

SET Awards Sustainability Excellence



SCGP

EVOLVE THE WAY OF LIFE

2nd September 2022

Recap from 2021...

ESG at the core of the business model, which elevates competitiveness
Progressive and sustainable growth with innovative product & services
Proactive measures against disruption creates operational resiliency



2016

2019

2020

2022 Multinational company



AGENDA

1. SCGP's vision & strategy

A: Growth and innovation throughout macro-challenges

B: Supply chain management: challenges & opportunities

2. Strategic planning & execution related to climate change

3. Continuous efforts for social & environmental improvement

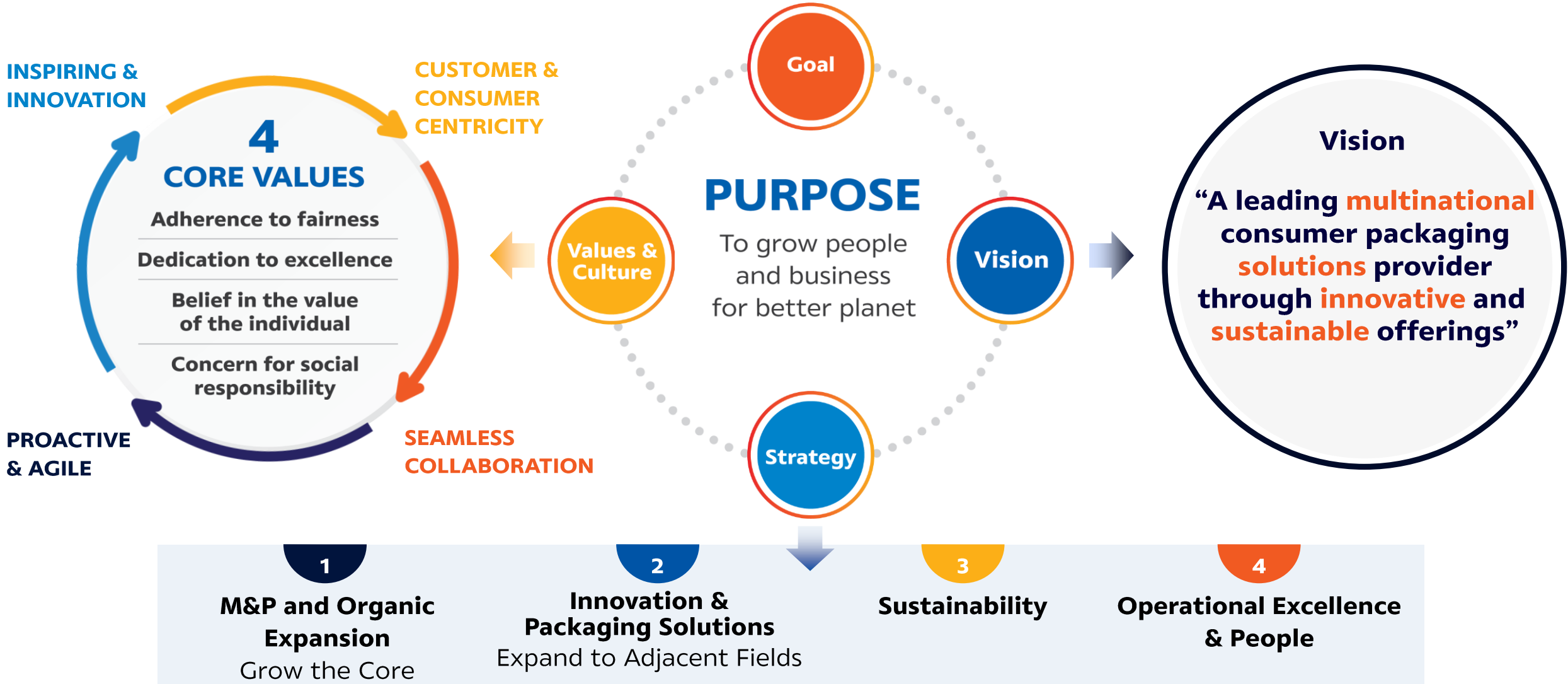
4. ESG metrics & achievements

5. Key takeaways



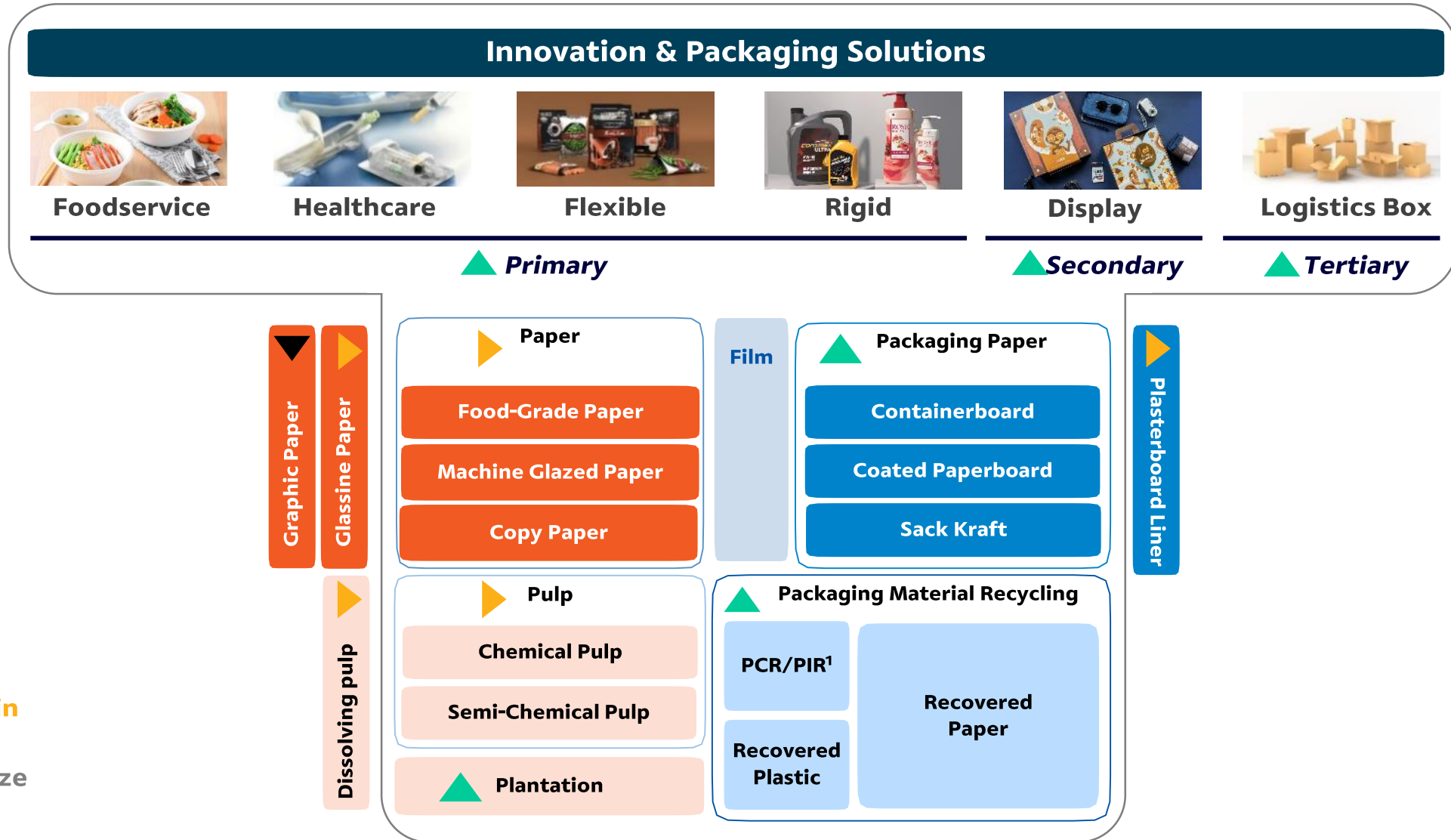
1. SCGP's vision and strategy

Double business size > 200,000 mTHB by 2025



SCGP Business model

Continuing to grow the core and expand to adjacencies



- ▲ **Grow**
- ▶ **Maintain**
- ▼ **Downsize**

Continue to grow with quality amidst uncertainties

Macro environments in 2021-2022



Pandemic disrupts global economy



Volatility in cost



Geopolitical conflict & China's lockdown



Forthcoming global recession

Internal efforts for sustainable growth

- **Focus on organizational resources & capabilities**

Prioritize employee safety while pursue competency development amid the pandemic

- **Maintain liquidity while minimize cost uncertainties**

Prudently evaluate investments, lock-in interest cost, diversify funding sources along with intensive cash management

Business challenges:

- **Adverse business environment, demand & cost pressure**
- **Imbalance supply chain & strict pandemic measures**

A: Growth & innovation Continued expansion with new products, new growth market and breakout business with distinguished R&D capabilities (i.e. Nano Technology)

B: Operational excellence to stabilize supply chain
Emphasis on security, accessibility and sources diversifications

**A: Growth and innovation
throughout macro-challenges**

Growth and innovation throughout macro-challenges

Key Strategies toward vision to be a leading multinational consumer packaging solutions provider

Growing the core



- Strengthen leadership position of packaging paper across ASEAN
- Aiming for multi-countries optimization



Innovation to innovate into adjacencies



- Capture opportunity of growing foodservice packaging demand i.e FEST Bio products
- Distinctive one-stop solutions for rising E-commerce demand



