



NEO



Be Nice



fineline



D-nee



TROS



Evensense



Vivite



D&A



Smart

Neo Corporate Public Company Limited

Management Discussion and Analysis

(MD&A)

For Q3/2024 Operating Results



Executive Summary

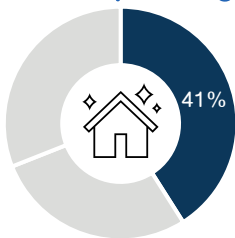
Results Overview	Q3/24	Q3/23	Q2/23	Change +/-		9M/24	9M/23	Change +/-
Unit: Million THB				%YoY	%QoQ			%YoY
Operating Revenue	2,437	2,456	2,494	(0.8%)	(2.3%)	7,403	7,029	5.3%
Gross Profit	1,082	1,107	1,168	(2.3%)	(7.4%)	3,386	2,977	13.7%
Selling and Administrative Expenses	788	681	827	15.7%	(4.7%)	2,395	2,095	14.3%
Net Profit	235	350	272	(32.9%)	(13.6%)	779	689	13.1%
Net Profit Attributable to the Parent Company	231	350	269	(34.0%)	(14.1%)	768	685	12.1%
Gross Profit Margin	44.4%	45.1%	46.8%			45.7%	42.4%	
Net Profit Margin	9.6%	14.1%	10.8%			10.5%	9.8%	
Net Profit Margin Attributable to the Parent Company	9.4%	14.1%	10.7%			10.3%	9.7%	

Notes: Values may differ by one decimal point due to rounding

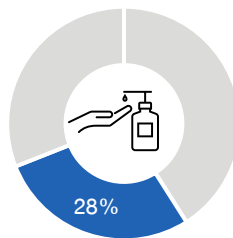
In 9M/2024, Neo Corporate Public Company Limited (the “Company” or “NEO”) reported operating revenue of THB 7,403 million, increased by THB 374 million or 5.3% from 9M/2023, mainly due to the increase in revenue from personal care, and baby and kids product categories. In 9M/2024, the Company reported net profit attributable to the parent company of THB 768 million, increased by THB 83 million or 12.1%, corresponding to the increase in operating revenue and gross profit, especially from the strong growth in premium mass products driven by the implementation of the Premiumization strategy. This growth is also supported by the Company’s effective management of raw material and packaging costs, as well as the implementation of appropriate business strategies, including marketing activities, customer base expansion, and new product development.

During 2024, the Company anticipates that achieving its set double-digit revenue growth target will be more challenging due to various uncontrollable factors. However, the introduction of new products in the Premium Mass segment, efficient management of raw material and packaging costs, and adjustments to operational strategies are expected to enhance the Company’s ability to manage gross profit margin compared to previous years. In addition, the Company will continue to develop new products and improve existing products, while exploring new growth opportunities, reinforcing the Company’s position as a leading manufacturer and distributor of high-quality Fast-Moving Consumer Goods (FMCG).

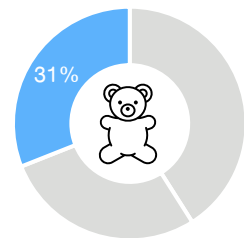
9M/2024 Operating Revenue Structure



Household Products



Personal Care Products



Baby and Kids Products

Total solutions for fabric care and home cleaning products that are effective and safe



Fabric Care

“Total Solutions For Your Beloved Clothes”



Fabric Care

“Anti bacterial Specialist”



Home Cleaning

“Home Cleaning Expert”

Extensive and distinctive personal care products to fulfill everyday needs of consumers



Fragrances & Deodorant

“Support Every Beauty Identity”



Body Care

“Entire Skincare Solution”



Fragrances & Deodorant/ Hair Care / Body Care

“Men’s Complete Grooming Products”



Fragrances & Deodorant Body Care

“Gentle for Your Skin and Nature”

High quality baby and kids products with gentleness proven by international standards



“Trusted Brand For Mildness That The Whole Family Will Enjoy”

- Laundry Care
- Utensil Wash
- Body Care
- Others

Q3/2024 Operating Results

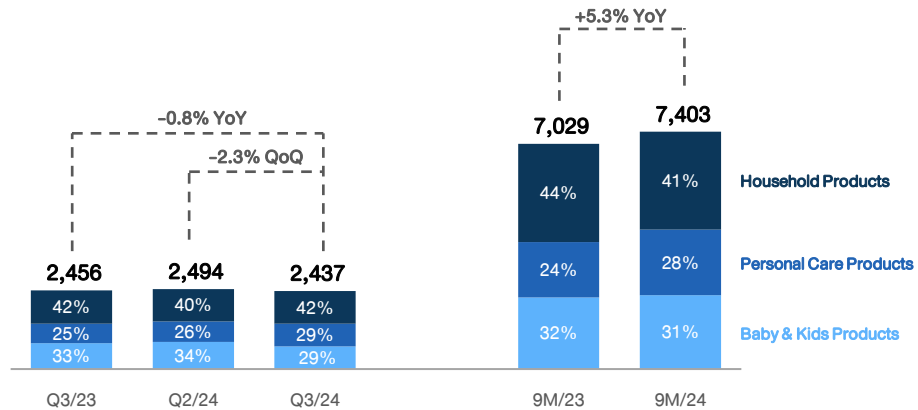
1. Revenue Breakdown by Product Category

