

CP ALL Public Company Limited  
Sustainable Procurement Policy and Guidelines Announcement  
Doc. No. SDD 037/2023

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1) Principle

CP ALL Public Company Limited or “CPALL” and all subsidiaries (“the Company”) realizes that sustainable procurement is an important process in assisting product and service quality improvements as well as managing costs and utilization of resources in the production, delivery, consumption, and waste disposal processes throughout the product life cycle. In order to ensure that processes are efficient, cost-effective, and increase brand value, in addition to demonstrating accountability to stakeholders throughout the supply chain. The Group is therefore committed to procure products sustainably and manage its supply chain in compliance with national and international laws, regulations, and applicable standards, including the United Nations’ Sustainable Development Goals (SDGs), and the Code of conduct. CPALL is also holding accountable to accuracy, transparency and auditability by considering environmental, social and governance (ESG) impacts, promoting fair competition in procurement. To enhance the Company and suppliers competitiveness and increase supplier capabilities and efficiency, leading to sustainable mutual growth.

2) Scope

These policy and operating guideline are applied with all businesses under the CP ALL Public Company Limited and its subsidiary, as well as covered collaboration and support to tier-1 supplier and non-tier-1 supplier in the supply chain, in order to promote sustainable sourcing.

3) Definition

The Company means CP ALL Public Company Limited

Subsidiaries means subsidiary company according to the Notification of the Securities and Exchange Commission (“SEC”)

Employee means employees and workers at all levels of the Company and subsidiaries

Business partners mean tier 1 and non-tier 1 suppliers or group of persons who agree to work together with the Company and subsidiaries to achieve a shared goal or to improve the performance. The partnership will be formed on a formal basis to assist in moving towards a shared goal or objective i.e. to achieve strategic objective or to deliver specific products that have been identified by the Company that are important.

#### 4) Objective

To provide director, management and staff with guidelines on sustainable procurement and responsible supply chain management, including to promote supplier engagement and compliance with sustainable procurement practices and the Company's Supplier Code of Conduct.

#### 5) Roles and Responsibilities

##### 5.1 Board of Directors

5.1.1 Consider and approve the Sustainable Procurement Policy and Guidelines.

5.1.2 Oversee business operations and their compliance with related laws, rules, regulations, policies and guidelines to ensure the proper implementation and execution of this Policy and Guidelines.

##### 5.2 Management

5.2.1 Establish objectives, goals and key performance indicators of sustainable procurement practices.

5.2.2 Establish guidelines, standards and procedures according to the business context that are in line with the Sustainable Procurement Policy and Guidelines.

5.2.3 Determine the corporate structure and responsible persons with appropriate roles and responsibilities.

5.2.4 Establish a supplier selection criteria to ensure that there is a transparent prequalification process and that suppliers operate in accordance with the Supplier Code of Conduct and the Sustainable Development Goals.

5.2.5 Promote and support business operations in compliance with policies and guidelines, including applicable laws, rules, regulations and standards.

5.2.6 Assess and manage risks related to sustainable procurement throughout the supply chain in order to establish internal controls and operate in accordance with Sustainable Procurement policies and guidelines.

5.2.7 Communicate this Policy and Guidelines to promote awareness for managers and staff at all levels.

5.2.8 Establish whistleblowing and grievance channels to report sustainable procurement violations, including whistleblower and complainant protection measures.

5.2.9 Monitor, manage and support compliance with laws, related policies and guidelines, requirements and standards.

5.2.10 Consider the disclosure of sustainable procurement progress reports.

##### 5.3 Responsible Department/Persons

5.3.1 Assess and manage product and service sourcing risks and supply chain management risks.

5.3.2 Establish an efficient sustainable procurement management plan throughout the supply chain in alignment with policies, guidelines and strategies of the company.

5.3.3 Establish criteria and procedures for selecting suppliers in accordance with corporate governance principles, Code of Conduct, and Sustainable Development Goals of the company.

- 5.3.4 Establish efficient internal control and audit systems of the procurement process.
- 5.3.5 Assess sustainable procurement performance that includes the selection criteria and process, and contract management on a regular basis.
- 5.3.6 Build awareness and provide advice on sustainable procurement to employees and stakeholders throughout the supply chain.
- 5.3.7 Prepare a sustainable procurement performance report.

#### 5.4 Staff

- 5.4.1 Study and comply with applicable laws, rules, regulations, standards, policies and guidelines.
- 5.4.2 File complaints or blow the whistle related to any actual or potential misconduct on this Policy and Guidelines.

