum.

8. The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board of Directors' charter, and the general meeting of shareholders' resolutions. Such matters include defining and reviewing Delegation of Authority, corporate vision, mission, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-term business plan.

Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, significant related party transactions, merger and acquisition, corporate spin-off, and joint venture deals.

9. Remuneration

The directors shall be paid a remuneration, the amount of which shall be fixed by the general meeting of shareholders.

2.1.2 Charter of the Audit Committee

(Resolutions of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 210 (6/2019) and no. 224 (8/2020), has approved the issuance of this Charter of the Audit Committee which is in alignment with the Company's Code of Conduct, as well as placing in this Charter applicable regulations and laws to specify the scope of duties of the Audit Committee, which is an important instrument in Corporate Governance. This is to assure the stakeholders that the Company's business operation is carried out under the surveillance of the efficient internal audit and internal control system, to prevent conflicts of interest, to provide guidance for the Audit Committee, and to ensure that the Board of Directors, the executives and the Management understand the scope of duties of the Audit Committee.

1. Scope of Duties

The duties of the Audit Committee are as follows:

Oversight, Risk Management, Oversight of Performance of Duties, and Internal Controls

1.1 Oversee that the Company has a financial report system and a disclosure of financial statements that meet the standard, has a financial report conducted by coordinating with external auditors and responsible executives, and has financial statements issued on a quarterly and annual basis. The Audit Committee may suggest auditors to review or audit any transaction deemed important and necessary while undergoing audit services, and providing support so that the financial report system is further improved to meet the International Financial Reporting Standards (IFRS)

1.2 Consider the Company and its subsidiaries' connected transactions, acquiring or selling of assets, or transactions with possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Securities and Exchange Commission, Thailand, thereby ensuring aforementioned transactions are reasonable and of utmost benefits.

1.3 Review the presence of the Company's risk management, work processes, control, oversight of performance of duties, IT governance, as well as Information and Integrated Network Security to ensure their effectiveness and compliance with international standards and to assess the results of risk management from the risk management working group.

1.4 Review the Company's effective Anti-corruption procedures to ensure the compliance with the governance bodies' guidelines such as The Collective Action Coalition Against Corruption (CAC), The Thai Institute of Directors Association (IOD) and The National Anti-

Corruption Commission (Section 123/5) starting from promoting and raising the awareness, assessing the risks, internal control, incorporating the proactive preventive system, offense reporting, auditing, as well as reviewing the self-assessment form regarding anticorruption measures as audited and assessed by Internal Audit Office,

1.5 Review the Company's compliance to be in line with the Securities and Exchange laws, the regulations stipulated by The Stock Exchange of Thailand (SET) and Capital Market Supervisory Board, as well as the rules, regulations and other laws relating to the Company and its subsidiaries' businesses. The Audit Committee shall also review the implementation of regulations and policies relating to the Corporate Governance in the Company's subsidiaries and associated companies, and the management of both subsidiaries and associated companies in the main business.

1.6 Review the compliance of the Company's Internal Control System with Internal Control Framework and the appropriateness and the effectiveness of the Company's Internal Audit System in accordance with internationally accepted approaches and standards. Also, review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Office to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.

1.7 Review the results of fraud investigation, establish the preventive measures in organization and review the internal processes of whistleblowing system.

1.8 Review the presence of proactive preventive system to enhance operating effectiveness and efficiency

Others

1.9 Select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and also propose the remuneration of the Company's auditor and evaluate the effectiveness of auditor's performance.

1.10 Constantly report the activities of the Audit Committee to the Board of Directors for their acknowledgement, as well as preparing and proposing the Audit Committee's report to the Board of Directors.

1.11 Prepare the Audit Committee's report and have it disclosed in the Company's annual report. The report must be signed by the Chairman of the Board of Directors and must, at least, include the information as follows:

(A) Opinions regarding the accuracy and reliability of the Company's financial report;

(B) Opinions regarding the sufficiency of the Company's internal control system;

(C) Opinions regarding compliance with the Securities and Exchange laws, the regulations of SET, or the laws relating to the Company's business;

(D) Opinions regarding the appropriation of auditors;

(E) Opinions regarding transaction which may lead to conflicts of interest;

(F) The number of the Audit Committee's meetings and the meeting attendance of each member of the Audit Committee;

(G) Overall opinions or observation that the Audit Committee gain from performing duties according to the Charter;

(H) And other matters the Audit Committee deemed appropriate to notify shareholders and general investors, within the scope of duties and responsibilities as assigned by the Board of Directors.

1.12 Review and give the opinion toward the audit practices of the Internal Audit Office and coordinate with the Company's auditors. Also, organize meetings with the Company's auditor, without the attendance of management, at least once a year, and discussed over issues and obstacles which may be found in the audit practices.

1.13 Approve the internal audit plan, budget and manpower of the Internal Audit Office. Also, provide recommendations in respect of appointment, removal, transfer, or dismissal of the Director of Internal Audit Office, or other departments responsible for the internal audit.

1.14 Consider the independence of the Internal Audit Office based upon the execution of work, reports, and line of command. Also, review the execution of the Internal Audit Office for the performance assessment according to international standards.

1.15 Review the presence of the Audit Committee's performance assessment as a whole and as self-assessment on an annual basis as well as the Audit Committee Charter at least once a year and propose it for the approval of the Board of Directors.

1.16 Perform other actions as required by law or as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deemed appropriate, at the Company's expense.

The Audit Committee performs duties within its authority and responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to shareholders, stakeholders, and the public.

Should there is any change in responsibilities of the Audit Committee, the Company shall disclose said resolution regarding the change in responsibilities and prepare a list and document stating the changes in the Audit Committee's scope of duties in line with SET's stipulation. The aforementioned documents must be sent to SET within three days of the changes by means stipulated in the SET's regulations relating to reporting via electronic media.

2. Composition of the Audit Committee

The constituents of the Audit Committee are to be as follows:

2.1 The members of the Audit Committee must be appointed by the Board of Directors.

2.2 The Audit Committee must consist of not less than three members, who are fully equipped with appropriate skill and expertise in the works assigned. Also, at least one member of the Audit Committee must possess sufficient knowledge and experience in accounting and finance in order to perform his/her/their duties of reviewing the credibility of the financial statements.

2.3 The Chairman of the Audit Committee may be appointed by the Board of Directors or the Audit Committee.

2.4 The Audit Committee shall consider the appointment of the Secretary to the Audit Committee to provide support to the Audit Committee in regard to meeting appointment, preparation of meeting agendas, distribution of meeting documents, as well as recording minutes of the meeting.

3. Qualifications of the Audit Committee

The Audit Committee shall be deemed reliable and acceptable by the general public and able to sufficiently devote time to performing duties of the Audit Committee. The Audit Committee shall comprise qualifications as follows:

3.1 General qualifications

Members of the Audit Committee shall be qualified independent directors according to the definition issued by the Company and the regulations of the Capital Market Supervisory Board and SET announcement.

3.2 Specific qualifications

(A) Members of the Audit Committee shall not be directors assigned by the Board of Directors to have authority in making decisions relating to the business operation of the Company, the parent company, the subsidiaries, or the associated companies, the subsidiaries of the same level, the major shareholders, or the regulators.

(B) Members of the Audit Committee shall not be directors of the parent company, the subsidiaries, or the subsidiaries of the same level, which are also listed companies.

4. **Terms of Office**

The term of office of the members of the Audit Committee is three-year each, ending at the annual general meeting of shareholders. Nevertheless, a retiring member is eligible for re-appointment, but no more than three terms consecutively. A member of the Audit Committee who retired by rotation shall continue to serve as an acting member to perform his/her duties until a new member of the Audit Committee is appointed in replacement of him/her unless he/she is not re-appointed as the director of the Company after retiring by rotation.

In case that all members of the Audit Committee retire by rotation, the retired members shall serve as acting members of the Audit Committee to continually perform their duties until a new set of the Audit Committee's members are appointed.

Apart from the vacancy upon the expiration as aforementioned, a member of the Audit Committee shall vacate office when:

1) he/she resigns;

2) he/she is no longer qualified for the office of the Audit Committee as specified in this Charter, or the regulations of the Capital Market Supervisory Board or the Stock Exchange of Thailand;

3) the Board of Directors passes a resolution removing him/her from office;

4) ceased to be a director;

5) he/she dies;

6) the court so orders.

If a member of the Audit Committee wishes to resign, he/she shall priorly give a notice of resignation with specified reasons to the Chairman of the Board in order that the Board of Directors consider electing a qualified person as the director in replacement of the resigned director.

If a member of the Audit Committee resigns or is dismissed from his/her position before his/her expiration of the term of office, the Company shall immediately inform the Stock Exchange of Thailand and send to the Securities Exchange Commission (SEC) the copy of the resignation letter. The member of the Audit Committee who resigned or was dismissed may explain his/her reason to the Securities Exchange Commission and the Stock Exchange.

In case of a vacancy in the Audit Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified and is without prohibited characteristics as a substitute member of the Audit Committee within three months after the vacancy so that the number of members of the Audit Committee remains in full as the laws and the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

5. Meetings

The meetings of the Audit Committee shall be held at least once every three month to consider quarter/annual financial statements and other matters within the authority and duty of the Audit Committee. Together with the Audit Committee, the external auditors, internal auditors and executives shall also attend the meeting to audit the financial statements on a quarterly basis and report them to the Board of Directors. In case that the executives are to carry out any connected transaction or transaction relating to the acquisition or disposition of assets, the propriety and reasonability of the transaction, as well as the utmost benefits of the Company, shall be taken into consideration in order to ensure its compliance with regulations regarding connected transactions and transactions relating to acquisition and disposition of assets as stipulated by SET's announcement.

In calling a meeting of the Audit Committee, the Chairman or the Secretary to the Audit Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Audit Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or an earlier meeting date may be choosing. Agendas of each meeting must be clearly determined prior to the date of the meeting. Meeting document must also be sent to the Audit Committee and the attendees of each meeting in advance with sufficient time for the recipients to consider the matters or request for further information.

In a meeting of the Audit Committee, the Chairman of the Audit Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Audit Committee should hold meetings to discuss matters within its scope of duties as stipulated in this Charter.

6. Quorum

At a meeting of the Audit Committee at least half the number of the members of the Audit Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Audit Committee shall appoint a member to perform the duty as the Chairman of the Meeting.

Decisions in the meeting shall be made by a simple majority vote.

Each member of the Audit Committee is entitled to one vote, except the member of the Audit Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

The Audit Committee may invite involved parties, such as the Company's directors, the Management, the executives, the Company's lawyers, external lawyers, or the Company and its subsidiaries' employees and/or other persons involved, to discuss over or inform of the matters or answer queries.

The Secretary to the Audit Committee or any person assigned by the Audit Committee shall prepare the minutes of the Audit Committee meeting, which must be verified by the Audit Committee, before the Chairman of the Audit Committee further propose said minutes to the Meeting of the Board of Directors for their acknowledgement of the Audit Committee's activities.

7. Responsibilities of the Audit Committee

7.1 In case the Audit Committee is informed by the auditor about suspicious behavior of President & CEO or persons responsible for business operation of the Company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.

7.2 Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee

(1) Transaction which may cause conflicts of interest.

(2) Fraud or irregular events or material flaws in the internal control system.

(3) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET.

8. Remuneration

The Audit Committee shall be paid a remuneration, the amount of which shall be approved at the general meeting of shareholders.

2.1.3 Charter of the Corporate Governance and Nomination Committee

(Resolutions of the meeting of the Board no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

The Corporate Governance and Nomination Committee is a part of good corporate governance. The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 214 (10/2019) and no. 224 (8/2020) on October 26, 2019, and December 1, 2020, respectively, has resolved to adopt this Charter of the Governance and Nomination Committee so that every member of the Corporate Governance and Nomination Committee is aware of his/her duties and responsibilities and performs them correctly and completely, aligning with the Corporate Governance Code, in order to build stakeholders' confidence and trust in the Company.

1. Scope of Duties

The duties of the Corporate Governance and Nomination Committee are as follows:

1.1 Draw up the scope and policy of the Company's corporate governance and consistently present them to the Board of Directors.

1.2 Make recommendations on the practice of the Company's corporate governance and give advice on corporate governance to the Board of Directors.

1.3 Oversee and monitor the performance of the Company's Board of Directors and the executive committee to ensure their compliance with the Company's corporate governance policy.

1.4 Review the practice of corporate governance within the Company to ensure it is appropriate for the Company's business operations and consistent with international best practices and make recommendations to the Board of Directors for further improvement and keeping it up-to-date.

1.5 Oversee that appropriate anti-corruption policy for the Company's business operation has been issued.

1.6 Consider the structure and the composition of the Board of Directors in terms of the number of the Board of Directors appropriate for the size, category and complicacy of the business, as well as alter them to meet the business strategies and changing circumstances. The Corporate Governance and Nomination Committee shall also consider determining director qualifications of each Sub-committee in terms of knowledge, expertise, experience, and specialty in particular fields, which bring benefits to matters relating to the Company and its subsidiaries.

1.7 Review the independence of directors, as well as any potential conflicts of interest in the performance of its duties. The independence of each independent director has to be reviewed to ensure that his/her qualifications are utterly consistent with regulations and/or relevant laws.

1.8 Review the propriety of director positions should there be an alteration to the qualifications of Company directors.

1.9 Consider formulating director development plans to further knowledge and skills of members of the Sub-committees of the Company to ensure their understanding in duties, businesses, economic circumstances, technologies, and laws and regulation relating the Company and its subsidiaries' businesses.

1.10 Recommend methods to assess the performance of the Board of Directors, the committees, the Chairman and the top executives, and review them annually. In addition, follow up and conclude the assessment results to the Board of Directors for acknowledgement and utilize such information for the improvement of work efficiency and enhancement of the directors' knowledge and capabilities.

1.11 Review and give advice to the Board of Directors on the structure, roles and responsibilities, and practices of the Board of Directors and the committees. Should there be an alteration to the Charter of the Board of Directors and the committees, the recommendations in keeping it up-to-date. Governance and Nomination Committee shall review and make appropriate.

1.12 Determine procedures and guidelines for the nomination and selection of qualified persons according to applicable regulations and laws, and consider nominating those who are qualified as a director in replacement of directors retiring by rotation or other cases, as well as members of the Sub-committees assigned of authority and responsibility by the Board of Directors and the top executives of the Company. In addition, diversity of the Board structure in terms of knowledge, expertise, experience, gender, and specialty in particular fields which contributes to the Company, shall be taken into account before proposing for the Board of Directors and/or the Meeting of Shareholders' consideration and approval.

1.13 Review the performance appraisal of the Corporate Governance and Nomination Committee on a regular annual basis as a whole and as self-assessment.

1.14 Consistently report the progress and the operating result to the Board of Directors after meetings of the Corporate Governance and Nomination Committee.

1.15 Disclose corporate governance policies and operations and nomination processes, as well the report of the Corporate Governance and Nomination Committee in the Company's annual reports.

1.16 Perform other duties as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Corporate Governance and Nomination Committee is authorized to call for and order the management, heads of offices or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, the committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

2. Composition of the Corporate Governance and Nomination Committee

The compositions of the Corporate Governance and Nomination Committee are as follows:

2.1 The Corporate Governance and Nomination Committee consists of not less than 3 members. A majority of the Corporate Governance and Nomination Committee must be independent directors to align with the Corporate Governance Code for listed companies.

2.2 The members of the committee must be appointed by the Board of Directors.

2.3 The Corporate Governance and Nomination Committee shall select one of their members to be the Chairman. The Chairman of the Corporate Governance and Nomination Committee should be an independent director to ensure his transparency and independency in performing duties.

2.4 The Corporate Governance and Nomination Committee shall appoint the Secretary to the Corporate Governance and Nomination Committee to in charge of meeting appointments, preparing agendas for the meetings, sending meeting documents and writing minutes of the meeting.

3. Qualifications of the Corporate Governance and Nomination Committee

3.1 Shall be Company directors.

3.2 Chairman of the Corporate Governance and Nomination Committee should be an independent director in order to act as the predominant driving force, ensuring that the Corporate Governance and Nomination Committee perform their duties independently.

3.3 Shall meet all the qualifications and not have any prohibited characteristic according to the Public Limited Companies Act, B.E. 2535 – including all amendments – as well as the applicable announcement, the regulations and/or rules. Members of the Corporate

Governance and Nomination Committee shall not have any improper characteristic deemed untrustworthy for being directors or executives according to the Securities and Exchange Commission and/or the Capital Market Supervisory Board.

3.4 Shall possess knowledge and good understandings of his/her own qualifications, duties and responsibilities as a member of the Corporate Governance and Nomination Committee as well as corporate governance.

3.5 Shall have wide- ranging vision, and keep updated continuously with changes of corporate governance internationally for further improvement of the Company' s corporate governance policies and nomination of the Company directors.

3.6 Shall be able to independently perform his/her duties, express opinions, report on the performance of the assigned duties with independency and transparency, and devote sufficient time to perform his/her duties.

3.7 The members of the Corporate Governance and Nomination Committee must be neutral in looking for and selection of persons qualified for nomination to hold the position of Company directors, replacing those whose terms of office expired or for other cases, and in preparation of sufficient biographical data of such persons for the consideration of the Board of Directors.

4. Terms of Office

The term of office of the members of the Corporate Governance and Nomination Committee is 3-year each, ending at the annual general meeting of shareholders. A retiring member is eligible for re-appointment

Apart from the vacancy upon the expiration as aforementioned, a member of the Corporate Governance and Nomination Committee shall vacate office when:

1) he/she ceases to be the director, or lacks the qualities of the directors or has prohibited characteristics according to the Company's Articles of Association or the Public Company Act and/or laws relating to Securities and Exchange;

2) he/she resigns;

3) he/she is no longer qualified for the office of the Corporate Governance and Nomination Committee, as specified in this charter;

4) the Board of Directors pass a resolution removing him/her from office;

5) he/she dies.

If a member of the Corporate Governance and Nomination Committee wishes to resign, he/she shall give notice of resignation to the Chairman of the Company's Board of Directors. The resignation shall be effective from the date on which the Chairman of the Company's Board of Directors receives the resignation letter

In case of vacancies of all members in the Corporate Governance and Nomination Committee, the said Corporate Governance and Nomination Committee may perform any act in the name of the Corporate Governance and Nomination Committee only in matters necessary until a new Corporate Governance and Nomination Committee takes over the duties.

In case of a vacancy in the Corporate Governance and Nomination Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified as a substitute member of the Corporate Governance and Nomination Committee so that the number of members of the Corporate Governance and Nomination Committee remains in full as the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

5. Meetings

Meetings of the Corporate Governance and Nomination Committee are to be called whenever the Committee or the Chairman of the Committee sees fit. There must be at least 4 meetings per year.

In calling a meeting of the Corporate Governance and Nomination Committee, the Chairman or the Secretary of the Corporate Governance and Nomination Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Corporate Governance and Nomination Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods and an earlier meeting date may be choosing.

In a meeting of the Corporate Governance and Nomination Committee, the Chairman of the Corporate Governance and Nomination Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Corporate Governance and Nomination Committee should hold meetings to discuss matters within its scope of duties.

6. Quorum

At a meeting of the Corporate Governance and Nomination Committee at least half the number of the members of the Corporate Governance and Nomination Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Corporate Governance and Nomination Committee shall appoint a member to perform the duty on behalf of the Chairman.

Decisions in the meeting shall be by a simple majority vote. Each member of the Corporate Governance and Nomination Committee is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote. The member of the Corporate Governance and Nomination Committee who has an interest in any matter, he/she shall not be entitled to vote on such matter.

Resolutions of the Corporate Governance and Nomination Committee may be made without meeting, and shall be deemed valid as if they were made at the meeting, when all members of the Corporate Governance and Nomination Committee have adopted it by their signatures.

7. Remuneration

The Corporate Governance and Nomination Committee shall be paid a remuneration, the amount of which shall be fixed by the shareholders' meeting.

2.1.4 Charter of the Remuneration Committee

(Resolution of the Meeting of the Board no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

The Remuneration Committee is a part of a good corporate governance system The Board of Directors, by the resolutions of the meetings of the Board of Directors no. 214 (10/2019) and no. 224 (8/2020) on October 26, 2019, and December 1, 2020, respectively, has resolved to adopt this Charter of the Remuneration Committee so that every member of the Remuneration Committee is aware of his/her duties and responsibilities and performs them correctly and completely, aligning with the Corporate Governance Code, in order to build Stakeholders' confidence and trust in the Company.

1. Scope of Duties

The duties of the Remuneration Committee are as follows:

1.1 Propose remuneration guidelines and means both in cash and in kind, and other benefits of directors and top executives of the Company in alignment with the responsibilities and qualifications of persons appointed and employed by the Company. Various requirements for the Initial Public Offering or allocation of warrants to purchase shares to directors and employees (if any) shall be taken into consideration before proposing to the Board of Directors and/or the Meeting of Shareholders for approval.

1.2 Recommend the policy on the Company's management Incentives including salary and annual bonus, in line with the Company's operating results and the performance of each SCG top executive. Whenever it deems appropriate, the Committee shall consider hiring of consulting firms to advise on project implementation.

1.3 Assess the performance of the President & CEO on an annual basis in order to determine his/her remuneration before proposing the Board of Directors for approval, all the while considering relevant risks and responsibilities as well as focusing on and taking into consideration the long-term value adding to the shareholders.

1.4 Consider the annual budget for the salary increase, changes of wage and compensation, and bonus of top managers before proposing to the Board of Directors.

1.5 Prepare a succession plan for the President and Chief Executive Officer and the top executive, and propose it for the Board of Directors' consideration to ensure that the successor can perform their duties without disruption of work flows.

1.6 Review, study, and track regularly the changes and trends in remuneration for the Board of Directors and the top executives in order to propose for the approval of the Board of Directors

1.7 Consider the remuneration of the Board of Directors and SCG top executives, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that SCG retains its leadership in that industry and to motivate them to foster the Company's continuing development.

1.8 Review the performance appraisal of the Remuneration Committee on a regular annual basis as a whole and as self-assessment.

1.9 Report regularly a progress and performance results to the Board of Directors after every meeting of the Remuneration Committee.

1.10 Disclose the remuneration in various manners as well the report of the Remuneration Committee in the Company's annual reports.

1.11 Perform other duties as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Remuneration Committee is authorized to call for and order the management, heads of offices or employees concerned to give opinions, attend meetings or submit necessary documents. In addition, the committee may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate, at the Company's expense.

2. Composition of the Remuneration Committee

The compositions of the Remuneration Committee are as follows:

2.1 The Remuneration Committee consists of not less than 3 members. A majority of the Remuneration Committee must be independent directors to align with the Corporate Governance Code for listed companies.

2.2 The members of the committee must be appointed by the Board of Directors.

2.3 The Remuneration Committee shall select one of their members to be the Chairman of the Remuneration Committee. The Chairman of the Remuneration Committee should be an independent director to ensure his transparency and independency in performing duties.

2.4 The Remuneration Committee shall appoint the Secretary to the Remuneration Committee to in charge of meeting appointments, preparing agendas for the meetings, sending meeting documents and writing minutes of the meeting.

3. Qualifications of the Remuneration Committee

3.1 Shall be the Company directors.

3.2 Chairman of the Remuneration Committee should be an independent director in order to act as the predominant driving force, ensuring that the Remuneration Committee perform their duties independently.

3.3 Shall meet all the qualifications and not have any prohibited characteristic according to the Public Limited Companies Act, B.E. 2535 – including all amendments – as well as the applicable announcement, the regulations and/or rules. Members of the Governance and Nomination Committee shall not have any improper characteristic deemed untrustworthy for being directors or executives according to the Securities and Exchange Commission and/or the Capital Market Supervisory Board.

3.4 Shall possess knowledge and good understandings of his/her own qualifications, duties and responsibilities as a member of the Remuneration Committee.

3.5 Shall have wide-ranging vision, and keep updated with changes of the Company and its subsidiaries' performances for further improvement of the Company's guideline on remuneration determination.

3.6 Shall be able to independently perform his/her duties, express opinions, report on the performance of the assigned duties, and devote sufficient time to perform his/her duties.

4. Terms of Office

The term of office of the members of the Remuneration Committee is 3- year each, ending at the annual general meeting of shareholders. A retiring member is eligible for re-appointment.

Apart from the vacancy upon the expiration as aforementioned, a member of the Remuneration Committee shall vacate office when:

1) he/she ceases to be the director, or lacks the qualities of the directors or has prohibited characteristics according to the Company's Articles of Association or the Public Company Act and/or laws relating to Securities and Exchange;
2) he/she resigns;
3) he/she is no longer qualified for the office of the Remuneration Committee as specified in this Charter;
4) the Board of Directors passes a resolution removing him/her from office;
5) he/she dies.

If a member of the Remuneration Committee wishes to resign, he/she shall give notice of resignation to the Chairman of the Company's Board of Directors. The resignation shall be effective from the date on which the Chairman of the Company's Board of Directors receives the resignation letter.

In case of vacancies of all members in the Remuneration Committee, the said Remuneration Committee may perform any act in the name of the Remuneration Committee until a new Remuneration Committee takes over the duties.

In case of a vacancy in the Remuneration Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified as a substitute member of the Remuneration Committee so that the number of members of the Remuneration Committee remains in full as the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

5. Meetings

Meetings of the Remuneration Committee are to be called whenever the Committee or the Chairman of the Committee deems necessary and fit. There shall be at least 4 meetings per year.

In calling a meeting of the Remuneration Committee, the Chairman or the Secretary to the Remuneration Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Remuneration Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods and an earlier meeting date may be choosing.

In a meeting of the Remuneration Committee, the Chairman of the Remuneration Committee or the Chairman of the Meeting may order the meeting to be carried out by way of electronics conference which allows all attendees to discuss, enquire and share opinions with one another despite being in different locations while complying with the stipulated regulations and means.

The Remuneration Committee should hold meetings to discuss matters within its scope of duties.

6. Quorum

At a meeting of the Remuneration Committee at least half the number of the members of the Remuneration Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Remuneration Committee shall appoint a member to perform the duty as the Chairman of the Meeting.

Decisions in the meeting shall be made by a simple majority vote. Each member of the Remuneration Committee is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote. The member of the Remuneration Committee who has a conflict of interest in any matter, he/she shall not be entitled to vote on such matter.

Resolutions of the Remuneration Committee may be made without meeting, and shall be deemed valid as if they were made at the meeting, when all members of the Remuneration Committee have adopted it by their signatures.

7. Remuneration

The Remuneration Committee shall be paid a remuneration, the amount of which shall be approved at the general meeting of shareholders.

2.1.5 Independent Director's Qualifications

(Resolution of the meeting of the Board of Directors no. 210 (6/2019) on June 27, 2019)

1. Shall not hold shares exceeding 0.5% of the total number of voting shares of the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons, including shares held by related persons of such independent director.

2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiaries, associates, same-tier subsidiary companies, major shareholders or controlling persons unless the foregoing status has ended not less than 2 years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company.

3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.

4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

   The term 'business relationship' in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/her counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness incurred during the period of 1 year prior to the date on which the business relationship with the person commences.

5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.

8. Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.

9. Shall be able to attend meetings of the Board of Directors and make independent judgment.

10. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.

11. Shall be able to look after the interests of all shareholders equally.

12. Shall be able to prevent conflicts of interest.

After being appointed as an independent director with all qualification items 1-13 specified above, such independent director may be assigned by the Board of Directors to make decisions relating to business operations of the Company, its parent company, subsidiary, associate, same-tier subsidiary or any juristic person which may have a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

In case that the appointed independent director is the person who has or used to have a business relationship, or provision of professional services at a value exceeding the specified amount under item 4 or 6, the Company shall be granted an exemption from such prohibition of having or having had a business relationship or provision of professional services at such excessive value, provided that the Company has obtained an opinion of the Board of Directors indicating that after a consideration in accordance with Section 89/7 of the Securities and Exchange Act, the appointment of such person does not affect the performance of duties and the giving of independent opinions, and that the relevant information is disclosed in the notice of shareholders' meeting under the agenda of the appointment of an independent director.

2.1.6 Policy on Qualification and Nomination of Company Directors

(Resolution of the meeting of Board of Directors no. 220 (4/2020) on June 2, 2020, effective from June 2, 2020)

1. Principles

Director nomination and selection is deemed highly significant according to the Corporate Governance principle of SCG Packaging as the Company's Board of Directors have important roles in formulating business strategies and guidelines for SCG Packaging's sustainable growth. As a result, the Board of Directors has resolved to develop the Policy on Qualification and Nomination of Company Directors

2. Policy on Qualification and Nomination of Company Directors

The Board of Directors comprises directors who, with full qualifications and without any prohibited characteristics as specified in applicable laws, should possess a wide range of specialized skills, experiences, knowledge and proficiencies that are beneficial for the Company. There should be no limitation or discrimination based on sex, age, ethnicity and nationality, to enable the Company to achieve its business purposes and goals, as well as support the Company to keep its management compliant with SCG Packaging's Corporate Governance. This is to ensure fairness, transparency, as well as an ability to generate revenue, increase long-term values for shareholders and build confidence among stakeholders of all parties, which will, in turn, facilitate in SCG Packaging's sustainable growth.

3. Qualification of Company Directors

The Board of Directors has assigned the Corporate Governance and Nomination Committee to nominate individuals with appropriate qualifications for the director's positions to replace those due to retire by rotation or by other reasons, and propose to the Board of Directors and/or shareholders' meeting to consider the election. The Corporate Governance and Nomination Committee must select candidates from qualified individuals with professional background and expertise from various fields, leadership, extensive vision, morals and ethics, transparent and flawless work history as well as an ability to independently provide opinions, based on the following components:

3.1 Desired qualities in each director:

The Corporate Governance and Nomination Committee should determine and establish individual qualities of those to be nominated as directors in each aspect. For instance:

- Integrity and accountability
- Informed judgment
- Maturity and stability: being a good listener and not afraid to share different and independent perspectives
- Work commitment to professional principles and standards
- Other qualities the Corporate Governance and Nomination Committee deems important.

3.2 Desired knowledge/expertise in the Board of Directors

The Corporate Governance and Nomination Committee should consider establishing components of necessary specialized knowledge/ expertise in the Board of Directors and create the Board Skills Matrix to be used in the selection and nomination of qualified individuals as directors with such necessary specialized knowledge/expertise to enable the Board of Directors to develop strategies and policies as well as efficiently administer compliance with the strategies. For instance:

- Knowledge on accounting and finance
- Sustainable organization management, including human resource management
- Risk management
- Crisis management
- Industry knowledge
- International marketing
- Vision and strategic planning
- Other specialized knowledge and expertise that the Corporate Governance and Nomination Committee deems necessary to the Company in the next 3-5 years. For instance: knowledge on consumer marketing, E- commerce, research and development, innovation fostering, merger and acquisition, as well as business and investment laws.
- Technology skills, experiences in regional/global organization management, etc.

3.3 Diversity of directors

Apart from establishing two such components, the Corporate Governance and Nomination Committee may also establish guidelines concerning diversity of the whole Board of Directors' qualities, such as sex, age, ethnicity and nationality.

4. Director nomination and selection process

Nomination and selection of new directors involves a total of 4 steps as the following details:

4.1 Planning

For the Corporate Governance and Nomination Committee to determine guidelines and plans for nominating individuals with appropriate qualifications for thorough and timely consideration of new directors election, the Company Secretary are required to perform the following duties and propose for the Corporate Governance and Nomination Committee's consideration:

- Review the director's knowledge, capabilities, skills and experiences in the Board Skill Matrix.
- Prepare a schedule for the rotation terms of the Board of Directors and the sub-committee for each director.

- Review the Company's Qualifications of Independent Directors.
- Aggregate guidelines for director nomination, qualifications of individuals who will be directors as approved by the Board of Directors, relevant practices of SCG Packaging's Corporate Governance, and practices of good Corporate Governance concerning director nomination according to relevant divisions/organizations, such as the Securities and Exchange Commission (SEC) and the Thai Institute of Directors (IOD).
- Propose a process timeline in compliance with the meeting schedule of the Corporate Governance and Nomination Committee, the Board of Directors and the shareholders' meetings.

4.2 Nomination of Candidates

Nomination of qualified candidates for the consideration of new director election should be based on the following:

4.2.1 Nomination of new directors by the Board of Directors

The Chairman of the Corporate Governance and Nomination Committee shall propose at the Board meeting to nominate candidates that are deemed qualified according to the Board Skill Matrix and business strategies within the specific time.

4.2.2 Nomination of new directors by the shareholders

To warrant a process which enables minor shareholders to participate in the nomination and appointment of directors and ensure that minor shareholders is able to elect independent directors to reserve their own benefits, the Company must allow at least 3 months for all shareholders to nominate candidates to be considered for the election as new directors according to the specified criteria and procedures. The Corporate Governance and Nomination Committee shall consider and propose the Board meeting to approve an appropriate and sufficient period of time to consider the selection and election in the next steps, where the Company Secretary shall inform SET about the timeline and other details, as well as publishing such information on the Company's website.

4.2.3 Aggregation of candidate list from reliable sources

The Company Secretary shall aggregate lists of candidates in the Chartered Director of the Thai Institute of Directors and SET who match the Company's Board Skill Matrix and proposed such lists to the meeting of Corporate Governance and Nomination Committee as supporting materials for consideration.

4.3 Selection

The Company Secretary shall aggregate the lists acquired from the step 4.2 to be proposed to the meeting of Corporate Governance and Nomination Committee for consideration.

The meeting of the Corporate Governance and Nomination Committee (excluding directors having interests in such a matter) shall determine the director's qualifications from the Board Skill Matrix to screen the lists of candidates qualified for the new director's positions from the step 4.2. This must comply with the Policy on Qualification and Nomination of Company Directors. The Corporate Governance and Nomination Committee shall also take into account diversity in the Board of Directors structure and select the individuals with knowledge, expertise or experiences in providing beneficial suggestions for business operation strategies and policies in accordance with sustainable development approaches, before proposing to the Board of Directors' meeting for consideration.

The Company Secretary shall review the basic qualifications of the nominated persons from public sources regarding their directorship or executive positions in other businesses that may lead to conflicts of interests with the Company, and the qualifications of independent directors.

4.4 Election

4.4.1 Election of directors in replacement of those retiring by rotation

The Board of Directors (excluding directors having interests in such a matter) shall thoroughly and carefully determine the qualifications of the candidates which are individually nominated by the Corporate Governance and Nomination Committee before proposing the nomination of qualified individuals to the shareholders' meeting to consider director election. In addition, the Board Meeting may appoint the Chief Executive Officer and/or appropriate directors to approach the individuals of whom the Board of Directors has given consent to participate in the director election, and report the progress of approaching said nominated persons for the Board of Directors' acknowledgement and consideration.

4.4.2 Election of directors in replacement of those resigning before their terms

Election of directors in replacement those resigning before their terms shall be proceeded through the same process as that of the election of directors replacing those retiring by rotation. However, the meeting of the Board of Directors shall consider the election of directors without proposing to the shareholders' meeting for consideration.

In addition, in case where the remaining terms of office of directors resigning before their terms is less than two months, the shareholders' meeting is required by the laws to elect directors to replace said resigning directors.

