

**SCGP**

# **Sustainability Excellence Awards**

*8 September 2021*



# AGENDA

## **1. SCGP... Proactive and Progressive**

1.1 Vision and Aspiration

1.2 Distinctive Business Model

1.3 Resiliency amid the pandemic

1.4 New trends and our growth strategies

## **2. ESG-Embedded Business Practices & Sustainability**

## **3. Key Takeaways**

**1**

# SCGP... Proactive and Progressive



# 1.1 Our Vision...



**CONSUMER  
PACKAGING SOLUTIONS**



**INNOVATIVE**



**SUSTAINABLE**



**MULTINATIONAL  
COMPANY**



**“A leading multinational consumer packaging solutions provider through innovative and sustainable offerings”**

# 1.1 SCGP's Business Aspiration

Delivering value to customers and stakeholders with 3 growth aspirations and 1 growth platform

## Growth Aspirations

- 1 Quality Growth:** with progressive financials
- 2 Customer Solutions:** Top-of-mind for innovative and sustainable packaging
- 3 ESG:** Creating better planet with sustainable packaging and practice

## Platform

- 4 Global Management:** Building foundation toward becoming global company

## SCGP at a glance...

1975



Established year

#1



Market Shares  
in ASEAN<sup>1</sup>

THB~300bn

Market  
Capitalization<sup>2</sup>

57,148



SCGP's Revenue H1/2021

>7,000



Customers

>120,000



SKU of products

14,460



SCGP Employees

54



Production facilities

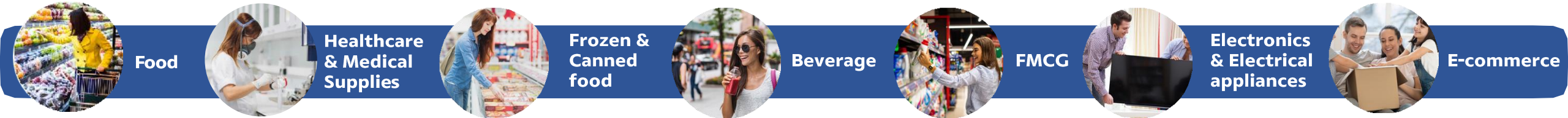
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Operating countries

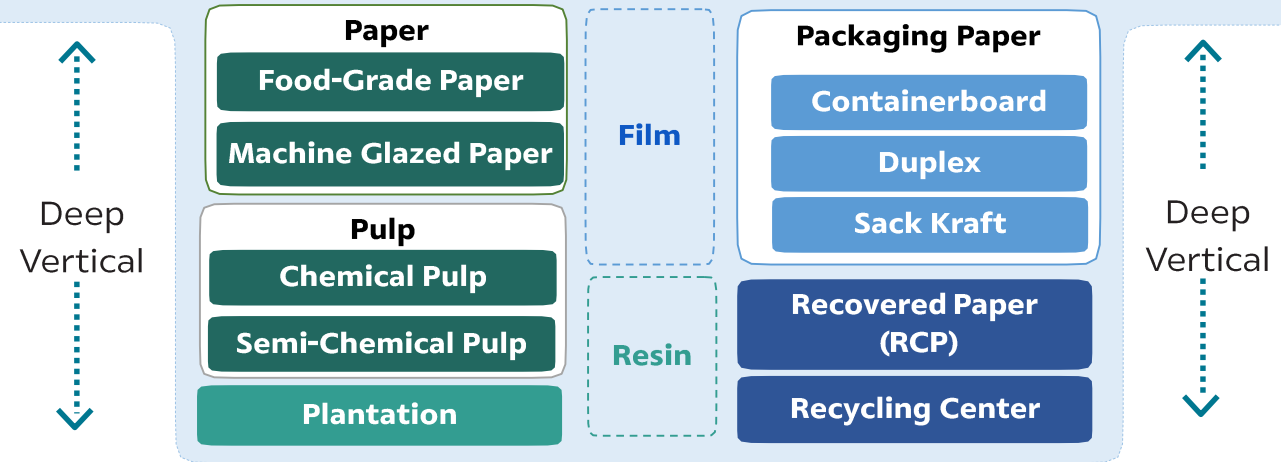
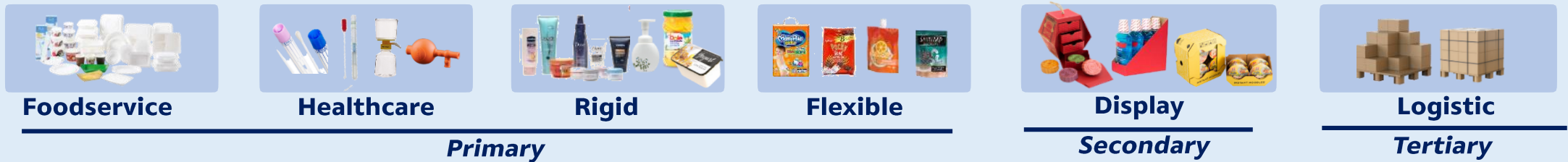
# 1.2 What business we are in...

