



SET Awards 2023






Sustainability Excellence

Presented by
**Sustainability
Team**

Date
August 24, 2023



Agenda

-  Company Profile
-  Continuous and Sustainable Growth
-  Business Operation with Environmental Responsibility
-  Potential People and Society Development
-  Q & A

Company Profile

Overview Company

Group Structure

A.J. Plast Products

Vision, Mission, Core Value



Company Overview

A.J. PLAST

WORLD 1ST ALL IN ONE SOLUTIONS of **BIAXIALLY ORIENTED** FILM MANUFACTURER



“World Class Film Products for Ultimate Customer Satisfaction”

- A.J. Plast PLC was established in 1987
- Headquartered in Bangkok Thailand
- A high quality Biaxially Oriented (BO) Films manufacturer
- The complete flexible packaging solution with **313,500** TPA production capacity

1987



Established

1994



Converted to public company

2020-present



Joint venture company under A.J. Plast (Vietnam) Ltd.

2022-present



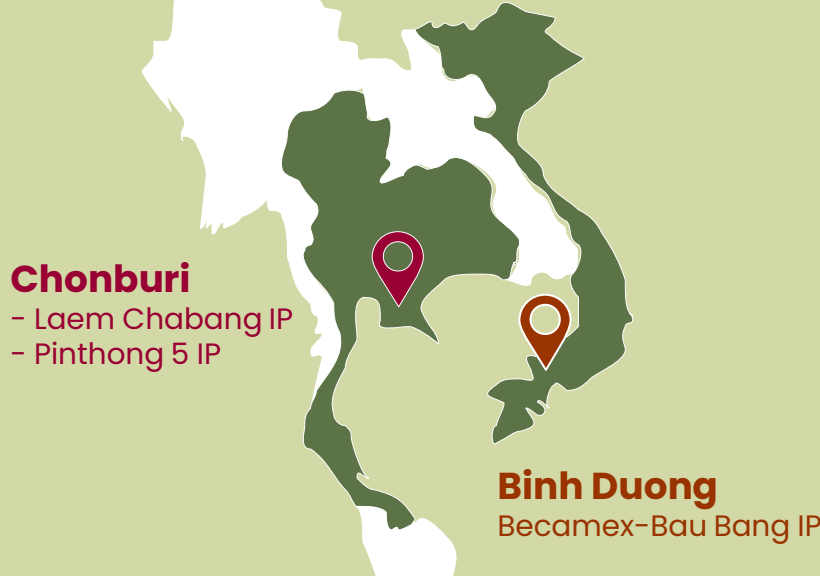
New plant in Chonburi, Thailand



1311 TOTAL WORKFORCES

30 COUNTRIES OF CUSTOMERS

3 PLANTS **2** COUNTRIES



A.J. Plast Vietnam

A.J. Plast (Vietnam) Co., Ltd.

55% A.J. Plast Public Company Limited



45% SCG Chemical Public Company Limited



VIETNAM

New Base Production
Binh Duong Province

Vietnam middle class
US\$ billion

8
in 2012

44
in 2020

95
in 2030

Vietnam potential consumption
US\$ billion

\$46
in 2012

\$310
in 2020

\$940
in 2030

2023 GDP growth forecast 6.3%

A.J. Plast Products

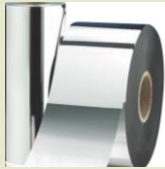
BOPP Film

BOPET Film

BOPA Film

CPP Film

MET Film



130,000 MT

Product Sold in 2022

9,131 MTHB

Revenue in 2022



Unilever



PEPSICO



Nestle



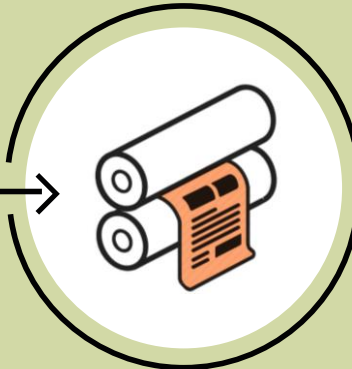
SINGHA



LION



A.J. Plast Value Chain



Resin Manufacturers



Film Manufacturers



**Converters
(Printers)**

**Foods,
Consumer Goods**

VISION

“To be a leader in plastic film production technology that meets international standards, focus on product development and new innovations environmentally friendly for sustainable development”

A.J. Plast Core Value

To Serve Innovation Solutions for The World's Sustainable Consumption

MISSION

1. Continuously improve product and service quality
2. Being a fair partner with a fair price
3. Operate the business of environmentally friendly plastic film products to create sustainable development.
4. Stakeholders including those involved with the highest responsibility

Continuous and Sustainable Growth

SD Strategy
Supply Risks & Opportunities
Geopolitics Risks
Supply Chain Management
Innovation Management
Corporate Governance



Operational Sustainability Strategy

Continuous and Sustainable Growth	Business Operation with Environmental Responsibility	Potential People and Society Development
<p><u>High-quality raw material sourcing</u></p> <p>Responsibly Business Operation</p> <p>Risk Management</p> <p><u>Innovation Management</u></p>	<p>Energy Management</p> <p>Water Management</p> <p>Waste Management</p> <p>Greenhouse Gas Management</p>	<p>Employee Well-Being</p> <p>Human Capital Development</p> <p>Human Rights Respect</p> <p>Corporate Citizenship and Philanthropy</p>



Supply Risks & Opportunities

Risk Issues	Causes	Effects and Management
Strategic Risk	Supply shortage and delay from Machine supply, single source machinery.	<ul style="list-style-type: none"> - Purchase products from ESG suppliers - Reduce amount of order from big suppliers - Machinery & Parts Production hub in Asia, Rayong, Thailand
Operational Risk	Discontinued production because of material or parts shortage i.e., China Geopolitics affect transportation cost increased and product banned from customers	<ul style="list-style-type: none"> - Reserve sources of materials i.e., Thailand, Vietnam, Indonesia, Taiwan, etc.,
Financial Risk	Cost increased from supply shortage and delay	<ul style="list-style-type: none"> - Exchange rate management - Price contact to manage cost
Regulatory Risk	Charged in national policies and regulations: <ul style="list-style-type: none"> - Anti-dumping tax for export i.e., Vietnam - CBAM for export to EU 	<ul style="list-style-type: none"> - Expand production plant to Vietnam - Following up and ready to comply with the change or new of laws and regulations



Geopolitics Risks



Risk migration

- Materials sources reservation from both domestic and overseas
- Market expansion worldwide
- Production Plant Expansion to potential countries

Material Supply Risks

Strategy

- New plastic resin supply source

Target

- **Short term:** New supply source with competitive price for BOPP and save cost 5% for CPP
- **Long term :** Secure supply chain and save cost for 1-5% of all materials

