

# Driving Sustainability in Business

## Sustainability Management Policy and Goals

SCGP and its subsidiaries, both in Thailand and abroad, have a policy that governs the operations of their businesses in accordance with sustainability guidelines : considering risks and opportunities of sustainability improvement at all levels of the organization, short and long-term needs, expectations of all related parties, and Environmental, Social and Governance (ESG) impacts. The Company and its subsidiaries use this information to formulate business strategies that help the business to grow sustainably within rapidly changing circumstances, taking into account the balance among ESG framework.

The Company’s Corporate Governance Handbook contains these published policies : Sustainable Development Policy, Corporate Governance Policy, Human Rights Policy, Risk Management Policy, Stakeholders Engagement Policy, the Policy and Guidelines for the Procurement and Selection of Supplier/Business Partners of SCGP, Supplier Code of Conduct, the Diversity and Inclusion Policy, Tax Policy, and Compliance Policy. The Environment and Climate Policy is published on the Company’s website.

The Company has set sustainability goals and guidelines in 2023 that follow the United Nations Sustainable Development Goals (SDGs). The 15 goals set are listed below :



### No Poverty :

End poverty in all its forms everywhere.



### Good Health and Well-being :

Ensure healthy lives and promote well-being for all at all ages.



### Quality Education :

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



### Gender Equality :

Achieve gender equality and empower all women and girls.



### Clean Water and Sanitation :

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



### Affordable and Clean Energy :

Ensure access to affordable, reliable, sustainable and modern energy for all.



### Decent Work and Economic Growth :

Promote inclusive and sustainable economic growth and decent work for all.



### Industry, Innovation and Infrastructure :

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



### Reduce Inequality :

Reduce inequality within and among countries.



### Sustainable Cities and Communities :

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



### Responsible Consumption and Production :

Develop sustainable consumption and production patterns.



### Climate Action :

Take urgent action to combat climate change and its impacts.



### Life on Land :

Protect, restore, and promote sustainable use of terrestrial ecosystems. Ensure sustainable forest management. Stop the expansion of the desert. Freeze and reverse the process of soil degradation. End the loss of biodiversity.



### Peace, Justice and Strong Institutions :

Promote peaceful, equitable and inclusive societies for sustainable development. Generate a justice process that is accessible to everyone. Create effective, verifiable and open institutions at all levels.



### Partnerships for the Goals :

Maximize the operation and reinforce the global partnership for sustainable development.

SCGP's Goals and strategies for sustainable development in 2023 are as follows.