Revenue Structure	Q3/24	Q3/23	Q2/24	Change +/-		9M/24	9M/23	Change +/-
Unit: Million THB				%YoY	%QoQ			%YoY
Household Products	1,025	1,038	1,004	(1.3%)	2.1%	3,053	3,067	(0.5%)
Personal Care Products	705	610	643	15.6%	9.6%	2,047	1,728	18.5%
Baby & Kids Products	707	808	847	(12.5%)	(16.5%)	2,303	2,234	3.1%
Total Revenue from Sales	2,437	2,456	2,494	(0.8%)	(2.3%)	7,403	7,029	5.3%

Notes: Values may differ by one decimal point due to rounding

Operating Revenue Breakdown by Product Category

Unit: Million THB, %



>>>>> YoY: Q3/2024 vs Q3/2023

In Q3/2024, the Company reported operating revenue of THB 2,437 million, decreased by THB 19 million or 0.8% from Q3/2023, due to the following factors:

- Revenue from Household Products:** was THB 1,025 million, slightly decreased by THB 13 million or 1.3%, mainly due to the decrease in 'Smart' brand due to the flood which occurred in the northern region of Thailand and in Myanmar. However, the Company was able to maintain growth through the success of the 'Fineline' and 'Tomi' brands, especially in the premium mass segment from the development of new product innovations to meet the needs of pet owners, such as 'Fineline Concentrated Premium Soft Fabric Softener', with new technologies to reduce pet hair on fabrics. In addition, the Company is currently in the process of expanding its distribution channels for household products to targeted countries through negotiations with key distributors to broaden customer reach and drive business growth.
- Revenue from Personal Care Products:** was THB 705 million, increased by THB 95 million or 15.6%, driven by strong performance across all brands under the personal care products category, including 'BeNice', 'Eversense', 'TROS', and 'Vivite', especially notable in shower cream products and roll-on products, supported by the Company's continuous efforts to enhance these two categories and partially from the development of new products and improvements to existing products which were well-received by consumers, such as 'BeNice Perfume Shower Gel' featuring Blooming Bomb technology for long-lasting fragrance and collagen peptides for enhanced skin elasticity, and 'Eversense Roll On Extra White Yogurt', which helps smoothen and whiten skin with yogurt nutrients, containing vitamins A, E, B3, and Extra Whitening Extracts that nourish and provide long-lasting protection against body odor throughout the day.
- Revenue from Baby & Kids Products:** was THB 707 million, decreased by THB 101 million or 12.5%, mainly due to a slowdown in overseas sales resulting from delays in orders from key exporting countries, attributed to the appreciation of the Thai Baht and an increase in freight rates. However, this decrease was partially offset by the strong performance of 'D-nee Deluxe' products, including laundry detergent, shower cream, and body lotion from the strategic expansion into new customer segments and the introduction of innovative products designed to address the unique needs of the entire family, especially the odor concerns of the elderly. 'D-nee Deluxe' is the first Thai brand to offer such innovative solutions to consumers.

>>>>> QoQ: Q3/2024 vs Q2/2024

In Q3/2024, the Company reported operating revenue of THB 2,437 million, decreased by THB 57 million or 2.3% from Q2/2024. due to the following factors:

- Revenue from Household Products:** was THB 1,025 million, increased by THB 21 million or 2.1%, mainly due to the adjustment of business strategies since July 2024, resulting in increased sales for the 'Fineline' brand, especially from fabric softeners and laundry detergents categories.
- Revenue from Personal Care Products:** was THB 705 million, increased by THB 62 million or 9.6%, driven by the strong performance of 'BeNice', 'TROS', and 'Vivite', especially notable in shower cream products and roll-on products, supported by the Company's continuous efforts to enhance these two categories and partially from the development of new products and improvements to existing products which were well-received by consumers, such as 'BeNice Perfume Shower Gel with Blooming Bomb technology', offering long-lasting fragrance and enhanced skin elasticity with collagen peptides for a youthful appearance, and 'TROS Deo Roll On Black Code Premium Perfume', Asia's first AI-developed men's deodorant roll-on product. The fragrance is AI-curated to enhance male charm, while the roll-on effectively reduces bacteria accumulation, a primary cause of body odor, using Pause Tech technology.
- Revenue from Baby & Kids Products:** was THB 707 million, decreased by THB 140 million or 16.5%, mainly due to a slowdown in overseas sales resulting from delays in orders from key exporting countries, attributed to the appreciation of the Thai Baht and an increase in freight rates. However, this decrease was partially offset by the strong performance of 'D-nee Deluxe' products, including laundry detergent, shower cream, and body lotion from the strategies to expand into new customer segments and the introduction of innovative products designed to address the unique needs of the entire family, especially the odor concerns of the elderly. 'D-nee Deluxe' is the first Thai brand to offer such innovative solutions to consumers.