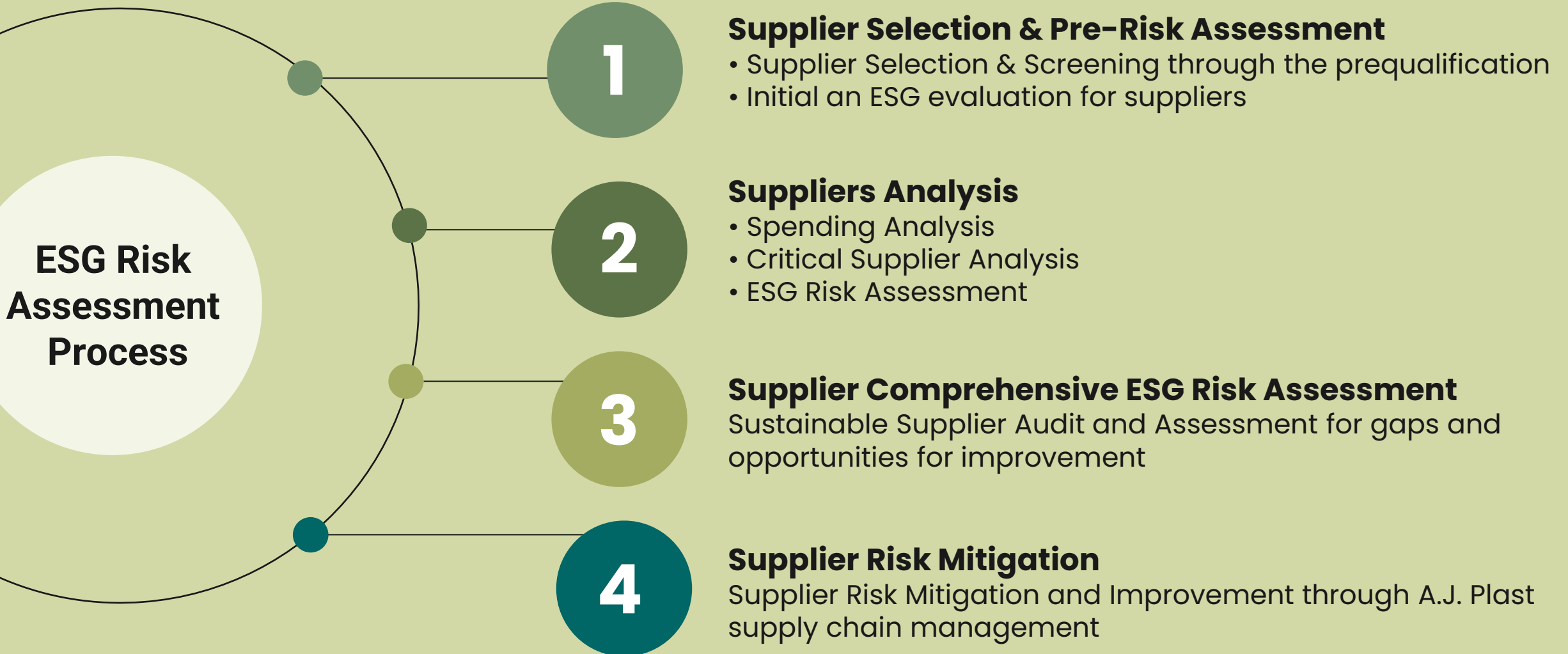
Project

- Verify PP resin supply source from Vietnam Manufacturer
- Save cost of supply source from Vietnam

Result :

- Verified and Commercial contract with Vietnam Manufacturer
- 5% cost saving of CPP

Supply Chain ESG Risk Process



SCM Strategy

Sustainable Value of Supply Chain Management
100% Supplier ESG Assessment



- Setting up ESG Risk Assessment
- Critical Supplier ESG Self-Assessment

- Supplier ESG Self-Assessment
- On-site Assessment for Critical Tier-1 suppliers
- ESG Risk Development and improvement plan

2023

- Critical Teir-1 ESG Audit: **1 supplier**
- All critical tier-1 suppliers agreed on AJ Supplier CoC

2024

- Critical Teir-1 ESG Audit: **5 supplier**
- **100%** ESG Self-assessment
- **25%** of suppliers agreed with AJ Supplier CoC

2025

- Critical Teir-1 ESG Audit: **6 suppliers**
- **100%** ESG Self-assessment
- **50%** of suppliers agreed with AJ Supplier CoC