	Goals	Strategies
Environmental Guidelines	<b>Energy Management and Climate Resilience</b>  <ul style="list-style-type: none"> <li>Reduce 25% of greenhouse gas emissions by 2030 compared with the base year of 2020.</li> <li>Reduce 13% of energy consumption by 2025 compared with Business as Usual (BAU) for the base year of 2007.</li> <li>Achieve net zero emissions by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Increase energy efficiency by utilizing the best available technology.</li> <li>Increase the use of renewable energy, such as biomass energy, solar energy, etc.</li> <li>Study Carbon Capture, Utilization, and Storage (CCUS) technologies.</li> <li>Promote climate actions through natural mechanisms, such as forest conservation and ecosystem restoration, by using internal carbon pricing (ICP) to support low-carbon projects, reduce greenhouse gas emissions as per the established goal, and eventually, introduce low-carbon products.</li> </ul>
	<b>Air and Odor Pollution Management</b>  <b>Air Pollution Management</b> <ul style="list-style-type: none"> <li>Reduce air pollution per product by 5% by 2025.</li> <li>Reduce air pollution per product by 10% by 2030.</li> </ul> <p>*Compared with the base year of 2020.</p> <b>Odor Pollution Management</b> No official odor complaints.	<ul style="list-style-type: none"> <li>Set the air pollution emission target following the international guideline for the same business in compliance with the laws.</li> <li>Apply the best available air pollution management technology by controlling both pollution sources and emissions while continuously monitoring air quality.</li> <li>Encourage regular participation from communities and stakeholders in managing air pollution.</li> </ul>
	<b>Water Management</b>  Reduce water withdrawal by 35% by 2025 compared with Business as Usual (BAU) for the base year of 2014.	<ul style="list-style-type: none"> <li>Reduce water-related risks, improve efficiency with integrated water management, and build the capabilities of persons who are involved in water management to secure the most efficient body of knowledge and water management.</li> <li>Treat effluents to meet quality standards, monitor their quantity and quality, report on arising issues, perform incident investigation, and take corrective actions to reduce effluents.</li> <li>Rehabilitate water sources' ecosystems and supply water to communities and agriculture.</li> </ul>
	<b>Industrial Waste Management</b>  <ul style="list-style-type: none"> <li>Ensure zero waste from the production process sent to landfill (in Thailand).</li> <li>Reduce 100% of waste disposed through incineration without energy recovery by 2025, compared with the base year of 2014 (in Thailand).</li> </ul>	<ul style="list-style-type: none"> <li>Strive to reduce and eliminate waste generation at the source and set the indicators for continuous assessment.</li> <li>Manage industrial waste within SCG and SCGP, both hazardous waste and non-hazardous waste, in line with 3R and circular economy principles, with optimal efficiency through measures or standards issued by the government or world-class organizations, to go beyond compliance.</li> <li>Research and develop innovations to reuse and recycle raw materials and waste or to turn waste into value-added products and extend their shelf life, preserve the core value of materials as much as possible, and promote use of biomaterials or recyclable materials.</li> </ul>
	<b>Forests and Biodiversity</b>  At least 10% of agroforestry area obtaining biodiversity and ecosystems in compliance with FSC™ standards.	<ul style="list-style-type: none"> <li>Achieve sustainable biodiversity management using international indicators and serve as a role model for biodiversity conservation in other areas.</li> <li>Engage with communities and stakeholders to enhance knowledge and understanding of biodiversity conservation.</li> <li>Manage the use of community forest areas by participation according to the community forest principle.</li> </ul>
	Social Guidelines	<b>Health and Safety</b>  <ul style="list-style-type: none"> <li>0 case of work-related fatality of employees and contractors every year.</li> <li>Occupational illness and disease frequency rate of 0 case per 1,000,000 working hours every year.</li> <li>Lost time injury frequency rate of 0 case per 1,000,000 working hours in 2023 for employees and contractors (in Thailand).</li> </ul>
<b>Human Rights</b>  <ul style="list-style-type: none"> <li>0 case of human rights violation.</li> <li>100% of employees to pass the Ethics e-Testing, a test on ethics and human rights.</li> <li>The proportion of management-level female employees increased to 24% by 2025.</li> </ul>		<ul style="list-style-type: none"> <li>Integrate human rights activities, diversity management, and inclusion into business operations throughout the domestic and international value chains.</li> <li>Create value, develop, and extend participative programs that uphold the principles of respect for human rights to all stakeholder groups throughout the value chains and society as a whole.</li> <li>Be a role model, and share and exchange experiences on human rights with other organizations.</li> </ul>



Social Guidelines

Goals



Strategies

Employee Care and Development



- Total employee engagement score in Thailand and aboard exceeding 4.20 out of 5.00.
- 100% of employees in Thailand receive competency assessment and individual development planning in the Learning Management System (LMS) annually.

- Create corporate values to attract talented and competent prospective employees.
- Apply employee care thoroughly and fairly to create engagement.
- Cultivate a learning culture by providing the Learning Management System (LMS) and expanding opportunities for employees to improve themselves according to their personal interests, and with learning methods best suited for each individual in order to build competitive skills, happiness at work, and efficient teamwork.

Community and Social Development



- Community satisfaction is at 90%.
- The model community in Banpong, Ratchaburi will be expanded to 183 communities by 2030.
- SCGP Open House allows the community to visit factories 12 times per year with 1,000 participants per year.

- Utilize both internal and external specialization to support the society.
- Encourage participation from employees and relevant stakeholders in all sectors to create sustainable value for society.
- Develop innovations that respond to the needs of communities and solve social issues, including the development of a community model, and expand the model's achievements to other community networks.

Product, Service and Solution Stewardship



- Sale revenue from SCG Green Choice products, services, and solutions is 66.7% of the total sales revenue by 2030.
- Sale revenue from SCG Green Choice products, services, and solutions that provide direct benefits to customers is 33.3% of the total sales revenue by 2030.
- All subsidiaries in SCGP shall fully (100%) follow the requirements of the REACH Regulation (Annex XVII and Substances of Very High Concern (SVHC) for Authorization).
- No complaint regarding non-compliance with the law and product safety.

- Foster an innovative approach to the development of products, services, and solutions that fulfill consumers' needs and enhance consumers' well-being by taking into account the impact of climate change, environment, and hygiene, and by utilizing Circular Economy principles and new business opportunities.
- Consider the impact on environment and product, service, and solution safety throughout a product's life cycle. In addition, facilitate products for certification and environmental labels, while adhering to sustainable guidelines.
- Develop business processes throughout the value chain that are in line with international standards to promote stakeholder awareness of the environmentally responsible approach to use products.

