

Operating Structure

SCGP Vision, Purpose, Mission and Strategy



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

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

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

SCGP's Business Strategy

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

Major Changes and Development

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



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

July

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

December

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

December

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



September

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

2023

December

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



October

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

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

August

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



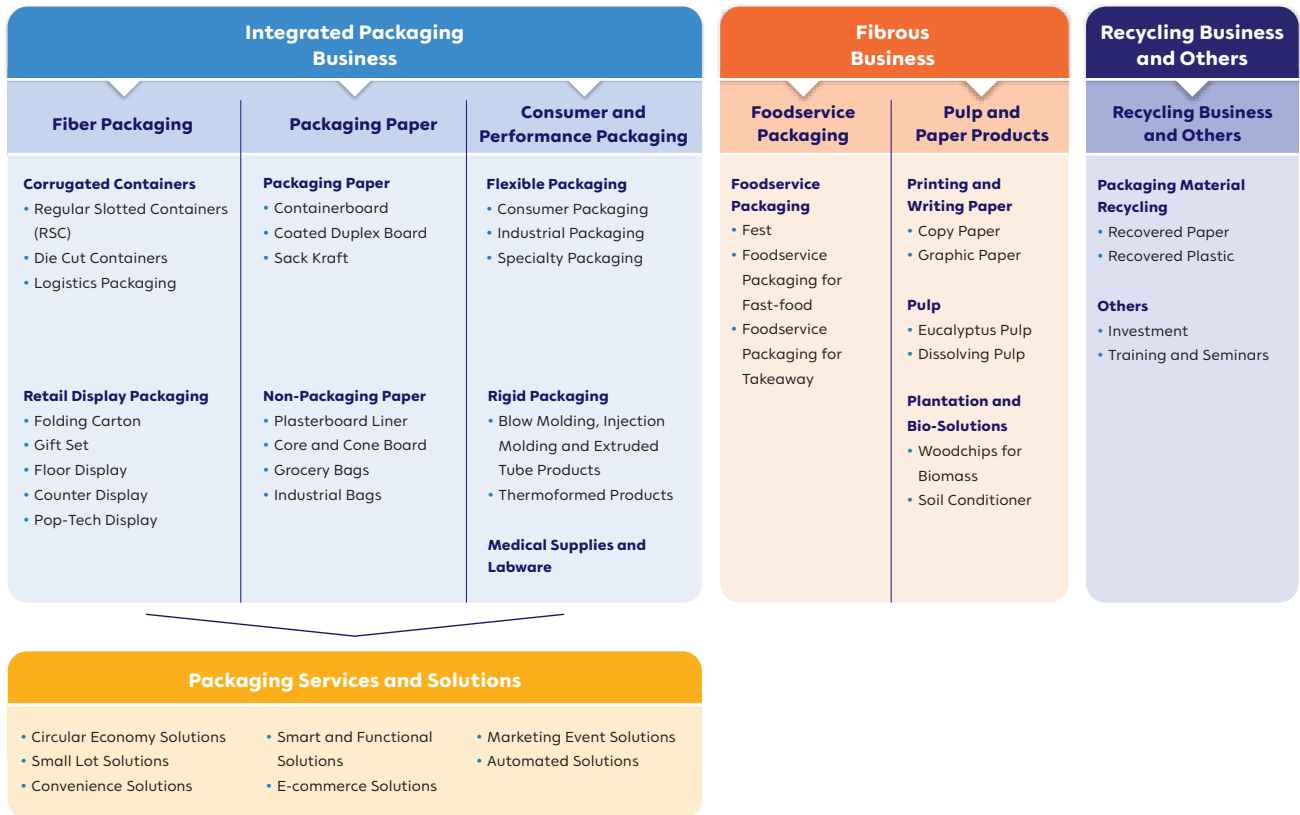
Utilization of Proceeds

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

Description	Amount	Proceeds used until December 31, 2022
1. For the finance of business expansion projects for organic growth or inorganic growth such as acquisitions and/or for maintenance investment.	Baht 27,000 million	Baht 27,000 million
2. For the repayment of loans from financial institutions (which may include the financial institutions having a relationship with the financial advisor and/or the lead underwriter and/or the underwriters).	Baht 13,000 million	Baht 13,000 million
3. For the Company's working capital.	Baht 92 million	Baht 92 million

Nature of Business

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



Integrated Packaging Business :

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

Fibrous Business :

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

Recycling Business and Others :