Breakout with new businesses



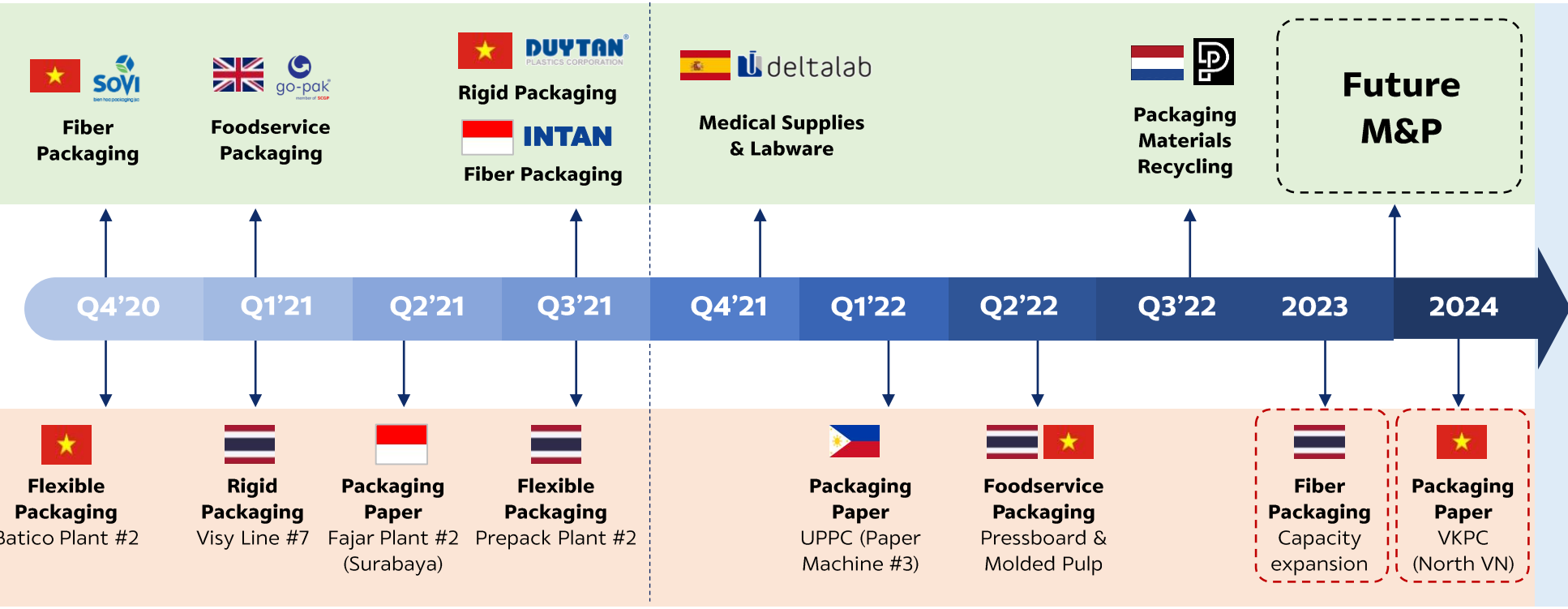
- Fulfill surging demand needs of healthcare & medical supply globally
- Enhance competency with precision mold injection



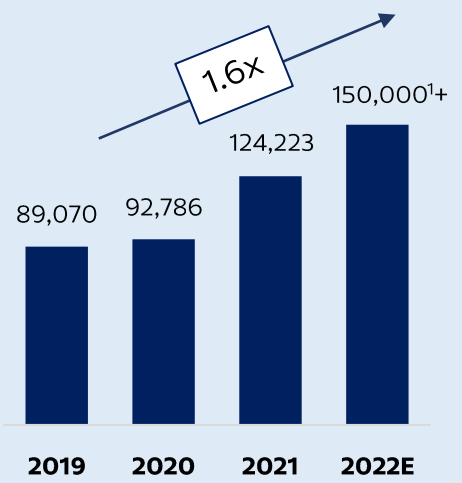
Key growth drivers

Fuel up future growth with high quality M&Ps and organic expansions

6 M&Ps



SCGP's Total revenue (2019-2022E)



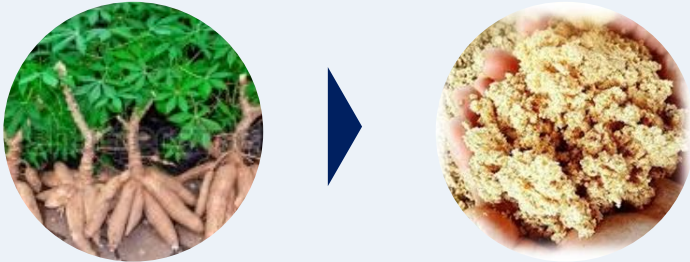
Note : ¹ Estimate SCGP's total revenue in 2022

8 Organic Expansions

Expedite and strengthen innovation with distinguished R&D capability

Raw material enhancement ("New bonding journey")

Engineer with advanced technology on materials made from **agricultural residues**



The applications of nanocellulose in packaging;

- 1 Ultimate performance in paper strength reinforcement
- 2 Without chemical treatment for Nano fibrillation
- 3 Biodegradable and recyclable

Expand nanocellulose capability to wellness, health & personal care products:



ALMIND
BY SCGP

Active ingredient for health and hygiene products

Leverage tissue cultures expertise to develop well-being products:



HOLIS
by SCGP

IM-MU Cap

Relentless development of sustainable packaging

Emphasis on recyclability, recycled materials and environmental-friendly product

Innovative recyclable products



Recyclable mono material bag

- Develop multi-layer mono material for easy-to-recycle which retain high protection & resistant properties

Increase recycled contents



Pet care products made from recycled PET

- Increase usage of recycled resin and recycled PET (rPET) as part of raw materials to reduce virgin resin usage

SCG green choice label



Self-Declaration label

- Environmental friendly products, mainly focus on resources reduction & prolonging shelf life i.e., Green carton and thermoformed food packaging