Our unique business approach & customer segments



Wide Horizontal

## Service and Innovation



# 1.2 Where to play...

Pursue long-term growth in strategic countries focusing on consumer-linked segments

 **Thailand**

 **Vietnam**

 **Indonesia**

 **Philippines**

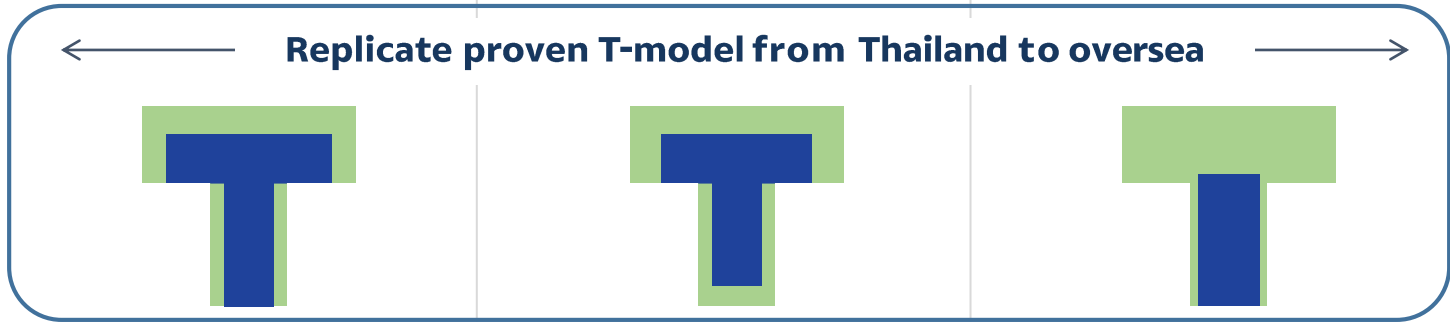
 **Europe & ROW**

Enlarge T-model

Leverage on large scale of upstream & accelerate downstream expansion

Forward integration through the chain with M&P

Horizontal diversification into healthcare and foodservice packaging



 To-be  
 As-is



- Packaging solutions
- Foodservice packaging
- Polymer packaging
- Fiber-based packaging
- Packaging paper
- Recycle stations

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- Recycle stations

- Healthcare
- Foodservice packaging

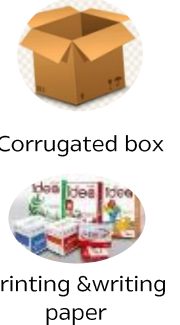
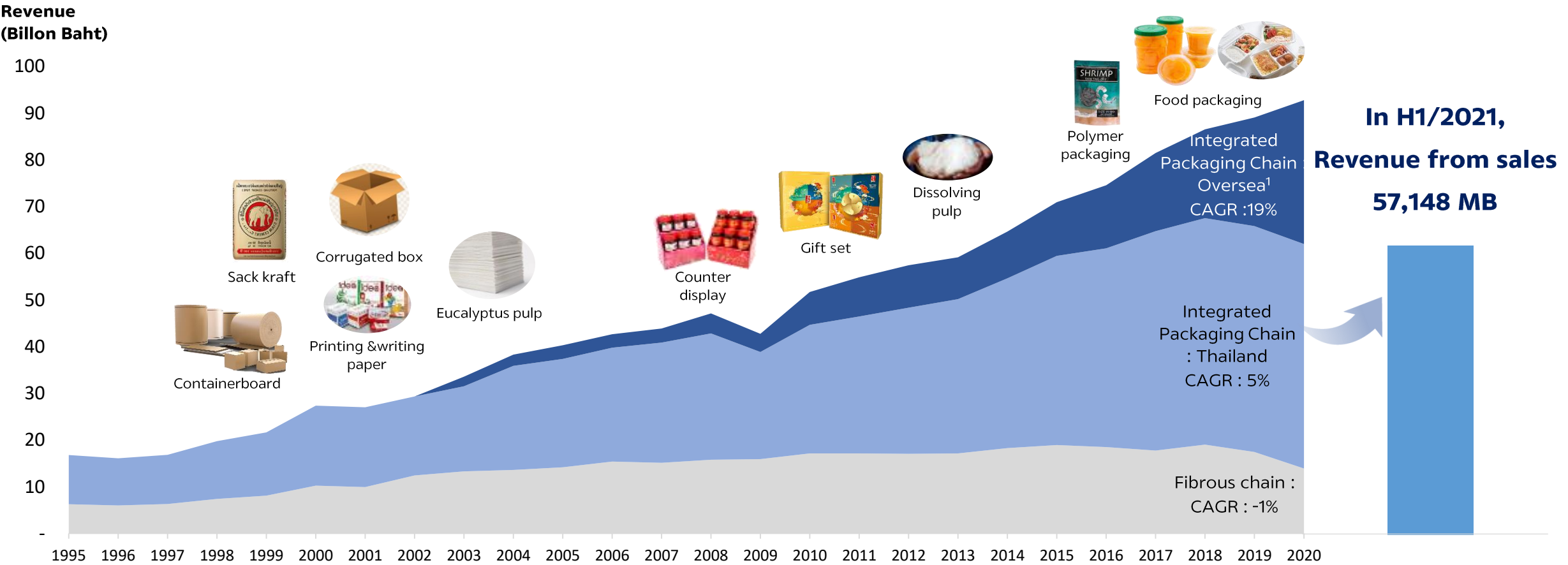
 **Malaysia**