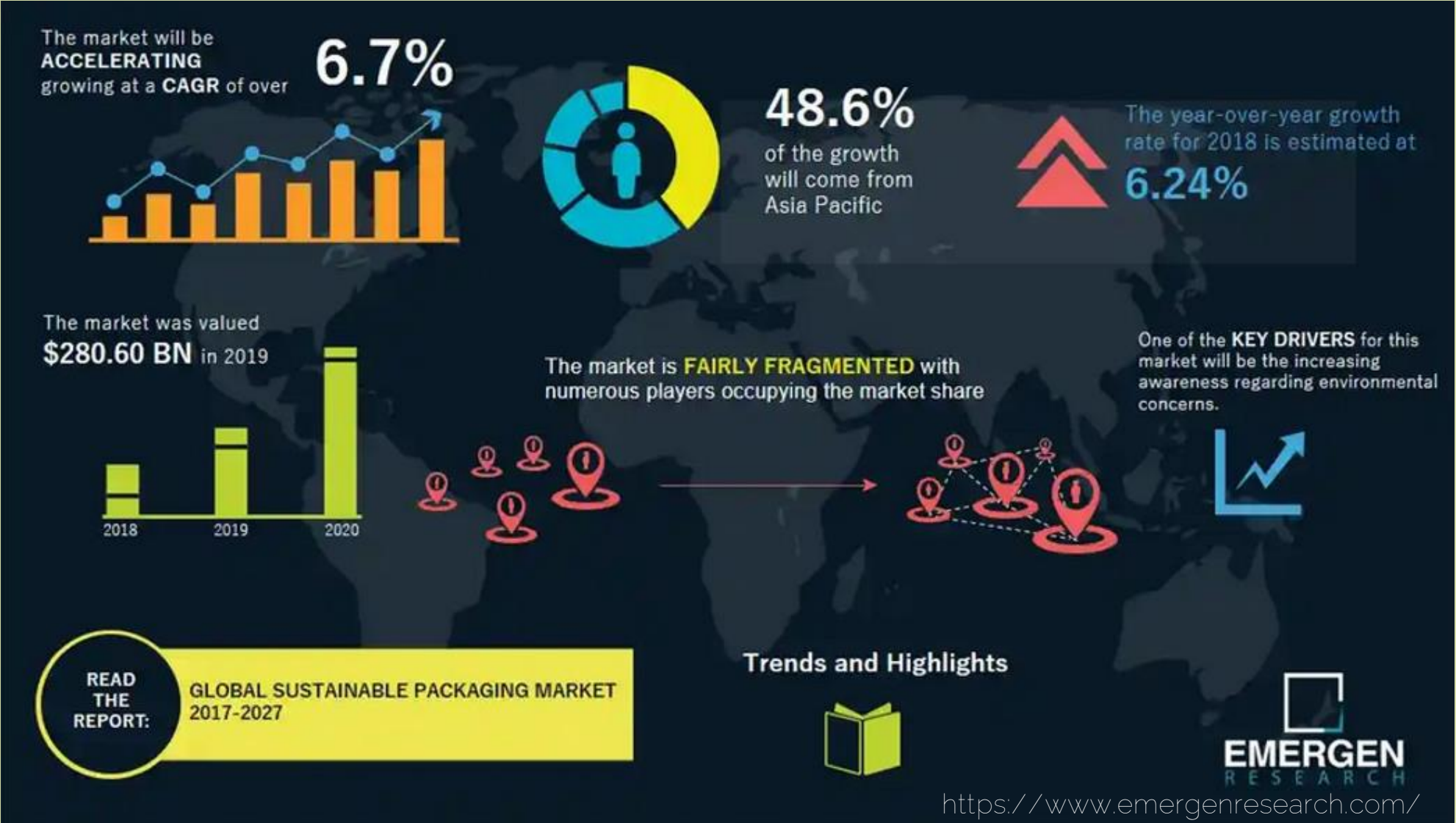
2026

- Critical Teir-1 ESG Audit: **all suppliers**
- **100%** ESG Self-assessment
- **75%** suppliers agreed with AJ Supplier CoC

2027

- Critical Teir-1 ESG Audit: **all suppliers**
- **100%** ESG Self-assessment
- **All suppliers** agreed with AJ Supplier CoC

Sustainability Packaging Market Growth



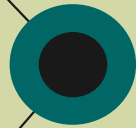
Innovation Management

High value added products

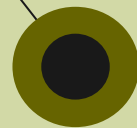


Circular Economy

Green products R&D



Collaboration with research & experts outside



Training promotion, enhancing learning, developing creative thinking for employee

Target

Y2023



1 new green product



4.5% increase in R&D investment



20% reduction in fossil-based raw material consumption



5% reduction in GHG emission

Innovation Management

Circular Economy

Raw Material
Virgin Resin
Bio-Based Resin
PIR Resin
(Post-Industrial Recycled Resin)
PCR Resin
(Post-Consumer Recycled Resin)



Film Converting > Packaging
Mono-Material Packaging

Waste to Raw Material
In-house Recycling > PIR Resin

Renewable Energy
Solar roof
Water reuse

Efficient Equipment
Machine with the highest speed
Direct Flake Dosing (DFD)

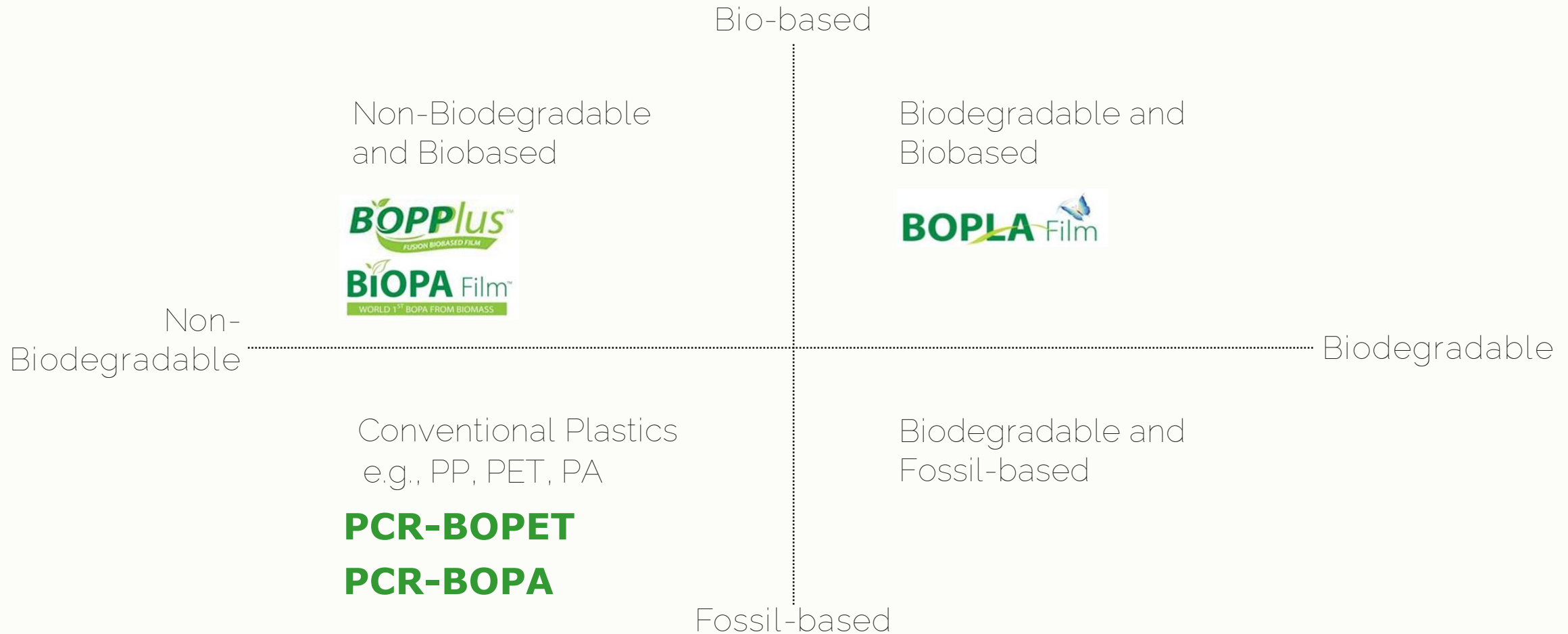
Renewable Packing Material
PIR Resin > Packing Material

for A.J. Plast



Innovation Management

Green Products



Innovation Management

Bio-Based BOPP Film

- Bio-based PP resin from Sugarcane
- **10%** Bio-based for beard packaging
- Product: Beard, Utensil Packaging



Bio-Based BOPA Film

- Bio-based PA resin from Cooking oil
- The world 1st BOPA film by Biomass Balance Polyamide from BASF



