

## **Announcement No. 003/2024**

# **Sustainable Procurement Policy and Practices**

## **1. Importance**

Ichitan Group Public Company Limited (the “Company”) is aware that sustainable procurement is an important process that helps develop product quality and services, helps manage costs and use resources in the production process, delivery, consumption and waste disposal throughout the product lifecycle to be efficient, worthwhile and help increase product brand value, as well as demonstrate responsibility to all stakeholders throughout the supply chain. The Company is therefore committed to managing sustainable procurement and managing the supply chain in accordance with the requirements of laws, regulations and relevant standards both nationally and internationally in line with the Sustainable Development Goals (SDGs) of the United Nations. This includes the principles of corporate governance and business ethics, as well as adhering to correctness, transparency and accountability, taking into account the impact on the environment, social responsibility, community and governance (ESG). Moreover, the company is committed to fostering a fair and competitive procurement process to enhance the competitiveness of both the company and its suppliers, enabling suppliers to have potential, efficiency and grow together with the company sustainably.

## **2. Policy Scope**

This Policy and Guidelines are applicable to Ichitan Group Public Company Limited and are reviewed regularly to take into account material changes to the Company to ensure that the policy remains relevant and consistent with the Company's current business environment.

## **3. Objective**

To provide directors, executives and employees with guidelines for sustainable procurement and management of suppliers throughout the supply chain, including participation in promoting suppliers to comply with the Company's sustainable procurement guidelines and business ethics for suppliers of the Company.

## **4. Duties and responsibilities**

### **4.1 Board of directors**

- 4.1.1 Consider, approve and review sustainable procurement policy and practices.
- 4.1.2 Supervise business operations to be in compliance with laws, regulations, rules, policies and related practices, as well as to ensure that policies are implemented in a tangible manner.

### **4.2 Executives**

- 4.2.1 Set objectives, targets and performance indicators for sustainable procurement.
- 4.2.2 Establish criteria, standards and operating methods that are appropriate for the business context and in line with sustainable procurement policy and practices

- 4.2.3 Provide appropriate structure, responsibilities and roles.
- 4.2.4 Establish criteria for selecting suppliers to ensure transparent screening of suppliers and compliance with business ethics for suppliers, as well as sustainable development goals.
- 4.2.5 Promote and support business operations to be in accordance with all department policies and practices, including relevant laws, regulations, rules and standards.
- 4.2.6 Assess and manage sustainable procurement risks throughout the supply chain to ensure that internal controls and business operations adhere to policies and practices.
- 4.2.7 Communicate policies and practices to create awareness among executives and employees at all levels.
- 4.2.8 Provide channels for reporting clues regarding sustainable procurement, including measures to protect whistleblowers and complainants.
- 4.2.9 Monitor, manage and support compliance with laws, policies and practices, regulations and standards.
- 4.2.10 Review performance reports on sustainable procurement throughout the supply chain.

### **4.3 The agency or individual responsible for procurement**

- 4.3.1 Assess and manage risks in procurement of products, services and supplier management.
- 4.3.2 Develop a sustainable procurement management plan throughout the supply chain that is efficient and consistent with the company's policies, practices and strategies.
- 4.3.3 Establish criteria for consideration and procedures for selecting suppliers in accordance with the Company's corporate governance principles, business ethics, and sustainable development goals.
- 4.3.4 Establish effective internal control processes and audits of procurement operations.
- 4.3.5 Evaluate sustainable procurement management performance covering criteria, selection methods and continuous agreement management.
- 4.3.6 Raise awareness and provide sustainable procurement advice to personnel and stakeholders throughout the supply chain.
- 4.3.7 Prepare a report on sustainable procurement performance

### **4.4 Employees**

- 4.4.1 Learn, understand and comply with relevant laws, regulations, rules, standards and policies and practices.
- 4.4.2 File a complaint or report on any wrongdoings or actions that may violate this policy.

## **5. Guidelines**

- 5.1 Procurement of products and services that take into account value, efficiency and effectiveness in terms of quality, safety and costs.
- 5.2 Promote and support procurement of products and services with honesty, transparency, fairness, in accordance with laws, regulations, standards, including corporate governance principles, business ethics, and take into account the impact on the environment, society, and good governance, labor practices, occupational health and safety.