Customer Relationship Management



Overall customer satisfaction is at 85% rating (fibrous business, packaging paper, and fiber packaging).

- Create business-to-business-to-customer (B2B2C) experiences.
- Create business-to-customer (B2C) experiences.

Sustainable Value Creation for Business Partners



- 100% of suppliers are committed to complying with the SCGP's Supplier Code of Conduct.
- 100% of suppliers pass the Environmental, Social and Governance (ESG) risk assessment.
- 100% of contractors in the production process have been certified under SCG Contractor Safety Certification System or SCS.
- 100% of the main transport business partners have been certified as regular transport business partners.

- Select and assess potential suppliers in regard to sustainable operations.
- Conduct risk assessments and supplier segmentation to formulate a strategy and supplier development plan corresponding to the risks.
- Develop and advance suppliers' capabilities towards sustainability.
- Raise awareness and enhance employees' competency for efficient procurement.

Corporate Governance



- A 5-star excellent rating in the assessment by the 2023 Corporate Governance Survey of Listed Companies.
- Zero misconduct against the anti-corruption policy.
- 100% of employees to pass the Ethics e-Testing, a test on ethics.

- Communicate and encourage employees and business partners to fully understand, realize, and comply with corporate governance, SCGP's Code of Conduct, and Supplier Code of Conduct.
- Assess risks and investigate corruption cases by using existing preventative systems that consist of ethics testing, 3 levels of agency's risk management and internal control, and accessible complaint channels for stakeholders.
- Integrate information and cyber security risks into enterprise-wide risk management and adjust operating strategies constantly to combat cyber threats which change and develop at a rapid rate.

Information and Cyber Security



- The information system operates continuously not less than 99.5% of the time and the system suffers from issues less than 1.83 days a year.
- No complaint about customer data breached.

- Integrate information and cyber security risks into enterprise-wide risk management such as the identification of risks or business opportunities, assessment and prioritization, management measure formulation, and monitoring and reporting.
- Determine the security management process of the information technology system as guided by the information technology security policy.
- Enhance knowledge, understanding, and awareness among employees at all levels by providing training on corrective measures upon facing a cyber threat.



Economic Guidelines

# Sustainable Supply Chain

SCGP implements Circular Economy principles in every stage of its supply chain, from design, procurement, production, distribution and transportation, utilization, to reuse. We use limited energy and natural resources with optimum efficiency, reduce the need to use raw materials, apply reusing and recycling, utilize renewable energy, and leave the least amount of waste that cannot be reused or disposed. The Company offers long-lived products,

## OUR SIX CAPITALS

## EMPOWER OUR VALUE CHAIN

### Inputs



### Planet

#### 1. Natural Resources

- Virgin Raw Materials (e.g. Wood chips/ wood logs, Virgin pulp, Virgin film/resin)
- Recycled Raw Materials (e.g. Recovered paper, Post Consumer Resin)
- Water
- Energy



### People

#### 2. Human Resources

- Employees and suppliers
- Training

#### 3. Social and Relation

- Sound business ethics
- Business partners
- Customer relationship
- Global Brand Perception



### Prosperity

#### 4. Intellectual resources

- Innovative Patent on Paper Packaging and Recycling
- Trademarks
- Technology licenses
- Software licenses

#### 5. Financials

- Costs and Expenses
- Corporate Shares
- Bonds, Debts, Loans

#### 6. Manufacture

- Operation Plants
- Head office

Raw Materials



#### 9 STAKEHOLDER GROUPS

1. Shareholders/Investors/Business partners/Creditors
2. Employees
3. Customers
4. Suppliers/Contractors
5. Communities
6. Governance Agencies
7. Mass Media
8. Civil Society/Academics/Thought Leaders, and
9. Competitors.



services, and solutions which can reduce greenhouse gas emissions, energy consumption, and waste generation. In addition, efforts are spent to take care of communities around plants and all stakeholders, as well as initiating many social projects including raising awareness on environment conservation. Together with all sectors, namely the government, private, and public sectors, the Company aims to push forward for a sustainable society.