2.1.7 Scope of Duties and Responsibilities of the Chief Executive Officer

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

Scope of duties and responsibilities of Chief Executive Officer are as follows:

1. Define, jointly with the Board of Directors, the company's vision, missions, strategies, master operating plans, budget, goals and policies.
2. Communicate with the Management on matters regarding the company's vision, missions, strategies, master operating plans, budget, goals and policies as approved by the Board of Directors so that they can use it as the framework for doing the work plan and administration.
3. Monitor the Management to execute their work according to the plan, budget, goals and policies as approved by the Board of Directors.
4. Monitor overall management of financial, marketing, production, human resource, risk, internal control and other operations of the Company and its subsidiaries to meet the Company's policies and business plan as approved by the Board of Directors and comply with laws, objectives, articles of association of the Company, resolutions of the Board of Directors as well as the general meetings of shareholders with accountability, due care, prudence and loyalty for the utmost benefits of the Company and fairness to concerned parties.
5. Develop and improve the operation of the Company and its subsidiaries continuously and support innovation that creates value added for the sustainable growth of the Company pursuant to strategic plan of the Company.
6. Monitor the Management to assure their participation and facilitation in building corporate culture of ethics and good governance.
7. Follow up performance assessment of the Company, its subsidiaries and/ or affiliates through their routine performance reports and monitor that their financial reports and information disclosure are made accurately, sufficiently, timely and comply with applicable rules and guidelines.
8. Define rules, regulations, guidelines, and requirements for organization structure of positions which does not require the power of the Board of Directors or its subcommittees including employment, appointment, rotation, disengagement and termination employees of the Company whose positions does not require the power of the Board of Directors or its subcommittees.
9. Determine wage rate, compensation, reward, bonus and merit increase for management and employees whose positions are not under the power of the Board of Directors or its subcommittees in accordance with the structure and policy provided by the Board of Directors.

10. Direct and issue rules, regulations, notifications and internal mandate for the Company's operation to comply with the Company's policy and for the benefits of the Company as well as for maintaining good order in the organization.

11. Represent the Company in communication with shareholders and facilitate the Board of Directors in providing appropriate channel for communication with shareholders consistently and disclosing information with standardization and transparency.

12. Represent the Company for public relations particularly on building network and corporate image both national and international level.

13. The Chief Executive Officer must not attend the meeting or approve transactions that he/she or persons who may have conflict (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Market Supervisory Board), engage of interest or receive of any kind of benefits or have conflict of interest with the Company or its subsidiaries unless the approval of said transactions has been made in accordance with the policy or guideline approved by the general meeting of shareholders or the Board of Directors.

14. Consider and approve ordinary business transactions and ordinary business support transactions under general commercial conditions within the amount approved by the Board of Directors and complied with rules specified by the Office of the Securities Exchange Commission ("Office of SEC) and the Securities Exchange of Thailand ("SET") regarding connected transactions and transaction of acquisitions and dispositions of assets including approval of transactions pursuant to Delegation of Authority as authorized by the Board of Directors.

15. Operate in accordance with the regulations of the Office of SEC and SET regarding connected transactions and transactions of acquisition and disposition of assets as well as the Company's regulations as approved by the Board of Directors.

16. Execute other works as assigned and authorized by the Board of Directors.

17. Consider the appointments of advisors as deemed necessary for the operation of the Company.

18. Sub-authorize and/or assign a person or group of persons to act on behalf of the Chief Executive Officer under the scope of power specified in the Power of Attorney of the Company and/or rules, regulations or resolutions of the Board of Directors provided that said authorization of the Chief Executive Officer must not incur conflict of interest or any conflict in whatever area to the Company or its subsidiaries. In case of conflict of interest, said transaction must be proposed to the Board of Directors and/or the general meeting of shareholders (as the case may be) for consideration and approval unless it is an ordinary business transaction that the Company made under the same condition with non-related person (Arm's Length).

2.1.8 Policy and Guidelines on the Chief Executive Officer and Top Executives Holding Directorships in Organizations outside SCGP

(Resolution of the meeting of the Board no.224 (8/2020) on December 1, 2020, effective from December 1, 2020)

The Board of Directors of SCG Packaging Public Company Limited has established the policies and guidelines on the Chief Executive Officer and Top Executives holding directorships or devoting the Company's working time for other companies, organizations or institutes outside SCGP besides holding directorships in the subsidiaries, associated companies and other companies in which the Company invests. The basic principles of such policies and guidelines are based on the good Corporate Governance principles and SCG Packaging's Code of Conduct regarding conflicts of interests, where the employees shall not conduct any specific business that constitutes or may constitute a competition with the Company's business and the Company shall receive the utmost benefits according to the Company's aim to encourage the employees to strive to work hard as well as fully dedicating their working time for the Company. The propriety of such matters shall be under the discretion of the Company on a case-by-case basis as follows:

Policies

The Chief Executive Officer and top executives may hold directorships or devote the Company's working time for companies, organizations or institutes outside SCGP that are not subsidiaries, associated companies and other companies in which the Company invests, as follows:

(1) Government agencies, which constitute support for the government that will be public benefits

(2) Private agencies founded for public interest such as the Federation of Thai Industries, Thai Chamber of Commerce, Thailand Management Association.

(3) Private agencies founded for commerce that do not lead to conflicts of interests with the Company nor spend time that exert negative effects upon the Company

In addition, the organizations must not be founded for benefits of any particular political parties.

Practices

The Chief Executive Officer shall propose for the Board of Directors' approval for holding directorship in other companies or institutes outside SCGP, while the top executives shall propose to the Chief Executive Officer for such approval.

In case where the Chief Executive Officer or top executives obtain remunerations from holding directorships in or working for companies, organizations or institutes outside SCGP, the Chief Executive Officer and top executive shall transfer such remunerations to the Company or charitable organizations according to the Company's required methods.

The number of companies/institutes allowed for holding directorships

The Chief Executive Officer may hold directorships or devote the Company's working time for companies, organizations and institutes as agreed by the Board of Directors without contradiction to nor inconsistency with the requirements in the Charter of the Boards of Directors, while, in the case of top executives' directorships, these shall be under the Chief Executive Officer's discretion. The information on such directorships shall also be reported to the Company as required by applicable laws and regulations as well as the Company's polices.

2.2 Corporate Management Policies and Practices

2.2.1 Charter of the Internal Audit Office

(Resolution of the meeting of the Audit Committee no. 1/2019 on June 27, 2019, effective from June 27, 2019)

This Charter is made for the purposes of setting the missions, scope of work, authorities and accountabilities including operational guidelines and practices of the Internal Audit Office, SCG Packaging Public Company Limited, and making the Board of Directors, the Management Committee and all levels of employees of SCG Packaging understand in summary of the following issues:

Missions

Missions of the Internal Audit Office includes building, preventing, and preserving the values of the organization by rendering assurance fairly under the defined risk, providing recommendation and comprehensive business understanding in alignment with the goals and strategies of the organization.

Definitions

Tasks of the Internal Audit Office includes rendering assurance services and consulting services independently and fairly to added value and improve operation of companies in SCG Packaging. The Internal Audit Office contributes business operations in SCG Packaging to meet their defined objectives by assessment and improvement the effectiveness and efficiency of the risk management system, internal control and corporate governance process by using appropriate method and program.

Duties and accountabilities

Duties of the Internal Audit Office include the following areas:

Governance, risk management, compliance and internal control

1. Auditing the financial reports that they are conducted in accordance with Thai Financial Reporting Standard and international as well, having operational process and supporting document correctly, completely, transparently and reliably, disclosing sufficient information in the notes to the financial statements, considering impacts from the changes of accounting standard and selecting accounting policy to the Audit Committee.
2. Auditing connected transactions, acquisition or disposing of assets or transactions probably incurring conflicts of interest that they comply with applicable laws and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand

3. Assessing the risk management system and motivating companies in SCG Packaging to perform risk management internationally, capable to identify significant risks and manage them efficiently, have appropriate risk index including risk warning signal and auditing the correctness and effectiveness of work procedure, risk management, control, governance and security of information and communication network that they are efficient and comply with international standard.
4. Assessing the efficiency of promotion and building awareness, risk assessment, internal control, creating of preventive work system, audit as well as reviewing self-assessment form concerning anti-corruption measures to be in compliance with governing agents such as Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), Institute of Directors Association (IOD) and the National Anti-Corruption Commission.
5. Auditing work process that it is conducted according to good corporate governance.
6. Auditing control and compliance process according to applicable laws on securities and stock exchange market, regulations, rules and other laws related to the Company's business.
7. Assessing the internal control system to assist the companies in SCG Packaging in conducting their significant business activities with appropriate internal control system to prevent substantial damage and assessing overall internal control system of the audited companies under COSO 2013 internal control framework.
8. Auditing frauds and complaints according to rules and regulations under relevant laws and defining guidelines for remedy and fraud prevention.
9. Defining and developing preventive system and audit method to promote preventive operation of the companies in SCG Packaging for the benefits and value added increasing of the organization by meeting the objectives and targets effectively and efficiently and compliance with the company's rules and regulations, laws on securities and stock exchange market and other relevant laws.

Others

10. Proposing the Audit Committee to consider the appointment of the Company's auditor and its remuneration, coordinate with the auditor for the exchange of information relevant to the audit and meet with the auditor without management at least once a year.
11. Preparing the Audit Committee's Report for the Chairman of the Audit Committee to consider and sign before disclosing in the Company's Annual Report.

12. Proposing the Audit Committee to consider and approve budgets and manpower of the Internal Audit Office.
13. The Director of the Internal Audit Office is responsible to find the independent opinion from other profession advisors in case if it is necessary for the benefits of considering and providing comments to the operation of the Company at the Company's expenses.
14. Arranging for the annual performance assessment of the Audit Committee and its members.
15. Any other work as required by laws or assigned by the Board of Directors or the Audit Committee.

Scope of Audit

The Internal Audit Office is responsible to internal audit work in SCG Packaging, its subsidiaries and joint ventures under the management of SCG Packaging. Other companies are audited as assigned by the Audit Committee or the top executives or when irregular circumstances are encountered in order to assure that the risk management system, internal control and corporate governance of SCG Packaging are sufficient, efficient and meet the objectives. Moreover, the Internal Audit Office has contributed to offering all round improvements such as administration control, profit raising opportunity as well as the corporate reputation and image as follows:

1. Identification of risk factors, risk assessment and appropriate risk management;
2. Appropriate and efficient internal audit by:
   - 2.1 Having information on finance, administration and significant operation which are correct, reliable and on time;
   - 2.2 Performing the work in compliance with policies, standards, regulations, including relevant laws and rules;
   - 2.3 Performing the work effectively and efficiently;
   - 2.4 Procuring assets economically and effectively and maintaining them sufficiently.

Audit Authorities

The Director of the Internal Audit Office and the audit officers are authorized and have its authorities to access information, work system and personnel of the Company related to performing the audit as necessary and appropriate. It is the duty of the management at all levels in SCG Packaging to support the work of the Internal Audit Office to meet the objectives of the audit and gain utmost benefits to SCG Packaging.

Any document and information received or known by the audit officers will be kept confidentially and will not be disclosed to any other party without permission from relevant authorized party unless the disclosure is required by laws.

Report and Follow-up

1. The Director of the Internal Audit Office has the duties to control and manage that the audit has been performed according to the audit plan and arrange for the audit reports to be presented to the management of the audited company and present the summary reports to the Management Committee of SCG Packaging and the Audit Committee. As for the administration work, the Director of the Internal Audit Office reports to CFO, SCG Packaging Public Company Limited.
2. The Director of the Internal Audit Office is responsible to define and control the audit result follow-up system and build preventive work system.

Independence and Fairness

1. Performing the audit activities including scope of audit, process, timeline and content of the audit report must be independent from any influence so that the audit performance is efficient and meets objectives and audit plan.
2. The Director of the Internal Audit Office and the audit officers must have neutral attitude, not unfair, not bias and avoid conflicts of interest.
3. The Director of the Internal Audit Office and the audit officers should omit from auditing the work they have been responsible previously. Providing the assurance to the tasks responsible in the previous year of the audit officers could be considered as a cause of fairness deterioration.
4. In case the independence or fairness is deteriorate, the causes of such deterioration should be disclosed in detail as appropriate to concerned parties. The manner of the disclosure depends upon the causes of such deterioration.

Qualifications of Internal Audit Officer

1. Having knowledge, competency, and expertise in operational audit.
2. Having knowledge, and understanding of good corporate governance, risk management, laws, regulations, rules, and orders; having knowledge in control and audit technique in IT is required for IT Audit Officer.
3. Developing knowledge, professional competency, efficiency and quality of internal audit work continuously.
4. Having good relationship, courteous, open- mind, and providing recommendation beneficial to SCG Packaging and in compliance with international standard.
5. Being independent and having no interest in the subject to be audited.

Code of Ethics

Internal auditors must perform their duties in accordance with the Internal Auditor Code of Ethics, comprising:

1. Integrity
2. Objectivity
3. Confidentiality
4. Competency
5. Transparency

Standards for the Professional Practice of Internal Auditing

Internal Auditor shall perform its duties according to the International Standards for the Professional Practice of Internal Auditing.

2.2.2 Sustainable Development Policy

(Resolutions of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited ("the Company") and its subsidiaries both in Thailand and overseas have policies to operate their businesses on the basis of sustainable development by taking into account risks and opportunities in enabling work improvement at all levels of the organization, both short-term and long-term demands and expectations of all stakeholders, as well as social and environmental impacts. Such information is also vital to the development of the Company's business strategy to achieve sustainable growth in ever-changing circumstances as well as maintaining balance in economic, societal and environmental aspects.

Economy: Rather than solely valuing profits as its most important objective, SCG Packaging also focuses on instilling values emphasizing on responding to demands and expectations of all stakeholders, increasing the organization's capability and adaptability to changes, and supporting all stakeholders to operate their businesses on the basis sustainable development.

Society: SCG Packaging conducts its business with fairness, treat their employees with fairness and equality, strive to create the safest work environment and concerning for social responsibility as well as contributing to the improvement of life quality of people in the areas in which the Company operates.

Environment: SCG Packaging strives to conserve the environment, efficiently utilize the resources and sustainably maintain balance in the ecosystem.

Guidelines on sustainable development in the business operations of the Company and its subsidiaries both in Thailand and overseas are as follows:

1. Incorporate advanced, safe and environmental-friendly machinery and technology to reduce resource usage, convert waste materials from manufacturing to energy for usage, and control and reduce pollution caused by manufacturing process.
2. Develop, design and provide consumers with products which are easy to use, durable, reusable and recyclable while aiming for good quality, safety, and environmental friendliness at the same time. SCG Packaging also strives to improve the capability of the organization to become a leader and an expert equipped with creativity and capability to continually develop innovations in packaging industry.
3. Support the communities near the manufactories and all parties involved to live together in peace, share opinions and determinedly participate in finding solutions for

all problems, as well as emphasizing on achieving sustainable social development through various social projects.

4. Organize activities and campaigns to inspire environmental consciousness in the new generations as well as the youths living near manufactories.
5. Cooperate and coordinate with communities, government organization, suppliers and external agencies that take an interest in sustainable development as a role model.

2.2.3 Compliance Policy

(Resolutions of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

To ensure that the business operation of SCG Packaging is comply with relevant regulations, every employee is expected to fulfill their duties with honesty, integrity and morality, and commit to the Company's four Core Values, namely "Adherence to Fairness, Dedication to Excellence, Belief in the Value of the Individual and Concern for Social Responsibility", as well as strictly adhering to best practices in accordance with SCG Packaging's Code of Conduct. Furthermore, they are also expected to strive to be good citizens of every country in which SCG Packaging operates to prevent risks that may arise and affect SCG Packaging, its directors, executives and employees or undermine the confidence of all stakeholders. Therefore, the meeting of the Board of Directors no. 216 (12/2562) has thus resolved to issue the following compliance policy.

Definitions

Regulations means things that the Company shall comply or adheres to as work principles including laws, rules, principles, the Company's Articles of Association, agreements, Business' Code of Conduct, policies, work measures, best practice guidelines and social commitments.

Compliance with regulations means compliance with laws, rules, principles, the Company's Articles of Association, agreements, Business' Code of Conduct, policies, work measures, best practice guidelines and social commitments.

Compliance management means the procedures that are implemented to prevent any work practice that does not comply with relevant regulations as well as reducing the impacts which may occur from noncompliance with regulations. Operational Governance is carried out through several protocols which encourage, support, regulate, audit, and report the operation to ensure compliance with regulations, such as gathering relevant regulations, assessing and carrying out work in compliance with regulations, tracking, assessing, improving, and managing risks, training, communicating, raising awareness as well as managing resources.

Executives mean employees whose duties are to set the policies for each division and/or ensure compliance with policies, as well as encourage, distribute and review the division's resources.

SCG Packaging means SCG Packaging Public Company Limited and its subsidiaries according to the Company's consolidated financial statements.

Compliance Policy

1) Each director, executive and employee shall strive for full compliance with the laws, regulations, orders, Articles of Association, contractual obligations, business ethics, policies, operational standards, best practices and public commitments in every country where SCG Packaging operates.

2) Compliance with domestic and international laws is of paramount importance that every director, executive and employee of SCG Packaging shall respect and comply. Any illegal transactions are thus unacceptable.

3) Regulatory compliance constitutes part of the duties that each director, executive, and employee of SCG Packaging shall fulfill actively, by initiating communications and fostering correct understanding, issuing compliance guidelines and ensuring correct implementation, as well as raising awareness and further fortifying SCG Packaging's culture of honesty, integrity and strengthening compliance.

4) SCG Packaging focuses on the implementation of a compliance management system in the operation to ensure compliance with the laws and key public commitments as prescribed by SCG Risk Management Committee or each business unit, by managing efficient compliance procedures in the operation and constantly improving such procedures to correspond with both internal and external business environment and any changes that may occur.

5) Any employee of SCG Packaging who reports or provides information on an act that is or may constitute a violation of any law or key public commitment will be protected in accordance with SCG Packaging's Whistleblowing Policy.

Compliance Guidelines

Enhancing and supporting compliance management systems will ensure that SCG Packaging conducts the business in compliance with relevant regulations with accuracy, precision, has work standards which efficiently help prevent noncompliance with regulations, as well as appropriately improving the efficiency in daily works. Details of the guidelines are as follows:

1) Establishing a scope of compliance and appointed persons in charge of establishing and implementing compliance management system into the organization. The executives shall establish a scope of laws and social commitment which is crucial for setting up a compliance management system and identifying relevant persons, departments, activities or areas responsible for setting up and implementing a compliance management system.

2) Establishing work standard

2. 1) Concerned personnel shall gather regulations relating to the scope of compliance as stipulated by the executives in item 1.

2.2) Work standard shall be demonstrated as a guideline to working in compliance with applicable regulations.

3) Compliance and capability improvement in daily work

3.1) Monitor works to ensure compliance with stipulated work standard.

3.2) Monitor and audit works to ensure that the works have been precisely and accurately conduct carried out in compliance with relevant regulations.

3.3) Report compliance with regulations to authorized persons and relevant parties to monitor and supervise works to ensure effective and efficient compliance with regulations.

3.4) Any matter which may be considered noncompliance with regulations shall be improved and mended to reduce the impacts that may occur and to prevent recurrent acts of noncompliance in the future.

3.5) Manage risks regarding compliance with regulations. Significant risks must be timely and appropriately handled.

3.6) Operations relating to compliance with regulations shall be regularly reviewed to ensure achievement of desired objectives.

4) Supporting operation regarding compliance with regulations as follows:

4.1) Necessary resources shall be efficiently allocated to ensure successful compliance with regulation.

4.2) Enhance knowledge and skills of employees so that they could regularly and accurately act in compliance with regulations.

4.3) Raise awareness and encourage organizational culture which adhere to compliance with regulations through various means such as work training, sharing experiences from experts, holding campaigns which focus on important matters, communicating, publicizing, setting good values and examples, encouraging with rewards or compensations, and setting appropriate punishment measures.

4.4) Document or information relating to conducting operations in compliance with regulations shall be monitored appropriately to ensure that such document or information is accurate, complete, capable of being used appropriately, safely kept from being destroyed, forfeited, disappeared, leaked, publicized, and can be searched for and stored with ease.

Duties and responsibilities

1) The Board of Directors of the Company shall set the compliance policy of SCG Packaging and monitor on a policy basis by assigning the Risk Management Committee to monitor the operation to comply with the compliance policy. The duties of the Board of Directors also includes instilling good conscience, encouraging compliance with regulations, as well as acting as a good role model to pass on the compliance culture of SCG Packaging.

2) The Audit Committee has duties to conduct an audit to ensure that SCGP Packaging has compliance monitoring and tracking procedures as well as supervising the internal audit system and auditing the compliance assessment report.

3) The Risk Management Committee has duties to monitor that the compliance policy is implemented by establishing effective and appropriate compliance procedures to ensure that SCG Packaging operates its business in compliance with relevant regulations. The responsibilities of the Risk Management Committee includes reporting any act of noncompliance which affects SCG Packaging

4) The executives are the key persons in charge of having the policy implemented practically and regularly. The executives, thus, must understand the compliance policy, its practices and regulations relating to their works, as well as ensuring that proper communication and imbuement of good conscience are undertaken. Responsibilities of the executives includes encouraging their subordinates to value the importance of acting in compliance with regulations, setting guidelines and supervise their subordinates to ensure they precisely and consistently comply with regulations, and act as a good role model to pass on the compliance culture of SCG Packaging.

5) The employees of SCG Packaging must understand their roles, duties and responsibilities in following the compliance policy and relevant regulations. They must also strive to enhance their knowledge and skills as well as having a true understanding in their own duties, being responsible and diligent towards their assigned duties, and having a thoughtful approach to their works.

   If the employees have any inquiry regarding compliance with regulations, they should ask their supervisors or supporting agencies responsible for clarifying such inquiry such as compliance division, legal division or other divisions which may have expertise in compliance.

   Whistleblowing Policy In case that there is any act of noncompliance or avoidance of compliance with regulations, all employees of SCG Packaging must report to their supervisors or persons in charge or notify via various channel, such as whistleblowing system, and cooperate in the investigation. SCG Packaging shall give fair treatment and protect the whistleblowers who reports any noncompliance with regulation.

6) All divisions shall gather information and report any act of noncompliance or avoidance of compliance with laws and social commitment which are considered crucial to SCG Packaging to compliance divisions of SCG Packaging as well as supporting and cooperating with compliance divisions to solve problems, protect and manage any risk which may occur, including improving and enhancing SCG Packaging's compliance efficiency. The reported information will be kept confidential while the safety of the whistleblowers and the disadvantage which may occur to the whistleblowers will be prioritized.

7) Compliance division of SCG Packaging is the corporate division responsible for monitoring compliance in operations, advising, supporting, following and analyzing data, as well as assessing and reporting compliance's effectiveness and efficiency, to ensure that SCG Packaging operates its business in compliance with applicable regulations which, in turn, promote improvement and enhancement of SCG Packaging's compliance level.

2.2.4 Anti-corruption Policy

(Resolutions of the meeting of the Board no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

SCG Packaging Public Company Limited ("the Company") conducts its business with fairness based on a philosophy that the Company shall demonstrate a keen sense to social responsibility and the best interests of its stakeholders in alignment with the principle of Corporate Governance, SCG code of conduct, and Stakeholders' Guidelines.

To ensure that the Company has a proper policy determining responsibility, guideline, and regulation as a tool to prevent corruption from all business transactions and prudently make a decision on any course of action and business operation that could possibly lead to corruption. The meeting of the Board of Directors no. 211 (7/2019) has thus resolved to arrange a written guideline called 'Anti-corruption Policy' in order to serve as an apparent guideline in performing business and effectively developing to sustainability organization.

Definitions

Corruption means any types of bribery; an offering, agreement to give, giving, promising to give, soliciting, or receiving of money, asset, or other inappropriate benefits from the government officers, government sectors, private sectors, or responsible person either in direct or indirect action so that such person could proceed or disregard his/her function in order to acquire, retain the business, recommend specific company to the entity, or achieve any improper benefits in business transaction. Exception shall be applied in case of laws, regulation, statement, standard, custom, or business traditions enable to do so.

Political contributions mean any contribution in terms of financial support or other kinds of support, both direct and indirect, for political activities, political parties, politicians such as offering loans, providing goods or services, advertising for or supporting political parties.

Company personnel means the Board of Directors, the Management, and the employees of both the Company and its subsidiaries.

Subsidiaries mean subsidiaries as stated in the consolidated financial statement of the Company.

Anti-corruption Policy

The Company will not accept any form of corruption. The Company personnel are to comply with the anti-corruption policy and are prohibited from operating or accepting every type of corruption both in direct or indirect manner covering every business and related department in every country. The Anti-corruption Policy is needed to be reviewed regularly, including with a possible revision of such policy and implementation provision in order to accord with business changes, regulation, standard, and laws.

Roles and Responsibilities

1. The Board of Directors is responsible for determining the policy, monitoring, and forming an effective system supporting Anti-corruption act in order to affirm that the Company personnel intensively concerns, emphasizes, and cultivates Anti-corruption mindset as the company's culture. The Board of Directors must also give advice and oversee that the anti-corruption policy is applied and practiced in the organization.

2. The Audit Committee is responsible for revision of financial and accounting reports, internal control, internal audit function, and risk management so that such operations are concise, appropriate, up-to-dated and effective. Should there is any report on corruption of the Company personnel, the Audit Committee must collect facts and investigate the case, as well as propose such matter to the Board of Directors. Then, together with the Audit Committee, the Board of Directors shall consider a punishment or resolution for said matter.

3. The Chief Executive Officer, the Management and the top executives are responsible for overseeing that the anti-corruption policy is practice in the organization, determining Anti-corruption system, promoting and encouraging the anti-corruption policy in order to convey anti-corruption messages to all employees and related parties. This also includes review the system's propriety or the regulations in order to best adjust with business changes, regulation, standard, and laws.

4. The Internal Audit Director is responsible for risk assessment in matters relating to corruption and establishing measures and guidelines for corruption-relating risks prevention before proposing to the Audit Committee and the Board of Directors. The Internal Audit Director is also responsible for auditing and assessment of the Company's practices whether they are accurate and complied with policies, guidelines, Approval Authority, regulations and laws in such monitored department in order to assure that the internal controls are sufficient, concise and suitable for probable risk in corruption. This shall be directly reported to the Audit Committee.

Anti-corruption Guidelines

1. The Company personnel and its subsidiaries in every level must follow with the Company's Anti-corruption Policy and Code of Conduct by avoiding involving with any course of corruption in direct or indirect manner.

2. The Company personnel shall not be negligent in any corruption conditions involved with the Company. All staffs must notify such act to supervisors or responsible person, including collaborate with investigation. Any queries or questions are needed to be consulted by the supervisor or a responsible person who monitors the Code of Conduct compliance provided in particular channels.

3. The Company shall provide fairness and safeguard the Company personnel who deny or inform corruption cases relating to the Company by applying Protection Policy for appellant or persons who incorporate with Anti-corruption information as stated in the Whistleblowing Policy.

4. A person who commits the corruption is equivalent to misconduct in the Code of Conduct and is to be considered for disciplinary actions under the Company's regulations. Conviction on laws may be applied in case such act violates the laws.

5. The Company realizes the importance of dissemination, knowledge sharing, and communications with other people who involve with or affect the Company so that those parties shall conform effectively to the Anti- corruption Policy.

6. The Company strives to create and the organization's culture which adheres that corruption is unacceptable in every business transaction with both public and private sectors.

7. The Company regularly implements proper and efficient audit procedures and internal control system in regard to finance, accounting, data collecting and others as well as risk management system to prevent corruption.

8. The Company issues policies to ensure compliance with laws relating to anti-corruption in both Thailand and other countries in which the Company conducts its business.

9. The Company and its subsidiaries shall consider applying appropriate practices to ensure that the representatives, the contract parties or other persons act in the name of the Company and its subsidiaries acknowledge the principles of this Policy.

Provision in Implementation

1. The Anti-corruption Policy covers the Human Resource Management process starting from recruitment, promotion, training, evaluation, and benefits provided to employees. Every supervisor in every level must communicate with employees in order to apply in business transaction under their responsibility and to monitor such implementation effectively.

2. Any Implementation on Anti-corruption Policy should follow the guidelines stated in the Code of Conduct, the Corporate Governance Handbook, the policies and guidelines regarding stakeholders, the regulations and every related operation manual, as well as additional guidelines which will be formulated afterward.

3. To stress the attention on processes which incur a high risk in corruption, the Company personnel must conform carefully in the following course of action.

   3.1 Gifts, Hospitality, and Expenses

   The Company recognizes the importance of good relationship with business partners which contribute to the Company's continued success. The Company, thus, issues practice guidelines for gift offering or receiving, as well as entertainment and hospitality activities in compliance with the SCG Packaging's Code of Conduct.

3.2 Charitable Donation or Sponsorship

Granting or receiving financial donation or financial aid, both in cash and as assets, in any activity or project must be transparent and in accordance with applicable laws. The person carrying out aforementioned deeds must also be certain that such transaction shall not be claimed as a bribery act.

3.3 Business Relation and Procurement Process with the Public Sector

All types of bribery or illegal payments are prohibited in all business transactions. The Company' s operation and connection with the government must be preceded transparently and in alignment with related laws and regulations.

3.4 Political Support

(1) The Company is politically neutral and shall not perform any act which can be considered direct or indirect financial support or other kinds of favors towards political parties, political alliances or candidates in a political election on local, regional or international levels.

(2) The Company personnel shall strictly comply with the Company's Code of Conduct

Communication and Training

1. Anti-corruption Policy shall be communicated and passed on to the Company personnel via several channels such as providing orientations for Board of Directors and new employees, organizing training or seminars, and publicizing the policy in workplace through the Company' s electronics systems. Several types of corruption as well as risks from being involved in corruption and whistleblowing methods shall also be communicated to the Company personnel to ensure understanding and compliance with the policy.
2. Anti-corruption Policy shall be communicated and passed on to the public, the Company' s subsidiaries and associated companies, as well as all stakeholders, via several channels, such as the Company' s website, annual report and 56-1 Form, to ensure understanding and anti-corruption support.
3. The Company personnel could ask their supervisors, Secretary to the Audit Committee or the Director of the Internal Audit Office for further clarification regarding this policy.

Punishment

Any Company personnel who does not comply with this policy is considered disciplinary violation and shall receive punishment, or if the act is also considered violation of laws, he/she shall be subject to legal punishment.

Whistleblowing Measures and Channels

The Company has implemented whistleblowing protocols and execution processes in case there is any misconduct against the laws, the regulations and the Code of Conduct, or any behavior of the Company personnel which can be considered corruption. These include appropriate whistleblower protection measures according to the Whistleblowing Policy to serve as clear guidelines for the Company to personnel and to ensure efficient whistleblowing execution.

2.2.5 Connected Transaction Policy

(Resolutions of the meeting of the Board no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited ("Company") operates in accordance with applicable laws and good corporate governance guidelines for listed companies of the Stock Exchange of Thailand ("SET") and the Office of Securities Exchange Commission ("SEC Office"). Therefore, it establishes the Connected Transaction Policy ("Policy") to strictly comply with the Securities and Exchange Act B.E. 2535 and its amendments ("Securities Act"), Notification of the Capital Market Supervisory Board No. TorChor. 21 / 2551 regarding Rules on Connected Transactions dated 31 August B.E. 2551 ("Notification of the Capital Market Supervisory Board No. TorJor. 21/2551") and Notification of the Board of Governors of the Stock Exchange of Thailand (BorJor/Por 22-01) regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated 19 November B.E. 2546 ("Notification of SET BorJor/Por 22-01")

SCG Packaging Public Company Limited ("Company") operates in accordance with applicable laws and good corporate governance guidelines for listed companies of the Stock Exchange of Thailand ("SET") and the Office of Securities Exchange Commission ("SEC Office"). Therefore, it establishes the Connected Transaction Policy ("Policy") to strictly comply with the Securities and Exchange Act B.E. 2535 and its amendments ("Securities Act"), Notification of the Capital Market Supervisory Board No. TorChor. 21 / 2551 regarding Rules on Connected Transactions dated 31 August B.E. 2551 ("Notification of the Capital Market Supervisory Board No. TorJor. 21/2551") and Notification of the Board of Governors of the Stock Exchange of Thailand (BorJor/Por 22-01) regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 dated 19 November B.E. 2546 ("Notification of SET BorJor/Por 22-01")

1. Definitions

"Connected transaction" means any transaction between a listed company or a subsidiary company and the listed company's connected persons, or any transaction between a subsidiary company and its connected persons.[1]

"Decision to enter into a transaction" means an entering into or a decision to enter into any contract or agreement, whether direct or indirect, in order to cause an acquisition or disposition of assets and/or rights to acquire or dispose of assets, leasing or renting asset, an offer or a receipt of service, and offer or a receipt of financial assistance and an issuance of new securities, including to create rights or waiver of such right to do the same.

[1] According to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551, it shall not apply to any transactions between the subsidiary and the connected person of the subsidiary.

"Connected person" includes the following persons:

(1) The director of the juristic person having control over the listed company[2];

(2) The spouse, minor child or adopted minor child of the director under (1);

(3) The juristic person over which the person under (1) or (2) has control;

(4) The person who acts with understanding or agreement that if the listed company enters into any transaction which provides financial benefits for such person, the following persons will also gain financial benefits from such particular transactions:

(a) the director and executive of the listed company

(b) the person having control over the listed company;

(c) the director of the juristic person having control over the listed company;

(d) the spouse, minor child or adopted minor child of the person under (a), (b) or (c).

(5) The connected person under the Notification of SET BorJor/Por 22-01 which includes:

(a) the executive, major shareholders[3], controlling persons or persons to be nominated as the executive or controlling persons of a listed company or a subsidiary company including related persons and close relatives of such persons;

(b) any juristic person having a major shareholder or a controlling person as the following persons of a listed company:

1) The executive

2) Major shareholder

3) Controlling person

4) Person to be nominated as the executive or a controlling person

5) Related person and close relatives of person from 1) to 4);

(c) any person whose behavior can be indicated as an acting person or under a major influence of persons from (a) to (b) when making decision, determining policy, handling management or significant operation.

[2] According to Section 89/1 of the Securities Act, "control" means:

(1) holding of shares with voting right of a juristic person in an amount exceeding 50 percent of the total number of the voting rights of such juristic person;

(2) having control of the majority voting rights in the general meeting of shareholders of any juristic person, whether directly or indirectly or by any other reasons;

(3) having control over appointment or removal of at least half of all directors, whether directly or indirectly.

[3] "Major shareholder" means a shareholder who directly or indirectly holds shares in any juristic person in a total amount exceeding 10 percent of the paid-up capital of that juristic person. Such shareholding shall also include the shares held by related persons.

2. Characteristics of connected transactions

Connected transactions can be characterized into 2 groups as follows:

(1) a listed company or a subsidiary enters into a transaction with the executive, major shareholder or related persons or close relatives of the management or major shareholder; of the listed company;

(2) a listed company or a subsidiary enters into a transaction with any juristic person having a major shareholder or a controlling person as the executive, major shareholder, controlling person, or a person to be nominated as the executive or a controlling person of the Company or its subsidiaries including related persons or close relatives of such persons.

