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ESG Financing for Re-usable Packaging for E-commerce

26 July 2022, Tuesday
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Outline

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Introduction

2

Business Model

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Financing

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Challenges & Policy Suggestions



Why and what is PackAge+?

Online shopping ↑

100 million
packaging boxes

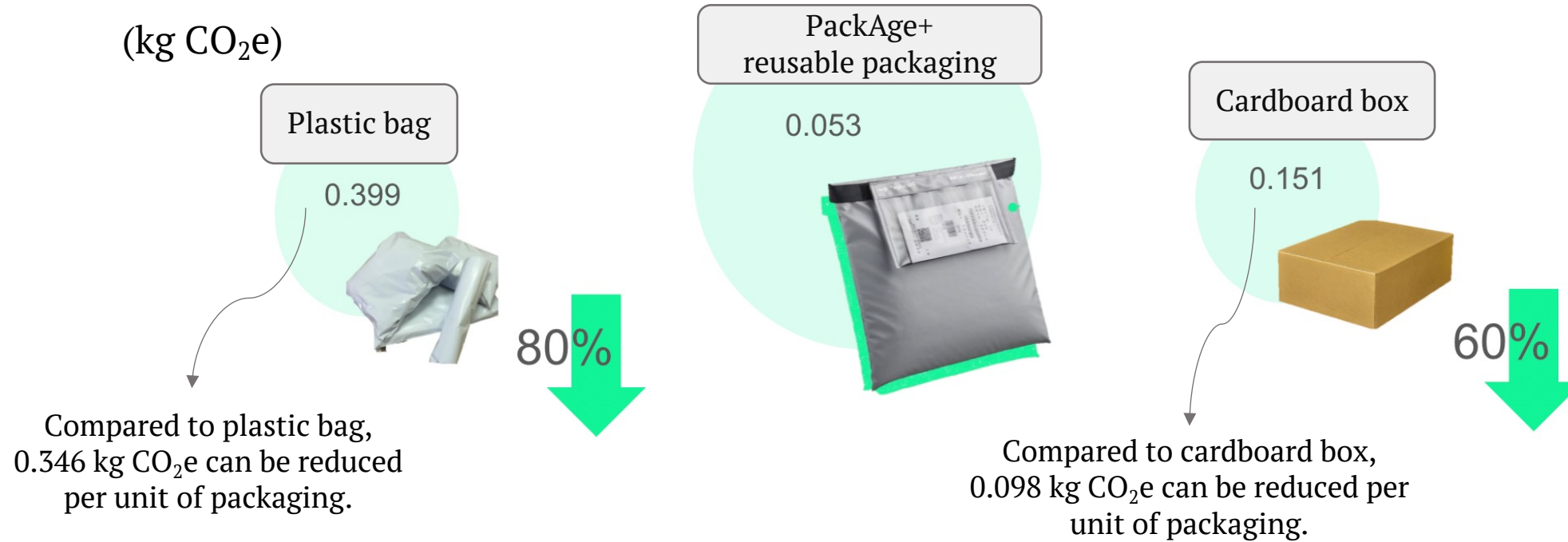
Packaging waste ↑



Package plus Co., Ltd.

- ◆ Established: 2019 April
- ◆ Registered Capital: **NTD 28 million**
(93,665 USD)
- ◆ Total number of issued shares: 6,076,478
- ◆ Investors: **TSMC**, CTBC Bank,
LCY Chemical Group, etc.
- ◆ Employees: 18 people

(kg CO₂e)



Compared to plastic bag,
0.346 kg CO₂e can be reduced
per unit of packaging.

Compared to cardboard box,
0.098 kg CO₂e can be reduced
per unit of packaging.