## Analysis of Stakeholder Expectations

SCGP categorized stakeholders into 9 main groups: 1.Shareholders/Investors/Business partners/Creditors 2.Employees 3.Customers 4.Suppliers/Contractors 5.Communities 6.Government agencies 7.Mass Media 8.Civil Society/Academics/Thought Leaders 9.Competitors. Each stakeholder group may be affected by the Company's operations at different levels. Therefore, stakeholders' needs and expectations, communications/channels and examples of what has been done for stakeholders were continuously analyzed.

The following table shows the results of the stakeholder expectations analysis conducted in 2023 :

Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<p><b>1</b></p> <p><b>Shareholders/ Investors/ Business partners/ Creditors</b></p> 	<ul style="list-style-type: none"> <li>• SCGP's action plans or strategies to achieve both long-term and short-term goals.</li> <li>• Operating results, development directions and business growth.</li> <li>• Corporate governance and transparent management.</li> <li>• Disclosure of information on business performances.</li> <li>• An optimum value of dividends.</li> <li>• Receptive to opinions/suggestions for improvement of operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting.</li> <li>• Announcement of quarterly business performance.</li> <li>• Annual Report and Annual Sustainability Report.</li> <li>• Analyst conference.</li> <li>• Investor Relations (IR) for communication of operating results/action plans with investors around the world.</li> <li>• Hotline phone and e-mail, managed by IR.</li> <li>• Website.</li> <li>• Annual plant visits and CSR activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Disclose essential and necessary information on SCGP's operating performances.</li> <li>• Conduct business with transparency and accountability.</li> <li>• Listen to opinions/suggestions for business operation development.</li> </ul>
<p><b>2</b></p> <p><b>Employees</b></p> 	<ul style="list-style-type: none"> <li>• Reskilling, upskilling, and potential development in line with business changes.</li> <li>• Business directions and guidelines for adaptation.</li> <li>• Employee care.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure regular communication through internal news.</li> <li>• Hold annual meeting between employees and executives.</li> <li>• Prepare employee engagement plans for each department to encourage employee's commitment to the organization.</li> <li>• Conduct yearly employee satisfaction surveys.</li> <li>• Conduct formal and informal employee opinion surveys.</li> <li>• Inform employees about relevant news and business movements through various internal communication channels, including e-mail, Line Group, Employee Connect application.</li> <li>• Provide information to raise awareness on healthcare during the COVID-19 pandemic through multiple internal communication channels, including e-mail, Line Group, Employee Connect application.</li> </ul>	<ul style="list-style-type: none"> <li>• Recognize employees' problems and expectations.</li> <li>• Understand employees' needs and facilitate them to work happily and efficiently.</li> <li>• Disclose operational information to keep employees informed of SCGP business operations.</li> <li>• Promote a collaborative culture with other stakeholders.</li> </ul>

Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<p data-bbox="236 277 272 315"><b>3</b></p> <p data-bbox="197 344 316 365"><b>Customers</b></p> 	<ul data-bbox="373 271 715 517" style="list-style-type: none"> <li>• Provide integrated services and solutions that meet the needs of customers in a complete cycle.</li> <li>• Supply quality products and services that meet customer needs and are environmentally friendly.</li> <li>• Provide online channels as a response to customer behavior.</li> </ul>	<ul data-bbox="729 271 1077 837" style="list-style-type: none"> <li>• Develop sustainable products, services, and solutions, and consider environmental, health, and safety impacts at every step of the process.</li> <li>• Provide 24/7 channels for customers to give feedback or complaints about products and services.</li> <li>• Co-develop products with customers and create collaborative projects that enhance social responsibility.</li> <li>• Conduct a customer satisfaction survey.</li> <li>• Conduct a brand reputation survey.</li> <li>• Listen to customer needs through Facebook, websites, and customer visits and use the knowledge to develop products/services.</li> </ul>	<ul data-bbox="1096 271 1436 680" style="list-style-type: none"> <li>• Recognize and understand customer needs to deliver products and services that meet their specific needs.</li> <li>• Co-develop products with business customers, including promoting cooperation among B2B customers to develop more sustainable products and services.</li> <li>• Create channels for customers to give feedback on products, request advice for solving their problems, and receive complaints.</li> </ul>
<p data-bbox="236 864 272 902"><b>4</b></p> <p data-bbox="193 927 323 978"><b>Suppliers/ Contractors</b></p> 	<ul data-bbox="373 857 715 1137" style="list-style-type: none"> <li>• Provide knowledge and mentoring for better and safer transportation to grow along with SCGP.</li> <li>• Support operational knowledge with concerns on the Environmental, Social and Governance (ESG) to enhance the business partners' capability to reduce operational and reputational risks.</li> </ul>	<ul data-bbox="729 857 1077 1424" style="list-style-type: none"> <li>• Visit suppliers/contractors' places to exchange of ideas and listen to their suggestions or recommendations for improvement.</li> <li>• Cultivate safety consciousness, raise awareness, and promote working behavior to build a safety culture.</li> <li>• Organize seminars to share new knowledge and trends that may affect business partners' operations.</li> <li>• Enhance the performance of transportation contractors through assessment and development under the annual Sustainability Program.</li> <li>• Establish measures for business partners, including the application of digital and online technology to ensure safety.</li> </ul>	<ul data-bbox="1096 857 1436 1361" style="list-style-type: none"> <li>• Promote and maintain a safe and working environment for contractors in production and transportation.</li> <li>• Create value for business partners and suppliers through supporting and elevating the operations of business partners in order to develop knowledge and achieve maximum efficiency.</li> <li>• Develop collaborative projects for sustainable business growth and expansion.</li> <li>• Encourage business partners to comply with the relevant laws pertaining to environment, health, and safety.</li> </ul>
<p data-bbox="236 1451 272 1489"><b>5</b></p> <p data-bbox="185 1518 331 1538"><b>Communities</b></p> 	<ul data-bbox="373 1444 715 1823" style="list-style-type: none"> <li>• Ensure that business operations do not affect communities and environment.</li> <li>• Use SCGP's expertise to develop and improve the quality of life of communities.</li> <li>• Learn and develop to build career and income stability.</li> <li>• Enhance income generation by increasing sales channels, developing the marketing plan, and providing packaging.</li> </ul>	<ul data-bbox="729 1444 1077 2011" style="list-style-type: none"> <li>• Visit communities to listen to their opinions, suggestions, and needs through community relations activities.</li> <li>• Conduct a community satisfaction survey annually.</li> <li>• Act as a mentor to give advice and help develop communities in various dimensions, using the expertise of the organization.</li> <li>• Collaborate with communities, experts, the government, and related sectors to create a positive social impact.</li> <li>• Communicate through social media, such as Line, Facebook, and Twitter.</li> <li>• Create open house activities for the community visit to obtain their opinions.</li> </ul>	<ul data-bbox="1096 1444 1436 1823" style="list-style-type: none"> <li>• Be a part of communities, respect their rights, and preserve the surrounding environment.</li> <li>• Improve the quality of life and contribute to the communities and society where SCGP operates, both in Thailand and ASEAN.</li> <li>• Listen to communities' opinions.</li> <li>• Develop cooperative projects that make use of communities' potential for the benefit of society.</li> </ul>