- Foodservice packaging

# 1.3 Growing sustainably throughout past disruptions

**Disruptions**

- 1997: Asian financial crisis
- 2000: Dot com crisis
- 2007: Global financial crisis
- 2011: TH mega flood
- 2018: US-CN trade war
- 2019... COVID-19 pandemic**



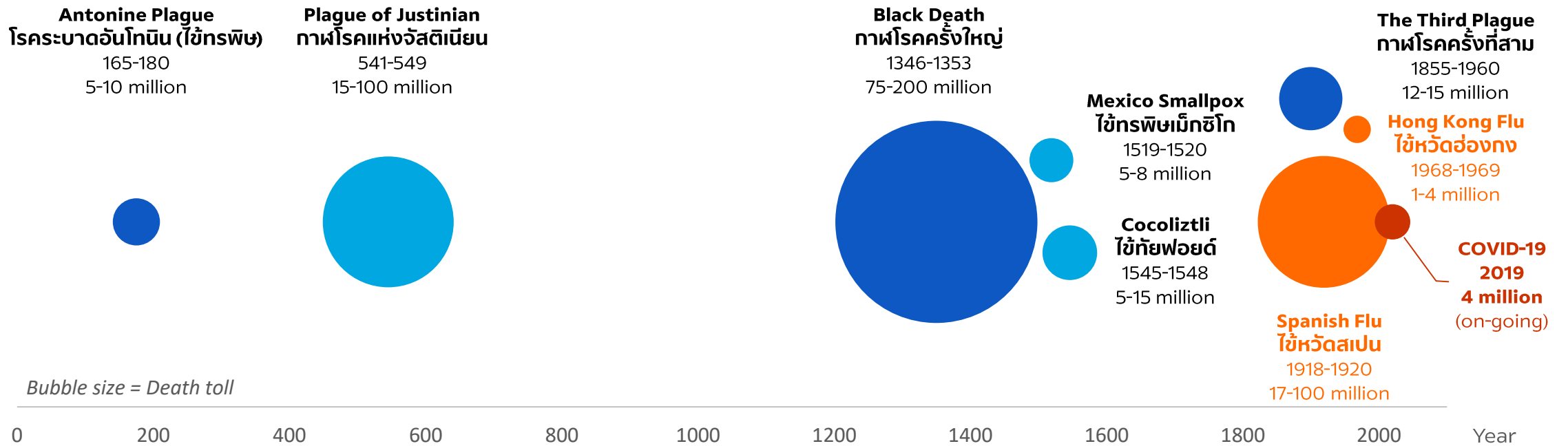
**1975 – 2005 Paper Focused**      **2006 – 2014 ASEAN Paper Focused**      **2015 – 2020 Packaging Focused**      **Post-IPO Integrated packaging solutions**



# 1.3 No crisis lasts forever

## History of large pandemics

The world had suffered worse pandemics before the arrival of COVID-19; The ones sparked by influenza virus usually last 2-3 years on average