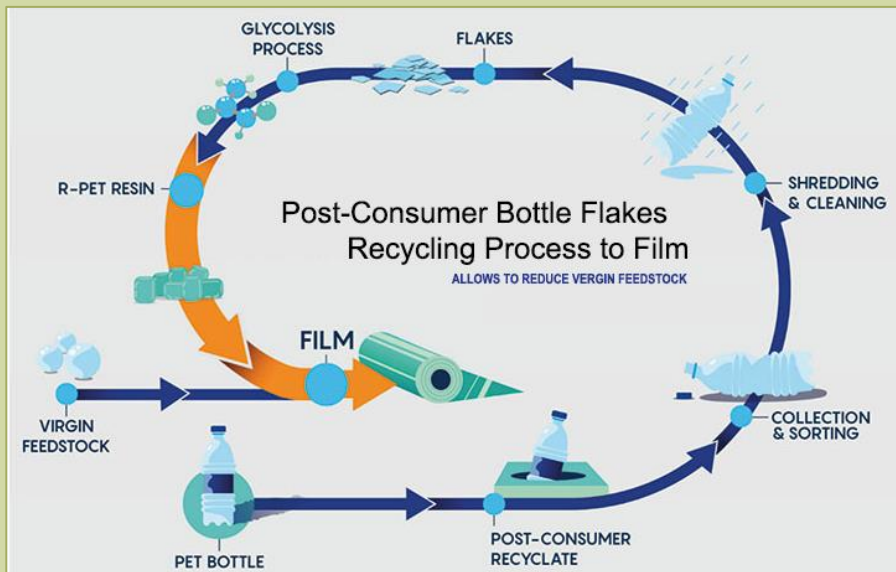
A.J. Plast successfully produced the BOPA film, made with Ultramid® biomass balance polyamide on May 10, 2016, has the same properties as BOPA film made with conventional polyamide based on fossil raw materials. The use of bio-feedstock helps save fossil resources and reduces greenhouse gas emissions.



Innovation Management

PCR BOPET Film (Post Consumer Recycled)

- Recycled PET film from consumption
- Produced from recycled bottle PET resin



PCR BOPA Film

- Recycled PA resin from mixed waste



Innovation Management

PIR (Post Industrial Recycled) Film

- In-house recycling from waste to raw material (PP, PET, PA)
- Waste from production process
- Back to production process again



Conversional Resin



Film Production



PP/ PET/ PA Film



PIR Resin



In-house Waste

In-house Recycling

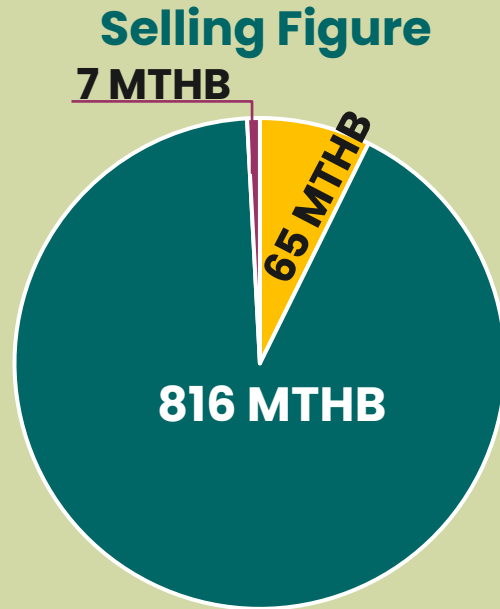
PIR PP Tape Project

- The Adhesive Tape is made from PIR BOPP Film that contain 99% of PIR materials
- Start trial lot, **10 tons**, on **Q1/2023**

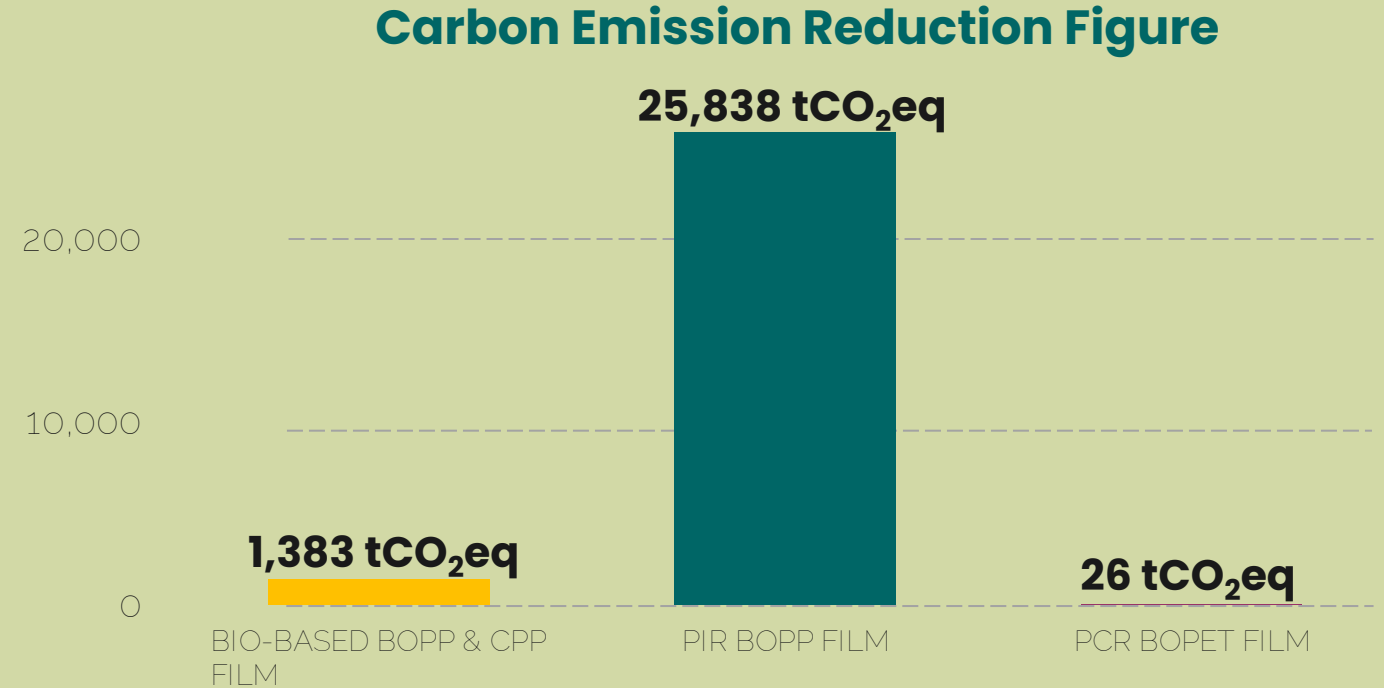
PIR PP Additive Masterbatch Project

- Additive (Raw Material) Masterbatch made from our PIR resin
- Collaboration with Masterbatch supplier
- Trial successful and in commercial process