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

Revenue Structure

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

Unit : Baht million

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

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

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

⁽³⁾ Net of intersegment elimination

Product Information

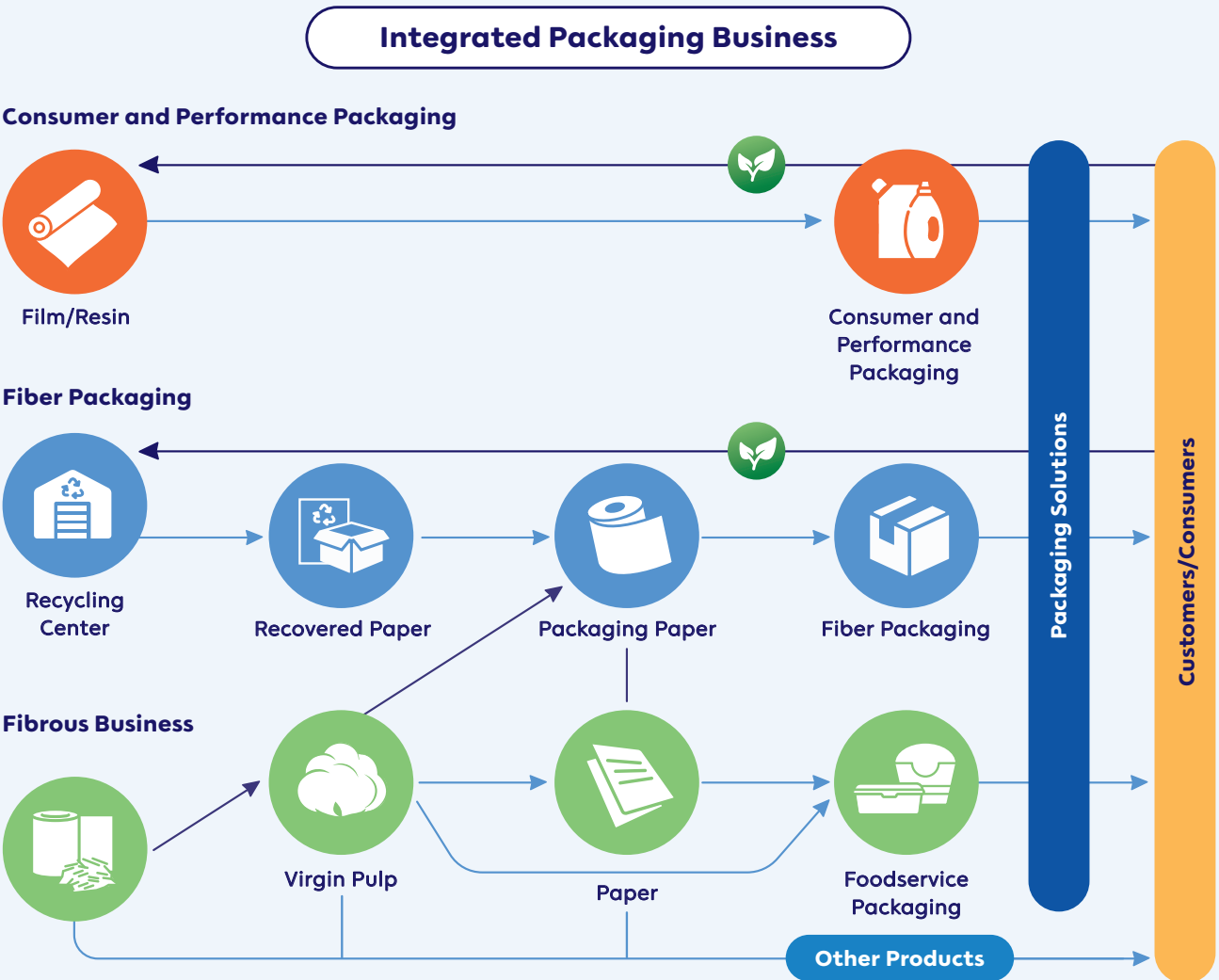
Product Characteristics

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

SCGP focuses on all operations across the packaging value chain. The Company manages raw materials, develops efficient production processes, manages product delivery time and serves customers’ various packaging needs for primary (for product packaging), secondary (display and branding), and

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

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



SCGP's products

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

Integrated Packaging Business

Fiber Packaging

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

Corrugated Containers

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

Display Packaging

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

Packaging Paper

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



Consumer and Performance Packaging (CPP)

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



Flexible Packaging

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

Rigid Packaging

Rigid packaging allows products to be clearly displayed on the shelf and makes products easy to handle and carry. Its rigid structure makes this type of packaging easy to collect and recycle. Most rigid packaging is extruded or molded (by extrusion blow molding or injection) and uses high-density polyethylene (HDPE) or polypropylene (PP) as raw materials. The Company collaborates closely with customers to design packaging that has suitable shapes and forms for use, such as bottles with resealable caps, squeeze tubes, and packaging with unique diffusers, e.g., spray nozzles, airless mist sprays, pumps, and roll-on balls. The packaging can be used for containing body care products such as body lotions, shampoos, and cosmetics; household cleaning products, detergents; and food and beverage products such as drinking water, syrups, jams, sauce, and ice cream, as well as supplementary food products, vitamins, and automotive products such as lubricants and gear oils.



Medical Supplies and Labware

Medical supplies and labware for collecting or containing laboratory specimens and other supplies used in laboratory processes such as sample storage for body fluid, liquid containers and tubes for vacuum systems, traceable blood collection tube sets for hematology, microtubes and flexible plates for real-time PCR, various types of pipettes for liquid handling, swab test sets, as well as hygiene and safety industrial packaging.