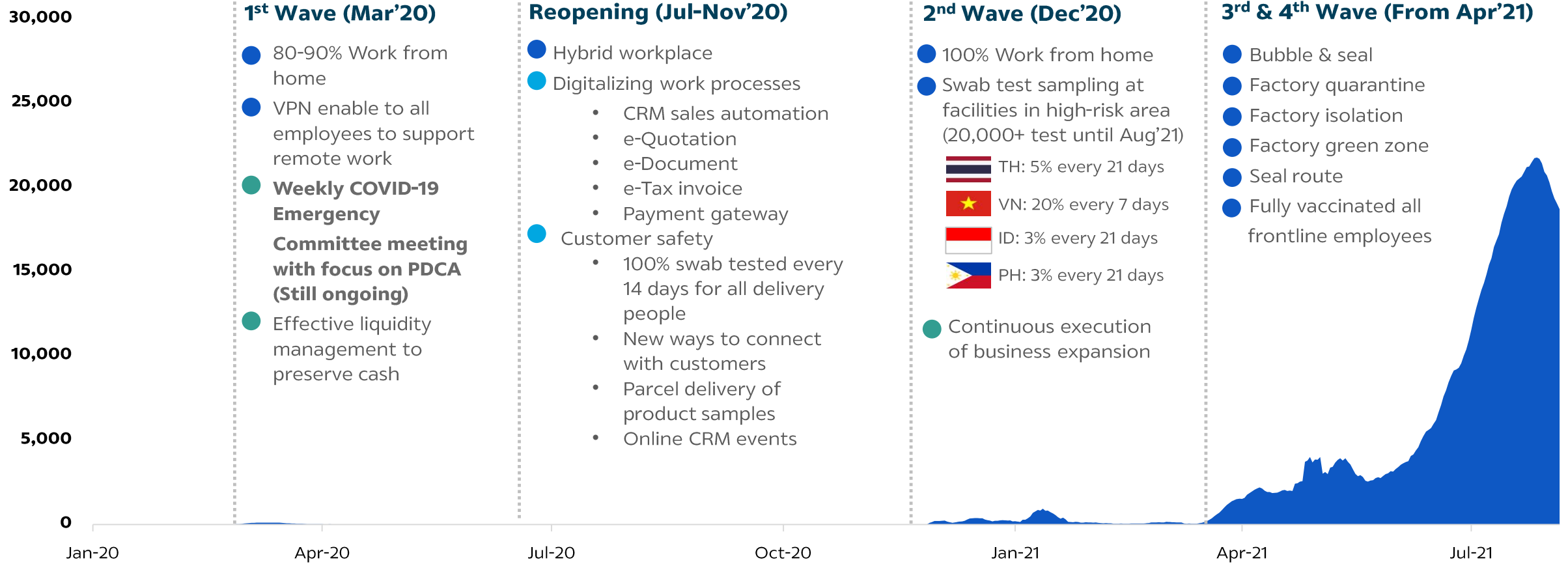
### How Past Pandemics End

1. Vaccine effectiveness
2. Improved sanitary and public health system
3. Virus mutation to less deadly variants

# 1.3 Proactively and timely respond to maintain business continuation since the first outbreak in Mar'20

## BUSINESS CONTINUITY PLANNING

Daily cases



Measures for ● Our employee ● Our customer ● Our business

# 1.3 Notable measures to protect our employees and ensure operational continuity

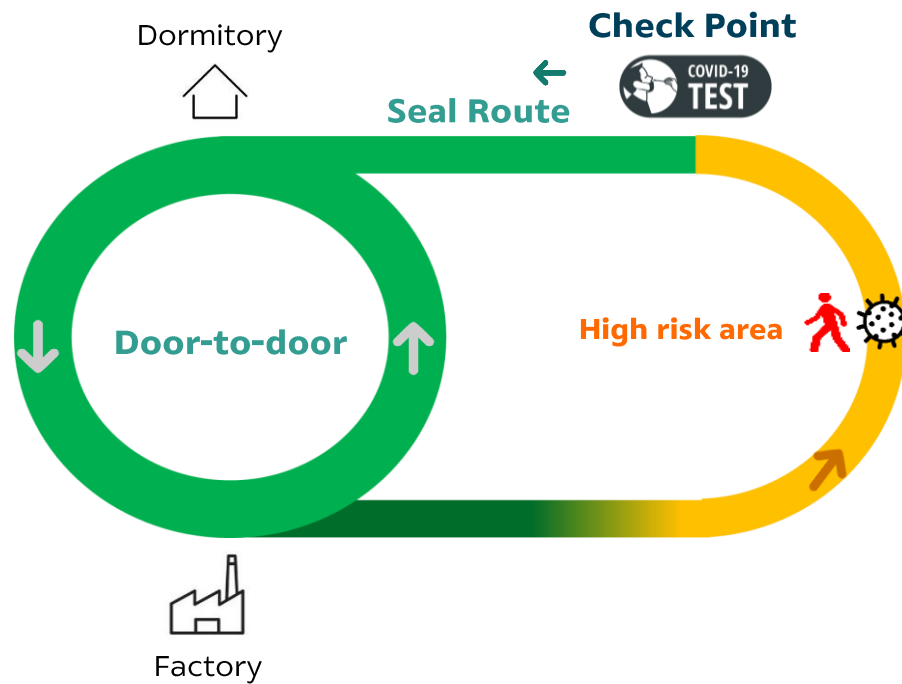
## Separation of working team

To ensure business continuity



## Seal Route

To protect employees from infection risk by a close loop route between dormitory and factory



## Factory Accommodated Isolation

To support mild symptom COVID-19 patients (Green level)



# 1.4 Accelerated New Trends and Our Strategies...

The pandemic has created new trends or accelerated many that were already ongoing before the crisis

## Changes in Consumer Behaviors



### Home nesting

Upgraded decoration during lockdown enables more activities at home

### Hygiene concerns

85% of consumers suggest tamper evident packaging to remedy food delivery tampering problem



### Digitalization and e-commerce adoption

2x growth in new online grocery shopping users, 75%+ indicating they will continue

### New brand loyalties

40% of users declared they have switched to brand that offers greater value and purpose



### Sustainability commitments

Online shopping and food delivery raised consumer concerns about environmental impact

## Implications to SCGP

### 1. Merger and Partnership:

- Capture growth opportunity

### 2. Packaging Solutions:

- Unpacking experiences
- Smaller lot size per order, More customization
- Food safety packaging