2022 ESG Performance



■ BIO-BASED BOPP & CPP
 ■ PIR BOPP
 ■ PCR BOPET



Waste Reduction Figure

24% Increased in recycled & bio-based material consumption

11% Reduced in fossil-based material consumption

10% Post-industrial waste reduced

3 New green products

Corporate Compliance

A.J. Plast Public Company Limited



Company's
Code of Conduct



Supplier
Code of Conduct



Whistleblowing
Policy & Measures

A.J. Plast (Vietnam) Limited



Company's CG Code



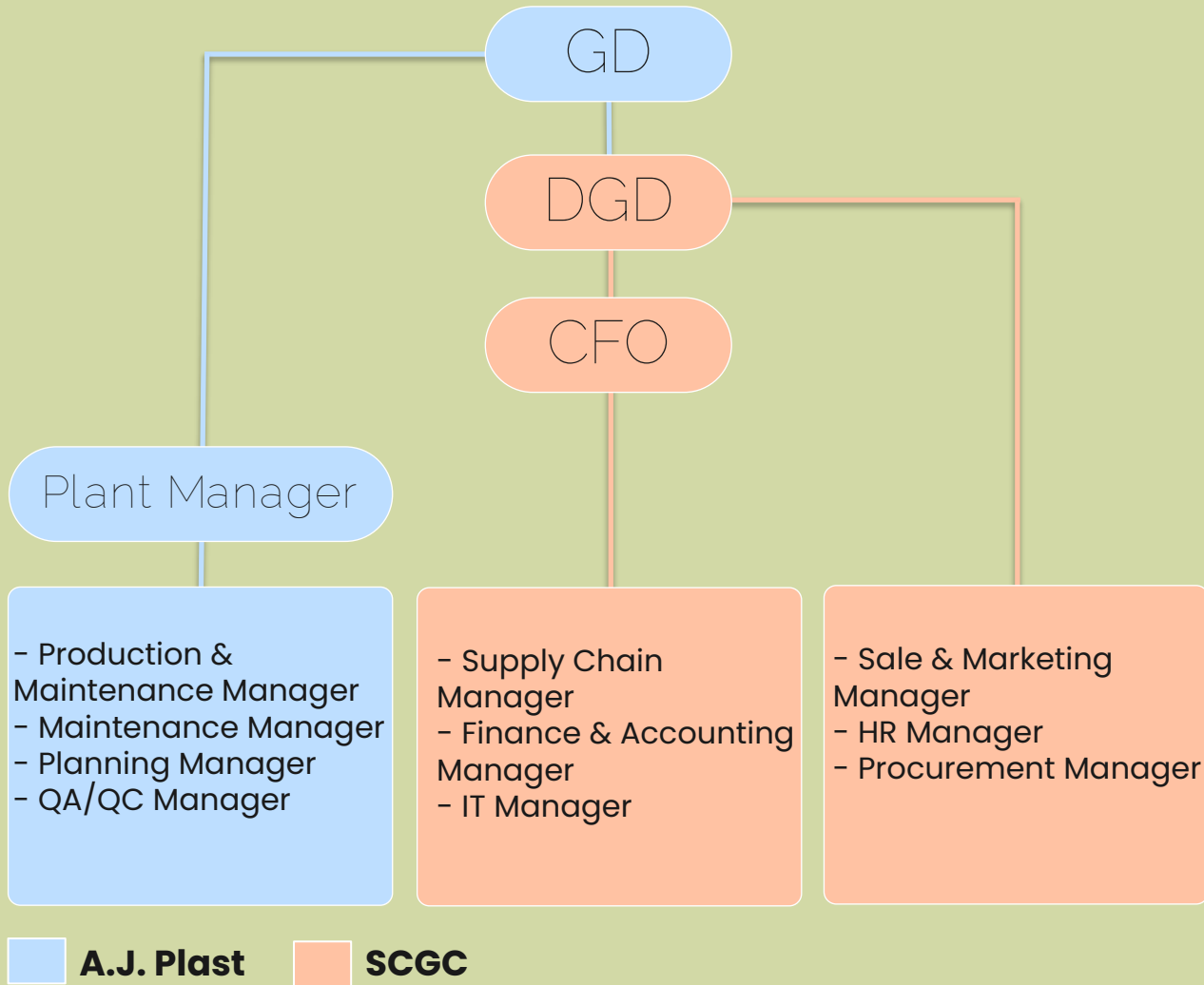
Managements from both sides, A.J. Plast & SCGC

- to balance executive power
- to transparent and be able disclosure
- Delegation Of Authority (DOA)

Plan to apply;

- Supplier Code of Conduct
- Whistleblowing Policy & Measures

Organization Chart of A.J. Plast (Vietnam)



Sarbanes–Oxley Act for international subsidiary company

- to prevent anti-corruption
- to impose penalty clearly

i.e.,

- Board of directors govern for accounting
- Accounting control by board of directors
- Transparent financial disclosure
- Compliance penalty

Board Composition

Number of A.J. Plast Directors



11 %

1 Executive Director



89 %

8 Non-executive Directors



56 %

5 Independent Directors

Gender Diversity



78 %



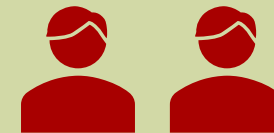
22 %

Number of A.J. Plast (Vietnam) Directors



60 %

3 Directors from A.J. Plast



40 %

2 Directors from SCGC

Board Composition

Directors' skills matrix

ชื่อ	ตำแหน่ง	ความรู้ความชำนาญเฉพาะด้าน (Board Skills Matrix)
นายณรงค์ สุทธิสัมพันธ์	ประธานกรรมการ (กรรมการที่ไม่เป็นผู้บริหาร)	
นายกิตติศักดิ์ สุทธิสัมพันธ์	รองประธานกรรมการ ประธานกรรมการบริหารความเสี่ยง และกรรมการผู้จัดการ (กรรมการที่เป็นผู้บริหาร)	
นางนภาพร สุทธิพงษ์ชัย	รองประธานกรรมการ ประธานกรรมการบริหารทรัพยากรและการจัดการด้านความยั่งยืน และกรรมการบริหารความเสี่ยง (กรรมการที่ไม่เป็นผู้บริหาร)	
นายนิพนธ์ โอฬารวงศ์	ประธานกรรมการตรวจสอบ กรรมการบริหารทรัพยากรและการจัดการด้านความยั่งยืน กรรมการบริหารความเสี่ยง และกรรมการอิสระ (กรรมการที่ไม่เป็นผู้บริหาร)	
นางชวิตา ศรีแสงนาม	กรรมการตรวจสอบ กรรมการสรรหาและพิจารณาคำตอบแทน และกรรมการอิสระ (กรรมการที่ไม่เป็นผู้บริหาร)	
นายสุรศักดิ์ โทษะจินดา	ประธานกรรมการสรรหาและพิจารณาคำตอบแทน กรรมการตรวจสอบ และกรรมการอิสระ (กรรมการที่ไม่เป็นผู้บริหาร)	
นายสุพจน์ ไทบุตรดี	กรรมการสรรหาและพิจารณาคำตอบแทน และกรรมการอิสระ (กรรมการที่ไม่เป็นผู้บริหาร)	
นายศักดิ์ชัย ปฎิภาณปรีชาวุฒิ	กรรมการบริหารทรัพยากรและการจัดการด้านความยั่งยืน (กรรมการที่ไม่เป็นผู้บริหาร)	
นายเกษมสิทธิ์ ปฐมศักดิ์	กรรมการอิสระ (กรรมการที่ไม่เป็นผู้บริหาร)	

