

Policies and Guidelines for Procurement and
Selection of Suppliers



Sikarin Public Company Limited.

Policies and Guidelines for Procurement and Selection of Suppliers

Definition

- **Procurement** means procurement, outsourcing of goods, outsourcing of services, outsourcing of transportation, leasing and leasing.
- **Business Partner** means a supplier, contractor, service provider, lessor or hire-purchase provider who delivers goods or services.
- **Vendor List** means a business partner or business partner with whom the transaction is made and is listed in the Company's system.
- **Approved Vendor List** means a supplier or business partner on the list of suppliers/business partners who have gone through the process of selecting and evaluating their performance in a specified group of products and services.

Procurement and Selection Policy for Suppliers/Business Partners

The Board of Directors has established policies and guidelines for the procurement and selection of the Company's suppliers to ensure that the Company will conduct the selection of suppliers fairly to support suppliers who conduct business ethically, socially and environmentally responsibly, and will not transact with individuals or juristic persons who commit wrongdoing, corruption or conduct that implies corruption as follows:

1. The Company will procure in accordance with the Company's procurement regulations and methods with appropriate internal controls. Taking into account the needs in terms of quality, price, quantity, time, service, delivery, after-sales service, warranty and other conditions, without transacting with any person or entity that commits illegal, fraudulent or fraudulent behavior.

2. The Company will conduct the selection of suppliers in an equitable and fair manner. Support business partners who conduct business ethically, socially and environmentally responsibly.

3. Do not demand, accept, or pay any commercial benefits to suppliers in good faith and strictly comply with contracts, agreements and conditions with suppliers. If the conditions cannot be complied with, the business partners will be notified in advance to jointly consider and find a solution to the problem with the principle of reasonableness.

4. Appropriately supervise or prevent conflicts of interest related to the Company's business operations and will not seek any unlawful benefits or contrary to government regulations.

5. Do not take any action related to intellectual property infringement, including encouraging executives and employees to use the Company's resources and assets effectively. Use copyrighted goods and services and do not encourage the use of goods or services that infringe intellectual property rights.

6. Strictly comply with the terms and conditions of trade agreements to result in standard trade with both domestic and foreign partners.

7. Pay the partner on time according to the agreed payment terms.

Code of Conduct for the Company's Partners

1. Compliance with Laws: Partners shall comply with applicable laws in addition to complying with the requirements of this Code of Business Ethics for Partners. If the provisions of the relevant laws conflict with the requirements of this Business Ethics Code for Business Partners, higher standards shall be adhered to.
2. Respect for Human Rights: Business partners shall respect the principles of human rights which are international norms, including the United Nations Declaration and the Convention on Human Rights, and shall not take any act that causes or contributes to the violation or violation of human rights. Partners must respect personal dignity, privacy and individual rights.
3. Labor Standard:
 - **Freedom of Association and Right to Bargain:** Suppliers must recognize and respect the right to association freely. Suppliers must accept and respect the right of employees to assemble and participate in bargaining. The business partner must not discriminate against employee representatives or trade union members and allow such persons to perform their duties as representatives in the establishment.
 - **Prohibition of Child Labor:** Business partners shall not employ or use child labor. If the Supplier employs a child under the age of 18 years old but not less than 15 years old, the Supplier shall comply with the prescribed labor laws and the Supplier shall not allow persons under the age of 18 to engage in dangerous work or work that may have a negative effect on the physical, mental or moral well-being of the person under the age of 18 years old.
 - **Prohibition of Forced Labor:** Suppliers shall not engage in forced labor or labor conscription and shall ensure that the working relationship between employees and suppliers is voluntary and free from intimidation.
 - **Non-Discrimination:** Suppliers shall promote equal opportunities or treatment in employment and occupation and shall not engage in any act that discriminates or discriminates against employees based on race, religion, national origin, sex, color, age, physical fitness, sexual orientation, political opinions, status, education or any other orientation by acting in an unacceptable manner or insulting the dignity of the employee. This includes psychological abuse, sexual harassment or discrimination, as well as the use of sexually suggestive, coercive, intimidating, abusive or exploitative gestures, language or physical contact.
 - **Conditions of Employment:** Partners shall set working hours up to a maximum of the number of working hours as prescribed in relevant laws and industry standards. The Supplier shall respect the needs of each employee for rehabilitation and ensure that all employees have the right to adequate paid leave on such days.