“99.7%¹ of packaging volume are Recyclable, Reusable or Compostable and heading toward 100% in 2025”

B: Supply chain management Challenges & opportunities

Supply chain management: challenges & opportunities

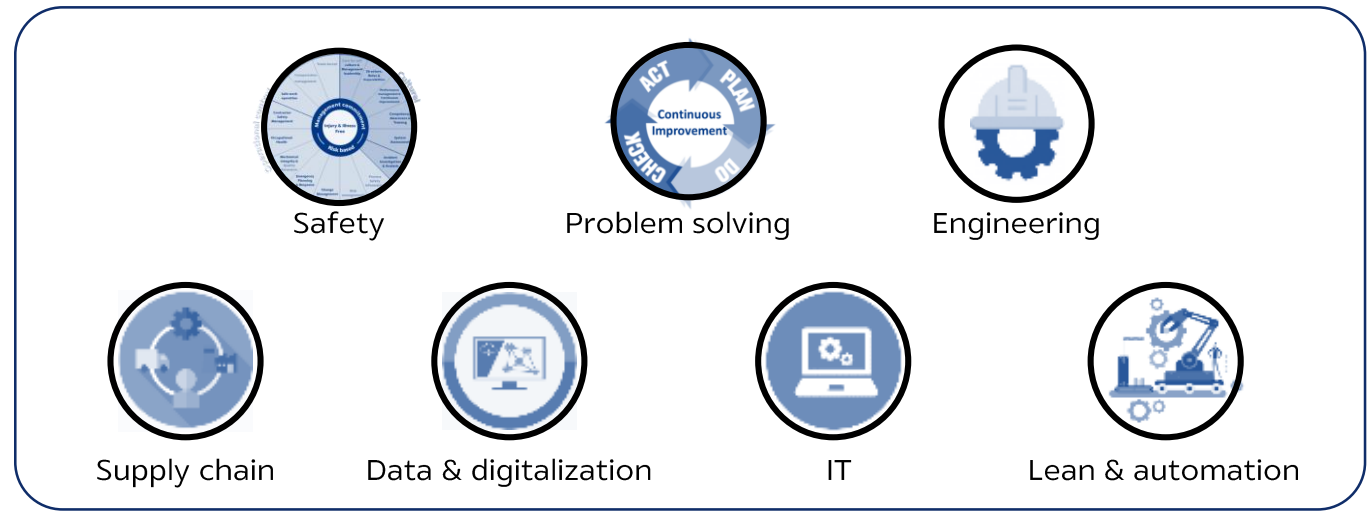
Center of operational excellence with total cost savings of ~2,500 MB in H1/2022

SCGP's circular model



● SCGP operating facilities
● Collaboration with SCGP

Build-up operational excellence capability

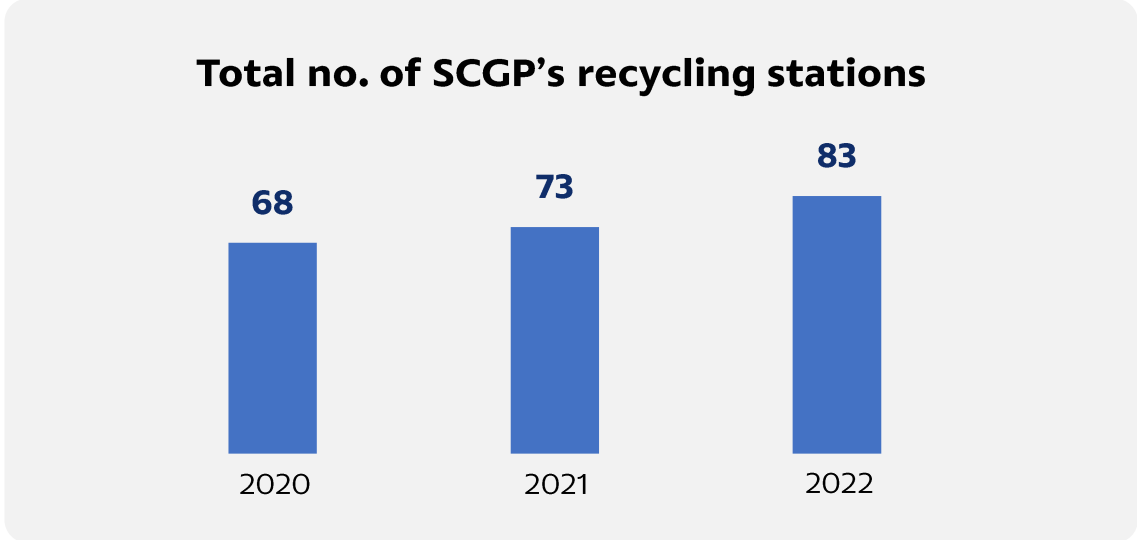
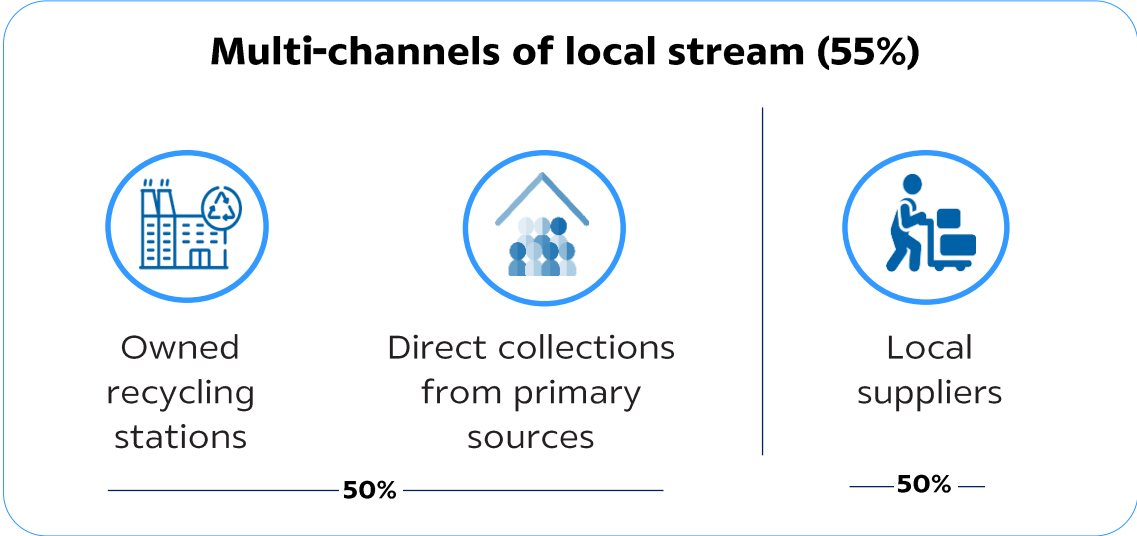


