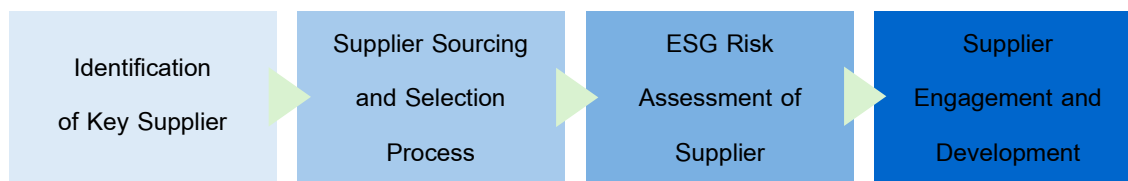




# Singha Estate's Supplier Chain Management Report 2024



## Business Value Chain Management of Singha Estate



- **Identification of Key Supplier**

Singha Estate categorizes its key business partners by applying Spending Analysis criteria to group them according to their level of importance. This process enables subsequent risk assessment and a step-by-step approach to partner engagement. The suppliers are classified into three groups as follows:

- 1. Critical Tier 1 Suppliers**

- High-Volume Suppliers
- Key elements of Raw Material and Services
- Strategic Partners (Critical Component Suppliers), who play a critical role in enhancing the Company's competitive advantage and market success.
- Specialized and Irreplaceable Suppliers: Suppliers with unique expertise or limited providers of such goods and services (Non-substitutable Suppliers).

- 2. Critical non-Tier 1 Suppliers**

Critical non-Tier 1 Suppliers are key suppliers who do not conduct business with the Company directly but provide raw materials, products, or services to the Company's Critical Tier 1 Suppliers. Their goods and services have a significant impact on the Company's competitive advantage, market success, or business continuity, and they are either limited in number or irreplaceable.

- 3. Tier 1 Suppliers**

Tier 1 Suppliers are suppliers of general goods and services who are directly engaged with the Company.

- **Suppliers Sourcing and Selection Process**

Singha Estate has established a supplier sourcing and selection process that incorporates sustainability considerations as part of the evaluation. This applies from the registration of new suppliers to the selection of key suppliers, leading to ESG risk assessments according to the defined partner classifications as follows:

## 1. Preliminary Screening

All newly registered suppliers undergo a basic business information assessment, including environmental, social, and governance (ESG) factors, as well as a conflict-of-interest evaluation through a form disclosing relationships with executives or employees. This process ensures alignment with anti-corruption and transparency guidelines in transactions, and adherence to the Supplier Code of Conduct. Suppliers can complete the process themselves via Singha Estate's website: <https://vendor.singhaestate.co.th/th/>. The Supplier Code of Conduct is designated as a key policy that all new suppliers must acknowledge. Additionally, environmental and social criteria are integrated into the screening of new suppliers for the New Approved Vendor List (New AVL), especially for suppliers of products or services that could potentially impact the Company's business operations. This approach helps mitigate risks across the business value chain.

## 2. Pre-Procurement Screening

Before engaging in procurement with key suppliers, additional screening is conducted beyond consideration of cost-effectiveness, design, product and service standards, and specific requirements for supplier categories. Singha Estate performs screening on environmental, social, and governance (ESG) aspects, covering labor practices and human rights, occupational health and safety, and environmental practices. Suppliers are required to complete an 'ESG Self-Assessment' and may be asked to provide supporting documentation if requested. The ESG criteria used for this additional screening are as follows:

<p>○ Product and Service aspects:</p> <ol style="list-style-type: none"> <li>1) Quality and safety of products and services are properly controlled</li> <li>2) Products or services are delivered in accordance with specified conditions and timelines</li> </ol>	<p>○ Business Conduct aspects:</p> <ol style="list-style-type: none"> <li>1) Operations are transparent and auditable</li> <li>2) Business is conducted under rules and regulations, with fair and equitable competition</li> <li>3) Support and cooperation in anti-corruption efforts</li> </ol>
<p>○ Social and Labour aspects:</p> <ol style="list-style-type: none"> <li>1) Compliance with labor laws and human rights principles</li> <li>2) No use of child labor below the legal minimum age</li> <li>3) Respect for diversity and equal treatment of all employees</li> <li>4) Providing a safe and hygienic work environment and equipment</li> </ol>	<p>○ Environmental aspects:</p> <ol style="list-style-type: none"> <li>1) Environmental management in compliance with applicable laws, regulations, and requirements</li> <li>2) Implementation of initiatives to reduce greenhouse gas emissions</li> <li>3) Efficient and responsible use of natural resources in accordance with legal requirements</li> </ol>