Packaging Solutions

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



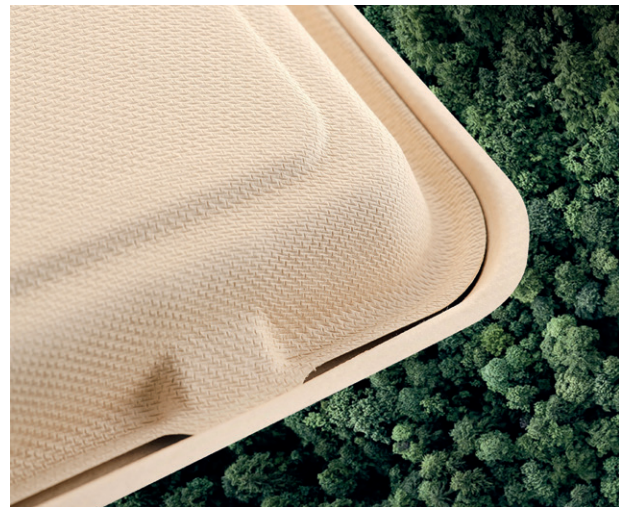
Fibrous Business

Foodservice Packaging

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

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

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



Pulp and Paper Products

Paper

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



Pulp

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

Plantation and Bio Solutions

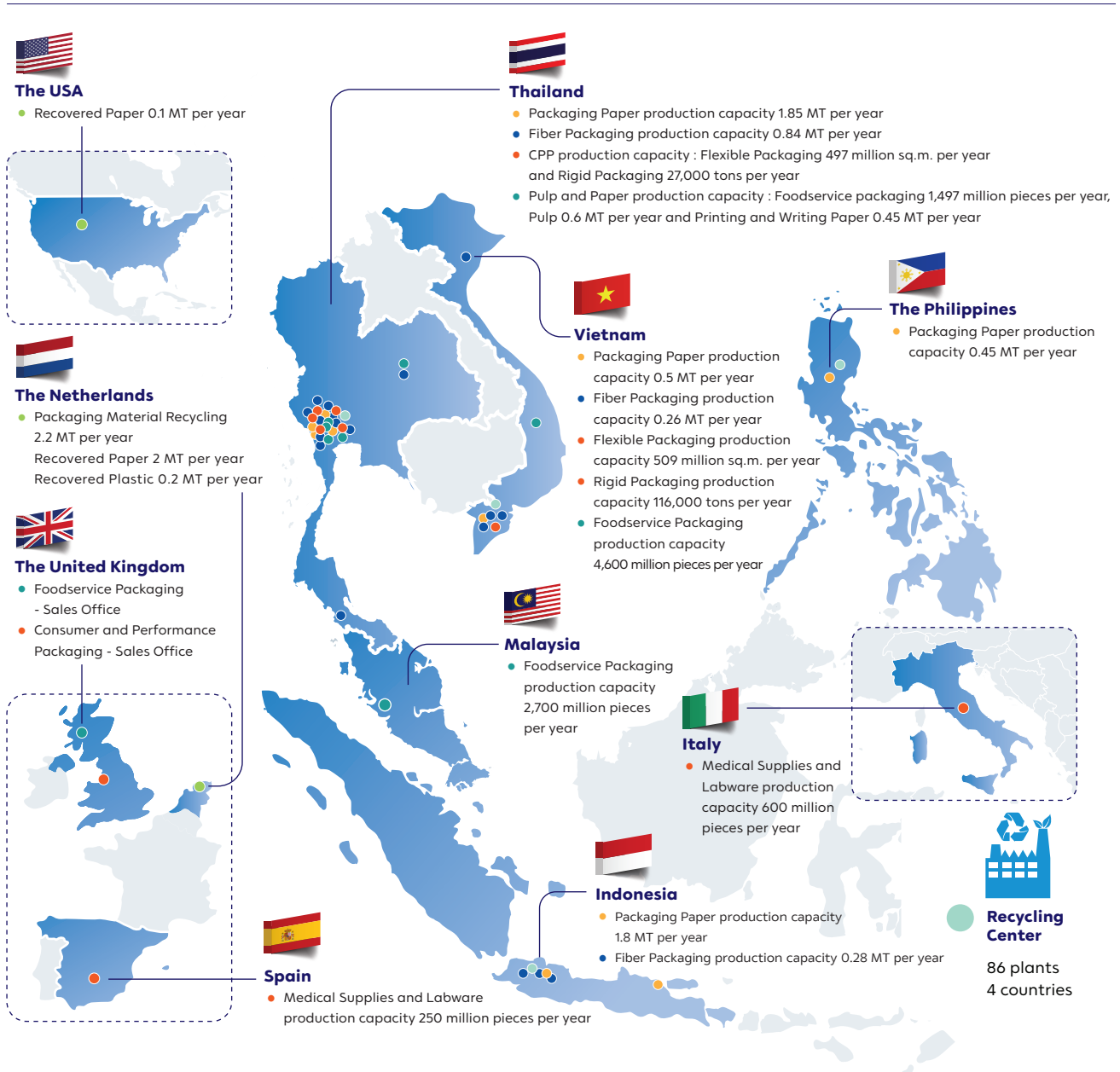
SCGP offers comprehensive solutions for eucalyptus wood. Our solutions start from eucalyptus clone and site matching research and development, distribution of eucalyptus seedlings, plantation consultant, and eucalyptus wood procurement. The company also expands its own plantation as a sustainable wood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



Business Operations According to Geographical Area

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

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

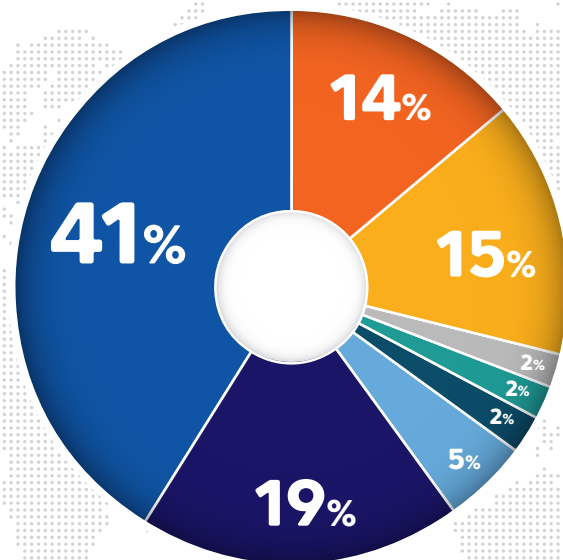




The majority of our customers are in ASEAN. For the year ending December 31, 2023, sales revenue from customers in Thailand accounted for 41% of total sales revenue, followed by Indonesia at 14%, Vietnam at 15%, and the Philippines at 2%, respectively. The Company’s revenue from sales was Baht 129,398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

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

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



Integrated Packaging Business :

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

Fibrous Business :

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

Industry Trends and Competitive Landscape

1) Industry Trends

Integrated Packaging Business Industry Trend

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

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

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

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

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

Industry Trends for Fibrous Business

Foodservice Packaging

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

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

Pulp

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

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

Printing and Writing Paper

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

2) Competitive Landscape

Fiber Packaging and Packaging Paper

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

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

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

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

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

Consumer and Performance Packaging (CPP)

