



Reviving Pallets : Breathing New Life into A Sustainable Value Chain

The sustainability of the food business extends far beyond the dining table...

It begins with raw material sourcing, production, and product delivery to consumers, and continues through the efficient reuse of resources in accordance with the principles of the circular economy. This approach plays a vital role in reducing the consumption of natural resources and minimizing the need for new production.

In the food industry, “pallets” may seem like small components, yet they are essential mechanisms that support significant value in every movement of goods. They enable efficient stacking, handling, and transportation. However, after prolonged use, pallets naturally deteriorate and are often overlooked, eventually becoming plastic waste.

KCG Corporation Public Company Limited (“KCG”) places strong emphasis on advancing our sustainability strategy by reducing environmental impacts and restoring the value of residual materials—particularly through supply chain development in collaboration with business partners. This approach enhances operational efficiency, creates new market and revenue opportunities, and supports the long-term sustainability of the food business.

This edition of the E-Newsletter introduces the “Sustainable Pallet ESG for the Future” Project, under which KCG collaborates with partners to develop food-grade plastic pallets that are 100% recyclable at the end of their life cycle. The project serves as a strong example of translating sustainability concepts into tangible action and has contributed to KCG receiving the “Commended Supply Chain Management Awards” – Sustainability Excellence Category at the SET Awards 2025.

“Circulating Resources for a Sustainable Future for All”

KCG is committed to the efficient and responsible use of resources while minimizing or avoiding activities that negatively impact the environment. With natural resources becoming increasingly scarce and waste issues intensifying, the reuse and circulation of resources under the circular economy framework have become essential approaches that KCG actively promotes. These efforts aim to maximize resource efficiency and support the Company’s long-term sustainable growth.

In this context, “waste and by-products” are not viewed as disposable materials but as valuable resources that can be reused or transformed for further benefit. KCG applies the 3R principles as follows



REDUCE

Minimizing waste generation at the source to reduce waste volume and pollution, such as reducing unnecessary packaging or designing products that require fewer resources.



REUSE

Reusing materials through refillable or returnable packaging systems, such as refilling bottles for continued use.



RECYCLE

Converting waste back into raw materials for production processes, such as sorting plastic bottles for melting and remanufacturing into new products.

Systematic waste management not only helps reduce greenhouse gas emissions but also lowers production costs, enhances corporate image, and reflects an organization’s commitment to sustainability—an increasingly important consideration for today’s consumers.

The Success Story of the “Reviving Pallets” Project

KCG is committed to strengthening sustainable supply chain management capabilities. In 2022, the Company obtained approval for the KCG Logistics Park Project, which officially commenced operations in 2024. Designed as a fully integrated distribution and warehousing center under the Green Supply Chain strategy, the Logistics Park supports the expansion of existing businesses, new business development, and effective risk management.

Within the KCG Logistics Park, the Sustainable Pallet ESG for the Future (Reviving Pallets) Project was launched as one of the Company's Green Projects. The initiative was driven by the need to enhance innovation sustainability, reduce plastic waste generated from operations, and align with KCG's overall Sustainable Strategy.



The Success Story of the “Reviving Pallets” Project

Key Challenges Leading to the Project



Continuously rising operating costs, including transportation, operations, energy, and waste management



Efficiency challenges in warehouse management, supply chain operations, and logistics



Labor, occupational safety, and business risk concerns

Value Creation

01

Enhancing transportation and storage efficiency through the integration of equipment and automation systems, including the Move Full Pallet system, which stores and transports goods by full pallets, and the Shuttle Pallet system, which enables higher storage density—resulting in faster and more efficient handling operations.

02

Demonstrating a strong commitment to sustainability and corporate social responsibility, while reinforcing a positive image for both KCG and its business partners.

The Success Story of the “Reviving Pallets” Project

From Concept to Reality

KCG advances its sustainability strategy with a strong focus on supply chain development through collaboration with partners. In this initiative, KCG partnered with Winner Inter Plas Co., Ltd. (“WIP”), a business partner committed to sustainable business practices, environmental impact reduction, and the development of high-quality, eco-friendly products. This collaboration enabled KCG to jointly implement sustainability strategies and establish operational approaches that balance efficiency with long-term sustainability.

To address specific operational needs and shared sustainability goals, KCG and WIP conducted extensive studies on raw materials, manufacturing processes, pallet usage, maintenance, and damaged-product management. These insights were applied to develop pallets specifically designed for food products. Pilot pallets were tested in real operations, with performance data recorded and jointly reviewed to evaluate and refine both cost efficiency and product functionality.



