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PURCHASING AND
SUPPLY CHAIN MANAGEMENT
ASSOCIATION OF THAILAND



PURCHASING PRACTICES & BEYOND 2024

SUSTAINABILITY FORESIGHT
HOW TO IMPLEMENT SUSTAINABLE
PROCUREMENT IN PRACTICE

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PURCHASING PRACTICES & BEYOND 2024

SUSTAINABILITY FORESIGHT - HOW TO IMPLEMENT SUSTAINABLE PROCUREMENT IN PRACTICE



Session 2
11:00-11:45

Ms. Vijitar Supakong

Vice President - Sustainability and Risk
Management

Berli Jucker Public Co., Ltd.





SUSTAINABILITY SHOWCASE

A case study from BJC Big C

22nd November 2023
By Vijitar Supakong



Agenda


[LEARN MORE](#)

1. BJC Overview
2. Introduction: Why Sustainability is Matter
3. Key Success Factors for Corporate Sustainable Development
4. BJC – Sustainability Strategy
5. Best Practices for Sustainability

“Your Trusted Partner for a sustainable better living”

Packaging

- **Overview:** Designs, manufactures, markets, distributes and sells packaging products.
- **Products:** Glass, Aluminum Can and Plastic Packaging.


 **Largest glass packaging manufacturer in ASEAN**

 **Largest aluminum can manufacturer in Thailand**



Consumer

- **Overview:** Manufactures and distributes consumer products and services for both owned brands and third parties.

 **Beauty bar soap, Tissue in medium and economy segment, Rice crackers**

• **Food:** potato chips, rice crackers, extruded snack



• **Non-Food:** tissue papers, personal care, office supplies




• **International Business:** Trading business, owned Tofu brand



Modern Retail

- **Overview:** Big C Supercenter is BJC's flagship company for modern trade business in Thailand and Overseas with a portfolio of retail venues in different store formats.
- **Formats:** Hypermarkets, supermarket, proximity/CVS, omnichannel, open-air markets, town centers, wholesale stores, pharmacies, coffee shops, and bookshops


 **Modern Trade Retail in Thailand**

 **Largest English books importer and distributor in Thailand (Asia Books)**



Healthcare & Technical

- **Overview:** Distributes healthcare and technical products and services of well-known local & international brands.
- **Products:**
 - Pharmaceutical products, medical equipment and services.
 - Engineering/Graphic products & services, Galvanized Steel Structures. and Chemical specialties.

 **Mammography Machine, X-Ray Equipment, Botulinum toxin**



Mammography Machine

X-ray

Botox



Solar Rooftop



Transmission Line

Sustainable Development Milestone



DJSI Top 1%
in Food & Staples Retailing
industry of the 2022 S&P



Ranked AA
in MSCI ESG RATINGS



Listed in FTSE4Good
Emerging Market and
FTSE4Good
ASEAN 5



Included in ESG 100
by Thaipat 2023



Ranked AA
SET ESG Ratings 2023

Corporate Sustainability



In business, sustainability refers to doing business without negatively impacting the environment, community, or society as a whole.

Sustainability in business generally addresses two main categories which are environment and society.

The goal of a sustainable business strategy is **to make a positive impact on at least one of those areas.**

Beyond helping curb global challenges sustainability can drive business success.

Investors today use environmental, social, and governance: ESG metrics to analyze company's ethical impact and sustainability practices.

Research shows that companies with high ESG ratings have a lower cost of debt and equity, and that sustainability initiatives can help improve financial performance while fostering public support.