>>>>> YoY: 9M/2024 vs 9M/2023

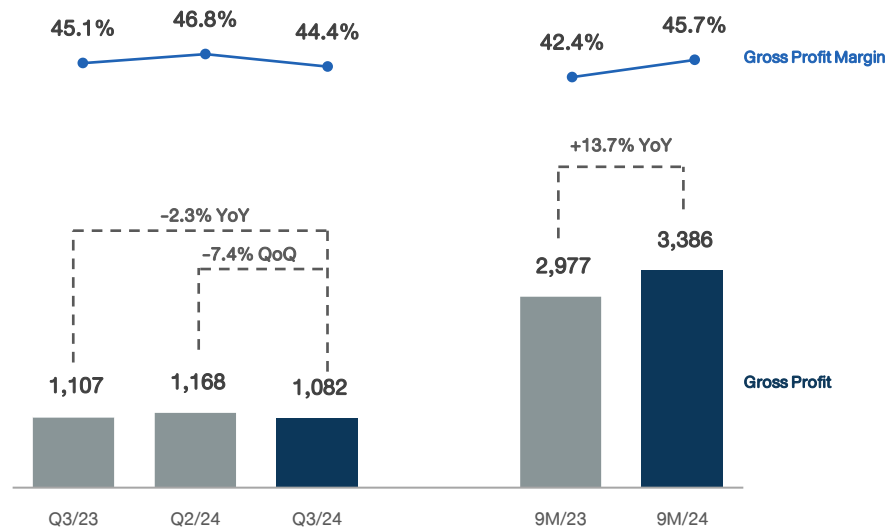
In 9M/2024, the Company reported operating revenue of THB 7,403 million, increased by THB 374 million or 5.3% from 9M/2023. This was driven by:

- Revenue from Household Products:** was THB 3,053 million, slightly decreased by THB 14 million or 0.5%, mainly due to high competition in the fabric softener segment. However, this decrease was partially offset by the growth of laundry detergent products and premium products under the 'Fineline' and 'Tomi' brands from the introduction of innovative products to meet the needs of pet owners, such as 'Fineline Concentrated Premium Soft Fabric Softener', with new technology to reduce pet hair on fabrics, and 'Tomi Floor Cleaner For Pet', formulated with 100% natural ingredients, while growth in overseas markets also slowed down. However, the Company is currently expanding its distribution channels for household products to targeted countries through negotiations with key distributors to broaden customer reach and drive business growth.
- Revenue from Personal Care Products:** was THB 2,047 million, increased by THB 319 million or 18.5%, driven by strong performance across all brands under the personal care products category, including 'BeNice', 'Eversense', 'TROS', and 'Vivite', resulting from the development of new products and improvements to existing products which were well-received by consumers across both mass and premium mass segments, such as 'BeNice Perfume Shower Gel' featuring Blooming Bomb technology for long-lasting fragrance and collagen peptides for enhanced skin elasticity, 'BeNice Ultimate Hygiene Feminine Cleansing', gentle and safe formula free from 12 harmful substances and gynecologically tested, and 'Eversense Made My Day Collection Perfume Mist' featuring three distinct fragrances that can be combined to create six unique scents, has elevated the brand's premium positioning and meets the needs both teenage girls and working women. Moreover, the collaboration between 'Vivite' and 'BeNice' to expand the popular English Pear & Freesia fragrance from 'BeNice Body Wash' into 'Vivite Green Collagen Whitening Roll-on' has received positive feedback and continuous popularity. The Company also refreshed the 'TROS' brand image through the introduction of a new brand ambassador, which significantly enhanced the brand's visibility and product appeal.
- Revenue from Baby & Kids Products:** was THB 2,303 million, increased by THB 69 million or 3.1%, mainly due to the strategic expansion into new customer segments through the launch of the 'D-nee Deluxe', with 3 new products: 'D-nee Deluxe Laundry Detergent', which offers innovative solutions for the entire family, especially addressing the unique odor concerns of the elderly, making it a first-of-its-kind product in Thailand, 'D-nee Deluxe Lotion', restores and moisturizes the skin for long-lasting hydration and a pleasant fragrance, with technology to help neutralize the unique odors of the elderly in a gentle formula suitable for the delicate skin of the elderly and 'D-nee Deluxe Shower Gel', provides a clean, fresh, and soft, moisturized skin for all ages. It contains 100% Aloe Vera Oil and Micellar Water for deep, gentle cleansing that won't harm your skin, enriched with natural Japanese persimmon extract to help control body odor. In addition, the successful introduction of new products under the 'D-nee Organic Always Happy - Smile Booster Series', catering to the specific needs of mothers, such as liquid body and hair wash, baby lotion, laundry detergent, and fabric softener for babies, has contributed to this growth. These products feature EmotiTech fragrance technology, which promotes good moods in babies, stimulates development, and prepares them for new learning experiences daily, while being hypoallergenic tested to ensure they are gentle on the skin.

2. Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit margin

Unit: Million THB, %



>>>>> YoY: Q3/2024 vs Q3/2023

Gross Profit: In Q3/2024, the Company reported gross profit of THB 1,082 million, decreased by THB 25 million or 2.3% from Q3/2023, corresponding to the decrease in operating revenue, especially from baby and kids products, which have higher gross profit margins compared to the personal care products and household products (Product Mix). However, the Company was able to maintain growth in the premium mass segment due to the successful implementation of the Premiumization strategy. In addition, the Company also experienced an increase in cost of goods sold in Q3/2024 mainly driven by higher raw material costs. As a result, **Gross Profit Margin** in Q3/2024 was 44.4%, slightly decreased from 45.1% in Q3/2023.