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

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

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

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

Product or Service Provisions

Production Plants and Production Capacity

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

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

Raw Materials

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

Raw Materials Used in Fiber-based Products

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

Recovered Paper (RCP)

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

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

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

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

Starch

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

Virgin Pulp

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

Raw Materials Used in the Production of Consumer and Performance Packaging

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

Polymer Resin

The polymer resin is a key component of CPP products, constituting approximately 60-70% of total variable costs used in CPP product production. SCGP sources resins such as linear-low density polyethylene (LLDPE), low density polyethylene (LDPE),

high density polyethylene (HDPE), polypropylene (PP), and polyethylene terephthalate (PET) from various reputable regional and international suppliers. The Company purchases resins from various producers as the Company needs resins with different properties and characteristics. The Company also uses recycled resins upon customer request. Some of our rigid packaging customers request us to mix recycled resins to manufacture packaging products for them.

Polymer-based Film

The polymer-based film constitutes 5-15% of total variable costs that the Company uses in performance packaging. The Company produces some LLDPE films and sources the remaining polymer-based films from reputable regional and international suppliers.

Raw Materials Used in the Fibrous Business

The most important raw materials for manufacturing of fibrous business products are woodchips (later converted into pulp), chemicals, starch, and water.

Woodchips

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

Research and Development Policy

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

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

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

Assets Used in Business Operations

Major Fixed Assets Used in Business Operations

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

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

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

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

Right-of-use assets

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

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

Intangible Assets

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







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











Intellectual Property

Trademarks

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

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

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

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

Note : Some trademarks are also registered in foreign countries.

Patents and Petty Patents

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

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

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

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

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

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

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

Business and Property Insurance Used in Business Operations

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

Investment Promotion Benefits

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

Shareholders

Company Shareholders

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

Shareholders	Number of shares (registered and paid-up capital)	Shareholding (%)
1. The Siam Cement Public Company Limited	3,095,882,660	72.12
2. Thai NVDR Company Limited	143,927,235	3.35
3. Ladawan Capital Company Limited	64,498,900	1.50
4. Social Security Office	50,376,586	1.17
5. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	45,832,727	1.07
6. THE BANK OF NEW YORK MELLON	41,712,601	0.97
7. STATE STREET EUROPE LIMITED	24,071,763	0.56
8. Mrs. Luksunee Hathaivittavas	16,700,000	0.39
9. Vayupak Fund 1 by MFC Asset Management Public Company Limited	15,876,829	0.37
9. Vayupak Fund 1 by Krung Thai Asset Management Public Company Limited	15,876,829	0.37
10. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	7,013,000	0.16

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

Shareholders of Subsidiaries Operating the Main Business

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

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

(2) TC Flexible Packaging Co., Ltd. (TCFP)

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

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

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

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

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

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

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

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

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

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

-None-

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

-None-

Authorized Capital and Paid-up Capital

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

Issuance of Other Securities

-None-

SCGP's Dividend Policy

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

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

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

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

Dividend Policy for Subsidiaries

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

needs to consider various factors, mainly for the shareholders' benefit. These factors include operating results, financial structure and financial position, liquidity, additional investment needs, investment plans, business expansions, provision for repayment of borrowings or working capital within subsidiaries, the conditions and limitations stipulated in any loan agreement, and other factors involved in the management of the subsidiary, determined by the Board of Directors and/or the shareholders of the subsidiary company, as appropriate.