“**Consumers want to see** business play an even bigger role in accelerating progress on ESG concerns”

Ref: PWC 2021 Consumer Intelligence Series Survey on ESG

McKinsey
& Company

“The strongest motivating factors to adopting a sustainable mindset in 2017 were to align with a company’s goals, missions, or values; **build, maintain, or improve reputation; meet customer’s expectations;** and develop new growth opportunities”



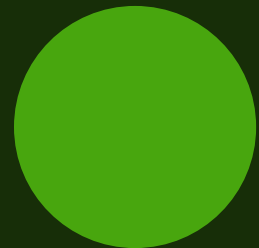
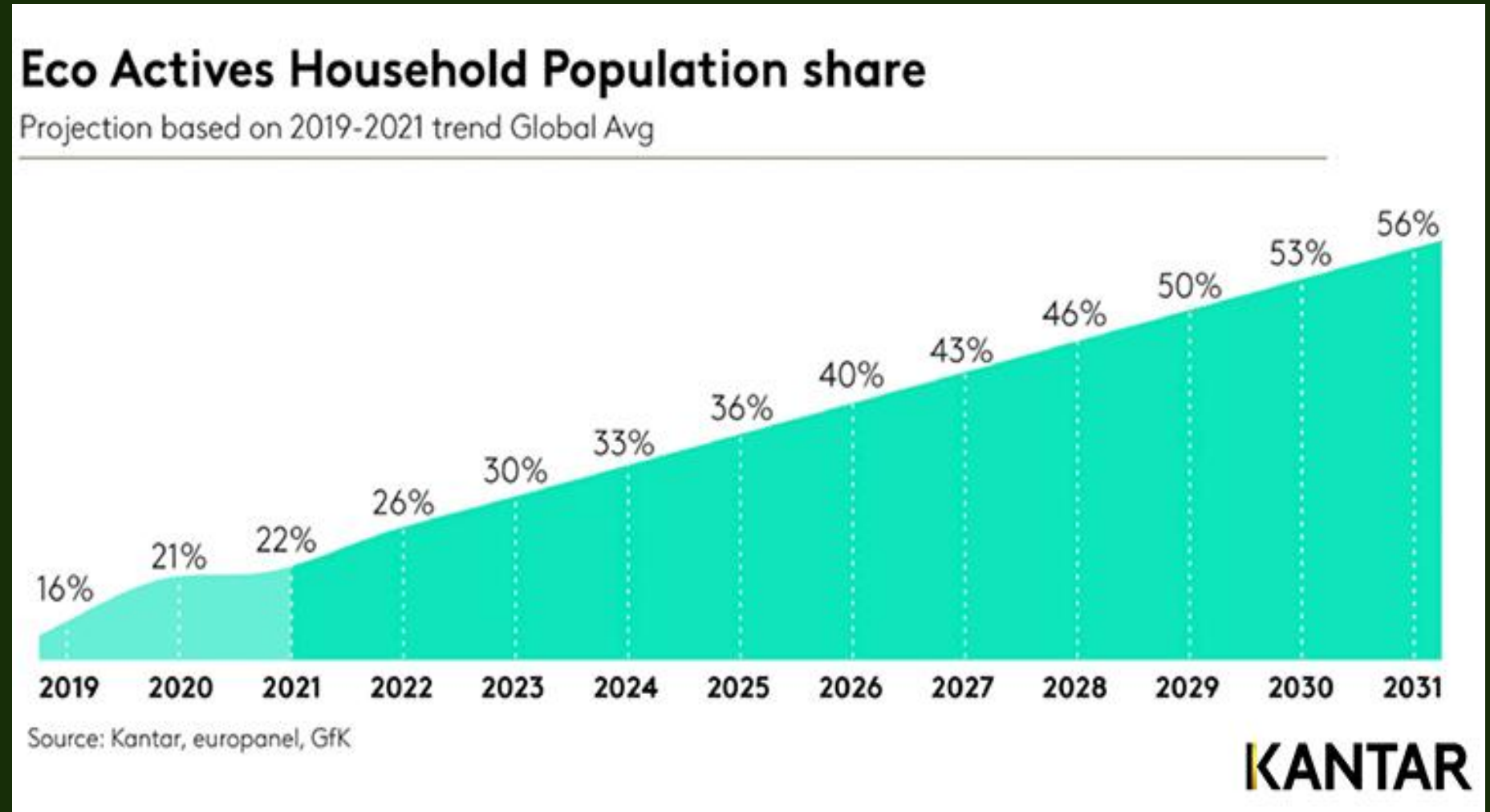
Corporate Sustainability