Key highlight: Automated inspection truck scanner

- **Proactively re-designed process of raw material inspection with sensor scanner & AI database**
 - Minimize hygiene concerns
 - Ensure raw materials quality & traceability
 - Efficient logistics management & time savings
- **Implemented in TH & VN operations** (Extend to ID & PH)

Progressively reinforcing the raw materials supply chain

SCGP's circular model with focus on security, accessibility and source diversification



- ### Key rationales:
1. Enter into fast-growing international packaging material recycling business
 2. Fulfill the enlarging demand of recycled materials & evolving trend toward sustainability
 3. Strengthen strategic raw materials supply to support long-term growth

2. Strategic planning & execution related to climate change

Well-defined targets and execution plans toward Net Zero 2050



Strategy & targets in 2030



1. Renewable & Low Carbon energy

- Increase plantation area for biomass
- Increase biomass usage in existing and new boiler
- Solar capacity expansion to 52MWp

Reduce
(80%)¹



2. Energy Efficiency

- Packaging paper plant efficiency improvement

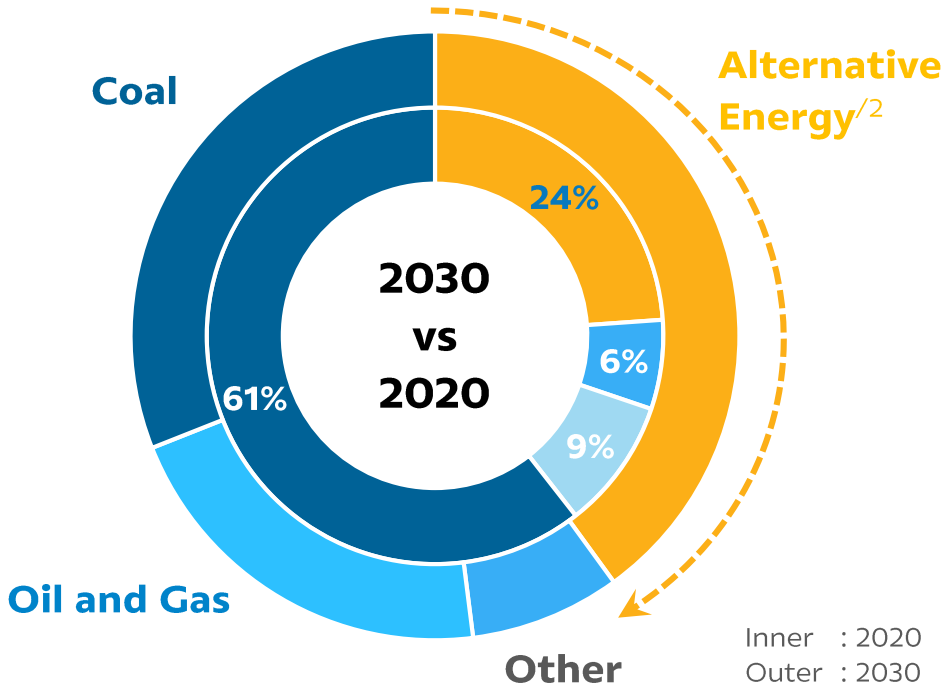


3. Carbon Offset

- Plantation for carbon credit 57,000 rai
- Carbon capture utilization & storage

Removal
(20%)¹

Energy ratio



H1/2022: Coal 54% and alternative energy 28% from total energy sources

Note : 1. % contribution to achieving the target

2. Alternative energy = Renewable energy (biomass + biogas + black liquor + solar cell) + waste reject + used oil

Continue to enlarge alternative energy sources & develop natural climate solutions