**Singha Estate's Supplier Classification Results**

Suppliers Classification			
Total Suppliers	Critical Tier 1 Suppliers	Critical Non-Tier1 Suppliers	New Approved Vendor List (New AVL)
1,317 suppliers	14 suppliers	317 suppliers	340 suppliers
New Suppliers screening			
New Approved Vendor List (New AVL) screened using environmental criteria		New Approved Vendor List (New AVL) screened using social criteria	
8% (103 suppliers)		8% (103 suppliers)	

**3. Annual Verification and Assessment**

The Company requires an annual verification and risk assessment of its suppliers, based on product and service standards, as well as the ESG impacts of supplier operations. This assessment covers economic, social, and environmental aspects, including safety, labor standards and human rights, environmental and community management, among others. The objective is to evaluate business risks posed by partners that may affect supply chain operations, identify joint corrective measures, and enhance partners' capability to conduct business sustainably. The partner assessment is conducted at different evaluation levels as follows:

Supplier	Assessment	Frequency
1. Critical Tier 1 Suppliers	1. Self-assessment through the 'ESG Self-Assessment' questionnaire 2. In certain cases, suppliers may be required to provide evidence of traceability processes to track the origin of goods or products related to the Company's operations 3. On-site ESG assessment at partner facilities, factories, offices, site visits, or observation of key operations 4. Acknowledgment of the Company's Supplier Code of Conduct	At least once a year

Supplier	Assessment	Frequency
2. Critical Non-Tier1 Suppliers	1. Acknowledgment of the Company's Supplier Code of Conduct	At least once every two years
3. Tier 1 Suppliers	2. Acknowledgment of the Company's Supplier Code of Conduct	At least once every two years
4. New Supplier	1. Acknowledgment of the Company's Supplier Code of Conduct 2. Completion of the Disclosure of Relationship questionnaire (Disclosure of Relationship) 3. Pre-Qualification Assessment covering environmental and social aspects	Performed prior to partner registration

- **Supplier Risk Management and Corrective Actions**

The Company assesses the ESG risk of key suppliers through a Self-Declaration form covering environmental, social, and governance aspects, as well as product and service-related factors. This assessment evaluates the potential opportunities and impacts of risks arising from partner operations. Following the assessment process, if any key partner is identified as high ESG risk, the Company conducts a proactive supplier audit to gather detailed risk information and related factors. Together with the supplier, a Corrective Action Plan is developed, including agreed timelines for improvement. The Company then monitors the implementation of ESG risk mitigation measures to ensure that risks are properly managed within acceptable levels. Additionally, the Company provides training, guidance, and advice to help partners understand and implement practices to manage business-related ESG risks effectively.

## Supplier Assessment

Singha Estate requires all key suppliers to undergo risk assessment within the business value chain. Accordingly, partner risk assessments are conducted on a regular basis, including self-assessments in which partners evaluate themselves across four areas:

1. Quality control, Service, Deliver and Business continuity management
2. Corporate governance and economics responsibility

3. Social and community responsibilities
4. Environment responsibility and management

Scores from the assessment are considered as part of the Company's pre-qualification criteria for supplier selection, aimed at mitigating partner-related risks and aligning with the Enterprise Risk Management (ERM) framework. Based on the ESG risk assessments of key partners, the Company has identified potential risks covering social and environmental aspects. In the past year, 14 key suppliers completed the ESG Risk assessment, representing 1.06% of all suppliers.

For the year 2024, the Company recorded **no supplier-related risks** concerning business ethics in operations, human rights risks including labor and employee welfare, or non-compliance with applicable environmental laws.