Change in Consumer Behaviors and Expectations

Corporate Sustainability

- Increasing number of eco-active consumers
- Sustainable brands in FMCG industry have 15.7% growth rate annually, which is 5 times higher than the average



Why Sustainability Matters

Megatrends Shaping the World and Business

Accelerating Global Changes
 Exceeding Earth Carrying Capacity
 Shifting Demographics & Consumer Behavior



Competitive advantage for companies with better management of **Risks** and **Opportunities**



**Key Success Factors for
Corporate Sustainable
Development Implementation**

Key Success Factors for Corporate Sustainable Development



Tone from the Top

Top executive focus on governance and sustainability



Effective Structure and Process

Set up organization structure and process to support Corporate Governance (CG) and Sustainable Development (SD)



Steering

Set up SD strategy and direction

- Being role model
- Communicate
- Activities/ program to support



Benchmarking

Compare result both within organization and with reliable external/ peers

Key Success Factors for Corporate Sustainable Development



A clear sustainability strategy

Focused on a limited number of highly material topics which are relevant to company stakeholders and can have an impact on the long-term success of the company.



Translating the sustainability strategy into key targets

Both on a strategic level and towards day-to-day operations (performance cascade), developed as stretch targets on the long-term.

Communicate the key targets publicly as a commitment to the stakeholder community.



Driven by senior leadership and middle management

Translate the strategy and key targets into a roadmap, consisting of a limited number of breakthrough initiatives to build results and a myriad of smaller initiatives to build the cultural change.



The purpose and return on investment of the sustainability program is **identified and clearly understood within the organization.**



BETTER LIVING: *Quality and Safe Products and Services which Elevates a Better Living Quality of Life, starts with a Healthy Environment*

JOINT SUCCESS: *A Well-managed Internal System, not only Improves the Quality, Safety & Personalization of Products, but also Fosters Brand Transparency and Governance, Increasing the Living Quality for People, Resulting in a Seamless Operation, Creating a Positive Impact and Value for All Stakeholders, Leading to Joint Success for All*

CARING FOR COMMUNITY: *People are the Heart of All Success, connected through a Strong Community. Caring for the Community and the people within it leads to a Positive Working Environment and a Sustainable Growth with Our Community.*



OUR MATERIAL TOPICS

HIGH

- 🌿 Supply Chain Management
 - Product Safety & Quality
 - Data & Cybersecurity Privacy Protection
 - Technology, Innovation, R&D
- 🌿 Climate Strategy
 - Energy Management
 - Sustainable Packaging
 - Employee Management
- 🌿 Community Development
 - Human Rights, Diversity and Inclusion

OTHER

- Responsible Sourcing
- Health & Nutrition
- Marketing & Labeling
- Risk Management & Compliance
- Customer Relationship Management
- Water Management
- Occupational Health and Safety
- Human Capital Development
- Labor Practice



Best Practices for Sustainability

Create Sustainable Supply Chain
Reduce GHG with Climate Strategy



Create Sustainable | Supply Chain



Upstream Raw Material Supply

Corporate Farmer Groups, Small and Medium Enterprise Partners (SMEs), and Large Enterprises

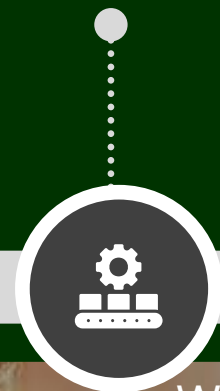
Supply raw materials used in the production and of products and services, and distribution accordance with standardized practices.



Midstream Manufacturing

Manufacture of Products and Packaging

Production of safe products in compliance with standardized practices.