Investments in Subsidiaries and Associates

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

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

Name	Principal Business/Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (%)
Subsidiaries									
Fiber-Based Packaging									
1 Thai Containers Group Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	3,344	33,440,000	23,407,999	70.00
2 Thai Containers Khonkaen Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	150	150,000	-	70.00
3 Thai Containers Rayong Co., Ltd.	Fiber Packaging	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	650	650,000	-	70.00
4 Tawana Container Co., Ltd.	Fiber Packaging	599 Mu 4, Phatthana 1 Road, Phraeksa Sub-district, Mueang Samutprakarn District, Samutprakarn Province	0 2324 0781	0 2324 0079	Ordinary Shares	300	3,000,000	-	50.40
5 Orient Containers Co., Ltd.	Fiber Packaging	12/5, 12/8 Mu 8, Soi Liab Khlong Chonprathan Suan Som, Rama II Road, Ban Kho Sub-district, Mueang Samutsakorn District, Samutsakorn Province	0 3488 3422-4	0 3488 3421	Ordinary Shares	740	74,000,000	-	70.00
6 Dyna Packs Co., Ltd.	Fiber Packaging	297/2 Mu 2, Soi Wiroonrat, Sethakit 1 Road, Om Noi Sub-district, Krathum Baen District, Samutsakorn Province	0 2810 9346-7	0 2810 9103	Ordinary Shares	90	900,000	-	70.00
7 D-In Pack Co., Ltd.	Fiber Packaging	58/2 Mu 6, Phra Prathon-Ban Phaeo Road, Talad Jinda Sub-district, Sam Phran District, Nakhon Pathom Province	0 3498 1401-4	0 3498 1406-7	Ordinary Shares	50	5,000	-	70.00
8 New Asia Industries Co., Ltd.	Fiber Packaging	Lot B3, Road 2, Binh Chieu Industrial Park, Binh Chieu Ward, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 83729 4160	(84) 83729 3028	**	345	-	-	70.00
9 Alcamax Packaging (Vietnam) Co., Ltd.	Fiber Packaging	No.7, Street 6, Vietnam-Singapore Industrial Park, Thuan An District, Binh Duong Province, Vietnam	(84) 0650 374 3031	(84)0650 378 2816	**	607	-	-	70.00
10 Packamex (Vietnam) Co., Ltd.	Fiber Packaging	Lot No. 20, Road B, Lin Trung EPZ, Thu Duc District, Ho Chi Minh City, Vietnam	(84) 83 729 1030	(84) 83 729 1031	**	220	-	-	70.00
11 AP Packaging (Hanoi) Co., Ltd.	Fiber Packaging	Lot 6 Nam Sach Industrial Zone, Nam Sach District, Hai Duong Province, Vietnam	(84) 0320 375 3862	(84) 0320 375 2868	**	248	-	-	70.00
12 Starprint Vietnam Joint Stock Company	Fiber Packaging	104/4-1, 2A Road, Amata Industrial Park, Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam	(84) 25 1393 6921	-	Ordinary Shares	89	6,146,880	-	70.00
13 PT Primacor Mandiri	Fiber Packaging	Jl. Raya Serang KM 13.8, Tristate Industrial Estate, Desa Sukadamai, Kecamatan Cikupa, Kabupaten Tangerang, Banten Province, Indonesia	(62) 21 596 2345	(62) 21 596 2000	Ordinary Shares	294	101,000	-	67.90
14 PT Indoris Printingdo	Fiber Packaging	Jl. Raya Serang KM 18.8, Sukanegara Village, Rt-003/Rw.01, Cikupa District, Tangerang Regency, Banten Province, Indonesia	(62) 21 596 0772-3	(62) 21 596 0774	Ordinary Shares	55	20,000	-	69.96
15 PT Indocorr Packaging Cikarang	Fiber Packaging	Jl. Industri Selatan 2 Block LL-3, Jababeka Industrial Estate Cikarang, Pasirsari Village, South Cikarang Sub-District, Bekasi Regency, Indonesia	(62) 21 893 6868	(62) 21 893 6565	Ordinary Shares	308	503,167	-	69.99
16 SGGP Solutions Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	170	1,700,000	1,699,998	100.00
17 Precision Print Co., Ltd.	Fiber Packaging	30/139 Mu 1, Sinsakhon Industrial Estate, Khok Kham Sub-district, Mueang Samutsakorn District, Samutsakorn Province	0 2105 4477	0 3445 2339	Ordinary Shares	33	3,340,000	-	100.00

Name	Principal Business/ Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (%)
18 TCG Solutions Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	4,047	175,354,811	-	70.00
19 Bien Hoa Packaging Joint Stock Company	Fiber Packaging	Street 7, Bien Hoa Industrial Zone 1, An Binh, Ward Bien Hoa, Dong Nai Province, Vietnam	(84) 251 3836 121	(84) 251 3832 939	Ordinary Shares	165	12,832,437	-	65.88
20 PT Indonesia Dirajaya Aneka Industri Box	Fiber Packaging	Jl. Raya Roomo No. 425, Roomo Village, Manyar District, Gresik Regency, East Java, Indonesia	(62) 31 395 1910	(62) 31 395 1906	Ordinary Shares	207	8,950,000	-	52.50
21 PT Bahana Buana Box	Fiber Packaging	Jl. Raya Semarang-Demak, Desa Batu, RT 01 RW 03, Karangtengah Sub-district, Demak Regency, Indonesia	(62) 29 168 6234	(62) 29 169 0243	Ordinary Shares	71	3,050,000	-	52.50
22 PT Rapi-pack Asritama	Fiber Packaging	Kawasan Bekasi International Industrial Estate (BIIE) Block C-10 No.3, Cibatu, Cikarang Selatan, Bekasi, Jawa Barat, Indonesia	(62) 21 897 3115	(62) 21 897 3116	Ordinary Shares	150	6,500,000	-	52.50
Packaging Paper									
23 Siam Kraft Industry Co., Ltd.	Packaging Paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3,450	34,500,000	34,499,998	100.00
24 Vina Kraft Paper Co., Ltd.	Packaging Paper	D-6A-CN, My Phuoc Industrial Park No.3, Ben Cat District, Binh Duong Province, Vietnam	(84) 8268 0240-2	(84) 8268 0239	**	8,126	-	-	70.00
25 Thai Cane Paper Public Company Limited	Packaging Paper	222 Mu 1, Saeng Xuto Road, Wangkanai Sub-district, Tha Muang District, Kanchanaburi Province	0 3461 5800	0 3461 5899	Ordinary Shares	3,583	358,253,721	351,791,210	98.20
26 United Pulp and Paper Co., Inc.	Packaging Paper	9 th Floor, Fort Legend Tower, 3 rd Avenue corner 31 st Street, Bonifacio Global City, Taguig City, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	1,462	199,824,043	109,995,290	74.77
27 SCGP Solutions (Singapore) Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	31,227	1,327,017,506	141,744,290	100.00
28 PT Fajar Surya Wisesa Tbk.	Packaging Paper	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	2,713	2,477,888,787	-	55.24
29 PT Dayasa Aia Prima	Packaging Paper	Jl. Abdul Muis 30 Jakarta Pusat 10160, Indonesia	(62) 21 344 1316	(62) 21 345 7643	Ordinary Shares	4,574	2,012,159,500	-	55.24
30 SCG Paper Energy Co., Ltd.	Energy and Utilities	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	890	8,900,000	8,899,998	100.00
Consumer and Performance Packaging									
31 SCGP-T Plastics Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	386	3,859,000	1,968,124	51.00
32 Conimex Co., Ltd.	Rigid Packaging	40 Mu 12, Soi Sahamit 2, Sukhumvit 77 Road, Srisajarakhenoi Sub-district, Bang Sao Thong District, Samutprakam Province	0 2738 0305	0 2326 6275	Ordinary Shares	420	4,200,000	-	38.25
33 SCGP Rigid Plastics Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	4,403	62,400,000	62,399,998	100.00
34 Vexcel Pack Co., Ltd.	Rigid Packaging	500/54 Moo 3 Hemaraj Eastern Seaboard Industrial Estate (Freezone), Pluak Daeng District, Rayong Province	0 3895 8200	0 3895 0078	Ordinary Shares	497	4,972,000	-	100.00
35 TC Flexible Packaging Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 5991	0 2586 4723	Ordinary Shares	2,108	21,079,194	-	52.50
36 Prepack Thailand Co., Ltd.	Flexible Packaging	30/145 Mu 1, Khok Kham Sub-district, Mueang Samutsakorn District, Samutsakorn Province	0 3444 0600-5	0 3444 0606-7	Ordinary Shares	322	3,220,000	-	52.38
					Preference Shares	90	900,000	-	-