- 5.3 Promote and support the procurement of environmentally friendly products and services, as well as support suppliers in implementing environmental management, developing innovative technologies that help save energy and reduce pollution emissions and greenhouse gases, and developing efficient waste management systems.
- 5.4 Promote and support procurement of products and services from local and domestic suppliers where businesses are located to promote the economy, create jobs and generate income for local people.
- 5.5 Select suppliers with transparency, fairness, accountability, and consider suppliers with potential to operate in terms of environment, society, and governance.
- 5.6 Supplier Classification: Assess supplier operational risks that may impact the environment, society and governance, and determine mitigation measures throughout the supply chain.
- 5.7 Treat all suppliers equally and without discrimination, uphold human rights, not violate intellectual property rights, safeguard confidential information and personal data, and prevent corruption.
- 5.8 Communicate details of the Company's Terms of Reference (TOR) and contract terms to suppliers to ensure mutual understanding, completeness, accuracy, equality and transparency.
- 5.9 Assist supplier in implementing sustainable procurement and supply chain management with next-generation suppliers.
- 5.10 Create cooperation and promote the potential of suppliers to compete and develop products and services that are responsible for the environment, society and good governance.
- 5.11 Build engagement and maintain good relationships with suppliers in accordance with the company's sustainable development guidelines.
- 5.12 Monitor and audit the sustainability performance of suppliers based on importance and risk level to ensure that suppliers deliver products and services in accordance with the terms and conditions of the contract and the business ethics for suppliers.
- 5.13 Continuously communicate and raise awareness about sustainable procurement to employees, suppliers, business partners, consumers and stakeholders.
- 5.14 Disclose information and performance results on sustainable procurement in a sustainability report or other relevant disclosure reports to stakeholders annually.

## **6. Training**

Arrange for communication and dissemination of sustainable procurement policy and practices through appropriate training, meetings or activities to directors, executives, employees and external stakeholders, including suppliers, business partners and the public, throughout the supply chain, and evaluate effectiveness after each training.

## **7. Whistleblowing**

File a complaint or report a tip, when witnessing actions that are believed to be in violation of this policy and practice, according to the procedures in established policy and practice regarding tip reporting. The complainant or whistleblower will be protected and the information will be kept confidential without affecting their job position, both during the investigation and after the process is completed.

## **8. Asking for Advice**

In case of any doubt that an action may violate the sustainable procurement policy and practices, advice should be sought from the supervisor, agency or individual responsible for procurement or the governance or legal department before making any decision or taking any action.

## **9. Punishment**

In the event of an investigation, all employees must fully cooperate with internal and external agencies. If executives and employees, directly or indirectly, commit any acts that violate or fail to comply with this policy, executives and employees will be subject to disciplinary action in accordance with work regulations.

## **10. Relevant laws, regulations and policies**

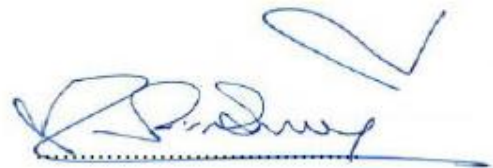
- 10.1 Laws related to procurement
- 10.2 United Nation Procurement Manual

## **11. Appendix**

This Policy and Guidelines consists of the following appendices:

- 11.1 Appendix A Definitions

The announcement shall be effective as of February 21, 2024

A handwritten signature in blue ink, appearing to read 'Tan Passakornnatee', with a large checkmark above it.

(Tan Passakornnatee)  
Chief Executive Officer

## **Appendix A Definitions**

### **1. Sustainable Procurement**

The consideration of environmental, social and governance factors alongside the price, product quality, product and service delivery in the organization's procurement processes and procedures not only provides financial value in terms of generating profits for the organization but also creates social and economic benefits and reduces negative environmental impacts.

### **2. Suppliers**

Distributors, sellers, contractors, subcontractors, lessors, leasing operators and service providers who deliver the Company's products and services.

### **3. Supplier Management**

A systematic approach to fostering good relationships with suppliers to enhance their potential for sustainable growth together, starting from supplier selection, risk assessment and supplier grouping, performance evaluation, relationship building and supplier development, including creating participation in sustainable development in all dimensions of the environment, society and governance throughout the supply chain.

### **4. Supplier Classification**

Categorizing suppliers according to their importance to the organization's business operations to determine appropriate engagement strategies using analytical criteria such as:

- 4.1 High trading value suppliers
- 4.2 Suppliers that deliver essential products and services
- 4.3 Suppliers that deliver irreplaceable products and services, or where only a few suppliers are capable of delivering
- 4.4 Strategic relationship suppliers