Board of Directors Assessment

Assessment of the whole faculty



95.3%

Self-Assessment (Individual)



97.2%

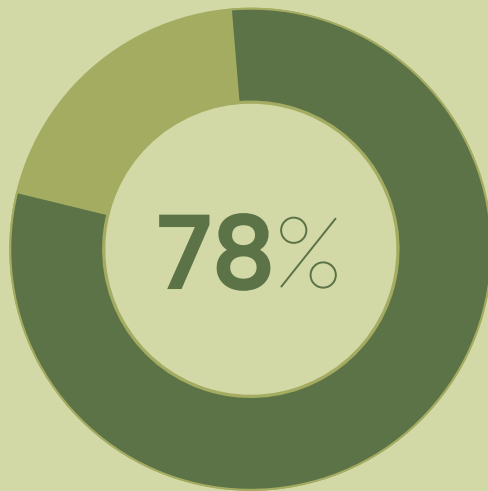
Managing Director's Self-Assessment

93.8%

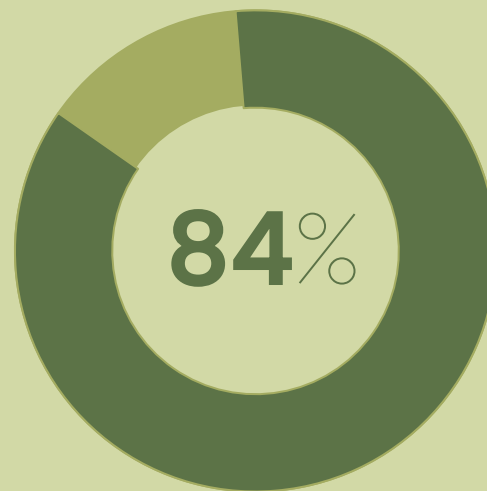


Anti-corruption

Anti-corruption Training 2022



of the number of directors



of the number of executives & employees

Thai-CAC Certified

Certified in 2022, June



CAC Change Agent

- plan to be change agent within **2023**
- to be support suppliers who need to declare and certify for Thai-CAC

Business Operation with Environmental Responsibility

SD Strategy
Climate Risks & Opportunities
Greenhouse Gas Management
UN Environment Program



Operational Sustainability Strategy

Continuous and Sustainable Growth	Business Operation with Environmental Responsibility	Potential People and Society Development
<p>High-quality raw material sourcing</p> <p>Responsibly Business Operation</p> <p>Risk Management</p> <p>Innovation Management</p>	<p>Energy Management</p> <p>Water Management</p> <p>Waste Management</p> <p>Greenhouse Gas Management</p>	<p>Employee Well-Being</p> <p>Human Capital Development</p> <p>Human Rights Respect</p> <p>Corporate Citizenship and Philanthropy</p>



Climate Risks & Opportunities

Risk Issues	Causes	Effects and Management
Strategic Risk	Customers demand to buy goods from entrepreneurs who conduct business responsibly	The strategy and direction of business operations that must be adjusted to keep up with the situation, and environmental friendliness
Operational Risk	Extreme weather impacts and disasters increased	Delay transportation of raw materials, damaged property, etc. as well as the cost of preventing and restoring disaster impacts
Financial Risk	Resource shortage and demand for more environmentally friendly products; revenue from original products may decrease	Cost of invest in research and development to create new innovation and environmentally friendly products to adapt to the change, and the price of resources used in the production process may be higher due to shortage
Regulatory Risk	Changes in national policies and regulations to deal with crises: <ul data-bbox="491 1210 1378 1375" style="list-style-type: none">• trade barriers• carbon taxes• stringent environmental and greenhouse gas emissions measures	Increased production costs to comply with the change of law and regulation

Roadmap to Zero Carbon Company



2021

2022

2023

2024

2030

2050

2065

Certified carbon inventory

Announce Carbon Neutral Target & Net Zero Year by CEO

5% GHG Reduced

Carbon Neutral Company Net-Zero Carbon Company

30% GHG Reduced
Near-term target

Net-zero carbon
Long-term target


Potential GHG Reduction Measurement in near future

- Solar P.V. project, cap **1** MWh and **4** MWh (in process)
- Floating Solar P.V. project, cap **1** MWh
- Direct flake dosing project
- Water reuse

Solar Rooftop & Floating Project


Solar rooftop **1 MWh**: Rooftop solar power has a capacity per panel of **540** watts, **1,851** panels.

 ~ **871** tCO₂eq

 ~ **1,365** MWh Generation of electricity to replace the use of on-grid electricity

Solar rooftop **4 MWh**

In **2023**, the company plans to install at Pinthong **5** plant

 ~ **2,730** tCO₂eq

 ~ **5,605** MWh Electricity consumption reduced

Solar floating **1 MWh**

- Solar provider in private PPA and collaborating with industrial estate area

 ~ **664** tCO₂eq

 ~ **1,397** MWh Electricity consumption reduced




DFD: Direct Flake Dosing Project

- The system extracts plastic scrap generated from the production process into the recycling process
- It is melted and fused with the main raw material such as plastic resin and injected into sheets through the production process into plastic film

 **20%** virgin resin reduced

 **0.3 kWh/kg** energy saving
recycling rejected film without melting process

 **~ 16,938 tCO₂eq**

92% Virgin resin reduced: **15,634 tCO₂eq**
8% Energy reduced: **1,304 tCO₂eq**



Water Reuse Project

- Rainwater Storage with 10,000 m³ capacity



~5.4 tCO₂eq



~21,114 m³/year



1.0 MTHB/year cost saving

58% water reduced



Cooling Tower

- Plans to install a non-chemical water treatment and close system
- Eliminate bacteria and use ultrasonics to break off the slag structure.