Stakeholder Groups	Needs and Expectations	Participation Approaches	Example of Outcomes
<p style="text-align: center;"><b>6</b></p> <p style="text-align: center;"><b>Government Agencies</b></p> 	<ul style="list-style-type: none"> <li>• Be a role model of corporate governance for other organizations in terms of operational transparency and excellence.</li> <li>• Collaborate with public sectors and present guidelines for sustainability.</li> <li>• Make business disclosure with transparency and accountability.</li> <li>• Conduct business by heeding the impact on the environment and communities.</li> <li>• Participate in a collaborative project to achieve the Sustainable Development Goals (SDGs).</li> </ul>	<ul style="list-style-type: none"> <li>• Listen to opinions and suggestions from the government sector.</li> <li>• Voice opinions and suggestions regarding rules, regulations, and guidelines set out by the government sector.</li> <li>• Participate with the public sectors and share best practices to disseminate to the public.</li> <li>• Elect a committee or working group and collaborate with public sectors in proposing regulatory rules.</li> <li>• Pay a visit to government agencies to obtain opinions and suggestions.</li> <li>• Disseminate information on business operations through articles, media, academic forums, exhibitions, and seminars.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct proper and appropriate business activities by strictly complying with applicable laws and regulations.</li> <li>• Cooperate with government agencies in terms of academic matters and support for activities.</li> </ul>
<p style="text-align: center;"><b>7</b></p> <p style="text-align: center;"><b>Mass Media</b></p> 	<ul style="list-style-type: none"> <li>• Become a role model for large enterprises that focuses on conducting business in accordance with the sustainable development framework (environmental, social and governance), and commit to it thoughtfully and continuously, achieving tangible outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Disseminate business information in various aspects regularly, such as business performance, and hold business press conferences.</li> <li>• Organize activities to explore operations or social activities occasionally.</li> <li>• Support media activities that are beneficial to society, aligning with SCGP's business principles, appropriately.</li> <li>• Have media dialogue to receive suggestions, opinions, or improvements to develop and design communication activities to match the needs and benefits of people who receive information.</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate corporate news through in-depth media interviews and online surveys (empathize media) to provide news content responding to different media needs.</li> <li>• Create an online communication channel to disseminate correct, complete, and up-to-date information, including facilitating the media.</li> <li>• Build engagement and good relationships with the mass media.</li> </ul>
<p style="text-align: center;"><b>8</b></p> <p style="text-align: center;"><b>Civil Society/ Academics/ Thought Leaders</b></p> 	<ul style="list-style-type: none"> <li>• Become a role model and mentor of other small and medium enterprises to share best practices on sustainability.</li> <li>• Join forces with large enterprises to make significant changes for sustainability.</li> <li>• Cooperate with government agencies and present practical guidelines for sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Listen to opinions and suggestions from civil society, academics, and thoughts to develop business operations.</li> <li>• Cooperate in projects promoting social sustainability.</li> <li>• Build engagement and share best practices to civil society/ academic/ thoughts leaders for implementation.</li> <li>• Provide information on the business operations through articles, media, meetings, exhibitions, academic work, and seminars.</li> </ul>	<ul style="list-style-type: none"> <li>• Make complete and transparent information disclosure.</li> <li>• Listen to opinions and suggestions from the civil society sector.</li> <li>• Seek opportunities to build partnerships to drive issues related to sustainability.</li> <li>• Raise awareness and build understanding on sustainable development issues for the society.</li> <li>• Utilize knowledge from experts to support collaborative projects.</li> </ul>
<p style="text-align: center;"><b>9</b></p> <p style="text-align: center;"><b>Competitors</b></p> 	<ul style="list-style-type: none"> <li>• Conduct business under the framework of fair competition, with business ethics and transparency.</li> <li>• Do not take advantage of competitors by unlawful means.</li> <li>• Do not damage the reputation of competitors by making malicious accusations.</li> <li>• Do not seek any trade secret information through dishonest or inappropriate means.</li> <li>• Do not conduct any action that infringes the intellectual property of competitors.</li> <li>• Support and promote free trade.</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute as a committee or working group along with central organizations such as the Federation of Thai Industries or other associations.</li> <li>• Hold seminars to share knowledge on new trends that may affect business operations.</li> <li>• Visit to build relationships and exchange ideas, suggestions, or improvements.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct the business under the framework of fair competition and related laws.</li> <li>• Disclose essential and necessary information on SCGP's operating performances.</li> <li>• Conduct business with transparency and accountability.</li> <li>• Listen to opinions/suggestions for business operation development.</li> <li>• Identify opportunities to build cooperation for encouraging and driving business-related issues that need consideration from the government sector.</li> </ul>



## Human Rights Due Diligence

SCGP has thoroughly reviewed policies, frameworks, and practices to be in line with international standards, including country-specific issues, aimed to cover all business activities of SCGP, contractors, suppliers, and business partners, taken account of these following issues :



In addition, the Company has compiled proactive human rights standards for development of Guideline on Human Rights Due Diligence Process, allowing each company to use it as reference for risk assessment, preventative measure planning, and comprehensive investigation in order to maintain risk at the acceptable level. Moreover, the whistleblowing channels and system were modernized and improved to cover various issues regarding human rights violations and whistleblower protection as specified in the SCGP Whistleblowing Policy. Learn more at <https://sustainability.scgpackaging.com/th/social/human-rights>.