Increase alternative energy portion



- Continuous **increase in the proportion of alternative energy sources** to 28% in H1/2022 (from 26% at the end of 2021)
- Ongoing **expansion of solar power generation** capacity with an additional 10.0 MWp within Y2022 (from 11.8 MWp at the end of 2021)

Continuation to more advanced technology



- Focusing on best environmentally friendly technology through **torrefaction process technology by replacing fossil fuels with bio-carbon** (biomass, agricultural residues)
- Ongoing to pursue **pilot-scale** torrefaction and combustion

Enhanced effort on natural climate solutions

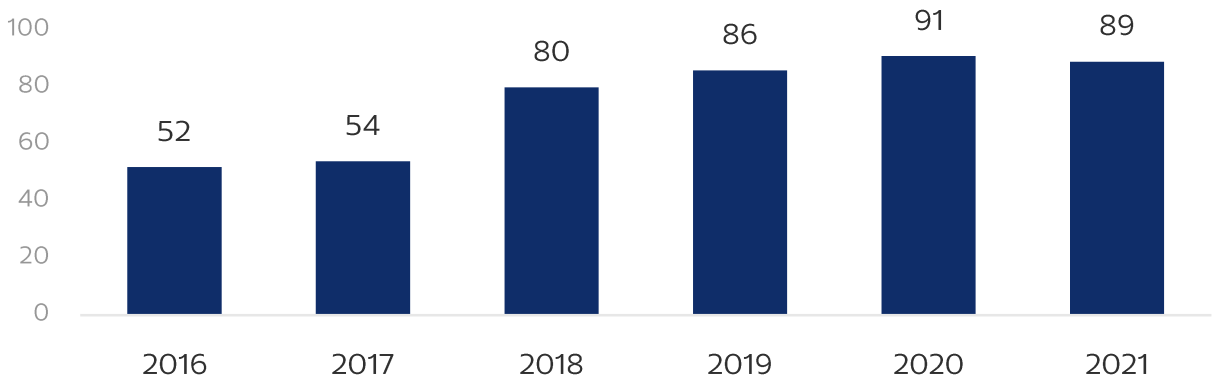


- **New plantation since 2020-2021** (included all activities)
129,412 trees 
- **Sustainable forest restoration** (Registered T-VER¹ in 2021)
189,500 trees

3. Continuous efforts for social & environmental improvement

Community satisfaction survey & continuous engagement with the society

Community Satisfaction Index (CSI) (%)



- Key highlights:**
- Create engagement activities to respond to social needs
 - Foster employee involvement to create sustainable values for society
 - Uplift life in economic, social, environment dimensions
 - Closely communicate to the communities to receive feedback

Open House



Employee Involvement



Sustainable activities for communities



Economy



Society



Environment



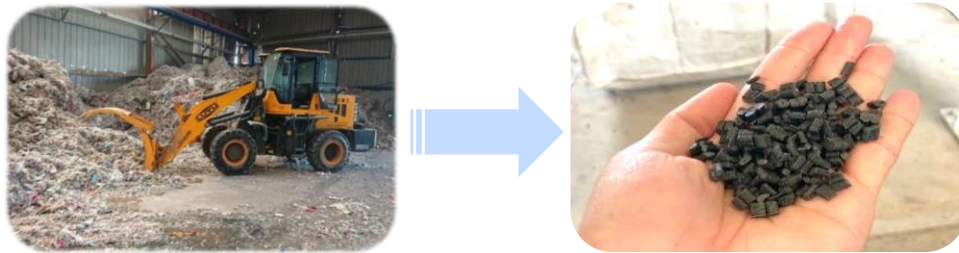
Recent waste management effort: pioneered at FAJAR (Indonesia)

ASEAN's first "waste of waste" recycling project

Established recycling facility
in the flagship investment in Indonesia



FAJAR's plastic recycling plants in West & East Java



Plastic pellets

Further enrollment of the values creation



- Expand to TH, VN & PH operations
- Internal collaboration with polymer packaging operations
- Commercial opportunity with strategic partners, e.g., plastic houseware producers



Ever-expanding collaborations with recycling partners at multiple levels



460

Drop points



96,000¹

Volume tons/Year



145

Recycling Partners



Key highlights:

Government

- **SCGP x The Ministry of Industry** - 80 Years of Ministry of Industry, 8,000 Kg. of Recycling and Returning to the Society
- **SCGP x Thai post Rebox to school projects:** Turn recycled waste into tables and chairs for border patrol police schools' students

Customers

- **SCGP x Uniqlo Set up drop points at Uniqlo** to collect waste, convert to paper based furniture, and donate to UNHCR in Ratchaburi and Kanchanaburi