### 3. Operational Excellence

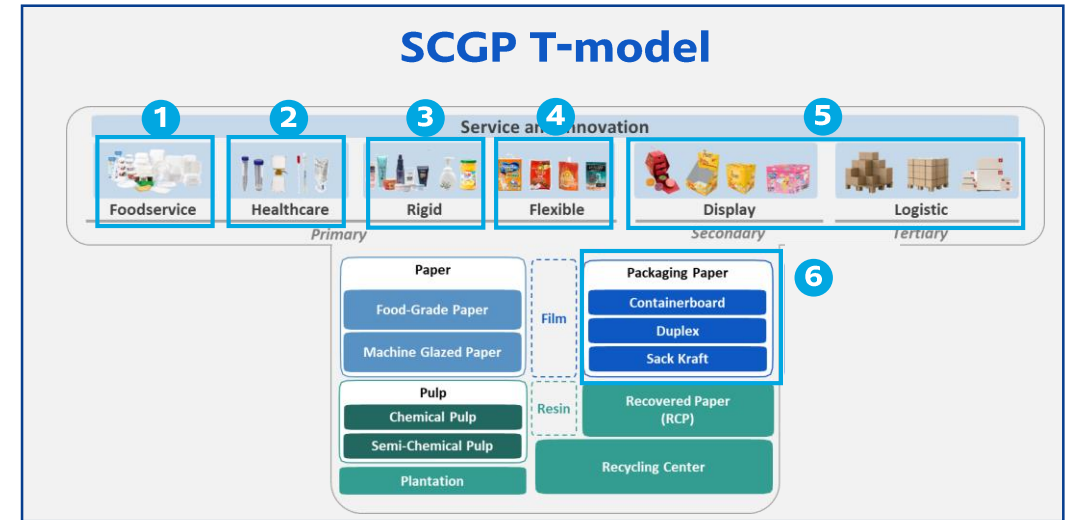
### 4. E-commerce Solutions

### 5. Sustainability focused

# 1.4 Executing growth strategy through Merger & Partnerships amid the pandemic...

## Turning to virtual...

- Virtual due diligence and use team on the ground for stock take
- Remote M&P deal contemplation
- Remote share purchase agreement signing ceremony
- Virtual post-merger integration e.g. onboarding events, integration planning, synergy project, etc.



**5** **SOVI**

**SPA signed: Apr'20**  
**Closing: Dec'20**

VN top box player with high consumer growth

**1** **Go-Pak**

**SPA signed: Nov'20**  
**Closing: Jan'21**

Transformation to foodservice packaging

**3** **Duy Tan**

**SPA signed: Feb'21**  
**Closing: Jul'21**

Rigid packaging leader to fulfill T-model

**5** **Intan**

**SPA signed: May'21**  
**Closing: Aug'21**

Leading box player to enhance T-model

**2** **Deltalab**

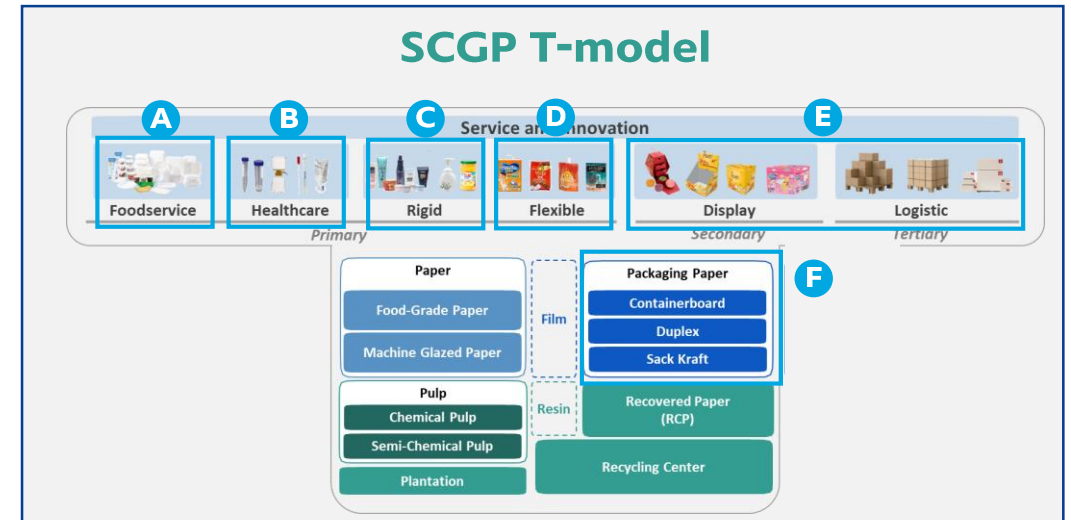
**SPA signed: Jun'21**

Enter into healthcare & medical segments

# 1.4 ...while the continuous organic expansions defy the disruptions

## Alternative work mode to circumvent restrictions...

- Alternative construction plan to cope with uncertain traveling restriction and port congestion
- Seal route and green zone for construction workers to reduce risk of infection
- Remote commissioning by machine specialist



**A** **Foodservice**

**Q2/2022<sup>1</sup>**

Pressboard & Molded Pulp

**C** **Rigid Packaging**

**Mar 2021<sup>1</sup>**

VISY#7: Expansion of high value added polymer pkg.

**D** **Flexible Packaging**

**Q4/2021<sup>1</sup>**

Prepack#2: Consumer linked primary pkg.