4. Occupational Safety and Health: Suppliers must provide employees with a safe and correct working environment in accordance with domestic laws and internationally recognized standards. Business partners shall make every effort to control hazards and take measures to prevent accidents and diseases at work. Where necessary, the supplier shall provide and require employees to use appropriate accident protective equipment. Suppliers shall provide adequate and regular training to provide safety and health knowledge to employees.
5. Environment: Business partners must conduct business with consideration for environmental impacts. Initiate and support the creation of environmental awareness and promote the development of environmentally friendly technologies must comply with domestic laws and internationally recognized environmental standards, minimize environmental impacts, and continuously develop and improve environmental operations.
6. Anti-Corruption: Suppliers must comply with laws and regulations related to anti-corruption. The business partners must not accept any corruption and participate in any form of corruption, either directly or indirectly, and must not offer or promise to provide undue benefits. Assistance or incentives to government officials, international organizations, or any other person, directly or through intermediaries, to influence an action or decision or to gain an undue business advantage.
7. Fair Competition: Partners shall comply with domestic and international competition laws and shall not under any circumstances engage in illegal price fixing, market sharing and bid rigging, or any act that violates relevant competition laws.
8. Procurement: Suppliers must provide a sustainable procurement policy to be used in the selection of their suppliers. The business partners shall not engage in discriminatory acts and provide equal opportunities in the selection of business partners and in business operations between them. The Company shall make its best efforts to encourage and support its suppliers to comply with this Code of Business Ethics for Suppliers or to have business ethics equivalent to international standards

Criteria for choosing a company's suppliers

1. Being a manufacturer, entrepreneur, distributor, distributor, service provider, or contractor with an auditable establishment.
2. Have a reliable financial position and business history.
3. Agree to abide by the Code of Conduct.
4. Be a person who has a quality performance that is recognized and evaluated by the company.
5. The person has no conflict of interest with the company's business.

Application to become a business partner/business partner of the Company

1. Interested applicants can submit the application form according to the prescribed form with detailed information and supporting documents, including certificate of registration of juristic person or

individual, other certificates issued by the government office, power of attorney, bank account number, and copies of registration letters with the Revenue Department, such as a copy of the VAT registration certificate (Por Por 20), etc., by submitting it to the Company's procurement agency.

2. The Company's business partners must sign an agreement to comply with the SKR Supplier Code of Conduct.

Qualifications of the Company's Partners

1. Partners/business partners who can do business with the Company must be business partners/business partners who are already listed in the Company's system. Except in some cases where bidding or tenders are used. Partners/business partners may be invited to bid before they are listed in the system, and once selected, they may apply to be a partner/business partner.

2. A purchase order or contract under the agreement between the Supplier/Business Partner and the Company that is prepared in writing shall be considered as a binding on the transaction between the Company and the Supplier/Business Partner.

3. In bidding or entering into a contract. The Company may require the Partner/Business Partner to provide a security guarantee for the performance of the Agreement, which the Company will notify in writing and will return the security upon the end of the obligation related to the transaction.

4. When the Partner/Business Partner complies with the Agreement. The Supplier/Business Partner shall submit the tax invoice, receipt and/or other supporting documents necessary to obtain payment at the place and time specified by the Company for the convenience and speed of all work, and the Company will pay by transferring the cost of goods/services after withholding tax as prescribed by the government and other contractual obligations such as performance guarantee to the bank account that the Supplier/Business Partner has notified or unless the Supplier/Business Partner requests to receive it as a cheque. The Company reserves the right to pay by cheque crossed into the account only.

5. Suppliers/business partners can request to amend the information of suppliers/business partners in the Company's system by contacting the Company's procurement agency and submitting supporting documents for correction certified by the authorized person of the supplier/business partner.

6. Suppliers/business partners can report complaints of unfair treatment to suppliers/business partners in accordance with corporate governance principles through the channels designated by the Company at the complaint and whistleblowing system www.sikarin.com

The Company will regularly monitor and evaluate the compliance with the business ethics for its partners. The Company may arrange for the Company's officers or independent experts outside the organization to conduct inspections of the business partners' establishments with or without prior notice.

This Policy and Guidelines for Procurement and Selection of Suppliers is the 1st Revised Version, effective from 11 January 2024 onwards, as resolved by the Board of Directors at the meeting No. 1/2024 on 10 January 2024.



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Chairman