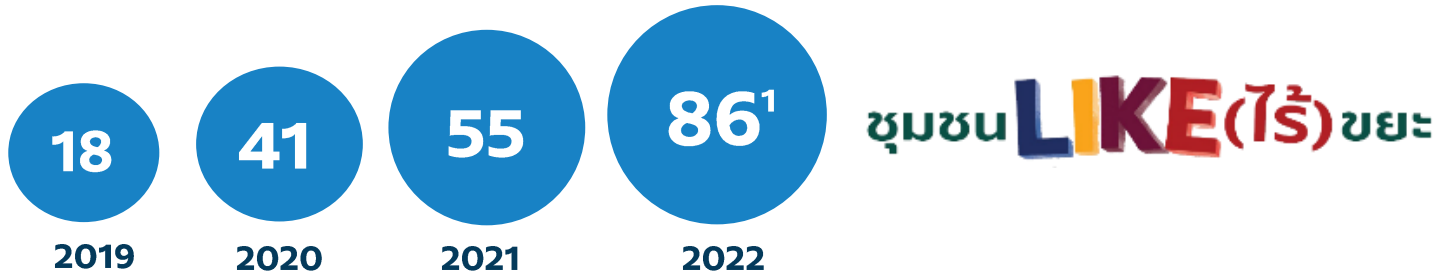
Influencing community & consumer on sustainable waste management

Zero Waste Community Model since 2015

- Reduce waste and increase incomes from waste management
- Expand zero waste model to other areas where SCGP's plants are located, and share zero waste knowledge to other communities across the country

Develop Zero Waste Products for Communities

No. of participated communities



Zero Waste Communities awarded by Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment



Khu Din green cone

Reduce food waste, transform into fertilizer



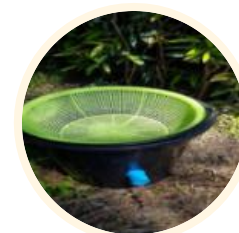
Water conservation pond

Bring water back to reuse



Plant pot

Plant with less water



Food waste and grease separator








Reduce drain clogs, use the water and grease for additional benefits

4. ESG metrics and achievements

Continuous evaluation of ESG key metrics and targets

			Targets	As at Dec'2021
 <p>Environment</p>	Emissions	Reduce greenhouse gas emissions Scope 1 and 2 against 2020 base line both Thailand and abroad	20% by 2030 Net Zero by 2050	2.4%
	Water	Reduce water withdrawal	35% by 2025	26.3%
	Recyclability	Volume of Recyclable, Reusable or Compostable packaging	100% by 2025	99.7%
 <p>Social</p>	Employees	Health & Safety : Occupational Illness and Disease Frequency Rate	0 case / 1,000,000 Hours Worked	0 case / 1,000,000 Hours Worked
		Human Rights : Number of human rights violation	0 case	0 case
	Communities	Community Satisfaction Index	90%	89%
 <p>Governance</p>	Board Composition	Independent Directors (3 out of 12 directors are female)	>50%	66%
	Product Stewardship	Sales revenue which comes from products, services, and solutions that received the SCG Green Choice label	66.7% by 2030	45%
	Supply Chain Stewardship	Suppliers that pass the ESG Risk assessment	100%	100%

SCGP's sustainability ratings

No.	Agency	Rating Type	Scale (best to worst)	2021	
1		S&P Global Corporate Sustainability Assessment (CSA)	Recognized international benchmark	100 - 0	Voluntary participation with Silver rating at score 75 (Top 5 in Global Containers and Packaging category)
2		MSCI ESG rating	Recognized international benchmark	AAA - CCC	First rating at Grade BB
3		FTSE 4Good Index	Recognized international benchmark	5 - 0	First ESG rating at 3.7 score
4		Thailand Sustainability Investment (THSI)	Represent strong position in national level	-	Listed in SET THSI index
5		Ecovadis	Represent sustainable supply chain to customers	Platinum - Bronze	Gold Medal
6		Circulytics	Showcase to investors as leading in circular economy	A - E	Grade B
7		Sustainalytics	Clear insights into the ESG risks of companies	Negligible - Severe	First assessment as Low Risk

ESG Awards & Recognitions



5. Key takeaways

Key takeaways

**Organizational
resources & capabilities**

Continue to support and develop the value of the individual, communities and national society

Long-term growth

Confidently reach 1.6X¹ revenue target in 2 years after IPO with quality growth from growing the core, expanding into adjacencies and entrance into new business

**Supply chain
management**

Stabilize supply chain and lay down resilient eco-system through operational excellence with cost savings of ~2,500 MB in H1/2022

**Circular business & ESG
leadership**

Improve on the 99.7% recyclability of packaging products and progress toward Net Zero while became top 5 in global containers & packaging in S&P global rating