**F** **Packaging Paper**

**Q4/2021<sup>1</sup>**

UPPC#3: Leader in packaging paper in PHP

**F** **Packaging Paper**

**Apr 2021<sup>1</sup>**

FAJAR Surabaya: First upstream complex in E.Java



# 1.4 Continual development of innovative solutions to serve the evolving consumer needs

## Convenient solutions

Enhance consumer unpacking experience and address the increased hygienic concerns



## Food safety solutions

Sustainable and safe food packaging to respond to the rise of online food delivery



## E-commerce solutions

Stronger packaging to better handle e-commerce logistics. Customized design to be a part of customer brand



## Circular economy solutions

Sustainable materials for better recyclability



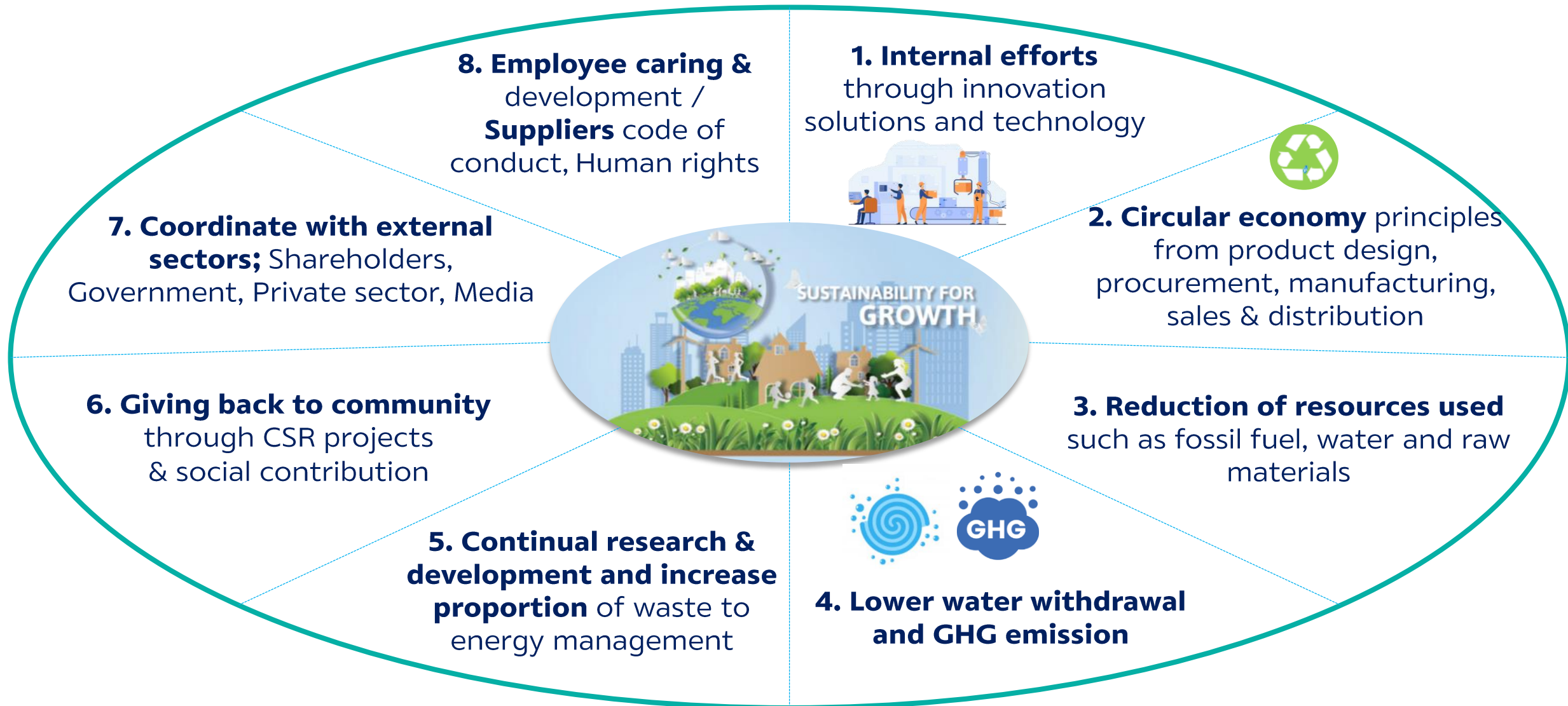
**2**

## **ESG-Embedded Business Practices & Sustainability**





# ESG Embedded in the Value Chain:



# ESG-focused practices lead to sustainability

E



## Environment

- Drive R&D for innovative and sustainable packaging
- Circular economy model as integral part of supply chain
- ESG goals for sustainable business executions

S



## Social

- Continue enhancing initiatives for sustainable growth i.e. Banpong Model
- Contribution to society through integrated solutions concept with team efforts