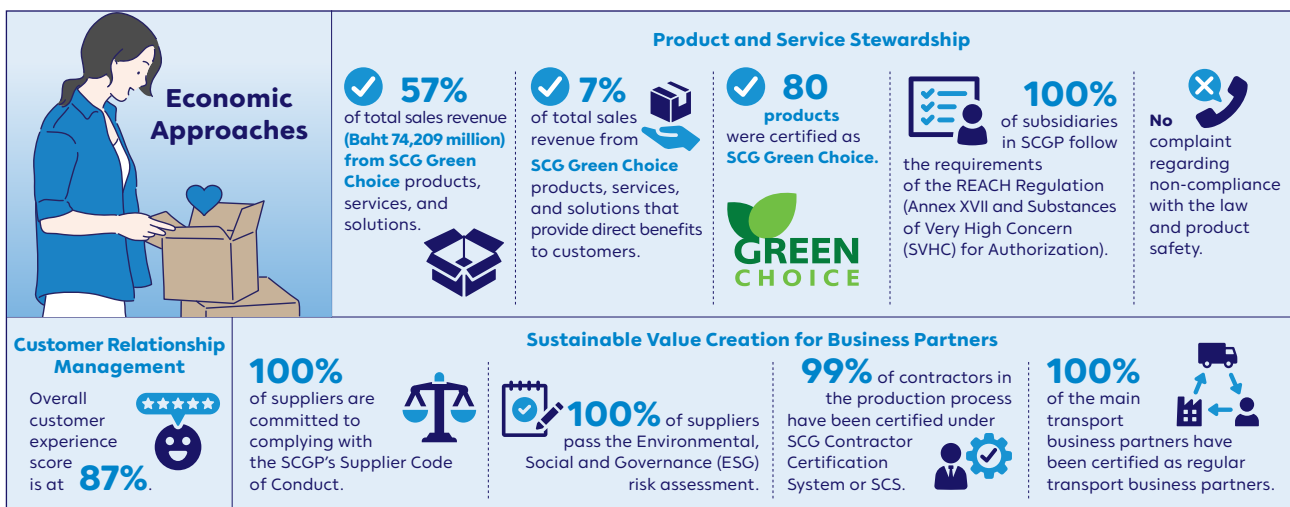
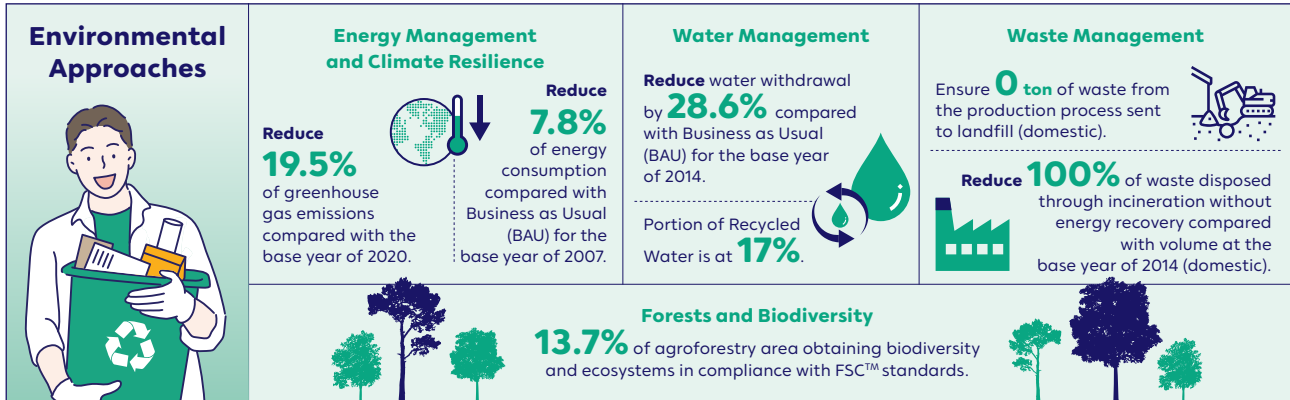
## Corporate Governance by the Board of Directors on Climate Change

SCGP elected the Risk Management Committee to monitor and assess climate change-related risks on the organizational level in collaboration with the climate change and energy working group every quarter. The result will be reported to the Audit Committee, with a director as the Chairman; ESG Committee, with the Chief Executive Officer as the Chairman; Chief Operating Officers from each business; Chief Financial Officer; and Chief Regional Officer, to consider risk management and climate change-related opportunities, as well as offer suggestions on additional strategies or action plans. Furthermore, in the case of investing in a low-carbon project, it will be proposed to the Investment Committee for consideration.



## Sustainability Performance

Based on the stakeholder expectation analysis, the Company has put sustainability guidelines in place that cover Environmental, Social and Governance framework (ESG). The key sustainability performance regarding economic, social and environmental data for 2023 are as follows :