Q&A

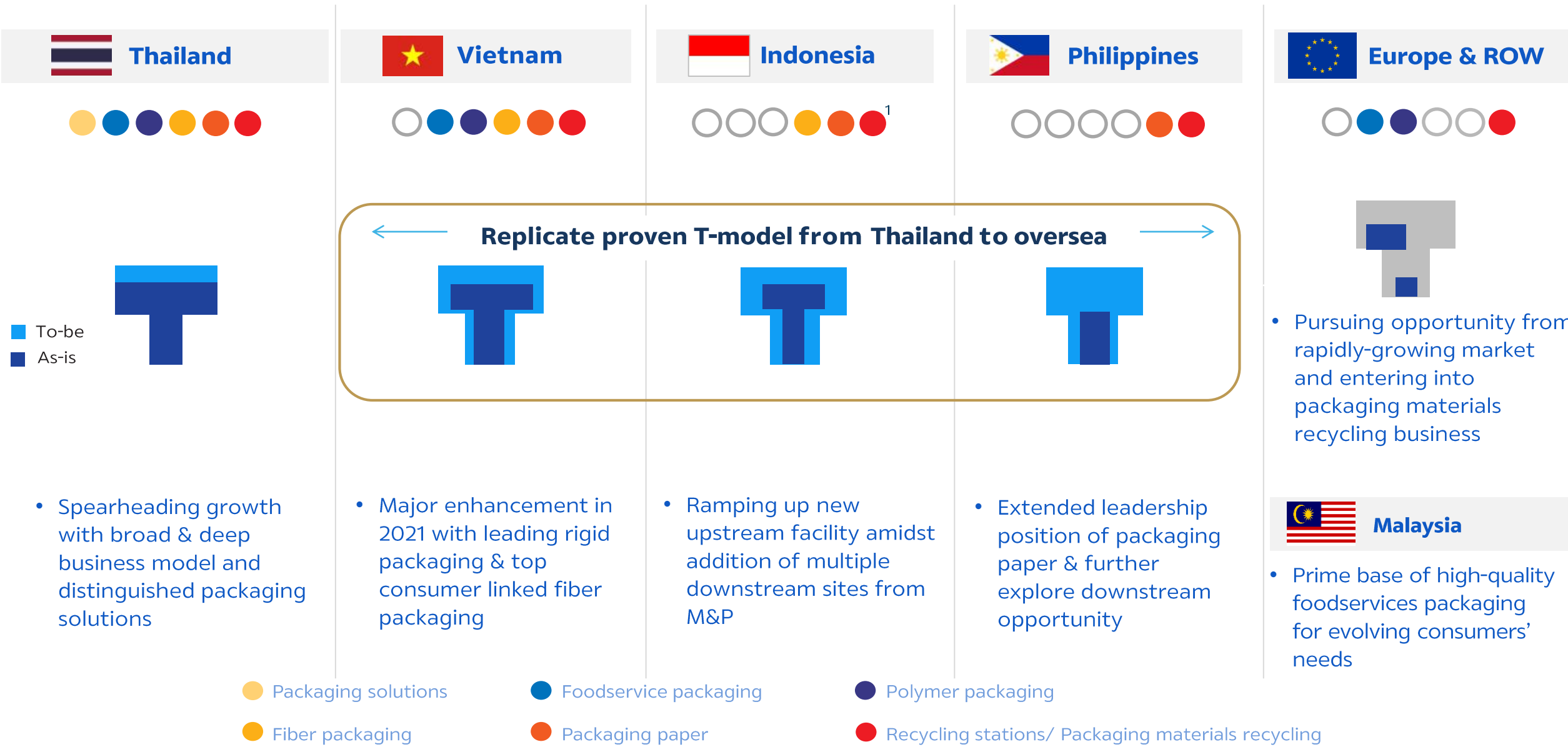


THANK YOU

For more information, please contact
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Pursue long-term growth, focusing on consumer-linked segments



31 Note : 1. Includes contracted partners - exclusively supply recovered paper to SCGP

Progressive Strategic Directions Toward Sustainable Growth

Growth Opportunities



GDP +1-2%

Packaging demand growth¹



Ample ASEAN's

consumption growth opportunity compared to developed market



CAGR 6-8%²

ASEAN's healthcare spending potential growth (Deltalab)



E-commerce growth 20%³



Rise of demand for sustainable packaging

Key Efforts

1. Expand consumer-linked topline

- Strengthen business model: B2B2C & B2C
- Tailor-made solutions offering

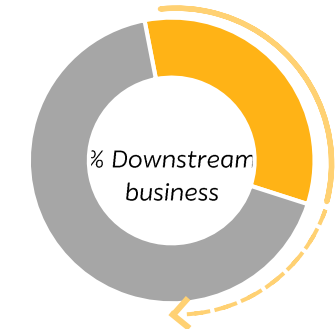
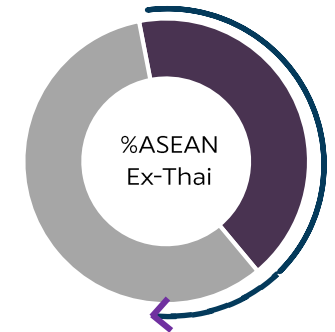
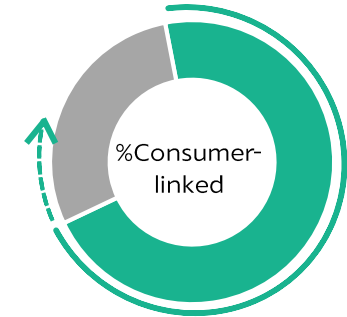
2. Enlarge growth in ASEAN & Beyond

- Business expansion: Organic and M&Ps
- Value-based offerings

3. Enhance bespoke downstream business

- Capture evolving high growth segments
- Broad & Deep fortification

Future Portfolio



Note:

1. Total household consumption growth from 2019-24E in ASEAN

2. Total healthCare & medical supplies growth from 2020-2025E in ASEAN

3. E-commerce GMV (gross merchandise volume) growth from 2019-24E in ASEAN

Governance Structure for the ESG Efforts