Name	Principal Business/ Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht: million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (%)
37 Tin Thanh Packing Joint Stock Company	Flexible Packaging	Lot C20, Duc Hoa Ha Plastic Industrial Group, Binh Tien Hamlet, Duc Hoa Ha Commune, Duc Hoa District, Long An Province, Vietnam	(84) 723 779 747	(84) 723 779 750	Ordinary Shares	254	17,204,201	-	52.49
38 Law Print & Packaging Management Limited	Flexible Packaging	4 Station View, Hazel Grove, Stockport, England, SK7 5ER	(44) 161 440 7302	(44) 161 440 7304	Ordinary Shares	0.0	106	-	100.00
39 Law Print & Packaging Management Limited	Flexible Packaging	No 46 St Mary's Road, Midleton, Cork P25 KX56, Ireland	(44) 161 440 7302	(44) 161 440 7304	Ordinary Shares	0.0	100	-	100.00
40 SCGP Rigid Packaging Solutions Pte. Ltd.	Holding Company	8 Marina Boulevard #05-02 Marina Bay Financial Centre, Singapore 018981	0 2586 3333	0 2586 2164	Ordinary Shares	8,900	361,202,920	361,202,920	100.00
41 Duy Tan Plastics Manufacturing Corporation Joint Stock Company	Rigid Packaging	298 Ho Hoc Lam, An Lac Ward, Binh Tan District, Ho Chi Minh City, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	Ordinary Shares	2,433	170,000,000	-	70.00
42 Duy Tan Long An Co., Ltd.	Rigid Packaging	A18 Tan Do Hai Son Street, Tan Do Industrial Zone, Duc Hoa Ha Ward, Duc Hoa District, Long An, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	1,073	-	-	70.00
43 Duy Tan Precision Mold Co., Ltd.	Rigid Packaging	Lot 1, 1A street, Tan Tao Industrial Zone, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	186	-	-	70.00
44 Duy Tan Binh Duong Plastics Co., Ltd.	Rigid Packaging	Lot B1-B2, Viet Huong 2 Industrial Zone, An Tay Ward, Ben Cat District, Binh Duong, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	118	-	-	70.00
45 Mata Plastic Co., Ltd.	Rigid Packaging	602 Tran Dai Nghia, Quarter 4, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City, Vietnam	(84) 28 3876 2222	(84) 28 3876 2225	**	14	-	-	70.00
46 International Healthcare Packaging Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3,361	33,610,000	33,609,998	100.00
47 Deltalab Global, S.L.	Holding Company	Plaza Verneda, número 1, Poligono Industrial la Llana, 08191, Rubi, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	200	5,281,554	-	85.00
48 Deltalab, S.L.	Medical Supplies and Labware	Plaza Verneda, número 1, Poligono Industrial la Llana, 08191, Rubi, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	141	3,721,848	-	85.00
49 Keylab, S.L.U.	Medical Supplies and Labware	Plaza Verneda, número 1, Poligono Industrial la Llana, 08191, Rubi, Barcelona, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	2	53,940	-	85.00
50 Nirco, S.L.	Medical Supplies and Labware	Calle Puerto de Navafria, no. 12, 28935 Mostoles, Madrid, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	40	175,246	-	85.00
51 Envases Farmaceuticos, S.A.	Medical Supplies and Labware	Poligono Industrial Igarasa, no. 17-20, 28860 Paracuellos del Jarama, Madrid, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	2	10,000	-	85.00
52 Equilabo Scientific, S.L.U.	Medical Supplies and Labware	Calle Neptuno, no. 59-Poligono Industrial Los Vientos, 30565 Las Torres de Cotillas, Murcia, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	1	300	-	85.00
53 Sanilabo, S.L.U.	Medical Supplies and Labware	Calle San Roque 30, bajo B, 46910 Benetusser, Valencia, Spain	(34) 93 699 50 00	(34) 93 699 45 12	Ordinary Shares	0.2	6,010	-	85.00
54 Bicappa Lab S.r.L.	Medical Supplies and Labware	Via Roma, 85/2, 10060 Roletto TO, Italy	(39) 01 2154 2775	(39) 01 2154 2913	**	0.4	-	-	72.25
Pulp and Paper Products									
55 Phoenix Pulp & Paper Public Company Limited	Foodservice Packaging/ Pulp and Paper Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2,365	236,474,780	164,506,148	69.58
					Preference Shares	98	9,806,380	6,857,036	-
56 Thai Paper Co., Ltd.	Foodservice Packaging/ Pulp and Paper Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	7,770	771,000,000	-	69.58