However, a connected transactions does not include any transaction made between a subsidiary and a connected person of the subsidiary.

3. Types of connected transactions

Connected transactions can be divided into 6 categories as follows:

(1) Normal business transaction;

(2) Supporting normal business transaction;

(3) Transaction regarding rental or lease of immovable property of not exceeding 3 years;

(4) Transaction relating to assets or service;

(5) Transaction regarding offer or receipt of financial assistance;

(6) Other connected transactions other than transaction in (1)-(5).

4. Rules and procedures regarding connected transaction

The Company sets up the rules and procedures regarding connected transactions in accordance with the rules on connected transactions as follows:

(1) Considering conducting a connected transaction, the Company will exercise similar terms of price and commercial conditions as the Company made with general contract party provided that such terms and conditions are fair, reasonable and most beneficial to the Company.

(2) If a product or service has a standard price or there are several buyers and sellers in the market, the Company must seek for information regarding qualifications, prices and standards in the market for comparison with the connected transaction.

(3) If a product or service has specific qualifications or made to specific order which made it not capable to compare the price of product or service, the Company must prove that the initial profit margin the Company receives from the connected transaction is indifferent from the transactions made with other traders and having indifferent terms and conditions.

(4) The Company may refer to a report made by an independent assessment expert whose name is in the list of SEC Office which the Company or the company in its group has appointed to provide the price comparison for significant connected transaction in order to assure that the price is reasonable and brings highest benefit to the Company.

(5) A director, an executive or a related person may enter into any transaction with the Company or its subsidiaries only after obtaining approval from the general meeting of shareholders unless such transaction having the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person, as the case may be, provided further that the said commercial terms have been approved by the board of directors or in compliance with the principle approved by the board of directors or the size of the transaction does not require an approval from the general meeting of shareholders.

(6) If the Company is going to conduct a related transaction or other connected transaction under this policy, the Company must strictly perform under the rules provided herein.

(7) The Company must disclose information in relation to entering into a transaction having conflict of interest, connected transaction or related transaction according to the rules prescribed by SEC Office and SET in the annual registration statements and annual report or other reports as the case may be and disclose information on a connected transaction to SET according to the rules prescribed by SET as well as a related transaction with the Company according to the accounting standard. The Company must audit the connected transactions according to its audit plan and the Internal Audit Office must report to the Audit Committee, have control measure, audit, and random check for the actual transactions if they comply with the contract, policy and required conditions.

5. Approval of a connected transaction

The Company specifies approval authority for connected transactions as follows:

(1) In case the value of a connected transaction is small, medium or large and its commercial terms are considered normal as approved by the board of directors of the Company, the management is authorized to be the approver.

(2) In case the value of a connected transaction is small or medium, but its commercial terms are not considered normal, the board of directors of the Company will be the approver.

(3) In case the value of a connected transaction is large, but its commercial terms are not considered normal, the general meeting of shareholders will be the approver.

The criteria to consider the size of a connected transaction is as follows:

(a) Small size means the transaction value is less than or equal to 1 million Baht or less than or equal to 0.03 percent of net tangible asset value, whichever is higher.

(b) Medium size means the transaction value is more than 1 million Baht but less than 20 million Baht or more than 0.03 percent but less than 3 percent of net tangible asset value, whichever is higher.

(c) Large size means the transaction value is more than or equal to 20 million Baht or more than 3 percent of net tangible asset value, whichever is higher.

6. Criteria to consider normal commercial transaction

(1) The transaction is normal business transaction.

Any transaction that the Company or its subsidiary has made for its normal business with regular process made with other counterparties and is reasonable to support normal business of the Company or its subsidiary and for the highest benefit of the Company which have commercial terms indifferent from those made with general counterparties or third parties.

(2) Prices and conditions of the transaction are fair.

Price of goods and services must have clear standard and the transaction has indifferent on prices, conditions or other terms when compared with transactions made with other counterparties (who are not directors, executives or related parties).

7. Considering the price under general commercial conditions (as regulated by SET)

The transaction under general commercial conditions means the commercial condition having fair price and condition without transfer of benefits as follows:

(1) Price and conditions which are similar to those the Company or its subsidiaries receive or offer to any third party;

(2) Price and conditions which are similar to those connected persons offer to any third party;

(3) Price and conditions which the Company can prove that business operators in similar nature offer to any third party.

8. Procedure for presenting a connected transaction to the Audit Committee

(1) Connected transaction under management's approval

In case of connected transaction under management approval, the management will consider and approve. Concerned persons such as Accounting Division or concerned

executives will have duty and accountability in considering and conducting the transaction according to the approval process and delegation of authority of the Company. After approval, the management must report the Audit Committee quarterly for its acknowledgment of the transactions having value more than 0.3 percent of net tangible asset value and disclose in the annual registration statements and the annual report of the Company. Moreover, the executives and persons having interests in the connected transaction must not attend the meeting that considers this agenda and have no right to vote in the meeting.

(2) Connected transaction under board's approval

In case the size of a connected transaction is small or medium, but its commercial terms are not considered normal which requires board's approval, the proposing division will present details, necessity and reasonableness of the transaction so that the Audit Committee can give opinion to the board of directors for approval through the following process:

(a) The proposing division summarizes details of the connected transaction and prepare all relevant information and propose to the Chief Executive Officer;

(b) The Chief Executive Officer assigns the Internal Audit Office to coordinate with relevant divisions to prepare for the meeting documents with material summary for the Audit Committee to consider;

(c) When the Audit Committee agrees with the proposal, the Company Secretary will further propose to the meeting of the board of directors for approval of the connected transaction. In this regard, the Company Secretary will arrange that the directors having interests in the connected transaction do not attend the meeting on this agenda and have no right to vote in the meeting.

(d) The Company discloses the connected transaction in the annual registration statements and the annual report of the Company as well as the resolutions of the board of directors to SET providing minimum information as required by SET.

(3) Connected transaction under shareholders' approval

In case a connected transaction requires shareholders' approval, the proposing division will present details, necessity and reasonableness of the transaction so that the Audit Committee can give opinion to the board of directors and further propose to the general meeting of shareholders for approval through the following process:

(a) The proposing division summarizes details of the connected transaction and prepare all relevant information and propose to the Chief Executive Officer;

(b) The Chief Executive Officer assigns the Internal Audit Office to coordinate with relevant divisions to prepare for the meeting documents with material summary for the Audit Committee to consider;

(c) When the Audit Committee agrees with the proposal, the Company Secretary will further propose to the meeting of the board of directors to consider and agree with the entering into the connected transaction. In this regard, the Company Secretary will arrange that the directors having interests in the connected transaction do not attend the meeting on this agenda and have no right to vote in the meeting.

(d) When the board of directors agrees with the proposal, the Company Secretary will prepare documents to propose to the general meeting of shareholders to consider and approve the connected transaction. The documents include information sufficient for the shareholders to make decision as prescribed in the regulations concerning connected transaction and must specify names and number of shares held by connected persons having no voting right on this agenda. In this regard, the Company is responsible to call for the general meeting of shareholders according to the method, procedure and rules as prescribed in the regulations concerning connected transaction.

2.2.6 Prevention of Conflicts of Interest Policy

(Resolution of the meeting of the Board of Directors no. 211 (7/2019) on August 5, 2019, effective from August 5, 2019)

SCG Packaging Public Company Limited ("Company") pays attention to doing business fairly, transparently, and auditable, therefore, the Company deems it important to consider transactions that may lead to conflicts of interest, connected transactions, or related transactions. The Company provides guidelines, restrictions and considerations for the Directors, executives and employees of the Company to understand procedures according to the Prevention of Conflicts of Interest Policy.

Terms used in this policy shall mean the same as those stipulated in the Public Limited Company Act B.E. 2535 (and its amendments) ("PLC Act"), Securities and Exchange Act B.E. 2535 (and its amendments) and the regulations, notifications and orders of the Office of the Securities and Exchange Commission ("Office of SEC") and the Stock Exchange of Thailand ("SET") (all together to be called "Securities Laws").

In addition that the shareholder structure shall be clear, transparent and shall not have cross-holding among major shareholders, thereby preventing any conflict of interests with any party, and disclosing the shareholder structure of the Company and its subsidiaries shall be published in the Annual Report, the Directors, executives as well as employees of the Company must comply with the rules and regulations as follows:

1. Directors and top executives must file a report stating their own and their related persons' interests in the management of the Company or its subsidiaries to the Company Secretary. The Company Secretary shall deliver a copy of such a report to the Chairman of the Board and the Chairman of the Audit Committee within seven days upon the receipt of the report so as to immediately notify them of any relation and transaction with the Company and its subsidiaries, which may lead to conflicts of interest, beforehand. In addition, the Company has assigned the Company Secretary to conducting an annual interest survey of Directors, top executives and/or their related persons, and related employees, at the end of each year. The aforementioned survey shall also be proposed for the Audit Committee and the Board of Directors' acknowledgement at least once a year.

2. Directors, executives and employees of the Company must refrain from doing any transaction related to oneself and/or related persons, which may lead to conflicts of interest with the Company and its subsidiaries, must avoid any action which leads to conflicts of interest with the Company or its subsidiaries or aims for benefits of their own and/or related persons, and must strictly comply with the Company's Code of Conduct.

3. In case any director has a vested interest or conflict or interest, both directly and indirectly, in any agenda item under consideration, such a director must not attend the meeting and must abstain from voting and sharing opinions on such an agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.

4. The following acts giving the Directors, executives or related persons more financial benefits than a normal course of business or incurring damage to the Company or its subsidiaries are deemed to have significant conflicts of interest with the Company and its subsidiaries:

(a) The transactions between the Company or its subsidiaries and the Directors, executives or related persons made outside of the rules on connected transactions;

(b) The use of information of the Company or its subsidiaries unless it has been already disclosed publicly;

(c) The use of assets or business opportunities of the Company or its subsidiaries contravening to the rules or regulations prescribed by the Capital Market Supervisory Board.

5. The Management shall submit quarterly reports to the Audit Committee and the Board of Directors of the Company for their acknowledgement and giving opinion in regard to the normal business transactions made with general trading conditions as a reasonable person would agree with any unrelated party under similar circumstance on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person as approved in principle by the Board of Directors of the Company.

6. The Audit Committee shall consider and give opinion in regard to the necessity and appropriateness of price before the Company's entering into the connected transactions not categorized as normal business transactions and the Company shall comply with applicable rules concerning connected transactions under the Securities Laws and the connected transaction policy of the Company.

7. The Board of Directors must oversee that the Company and its subsidiaries comply with Securities Laws and other applicable laws as well as disclose information according to rules and regulations prescribed by SET and other relevant agencies.

8. The Management must establish a clear system to assure that subsidiaries of the Company have sufficient system for disclosing material transactions consistently and trustworthy and provide channels that the Board of Directors and executives of the Company could receive information of the subsidiaries efficiently regarding their operating and financial performances, connected transactions made with the directors and executives, and material transactions. Moreover, the Management must set up a mechanism for auditing such system in the subsidiaries that independent directors, audit committee members and internal auditors could directly access said information and report the audit results to the directors, audit committee members and executives for their acknowledgement in order to assure that the subsidiaries have implemented the established system consistently.

9. The Directors, executives as well as employees of the Company should avoid holding shares, positions as the directors, executives, or advisors in other companies doing business having similar nature of the Company or its subsidiaries or the business competing commercially with the Company or its subsidiaries. Holding shares and positions as the directors, executives, or advisors in other companies could be done in the event that such holding shares and positions have neither conflicts of interest with the Company nor their duties in the Company or its subsidiaries and complies with rules prescribed in the Securities Laws.

2.2.7 Antitrust Policy

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging realizes the importance of conducting business with fairness under the legal framework while taking into consideration trade ethics, benefits of both customers and trade partners, as well as fair competition under the Trade Competition Act. The Board of Directors, by the resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, has thus resolved to issue this Antitrust Policy, which employees of SCG Packaging are required to study and strictly comply with.

Antitrust Policy

1. SCG Packaging shall always engage its business to adhere to fairness and ethics, respect rules and regulations, and strictly comply with antitrust laws. SCG Packaging shall not engage or involve in any practice that may result in unfair competition, distortion of market mechanism or free trade, or undermining or causing damages, obstruction, or restriction to business operations of others.
2. In case SCG Packaging has a dominant position in the market according to the law, SCG Packaging shall not unfairly or unreasonably abuse such market dominance which may distort market mechanism.
3. SCG Packaging shall not directly or indirectly engage in any practice that may cease competition with its competitors, including not to exchange business information or enter into agreements with its competitors, trade partners, or customers in order to reduce or limit competition in the market.
4. All units involved, both domestic and overseas, shall be required to study and comply with applicable antitrust laws, regulations and policies, including trade practices of the countries where SCG Packaging has business operations, including regulations on merger control.
5. Employees of SCG Packaging shall be aware at all times that compliance with antitrust laws is of paramount importance and shall exercise utmost caution in carrying out operations to ensure that SCG Packaging respects antitrust laws and trade ethics. SCG Packaging shall inform its trade partners of the significance of compliance with antitrust laws.
6. All units involved in transactions and investment activities shall establish control and audit system to ensure full compliance with antitrust laws.
7. To ensure compliance with this Antitrust Policy, SCG Packaging's Code of Conduct and Corporate Governance Handbook shall also be applied to the operations.
8. Non-compliance with this Antitrust Policy is considered a violation of SCG Packaging's Code of Conduct.

Trade Competition Guidance

This guidance is made to provide information, instruction and appropriate practice to ensure that employees of SCG Packaging will have knowledge and understanding of principles, reasons and practices considered risky to be wrongful act. This guidance covers the following scope:

1. Any business operation, trade and investment of the Company and its subsidiaries included in the consolidated financial statements (collectively called "SCG Packaging");
2. Directors and employees of SCG Packaging including permanent employees under employment contracts, probationers and employees having special employment contracts with SCG Packaging in the countries where SCG Packaging has business operations;
3. Any legal action, contract, or any action between SCG Packaging and others no matter it is finance, business or asset involvement such as service, procurement, sale, engagement, financial support, technical or personnel support, etc. (collectively called "transaction") made with other business operators such as suppliers of good or raw material, customers, purchasers who purchase products from the Company to re-sale or self-use, service provider or taker (collectively called "supplier") and business operator of the same nature of goods or services or those which are substitutional (collectively called "competitor").

If there may be any doubt regarding practices under the trade competition guidance, please consult your supervisor or legal adviser.

This guidance is divided into 3 main aspects as follows:

1) Business operator with a dominant position of market power and unfair trade;
2) Trade practice;
3) Joint agreement practice resulting in monopoly.

Details are as follows:

1. Business operator with a dominant position of market power and unfair trade

1.1 Business operator with a dominant position of market power

The first main principle of Trade Competition Act is to control practices of the business operator with a dominant position of market power which generally means a business operator having high market share and sales revenue in ang good because the practice of the business operator with a dominant position of market power will materially affect competition in the market in terms of competition system, competitors, suppliers and consumers. According to the Trade Competition Act B.E. 2560, only having dominant position in the market is not wrong but it is wrong if the business operator with a dominant position of market power has abused its market power either by exploitative abuse or exclusionary abuse.

Definition of "business operator with a dominant position of market power" according to Trade Competition Act B.E. 2560

> *"Business operator with a dominant position of market power" means:*
>
> *(1) a business operator, in any good or service, having a market share of 50 percent or more and sales revenue of 1,000 million Baht or more in the previous year; or*
>
> *(2) the top three business operators, in any good or service, having a combined market share of 75 percent or more and individually having sales revenue of 1,000 million Baht or more in the previous year.*

In determining the market share and sales revenue of a business operator, the market share and sales revenue of all companies in the same group shall be combined because they are considered as having the "relationship in policy or commanding power" and they are perceived as the single business entity without competition among themselves. Therefore, if a company in SCG Packaging may have its market share lower than the threshold to be qualified as a business operator with a dominant position of market power such as having less than 50 percent of market share in packaging paper market but if the combined market share in packaging paper market of such company and the other companies in SCG Packaging reaches 50 percent or more, it is considered that those companies of SCG Packaging, as the single business entity, are the business operators with a dominant position of market power in packaging paper.

Definition of "relationship in policy or commanding power" according to Trade Competition Act B.E. 2560:

> *"**Relationship in policy or commanding power**" means a relationship between 2 or more business operators having direction, policy or management under the commanding power of the same business operator.*
>
> *"**Commanding power**" means controlling power caused by any of the following:*
>
> *(1) holding more than 50 percent of all voting rights of a business operator;*
>
> *(2) having control over majority of votes at the general meeting of shareholders, either directly or indirectly, of a business operator;*
>
> *(3) having the power to appoint or remove at least half of the directors, either directly or indirectly, of a business operator;*
>
> *(4) having commanding power according to (1) or (2) and carrying on every series starting the first of series from a business operator.*

In determining a business operator with a dominant position of market power, the market share and sales revenue of such business operator will be firstly considered on scope of relevant market by including substitutional goods or services in calculation of the market share and sales revenue. Goods or services which are substitutional are perceived in principle that they are in relevant market. Substitution will be considered in several relevant aspects including specifications, prices, purposes of use, sale channels, group of customers, consumers' point of view, etc.

However, in some cases a business operator may not be considered as having dominant position of market power although its market share or sales revenue meets the threshold prescribed by law because the Trade Competition Act allows to bring factors regarding competition of good or service markets into consideration including numbers of business operators in the market or entering into the market of new business operators, market expansion or capacity expansion of business operators in said market, etc.

1.2 Unfair trade

In addition to controlling the practices of business operators with dominant position of market power, the Trade Competition Act disallows any business operators to do **unfair trade practices no matter said business operator has dominant position of market power or not**.

However, practices of the business operator with dominant position of market power will be observed and risky to be against the Trade Competition Act easier because the law is desirous of controlling practices of major business operators more strictly than minor business operators.

Unfair trade practices may be in the forms of trade barrier, intervening, direct or indirect, other busines operators, creating restrictions of doing business of other business operators, which incurs damage to other business operators and disadvantage or non-competition in the market.

The Trade Competition Act defines in principle that practices that may be subject to illegal either by a business operator with dominant position of market power or unfair trade shall be those conducted without justifiable reason or imposing unfair condition. Trade practices reasonably conducted with necessity underlying common practices or trade traditions may be considered not to be against the Trade Competition Act such as franchise business that a franchisor requires its franchisee to purchase raw materials from said franchisor or its assignee in order to maintain the standards of goods or services or quality control, etc.

2. Trade practice

Practices of a business operator with dominant position of market power or unfair trade practices are variety and may have different purposes. In general, they can be divided into 2 groups namely (1) price behavior and (2) non-price behavior. Details are as follows:

2.1 Price Behavior

Unfairly fixing or maintaining the level of purchasing or selling price of a good or service by way of the following relevant practices:

2.1.1 Unfairly fixing low purchasing price

means fixing the purchasing price of a good such as raw material at a low and unfair price by fixing or reducing purchasing price to be lower than the market price at normal competition or the historical purchasing price which causes damage to the supplier of said good or raw material and may cause damage to other competitors who purchase such raw material at a higher price due to higher cost and non-competitiveness and eventually exit the market. This practice is frequently conducted when there are few suppliers of such good or service, the purchaser is hence powerful to force the price to be lower than the market price or the price ever purchased unreasonably.

2.1.2 Unfairly fixing high purchasing price

means fixing the unfair purchasing price of a good or raw material by fixing or increasing purchasing price to be higher than the market price at normal competition or the historical purchasing price or the competitors' purchasing price in normal competition market which causes the competitors fail to purchase said good or raw material or their cost is highly increasing and cannot compete or causes difficulty for new comers to the market.

However, the purchasing price may be higher in case of shortage of goods due to rapidly increasing demand.

2.1.3 Unfairly fixing selling price below cost

Sale below cost means fixing or reducing the selling price to be lower than average total cost which comprises of fixed cost and variable cost provided that said business operator who conduct sale below cost can carry the burden of loss for a while or can be contributed by profits of other goods and resulting in non-competitiveness of other business operators or barrier to new business operators due to worthless investment.

In case of sale promotion for new to market products, sale below cost might not a wrong-doing practice provided that such sale below cost is conducted not for a long period depending upon type and category of the goods or services which normally is no longer than 1 month except for the goods requiring fast selling to mitigate loss such as fresh goods, nearly expired goods, out-of-fashion goods, etc.

2.1.4 Unfairly fixing high selling price

means fixing high selling price or highly increasing the selling price unfairly compared with cost of production and sale without reasons from higher cost or higher increasing selling price over increasing cost which is the price at a level higher than market price at normal competition in order to gain undue profit margin or higher than possible profit margin at normal trade of each business or higher than the profit margin ever received which may cause damage to consumers or other relevant business operators.

In case of shortage of good due to rapidly increasing demand and inability to increasing production to meet with increasing demand, the selling price could be increased only during said period of shortage.

2.1.5 Predatory pricing

means fixing the selling price to be lower than average variable cost which is the cost of purchasing raw material for producing the good or the cost of purchasing good for re-sale, exclusive of sale and administrative expenses and other expenses which the business operator conducting this practice could bear loss for a period of time or could be contributed by profits of other goods resulting in non-competitiveness of other business operators and their exit from market. Once the competitors have been eliminated, the business operator can then raise the price to recoup its losses which cause damage to other business operators and consumers. However, this does not include the case of sale promotion of goods or services for interest of customers, provided that the period should not longer than 1 month and excluding releasing fresh goods, nearly expired goods, out-of-fashion goods, and going out of business operator.

2.1.6 Price discrimination

Discrimination by selling different prices for different suppliers, in principle, will cause advantage or disadvantage between suppliers and use discrimination power unfairly. However, if facts are different such as suppliers are in different industries and at different levels in the different markets, goods have different qualities or quantities or cost of sale to each supplier is highly different, the business operator can sell at different prices which is not considered as price discrimination.

Discrimination is also applied to non-price conditions such as offering commercial discount, trade terms, credit term, payment method, product delivery method differently to suppliers having same status or qualifications. For example, a business operator offers fidelity rebate by offering different discount to each distributor although they are in the same status (both distributors being large, ordering large amount of goods, trading for a long period and distributing goods in similar area). This practice could be considered as discrimination.

2.1.7 Resale price maintenance

Forcing other business operators to sell goods or services at the determined prices causing non-price competition of distributors or retailers is illegal under Trade Competition Act. However, suggested or recommended prices for resale distributors as guidance or recommendation of resale price without compulsory condition is not illegal.

2.2 Non-Price Behavior

Besides price behavior, other type of practices irrelevant to prices of goods or services could be illegal if it is unfair to other business operators.

Non-price unfair trade practices are as follows:

2.2.1 Exclusive Dealing

To limit specific right as exclusive dealing, directly or indirectly, for other business operators to agree with unfair conditions without any benefits to the effectiveness or quality of the good or service including after sale services in order to gain monopoly power in the market of such good or service or obstruct other persons to enter into an agreement with a supplier of the business operator. Examples include the conditions that the business operator prohibits its re-sale distributors from purchasing the good from other business operators or the business operator prohibits its suppliers from selling raw material to the competitors of the business operator and the distributors and suppliers who violate such conditions will be punished such as not being sold the good or delay the delivery of good or no longer purchase the raw material.

2.2.2 Tying Arrangement

To set compulsory conditions, directly or indirectly, to force other business operators or customers to purchase another accompanying good without other choices although said accompanying goods could be sold separately or tying

arrangement is not much beneficial but resulting in non- tradable or non-competition of other producers of such accompanying good and lead to monopoly. However, tying arrangement for the purpose of using the main good efficiently or guaranteeing the quality of good or preventing damage or loss of efficiency of good such as selling copy machine with ink powder, where inefficient ink powder may breakdown the copy machine, is not deemed illegal. Moreover, sale promotion where other business operators or customers could buy both good and accompanying good at cheaper price than buying them separately (and other business operators or customers still have their own rights to choose purchasing the goods) is not deemed illegal.

2.2.3 Territories division

To limit the territories or areas of sale (Territories Division), directly or indirectly, for other business operators to agree and comply unfairly in order to limit sale areas or define specific group of customers in each area to divide sale areas without any effect to efficiency or quality of goods or services is illegal. For example, a company allows its distributor to sell goods only in the Amphur Muang, Chiang Mai and does not allow this distributor to sell goods outside Amphur Muang, Chiang Mai, provided that if the distributor does not comply with the Territories Division, it will be punished such as not selling goods or reducing delivery of good below its normal quantity.

2.2.4 Refusal to supply

To refuse having transaction with any business operator is deemed normal in business practice if reasonable such as non-justifiable investment, transportation restriction, untrusted profile of purchaser, undue payment history, shortage of goods. However, refusal to supply unreasonably such as refusal having transaction with suppliers or customers of its competitors may be considered as doing it to obstruct other business operators.

2.2.5 Purchasing and sale quantity forcing

means forcing the trading partners who purchase goods or receive services from the business operator to purchase goods or services only at the quantity fixed by the business operator or forcing the trading partners to sell goods or services to its customers only at the quantity fixed by the business operator. The fixed quantity could be set in fixed amount, maximum or minimum amount or step amount. However, fixing the minimum quantity may not be illegal if supported by justifiable reason such as to meet break-even cost of operation.

2.2.6 Limit of seeking credits from other business operators

means imposing any trading partner to seek credits only from a determined business operator or prohibiting any trading partner to seek credits from a determined business operator provided that said imposition and prohibition are not specified in writing and notified in advance in a reasonable time. Violation will be subject to punishment such as not selling the goods or not offering a discount as usually did. Limit of seeking credits from a determined business operator could be acceptable if supported by business reasons such as it is under bankruptcy filing. However, recommending, not forcing, any creditors to a trading partner and the trading partner is free to choose its creditors is not a wrongful act.

2.2.7 Limit the quantity of goods or services

Limit the quantity of goods or services includes suspending, reducing or limiting service provision, production, buying, sale, delivery or importation into the Kingdom (such as reducing production, destroying goods in inventory, or any act to discourage importation).

Limit the quantity of goods or services which is illegal must be conducted for the purpose of reducing the quantity of goods or services to be lower than demand of the market and expecting the increasing of prices of goods or services which incurs damage to consumer without justifiable reasons. Said limitation may be associated with price behavior since limiting the quantity of goods or services would result in unfair price determination.

2.2.8 Intervening in the business operation of others

Intervening in the business operation of other business operators unfairly and without any normal business reason causes economic loss to other business operators such as loss of revenue, loss of market value of products or services or loss of opportunity in production of goods or services.

Examples of intervention in other business operators include:

- Intervening or persecuting any other business operator by any means for its hardship in conducting business such as specifying that the quality of the company's goods could not be jointly used with the competitor's goods without any reason related to efficiency.
- Specifying that the trade partners must get consent of business operation from the business operator.
- Controlling the appointment of officers of the trade partners.
- Forcing remuneration in any form from the trade partners or requesting for benefit allocation for exchanging with right to buy goods of the company such as commission, additional charge.

- Forcing the trade partners to refuse selling goods or not contact with other business operators without any normal business reason.
- Intervening an internal administration of the competitors by using voting rights, appointing management or other means in the business of competitors.

2.2.9 Any trade action for having others' trade secret information or technology

means any acts conducted for receiving trade secret information or technology of other business operators or information beneficial to production, sale or any transaction of the business operator without consent from the owner or the person having rights on said information and by any means with the purpose of destroying, obstructing, discouraging, limiting operation of other business operators or disturbing normal trade.

2.2.10 Unfair trade practice related to using intellectual property rights

Intellectual property rights include, for example, copyrights, patents, trademarks which are the rights protected by laws for the purpose to motivate investment, research and development of innovation in production of goods or services. However, if the owner of the intellectual property rights uses the rights for monopoly and restriction of competition in the market more than necessary and resulting in destroying, damaging, obstructing, discouraging or limiting business operation may be illegal and need to be considered case by case.

Examples of using intellectual property rights that are restricting competition more than necessary include:

- Executing a license agreement having a condition that the licensee must pay royalty fee longer than a period that such intellectual property is protected by laws (such as paying royalty fee although the patent is expired).
- Specifying any condition of granting the rights of use that discouraging others such as prohibiting of purchasing goods or receiving services from competitors without necessity or reasons related to efficiency or using the granted intellectual property.
- Specifying any condition of granting the rights of use that the licensee will be disadvantage more than common practice such as prohibiting the licensee to sue the licensor.
- Other agreements that use the intellectual property rights over the scope specified by laws.

3. Joint agreements resulting in monopoly

Besides practices of a business operator with dominant position of market power and unfair trade practices, Trade Competition Act prohibits business operators to jointly consider or execute agreements resulting in monopoly or reduce competition in any market of goods or services (collusion), either directly or indirectly, between business operators or between a business operator and its trade partner and either in writing or not.

Effects from collusion include eliminating the competition between business operators and the price or quantity of a good or service is not derived from its cost of production or service and the demand of such good or service in the market but they are determined jointly by the business operators regarding their desirous level of price and quantity and the profit in return. Persons affected from collusion is the consumers who could not choose to purchase goods or services freely.

A business operator must avoid risky practices leading to or suspected leading to collusion such as contacting, discussing, or exchanging trade secret information with competitors or in the trade association such as selling price, marketing plan, production cost.

3.1 Joint agreements between competing business operators

means the joint agreements between 2 or more competing business operators in the same market which affect the market seriously and cause monopoly or restriction of competition in the market. The joint agreements may be made directly or indirectly by the following means:

3.1.1 Bid-rigging

Being the practice that the business operators jointly agree to determine the auction or bidding winner by an agreement not to participate in the auction or bidding or the business operator joining may propose the higher price to assist the determined business operator to win the auction.

3.1.2 Price fixing

Normally the business operator should be free to determine the price of its goods. The Trade Competition Act then prohibits the business operators to jointly determine the prices of goods or services. Such determined prices do not need be the same price. They could be determined in range. This also includes other kinds of agreements such as determining the value or ratio of increasing or decreasing the selling or purchasing prices, range of the selling or purchasing prices, minimum or maximum of the selling or purchasing prices, formulation for calculation of the selling or purchasing prices, discounts or rebate discounts, credit term, and structure or composition of selling or purchasing price (price method).

3.1.3 **Quantity limitation**

Similar to the determination of prices, the business operators should normally be free to determine the quantity of goods to be sold in the market. The Trade Competition Act then prescribes that the joint determination of the business operators in fixing the quantity of production, purchasing, selling or rendering services or limiting the quantity is illegal such as setting quota or ratio of producing or selling goods in a period of time to be lower than the market demand.

3.1.4 **Territory allocation**

The business operators agree to allocate the territory for selling goods or services in order that other business operator will not sell goods or services in the same territory and compete across the territory. The business operators may agree to allocate the territory to sell goods or services alternately. Territory allocation includes territory allocation for purchasing goods or services and territory allocation for purchasing goods or services alternately to build purchasing power in the market. It also includes the practice that the business operators jointly share or allocate their customers for selling or purchasing goods or services.

3.1.5 **Other conditions which possess or control the market, distort market mechanism, joint control the market**

These include any practice that the business operators jointly conduct the marketing plan to possess the market, determine the licensed business operators and fix the list of good or services to be sold in the market.

3.1.6 **Joint agreements to reduce the quality of goods or services to be lower than those ever produced or sold at the same price or higher**

These include the agreements to reduce the quality or standard of goods or services which may reduce cost of such goods or services but they could be sold at the same price or higher.

However, the above practices will be exempted from wrong-doing if the agreement is made between business operators having relationship in policy or commanding power.

3.2 **Joint agreements between the business operator and its trade partners or competing business operators**

means Joint agreement between business operators which may be trade partners or competing business operators in any market (not required to be in the same market),which do not affect the market in a critical way, such as a joint agreement between manufacturers and retailers or distributors.

This kind of agreement between business operators and their trade partners or competing business operators is similar to the aforementioned joint agreements between competing business operators in terms that they will be an offense against the antitrust laws if the operators jointly conduct the plan to commit monopoly trading or limit the competitiveness in the market. The joint agreements between business operators and trade partners which may be considered offense against the antitrust laws are as follows:

3.2.1 **Joint agreements on purchasing or selling price fixing, quantity limitation or territory allocation**

The agreements could be made either directly or indirectly which affect the prices of goods or services. This is similar to the joint agreements between the competing business operators described in 2.1 but in this case the business operators do not compete in the same market.

3.2.2 **Joint agreements to reduce the quality of goods or services to be lower than those ever produced or sold at the same price or higher**

Reducing the quality of goods or services of each business operator may have different details.

3.2.3 **Joint appointment of a single person to be a distributor of goods or services in the same market**

The appointment could be made either in writing or other forms. The appointed person could be an ordinary person or juristic person whom appointed as a distributor of goods or services in the same kind of market.

3.2.4 **Agreement to jointly determine condition or trade method for each business operator to reduce or restrice the competition**, either directly or indirectly.

Moreover, it is caution that there may be notifications prescribing other kinds of joint agreements which will be deemed illegal under the Trade Competition Act. Therefore, it is recommended to keep update if there may be additional ministerial regulations.

However, joint agreements between a business operator and its trading partners could be exempted from wrong doing under the Trade Competition Act as determined case by case by the Office of the Trade Competition Commission who will consider factors and related environment because there may be reasons or business necessity aligning to normal business or trade practices.

Examples of joint agreements between a business operator and its trade partners which may not be considered as illegal include:

(1) Activities among the business operators having relations in policy or commanding power as prescribed by laws.

(2) Operations for development of goods or distribution to enhance technique or economy.

(3) Business conduct as franchise, authorized dealer or license which the business operators must agree upon some conditions such as maintaining the required standard of goods or services, quality control of goods under the same standard of price, purchasing raw material from the required sources, etc.

(4) Agreements or business models as prescribed in the ministerial regulations as advised by the commission.

Provided that the joint agreements in accordance with paragraph (1), (2) and (3) must not create any restriction more than necessary and should be reasonable and must not cause monopoly power or market restriction substantially, taking into consideration the impact to consumers in terms of prices, qualities, quantities or choices of use of such good or service.

2.2.8 Whistleblowing Policy

(Resolution of the meeting of the Board of Directors no. 211 (7/2019) on August 5, 2019, effective from August 5, 2019)

SCG Packaging Public Company Limited ("Company") realizes the importance of preventing corruption or misconduct of operation and contacting with persons having interests which may affect decision and business operation of the Company. Therefore, the Company establishes a mechanism for receiving whistleblowing and procedure in the event that whistleblowing regarding a breach of legal requirement, wrong doing of rules, regulations and code of conduct of the Company or suspected act of corruption including protection measures to bring fairness to whistleblower regarding corruption or non-compliance of laws, rules, regulations and code of conduct. The meeting of the board of directors No. 211 (7/2562) resolved to approve the Whistleblowing Policy to assure that clear guidance and efficient handling of whistleblowing regarding corruption and misconduct are in place.

1. Objectives

1.1 The receiving of whistleblowing regarding corruption, misdeed and misconduct of regulations of the Company is processed appropriately, efficiently and complies with good corporate governance principle.

1.2 Employees and any parties acting on behalf of the Company conduct the business lawfully, transparently, fairly and verifiably by following applicable laws, good corporate governance guidance, business ethics and regulations of the Company.

1.3 Any person willing to report the Company on misconduct of operation or suspicious of misconduct made by a director, employee or person acting on behalf of the Company can do so via channels provided by the Company.