>>>>> QoQ: Q3/2024 vs Q2/2024

Gross Profit: In Q3/2024, the Company reported gross profit of THB 1,082 million, decreased by THB 86 million or 7.4% from Q2/2024, corresponding to the decrease in operating revenue, especially from the baby and kids products, which have higher gross profit margins compared to the personal care products and household products (Product Mix). However, this decrease was partially offset by sales from the premium mass segment due to the successful implementation of the Premiumization strategy. In addition, the Company also experienced an increase in cost of goods sold in Q3/2024 primarily driven by higher raw material costs. As a result, **Gross Profit Margin** in Q3/2024 was 44.4%, decreased from 46.8% in Q2/2024.

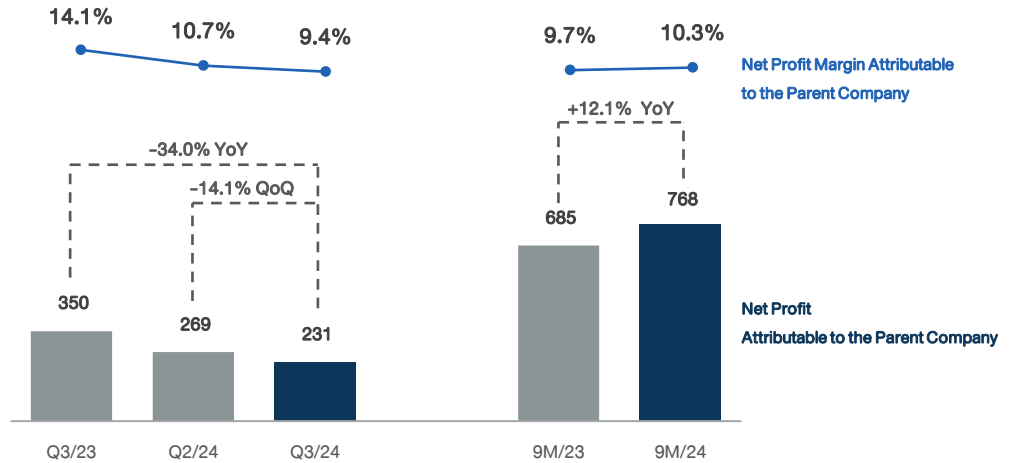
>>>>> YoY: 9M/2024 vs 9M/2023

Gross Profit: In 9M/2024, the Company reported gross profit of THB 3,386 million, increased by THB 409 million or 13.7% from 9M/2023, corresponding to the increase in operating revenue, especially from personal care products and baby and kids products, which have higher gross profit margins compared to household products (Product Mix). Additionally, sales from the premium mass segment improved due to the successful implementation of the Premiumization strategy. Meanwhile, the Company experienced a decrease in cost of goods sold during 9M/2024, reflecting the Company's ability to manage raw material and packaging costs effectively. As a result, **Gross Profit Margin** in 9M/2024 was 45.7%, increased from 42.4% in 9M/2023.

3. Net Profit and Net Profit Margin Attributable to the Parent Company

Net Profit and Net Profit Margin Attributable to the Parent Company

Unit: Million THB, %



YoY: Q3/2024 vs Q3/2023

Net Profit Attributable to the Parent Company: In Q3/2024, the Company reported net profit attributable to the parent company of THB 231 million, decreased by THB 119 million or 34.0% from Q3/2023, mainly from the decrease in operating revenue and gross profit. Moreover, the Company incurred higher selling and administrative expenses compared to the previous year, mainly due to increased marketing and promotional expenses to strengthen the Company's competitive position, as well as the increased employee compensation. The Company's marketing and promotional expenditures depends on the products the Company focuses on during each period, market conditions, and competition, as well as the timeline for launching new products. As a result, those expenses are not fixed on a quarterly basis but are carefully managed and controlled to align with the annual expense-to-sales ratio. During Q3/2024, Selling and Administrative Expenses to Operating Revenue was 32.3%, increased from 27.7% in Q3/2023, resulting in **Net Profit Margin Attributable to the Parent Company** to be 9.4% in Q3/2024, decreased from 14.1% in Q3/2023. The Company recorded significantly high revenue during Q3/2023 without additional extraordinary expenses, as retailers stocked up products in advanced to avoid the Company's transition period into a public listed company, during of which customers were unable to place orders. As a result, the Company's net profit was significantly high during Q3/2023.