Name	Principal Business/Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht/million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/Indirect Holding* (%)
57 Go-Pak UK Limited	Foodservice Packaging	Drumcoo House 1 Hawkesworth Road, Yate, Bristol, United Kingdom	(44) 1454 285400	(44) 1454 285401	Ordinary Shares	318	7,800,200	-	100.00
58 Go-Pak Vietnam Limited	Foodservice Packaging	Lot CN6, H2 Street, Kim Huy Industrial Park, Phu Tan Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	(84) 274 3815 148	(84) 274 3815 150	**	14	-	-	100.00
59 Go-Pak Paper Products Vietnam Co., Ltd.	Foodservice Packaging	Factory No. 3, Lot CN9, H1 Street, Kim Huy Industrial Zone, Phu Tan Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	(84) 0274 3866 368	-	**	11	-	-	100.00
60 Phoenix Utilities Co., Ltd.	Utilities	99 Mu 3, Gud Nam Sai Sub-district, Nam Phong District, Khon Kaen Province	0 4343 3104-6	0 4343 3101	Ordinary Shares	1,500	15,000,000	-	69.58
61 Interpress Printers Sendirian Berhad	Foodservice Packaging	No.1 Jalan Taylor's, 47500 Subang Jaya, Selangor Dural Ehsan, Malaysia	(603) 5542-1716	(603) 5542-1703	Ordinary Shares	384	47,478,796	-	68.30
62 The Siam Forestry Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Preference Shares	225	28,000,000	-	-
63 Siam Panawes Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	184	1,840,000	-	69.58
64 Suanpa Rungsaris Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3	25,000	-	69.58
65 Panas Nimit Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
66 Thai Panaboon Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3	30,000	-	69.58
67 Thai Panaram Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
68 Thai Panadorn Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
69 Thai Panason Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	2	15,000	-	69.58
70 Thai Wanabhum Co., Ltd.	Forestry Products	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	3	25,000	-	69.58
Recycling									
71 Peute Recycling B.V.	Holding Company	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	1	182	-	100.00
72 Peute Papierrecycling B.V.	Packaging Materials Recycling	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	1	40	-	100.00
73 Peute Recycling International B.V.	Holding Company	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	1	18,000	-	100.00
74 Peute Plasticrecycling B.V.	Packaging Materials Recycling	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	1	18,000	-	100.00

Name	Principal Business/ Products	Head Office	Telephone	Facsimile	Type of Shares	Issued and Paid-up Capital (Baht million)	Number of Paid-up Shares (Shares)	Number of Shares Held by the Company (Shares)	Total Direct/ Indirect Holding* (%)
75 Peute Investments B.V.	Holding Company	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	0.0	1	-	100.00
76 Infimiplast B.V.	Packaging Materials Recycling	Rapenburg 2, 2952 AP Alblasserdam, Netherlands	(31) 85 007 9500	-	Ordinary Shares	0.0	1	-	100.00
77 Peute Portugal, Unipessoal Lda	Packaging Materials Recycling	Beloura Office Park, Edificio 7, 1º, 2710-444 Sintra, Portugal	(31) 85 007 9500	-	Ordinary Shares	2	1	-	100.00
78 Peute Recycling Spain S.L.	Packaging Materials Recycling	Calle San Juan 29, 1ºC, Arroyo de la miel, 29630, Malaga, Spain	(34) 952 567 009	-	Ordinary Shares	0.1	3,000	-	100.00
79 Peute UK Limited	Packaging Materials Recycling	Hill House, 1 Little New Street, London EC4A 3TR, United Kingdom	(31) 78 621 44 88	-	Ordinary Shares	1	25,000	-	100.00
80 SKIC International Co., Ltd.	Holding Company	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	112	1,120,000	1,119,998	100.00
81 Jordan Trading Inc.	Packaging Materials Recycling	65 Albany avenue, Kingston, New York, USA 12401	845-338-5379	-	Ordinary Shares	31	139	-	90.10
Others									
82 SCGP Excellence Training Center Co., Ltd.	Training and seminar	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3876	0 2586 4507	Ordinary Shares	49	1,150,000	1,149,998	100.00
83 Invenique Co., Ltd.	Asset and Intellectual Property Management Service	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	207	2,067,000	2,066,998	100.00
84 United Industrial Energy Corporation	Holding Company	166 Salcedo St. Legaspi Village, Makati City, Metro Manila, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	0.2	-	-	74.77
Associates									
85 Siam Toppan Packaging Co., Ltd.	Fiber Packaging	543 Mu 4, Phraksa Sub-district, Mueang Samutprakarn District, Samutprakarn Province	0 2709 3110-7	0 2324 0336	Ordinary Shares	500	5,000,000	2,450,000	49.00
86 P&S Holdings Corporation	Holding Company	9 th Floor, Fort Legend Tower, 3 rd Avenue corner 31 st Street, Bonifacio Global City, Taguig City, Philippines	(63) 2870 0100	(63) 2870 0409	Ordinary Shares	263	27,650,000	11,059,998	40.00
87 Siam Nippon Industrial Paper Co., Ltd.	Specialty Paper	1 Siam Cement Road, Bangsue, Bangkok	0 2586 3333	0 2586 2164	Ordinary Shares	1,100	11,000,000	-	31.31
88 Sahagreen Forest Co., Ltd.	Energy and Utilities	88 Mu 6, Khui Ban Ong Sub-district, Phran Kratai District, Kamphaeng Phet Province	0 5585 8033	0 5585 8031	Ordinary Shares	190	19,000,000	-	17.40
89 ReUse SAS	Packaging Materials Recycling	10 Place du 8 mai 1945, 26600 Tain01'Hermitage, France	(33) 4 75 09 51 81	(33) 4 75 71 27 13	Ordinary Shares	4	10,000	-	45.00
90 Packworks Co., Ltd	Foodservice Packaging/ Pulp and Paper Products	1 Siam Cement Road, Bangsue, Bangkok	02 114 3638	-	Ordinary Shares	2	18,370	-	28.48