1.4 The informants or whistleblowers or persons assisting the Company honestly are appropriately and fairly protected and prevented from maltreatment caused by raising the whistleblowing.

1.5 The concerned persons are prevented from any risk and damage arising from breach of laws, business ethics or acts of a director, executive and employee of the Company.

2. Definitions

2.1 "Misconduct" means any act of doing or not doing by the personnel which breaches laws, Articles of Association, Code of Conduct, working rules, policy and regulations of the Company.

2.2 "Personnel" means director, executive and employee of the Company and its subsidiaries.

2.3 "Subsidiary" means a subsidiary company included in the consolidated financial statements of the Company.

2.4 "Whistleblower" means the personnel including any person having interests who reports or raises any misconduct occurred in the Company.

3. Persons Having Rights to Raise Whistleblowing

3.1 Any person or the personnel of the Company who witnesses misconduct.

3.2 An employee who is maltreated, threatened or disciplinary punished such as reduced salary level, suspended, fired or discriminated by unfair act related to employment conditions caused by his or her raising of whistleblowing, providing information or going to provide information, assisting during investigation process or collecting information to persons receiving whistleblowing including legal prosecution, being witness, giving statements, or any cooperating to court or government agency.

3.3 If there is sufficient evidence that the whistleblower has raised the whistleblowing dishonestly, the Company considers it is necessary to protect the reputation of the respondent as follows:

3.3.1 investigating and punishing pursuant to the Company's regulations if the whistleblower is the personnel of the Company;

3.3.2 considering legal action if the whistleblower is an external party and damage occurs to the Company.

4. Scope of Whistleblowing

4.1 The personnel or any person acting on behalf of the Company may be the respondent under this policy if he or she commits a misconduct.

4.2 However, the Company will not receive the following cases:

4.2.1 a case that the general meeting of shareholders, board of directors, audit committee, management committee or Chief Operating Officer has already resolved according to its power of authorities;

4.2.2 a case that has been processed in the court or already judged or ordered by the court;

4.2.3 a case from non-personnel without genuine name and address of the whistleblower;

4.2.4 a case without identified witness, clue, evidence or act of corruption or misconduct as sufficient to further investigate for more fact and finding;

4.2.5 a case that the Human Resource Office of the Company or its subsidiaries or other authorized office has already received, considered or decided fairly and no additional material evidence is newly provided.

5. Channels for Filing Information or Raising Whistleblowing

5.1 Employees can raise whistleblowing via the Company's intranet website, which is accessible to every employee. Whistleblower can direct their whistleblowing, with or without identifying their names, to any of the following:

- Trusted supervisors
- The Director of the Corporate Human Resources Office
- The Director of Internal Audit Office
- The Secretary to the Board of Directors
- Any Director of the Company

The whistleblowing can also be submitted verbally or formally via letters or e-mails to any of the aforementioned parties.

5.2 For external parties, whistleblowing can be lodged on www.scgpackaging.com under the Whistleblowing System. Whistleblowers are required to identify their names and can direct their whistleblowing to any of the following:

- Corporate Secretary Office
- Internal Audit Office
- An Independent Director
- Audit Committee

Whistleblowing can also be lodged in the form of a formal document submitted to any of the aforementioned parties.

6. Whistleblower Protection

6.1 Whistleblowers who are personnel of the Company may choose to hide their identities if they feel that they might be adversely affected. However, valid details or evidences must be provided to prove that the reported corruption or misconduct is not fraudulent. However, if the whistleblowers reveal their names, the Company will be able to notify them of progress and mitigate impact with greater ease and convenience.

6.2 The Company considers all relevant information confidential and will reveal only as necessary, taking into consideration the safety and possible consequences to the whistleblowers, information sources, or parties related to the Company.

6.3 If the whistleblowers feel that their safety is threatened or that they may be affected, they may request appropriate protection measures from the Company. The Company may prescribe protection measures without such a request if it appears that the whistleblower is likely to be affected or put in danger.

6.4 Those affected will receive compensation through an appropriate and fair process.

7. Whistleblowing Investigation

7.1 The whistleblowing recipient is to investigate and verify the validity or assign reliable persons or divisions to verify the validity. The preliminary investigation should reach a conclusion within 30-60 days, depending on its complicacy. After the investigation is finalized, progress reports are also made to the whistleblowers within seven days if their identities are identified.

7.2 The whistleblowing recipient or the assigned person can invite any personnel to provide information or send any relevant documents for investigation.

7.3 If the investigation results that the misconduct is committed, the Company will proceed as follows:

7.3.1 If the misconduct regards to breach of laws, rules, regulations or code of conduct, the case is to be proposed with opinion and correct guidance to the Company's authorized person to consider. The case which is considered material such as having impact to reputation or financial performance of the Company, conflict with the business policy of the Company, or related to executives of the Company is to be proposed to the Audit Committee or the Board of Directors for their consideration.

7.3.2 If the misconduct brings damage to any party, the Company is to propose appropriate and fair remedy measurement to sufferers.

8. Punishment

8.1 If the accused person commits the misconduct, he or she is to be considered and punished according to disciplinary punishment of the Company and if said misconduct breaches the laws, he or she will be legally punished according to civil, criminal or other laws. Disciplinary punishment and/or decision of the Audit Committee or the Board of Directors are considered final.

8.2 The personnel who acts with other person unfairly, with inappropriate method or causing damage to such person as resulted from such person's whistleblowing or reporting information or providing clues regarding misconduct is considered breaking discipline and subject to punishment, provided that the punishment may include those prescribed by laws if said misconduct is breach of laws.

9. Communication

9.1 The Company will communicate and disclose this Whistleblowing Policy and whistleblowing channels to the personnel through several media such as new director and employee orientation, training, seminar, publishing in workplace and via electronics system of the Company, etc. to assure the understanding of the personnel and their strict compliance under this policy.

9.2 The Company will communicate and disclose this Whistleblowing Policy and whistleblowing channels to public, subsidiaries, affiliates and stakeholders through several channels such as the Company's website, annual report, annual registration statements, etc.

2.2.9 Policy on Investment in Subsidiaries and Associates

(Resolution of the meeting of the Board of Directors no. 212 (8/2019) on August 21, 2019, effective from August 21, 2019)

SCG Packaging Public Company Limited ("Company") states its policy to invest in businesses supportive to its goals, vision and strategic plan as well as those related or similar to its business or creating synergy with current business of the Company. It aims to add more revenue channels and increase competitiveness which will bring long-term healthy and steady performances of the Company. Nevertheless, the Company may consider investing in other businesses having growth potential or capable to expand by using strengths of the Company in the areas such as technology, human resource, innovation that meets market demand, etc.

Considering an investment project, the Company will analyze its feasibility study, investment ratio, estimated financial return, possible risks, sensitivity to major factors, social and environmental impact (if any) as well as financial status of the Company. The Board of Directors or the general meeting of shareholders (as the case may be) is to consider and approve the investment as stated in the power of delegation of the Company.

2.2.10 Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses

(Resolution of the meeting of Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

To comply with the good governance principles regarding the implementation of scopes and mechanisms to govern the policies and operations of subsidiaries and other businesses in which the Company has substantial investments, that are suitable for each business, the Company's board of directors meeting no. 215 (11/2019) and no. 224 (8/2020) on November 25, 2019, and December 1, 2020, respectively, agrees to approve the Policy to Govern and Manage Subsidiaries and Affiliates Operating Core Businesses with the purpose of implementing direct and indirect scopes and mechanisms to govern the policies and operations of subsidiaries and affiliates, and measures to follow up on their operating results at an appropriate level to ensure the efficient management of the Company's benefits from investments, with details provided below. This will raise the confidence of the Company's shareholders.

In this Policy, a "subsidiary" and an "affiliate" means a subsidiary or an affiliate that operates a core business as prescribed in article 24, and the total size of business must be consistent with the provision in article 23 (2) of Notification of Capital Market Supervisory Board No. Tor Jor. 39/2559 re: Application for Approval and Granting of Approval for the Offering of Newly Issued Shares (and the amendments to it), in combination with article 2 (11) and article 2 (13) of Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 re: the Determination of Definitions in Notifications Regarding the Issuance and Offering of Securities for Sale (and the amendments to it).

1. The appointment or nomination of directors and executives in a subsidiary or an affiliate

1.1 The appointment of persons as directors and executives in a subsidiary or an affiliate to be in charge with the governance and management of the business of the subsidiary or affiliate is an important governance mechanism to ensure that the subsidiary efficiently complies with the policies, targets, vision, medium- term business plans, and growth strategies of the Company. Therefore, the Company should appoint persons as directors and executives in a subsidiary or an affiliate at least pro rata to its shareholding in that subsidiary or affiliate, unless the Company's board of directors agree that the structure of the board of directors and the management structure in which the persons are appointed as directors and executives in the subsidiary or affiliate at smaller proportion than its shareholding proportion in that subsidiary or affiliate will not affect its power to determine policies and take actions in material matters, or in matters that will have effects on the financial position or operating results of that subsidiary or affiliate, or that there are appropriate checks and balances in that subsidiary or affiliate.

1.2 The Company's board of directors will assign the Chief Executive Officer to consider the appointment and relocation of persons representing the Company as directors and executives in a subsidiary or an affiliate, and report to the board of directors in accordance with the Authority Manual. To be eligible for the appointment or nomination as a director or an executive in a subsidiary or an affiliate, a person must have the following qualifications:

(a) the person must have all required qualifications, and must have no forbidden characteristics, as prescribed in relevant laws or provisions;

(b) the person must have knowledge, ability, and experience beneficial for business operations and suitable for the performance of his or her duty;

(c) the person must have leadership, and must be able to offer extensive viewpoints and ideas that are necessary to drive and fulfill the objectives of that subsidiary or affiliate; and

(d) the person must make appropriate decisions, in accordance with the Company's corporate governance and ethics.

To appoint a person, in addition to the requirements above, the specific characteristics or other conditions of each subsidiary or affiliate must be taken into consideration, including:

(a) its existence under complicated or high-risk principles or regulations, such as being a public limited company listed on domestic and foreign securities markets;

(b) the Company's shareholding in the subsidiary, if there is a joint venture partner, as the terms and conditions of the joint venture agreement must be taken into consideration; and

(c) statutory provisions of the country in which the subsidiary or affiliate is incorporated or operated.

1.3 Directors and executives appointed or nominated by the Company will have the following duties and responsibilities.

(A) They must ensure that the subsidiary or the affiliate complies with relevant law, ordinances, rules and regulations; has good management; complies with the Company's governance principles, ethics, and anti-corruption policies, and other policies of the Company or that are consistent with the Company's policies.

(B) They must provide guidelines on the determination of the direction of the subsidiary's strategies, policies, and business plans, which must be consistent with the Company's direction. They must also promote the use of innovations and technologies to improve the subsidiary's competitiveness.

(C) They must report the subsidiary's operating results and disclose its information to the Company accurately, completely, and in a timely manner, as prescribed in this Policy.

(D) They must ensure efficient business operations by the subsidiary, and appropriately manage its investment returns.

1.4 Unless otherwise specified in this Policy, or unless otherwise determined by the Company's board of directors, the 1.4 Unless otherwise specified in this Policy, or unless otherwise determined by the Company's board of directors, the directors and executives appointed or nominated by the Company will consider and vote at board of directors meetings of the subsidiary or affiliate at their discretion in matters regarding the general management and normal course of business of the subsidiary or affiliate, as the directors and executives consider appropriate for the utmost benefits of the Company and the subsidiary or affiliate.

2. Matters that need approval or agreement from the Company's board of directors or board of directors meetings before they take effect

Directors and executives of a subsidiary or affiliate that are appointed or nominated by the Company must ensure that before the subsidiary or affiliate enters a transaction or takes any action that is of significance, or that will affect the subsidiary or affiliate's financial position or operating results, as described in its Authority Manual or Articles of Association, the transaction or action must be agreed upon or approved by the Company's board of directors or board of directors meetings, as the case may be, before the subsidiary or affiliate holds its own board of directors meeting and/or shareholders meeting to consider and approve that matter.

Any transaction or action to be taken by subsidiary in the following cases must be approved by the Company’s board of directors or at a shareholders meeting, as the case may be.

2.1 Matters that must be considered and approved by the Company’s board of directors meeting are as listed out below.

(1) An appointment or nomination of the subsidiary's directors and executives at least pro rata to the Company's shareholding in the subsidiary.

Unless otherwise specified in this Policy, the directors and executives so appointed or nominated shall have the discretion to vote at the subsidiary's board of directors meetings on matters regarding its general management and business operation as these directors and executives deem appropriate for utmost benefits of the Company and the subsidiary, except for matters in which these directors and executives have special interests.

Directors appointed under the previous paragraphs must be the persons whose names are included in the Whitelist and possess the qualifications, duties, roles, and responsibilities prescribed by relevant laws, including the characteristics of trustworthiness in accordance with the Notification of the Securities and Exchange Commission on the determination of untrustworthy characteristics of a company's directors and executives.

(2) A capital increase by issuance of the subsidiary's newly issued shares, the allocation of shares or the reduction of the subsidiary's registered and/or paid-up capital that is not pro rata to the existing shareholding of the shareholders, or any other action that will result in more than 10 per cent decrease in the proportion of the Company's voting rights, direct or indirect, in any tier, of the total votes at the subsidiary's shareholders meeting, or in the subsidiary's paid-up capital, as the case may be, unless this is in the subsidiary's business plan or annual budget that has been approved by the board of directors of the Company.

(3) The payment of the subsidiary's annual dividends and interim dividends (if any).

(4) An amendment to the subsidiary's Articles of Association, except for amendments to the Articles of Association on significant matters in accordance with Article 2.2(1), which must be approved at the subsidiary's shareholders meeting.

(5) Consideration and approval of the subsidiary's annual budget.

(6) An appointment of the subsidiary's auditor, provided that the auditor is not registered under the audit firm that is a Full Member in the same network as the Company's auditor, which is inconsistent with the Company's auditor appointment policy that requires the subsidiary's auditor to be in the same network of the Company's auditor.

Items from (7) to (10) are deemed as significant transactions, and participation in any of them would significantly affect the subsidiary's financial position and operating results. Therefore, approval from the Company's board of directors is required. This is however provided that the size of a transaction to be entered into by the subsidiary, when compared to the size of the Company (the criteria prescribed in the Notifications of the Capital Market Supervisory Board and of the Board of Governors of the Stock Exchange of Thailand regarding the Acquisition or Disposition of Assets or Connected Transactions, or amended notifications, as the case may be, shall be applied mutatis mutandis), meets the threshold for consideration and approval from the Company's board of directors. These transactions are listed below.

(7) The subsidiary's agreement to enter into a transaction with a connected person of the Company, or a transaction regarding the acquisition or disposition of the subsidiary's assets, including but not limited to the following:

(a) the transfer or waiver of rights and privileges, including the waiver of claims against any person causing damages to the subsidiary;

(b) the sale or transfer of the subsidiary's business, in whole or in material part, to another party that is not an affiliate of the Company;

(c) the subsidiary's purchase or acceptance of the transfer of the business of another company that is not an affiliate of the Company; or

(d) the entering into, or the amendment or termination of a lease agreement of the subsidiary's business, in whole or in material part, including the assignment of another party to manage the subsidiary's business; or the merger of the subsidiary's business with another party that is not an affiliate of the Company.

(8) Borrowing money, lending money, giving credits, giving guarantees, taking a juristic act to bind itself to additional financial obligations, or providing any other financial assistance to another party in a significant amount which is not part of its normal business, except for the loans between the Company and the subsidiary, or between companies within the Company's group.

(9) Dissolution of the subsidiary.

(10) Other transactions that are not the subsidiary's normal business transactions, and that will significantly affect the Company.

2.2 Prior to the subsidiary entering into the following transactions, it must obtain an approval at the Company's shareholders meeting with at least three quarters of the total votes by shareholders present and having the right to vote.

(1) An amendment to the subsidiary's Articles of Association with respect to matters that may significantly affect its financial position and operating results, including but not limited to an amendment to any of the Articles of Association that may affect the Company's right to nominate or appoint directors or executives of the subsidiary pro rata to the Company's shareholding in the subsidiary, to vote at the subsidiary's board of directors meeting and/or shareholders meeting, or to pay dividends.

For items from (2) to (5), only when the size of a transaction to be entered into by the subsidiary, when compared to the size of the Company (the criteria of transaction calculation prescribed in applicable notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand shall be applied *mutatis mutandis*), meets the threshold for consideration and approval from the Company's shareholders meeting.

(2) The subsidiary's agreement to enter into a transaction with a connected person of the Company, or a transaction relating to the acquisition or disposition of the subsidiary's assets.

(3) A capital increase by issuance of the subsidiary's newly issued shares, the allocation of shares, or the reduction of the subsidiary's registered and/or paid-up capital that is not pro rata to the existing shareholding of the shareholders, or any other action that will result in a decrease in the proportion of the Company's shareholding and/or voting rights, direct or indirect, in any tier, of the total votes at the subsidiary's shareholders meeting, to a level lower than that prescribed in the laws applicable to the subsidiary, consequently depriving the Company's power to control the subsidiary.

(4) Dissolution of the subsidiary.

(5) Other transactions that are not the subsidiary's normal business transactions, and that will significantly affect the Company.

3. Disclosure of the subsidiary's information

3.1 The subsidiary must disclose complete and accurate information regarding its financial position, operating results, connected transactions, the acquisition or disposition of assets, and/or other significant transactions, to the Company in a timely manner, as prescribed by the Company. To consider entering a connected transaction, or the acquisition or disposition of the subsidiary's significant assets, relevant notifications of the Capital Market Supervisory Board and notifications of the Board of Governors of the Stock Exchange of Thailand will apply mutatis mutandis.

3.2 Directors and executives of the subsidiary must avoid transactions that may cause a significant conflict of interest with the subsidiary's interest. If such transaction occurs, they have the duty to inform the subsidiary's board of directors, and the Company's board of directors has the duty to inform the Company's board of directors within the period of time determined by the Company so as to support the consideration or approval in which general benefit of the subsidiary and the Company will be taken into consideration.

The directors of the subsidiary shall not take part in approving any matter in which they have interest or conflict of interest, directly and/or indirectly.

The following actions which result in the subsidiary's directors or related parties receiving financial benefits other than those they are normally entitled to, or cause damage to the subsidiary or the Company, shall be assumed actions significantly cause a conflict of interest with the Company's interest:

(a) transactions made between the subsidiary and a director or related party which are not in accordance with the criteria of the notifications regarding connected transactions and/or relevant notifications as amended being enforced at the time;

(b) the use of the information of the Company or subsidiary that comes to knowledge, unless it has been disclosed to the public; or

(c) the use of the assets or business opportunities of the Company or subsidiary in the same manner as that of the Company, which violates the rules or general practices designated by the Capital Market Supervisory Board.

3.3 The subsidiary must report its business operation plans, business expansion plans, large investment projects that have been approved by the Company, and joint investment with other business operators, to the Company through its monthly performance report, and must give clarification and/or submit documents to support the consideration of those matters at the Company's request, except in the case that such operations are within power of authority or are not required to be approved by the Company by the subsidiary's Articles of Association or relevant laws.

3.4 The subsidiary must give clarification and/or information or documents relating to its operations to the Company if reasonably requested.

3.5 The subsidiary must give clarification and/or relevant information or documents to the Company, if Company detects any significant issue.

3.6 The directors and executives of the subsidiary must ensure that it has an internal control system, a risk management system and an anti-corruption system that is appropriate, efficient, and circumspect enough to assure that its operations will truly and continuously comply with the Company's policies and Articles of Association; law and notifications regarding the good governance of a listed company, including the relevant notifications, regulations, and rules of the Capital Market Supervisory Board, the Office of Securities and Exchange Commission, and the Stock Exchange of Thailand. They must also ensure that it has a clear work system that can prove that the subsidiary has sufficient information disclosure systems, and a channel for the Company's directors to efficiently follow up on the subsidiary's disclosure of its information regarding the financial position, operating results, connected transactions, the acquisition and disposition of assets, transactions that may cause conflicts of interest, and/or other transactions significant to the subsidiary. In addition, the company must have mechanisms to examine these work systems by allowing the Company's internal auditors and directors to have direct access to data and reporting the results of the examination of these work systems to the Company's directors and executives to ensure that the subsidiary always complies with the arranged work systems.

4. **Use of the subsidiary's internal information**

No director, executive, officer, employee, worker of, or person designated by the subsidiary, as well as their spouses and minor children, is allowed to use the internal information of the Company or the subsidiary obtained through their performance of duty or otherwise that has or might have significant effects on Parent Company's securities price, for the benefits of themselves or others, directly or indirectly, regardless of whether any return is received.

5. **Transactions by a director, an executive, or a related party of the subsidiary**

The directors, executives, or related parties of the subsidiary can enter a transaction with it only after the transaction has been approved by the board of directors of the subsidiary and/or the Company, and/or the shareholders meeting of the subsidiary and/or the Company (as the case may be), based on the transaction size calculated (the criteria of transaction calculation as prescribed in the notifications of the Capital Market Supervisory Board, and the Notification of the Board of Governors of the Stock Exchange of Thailand relating to Connected Transactions and/or amended notifications being enforced at the time shall be applied mutatis mutandis), unless the transaction is a commercial agreement that a reasonable person would enter into with any contract party in general under the same situation, by the exercise of commercial bargaining power without influence from the position of director, executive or related person, as the case may be, and being approved by the Company's board of directors, or in accordance with the principles approved by the Company's board of directors.

2.2.11 Risk Management Policy

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

SCG Packaging Public Company Limited ("the Company") gives priority to good corporate governance as it is important for driving growth of the organization and stability of the business as well as producing strong financial status and suitable returns to shareholders. Business competition faced by the Company currently has been changed endlessly no matter from external or internal factors which may affect capability to achieve goals and key missions of the Company and its subsidiaries. The Board of Directors of the Company therefore approves the Risk Management Policy to assure that the Company implements the enterprise risk management system effectively and efficiently.

1. Definitions

"Risks" mean probabilities/ uncertain situations or factors causing failure to plan or current operation to achieve their goals/ expected targets and resulting in negative impact to SCG Packaging either financial impact or impact to reputation of SCG Packaging.

"Risk management" means the process conducted by the board of directors, executives and all personnel in SCG Packaging to assist strategy formulation and operation by designing the risk management process that could indicate possible situations and their impact to SCG Packaging and manage their risks to be within an acceptable level to reasonably assure that the goals set by SCG Packaging will be achieved.

2. Objectives of Risk Management

2.1 Introduce risk management system at international standard and integrate it to organization-wide system as a part of decision-making on strategy formulation, business planning and operation of SCG Packaging.

2.2 Define measures and guidance of risk management to mitigate risks to remain at an acceptable level by considering effective measures to reduce possibility and/or impact from possible risks and contribute to the achievement of defined goals of the organization at both the Company's and division's levels.

2.3 Identify risk or unexpected crisis and mitigate loss or damage to SCG Packaging appropriately and timely.

2.4 Inform the Risk Management Committee and the Audit Committee the information on key risks, trends and overall risks as well as oversee the risks effectively and efficiently.

2.5 Delegate all units in the organization to define, evaluate, establish risk management operational plan and manage key risks consistently including when there is any case, activity, process and/or significant project or material change in SCG Packaging by considering risk appetite and practicability at appropriate cost.

2.6 Communicate and train on risk management to employees consistently. Improve their common understanding and focus as risk owners to manage the risks across multiple functions jointly.

2.7 Separate risk management functions from business units which are risk taking functions as to comply with good corporate governance principle and for check and balance. Moreover, to manage risks effectively, the Company establishes the Risk Management Committee assigned by the Audit Committee to monitor risk profile and manage risks appropriately and timely.

3. Risk Management Framework

SCG Packaging establishes its enterprise risk management framework in alignment with international standards which includes the following contexts:

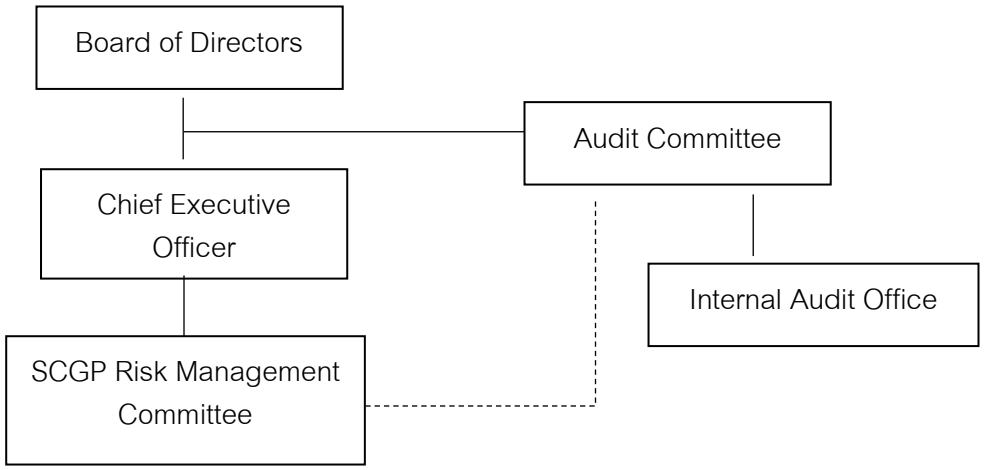
3.1 Strategy Formulation

SCG Packaging defines the objectives and risk appetite in managing risks clearly so that overall risk management is exercised on an enterprise-wide basis.

3.2 Structure and Accountability in Risk Management

The organizational structure of risk management of SCG Packaging is illustrated below:

Integrated Risk Management Organizational Structure



---------- Reporting line

The Board of Directors and the Audit Committee

The Audit Committee, on behalf of the Board of Directors, establishes risk management policies and oversees the risk management process and practice of the Company. The Audit Committee also evaluates the risk management system to ensure efficiency, effectiveness, and compliance with established guidelines.

Internal Audit Office

The Company's Internal Audit is responsible for conducting an audit of the first line (operating units) and the second line (management level, risk management and compliance, and other supporting functions) to provide assurance on the efficiency and effectiveness of risk management. Internal Audit Office also reports the outcomes to the Audit Committee as well as provides consultation and communicates the Audit Committee's opinions and recommendations to the first line and functions that are being audited for improvement.

SCG Packaging's Risk Management Committee

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

(1) Determine risk management structure and assign accountabilities for risk management;

(2) Consider and approve risk management policies, strategies, framework, and plans;

(3) Review the risk profile and track the risk management practices of the entire organization.

3.3 Risk Management Process

SCG Packaging's risk management framework is applied in three primary areas: strategic risk management, investment project risk management, and operational risk management. The risk management process comprises as follows:

(1) Risk/opportunity identification;

(2) Risk assessment;

(3) Risk response including defining the key risk indicators and key performance indicators, which are the leading and lagging indicators, in order to anticipate risk events and to manage risk levels to be in line with the targets.

(4) Risk reporting to SCG Packaging's Risk Management Committee before presenting a report to the Audit Committee on a quarterly basis.

The risk management of the following issues shall be assessed.

(1) Safety, Health and Environment Risk

(2) Compliance Risk

(3) Intangible Risk

(4) Hazard Risk

(5) Input Risk

(6) Process Risk

(7) Financial Risk

(8) Business Risk

3.4 Building a Corporate Risk Culture

SCG Packaging recognizes that risk culture is a critical component of risk management. SCG Packaging has, therefore, set measures as follows:

- assigned top executives to communicate the significance of risk management (tone at the top) and be role models in risk management. This includes establishing practical guidelines on the common risk language, risk appetite, common risk assessment systems;
- assigned and accountability of each risk owner;
- encouraged each company to include risk management as part of the agenda in major meetings;
- designated risk management as a component of training and development programs for employees;
- encouraged experience sharing across departments and companies to continually communicate the benefits of risk management.

2.2.12 Disclosure Policy

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

SCG Packaging's disclosure of information is committed to integrity, transparency and verifiability according to the Corporate Governance principles. The Board of Directors, by the resolutions of the meeting of the Board of Directors no. 216 (12/2019) and no. 224 (8/2020) held on December 16, 2019 and December 1, 2020, respectively, has resolved to approve SCG Packaging's Disclosure Policy to ensure accuracy, compliance with the law, and equality

Definitions

Key information means information regarding SCG Packaging's business operations which, if disclosed via improper methods, may have material effects on SCG Packaging's ability to operate its business or on stock prices, or influence investment decisions, whether such information is related to finance, investments or trade secrets, as follows:

1. Financial statements (financial position statement, profit and loss statement, cash flow statement, statement of changes in owner's equity, notes to financial statement) and material changes in accounting policies
2. Information regarding important mergers, acquisitions and dispositions of associated companies/subsidiaries that may affect or change SCG Packaging's business structure.
3. Information regarding acquisitions and expenditures of assets or information related to investment, divestment, capacity expansion or capacity reduction important to SCG Packaging.
4. Information regarding payments or non-payments of dividends, or changes in dividend policies of the securities issuing companies in SCG Packaging.
5. Information regarding the securities of securities issuing companies in SCG Packaging; for instance, capital increases, reissuing securities, and changing of par values.
6. Information regarding important legal disputes of SCG Packaging.
7. Information regarding productions or ceases of production of SCG Packaging's important goods.
8. Information regarding operational policies or strategies of SCG Packaging.
9. Information regarding states, business directions as well as forward-looking Information of SCG Packaging, in particular profit and loss summary.
10. Other information regarding SCG Packaging deemed likely to affect stock prices or influence investment decisions.

Note that important information is deemed as such based on the criteria for information disclosure defined in the Securities Exchange of Thailand's notifications about information disclosure practices of listed companies.

Securities issuing companies in SCG Packaging means SCG Packaging Public Company Limited or its subsidiaries with listed securities in the Securities Exchange of Thailand or foreign stock markets.

Effects on stock prices means effects causing the stock prices of the securities issuing companies in SCG Packaging to increase, decrease, stabilize or support for the stock prices.

SCG Packaging means SCG Packaging Public Company Limited and subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statement.

Disclosure Policy

1. SCG Packaging is committed to compliance with disclosure laws in all countries in which SCG Packaging operates or will operate its business.

2. SCG Packaging must perform disclosure of material non-public information with caution, accuracy and completeness and without material faults, in consistent with laws, rules, standards and practices of relevant agencies, in a timely, fair and thorough manner. Actions must be taken to ensure sufficient, equal and easily accessible information for decisions of the shareholders or investors via disclosure channels on SCG Packaging's website or other channels specified by relevant agencies in each matter, as appropriate. Note that time period for such disclosure should be taken into account with caution.

   Furthermore, SCG Packaging must designate parties with the rights to disclosure of material non-public information and explicitly define the parties' scope of responsibilities to ensure that SCG Packaging's communications of material information are from the same source and consistent across the parties without causing any confusion while prohibiting employees from disclosing material non-public information at any time, unless assigned by the Chief Executive Officer of SCG Packaging.

3. SCG Packaging must performed explicit and full disclosure of material public information without causing any confusion. Moreover, provision of additional information regarding the disclosed material information must be clear and consistent without misrepresenting the disclosed information.

4. SCG Packaging must performed disclosure of information regarding the business operation's state and direction, as well as SCG Packaging's forward-looking information, with caution and without causing any confusion in the matter, while offering explanation about the conditions and assumptions applied alongside the prediction. Within such process, SCG Packaging must also verify information sources and determine the validity of such information before being utilized in the analyses or predictions.

5. SCG Packaging must performed disclosure of other non-material information on the basis of reality neither with intention of misrepresenting facts regarding financial status, performance, stock prices, nor in a manner which misleads others into thinking that the stock prices may be affected.

6. SCG Packaging must not perform disclosure of material information or other related information regarding highly sensitive matters before the date on which such disclosure will be performed to the Securities Exchange of Thailand or foreign stock markets and the public.

7. In conducting disclosure of material information to the public, SCG Packaging must implement a procedure which ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions.

8. To comply with this Policy, SCG Packaging's Code of Conduct and Corporate Governance Handbook must also be applied.

9. Failure to comply with this Policy is considered a violation of SCG Packaging's Code of Conduct.

Practices

1. **Implementation of a system for material information disclosure**

   1.1 The Investor Relations Office must implement a disclosure system for material information necessary for investment decisions in SCG Packaging's securities to ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions.

   1.2 The Investor Relations Division must regularly review the system for material information disclosure of the divisions involved in the disclosure of material information to ensure better efficiency and effectiveness.

2. **Management of material information disclosure**

   2.1 All divisions involved in the disclosure of material information must compile a register of material information to be disclosed to monitor the material information of which such divisions must performed disclosure with transparency, clarity, validity, timeliness and sufficiency for investment decisions.

   2.2 All divisions involved in the disclosure of material information should establish an operation standard concerning disclosure of material information to the Securities Exchange of Thailand, foreign stock markets, relevant governing agencies as well as the public, while taking into account the following laws, standards and best practices:

2.2.1 Disclosure of material information of the securities issuing companies in SCG Packaging must be performed in a manner that ensure valid, complete, sufficient and genuine information. Such information must be up-to-date and disclosed in a timely, thorough and fair fashion. Such disclosure or provision of information must not be exclusive to specific groups or individuals. Furthermore, such disclosure of material information must not be performed before the date on which such disclosure will be performed to the Securities Exchange of Thailand, relevant foreign stock markets and the public

2.2.2 Disclosure of material information to analysts, shareholders or other specific individuals must be performed with the certainty that such disclosed material information is the information thoroughly disclosed to the public beforehand.

2.2.3 The content and disclosure period of the material information to be disclosed must comply with the requirements of the Securities Exchange of Thailand and relevant foreign stock markets, as well as standards and practices of relevant agencies.

2.2.3 (1) Accurate, clear information

2.2.3 (2) Numerical information sufficient for the investors to compare activities of the securities issuing companies in SCG Packaging

2.2.3 (3) Unbiased, straightforward information: no concealment or mutilation of certain facts which may cause misunderstanding

2.2.3 (4) Simple language which is accessible to the general public and not overly technical

2.2.3 (5) No inappropriate language or unnecessarily excessive disclosure which may mislead the investors or result in price changes or unreasonable purchases/sales of stocks

2.3 In case where notices of material information of the securities issuing companies in SCG Packaging to the Securities Exchange of Thailand, foreign stock markets or relevant governing agencies are underway, relevant employees of SCG Packaging must not disclose such material information to the public as this may cause confusion among investors and unequal distribution of such information. Therefore, the order of disclosure procedure in various channels must be established and introduced in training sessions to employees of SCG Packaging who involve in such disclosure: starting with disclosure of material information to the Securities Exchange of Thailand, foreign stock markets or relevant governing agencies, after which it is disclosure, such material information can then be disclosed to mass media, investors and via other channels.

2.4 The securities issuing companies in SCG Packaging have responsibilities for prompt disclosure of material information to the Securities Exchange of Thailand and relevant foreign stock markets when the material information of the securities issuing companies in SCG Packaging regarding operations, or events, or securities trading status of the securities issuing companies, which may produce significant effects on the securities trading prices of the securities issuing companies in SCG Packaging, or such information is of great importance and benefit to investors in analyses by analysts or experts in investment decisions, or such information have, or may have, impacts to the shareholders' benefits.