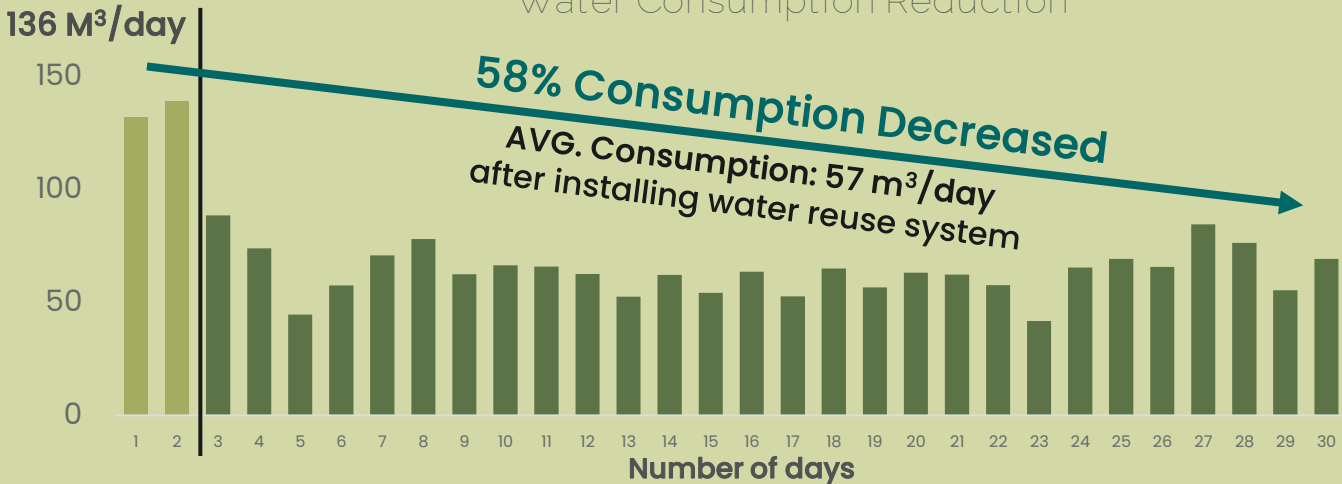
30 liters/time

chemicals usage reduced



0.12 MTHB/year cost saving

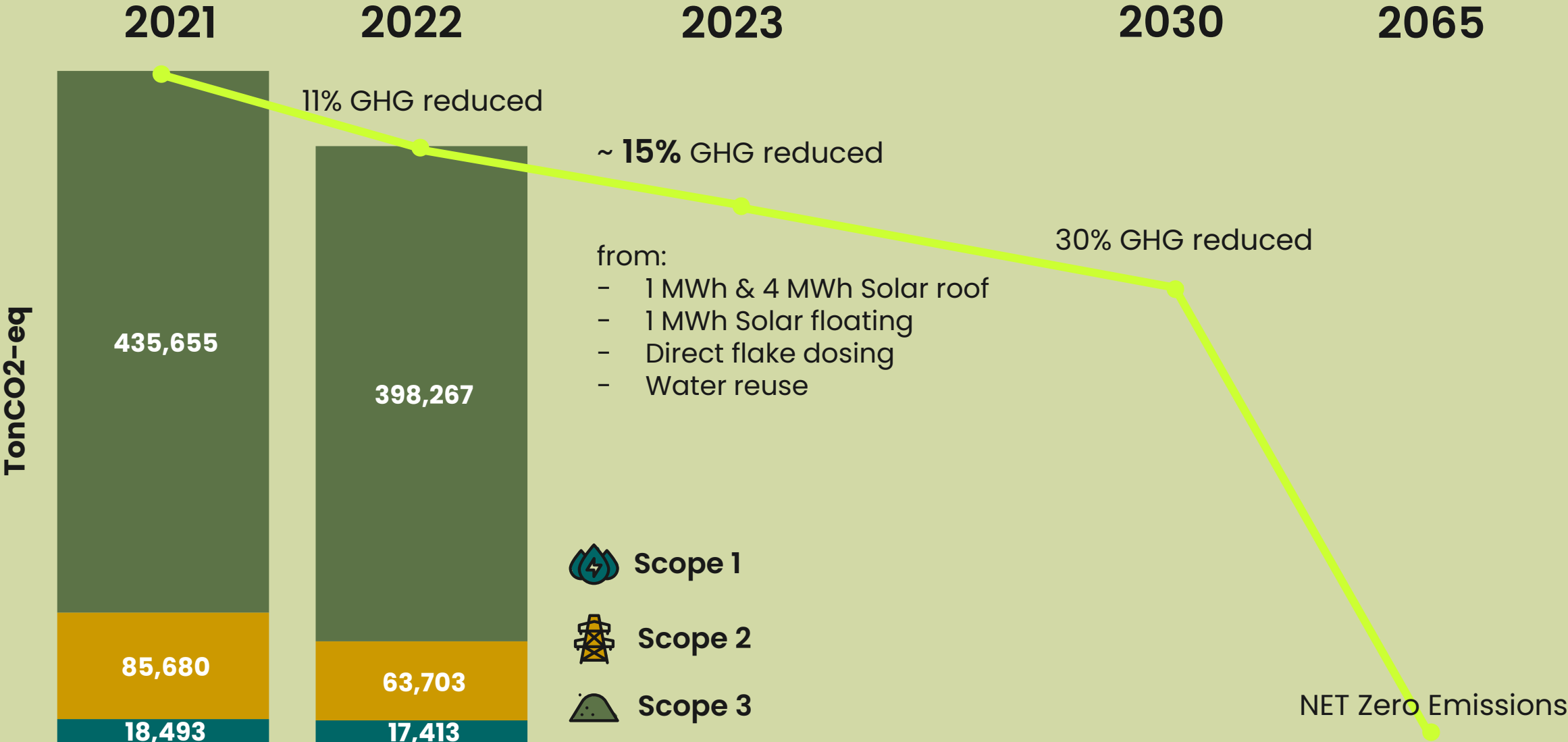
saving



The campaign of BEAT Plastic Pollutions



Expected GHG Emission Reduction



Potential People and Society Development

SD Strategy
Gender Equality (WEPs)
Economic and Community Income Promotion Initiative
Human Capital Development
Employee Engagement



Operational Sustainability Strategy

Continuous and Sustainable Growth	Business Operation with Environmental Responsibility	Potential People and Society Development
<p>High-quality raw material sourcing</p> <p>Responsibly Business Operation</p> <p>Risk Management</p> <p>Innovation Management</p>	<p>Energy Management</p> <p>Water Management</p> <p>Waste Management</p> <p>Greenhouse Gas Management</p>	<p>Employee Well-Being</p> <p>Human Capital Development</p> <p>Human Rights Respect</p> <p>Corporate Citizenship and Philanthropy</p>



Equality



In 2022, the company received the honorable mention from Thailand WEPs Awards in the

Category of **Gender-Inclusive Workplace** from United Nations WOMEN for outstanding human rights and equality in the workplace

1 of 116 WEPs Signatories in Thailand since May 2021

"Women empowerment is not only women's responsibility, but all genders. We are here to support any actions treated based on equality"

Mr. Kittiphat Suthisamphat
Managing Director of A.J. Plast PLC

<https://www.weps.org/company/aj-plast-public-company-limited>

Disability Employees of 2022



1.1% of total employees



A.J. Plast Public Company Limited



Kittiphat Suthisamphat (F)
Executive Vice President

Women empowerment is not only women's responsibility, but all genders. We are here to support any actions treated based on equality

General Information WEPs signatory since 21 May 2021

- Public
- 1001-5000 employees




Industry

- Commodity Chemicals


Human Capital Development & Employee Engagement

- Green Office
- Total Productive Maintenance Program (TPM)
- Safety Week and Safety Talk
- Happy People, Happy workplace