QoQ: Q3/2024 vs Q2/2024

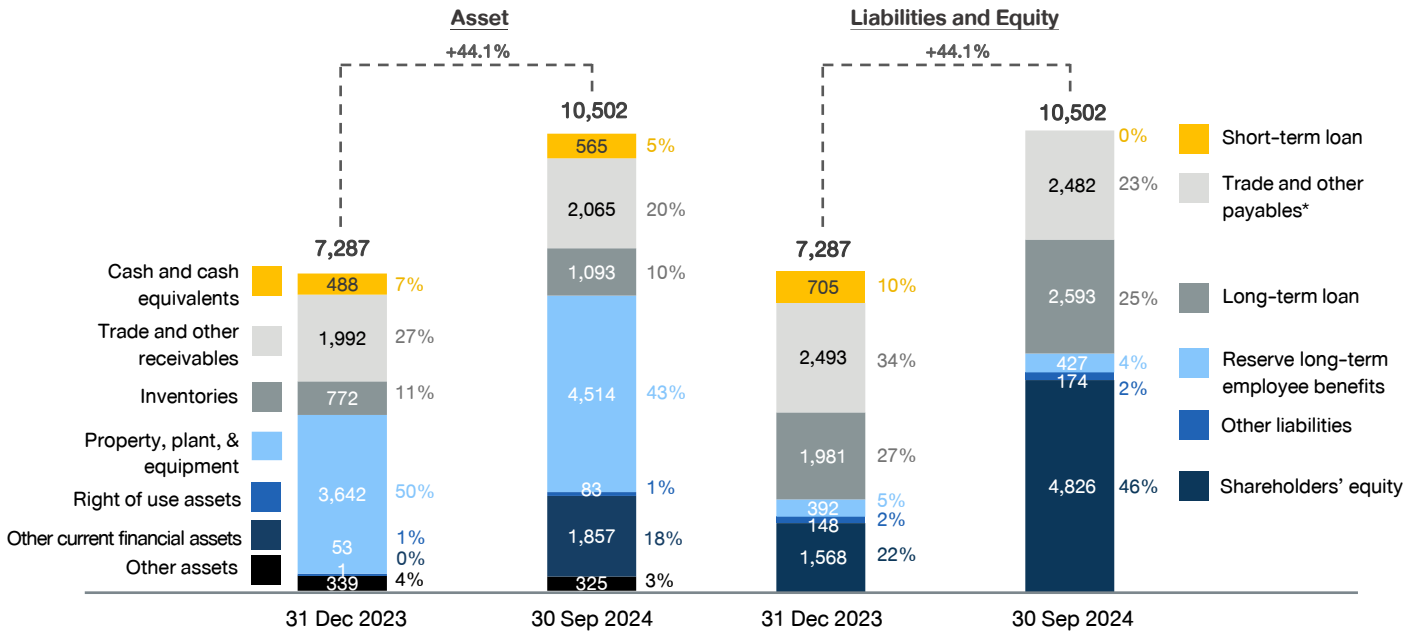
Net Profit Attributable to the Parent Company: In Q3/2024, the Company reported net profit attributable to the parent company of THB 231 million, decreased by THB 38 million or 14.1% from Q2/2024, largely due to the decrease in operating revenue and gross profit. However, the Company incurred lower selling and administrative expenses compared to the previous year, mainly due to the decrease in marketing and promotional activities. The Company's marketing and promotional expenditures depends on the products the Company focuses on during each period, market conditions, and competition, as well as the timeline for launching new products, resulting in fluctuations in quarterly spending. As a result, those expenses are not fixed on a quarterly basis but are carefully managed and controlled to align with the annual sales-to-expense ratio. During Q3/2024, Selling and Administrative Expenses to Operating Revenue was 32.3%, decreased from 33.2% in Q2/2024, this decrease was at a lower rate than the decrease in the gross profit margin, resulting in **Net Profit Margin Attributable to the Parent Company** to be 9.4% in Q3/2024, decreased from 10.7% in Q2/2024.

YoY: 9M/2024 vs 9M/2023

Net Profit Attributable to the Parent Company: In 9M/2024, the Company reported net profit attributable to the parent company of THB 768 million, increased by THB 83 million or 12.1% from 9M/2023, driven by the increase in operating revenue and gross profit. However, the Company incurred higher selling and administrative expenses compared to the previous year, mainly due to increased marketing and promotional expenses to strengthen the Company's competitive position, as well as the increased in employee compensation and depreciation expenses related to the expansion of the automated finished goods warehouse and the automated storage and retrieval system (ASRS) which commenced operations in Q3/2023. The Company's marketing and promotional expenditures depends on the products the Company focuses on during each period, market conditions, and competition, as well as the timeline for launching new products, resulting in fluctuations in quarterly spending. As a result, those expenses are not fixed on a quarterly basis but are carefully managed and controlled to align with the annual sales-to-expense ratio. In 9M/2024, Selling and Administrative Expenses to Operating Revenue was 32.4%, increased from 29.8% in 9M/2023, this increase was at a lower rate than the increase in gross profit margin, resulting in **Net Profit Margin Attributable to the Parent Company** to be 10.3% in 9M/2024, increased from 9.7% in 9M/2023.

Statement of Financial Position

Unit: Million THB, %



*Note: Trade and other payables, including Department of Revenue payables

>>>>> Total Assets

As of 30 September 2024, the Total Assets of the Company was THB 10,502 million, increased by THB 3,215 million or 44.1% from 31 December 2023, driven by the following key changes:

- **Trade and other receivables:** was 2,065 million, increased by THB 73 million, corresponding to the increase in sales.
- **Inventories:** was THB 1,093 million, increased by THB 321 million, due to higher inventory to support anticipated sales growth in the upcoming quarter.
- **Property, plant, & equipment:** was THB 4,514 million, increased by THB 872 million, due to the investments for the expansion of production capacity for personal care products for both adults and baby.
- **Other current financial assets:** was THB 1,857 million, increased by THB 1,856 million due to the increase in fixed deposits with financial institutions of THB 1,400 million and temporary investments of THB 455 million. The majority of these funds were generated from the Initial Public Offering (IPO).