2.5 In case where material information or events, or important projects which meet the following criteria, all relevant divisions may decide to refrain from prompt disclosure of information, where confidentiality of such information must be ensured beforehand.

2.5.1 Prompt disclosure of material information will significantly jeopardize SCG Packaging's interests or have negative effects on SCG Packaging's ability to fulfill SCG Packaging's business objectives; for instance, disclosure of real estate purchases may lead to rise in the real estate prices, so it should be delayed until a more appropriate time.

2.5.2 When facts are subject to changes, constant disclosure of the same matter to the public based on the changed facts may cause confusion or mislead such public. For example, during a negotiation of acquisition where certain conclusion is yet to be reached, such certain conclusion must be reached first, without necessity of explicit announcement of each negotiation's step.

2.6 In case of disclosure of predictions or analyses of information regarding status, business directions as well as forward-looking Information of SCG Packaging, the source of such information utilized in such predictions and analyses must be verified and the validity of such information must be determined before being utilized in such predictions or analyses. Moreover, such predictions must neither be exaggerated nor inaccurate, while such disclosure must be performed with caution without misrepresenting the essence, and must involve explanation of conditions or assumptions used in conjunction with such predictions. Sources of such information must be verified and its validity must also be determined beforehand.

2.7 The securities issuing companies in SCG Packaging are not required to disclose estimations or predictions related to profits or other information intended for SCG Packaging's internal use. However, if such disclosure is to be performed, the companies issuing securities must proceed with caution and reasonable assumptions while informing facts with appropriate conditions. Note that if such estimations or predictions are later revealed to be erroneous, the securities issuing companies in SCG Packaging must troubleshoot accordingly and inform the Securities Exchange of Thailand and relevant foreign stock markets immediately.

2.8 In case of rumors and news regarding future predictions of total sales, profits or other information, typically the securities issuing companies in SCG Packaging are not required to take any actions unless such rumors or news are highly erroneous to the point that they may explicitly exert effects on stock prices or investment decisions; in which case, the securities issuing companies in SCG Packaging should then consider, as appropriate, inform the Securities Exchange of Thailand and relevant foreign stock markets of the facts.

2.9 In case of unusual trading of securities of the securities issuing companies in SCG Packaging based on the market condition, all relevant divisions should monitor such unusual situation and attempt to identify the cause of it: whether it is from any specific information of SCG Packaging. If it is disclosed information, the securities issuing companies in SCG Packaging are not required to take any actions. If there is a potential insider information leak, the securities issuing companies in SCG Packaging should consult specialists to consider taking measures.

3. Assignment of personnel and responsibilities related to disclosure of material information

3.1 Spokesperson

The individuals with the right to respond to inquiries or provide SCG Packaging's material information yet to be disclosed to the public include:

(1) Chief Executive Officer of SCG Packaging;
(2) Chief Financial Officer;
(3) Investor Relations Manager or Manager – Brand Management Office of SCG Packaging;
(4) All individuals assigned by the individuals stated in (1) or (2) (only for assigned matters).

3.2 Divisions in charge of governing material information disclosure

All divisions responsible for controlling and examining disclosure of SCG Packaging's material information to the third party include:

(1) The Brand Management Office, which is responsible for communication of material information to mass media;
(2) The Corporate Secretary Office and Accounting Office, which are responsible for disclosure of material information to the Securities Exchange of Thailand, foreign stock markets and relevant governing agencies;
(3) The Investor Relations Office, which is responsible for provision of material information for analysts or asset management companies.
(4) All divisions designated by the Chief Executive Officer of SCG Packaging or the Chief Financial Officer (only for assigned matters).

3.3 Employees of SCG Packaging

The Corporate Secretary Office must communicate and raise awareness of all SCG Packaging's employees about the effects following disclosure of SCG Packaging's material information. All employees involved in such disclosure of information may disclose only the information that has already been disclosed to the public beforehand.

All employees without responsibilities for disclosure of material information must also disclose SCG Packaging's information with caution to prevent confusion. Therefore, they should not disclose any material information that has come to their knowledge until SCG Packaging has already published such material information to the public.

4. Development of knowledge, understanding and awareness

4.1 The Corporate Secretary Office must arrange a training session for the executives of listed companies and subsidiaries that are likely to perform disclosure of information to third parties, the objectives of which are for such companies to acknowledge their scope of responsibilities regarding disclosure of material information as well as best practices of material information communication to third parties.

4.2 The Corporate Secretary Office must raise awareness about and foster a culture of material information disclosure, where the process must be carried out while putting priorities on transparency, accuracy and SCG Packaging's reputation, for the employees of SCG Packaging.

4.3 Due to the importance of material information disclosure to the securities issuing companies in SCG Packaging, especially disclosure to the shareholders and investors, as well as the Securities Exchange of Thailand and foreign stock markets, any questions or doubts should be consulted with SCG Packaging's relevant experts, including legal advisors, the Corporate Secretary Office, the Brand Management Office and the Investor Relations Office.

5. Monitoring and reporting

5.1 Designate the divisions involved in disclosure of material information and the Internal Audit Office to monitor and report disclosure of material information to ensure SCG Packaging's proper and complete compliance with applicable laws, policies and practices.

5.2 Designate the divisions involved in disclosure of material information to report to their superiors and top executives promptly when requests from the Securities Exchange of Thailand and foreign stock markets are received, by informing about material information or any events that occur for the executives to make decisions regarding further disclosure of information.

5.3 The executives must provide SCG Packaging's employees with support that enables them to report any behaviors or actions that may involve sharing, publishing and approving false information, or disclose to third parties the results of analyses or predictions of SCG Packaging's operations using false, incomplete or misrepresented information, which may bring about impacts on stock prices or effects on investment decisions in securities. SCG Packaging's employees may report such behaviors or actions to their trusted superiors or the individuals responsible for complaint management as assigned by SCG Packaging, or via the Whistleblowing System.

In addition, the reporters or information providers are protected under the Whistleblowing Policy.

Scope of practices

1. The securities issuing companies in SCG Packaging with transactions which are related to material information and warrant responsibilities for disclosure of information as required by the laws.
2. All directors, executives and employees of SCG Packaging must comply with applicable laws concerning disclosure of information.
3. SCG Packaging's provision of information, including in writing or verbally; via phone call or through online media, press conferences to shareholders, correspondents, or investors; teleconferences; video conferences via various methods; as well as provision of information via channels established by government agencies or other individuals for the general public's access.
4. Compliance with applicable laws concerning disclosure of information in all countries in which SCG Packaging operates or will operate its business.

Roles and responsibilities

1. All directors, executives and employees of SCG Packaging must understand their own roles and responsibilities in disclosure of SCG Packaging's material information and strictly comply with applicable laws and policies on disclosure of SCG Packaging's information.
2. The Investor Relations Division must establish a system for disclosure of material information to ensure transparency, clarity, validity, timeliness and sufficiency for investment decisions. The Compliance Division must also arrange communication, promotion and support in conjunction with knowledge, understanding and skill expansion for SCG Packaging's employees regarding proper and regular compliance with applicable laws, policies and practices, as well as establish monitoring measures to ensure that SCG Packaging properly and completely comply with applicable laws, policies and practices.

3. SCG Packaging's employees involved in disclosure of material information must understand their own roles and responsibilities regarding compliance with this Disclosure Policy, by developing knowledge, understanding and skills in their own responsibilities as individuals with in-depth knowledge, attention and care for their assigned responsibilities and tasks.

How to submit inquiries

To comply with this Disclosure Policy, use SCG Packaging's Code of Conduct and Corporate Governance Handbook as references, and for any inquiries, consult your superiors or relevant support divisions, including the Investor Relations Officer, Brand Management Office, legal advisors or Corporate Secretary Office, etc.

2.2.13 Insider Information Management and IT Governance Policy

(Resolution of the meeting of the Board of Directors no. 224 (8/2020) on December 1, 2020, effective from December 1, 2020)

Insider Information Management Policy

To operation SCG Packaging Public Company Limited ("the Company"), any director, executive, employee and engaged person will consider and be informed of information that may affects the price of the security and not yet be able to disclosed to shareholders, investors or general public, then it is important to administrate the use of insider information so that it will not be leak or used inappropriately and bring advantage over other persons which will be not only illegal but also impact reputation of the Company. Therefore the Board of Directors of the Company approved the Insider Information Management and IT Governance Policy in order that all directors, executives and employees will conduct and communicate correctly under the following details:

In this policy "insider information" means the information which has not yet been disclosed to public whose material content could influence changes in securities prices or values.

1. The Company commits to operate in accordance with any laws concerning insider trading in every country it has or going to have business.
2. Any director, executive, employee of the Company and other person working with the Company who accesses or possesses insider information must:
   2.1 maintain insider information of the Company with due care and safe in order to prevent its leakage.
   2.2 not disclose insider information of the Company to any other person not being engaged with assigned work in order to prevent usage of insider information for benefits of such person or others.

   This is because it may influence prices or values of the securities of the Company or other listed companies relating to insider information or influence investment decision.
3. Any director, executive, employee of the Company and other person working with the Company who accesses or possesses insider information must not purchase or sell securities relating to insider information which he or she gains more advantage than other persons not knowing insider information.
4. Any director, executive and employee working in the division relating to insider information must comply with the blackout period measurement as prescribed in this policy to prevent them from the risk of wrongful use of insider information.
5. The Company must implement a security system to prevent leakage of insider information that it will not be used for purchasing or selling securities for his or her own benefits or others.

6. The directors, executives and employees of the Company have their own duties to strictly comply with their charters, code of conduct and corporate governance handbook of the Company as well as the rule of using insider information under the Securities and Exchange Act B.E. 2535 (and its amendments) ("Securities Act") and Public Limited Companies Act B.E. 2535 (and its amendments) and other applicable rules.
7. Any director, executive and employee of the Company who does not comply with this policy is considered breaking discipline and subject to punishment including those prescribed by laws if it is breach of laws.

Blackout period measurement

The Company's directors, executives including persons holding an executive position in accounting or finance at a divisional manager or equivalent level, employees of the offices relating to insider information including their spouse or cohabiting couple knowing insider information are prohibited from trading the securities of the Company or other listed companies relating to insider information during a period of 1 month before disclosure of any quarter and annual financial statements and within 24 hours after such disclosure.

Moreover, the Company's directors, executives, employees of the offices relating to insider information including their spouse or cohabiting couple knowing insider information of the Company or other listed companies relating to insider information are prohibited from trading the securities of said companies until after 24 hours from the time of disclosure of all said insider information to public.

Reporting of Holding and Changing of Holding of Securities and Derivatives

1. The Company will provide knowledge to the board of directors and executives of the Company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level regarding their duties on preparing, disclosing and submitting the reports on their holding and changing of holding of securities and derivatives, and their spouse or cohabiting couple and minor children to the Office of the Securities and Exchange Commission ("Office of SEC") according to Securities Act, Notification of the Securities and Exchange Commission and applicable notifications of Capital Market Supervisory Board including punishment according to relevant laws.
2. The board of directors and executives of the Company including persons holding an executive position in accounting or finance at a divisional manager or equivalent level of the Company must prepare, disclose and submit the reports on holding and changing of holding of their securities and derivatives and their spouse or cohabiting couple and minor children including juristic persons under Securities Act, Notification of the Securities and Exchange Commission and applicable Notification of the Capital Market Supervisory Board to the Company Secretary before every submitting to the Office of SEC in a form and within the following periods:

2.1 within 7 working days from the date of purchase, sale, transfer or acceptance of transfer of securities or derivatives in the case where the person with the duty to report is a director or an executive of the Company, and in accordance with all of the following regulations:

(a) the Company shall report the names of the directors and executives through the Directors and Executives Information System according to the method specified by the Office of SEC in the Notification of the Office of SEC concerning Forms and Methods for Reporting or Changing the Information of Company Directors and Executives;

(b) the persons with the reporting duty report shall report purchase, sale, transfer or acceptance of transfer of securities or derivatives before having their names listed in the Directors and Executives Information System under (a).

2.2 within 3 working days from the date of purchase, sale, transfer, or acceptance of transfer of securities or derivatives in any case other than 2.1.

Maintaining and Protecting Usage of Insider Information

Insider information is deemed a valuable information. Using insider information jointly must be made within assigned duty and responsibility only. Disclosing insider information to public including communicating any information relating to insider information must be agreed by the Chief Executive Officer or the Chief Financial Officer or authorized persons only.

IT Governance Policy

The Company emphasizes on utilizing information technology system efficiently and safely by stating its e-policy as approved by the Chief Executive Officer or the IT Director or designated person including provision of security protection measures for computer and information system as follows:

1. Using computer and information technology of the Company in accordance with the Computer-related Crime Act and other applicable laws.
2. Limiting assessment to insider information to only the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Management in relevant organization structure and disclosing to the Company's employees on necessity basis and informing the Company's employees of the confidentiality and limitation of use of the information.
3. Not changing, copying, deleting or destroying information of the Company and not disclosing information in the system of the Company without permission from the Company.
4. Implementing security system to prevent assessment and usage of information folder and confidential documents.

5. Using information technology system correctly according to permitted rights, keeping and not allowing other person using password to access the information technology system.
6. Not using information technology system to access or send information having content immoral, relating to gambling, affecting national security or violating other person's rights.
7. Communicating through social media must be made appropriately, accurately and truly as well as considering fairness to all stakeholders and not incurring damage to the Company by strictly following brand communication guidance and social media policy as approved by the Chief Executive Officer.

2.2.14 Human Rights Policy

(Resolution of the meeting of the Board of Directors no. 217 (1/2020) on January 28, 2020, effective from January 28, 2020)

SCG Packaging aims to conduct business with ethics, adhering to responsibility toward society and all groups of stakeholders based on Good Corporate Governance principles and SCG Packaging's Code of Conduct. Regarding human rights protection, SCG Packaging has strictly complied with laws and international standards especially providing support to and complying with United Nations Global Compact: UNGC and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

To ensure that SCG Packaging's business is free from human rights violation, the meeting of the Board of Directors No. 217 (1/2019) on January 28, 2020, has thus resolved to issue the Human Rights Policy and practice guidelines to prevent violation of human rights in every business activity of SCG Packaging including its Business Value Chain.

Terms for Human Rights Policy

"Human Rights" means basic rights every human being receives or rights to be protected from discrimination due to differences in physical and mental appearances, race, nationality, religion, gender, language, age, skin, education, social status and any other factors according to the laws of each country and the treaty each country has commitment to comply with.

SCG Packaging means SCG Packaging Public Company Limited and the subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statement.

Human Rights Policy

Board of Directors, executives and SCG Packaging's employees of every level shall recognize the importance of Human Rights Policy and respect human rights of every individual in every aspect, including the society and community at large, in compliance with the laws of each country and the treaty each country is committed to, as well as adopting the following practices.

- Treating others equally and indiscriminately on the basis of human rights.
- Refraining from acting in a way that may be considered violation of human rights.
- Encouraging and supporting human rights.
- Communicating, disseminating, educating and understanding human rights, determine guidelines, oversee and provide other kinds of supports to the parties which involved in the business operation and the business value chain, such as suppliers, contractors, and joint ventures. These are to ensure their engagement in the business conduct in a fair and moral manner, their respect to human rights, and their treatment toward others on a basis of human rights according to this policy.

Practice Guidelines

1. Respecting human rights and treat each other with respect, honor and equality, without discriminating others based on their differences in physical and mental appearances, races, nationalities, religions, genders, languages, ages, skin colors, education, social status and any other factors.
2. Performing one's duties with prudence to prevent risks from violation of human rights in business conduct, as well as overseeing that respect for human rights are instilled.
3. Encouraging practices aiming for protection of human rights.
4. Communicating, disseminating, educating, understanding, determining guidelines and providing support in any other ways to persons in the business value chain who involved in the business operation, including suppliers, contractors, and joint ventures. These are to ensure that the business will be conducted with ethics and respect for human rights, while treating others on the basis of human rights according to this policy.
5. Overseeing that respect for human rights is instilled in the organization. One shall not neglect or ignore when having witnessed any action relating to SCG Packaging which may be considered a violation of human rights and must notify his/her supervisors or persons-in-charge, as well as cooperating in the investigation. Should there is any query or question, one shall consult his/her supervisors or persons-in-charge through provided channels.
6. SCG Packaging shall fairly treat and protect any whistleblower of human rights violation concerning SCG Packaging under the protection measures for whistleblower or any person giving cooperation as stipulated in the Whistleblower Policy.
7. SCG Packaging shall continuously develop and carry out Due Diligence Process to identify risks in violation of human rights, identify groups of people or persons affected, plan and define corrective and preventive actions for violation of human rights, solve and prevent issues concerning human rights violation, as well as keep track of the results. In case that there is violation of human rights, SCG Packaging shall determine proper actions to alleviate the impacts.
8. SCG Packaging shall determine to build and maintain an organizational culture that adheres to human rights in alignment with this Human Rights Policy.
9. Any person committing a violation of human rights, which is also a violation of SCG Packaging's Code of Conduct, shall be considered receiving disciplinary penalties according to the regulations stipulated by SCG Packaging, as well as possible legal punishments should his/her deed also violates the laws.

2.2.15 SCGP Privacy Policy

(Resolution of the meeting of the Board of Directors no. 220 (4/2020) on June 2, 2020, effective from June 2, 2020)

SCG Packaging respects the privacy of customers, shareholders, SCG Packaging's employees, and persons relevant to SCG Packaging. To ensure that the rights of said persons shall be protected under the Personal Data Protection Act (PDPA), the Board of Directors of SCG Packaging Public Company Limited, by the resolution of the meeting of the Board no. 220 (4/2020) on June 2, 2020, has thus resolved to issue the SCGP Privacy Policy so that SCG Packaging can have clear and proper guidelines, mechanisms, governance measures, and management for personal data.

1. Scope of Application

This Privacy Policy is applied to SCG Packaging, SCG Packaging's employees, and any person relating to personal data processing as instructed by or on behalf of SCG Packaging.

2. Definitions

2.1 Processing means any operation performed on personal data such as collecting, recording, organizing, structuring, storing, editing, retrieving, disclosing, forwarding, disseminating, transferring, combining, erasing, and destroying.

2.2 Personal Data means information that relates to an individual and thus makes it possible to identify the individual, either directly or indirectly, such as name, surname, e-mail, phone number, IP Address, image, nationality, religion, political opinions, Genetic data, and Biometric data.

2.3 Data Subject means any natural person who can be directly or indirectly identified by personal data.

2.4 Data Controller means a natural person or a juristic person that is authorized to make decisions concerning personal data processing.

2.5 Data Processor means a natural person or a juristic person which carries out operations concerning personal data processing as instructed by or on behalf of the Data Controller.

2.6 SCG Packaging means SCG Packaging Public Company Limited and its subsidiaries according to the consolidated financial statements of SCG Packaging Public Company Limited.

3. Privacy Policy: Personal Data Protection Governance

3.1 SCG Packaging shall issue the structure of personal data governance so as to define proper methods and measures, in compliance with laws, as follows:

(1) Setting up Organizational Structure and clearly defining roles, missions and responsibilities of relevant departments and persons, so as to establish governance mechanisms, control, responsibility, operation, implementation, and monitoring of personal data protection measures in compliance with laws and SCGP Privacy Policy;

(2) Appointing SCG Packaging Data Protection Officer (SCG Packaging DPO) with roles and duties as specified in SCGP Privacy Policy.

3.2 SCG Packaging shall issue policies, standards, guidelines, procedures, and other documents relating to personal data protection in alignment with the law and SCGP Privacy Policy.

3.3 SCG Packaging shall issue Policy Management Process to oversee that SCGP Privacy Policy is being constantly adhered to.

3.4 SCG Packaging shall regularly carry out training for SCG Packaging's employees so that the employees will recognize the importance of the Privacy Policy, and to ensure that all of SCG Packaging's relevant employees are well-trained, understand personal data protection, and adhere to SCGP Privacy Policy.

4. Privacy Policy: Personal Data Processing

4.1 SCG Packaging, as a data controller and data processor, shall conduct personal data processing in a fair and transparent manner in compliance with laws while taking into account the accuracy of such personal data. The determination of scopes and objectives of personal data processing as well as the period of time personal data shall be stored, shall be carry out as necessary under lawful objectives and SCG Packaging's business practices. In addition, SCG Packaging shall sufficiently maintain confidentiality, integrity, and security of personal data.

4.2 SCG Packaging shall issue a process and oversee to manage personal data at every step to comply with laws and SCGP Privacy Policy.

4.3 SCG Packaging shall issue and retain Records of Processing (RoP) for recording transaction and any activity relating to personal data processing in compliance with laws. In addition, Records of Processing shall be revised should there be any change of transactions or relevant activities.

4.4 SCG Packaging shall issue clear process to ensure that notice of objectives, and accumulation and details of personal data processing (Privacy Notices), as well as seeking consent from the data subjects are in compliance with laws. Governance measures for and validation of the said issues shall also be implemented.

4.5 SCG Packaging shall establish mechanisms for personal data validation and personal data correction.

4.6 In the case where SCG Packaging send, transfer, or allow any other person to use personal data, SCG Packaging shall have an agreement with data receivers or users to define rights and duties in compliance with laws and SCGP Privacy Policy.

4.7 In the case SCG Packaging send or transfer personal data abroad, SCG Packaging shall proceed in accordance with laws.

4.8 SCG Packaging shall destroy personal data when it is due in compliance with laws and SCG Packaging's business practices.

4.9 SCG Packaging shall assess risks and set measures to prevent risks and reduce effects which may occur with personal data processing.

5. Privacy Policy: Data Subject's Rights

SCG Packaging shall provide measures, channels, and means so that the data subject are able to exercise their rights as stipulated by laws, and shall record and assess the response to data subjects' rights of access.

6. Privacy Policy: Personal Data Security

6.1 SCG Packaging shall sufficiently set forth personal data security measures, and prevent the personal data leaks and the use of personal data without permission.

6.2 SCG Packaging shall issue the Privacy Incident Management Policy and Incident Response Program so as to promptly identify and handle privacy incidents.

6.3 SCG Packaging shall provide notification process for data subjects, government officers, data controllers (in case SCG Packaging is the data processor or joint data controller), and other persons in compliance with laws.

7. Privacy Policy: Personal Data Protection Compliance

7.1 SCG Packaging shall provide monitoring process in case there is any amendment of laws, and regularly keep personal data protection compliance up-to-date and compliant with laws.

7.2 SCG Packaging shall regularly review and revise the policy, standards, guidelines, procedures, and other documents relevant to personal data protection in order to keep them up-to-date, and compliant to the law and situation in each period.

8. Roles, Duties and Responsibilities

8.1 The Board of Directors have roles duties, and responsibilities as follows:

(1) Oversee that the structure for personal data governance and internal control concerning SCG Packaging are set forth to ensure compliance with laws and SCGP Privacy Policy.

(2) Oversee and support SCG Packaging to carry out personal data protection with efficiency and compliance to laws.

8.2 Privacy Committee

Risk Management Committee shall be appointed to act as the Privacy Committee, which have roles, duties, and responsibilities as follows:

(1) Set up the structure for personal data governance, relevant internal control, Privacy Incident Management Policy, and Incident Response Program so as to promptly identify and handle privacy incidents.

(2) Assess the efficiency of compliance with SCGP Privacy Policy and report the assessment results to the Board of Directors on a regular basis at least once a year, as well as supervise to ensure that any risk relating to personal data is properly handled and that proper risk management practices are implemented.

(3) Define and review the standards and guidelines so that SCG Packaging's operation complies with laws and SCGP Privacy Policy.

(4) Appoint SCG Packaging Data Protection Officer (SCG Packaging DPO).

8.3 The executives have roles, duties, and responsibilities to supervise departments in charge of overseeing compliance with SCGP Privacy Policy and promoting awareness among SCG Packaging's employees.

8.4 SCG Packaging's DPO has roles, duties, and responsibilities as stipulated by laws, include:

(1) Regularly report data protection status to the Privacy Committee and provide feedbacks so as to keep SCG Packaging's personal data protection up-to-date and compliant with the law.

(2) Giving advice to SCG Packaging's employees regarding compliance with laws and SCGP Privacy Policy.

(3) Supervise the operations of divisions in SCG Packaging to comply with laws and SCGP Privacy Policy.

8.5 SCG Packaging employees have roles, duties, and responsibilities as follows:

(1) Comply with SCGP Privacy Policy, standards, guidelines, procedures, and other documents relevant to personal data protection.

(2) Report privacy incidents, and non-compliance with laws and SCGP Privacy Policy to superior.

9. Punishment for Non-Compliance with SCGP Privacy Policy

Non-compliance with SCGP Privacy Policy might be guilty of misconduct and lead to disciplinary actions, including punishments as specified by laws.

2.2.16 Investor Relations Code of Conduct

(Resolution of the meeting of the Board of Directors no. 221 (5/2020) on July 24, 2020, effective from July 24, 2020)

SCG Packaging Public Company Limited has developed this Investor Relations Code of Conduct to establish guidelines for correct and proper practices to which investor relations officers (IROs) can adhere. The Code of Conduct details fundamental principles regarding information disclosure, protection of insider information, fair and equitable treatment of stakeholders, and working with integrity, all of which are in alignment with SCG Packaging Corporate Governance. This, in turn, will add value to the Company and inspire confidence in its shareholders, investors, the public, and all stakeholders. The Investor Relations Code of Conduct comprises four main principles as follows:

1. Accurately, sufficiently and timely disclosing information crucial to investment decisions
2. Handling and protecting insider information
3. Disclosing information equitably and fairly
4. Performing duties with professional integrity

1. Accurately, sufficiently and timely disclosing information crucial to investment decisions

1.1 Disclose information crucial to investment decisions in an accurate, sufficient, and timely fashion in accordance with the rules and regulations of the authorities concerned such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

1.2 Exercise their discretion and caution in disclosing information and refuse to divulge trade secrets or information that may compromise the Company's competitiveness.

1.3 Disclose information in a regular and clear manner and exercise caution to prevent misunderstanding or misinterpretation. In additions, they must provide both positive and negative facts, ensure sufficient details for a clear understanding, and recognize that a disclosure of complete information will enable information receivers to achieve a more accurate prediction and expectation of the Company's current and future performance.

1.4 Clarify facts to the public in a timely manner in compliance with the rules and regulations of the SET and relevant authorities upon the surfacing of rumors, news leaks, inaccurate understanding among stakeholders, or any information about the Company that may significantly influence investment decisions or the price or value of the Company's securities.

1.5 Refrain from disclosing inaccurate information or information that is conjectural or predictive in nature, either verbally or in written forms, prior to public disclosure with the intention to manipulate the purchasing of the Company's shares.

1.6 Do not provide negative or slanderous information about the Company's competitors or stakeholders.

1.7 Establish information dissemination channels or sources to ensure equitable disclosure of information.

2. Handling and protecting insider information

2.1 Do not use insider information which is important and yet to be publicly disclosed for IROs' own interest or the interest of others and must not disclose such information until it has been publicly disclosed in accordance with relevant rules and regulations.

2.2 Comply with laws, rules, regulations, and the Company's policies related to handling of inside information. Material information that may affect performance should be disclosed through channels provided by the SET before it is relayed to any specific investor group.

2.3 Adopt a "Quiet Period" of at least two weeks prior to the disclosure of the Company's financial statements, during which IROs will not host a meeting or provide analysts and investors with information or answer questions related to the Company's short-term performance.

3. Disclosing information fairly and equitably

3.1 Host activities for different stakeholder groups as deemed appropriate to offer opportunity to each group for equal and fair access to information and ensure that no group is placed in a disadvantageous position or has their investment opportunities compromised.

3.2 Provide channel with equal opportunity for all stakeholders to contact and make enquiries and must not extend special privileges to any particular group of stakeholders.

3.3 Disclose promptly the information presented in exclusive meetings such as roadshow and analyst presentations on the Company's websites and the channels provided by the SET after such meetings so that it becomes publicly available.

3.4 Treat each stakeholder group as the following guidelines:

(1) Investors

- Treat all investors, both retail or institutional, equally.
- Provide opportunity to retail investors for the same level of access to data as analysts and institutional investors.
- Do not discriminate in accepting one-on-one meetings with institutional investors or investor groups.

(2) Analysts

- Offer analysts from every securities company equal opportunities to attend Analyst Meetings arranged by the Company.

- Do not give any gift or reward to analysts with the intention to influence them to write analysis for the Company or write reports on the Company in a positive light.
- Respect the report and opinion of analysts. Should such a report of opinion includes or provides inaccurate information, IROs may offer clarifications.

(3) Media

- Give opportunity to the media equal access to accurate, clear, and pertinent information.
- Do not disclose information that is about to be publicly disclosed in the media to any specific media outlet in advance.
- Do not give any gift or reward to analysts with the intention to influence them to write groundless news or articles for the Company.

(4) Regulators

- Cooperate in providing vital and appropriate information when requested by regulators.
- Do not give any gift or reward to regulators with the expectation of special treatment in return.

(5) Internal parties

- Host activities occasionally so that the executives of the Company can meet different stakeholder groups as deemed appropriate.
- Report to the Board of Directors and the executives all useful information that helps add value to the Company such as results of investor relations activities, opinions of analysts and investors, and capital market movements.
- Communicate the Company's Investor Relations Code of Conduct to employees with responsibilities relating to investor relations so as to establish a uniform practice in alignment with that of IROs.

(6) Other stakeholders

- Accurately, sufficiently, timely, and equitably disclose information to other stakeholders. Should a disclosure be necessitated for certain business operations, utmost caution must be exercised to safeguard confidentiality.

4. Performing duties with professional integrity

4.1 Refrain from receiving gifts or rewards that may be construed as personal incentives or gains.

4.2 Avoid actions that constitute conflicts of interest with the Company such as the use of the Company's assets or information for personal gain.

4.3 Do not exploit their relationship or information obtained as IROs to seek personal gain.

4.4 Comply with SCG Packaging policies and Code of Conduct and report to supervisors should noncompliance of the Investor Relations Code of Conduct arise.

2.3 Policies and Guidelines for Key Stakeholders

2.3.1 Stakeholders Engagement Policy

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging has always paid close attention to the engagement of stakeholders. This is evident from the corporate philosophy of engaging in business based on morality and responsibility to society as well as being a good citizen, implementing the code of conduct as a basis of work of all employees, employing the good corporate governance as a principle of management and exercising the sustainable development of SCG Packaging.

Along with the changing of the society, environment, and business conditions, groups of stakeholders are more complicated and carry higher expectations of fair treatment and demand participation in the expression of opinions, process of decision-making, and governance of affected issues. The engagement of stakeholders is thus more important than ever. The meeting of the Board of Directors on December 16, 2019, has thus resolved to issue the Stakeholder Engagement Policy as a clear guideline for SCG Packaging's employees in conducting business so as to offer shareholders long-term value added as well as more concerns over the benefits of stakeholders of SCG Packaging.

Definition of Stakeholders

Stakeholders are persons or groups of persons who are directly or indirectly affected by a business operation of SCG Packaging, as well as those who may have interests in a business operation of SCG Packaging, or abilities to influence over the outcomes of a business operation of SCG Packaging such as customers, employees, communities, shareholders, business partners, government agencies, intellectual leaders, etc.

Stakeholder Engagement Policy

SCG Packaging is committed to acting as a good citizen of society, especially in every community where SCG Packaging has business operations. It honors the rights of stakeholders and treats them fairly, listens to their opinions and concerns, builds understanding with stakeholders, encourages co-operation constructively in matters that interest stakeholders, and takes part in developing society and environment so that SCG Packaging continues developing its business sustainably.

Guidelines for the Engagement of Stakeholders

1. Determining, Identifying, and Analyzing Stakeholders

   Clearly determine, identify and categorize stakeholders taking into consideration the connection with each business unit in order to be able to analyze the risks and impacts, direct or indirect, incurred to each group of stakeholders comprehensively and clearly by bearing in mind that each group of stakeholders has its own set of perspectives and expectations. Different strategies and priorities of implementation thus need to be formulated for each respective group.

   Determine material sustainable development issues that affect decision making, operations, and operational effectiveness of SCG Packaging or stakeholders. In the formulation of business strategy formulation, identify the relationships and materiality of issues to SCG Packaging and stakeholders.

   Develop stakeholder maps to identify stakeholders and relevant parties in SCG Packaging and to understand the perspective of stakeholders, potential impacts, and expectations of each stakeholder group. These stakeholder maps will be used in designing means of responding to the needs of stakeholders as well as appropriate strategies and communication methods that will sustainably influence the operation of SCG Packaging.

   Good relations with stakeholders should be initiated from the very beginning, that is, from the planning stage, so that plans can be adjusted or work procedures can be revised on time.

2. Adopting Communication Strategies

   Closely communicate and persistently build understanding with stakeholders in order to gain correct perception and lead to good relationship with and trust from stakeholders by adopting particular communication strategies, methods, formats, and procedures suitable to each group of stakeholders, situation, duration, and local culture. This may be determined by the degree of damage or the possible impact incurred from negligence or inaction.

3. Disclosing Information

   Disclose information accurately, explicitly, transparently, and comprehensively in order to assure that the stakeholders received sufficient, consistent, and timely information. For example, the disclosure of useful information should be done at the appropriate time, stated the real purpose of information and assured that there is a transparent process of reporting information to stakeholders.

   However, in disclosing information, one should consider a factor of appropriateness and follow SCG Packaging's Disclosure Policy.

4. Encouraging Participation

Encourage stakeholders to participate in matters that affect them; provide channels for receiving suggestions, problems, and complaints from stakeholders; give priority; welcome opinions and exchange views (Stakeholder Dialogue) constructively in order to perceive ideas, expectations, and needs of stakeholders. In doing the Stakeholder Dialogue, one must recognize that differences of stakeholders may affect the opinions, e.g. age, gender, education, experience, attitudes, etc. Moreover, one should provide preliminary information prior to discussion, report outcomes of the discussion, disseminate reports to participants, and collect information systematically. SCG Packaging should also consider participating in giving opinions and identifying problems or obstacles to those having roles in regulating rules and orders which could pose an impact to the business operation of SCG Packaging.

5. Managing risks related to stakeholder engagement

Anticipate, identify, and prioritize risks related to stakeholder engagement in order to prepare plans to handle and manage potential risks from an constructive exchange of opinions with shareholders. Risks that should be considered include reluctance to participate, fatigue, dissatisfaction with SCG Packaging's responses, presence of reserved stakeholders among those who prefer to share their opinions, presence stakeholders who intentionally obstruct an exchange of opinions, presence of stakeholders who have not received information, presence of stakeholders who do not have leverage, technical problems, and conflicts among stakeholder groups.

6. Reviewing and reporting

Inspect and assess stakeholder engagement systematically to continuously enhance stakeholder engagement; develop action plans; foster cooperation between stakeholders and related parties in SCG Packaging, track the cooperation development process, and report to stakeholders. In addition, SCG Packaging must also disclose the overall results of its stakeholder engagement to the public, including obtained results, impact, and operation scopes, as well as demonstrate the relations between benefits from stakeholder engagement and SCG Packaging's operations.

The Duty of the Management

The duty of the management is to ensure efficient and effective stakeholder engagement operations in accordance with the policy by providing suitable resources, such as allocating budgets and assigning knowledgeable, skilled and sufficient person-in-charges, and by putting in place systems for taking suggestions from stakeholders, compiling information, monitoring progress, and conducting assessment. Information on stakeholder engagement will be integrated into the Company's corporate governance, strategies, and management at every level to create acceptance and develop sustainable business practices across the organization.