* Directly and indirectly holding through the Company and subsidiaries

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

Risk Management

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

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

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

Risk Management Policy

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

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

Risk Management Framework

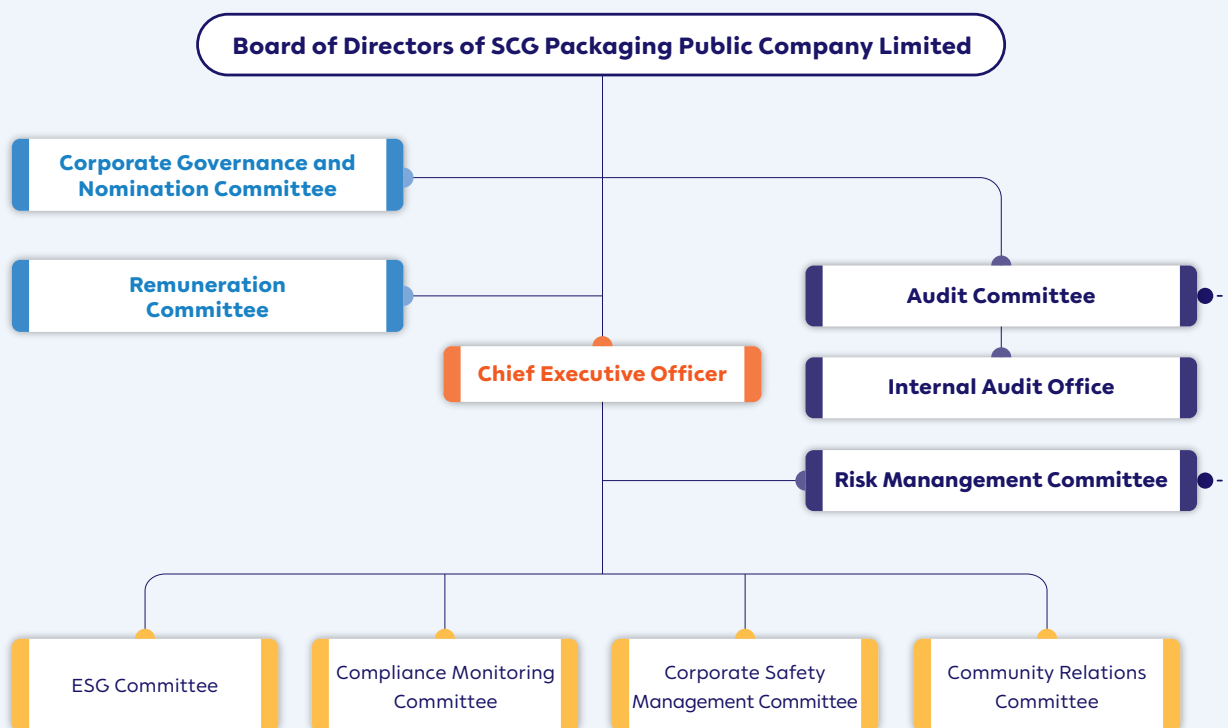
SCGP has implemented the Enterprise Risk Management Framework in alignment with the COSO ERM Framework and ISO 31000 to effectively reduce the likelihood and/or the impact of risks that may arise. The Company's risk management framework encompasses the areas below.

1. Strategy and Objective Setting

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

2. Risk Management Governance and Structure

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



2.1 Corporate-level Risk Management

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

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

Roles and Responsibilities of the Internal Audit Office

The Company's Internal Audit Office is responsible for conducting an audit of the first line (operating units) and the second line, as well as management levels, risk management, compliance, and other supporting functions. This is to ensure effective implementation of

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

Roles and Responsibilities of the SCGP Risk Management Committee

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

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

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

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

3. Risk Management Process

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

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

4. Cultivation of Organizational Culture in Risk Management

SCGP realizes that a corporate culture is an essential enabler for the success of risk management. Therefore, an organizational culture of risk management has been encouraged through the following activities :

- Assigning top executives to communicate the significance of risk management and be role models in risk management. This includes establishing practical guidelines on common risk language, risk appetite, and common risk assessment systems.
- Assigning roles and responsibilities of risk owners.
- Embedding risk management agendas in key meetings of each subsidiary.
- Encouraging experience sharing across departments and subsidiaries to continually communicate the benefits of risk management.
- Assigning Risk Champions from business-level functions and Risk Coordinators from operational functions to regularly attend risk management training and workshops so that risk management tools can be applied appropriately.
- Incorporating risk management into the new hire training course and developing annual e-Learning courses for all employees to access and complete.

5. Risk Factors and Risk Management

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

1. Strategic Risks

Global Packaging Demand Softness Risks



Severity : **High**

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

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

M&P Integration Risks



Severity : **Medium**

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

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

Talent Development for Expansion Risks



Severity : **Low**

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

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

Risks from Environmental Pollution and Transition to Circular Economy



Severity : **Medium**

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

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

2. Operational Risks

Health and Safety Risks



Severity : **High**

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

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

Cyber Security Risks



Severity : **Medium**

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

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

Risks from Cost Management in Supply Chains

Severity : **Medium**



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

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

Risks from Flood and Drought

Severity : **Low**



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

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

Human Rights Risks



Severity : **Medium**

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

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

Risks of Climate Change Posed by Greenhouse Gas Emission



Severity : **Medium**

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

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

3. Financial Risks

Interest Rate Risks



Severity : **Medium**

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

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

Exchange Rate Risks



Severity : **Low**

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

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

4. Compliance Risks

Risks from Licenses and Intellectual Properties Expiration



Severity : **Low**

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

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

5. Emerging Risks

Risks from Global Economic Slowdown from Tightened Monetary Policies



Severity : **High**

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

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

Risks from Geopolitical Conflicts



Severity : **Medium**

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

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

6. Investment Risks Associated with Investment of the Shareholders

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



Severity : **Medium**

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

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

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

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

-N/A-