## Information on Sustainable Development Operations in SCGP

Performance	2019	2020	2021	2022	2023
			Thailand/Abroad		
1. Revenue from Sales of and Services SCG Green Choice Products (%) <sup>1</sup>	16	34	45	48	57
2. Research & Development and Innovation Investment (Baht Million) <sup>1</sup>	584	529	958	522	998
3. Raw Materials (Thousand Tons) <sup>2</sup>	5,177	6,405	4,507/2,712	8,649	6,828
4. Recycled and Renewable Materials (Thousand Tons) <sup>2</sup>	2,597	4,003	4,482/2,688	8,607	6,766
5. GHG Scope 1 and 2 (Million Tons of Carbon Dioxide Equivalent) <sup>3</sup>	2.91	2.92	2.79/2.09	4.36	4.02
6. GHG Emissions Reduction Compared with the Base Year of 2020 (%) <sup>4</sup>	14.45	12.79	4.6/-0.8	12.7	19.5
7. GHG Emissions Scope 1 and 2 (Tons of Carbon Dioxide Equivalent per Ton of Production)	0.85	0.87	0.8/0.94	0.79	0.73
8. GHG Emissions Scope 3 (Million Tons of Carbon Dioxide Equivalent)	N/A	N/A	2.17	1.46	2.06
9. Carbon Sequestration in Agroforestry (Million Tons of Carbon Dioxide Equivalent)	N/A	N/A	N/A	N/A	0.15
10. Total Energy Consumption (Petajoules)	40.8	67.3	64.7	60.4	59.1
11. Portion of Renewable Energy (%)	27.52	25.57	29.8/4.41	24.3	28.6
12. Energy Consumption Reduction Compared with Business as Usual (BAU) for the Base Year of 2007 (%)	8.42	5.36	5.59/6.25	6.83	7.78
13. Energy Consumption (Gigajoules per Ton)	11.86	12.14	11.89/10.48	10.9	10.7
14. Water Withdrawal Reduction Compared with Business as Usual for the Base Year of 2014 (%)	10.4	16.8	19.4/37.8	28.0	28.6
15. Proportion of Water Reuse (%)	12.04	14.08	16/10	16.29	16.97
16. External Water Withdrawal (Cubic Meter per Ton)	17.82	16.31	15.53/11.17	13.11	12.95
17. Industrial Waste to Landfilled in Thailand (Tons)	0	0.77	0/17,749.8	12,236.2	7,519.1
18. Waste (per Tons of Products) to Incineration without Energy Recovery Compared with the Base Year of 2014 (%)	96.17	99.62	99.99/N/A	99.95	100
19. Lost Time Injury Frequency Rate (Cases per 1,000,000 Working Hours) in Thailand • Employee+Contractor	0.605	0.217	0.263/1.492	0.419	0.419
20. Total Number of Work-Related Fatalities (Cases) • Employee (Male : Female)	0 : 0	0 : 0	1 : 0	0 : 0	1 : 0
21. Total Number of Work-Related Fatalities (Cases) • Contractor (Male : Female) (Workplace and Direct Transportation)	0 : 0	0 : 0	1 : 0	0 : 0	1 : 0
22. Fatality from transportation and traffic accident (Cases) • Logistic Contractors (Male : Female)	2 : 0	0 : 0	0 : 0	0 : 0	1 : 0
23. Recordable Work-Related Injury Rate (Cases per 1,000,000 Working Hours) • Employee	1.423	1.006	1.836	1.414	1.355
24. Proportion of Female Employees (%)	16.92	17.52	17.9/N/A	21.9	31.5
25. Proportion of Female Employees in Management Positions (%)	19.6	20.6	21.2/N/A	24.4	23.8

### Notes :

- Economic data covers domestic and overseas performance.
- For the total amount of raw materials and the amount of recycled materials in 2017-2020, the report includes data on the amount of waste paper that are raw materials for overseas plants into the Thailand dataset. For the year 2021, the report is divided into the total amount of raw materials, the amount of recycled materials, and the amount of renewed materials, based on the locations of the plants that use raw materials.
- Direct GHG emissions (Scope 1) arise from the production processes or activities of which the sources are in the supervision and the management of the Company or plants, such as emissions of greenhouse gases from stationary combustion and mobile combustion, fugitive emissions, and chemical reaction emissions. Carbon dioxide emissions from biomass, biogas and lime mud burning at lime kiln must be separated from Scope 1 because carbon found in biomass, biogas and lime kiln are of the natural origin.
- Indirect GHG emissions (Scope 2) are caused by indirect GHG emissions from energy consumption, such as greenhouse gases arising from electricity generation, imported thermal or steam for internal utilization.

SCGP has disclosed information in the Sustainability Report in accordance with GRI standards. The accuracy of the sustainability information was verified for the year ended December 31, 2023 by SGS (Thailand) Co., Ltd. The Company has disclosed details of its sustainable development performance in the 2023 Sustainability Report on our website ([www.SCGPackaging.com](http://www.SCGPackaging.com)).