SCG Packaging's Policies and Practices towards Stakeholders

SCG Packaging has established policies and practices for 12 groups of stakeholders as guidelines for its business operations, added value creation, and sustainable development, as detailed below.

Policies and Practices towards Stakeholders

SCG Packaging places great importance on its shareholders. Accordingly, the Board of Directors, the executives and the employees of SCG Packaging are committed to carrying out business in line with the principles of good corporate governance and SCG Packaging's own business philosophy to ensure maximum benefits and long-term economic value for shareholders. The guidelines to achieve such purposes have thus been set forth as follows:

1. To operate the organization in accordance with SCG Packaging's corporate vision and corporate governance principles with honesty and prudence, and without conflict of interest, while creating good returns for every shareholder in a sustainable manner.
2. To respect the rights of shareholders and provide equitable and fair treatment to every one of them. Accordingly, to not perform any act that might violate or restrict the rights of shareholders.
3. To provide shareholders the right to propose the agenda of the Annual General Meeting of Shareholders and to nominate any qualified person to be a director with sufficient time in advance.
4. To provide shareholders with all significant details concerning the Shareholders' Meeting and the Meeting agenda items to be considered by the shareholders with sufficient time in advance.
5. To prevent the directors, executives, and employees in the involved departments as well as their spouses and children from making use of inside information for their own benefit or that of others, which is considered shareholder exploitation, before disclosure to the public.
6. To assign independent directors to take care of minor shareholders and to receive complaints or suggestions from shareholders through easily accessible channels established by the Company.
7. To establish efficient measures for internal control, internal audit, and risk management.
8. To disclose the Company's significant information, financial reports, and operating results on an accurate, complete, timely, transparent, and reliable basis through easily accessible channels to consistently keep shareholders abreast of the Company's operating performance.

Policies and Practices towards Employees

SCG Packaging firmly believes that employees are its most valuable assets and a vital contributing factor to the Company's success. As a consequence, the Company treats employees fairly with respect to human rights in accordance with SCG Packaging's human rights policy and with concern for their needs. The goals are to foster a good relationship between the Company and its employees, to promote ongoing development of employees' skills and potential, and to provide job security and career advancement. The guidelines for practice toward employees are as follows:

1. To recruit employees through a fair and efficient selection system and employment conditions to find "smart and ethical" employees having strong qualifications and integrity to join the Company.
2. To treat employees with sensitivity and fairness while paying due respect to their personal rights, protecting these rights from being violated. Likewise, to support and respect the right of employees to express their opinions independently.
3. To provide channels for employees to file grievances and report any act of impropriety in violation of the SCG Packaging's Code of Conduct as well as to protect the complainant from retribution or penalty related to filing a complaint (Whistleblowing Policy).
4. To provide employees in every field of work and at all levels sufficient and continuous professional development appropriate for their duties and responsibilities and to instill ethical awareness into every employee.
5. To promote and encourage working as a team to create unity and to raise employees' awareness about work discipline.
6. To evaluate employees' performance and provide fair remuneration on the basis of the suitability, capability, and competence of each individual. The Company is also committed to providing fair and appropriate benefits to employees. The benefits will be constantly improved to keep them on a par with those of leading companies in the same industry.
7. To raise awareness and promote employees' occupational health and safety while maintaining a congenial work environment that enables employees to feel like being part of a family.
8. To operate in compliance with internationally accepted occupational health and safety standards as well as environmental management standards.
9. To encourage employees to find a balance between personal life and work.
10. To provide channels where important information can be disclosed to employees to keep them informed of the operations and operating results of all SCG Packaging's business units.

Policies and Practices towards Customers

SCG Packaging pledges to ensure that its products and services offer maximum benefits and complete satisfaction in terms of quality and fair price to customers. Likewise, the company pledges to develop and maintain a sustainable relationship with customers. The practice guidelines are as follows:

1. To deliver products and services that address the needs of consumers and the general public and to play a part in contributing to better quality of life and the sustainable development of society.
2. To constantly drive innovation and research & development to generate high quality, high value-added products and services that meet the needs of customers in multiple ways.
3. To develop environmentally-friendly products and services with a focus on resource-efficiency, energy-efficiency, recyclability, and long life of service.
4. To produce safe, reliable products and services as well as to give accurate and adequate information about them to customers.
5. To store customers' information safely and systematically, and to refrain from abusing the information.
6. To set the prices of products and services at reasonable rates.
7. To implement a quality management system that matches international standards.
8. To set up a customer support office to provide product information, advice, and solutions to problems, while also handling complaints, to ensure customers' highest satisfaction in both products and services

Policies and Practices towards Suppliers

SCG Packaging always obeys fair competition standards and strictly complies with all contractual obligations, the SCG Packaging's Code of Conduct, and all promises to suppliers. The guidelines are as follows:

1. To determine and establish fair and reasonable prices by taking into account the reasonableness of the offered prices, quality, and service levels and to be able to provide appropriate reasons during any audit.
2. To pay suppliers accurately and on time.
3. To establish clear procurement regulations.

4. To operate business sustainably and transparently by complying with all the terms and conditions agreed upon in a transaction and treating all involved parties fairly.
5. To refrain from demanding or accepting any improper benefits from suppliers.
6. To pay regular visits to suppliers to exchange ideas and listen to their suggestions or advice on improvement.
7. To support procurement of eco-friendly and community products.
8. To refrain from purchasing products from suppliers that violate human rights or intellectual property law.
9. To refrain from disclosing information of suppliers to others without their prior consent.
10. To refrain from dealing in any business with any supplier that carries out illegal acts or acts against public order and good morals.
11. To provide support and encourage suppliers to adopt the principle of sustainable development through social and environmental responsibility in their business operations, in accordance with SCG Packaging's Supplier Code of Conduct.

Policies and Practices towards Business Contractors

SCG Packaging assists its contractors with respect to human right standards, environment, work safety, and remuneration. Furthermore, the Company is resolved to develop the capabilities and knowledge of contractors both related to work and beyond to enable them to work more efficiently. The guidelines are as follows:

1. To determine appropriate and fair remuneration and ensure that the amount of remuneration paid by the contractors to their workers shall not be less than the wage rate stipulated by law.
2. To promote safety awareness among contractors and oversee a safe work environment in their operations.
3. To open up opportunities for contractors to meet with executives to listen to their opinions and concerns so they can work more efficiently to achieve goals.
4. To encourage contractors to develop their knowledge to ensure maximum work efficiency.
5. To provide support and encourage contractors to adopt the principle of sustainable development through social and environmental responsibility in their business operations, in accordance with Supplier Code of Conduct of SCG Packaging.

Policies and Practices towards Joint Venture Partners

SCG Packaging respects the rights of joint venture partners and treats every partner equitably and fairly. It also promotes fair treatment of relevant parties in the business operations in accordance with the Company human rights policy. In addition, the Company works collaboratively with joint venture partners to ensure that the joint ventures achieve the shared goals. The relevant guidelines are as follows:

1. To collaborate with joint venture partners in supporting and strengthening the joint venture operations.
2. To encourage the exchange of ideas and suggestions with the joint venture partners and to jointly define the business plans to ensure the sustainable growth and development of the joint ventures.
3. To monitor the operations of the joint ventures in order to ascertain that they comply with the law and the sustainable development approach.
4. To work with the joint venture partners in allocating profits from the joint ventures in a fair and transparent manner.
5. To refrain from taking advantage of the joint venture partners in any way.

Policies and Practices towards Creditors

SCG Packaging has a policy to treat its creditors equitably, fairly, and transparently with commitment to strictly comply with all terms and conditions agreed upon. The guidelines are as follows:

1. To enter into contract with all types of creditors legally, equitably, fairly, and transparently without taking advantage of the contract party.
2. To refrain from resorting to dishonest means or concealment of any information that might harm the Company's creditors.
3. To strictly abide by any term or condition stated in any contract entered into with all types of creditors accurately and straightforwardly.
4. To repay loans and interest in full to all types of creditors on time as agreed upon.

Policies and Practices towards the Community

SCG Packaging conducts business with respect to human rights and equitable treatment to others, commitment to fairness to all stakeholders, and concern for social responsibility. SCG Packaging also provides constant support to activities that contribute to the improvement of living standards and the development of the communities and societies in which it operates, both in Thailand and the ASEAN countries. It also encourages employees and other concerned parties to be good citizens contributing to communities and society. The guidelines are as follows:

1. To support and provide proper assistance to society and communities, especially the communities surrounding SCG Packaging's plants.
2. To preserve the environment nearby the communities and to control and manage waste from the production process and general consumption as well as contamination released into the environment through the use of efficient technology and close monitoring.
3. To promote and support carrying out of activities/projects designed to develop the potential and capabilities of youths in the areas of education, science, technology, sports, and art as well as instilling ethics and morals into young people so they are both smart and ethical individuals.
4. To support activities/projects dedicated to providing immediate assistance to those affected by disasters and to improve the potential and living standard of people in the society through various efforts such as career development and building strong communities to enable people to become self-reliant sustainably.
5. To support medical and public welfare activities/projects to enable people in local communities and society at large to have better health and better quality of life.
6. To promote and support activities in the areas of art, cultural heritage preservation, and sustaining religion as appropriate.
7. To provide support to foundations and charitable organizations to help and provide opportunities to the disenfranchised in society, empowering them to lead better lives. This support also extends to organizations carrying out activities beneficial to human resources development.
8. To open up opportunities for communities and other stakeholders to take part in the activities/projects, to voice their opinions and suggestions, or to file complaints as a result of SCG Packaging's operations, with the goal of allowing industry and the community to coexist sustainably

Policies and Practices towards Government Agencies

SCG Packaging places great importance on government agencies as stakeholders of the Company. Guidelines for engaging in transactions with government agencies are defined in SCG Packaging's Code of Conduct to allow employees to proceed appropriately and in compliance. The Company also cooperates with government agencies, providing technical assistance and support for various activities. The guidelines are as follows:

1. To strictly abide by applicable laws and regulations and keep in mind that laws, regulations, cultures, and traditions in each locale may have different conditions, procedures, or practices.
2. To refrain from influencing government officers to abet and collude in improper acts.
3. To build a body of knowledge in community development for government agencies such as local administration organizations.
4. To provide support to activities undertaken by government agencies
5. To participate in meetings to share ideas, support and provide technical assistance on a continuous basis.
6. To receive visits from government agencies.
7. To receive comments and suggestions from government agencies.

Policies and Practices towards the Media

SCG Packaging stresses the importance of disclosing information to the media so they can communicate the information to the public accurately and rapidly. The guidelines are as follows:

1. To disclose information to the media equitably. The information must be accurate, clear, and right to the point.
2. To communicate information on a quick and timely basis.
3. To provide opportunities for the media to closely meet and talk with top executives.
4. To facilitate the media to get in contact with the Company.
5. To establish good relationships with the media through various activities such as business and plant visits to allow the media to observe the production process and plant management as well as obtain accurate information.

Policies and Practices towards the Civil Society Sector, Academia, and Opinion Leaders

SCG Packaging conducts business with concern for social responsibility and all stakeholders. In addition to full and accurate disclosure of information, SCG Packaging is also open to comments and suggestions from every part of the civil society sector to ensure a shared approach to operating business sustainably alongside social and community development. The guidelines are as follows:

1. To disclose information regarding business operations transparently and verifiably.
2. To disclose information in the annual report, sustainability report, articles and news releases, as well as in the form of electronic documents and information.
3. To carry out business with concern for impact on the environment and the community and to encourage involved persons to take part in protecting the environment.
4. To collaborate with the agencies concerned to foster a relationship with the community and promote community involvement.
5. To receive comments, suggestions, or complaints from the concerned parties to find means for collaboration and to meet the needs of all stakeholders.

Policies and Practices towards Competitors

SCG Packaging has a policy to treat competitors fairly within the framework of honest competition. The Company is committed to carrying out business fairly in compliance with the law and SCG Packaging's Code of Conduct and with concern for trade ethics and antitrust laws. The guidelines are as follows:

1. To operate under a fair competition framework and applicable laws ethically and transparently and to refrain from taking advantage of competitors unlawfully.
2. To refrain from obtaining confidential information through fraudulent or improper means.
3. To refrain from violating the intellectual property rights of competitors.
4. To refrain from attacking and destroying competitors' reputations by defaming them with any false statement.
5. To promote and support free trade and avoid entering into any agreement with competitors that may reduce or restrict competition.

2.3.2 Dividend Policy of the Company and its Subsidiaries

(Resolution of the meeting of the Board of Directors no. 211 (7/2019) on August 5, 2019, effective from August 5, 2019)

SCG Packaging Public Company Limited ("Company") states its policy to pay dividend at not less than 20 percent of its net profit on consolidated financial statements after payment of corporate income tax and deduction of all reserves as required by laws and the Company's provisions in each year. Said ratio could be changed upon the operating performance, financial structure and financial health, liquidity, additional investment necessity, investment plan, business expansion, reserve for loan repayment or working capital of the Company, terms and conditions stated in loan agreements and other factors pertaining to management.

Dividend policy of each subsidiary will be as resolved by its board of directors and approved by the annual general meeting of shareholders unless it is an interim dividend which the Board of Directors is authorized to approve when it considers that there is sufficient amount of profit to do so in accordance with laws of the country where the subsidiary is registered and the Board of Directors shall report for information at the next general meeting of shareholders. The Board of Directors of the subsidiary will consider its dividend payment by taking into account various factors for the main benefits of shareholders such as operating performance, financial structure and financial health, liquidity, additional investment necessity, investment plan, business expansion, reserve for loan repayment or working capital of the subsidiary, terms and conditions stated in loan agreements and other factors pertaining to management as deemed appropriate by the Board of Directors/ and or shareholders, as the case may be.

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

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

The meeting of the Board of Directors No. 216 (12/2019) on December 16, 2019, has resolved to approve the setting up and disclosure of the Procurement and Vendor Selection Policies and Guidelines of SCG Packaging to ensure that the selection process of SCG Packaging will be systematic, fair and transparent. SCG Packaging endorses vendors who are committed to ethical business practices and responsibilities toward society and environment and will not conduct transactions with any person who is involved in illegal or fraudulent activities or is suspected to do as such.

Definitions

Procurement means the purchase, hire of work, outsource service, transportation service, lease and hire purchase.

Vendor means a seller/supplier, contractor, service provider, lessor or hire purchase provider who delivers goods or services to SCG Packaging.

Vendor List means a list of Vendors who conduct transactions with SCG Packaging and whose names are listed in SCG Packaging's system.

Approved Vendor List means Vendors listed in the Vendor List who have undergone SCG Packaging's selection and performance evaluation processes for the relevant goods and service categories.

SCG Packaging means SCG Packaging Public Company Limited and the subsidiaries of SCG Packaging Public Company according to the consolidated financial statement.

Procurement and Vendor Selection Policies of SCG Packaging

SCG Packaging will conduct its Procurement in a systematic manner according to the strict controlled procurement regulations of SCG Packaging, taken into account the needs of SCG Packaging in terms of quality, price, quantity, time, service, delivery, after-sale service, warranty, and other requirements. SCG Packaging will not conduct transactions with any person who is involved in illegal or fraudulent activities or is suspected to do as such.

SCG Packaging's Vendor Selection shall be systematic, fair and transparent. SCG Packaging also endorses Vendors who are committed to ethical business practices and responsibilities toward society and environment.

Qualifications of SCG Packaging's Vendors

1. The Vendor shall be a manufacturer, entrepreneur, dealer, service provider or contractor, who has verifiable business facilities.
2. The Vendor shall have reliable staff, machinery and equipment, products, services, warehouses, financial status and performance records.
3. The Vendor shall agree to comply with SCG Packaging's Supplier Code of Conduct
4. The Vendor shall have satisfactory performance records, which will be evaluated by SCG Packaging on the basis of the quality of goods and services, including the delivery, after-sale services, warranty or other transactional requirements.
5. The Vendor shall have no conflict of interest with SCG Packaging's business.
6. The Vendor shall never been banned from doing business due to fraudulent conducts.

Application for Vendors of SCG Packaging

1. Prospective vendors can submit an application form provided by SCG Packaging together with detailed information and supporting documents, which include a registration certificate or identity certificate, other certificates issued by government authorities, power of attorney documents, bank account numbers and copies of registration certificates issued by the Department of Revenue such as a copy of the Certificate of Value Added Tax (Por Por 20). The application form and supporting documents shall be submitted to SCG Packaging's procurement unit.
2. SCG Packaging's Vendor shall sign its agreement to comply with SCG Packaging's Supplier Code of Conduct.

Business Transaction Procedures with SCG Packaging

1. SCG Packaging only deals business with Vendors listed in the Vendor List, except for the cases of a price quotation or a tender where the non-listed Vendors may be invited to submit a quotation or tender and can apply for a Vendor status thereafter if selected. SCG Packaging may ask its Vendors to agree to electronic transactions in accordance with the applicable electronic transactions laws for convenience and speed of the transactions.
2. A written purchase order or an agreement between a Vendor and SCG Packaging will be considered constituting the transactional obligations between both parties.

3. For submitting a price quotation or entering into an agreement, SCG Packaging may request in writing a performance bond from the Vendor, which will be returned after all transactional obligations are completed

4. Upon the completion of their obligations under an agreement, contract or purchase order, Vendors shall submit the relevant tax invoices, receipts and/or other necessary supporting documents to SCG Packaging for payment at the time and place specified by SCG Packaging. This is to provide convenience and speed of operation for all work units. SCG Packaging will pay the Vendors for the prices of the delivered goods/services after deducting the withholding tax required by laws, and other expenses incurred as stipulated by the government and under the agreement such as a performance bond. The payment will be transferred into the bank account notified by the Vendors unless a cheque payment is requested. SCG Packaging reserves the right to issue only account payee cheques.

5. Vendors may request an amendment of their data in the SCG Packaging system by contacting SCG Packaging's procurement unit and submitting supporting documents certified by the Vendors' authorized person.

6. Vendors may file a complaint on unfair treatment under the SCG Packaging's Corporate Governance Principles through the specified channel at SCG Packaging's Whistleblowing System, https://whistleblower.scgpackaging.com.

2.3.4 SCG Packaging's Supplier Code of Conduct

(Resolution of the meeting of the Board of Directors no. 216 (12/2019) on December 16, 2019, effective from December 16, 2019)

SCG Packaging has developed the Supplier Code of Conduct in order to develop correct understanding among suppliers of SCG Packaging and to serve as a mutual business standard to be adopted. SCG Packaging's Supplier Code of Conduct comprises the five following principles.

1) **Business ethics**: Conduct business with honesty; uphold fairness for all stakeholders; disclose correct and complete information; protect confidentiality; and respect intellectual properties of others.

2) **Labor and human rights**: Do not discriminate; attach importance to labor protection, especially child labor, women's labor, and alien labor; do not use or exploit forced labor; and ensure correct and fair remuneration, benefits, and work periods.

3) **Occupational health and safety**: Keep the work environment hygienic and safe; control risks of accidents and potential health impacts while on duty; and provide sufficient and ready personal protective equipment.

4) **Environment**: Conduct business with consideration to impacts on natural resources and the environment as per the principles of 3Rs: namely reduce, reuse/recycle, and replenish.

5) **Laws and regulations**: Abide by all applicable laws, rules and regulations.

"SCG Packaging" refers to SCG Packaging Public Company Limited and subsidiaries of SCG Packaging Public Company Limited according to the consolidated financial statements.

Part 3: Appendix

3.1 Definitions

SCG Packaging means:

1) SCG Packaging Public Company Limited; and

2) The subsidiaries of SCG Packaging Public Company Limited.

The Company means SCG Packaging Public Company Limited.

Subsidiaires mean the subsidiaries according to the consolidated financial statements of SCG Packaging Public Company Limited.

The Board of Directors means the Board of Directors of SCG Packaging Public Company Limited.

Employees mean any persons entering into hire-of-service contracts or special contracts with SCG Packaging.

Stakeholders mean any persons having relations with SCG Packaging in various aspects such as the Company's directors, employees, shareholders, counterparties, contractors, persons involving in the Company's businesses, creditors, debtors, society and communities surrounding factories.

SCGP

Environment and Climate Policy
SCG Packaging Public Company Limited

With commitment to be a regional business leader focusing on innovation and sustainability. SCG Packaging Public Company Limited (SCGP) realized the importance of environmental and climate management as key drivers in sustainable growth of our business. SCGP has announce this policy in order to ensure its efficiency and effectiveness of our environmental and climate management

The policy outlined herewith shall be applied to all production operations, business facilities, business partner in value chain and joint venture: from designing, procuring, manufacturing of products, services and solutions, distribution and logistics, and managing of our wastes and end of used products. This policy shall also be applied to suppliers, contractors and service providers; other key business partners such as non-managed operations, joint venture partners, outsourcing partners, new project, modification project, due diligence of mergers and partnership of SCGP both domestic and overseas with the following:

1. Conduct the business in comply with regulatory requirements as a minimum including alignment with global issues and response to local concerns in line with SCGP Sustainable Development Guidelines and other our policies.
2. Operate the business with minimize the environment impacts by climate change mitigation and adaptation, protecting the environment, sustainable use of natural resources including energy and water through eco-efficiency and circular economy: alignment with the Paris Agreement challenge targets, zero waste to landfill, protecting of biodiversity and ecosystems, supply chain management, green procurement, and green and eco products, services and solutions.
3. Implement the environmental management system as a part of business operation along with continual improvement and audit of its management system to enhance environmental performance.
4. Identify materiality issues and develop an environment and climate management that is accompanied by key performance indicators and strategies driving to achieve their performance targets.
5. Be open, transparent and accountable to our stakeholders regarding our environment and climate performance and regularly reporting.
6. Educate and raise awareness on environment and climate management among employees, customers, suppliers, contractors and others related stakeholders.

To ensure that this Environment and Climate policy is embedded in our organizational culture and put into action, all companies shall adapt this policy to suit their business according to SCGP Vision.

Wichan Jitpukdee

Chief Executive Officer

SCG Packaging PLC

19 February 2021

SUSTAINABILITY
REPORT 2020



Sustainable Growth for Sustainable Future

SCGP

SCG PACKAGING PUBLIC COMPANY LIMITED



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

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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.



FOUR CORE VALUES OF SCG

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

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.

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



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.



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.



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.



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

1 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.



2 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.





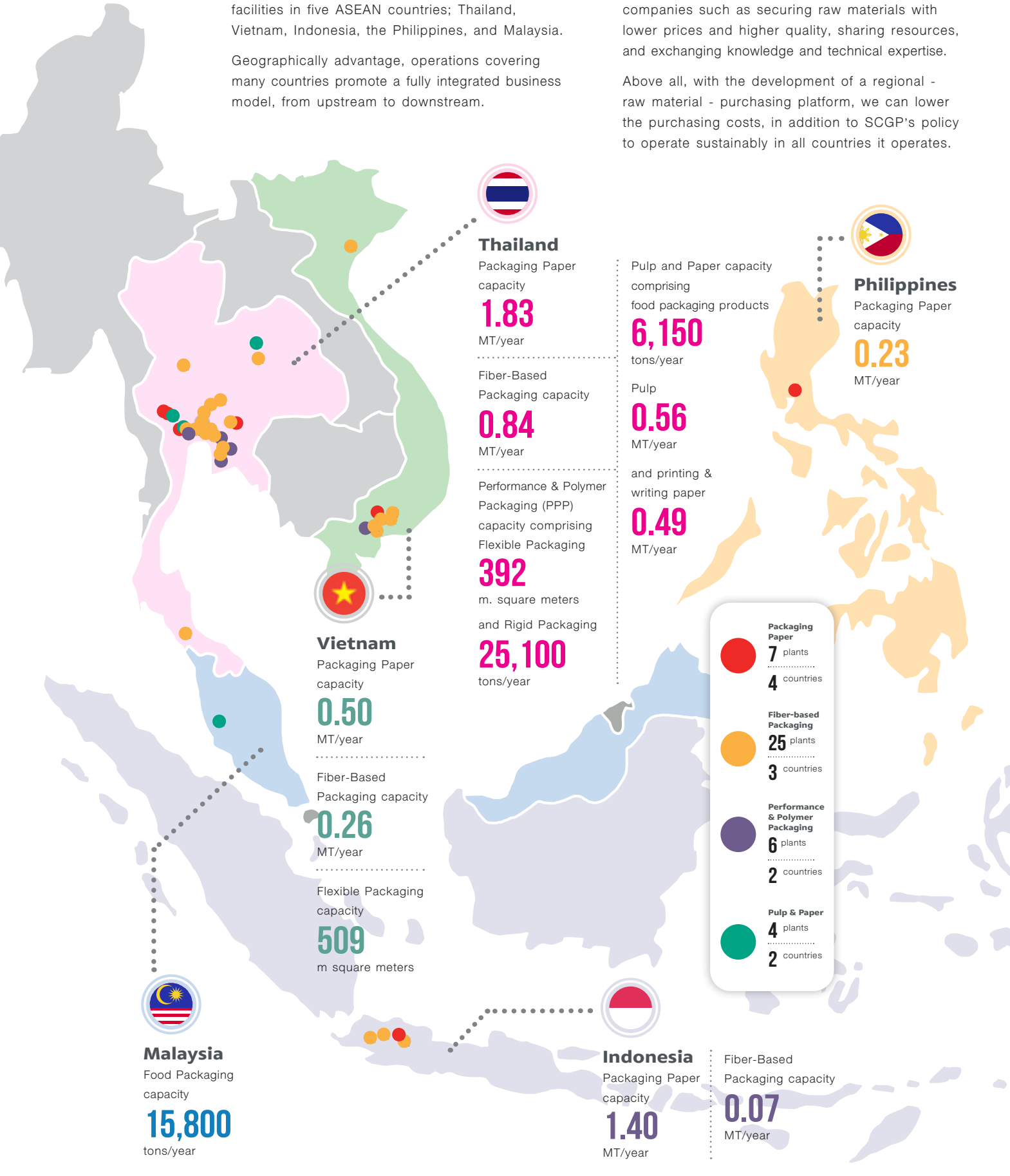
Location of Business Operation According to the Geographical Area

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.



1 Integrated Packaging Chain



Packaging Paper



Corrugated Containers



Retail Display Packaging



Flexible Packaging



Rigid Packaging



Food and Fruit Packaging

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.

2 Fibrous Chain



Pulp and Paper Products



Food Packaging



Dissolving Pulp

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™** 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™** 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™ :** A Packaging with high oxygen and water vapor barrier in combination 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.





Small Lot Solutions

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.

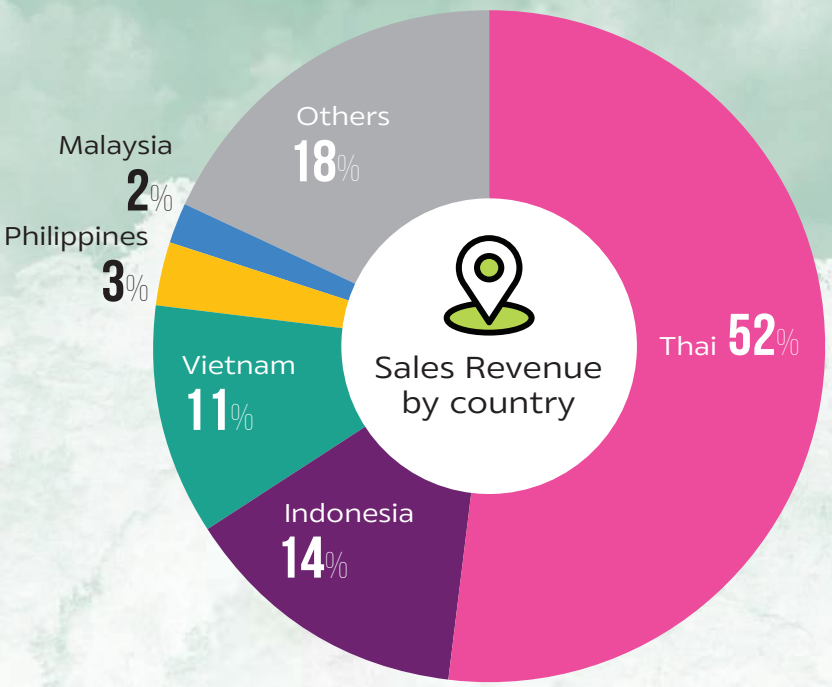


Sustainability Highlight Performance Year 2020

Revenue from Sales

92.8

billion baht



Green Procurement Purchased

4,790

million baht

17%

14

products

Business partners who passed the environmental, social and governance risk assessment (ESG)

100% of suppliers with procurement spending over **1** million baht

Hazardous / Non-Hazardous waste to landfill

0.77 tons

from total waste management

1,066,999 tons

Production facilities

42

sites

EBITDA

16.9

billion baht

Thai employees

8,802

persons

Waste to incineration without energy recovery

0.01

kilogram per ton production

Green House Gas Emission Reduction

428,281

tons carbondioxide equivalent

compared with BAU at the base year of 2007

12.8%

Energy Saved

2.3 petajoules

compared with BAU at the base year of 2007

5.4%

Proportion of Alternative Fuel

31%

Proportion of Recycled water

14.1%

Environment-related investment and expense

1,081

million baht

"SCG Green Choice" products, services and solutions

32

items

Check Dams program

687

projects

Water Withdrawal Reduction

11.1

million cubic meters

compared with BAU at the base year of 2014

16.8%

Lost time injury frequency rate (employee/ contractor)

0.087/0.296

cases

per **1,000,000** hours-worked

Research & Development and innovation investment

529

million baht

NCS Plantation

74,097

trees

Social enterprise development - income from paper band weaving handicraft (industrial waste)

1,859,700

baht

Zero waste communities development

36

communities

Support community products

1,910,259

baht

Scholarship program

1,142

ทุน

60

schools

Career development center in communities

29

centers

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.





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.

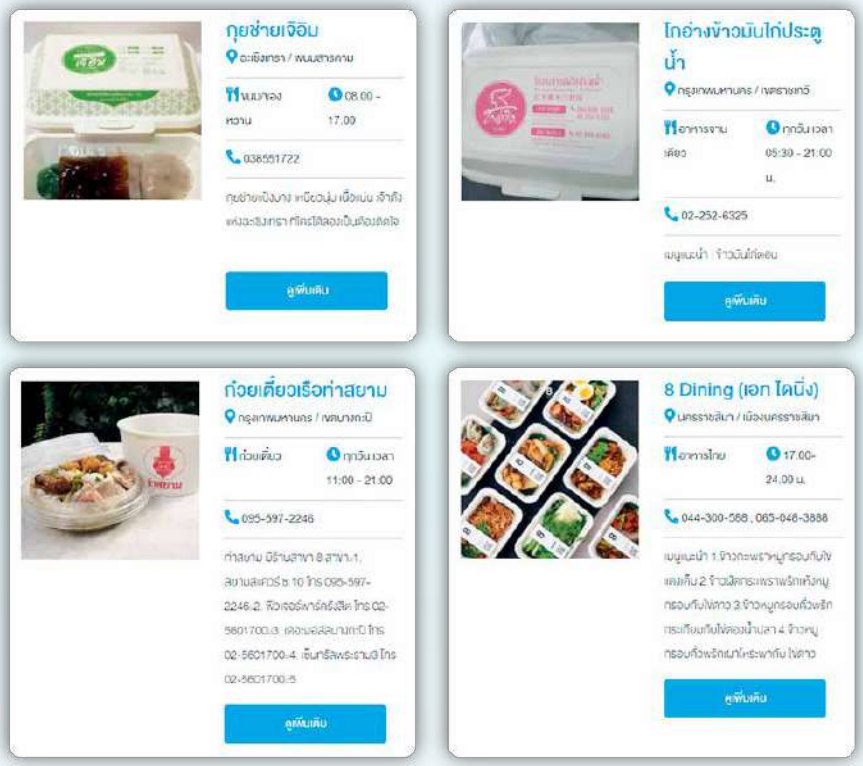
In customer care, SCGP and customers closely worked to develop Customer's specific solutions for responding to their growing end-user-consumers with diverse needs such as cleaning and hygienic products, bottles containing gels, alcohol, rubber gloves, and canned food, frozen food, non-alcoholic beverages, 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.

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)

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 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.



Mr. Sanan Techadee, Village Headman of Rang Plub





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)





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



Garbage separation has helped Ban Or Ekeaw community earn extra income from selling recycled waste. They set up a basketry group to weave the leftover waste into baskets, coffee cups, hats.

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, 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.



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

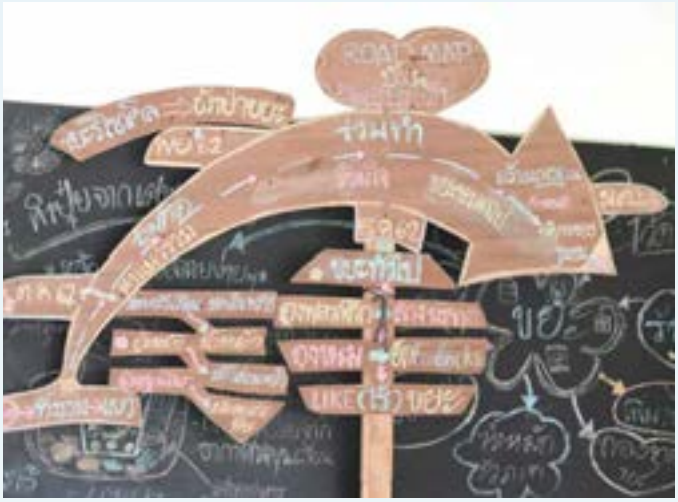
Today, Ban Nong Mai Fao set up a waste management learning centre providing knowledge of waste utilization in various forms such as compost, bio-fermented water and earthworm food. Above all, with the unique processing of clothes pieces into engine wipes, it is a value-added product that many engine 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."







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.

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".



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.