PackAge+

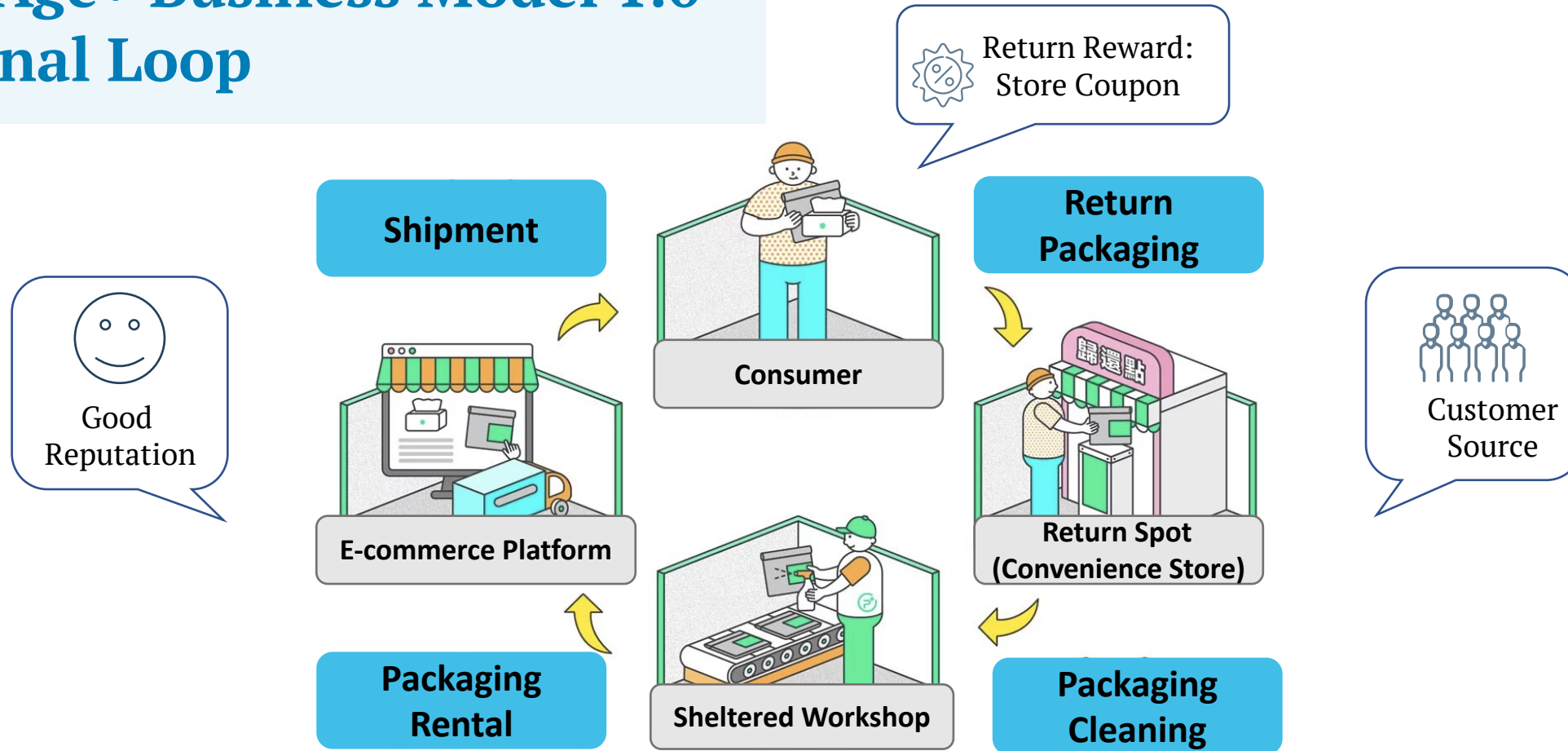


Product Advantages

- ◆ Made of recycled materials
- ◆ Waterproof
- ◆ Anti-fouling
- ◆ Anti-collision
- ◆ Anti-theft
- ◆ Can be reused more than 50 times