>>>>> Total Liabilities

As of 30 September 2024, the Total Liabilities of the Company was THB 5,676 million, decreased by THB 43 million or 0.8% from 31 December 2023, driven by the following key changes:

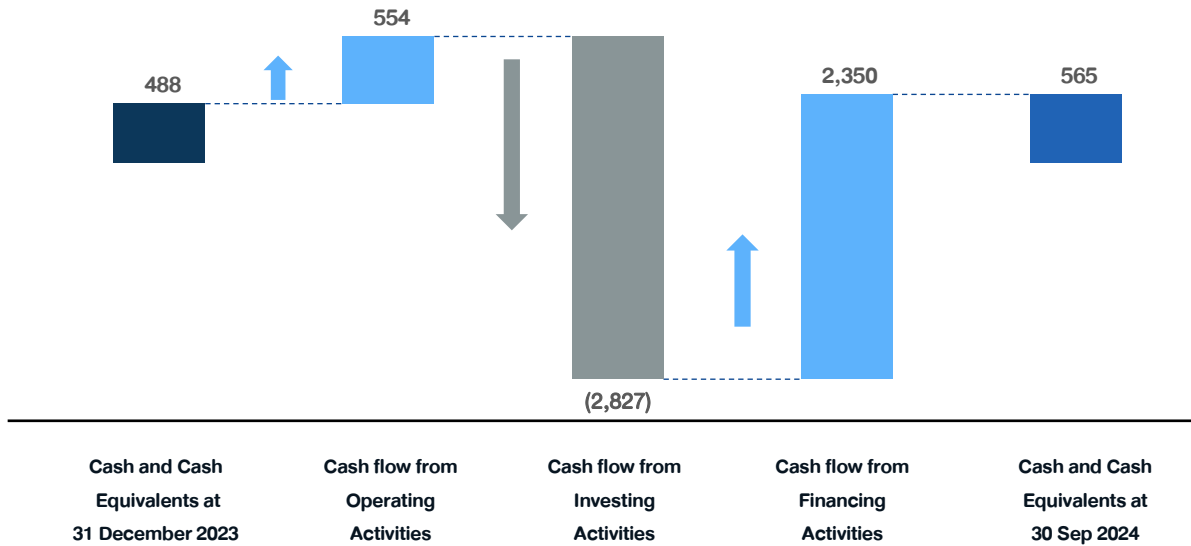
- **Short-term loans:** was THB 0 million, decreased by THB 705 million, mainly due to the repayment of loans to financial institutions in accordance with the purpose outlined during Initial Public Offering (IPO).
- **Long-term loans:** was THB 2,593 million, increased by THB 612 million, due to the investments for the expansion of production capacity for personal care products of both adults and baby.

>>>>> Total Shareholders' Equity

As of 30 September 2024, the Total Equity of the Company was THB 4,826 million, increased by THB 3,258 million or 207.8% from 31 December 2023, mainly due to the increase in the share capital of 78 million shares at a par value of THB 1 per share, totaling THB 78 million and share premium of THB 2,901 million resulting from the Initial Public Offering (IPO) on April 9, 2024.

Liquidity and Sufficiency of Company's Capital

Unit: Million THB, %



Cash flow from Operating Activities

Net cash from operating activities of the Company for the fiscal year ended 30 September 2024, was THB 554 million, driven by the following key changes:

- **Cash from operating activities:** increased by THB 827 million (mainly due to the record of pre-tax profit and adjustments to pre-tax profit for cash receipts of THB 1,326 million, partially offset by net decrease in working capital of THB 499 million).
- **Net Cash paid for interests:** was THB 79 million.
- **Cash paid for income taxes:** was THB 194 million.

Cash flow from Investing Activities

Net cash used in investing activities of the Company for the fiscal year ended 30 September 2024, was THB 2,827 million, driven by the following key changes:

- **Cash from bank fixed deposits:** increased by THB 1,400 million.
- **Cash payments for investments in property, plant, and equipment:** especially for the capacity expansion project for personal care and baby and kids products, totaling THB 974 million

Cash flow from Financing Activities

Net cash from financing activities of the Company for the fiscal year ended 30 September 2024, was THB 2,350 million, driven by the following key changes:

- **Net cash inflow from share capital:** was THB 2,964 million.
- **Net long-term loans:** was THB 611 million.

Partially offset by:

- **Net cash paid for repayment of short-term loans:** was THB 705 million.
- **Dividend payment to shareholders for the year 2023:** was THB 500 million.