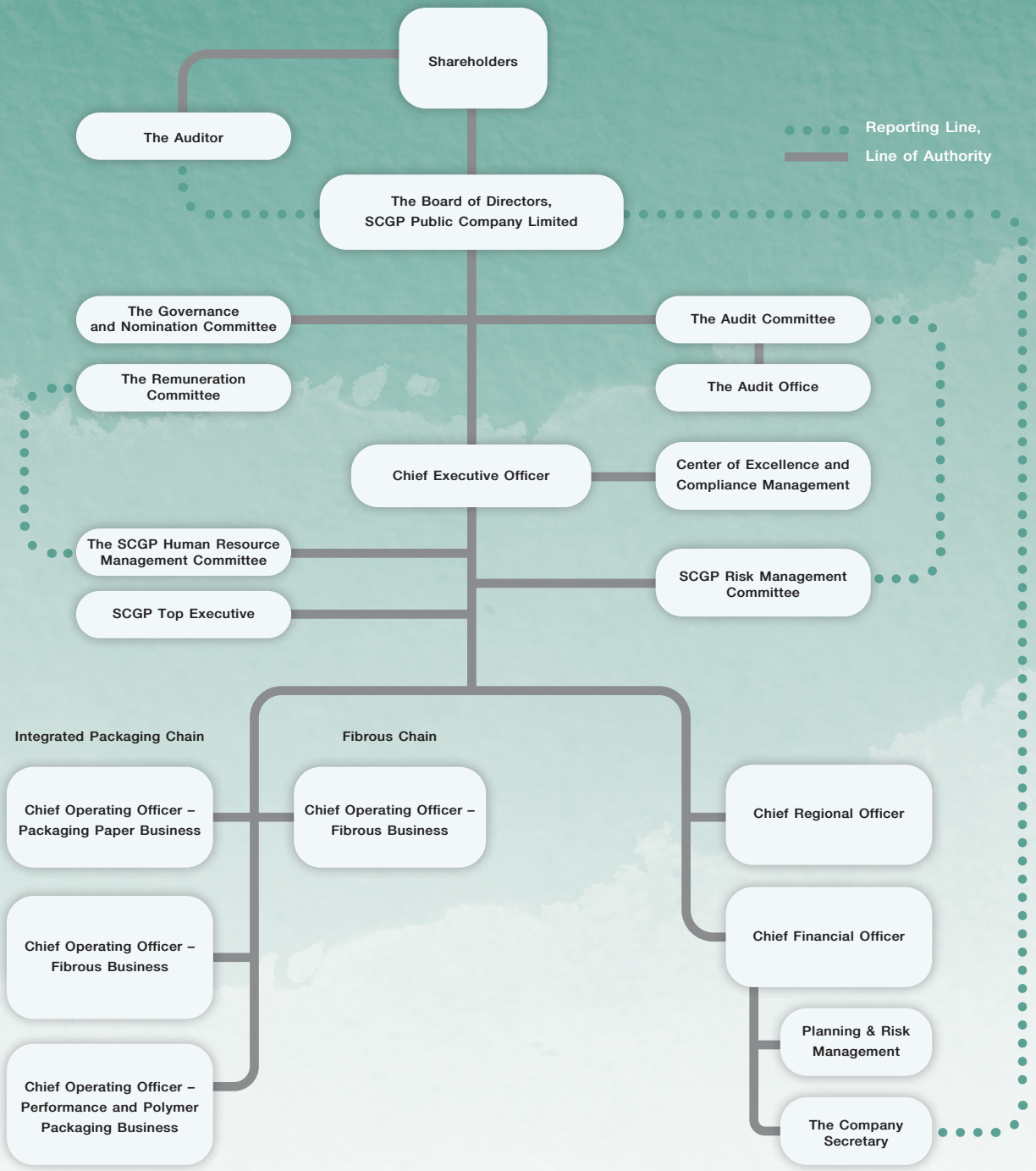




Sustainability Approach

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.



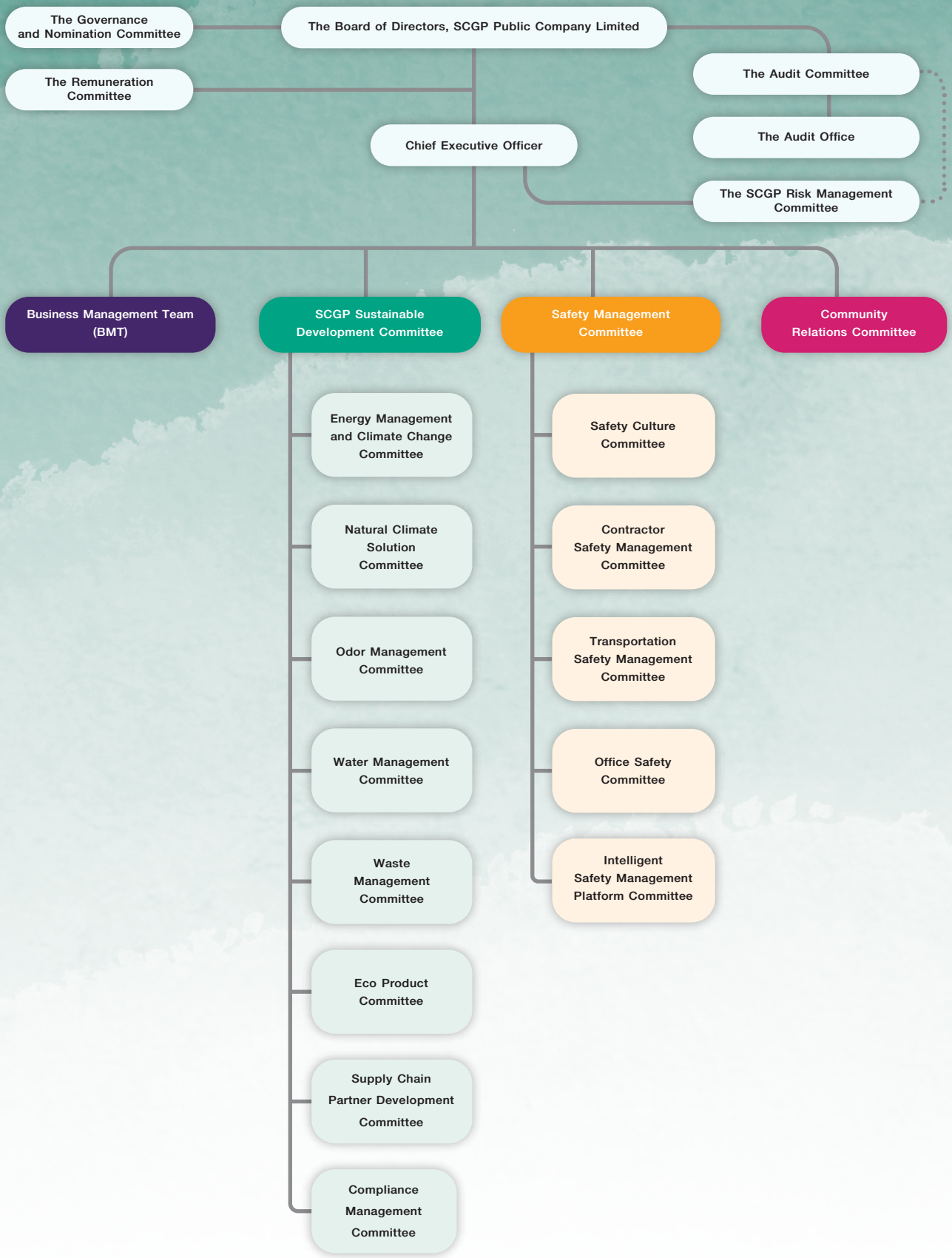
The Board of Directors appoints the Audit Committee, the Remuneration Committee and the Governance and Nomination Committee, to perform their duties in accordance with the Board of Directors' assignment. The Board of Directors considers and approves policies and guidelines on corporate governance to 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.

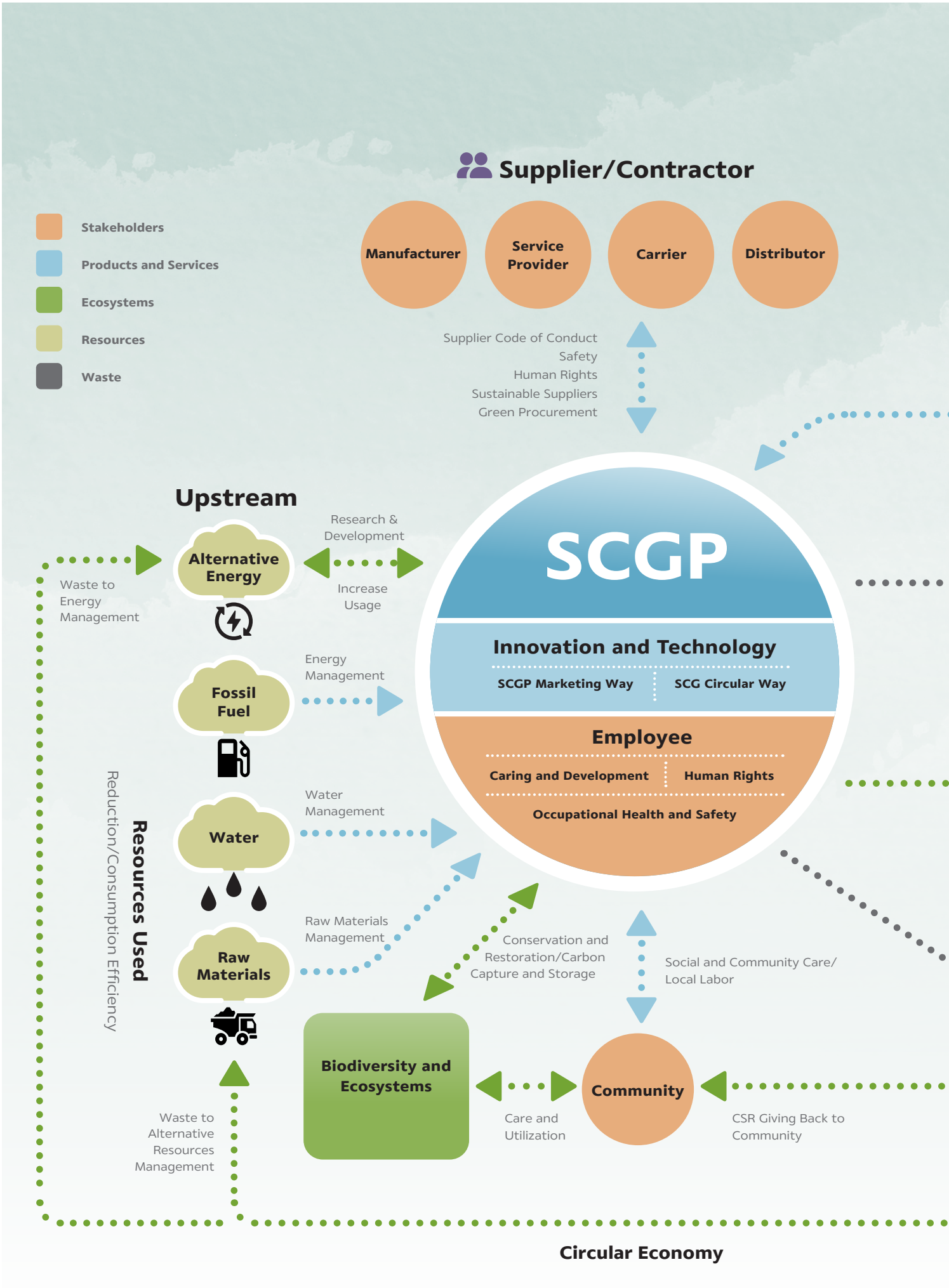
The Governance and Nomination Committee considers and makes recommendations on structure, corporate governance policies and guidelines to the Board of Directors for considerations, and strictly oversees the Board of directors and the Management Committee's performances to ensure their compliances with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

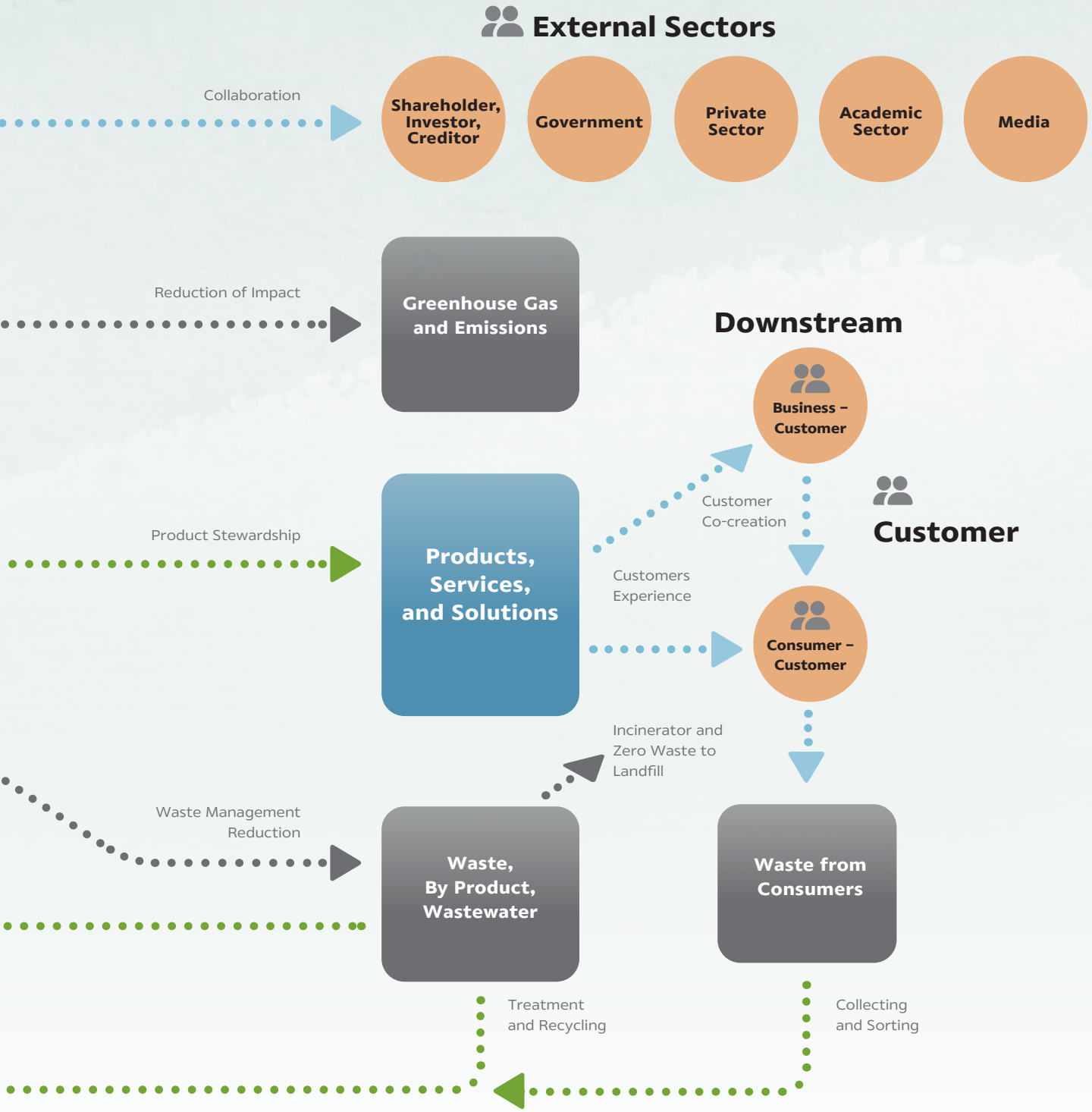



Stakeholders
Products and Services
Ecosystems
Resources
Waste
Supplier/Contractor
Manufacturer
Service Provider
Carrier
Distributor
Supplier Code of Conduct
Safety
Human Rights
Sustainable Suppliers
Green Procurement
Upstream
Research & Development
Increase Usage
Alternative Energy
Waste to Energy Management
Energy Management
Fossil Fuel
Water Management
Water
Raw Materials Management
Raw Materials
Resources Used
Reduction/Consumption Efficiency
SCGP
Innovation and Technology
SCGP Marketing Way
SCG Circular Way
Employee
Caring and Development
Human Rights
Occupational Health and Safety
Conservation and Restoration/Carbon Capture and Storage
Social and Community Care/ Local Labor
Biodiversity and Ecosystems
Community
Care and Utilization
CSR Giving Back to Community
Waste to Alternative Resources Management
Circular Economy

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

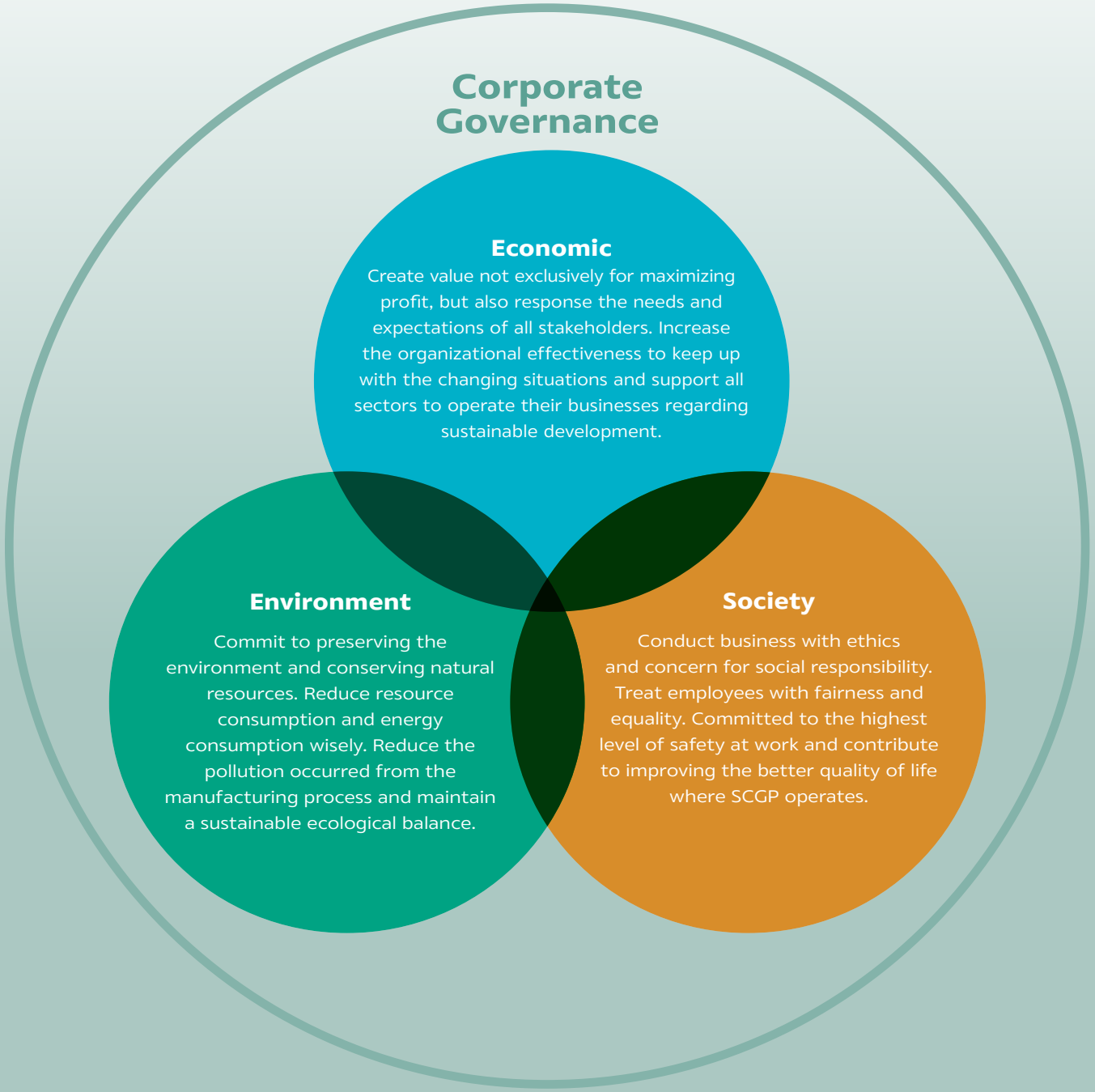
SCGP categorizes stakeholders into 12 groups: Shareholders, Employees, Customers, Business, Supplier & Contractor, Investors, Creditors, Community, Government Sectors, Media, Civil Society Academic Opinion Leaders, and Competitors. The combined interests of each group may affect or be affected by SCGP's 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	• Operating results and business growth • Corporate Governance Practice and transparency of management • Disclosure of information on business performances and an optimum value of the dividend	• Annual General Meeting of shareholders • Announcement of quarterly business performance • Annual Report and Annual Sustainability Report • Analyst conference • Investor Relations (IR) Communicate business results/action plans with Investors Relations around the world • Hotline - Telephone and E-mail managed by IR • Website • Annual plant visit and CSR activity **Channel** **E-mail:** scgpackaging@scg.com **Website:** www.scgpackaging.com	• Disclosure of essential and necessary information on SCGP - Operating performances. • Conduct business with transparency and accountability • Listen to opinions and suggestions for business operation development.	• Annual Report 2020 • Sustainable Development Report 2020	
Employee	• Reskill - Upskill and Potential Development in line with business changes • Business Directions and Guidelines for adaptation • Employee Caring	• Ensure regular communications through internal news • Hold quarterly meeting between employees and executives • Conduct annual employee satisfaction survey • Conduct formal and informal employee engagement surveys • 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. • Whistle Blower **Channel** **Website:** https://www.scgpackaging.com **Whistleblower:** https://whistleblowing.scg.com Employee Connect Application	• Recognize employees' problems and expectations • Understand employees' needs and facilitate them to work happily and efficiently • Disclosure of operational information in various activities for employees to acknowledge the business movement of SCGP; promoting a collaborative culture with other stakeholders	• Always Opportunity in Crisis Amid the COVID-19 Pandemic • Corporate Governance • Health and Safety • Employee Caring and Development • Human Rights	14-17 36-37 44-45 56-57 58-59
Customer	• Provide integrated - services and solutions that meet the needs of customers in a complete cycle • Provide online channels to customers during the COVID-19 epidemic to respond to customer behavior • Supply Quality products and services that meet customer needs and are environmentally friendly	• Provide channels for customers to give feedback about products and services, request solutions, and file complaints through various channels 24 hours a day • Conduct a Customer satisfaction survey every year • Conduct Brand reputation Survey • Listen to customer needs to develop products/services through Facebook, website, and customer visit **Channel** **E-mail:** scgpackaging@scg.com **Website:** www.scgpackaging.com	• Recognize and understand customer needs to deliver products and services that meet their specific needs • Co-develop products with business customers, including promoting cooperation among B2B customers to develop more sustainable products and services • Create channels for customers to give feedback on the products, request advice for solving their problems, and receive complaints	• Always Opportunity in Crisis Amid the COVID-19 Pandemic • Inspired Solutions Studio • Corporate Governance Practice • Product Stewardship • Circular Economy • Customers Experience	14-17 18-21 36-37 38-39 40-41 42-43
Supplier/ Contractor	• Provide knowledge, be a mentor to raise transportation capability with safety for growing along with SCGP • 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	• Visit suppliers/contractors' places for exchanging ideas and listening to their suggestions or recommendations for improvement • Cultivate consciousness, raise awareness and promote working behavior to build a culture of safety • Organize the seminars to share knowledge and new trends that may affect contractors' operations • Enhance the level of transportation contractors with assessment and development under the project Sustainability Program every year • Establish measures for contractors, including digital and online technology applications, to ensure safety during the outbreak of the COVID-19 **Channel** **E-mail:** scgpackaging@scg.com **Website:** www.scgpackaging.com	• Promote and take care of the safety and working environment of contractors in production and transportation • Create values for suppliers and contractors' operations • Enhance and Enrich supplier and contractor's operations with new knowledge for maximizing operational efficiency and developing collaborative projects for business growth and expansion	• Corporate Governance • Health and Safety • Supply Chain Stewardship • Human Rights	36-37 44-45 52-55 58-59

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



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 Assessment Steps

1

Collect and Identify Sustainability Issues.

- Collect information on sustainability issues from peers, thought leader organizations and corporate business strategies.
- Conduct stakeholders' engagement both internal and external, to formulate sustainability issues.

2

Materiality Assessment for Prioritization

- Organize workshops for prioritizing sustainability issues.

3

Review and Validate

- Organize workshops for Executives to review and validate the prioritized materiality issues.

4

Communicate Materiality Issues to All Stakeholders

- Communicate the results of prioritized materiality issues to executives and employees of all functions to realize the importance and approach to managing each materiality issue.



Materiality Prioritization in 2020

SCGP's 2020 prioritized Sustainability Issues are divided into 3 levels:

I. Key Risk and Capturing Future Value Issues

II. Issues that drive sustainable development (Enabler)

III. Issues that are fundamental to sustainable business operation (Business Fundamental)

- Economy
- Environment
- Social

Materiality and Stakeholders

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

Materiality Issues	GRI Aspect	Impact Boundary									SDGs	Page
		Internal Sectors		External Sectors								
		SCGP	Employee	Shareholder/ Investor/ Creditor	Supplier/ Contractor	Customer	Community	Government	Media	Civil Society/ Academic/ Opinion Leader		
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	•		•		•	•				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



Corporate Governance

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.

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.*



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.

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.)



Product Stewardship

Target

- 66.7% (2/3) 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.*



Environmental issues and climate change have made consumers more aware of the sustainability concept and environmentally friendly packaging application. SCGP focuses on developing quality products, services, and solutions that are safe, easy to use, durable, reusable, easily recyclable, and environment friendly according to the circular economy principles. So, we achieve to reduce the use of resources and energy, including emissions and waste to the environment.



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







Fest also offers “Fest Solution” services in providing consultations on packaging designs and productions for food and beverage business customers who place the importance on the quality of foods delivered 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.



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™ (License code FSC™ - 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™ (FSC)™ standard, which provides the certification of wood and timber products. In 2020, there are 70 FSC™ membership farmers, 14,700 rai of member eucalyptus plantation area, and 12,694 rai of the Company's plantation area, so the total FSC™ certification areas are 27,394 rai. The Company has a plan to expand the planting areas to meet the FSC™ standard every year.

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

Circular Economy

Target

- 50% sales revenue of recyclable polymer packaging from total sales revenue of polymer packaging by 2020
- 100% sales revenue of recyclable polymer packaging from total sales revenue of polymer packaging by 2025



2020 Performance

- 56% sales revenue of recyclable polymer packaging from total sales revenue of polymer packaging

Strategy

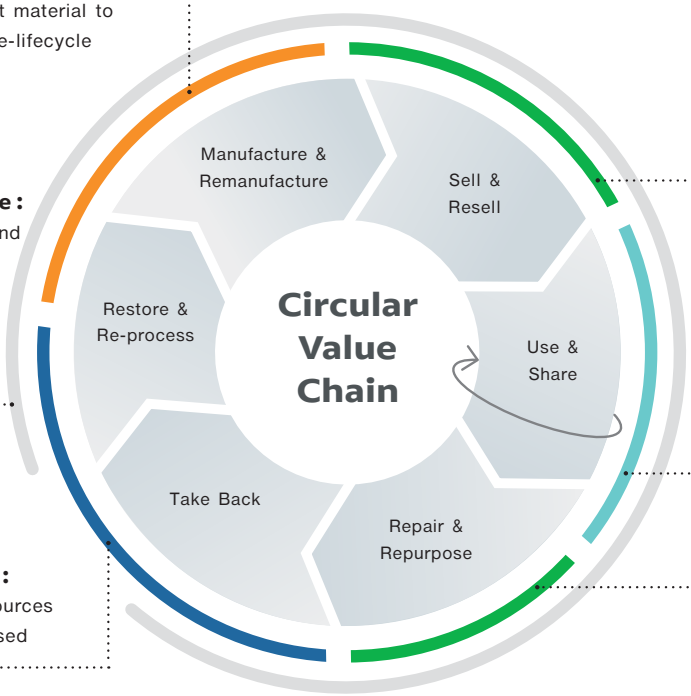
1. *Incorporate the Circular Economy principles in developing products and services to generate and retain their maximum material core values.*
2. *Promote the use of bio-based or renewable materials with recyclability.*
3. *Research and develop innovations to extend the life of products and components.*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

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.

Products as a Service :
Offer product access and retain ownership to internalize benefits of circular resource productivity.

Resource Recovery :
Recover materials, resources and energy from disposed products.



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

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

- 100% of total customer satisfaction

2020 Performance

- 80% of total customer satisfaction (Survey results in 2019, conducted every 2 years)



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 ever-changing 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.



Services from Sales Representatives

Increase sales representative competency in terms of product properties knowledge, problem-solving skills, and technical expertise to provide them with in-depth knowledge to recommend solutions that meet each customer's needs.

Product Quality

Improve product quality to be consistent, such as paper surface smoothness, paper color, and paper strength.

Study the needs of customers and the market for improving the quality of products and services by focusing on innovations that help reduce production costs and resource consumption to increase the business's capabilities.

Logistics System

Establish a tracking system for transportation status via KOS, the system for domestic customers, and the Export Order Tracking website for foreign customers.

Study on Auto Truck Loading for CIP - Consumer Industrial Packaging customers.

Ordering System

Increase the ordering convenience by developing functional systems such as e-Ordering, and Kraft Ordering System : KOS.

Customer Credit Service

Submit invoice /tax invoice/ credit note/ debit note In electronic format (e-Tax Invoice).

Prepare e-Signature to automatically issue documents for Product receipts, Product quality analysis reports, including invoice/ tax invoices to customers in the country.

Technical Service

Develop CCR (Claim Complain Report) system for a better prompt response to customers.

Establish a Self Service Claim system for CIP Consumer Industrial Packaging customers.

Work Improvement Issues from the Survey Results Findings



Health and Safety



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.

Target

- **Every Year**
  0 Fatality of Employees and Contractors
- **2022**
  0 Loss Time Injury Frequency Rate of Employees and Contractors

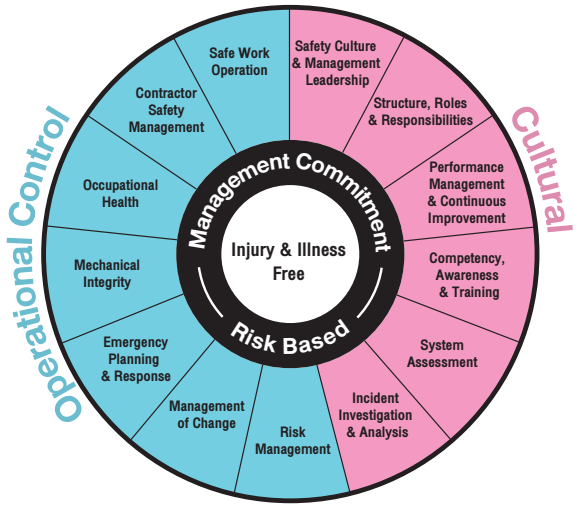
Strategy

1. *Raise safety awareness and promote behavior changed towards a safety culture.*
2. *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

0 case

- Fatality of Employees in the workplace
- Fatality of Contractors in the workplace
- Fatality of Direct Transportation Contractors
- Fatality of Other Transportation Contractors



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 ofsustainable safety.

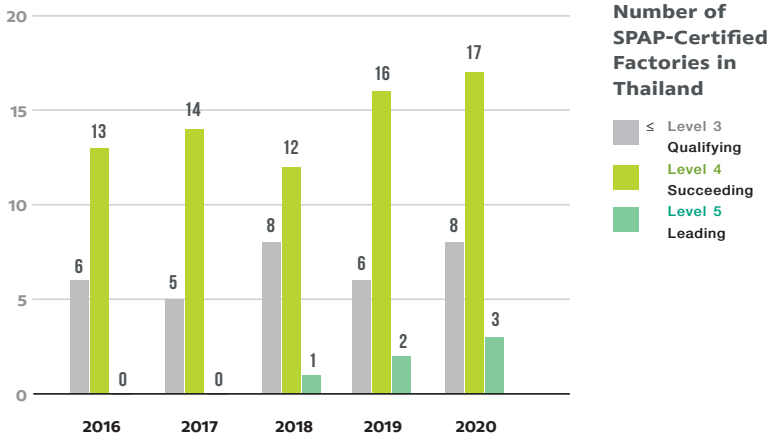
- **SCG Safety Framework and SPAP**
  SCGP has consistently employed the SCG Occupational Health and Safety Management System (SCG Safety Framework) for its safety management, together with audit tools Safety Performance Assessment Program (SPAP). Also, focusing on being a safety leader and building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



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.





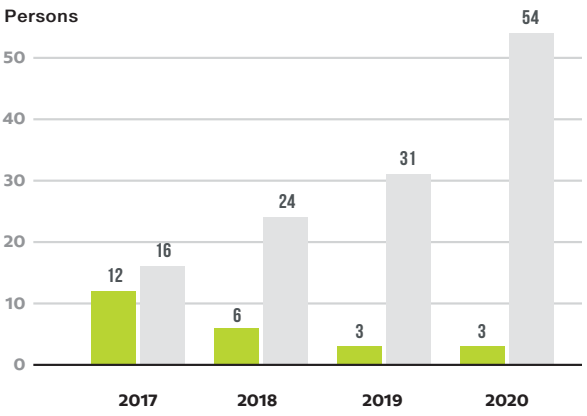
  Safety leaders have to regularly communicate policies, directions, and concerns for all employees regarding occupational health and safety through Safety Communication activities. These efforts are aimed to create a safety culture awareness and mindset, through continuously enforcements of **"Thumbs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

1. 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 Reduction 2020
  10%
  2025
  20%
  2030
  28%
  compared with BAU at the base year of 2007
- Energy Consumption Reduction
  2025
  13%
  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
  5.3%
  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.*
4. *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.





- 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.





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.

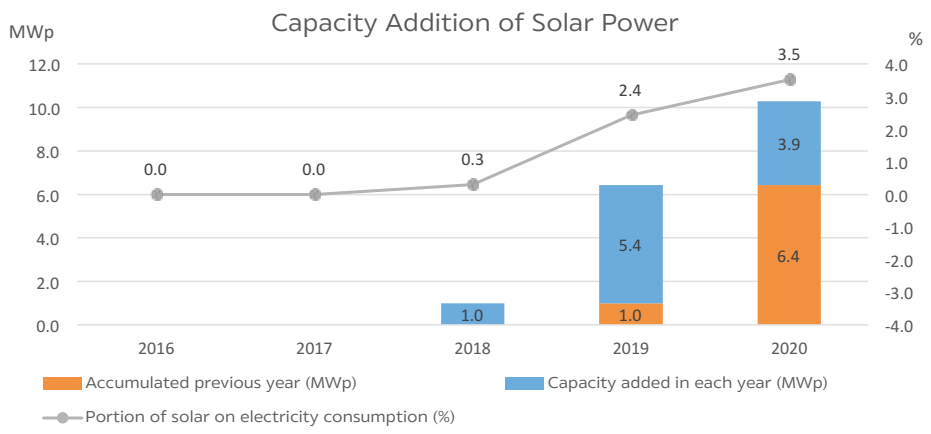
Natural Climate Solutions (NCS)



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.



Water Stewardship

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 35% 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.

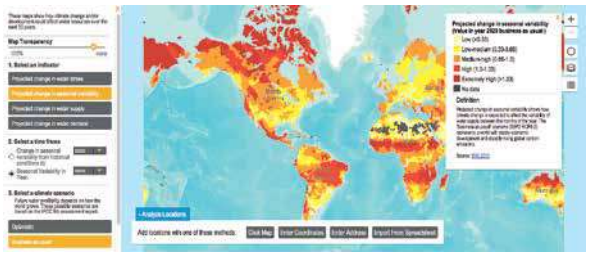
Besides, SCGP has Business Continuity Management (BCM) function responsible for monitoring the water situations in all factories' operating areas. By defining measures to prevent water shortage with factories daily, using a digital system, they can report the drought, affecting the accumulated rainfall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

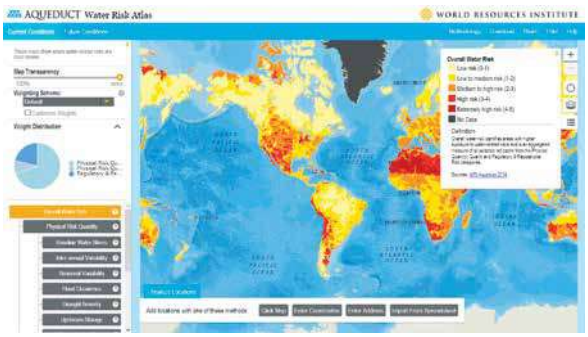
In 2020, though the overall country had seriously been concerned about water shortages in some areas, the area where SCGP operates had no problem of lacking water or water resource conflict with other stakeholders. SCGP relentlessly continues the water usage reduction measure in the factory by preparing 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 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 Royal 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
  1%

- The amount of water withdrawal usage to sales revenue
  0.59
  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
  3,535
  rai of land.