PackAge+ Business Model 1.0

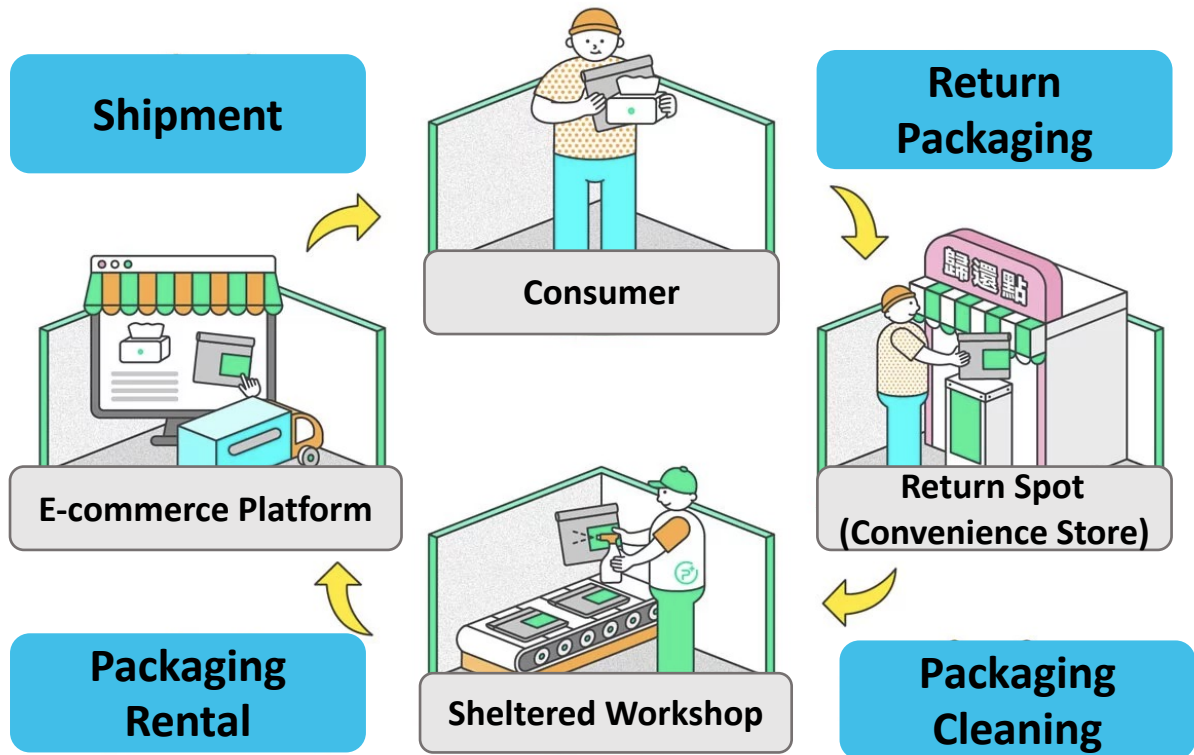
Internal Loop



Source: <https://www.packageplus-tw.com/pages/recyclingsystem1>

PackAge+ Business Model 2.0

External Intervention



ESG Services

- B2B sustainable supply chain
- Carbon emission data
- Sustainability consultant service



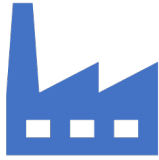
Funding Channels

- Cleaning Fee (Sheltered Workshops)
- Packaging production
- Investment



CTBC

ESG Services



B2B sustainable supply chain

High-tech industry logistic



Carbon emission data

- Reusable packaging for corporate gifting, groceries delivery
- Corporation employee engagement: firm internal return spots
- Purchasing eco-friendly products



Sustainability consultant service



Funding Channels



Cleaning fee for sheltered workshop

Donation from hospital



Packaging production

Corporation funding



Investment

Venture Philanthropy



CTBC



PackAge+ collaborates with **sheltered workshops** that offer jobs for the underprivileged groups.

Value Change

Business model 1.0 – Internal Loop

- Alignment of packaging reduction
- Target at: e-commerce platforms
- Actors: sustainable brands, government pilot program
- Driving force: integrated platform, good reputation, being eco-friendly
- Value: reduction on carbon emission and packaging waste, amortizing packaging cost

Business model 2.0 – External Intervention

- Transformation on business model to sustain the operation
- Target at: whatever corporations
- New actors: bank, B2B logistic, diversified return points
- New Driving force: creating online to offline purchase, ESG needs and consultancy
- New value: ESG services, creating jobs for sheltered workshops

Financing

Crowd funding

- Flying V crowd funding:
6 million NTD (204,255 USD)

Angel investment

- Smart Capital angel investment:
product development and manufacture

Government funding

- Youth Development Administration
- Social Enterprise Subsidy

Corporations Funding

- TSMC Education & Culture Foundation
- LCY Chemical Group

ESG Investment

- CTBC (China Trust Commercial Bank):
venture philanthropy sustainable
financing



Challenges



Policy and regulation

Non-coercive governmental guidelines.

Online-shopping Packaging Reduction Guidelines



Reusable packaging standards

Not diversified packaging sizes.

PackAge+ → Provides **5** sizes

E-commerce → Needs over **20** sizes



Consumer behavior

No deposit means no guarantee of returning.



Packaging returning convenience

Return spots only locate in big cities.

Policy Suggestions

Adjust the reduction guidelines and internalize the externality of carbon emission.

- Carbon taxes for e-commerce

CE policies

- Ban single use packaging e-commerce delivery
- Impose EPR (extended producer responsibility)

Thanks!

Feel free to ask any questions!



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