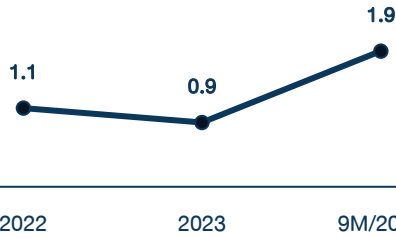
Key Financial Ratios

1. Liquidity Ratios

Current Ratio

Total current assets / Total current liabilities

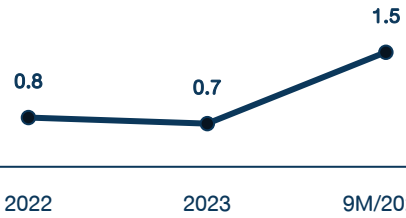
Unit: Times



Quick Ratio

(Cash and cash equivalents + Net trade receivables + Other current financial assets* / Total current liabilities

Unit: Times



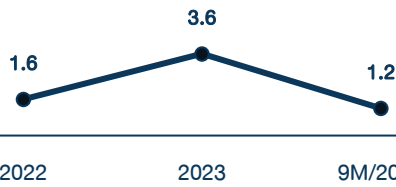
*Fixed deposits with a tenor of more than 3 months but less than 1 year, and investments in open-end fund-debt securities

2. Leverage Ratios

D/E Ratio

Total liabilities / Total equity

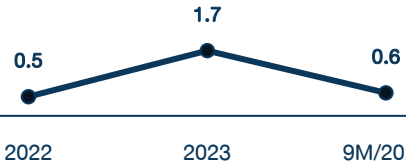
Unit: Times



Interest Bearing Debt to Equity Ratio

Total interest-bearing debt / Total equity

Unit: Times

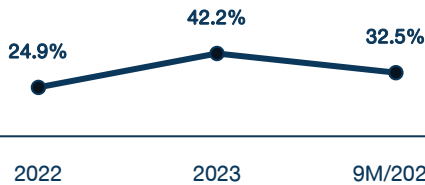


3. Profitability Ratios

ROE

Net income (annualized) / Average total equity

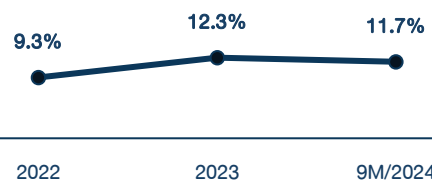
Unit: %



ROA

Net income (annualized) / Average total assets

Unit: %

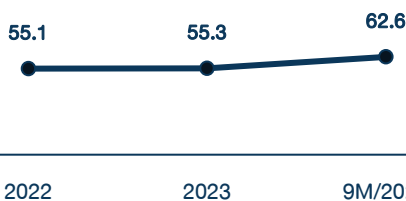


4. Assets Management Ratios

Cash Cycle

(Average sales period + Average collection period) – Average payment period

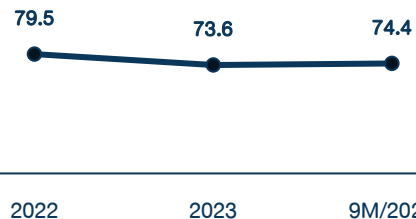
Unit: Days



Average Payment Period

365 / (Cost of goods sold (annualized) / Average trade payables (excluding other payables))

Unit: Days



NEO Business Strategy



1. MARKETING EXCELLENCE

- Offer high quality products to upkeep the popularity with consumers
- Strengthen market position of all brands
- Increase market share of products with high marketing potential
- Innovation-led Premiumization in all business units
- Increase distribution channels – TT channels in Thailand



2. SUPPLY CHAIN OPTIMIZATION

- Raw materials and packaging continuous management
- Production process and resources management efficiency improvement
- Automated Storage and Retrieval System (ASRS)



3. SUSTAINABILITY DRIVEN

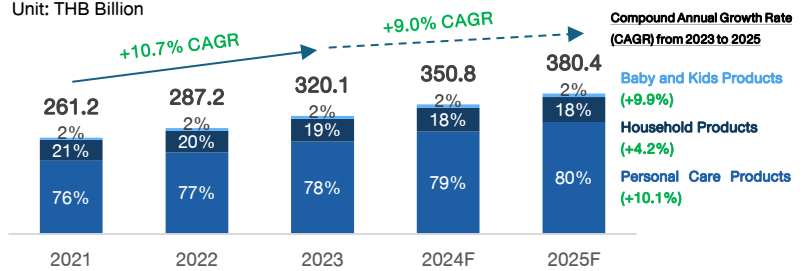
- Strengthen responsible business culture and leverage innovation to manage resources and environment

The Situation of Consumer Goods Industry and Palm Kernel Oil Prices

Consumer Goods Industry Trends in Thailand

The Thai consumer goods market reached a value of THB 320.1 billion in 2023, according to Euromonitor. **The market is projected to grow to THB 380.4 billion by 2025, with a compound annual growth rate (CAGR) of 9.0% between 2023 to 2025.** This indicates the continuous growth of the consumer goods market in Thailand. The personal care product category is expected to exhibit the highest growth rate of 10.1% per year.