Midstream Transportation & Distributions

Delivery products within the specified timeline.

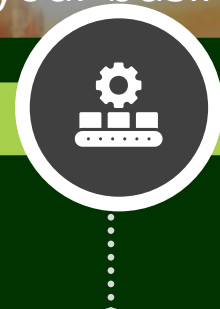


Downstream Sales of Products & Services

Sales and distribution or products and services according to applicable law, regulation and required standards.



Who are in that value chain?
Which processes add value or may detract from the value of your business?
How does your business create value throughout the process?



Customer and Consumers

New

Corporate Farmer Groups, Small and Medium Enterprise Partners (SMEs), and Large Enterprises

Sourced and secure raw materials through long-term collaboration/ partnership through training, knowledge sharing and capability building of market trends, customer needs, innovation, value creation and best practices, such as regenerative agriculture.

Manufacture of Products and Packaging

Production of products which meets or exceed customer expectations, through responsible production to minimizes environmental and social impacts.

Transportation & Distributions

Efficient delivery of products in line with demands through route optimization to minimize environmental and social impacts.

Sales of Products & Services

Sales of products that meet or exceed customers needs and provision of services beyond expected standards to foster a positive customer experience.

Sustainable Supply Chain

Big C Big Smart Local Support Local Farmer



Northern Agricultural Cooperative

Waste Management

- Waste to soil compound
- Waste to animal feed
- Remote school Project

Purchasing

Purchase agricultural products directly at fair prices



Demand-Supply Planning

Regularly update and inform farmers about product demand to meet market expectation, reducing waste from over supplies

Development

Educate local farmers to meet quality standards (GAP and GMP) of Thai fruits and vegetables



- Each year the project supports 1,572 farmers, covering 3,450 Rai of farmland in Chang Mai and Suphan Buri provinces.
- Each year Big C purchases 24,000 tons of Thai fruits & vegetables directly from the farmers.

Water Circulation Management for Agricultural Purpose

BJC Foods educates local farmers on water circulation management to effectively nurture their agricultural goods (potatoes; key company product) according to the seasons.

In 2022, BJC reduced a total of 1.34 Million M³ from farming process, across 1,989 acres (5,032 rai)



Sustainable Supply Chain



Reduce Environmental Pollution

Support farmers for Hazardous waste management

BJF is collaborating with SAO* in Chiang Rai to help collect, disinfect and properly dispose of agricultural chemical containers from farmers



Reduce Environmental Pollution

Cooperative Farming System at BJF

Supporting farmers to elevate farming practices beyond industrial expectations through compliance with Good Agricultural Practices (GAP) system



Programs to Protect Soil Health

Organic fertilizers

Supplies organic fertilizers to farmers in Chiang Rai and Phayao (3,800 Rai) to use in their farms for improving soil health and reduce chemical fertilizer use



Programs to Protect Soil Health

Crop rotation in potato farm

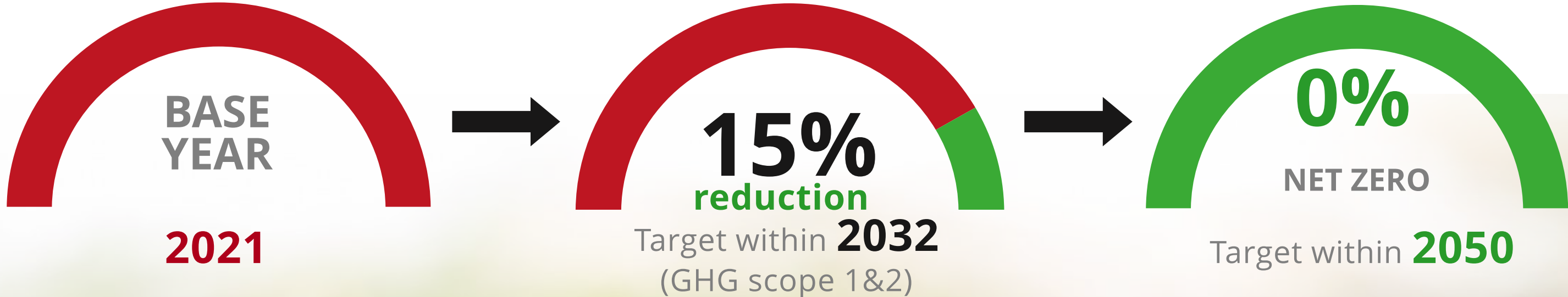
Trains farmers in Chiang Mai, Chiang Rai and Phayao (4,712 Rai) about crop rotation in potato farm to help maintain and prevent the deterioration of soil health