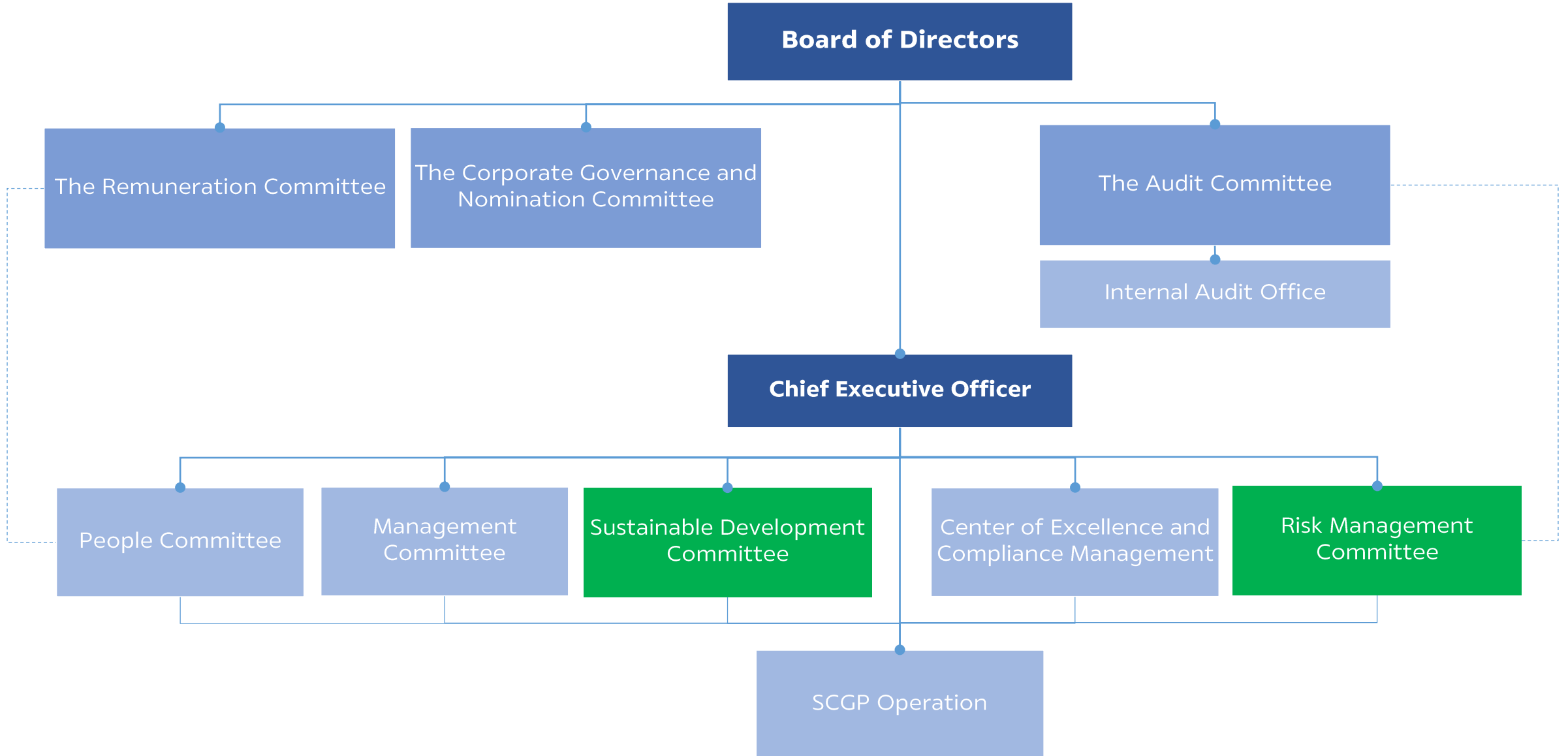
G



## Governance

- Compliance with good corporate governance principals
- Experienced Board of Directors and management team bringing the best governance practices

# G: Governance Structure for the ESG Efforts



# G: Governance Structure for the ESG Efforts (‘Cont)

During Covid-19 pandemic, the Board of Directors...

## Roles and Responsibilities

1. Oversee strategy and establish a policy to manage business continuity.
2. Participate in evaluation and decision-making related to risk management framework.
3. Support the contribution to society and promote cooperation within SCGP and external organizations.

## Actions

1. Exchange thoughtful views and knowledge for risk assessment and key business impacts analysis.
2. Provide direction for the development of risk mitigation strategy.
3. Supervise the funding and execution of expansion projects during the pandemic.
4. Assign the Management Committee to roll out the communication plan to raise employee’s awareness of the situation.
5. Represent the company in giving back to the society (i.e; donation of water soluble bags to hospital).

# E: Expanding innovative sustainable products to serve emerging consumer trends



Health & Hygiene | Convenience



Shelf life extension



Quick & Easy



Customization



บริษัท ฟีสท์ จำกัด  
บริษัทมหาชนจำกัด

E-commerce | Food delivery



Food contact fibrous material



Microwave safe



Biodegradable



Enhance solutions for our customers



**35+**  
Professional Designers



**500+**  
Sales & Customer Service Team



**90+**  
Researchers & Developers



**Inspired Solutions studio**



# E: Pioneering breakthroughs of sustainable packaging: Recyclable & Recycled

1

## Innovative recyclable products



Recyclable rice bag



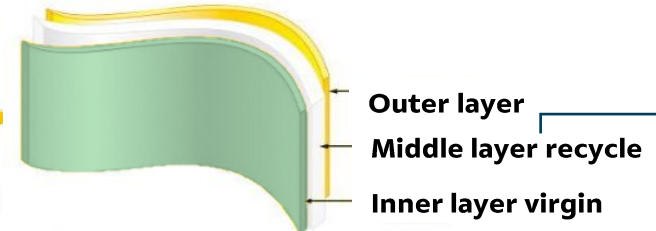
Recyclable pet food bag

(Example of SCGP products)