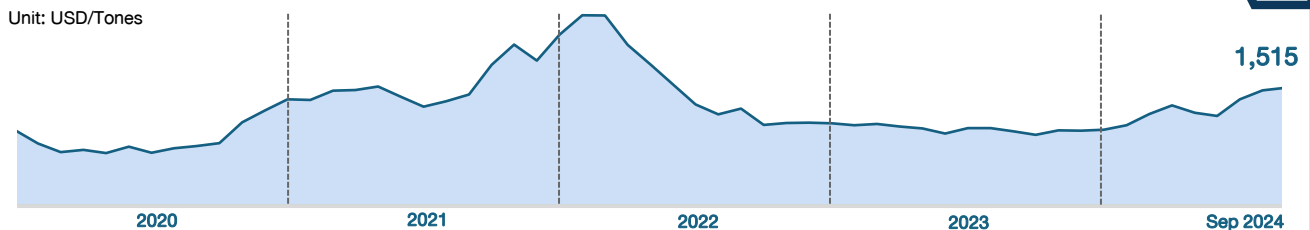
Unit: THB Billion



Source: Euromonitor

Palm Kernel Oil Prices

Unit: USD/Tones



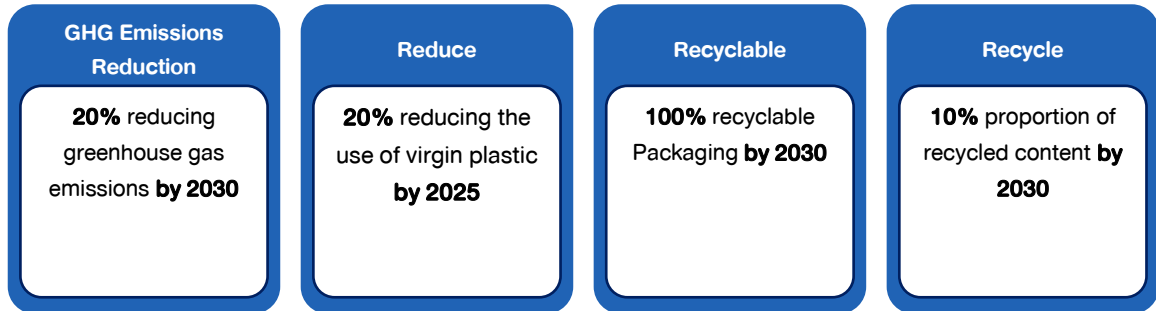
Source: ycharts.com

The price of palm kernel oil is determined by factors like global supply and demand for the oil itself, competition from other vegetable oils, and the availability of palm kernels, which depends on palm fruit harvest yields. **As of Sep 2024, the price of palm kernel oil is at 1,515 USD/MT**

NEO: Driving Sustainable Business Practices (ESG)

The Company has developed a sustainable operations roadmap (ESG Activity Roadmap) to align with its circular economy policy and short-term and medium-term goals. The Company has plans and goals for promoting and developing sustainability, which aim to reduce environmental impact as follows:

Sustainable Operations Roadmap (ESG Activity Roadmap)



The Company implemented the following activities under its ESG Activity Roadmap:

GHG Emissions Reduction

In March 2024, the Company conducted a comprehensive assessment of its organizational carbon footprint (Carbon Footprint for Organization: CFO) for the entire year of 2023. The purpose of this assessment was to quantify the greenhouse gas emissions generated from the Company's operations and identify significant emission sources. This information will be used to develop strategies to reduce the organization's greenhouse gas emissions and achieve its goal of a 20% reduction by 2030 and ultimately achieve carbon neutrality. The Company's carbon footprint was assessed in accordance with the guidelines of the Organization for the Promotion of Alternative Energy and Conservation of Energy (Public Organization) and the ISO 14064-1 standard, an international standard specifying principles and requirements at the organizational level for the quantification and reporting of greenhouse gas emissions. In preparing the organization's carbon footprint, the Company collected data on greenhouse gas emissions and removals from its operations and activities, covering all three scopes of greenhouse gas emissions. The details of the assessment results are as follows:

Greenhouse gas emissions data of NEO Corporate Public Company Limited

Standard criteria	Unit	Year 2023
Scope 1	tonCO ₂ e	4,953
Scope 2	tonCO ₂ e	6,601
Scope 1 and 2	tonCO ₂ e	11,554
Scope 3	tonCO ₂ e	187,828

Remark: The greenhouse gas emissions data for 2024 is currently under review in accordance with the organizational carbon footprint assessment guidelines of the Organization for the Promotion of Alternative Energy and Conservation of Energy (Public Organization) and the ISO 14064-1 standard. The British Standards Institution (BSI) is conducting the verification and is scheduled to certify and register the data in Q1/2025.

Reduce (20% by 2025)

The Company has reduced its use of virgin plastic by a total of 1,494 tons, which accounts for 19% of its total plastic packaging volume compared to the previous year.

Recyclable (100% by 2030)

The Company has compiled data on recyclable packaging materials, accounting for 79% of the total packaging volume. The remaining 21% consists of non-recyclable packaging materials such as laminated films and molded packaging. This proportion has increased due to the use of refill pouches and the downsizing of product packaging to adjust prices to consumer purchasing power.

Recycled content (10% by 2030)

In 2023, the Company developed and tested plastic pellets made from recycled plastic bottles, known as Post-Consumer Resin (PCR). This initiative aims to support a circular economy and maximize the lifespan and value of materials. From Q1/2024 to Q3/2024, the Company sold 87.6 tons of its BeNice brand Mass Series products, which contained packaging made from PCR pellets.