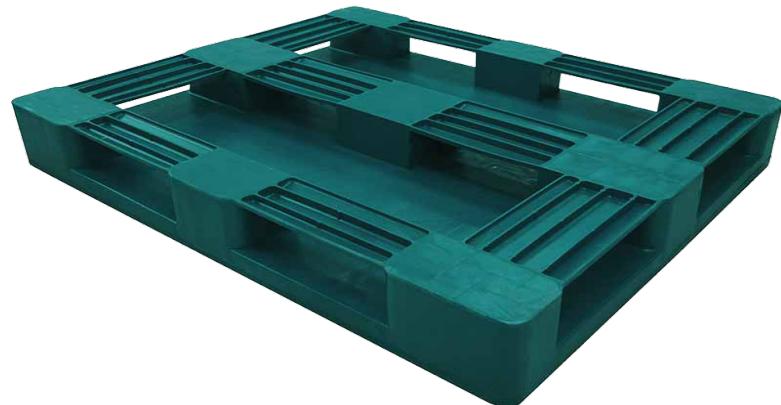
The Success Story of the “Reviving Pallets” Project

Through Close Cooperation

KCG and WIP successfully designed and developed heavy-duty circular plastic pallets made from recycled HDPE (High-Density Polyethylene), which are 100% recyclable. This innovation fully supports circular economy principles.

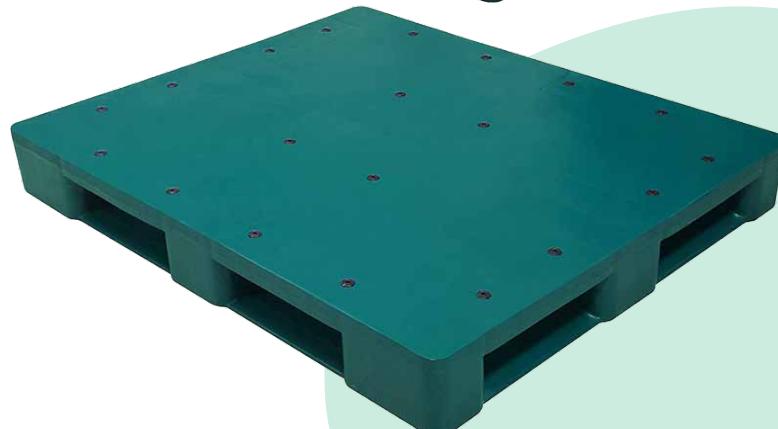
Key Features

1. Steel-reinforced structure for enhanced load-bearing capacity
2. High durability across a wide range of temperatures, suitable for all storage conditions
3. Lightweight design with no central leg joints, reducing damage during handling
4. Easy to clean and resistant to contamination, ideal for food, pharmaceutical, and other high-standard industries



Benefits of 100% Recyclable Pallets

1. Reduced costs and improved storage and transportation efficiency
2. Tangible reduction of greenhouse gas emissions across the supply chain
3. Enhanced labor safety and reduced operational risks
4. Increased competitiveness and business opportunities, while mitigating business risks
5. Promotion of efficient resource utilization



The Success Story of the “Reviving Pallets” Project



KCG has transitioned more than **40%** of all pallets within the KCG Logistics Park and production facilities in Bang Phli and Theparak to food-grade pallets. This transition significantly reduces waste and pollution, minimizes environmental impact, and supports **KCG's Net Zero Emissions** target by 2050.



Advancing Sustainability Standards

In 2024, the Reviving Pallets Project played a key role in enhancing supply chain efficiency by integrating pallets compatible with automated handling technologies, including Shuttle Pallets and handheld systems. This integration increased storage capacity while improving speed and accuracy in inventory management.

Furthermore, combining pallet usage with the Move Full Pallet strategy delivered shared benefits for KCG and its partners—reducing costs, creating safer and more efficient working environments, and promoting environmentally friendly products. The project contributes significantly to advancing sustainability within the food industry and holds potential for expansion into other industries in the future, further enhancing competitiveness and business opportunities.

Strength Reflected Through

The Supply Chain Management Awards

The success of the Reviving Pallets Project is a testament to the power of strong collaboration with business partners in continuously elevating Green Logistics standards.

This commitment was formally recognized when KCG received the Commended Supply Chain Management Awards 2025 – Sustainability Excellence Category at the SET Awards 2025, organized by the Stock Exchange of Thailand in collaboration with Money & Banking Magazine. The award reflects KCG's leadership in sustainable supply chain management within Thailand's food industry.

KCG remains committed to advancing sustainable supply chain standards, creating positive business outcomes, collaborating with partners across multiple dimensions, and contributing to long-term environmental sustainability.



Every Act Of Resource Revival Is **A Step Toward Sustaining Our Planet.**

*Join Us In Our Journey To Create Sustainability For Our World
And Society And Stay Turned For More Inspiring Stories
About Kcg's Journey Towards Sustainability In Other Dimensions...*



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