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

2

## Increase recycled contents



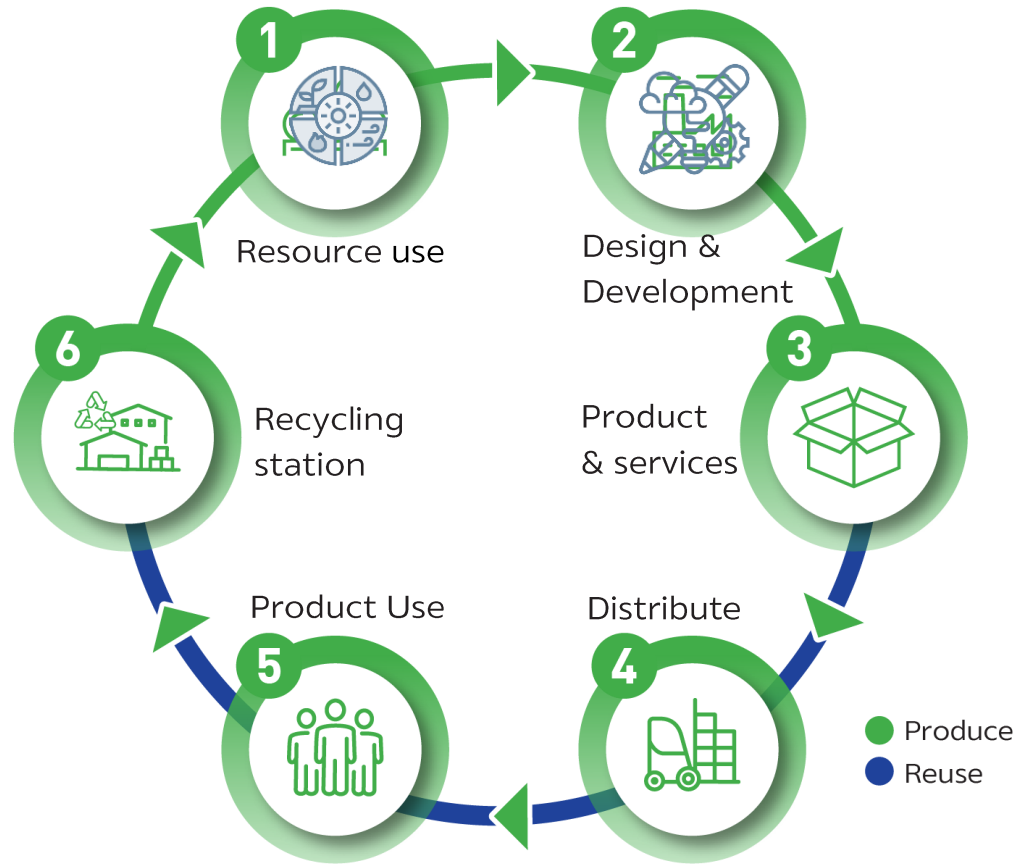
Auto lubricant container  
with 25% HDPE PCR resin



- **Increase usage of recycled resin** as a supplement raw material to polymer packaging production, reducing the use of virgin resin

# E&S: Circular economy model as integral part of supply chain

## Sustainable Value Chain - Recovered paper



## Ongoing focus areas

- Recycling station (i.e. Modern trade)
- Currently, we have 100 partners & 460 drop points. Plan to expand to primary source through SCGP's "Rexycle" platform (i.e. Residential area, office, industrial estate)



SCGP  
**rexycle**



- **Engagement with social & community** (Continue in the following part...)



# S: Social collaborations to support sustainable community's development

SCGP has adopted the Circular Economy principle, to minimize environmental impact while enhancing community well-being with combination of sustainable practice and innovations.

## Banpong Circular Community Model (Ratchaburi province) since 2015

### Create awareness and Encourage behavior

Encourage participation to manage waste directly at source, to maximize its value and generate additional income



### Plantation

โครงการปลูกด้วยรักษ์พิทักษ์โลก



## Community Benefits



## Zero Waste Community





# S: Social collaborations to support sustainable community's development

## Creative Design for Social Innovations “SCGP Field Hospital Bed”

While field hospitals were established nationwide, there are urgent needed of the beds everywhere.

### Accelerated competency to develop “SCGP Field Hospital Bed”

- Produced from 100% recycled paper
- Light weight only 14 kilogram
- Convenience for transportation
- Support weight 100 kilogram horizontally
- Easy Assembling in 8 minutes without glue



### Q1/21

First support to Samut Sakhon Province



### Q2/21

Set up a dedicated team from volunteered **employees to cultivate social contribution mindset**

- Call center
- Order arrangement
- Logistics management

Joined hands with stakeholders in “โครงการรวมใจสู้โควิด เปลี่ยนกระดาษ เป็นเตียงสนามกระดาษ SCGP”

**Business Partner | Customer | Public**

- 150 partners
- 1,800 public drop points
- 450 Tons

### Q3/21

Total Support more than **100,000** pieces



Provide end-to-end public service to **dispose hazardous waste properly by certified professional**



**3**

# Key Takeaways



# Key Takeaways

**SCGP**

1 ESG at the core of the business model, which elevates competitiveness

2 Proactive measures against disruption creates operational resiliency

3 Progressive approach to executing sustainable future growth



# THANK YOU

For more information, please contact  
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