01	02	03
Green Office 	Knowledge Sharing 	Health & Safety 

Employee Engagement

 **75%** engagement level of employees

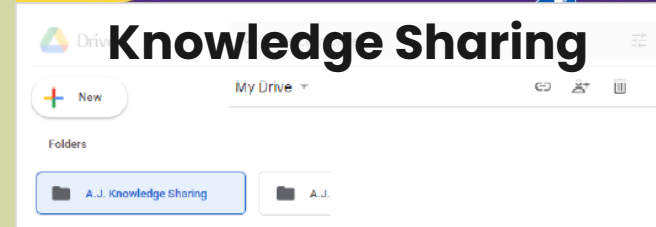
 **Happinometer**



- Happy Relax
- Happy Money
- Happy Family
- Happy Society / Happy Work Life
- Engagement
- Happy Body
- Happy Heart
- Happy Brain
- Happy Soul
- Work life Balance

Happy People, Happy Workplace

5 dimensions concentration which will relate to **Happy People, Happy Workplace** activities; Happy Relax, Happy Body, Happy Money, Happy Family, Happy Society & Happy Work Life



AJ Session



Employee Fit for Work



Economic and community income promotion initiatives

- Selling waste or scrap to customers in near area
- Waste: raw material scrap and packaging scrap



19MTHB
to communities



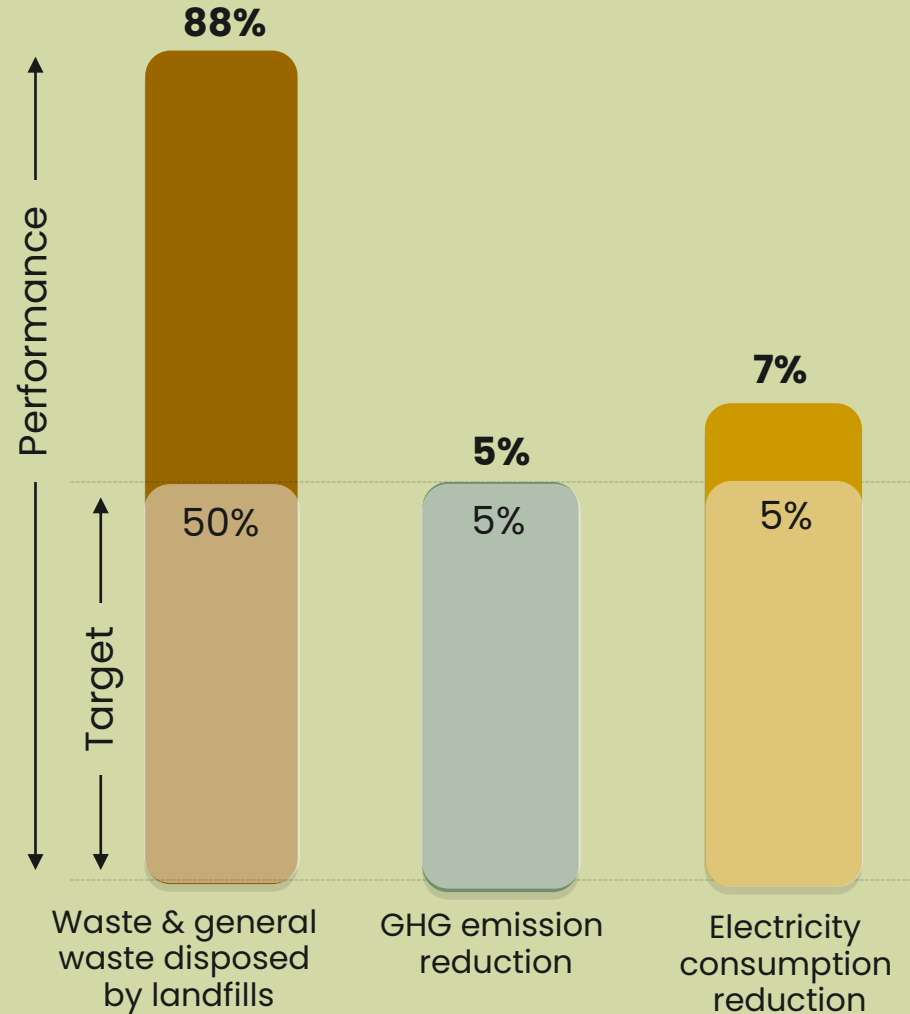
2,623 tons
waste reduction



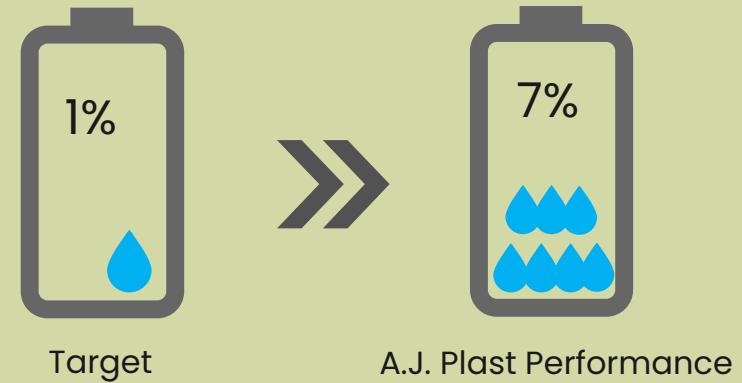
44% waste
can be recycled



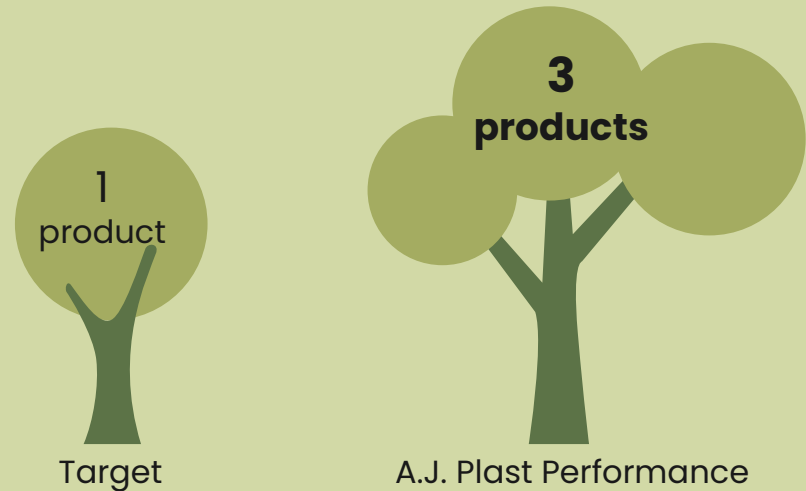
2022 Sustainability Highlight



Water Consumption Reduction



Green Products Innovation





Thanks you

Questions & Answers



 sustain@ajplast.co.th
www.ajplast.co.th