*Tab Tao Subdistrict Administrative Organization

Reduce GHG with Climate Strategy



Target to **reduce** greenhouse gas emissions intensity compared to base year 2021



GLOBAL

THAILAND

BJC



In an addition to the Net Zero target in 2050, we have established 10 year target under the "1+5" BJC 150th Sustainable Environmental Goal

1 BUILD
Plant 150,000 more trees

5 CURB

- Reduce the Emissions of Scope 1&2
- Reduce the use of non-renewable energy
- Reduce water consumption
- Reduce the generation of food waste
- Reduce the use of packaging (weight)

1+5
(1 Build 5 Curb)

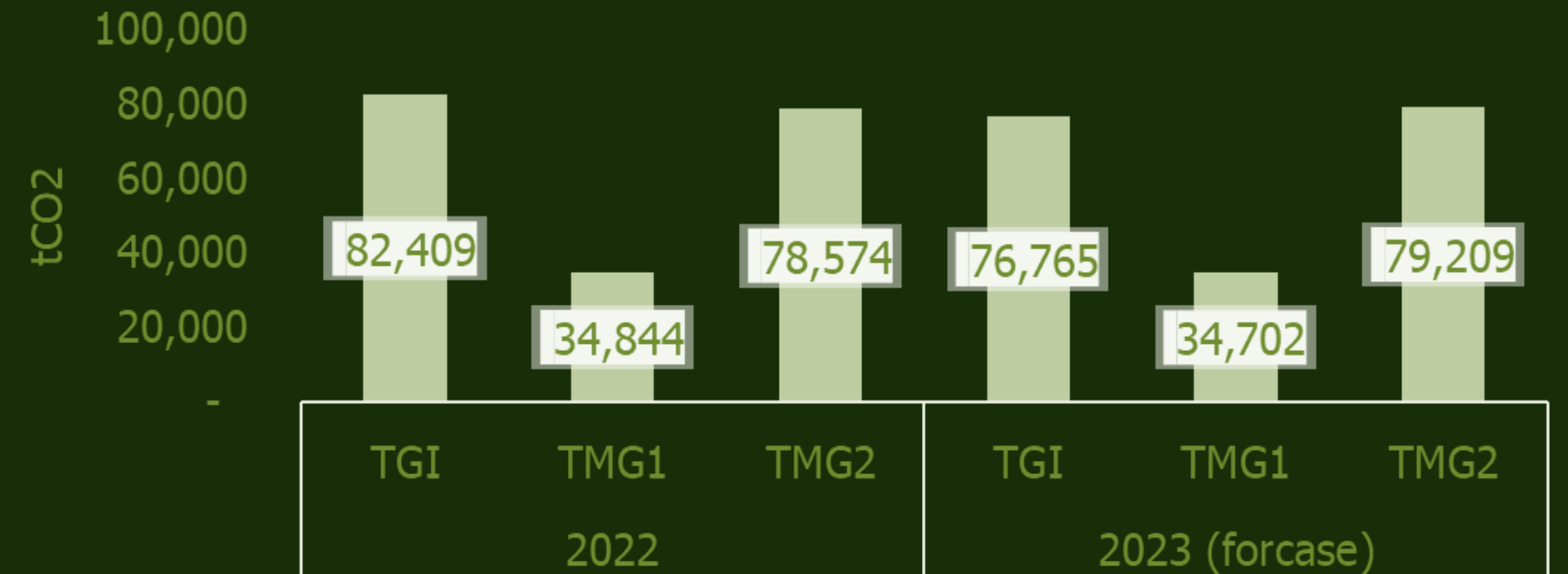
Reduce GHG with Climate Strategy



Increase % of Cullet (Recycled Glass) in Glass Packaging

Emission 2022-2023

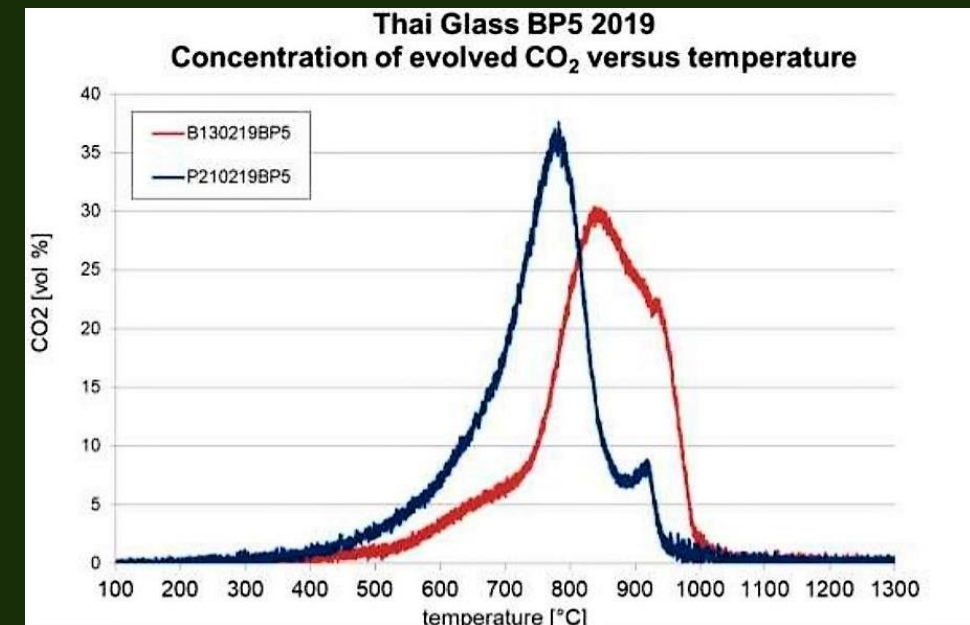
■ Less 2022-2023 (8+4)



Circular Economy Model

Reduce GHG with Climate Strategy

SAVE ENVIRONMENT



CO₂ release as function of temperature, where 98% of the CO₂ is released at a significant lower temperature (-4.98%) for pellets compared to batch)

Reduce GHG with Climate Strategy



The C3leng Recycling Application

To develop a comprehensive channel for sellers, buyers and transporters in the recycling ecosystem which,

- Modernize and enhance efficiency of the recycling ecosystem through the use of digital technology, which is a low investment cost option, adding value to the low GP business, while enabling connection of parties.
- Strengthen Thailand's recycling ecosystem
- Increase knowledge sharing and awareness of general public, especially young generations regarding recycling practices.

SAVE ENVIRONMENT

Reduce GHG with Climate Strategy



The C3leng Recycling Application

“
บางคนอาจรู้สึกว่าการพัฒนา
อย่างยั่งยืน เป็นเรื่องที่ทำให้ต้นทุน
เพิ่มมากขึ้น แต่ความจริงแล้ว หาก
มองในระยะยาว เรื่องนี้จะ
กลายเป็นตัวช่วยที่สามารถทำให้อ
องค์กรลดต้นทุนได้ในอนาคต ”





THANK YOU