### 6) Guidelines

- 6.1 Procure products and services by considering their value for money, efficiency and effectiveness in terms of quality, safety, and price.
- 6.2 Promote and support the procurement of products and services with integrity, transparency, and fairness in compliance with laws, regulations, standards, corporate governance principles and the Code of Conduct as well as considering impacts of environmental, social, and governance, labor practice issues, workplace health and safety issues.
- 6.3 Promote the procurement and distribution channels for environmental-friendly products and services and support suppliers in environmental management, innovative technology development to conserve energy, reduce pollution, greenhouse gas emissions, and develop an efficient waste management system.
- 6.4 Promote and support the procurement of products for sustainable agriculture, organic products, product group with programs to protect soil health, protect biodiversity and prevent the destruction of ecosystems including considering appropriate distance between plantation and sale areas, aiming for reducing environmental impacts such as reducing GHG emissions, reducing environmental pollution, reducing water consumption while maintaining highest product quality.
- 6.5 Promote and support products and services from local and domestic suppliers within the country of operations to stimulate economic growth, job creation, and income generation for local communities.
- 6.6 Transparently select suppliers with fairness and traceability, includes considering for selecting and making contracts with potential suppliers, who are comply with relevant laws, regulations and requirements, as well as Good ESG performance<sup>1</sup>.

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<sup>1</sup> Good ESG performance is considered from scores assessed by the Company, which established the minimum ESG score. Suppliers who are unable to meet the minimum ESG requirements within the set timeframe will no longer be eligible for contract consideration.

6.7 Categorize suppliers according to their significance to business operations in order to set forth an engagement approach and assess the operational risks of the suppliers that may impact on the environment, social and governance, as well as establish mitigation measures to reduce potential impacts across the supply chain.

6.8 Treat all suppliers equally without discrimination by respecting human rights, not infringing intellectual property rights, protecting confidential information and personal data, as well as preventing corruption.

6.9 Communicate the details of the Terms of Reference (TOR), terms and conditions to reach a mutual understanding with suppliers in the contract regarding completeness, correctness, fairness and transparency.

6.10 Regularly, monitor and audit the sustainability performance of suppliers in order of importance and risk level to ensure that products and services are delivered in accordance with the terms and conditions of the contract and Supplier Code of Conduct.

6.11 Build collaboration and develop suppliers' capacity align in the responsible procurement and supply chain management process. To enhance competitiveness, develop products and services that are responsible to the environment, society, and in line with governance, which appropriately correspondences to customers and market changing needs and expectations. To build supplier engagement and maintain long term relationships according to the business' sustainable development approach.

6.12 Continuously monitor and review sustainable procurement guideline to ascertain suppliers' compliance with ethics and guideline, ensure alignment with the Supplier Code of Conduct and to avoid potential conflicts with the Company's ESG requirements.

6.13 Communicate sustainable procurement policies and guidelines through trainings, knowledge-sharing or raise awareness activities as appropriate to executives and employees in responsible units who involve in the selection, procurement, operation and make decisions process. This includes external stakeholders, suppliers, contractors and business partners who are crucial in facilitating the Company to achieve ESG goals throughout the supply chain

6.14 Disclose information and sustainable procurement performance to stakeholders in the Sustainability Report or other reports annually.

## 7) Whistleblowing

File complaints or blow the whistle related to this Policy and Guidelines according to the Whistleblowing Policy and Guidelines. All whistleblowers or reporters shall be protected from retaliation regarding their employment status, with their information to be kept confidential both during and after the investigation processes.

## 8) Policy Guidance

If in doubt that the action may violate this Sustainable Procurement Policy and Guidelines, employees can seek guidance from their supervisor, responsible procurement department or persons, or Legal Department before carrying out any decision or action.

## 9) Penalties

All employees must fully cooperate with internal and external authorities in the event of an investigation. Any direct and indirect violations or failure to comply with this Policy and Guidelines by management and staff will be subject to disciplinary action in accordance with Company's regulations.

## 10) Related Laws, Regulations, and Policies

- 10.1 Relevant procurement laws
- 10.2 United Nation Procurement Manual
- 10.3 OECD Principles for Integrity in Public Procurement
- 10.4 Procurement guidelines Asian Development Bank
- 10.5 ISO 20400: Sustainable Procurement
- 10.6 The EcoVadis Sustainability Assessment

Therefore, the Company has provided "Supplier Code of Conduct and Guideline", aim to collaborate supplier to align with ethical principal and social responsibility, as well as maintaining sustainably good relationship with stakeholders.

The Sustainable Sourcing Policy and Business Partner Guiding Principle Announcement No. SDD 0042/2021 has been annulled. This new policy will be effective from 30 June 2023 onwards.

Announced on 15 June 2023



Korsak Chairasmisak  
Vice Chairman of the Board of Director  
and Chairman of Executive Committee