- Supported the community's afforestation activities and constructed
  687 check dams.

Forestry and Biodiversity



Target

- Having biodiversity conservation area certified by FSC™ (License code FSC™-C135609) standard of at least 10% of agroforestry area.

2020 Performance

- Having biodiversity conservation area certified by FSC™ standard of 6,029 rai, equivalent to 22% 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.*
4. *Manage the use of community forest areas with participation under the principles of the Community Forest Areas.*

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.



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.

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



2015

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

2016

The 13,975 rai of afforestation areas in Kanchanaburi, Ratchaburi, Petchaburi, and Kamphaeng Phet were awarded the FSC™ - 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).



2017-2018

Expanded the FSC™ - 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).



2018

Announcement of Biodiversity Conservation Policy



Management under the FSC™ (License Code FSC™-C135609) System

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

1. Illegally harvested wood
2. Wood harvested in violation of traditional or civil rights
3. Wood harvested from forests in which management activities threaten high conservation values
4. Wood harvested from areas converted from forests and other wooded ecosystems to plantations or non-forest uses
5. 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™ management system, and we could obtain approximately 2 million tons/ year.

Biodiversity study

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™ 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
• Mammals, Reptiles Amphibians	48 species	47 species
• Birds	33 species	56 species





2019-2020

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

2020-2025

Set targets to expand the FSC™ - 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.

2020

Declared our intention to join the Forest Stewardship Council™ (FSC™) network.

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

- 90% of procurement value from suppliers who committed to complying with the SCGP Supplier Code of Conduct
- 100% of suppliers in Procurement pass the Environmental, Social, and Governance (ESG) Risk Assessment
- 100% of contractors in the production process certified under SCG Contractor Certification System or SCS

2020 Performance

- 90% 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

1. *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

1. Conduct risk assessment and certify all suppliers annually and continually, applying enterprise risk management framework covering environmental, Social, and Governance issues and spend analysis.
2. Segment supplier into 4 groups: general tier 1 supplier; critical supplier; high potential sustainability (ESG) risk supplier and critical non-tier 1 supplier.
3. Formulate supplier development and capability enhancement plan for consistency and efficiency.
4. Establish a 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.



* Improvement Plan & Corrective Action and Follow up

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.

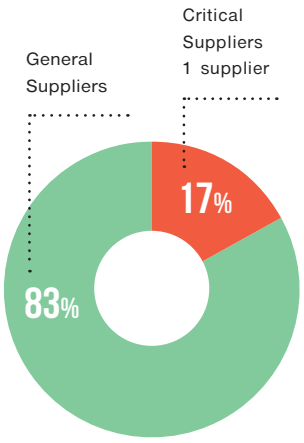
Critical Suppliers:

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.

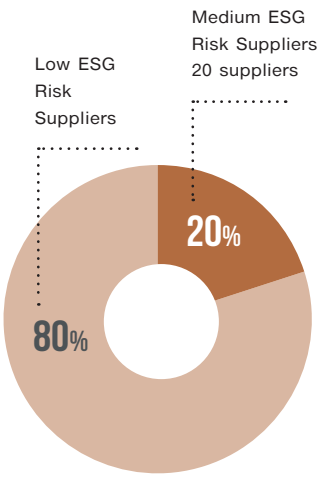
Critical Non-tier 1 Suppliers:

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.

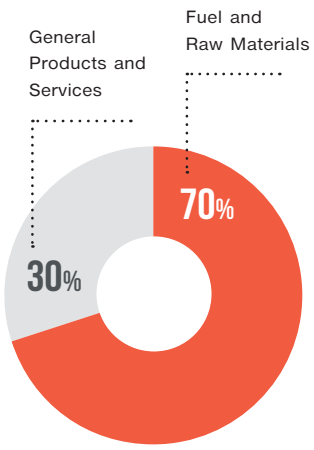
The Ratio of Procurement Spend on Products and Services by Group of Suppliers in 2020



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
Economic	● 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).
	● Assess risks and classify suppliers into groups in order to frame strategies and supplier development plan corresponding with the risks.	● 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	
		● 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 towards sustainability.	● 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	
		● 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	
Social	● Develop and enhance supplier's capability towards sustainability.	● Raise awareness and behavioral change to create safety culture. ● Use safety management system to uplift contractors safety standard ● Having contractors informed and signed for Life Saving Rules in every access for work.	● Operation contractors certified under Contractor Safety Certification System (SCS)	69%	58%	95%	100%Operation contractors certified under Contractor Safety Certification System
			● Major transportation contractors certified under Fleet Carriers Standards.	N/A	87%	100%	100% major transportation contractors certified under Fleet Carriers Standards.
			● 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

1. *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.

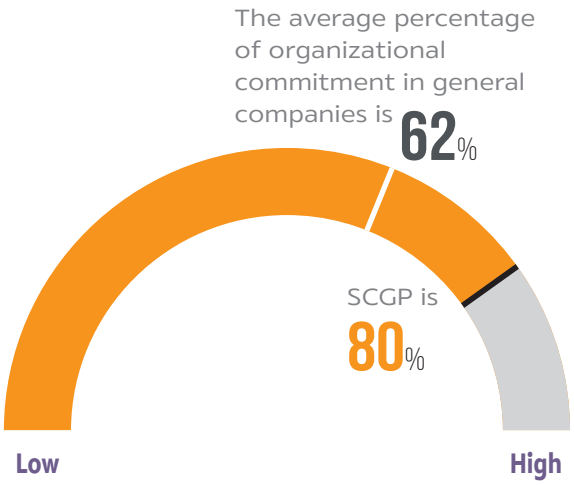
The recent survey results in 2020 show that 80% of all respondent employees are of organizational commitment. The overall score was 6% higher than the previous one in 2018.



>> 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 **98%**

>> Number of employees with organization commitment is 6,813 people.







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

1. *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.

SCGP's Risk Management Process on Human Rights

Identifying Human Rights – Risk Issues

Identifying Vulnerable Groups

Formulating Preventive and Mitigation Plans and Remediation Actions

Monitoring Results.

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

- 90%
  Community Satisfaction Index

2020 Performance

- 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.*



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.

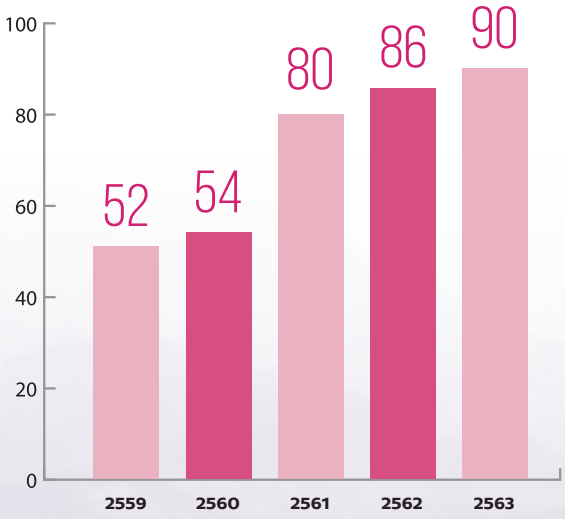


Community Satisfaction Survey

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 business-as-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 68th 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 9th 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 68th birthday of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua on 28 July 2020.

Environmental Management

Target

- **Every Year**

  0 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

Strategy

1. *Reduce waste generation at the source.*
2. *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.*

2020 Performance

- 0.77 tons of waste from the production process to landfill
- 99.6% reduction of waste per ton production incinerated without energy recovery, compared with the base year of 2014



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.







- **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 Fly 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_2

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.

DETECT ODOR MONITORING







- **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 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.

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.

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™ - Forest Stewardship Council™) (License code FSC™ - 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

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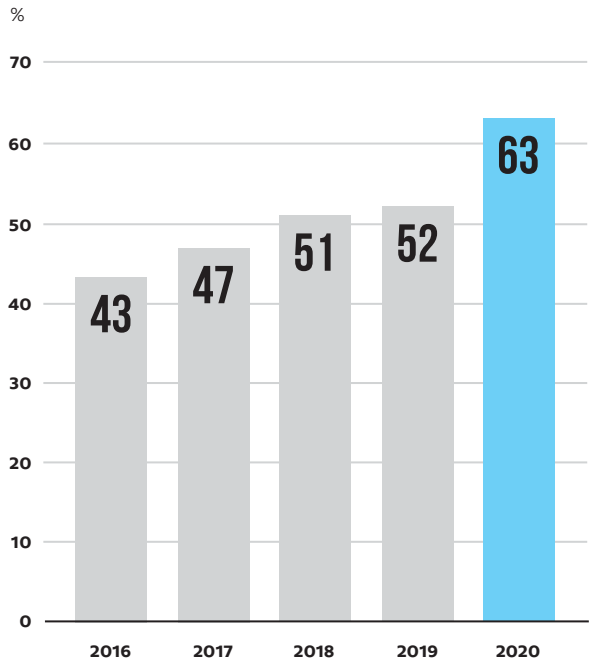
Sustainability Performance Data

Economic Performance

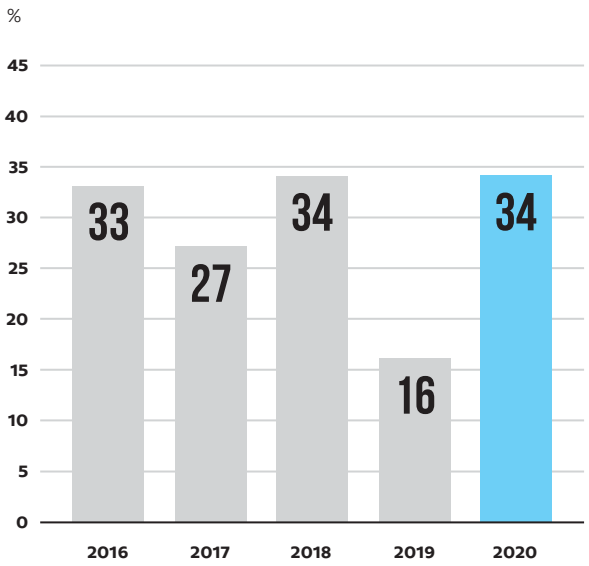
Performance Data	2016	2017	2018	2019	2020	GRI Standards
Revenue from sales (Billion Baht)	75	81	87	89	93	GRI 201-1
Profit for the year (Billion Baht)	3	4	6	5	6	GRI 201-1
EBITDA (Billion Baht)	11	12	15	15	17	GRI 201-1
Employee compensation comprising salary, wage, welfare and regular contributions (Million 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) EC3	NA	NA	100	100	100	
Procurement Spending by Geography (% of procurement spending) EC4						
• Domestic	54	51	57	53	55	
• Regional	46	49	43	47	45	
Revenue from Sales of High Value Added Products and Services (Billion Baht)	32	38	44	46	58	
(%)	43	47	51	52	63	
Revenue from Sales of SCG Green Choice Products and Services (Billion Baht) EC5	25	22	30	14	31	
(%)	33	27	34	16	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.

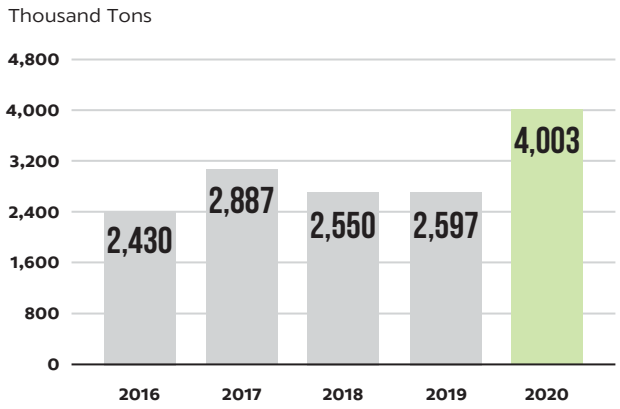
EC5 The SCG eco value label was renamed SCG Green Choice in 2020.

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

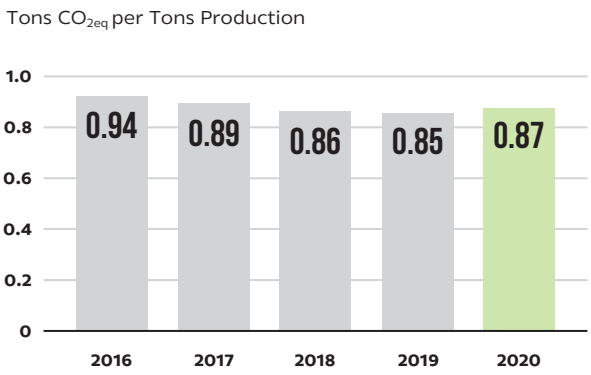
Recycle Materials



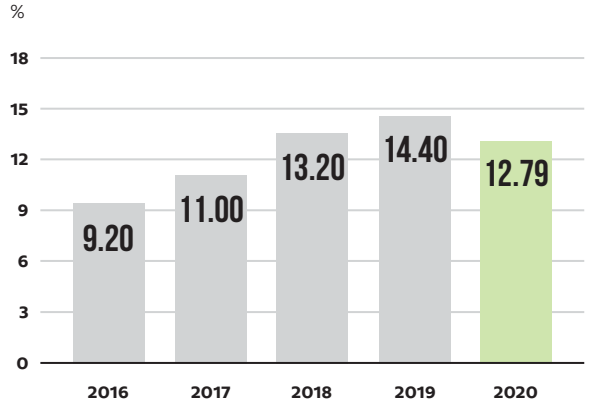
Greenhouse Gas Emissions

Performance Data	2016	2017	2018	2019	2020	GRI Standards
GHG Scope 1 (Million Tons $CO_{2\ equivalent}$) EN1	2.88	2.81	2.58	2.53	2.66	GRI 305-1
GHG Scope 2 (Million Tons $CO_{2\ equivalent}$) EN1	0.15	0.21	0.38	0.38	0.26	GRI 305-2
GHG Scope 1 and 2 (Million Tons $CO_{2\ equivalent}$) 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 $CO_{2\ equivalent}$)	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 $CO_{2\ equivalent}$ 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 $CO_{2\ equivalent}$)	3.34	3.39	3.41	3.40	3.35	
GHG Emission Target (Ton $CO_{2\ equivalent}$ 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

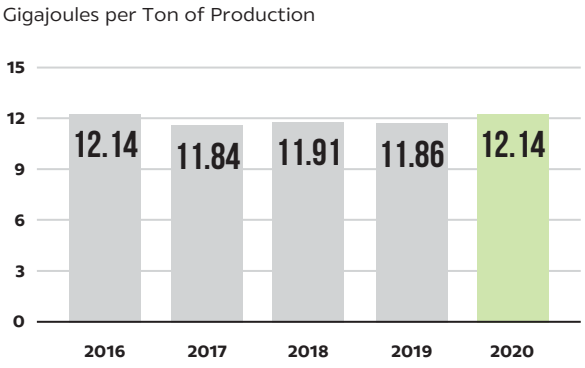


Energy Consumption

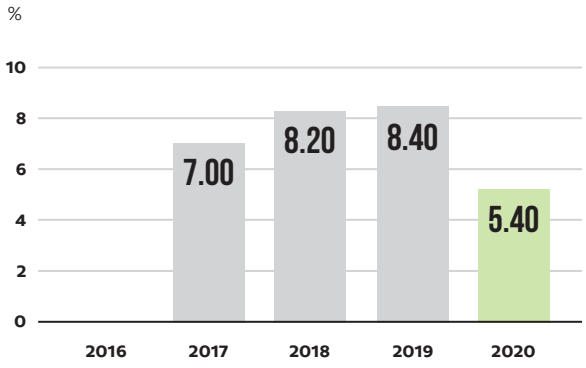
Performance Data	2016	2017	2018	2019	2020	GRI Standards
Total Energy Consumption (Petajoules) EN2	39.38	40.39	40.97	40.83	40.79	GRI 302-1
Heating and Steam Consumption (Petajoules) EN2	38.43	39.13	39.58	39.45	39.87	GRI 302-1
Alternative Fuel (Petajoules) EN2						
• Renewable Biomass	1.05	0.95	0.96	1.39	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	

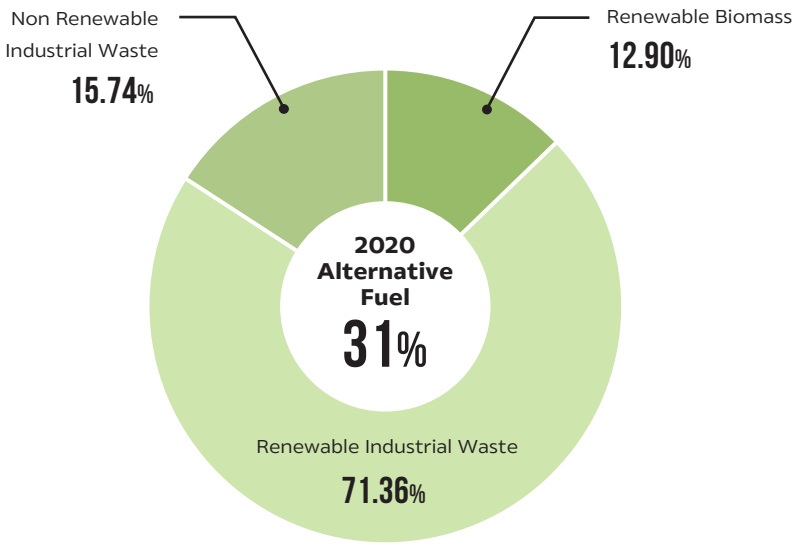
NA = Not Available

Energy Consumption



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





Portion of Alternative Fuel (%)

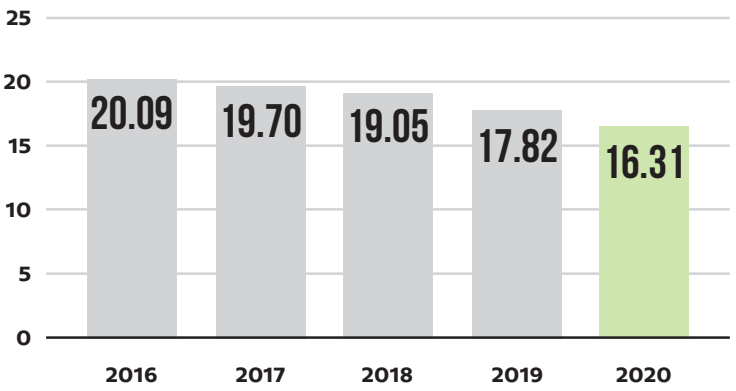
Water Withdrawal and Effluent Quality

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 ≤ 1,000 mg/L) (Million Cubic Meters) EN3						
• 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	NA	0.00	0.00	0.00	6.64	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 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
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	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 (Million Cubic Meters)	-0.21	-0.53	2.96	7.12	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 ≤ 1,000 mg/L) (Million Cubic Meters) EN3	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 ≤ 1000 mg/L) in water stress area (Million Cubic Meters) 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

NA = Not Available

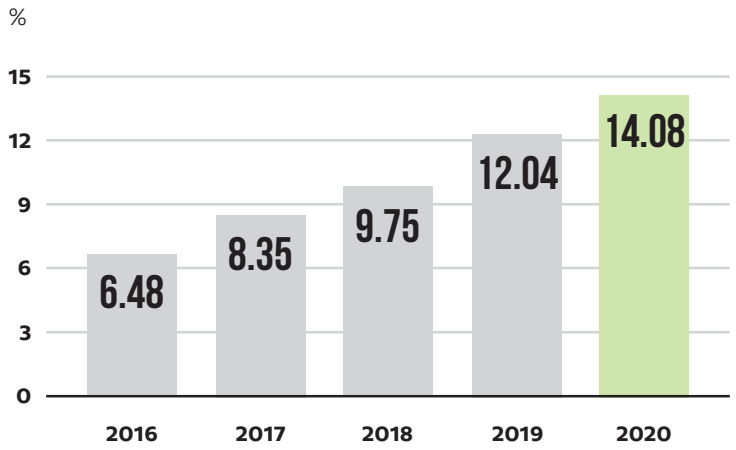
Water Withdrawal

Cubic Meters per Tons Production



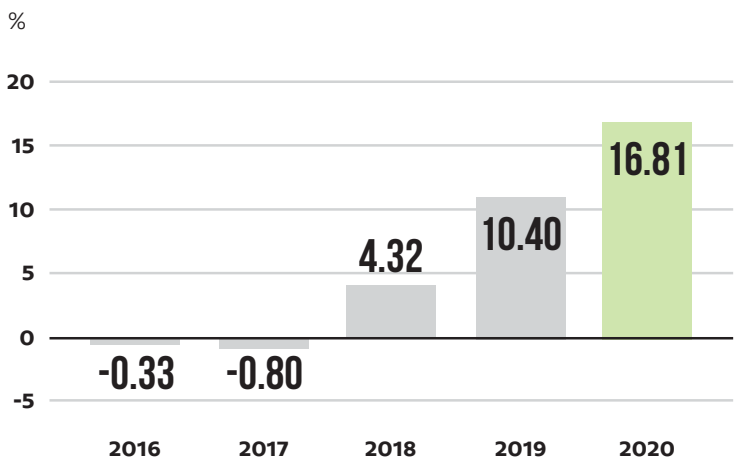
Portion of Recycled Water

%



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

%

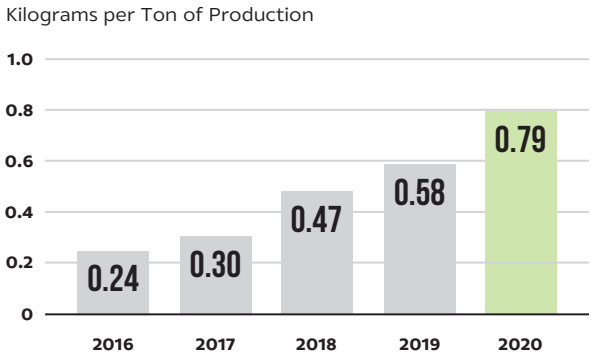


Waste Management/Air Emission/Environmental Expenditures and Benefits/Violations of Legal Obligations and Regulations

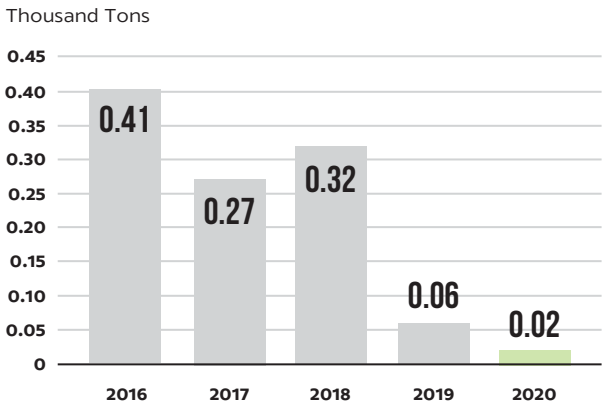
Performance Data	2016	2017	2018	2019	2020	GRI Standards
Hazardous Waste Generation (Thousand Tons)	0.77	1.03	1.61	2.00	2.66	
Hazardous Waste Generation per ton of production (Kilogram per Ton)	0.24	0.30	0.47	0.58	0.79	
Hazardous Waste Management EN4						
• Reuse / Recycled (Thousand Tons)	0.40	0.74	1.24	1.77	2.66	GRI 306-2
• Incinerated without energy recovery (Thousand Tons)	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) 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
• Incinerated without energy recovery (Thousand Tons)	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

NA = Not Available

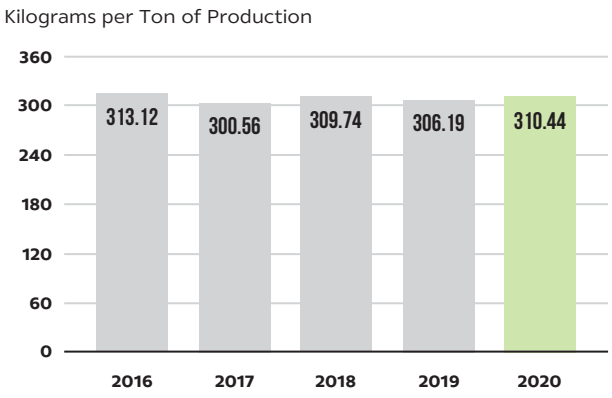
Hazardous Waste Generation



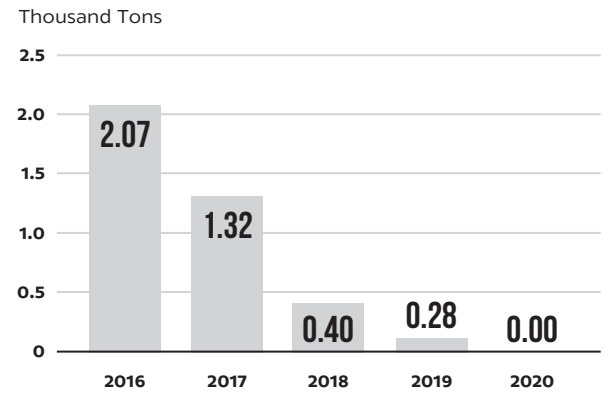
Hazardous Waste Management Incinerated without Energy Recovery



Non Hazardous Waste Generation



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 as 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 steam 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 emissions 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_2, CH_4, N_2O, HFCs, PFCs and SF_6, 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 of 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). • Electrical energy consumption = energy used in form of electrical currents that purchased from outsources electrical generators for companies / plants' activities and does not account self-generated electricity from fuel combustion since it can be considered as double-count for thermal energy.
	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, geothermal energy. To be used as a replacement for energy from fossil fuels.
	• Renewable biomass = fuel from wood chip, pin chip, bark and bagasse.

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_X, SO_X, 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

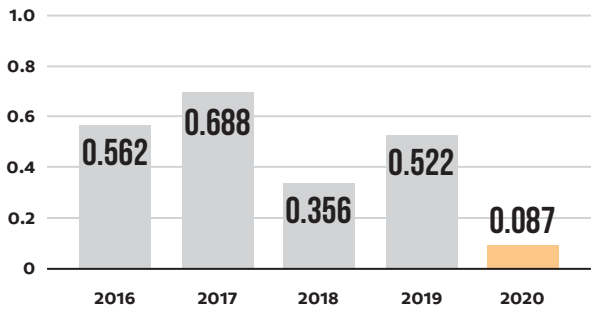
Performance Data	2016	2017	2018	2019	2020	GRI Standards
Lost Time Injury Frequency Rate : LTIFR (Cases per 1,000,000 hours worked) [S1]						
• Employee	0.562	0.688	0.356	0.522	0.087	
• Contractor	0.875	0.324	0.706	0.678	0.296	
Injury Severity Rate: ISR (Cases per 1,000,000 hours worked) [S1]						
• 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) [S1]						
• Employee (male : female)	0 : 0	0 : 0	0 : 0	0 : 0	0 : 0	GRI 403-9
• Contractor (male : female)	2 : 0	0 : 0	1 : 0	0 : 0	0 : 0	GRI 403-9
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 hours 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 hours worked) [S1]						
• 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) [S1]						
• 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.) [S1]						
• 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)						
• Employee	0	0	0	0	0	GRI 403-10
• Contractor	0	0	0	0	0	GRI 403-10
Number of Recordable Occupational Illness & Disease (Cases)						
• Employee	0	0	0	0	0	GRI 403-10
• Contractor	0	0	0	0	0	GRI 403-10
Occupational Illness & Disease Frequency Rate (Cases per 1,000,000 hours worked) [S1]						
• 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 (%) [S4]	0.51	0.63	0.63	0.87	0.76	GRI 202-2
Number of employees with disability (Persons) [S5]	NA	NA	15	17	16	
Average salary of Executive Level (base salary only) (Baht)						
• Female	0	0	0	0	0	GRI 405-2
• Male	5,645,000	5,983,000	6,342,000	6,723,000	6,844,000	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 (%) [S6]	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 (%) [S8]	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

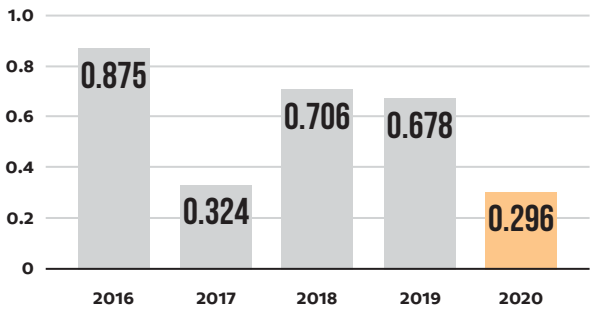
Lost Time Injury Frequency Rate : LTIFR (Employee)

Cases per 1,000,000 hours worked

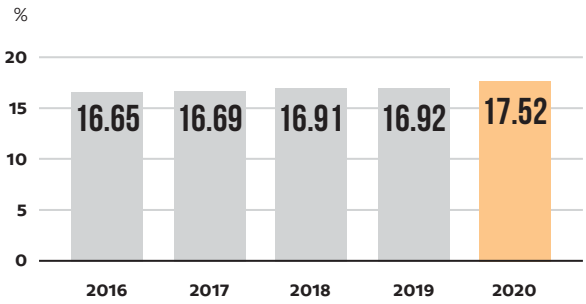


Lost Time Injury Frequency Rate : LTIFR (Contractor)

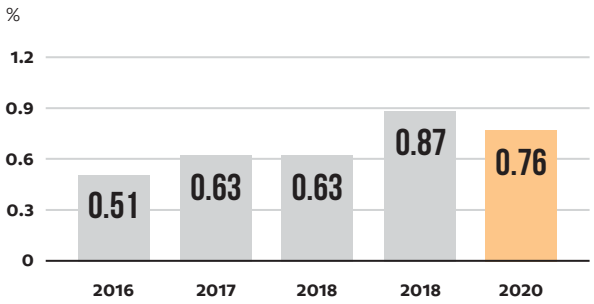
Cases per 1,000,000 hours worked



Female Share of Total Workforce



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. 2. Contractor is a person who has been consented to work or provide service or benefit to the Company apart from the Company's employee as per the definition specified above, which could be divided into 3 groups as follows: 1) Workplace Contractor is a contractor that works for the organization, and whose work and/or workplace is controlled by the organization. (Exclude Transportation contractor.) 2) Direct Transportation Contractor is a transportation Contractor with operation under SCGP's brand. 3) Other Transportation Contractor without operation under SCGP's brand. 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). 6. Occupational Illness & Disease Frequency Rate refer to the total number of recordable Occupational Illness & Disease (person) - per 1,000,000 man-hours. 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

	Business/Company	Principal Business/ Products	Total Direct/ Indirect Holding (Percent)	Production	Environment												Civil Society		Management System for Sustainability			
					Energy		Air				Water					Waste	Health & Safety					
					Thermal	Electricity	Dust	SO_x	NO_x	GHG	Water Withdrawal	Recycled Water	BOD	COD	TSS		Safety	Occupational Illness	ISO 9001	ISO 14001	ISO 45001, TIS/ OHSAS 18001	FSC™
1	SCG Packaging Public Company Limited																✓	✓				
	Subsidiaries																					
2	Thai Containers Group Co., Ltd. (Navanakorn)	Fiber-Based Packaging	70	✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	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	✓	✓	✓	✓	✓	✓	✓
	Thai Containers Group Co., Ltd. (Songkhla)	Fiber-Based Packaging		✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Thai Containers Group Co., Ltd. (Chonburi)	Fiber-Based Packaging		✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	✓	✓	✓
	Thai Containers Group Co., Ltd. (Prachinburi)	Fiber-Based Packaging		✓	✓	✓	✓	✓	✓	✓	✓	NR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Thai Containers Group Co., Ltd. (Saraburi)	Fiber-Based Packaging		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Orient Containers Co., Ltd. (Samutsakhon)	Fiber-Based Packaging	70	✓	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	✓	✓	✓	✓	✓	✓	✓
	Orient Containers Co., Ltd. (Omnoi)			✓	✓	✓	✓	✓	✓	✓	✓	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	✓	✓	NR	✓	✓	✓	✓	✓	✓	✓	✓	×	✓
9	Siam Kraft Industry Co., Ltd. (Kanchanaburi)	Packaging Paper	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Siam Kraft Industry Co., Ltd. (Ratchaburi)	Packaging Paper		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Siam Kraft Industry Co., Ltd. (Bang Sue)	Office															✓	✓				
10	Thai Cane Paper Public Company Limited (Kanchanaburi)	Packaging Paper	98	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Thai Cane Paper Public Company Limited (Prachin Buri)			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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																			
14	Conimex Co., Ltd.	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																			
18	Prepack Thailand Co., Ltd. (Samutsakhon)	Flexible Packaging	38	✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	✓	✓	NR
	Prepack Thailand Co., Ltd. (Samutsongkhram)			✓	✓	✓	✓	✓	✓	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	✓	✓	NR
	Prepack Thailand Co., Ltd. (Rayong)			✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	✓	✓	NR
19	Phoenix Pulp & Paper Public Company Limited	Food Service Products/ Pulp and Paper Products	70	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
20	Thai Paper Co., Ltd. (Paper Production)	Food Service Products/ Pulp and Paper Products	70	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	✓	✓	✓
	Thai Paper Co., Ltd. (Pulp Production-Banpong)			✓	✓	✓	✓	✓	✓	✓	✓	✓	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	✓	✓	✓	✓	✓	NR
22	The Siam Forestry Co., Ltd.	Forestry Products	70	✓	✓	✓	NR	NR	NR	✓	NR	NR	NR	NR	NR	NR	✓	✓	✓	×	✓	✓
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	✓	✓	✓	NR	NR	NR	✓	✓	NR	NR	NR	NR	✓	✓	✓	✓	✓	×	✓
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™ 100% (Consider by company) (License code FSC™ -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: General Disclosure			
1. Organizational 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 and Integrity			
102-16	Values, principles, standards, and norms of behavior	SR4	
102-17	Mechanisms for advice and concerns about ethics	SR36-37	
4. Governance			
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
5. Stakeholder 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. Reporting 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: 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	
Environment			
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 (2018)			
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
Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR50-51	
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_X), sulfur oxides (SO_X), and other significant air emissions	SR70-71	Yes
Effluents and 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			
Occupational 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 and 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 Rights Assessment			
412-2	Employee training on human rights policies or procedures	SR58-59	
Local Communities			
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 with the International Standard on Assurance 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 Ethics for Professional Accountants (including 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_x), sulfur oxides (SO_x), 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.

KPMG

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.

KPMG PHOOMCHAI AUDIT 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

Dyna Packs Co., Ltd.

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.

Siam Kraft Industry Co., Ltd. (Ban Pong)

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.

Siam Kraft Industry Co., Ltd. (Banpong) (Wangsala) and Thai Cane Paper Public Company Limited (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

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