

## Our Supply Chains

The Company works closely with business partners including contractors and suppliers to elevate quality standards, manage supply chain risks, and drive sustainable mutual growth. Comprehensive supplier policies and requirements address environmental compliance with applicable regulations and standards, human rights and labor standards including

- Environmental regulations and standards compliance
- Respect for human rights including prohibition of child labor, freedom of association, and non-discrimination
- Labor standard compliance including fair wages and working conditions
- Provide occupational health and safety requirements for safe work environments and injury prevention
- Follow business ethics standards including anti-corruption, fair competition, and transparent dealings.

The Company communicates expectations through onboarding, contracts, and training, with continuous monitoring through assessments, audits, and corrective action processes, ensuring sustainability commitments extend throughout the value chain while maintaining supply chain resilience and advancing responsible practices protecting workers, communities, and environment.

Supplier Code of Conduct :

<https://www.civilengineering.co.th/storage/content/cg/document-download/charter/civil-supplier-code-for-conduct-en.pdf>

### Supplier Risk Assessment and Quality Control

The Company implements rigorous supplier evaluation incorporating multi-dimensional assessment of operational capability, quality standards, and comprehensive ESG performance

across environmental responsibility, social practices including human rights and labor standards, and governance and business ethics. New supplier qualification forms systematically evaluate these dimensions, ensuring partners demonstrate commitment to responsible practices before entering the supply chain.

The Company conducts annual supply chain risk assessments categorizing suppliers based on criticality to operations, risk exposure, and business relationship characteristics. This structured approach identifies Critical Tier 1 suppliers representing direct business partners whose performance significantly influences operational success and risk profile, and Critical Non-Tier 1 suppliers comprising indirect partners but significantly influences the operation.

#### *Critical Tier 1 Suppliers*

- Suppliers provide materials or services essential to construction processes, representing approximately 80% of total procurement value and directly enabling project execution
- Suppliers with procurement scale and continuity where suppliers receive high-volume, frequent, and sustained orders over extended periods
- Suppliers possess exclusive licenses, specialized capabilities, or unique qualifications to produce, distribute, or deliver specific products or services with limited alternative sources available

#### *Critical Non-Tier 1 Suppliers*

- Suppliers with manufacturers of specialized or proprietary products that reach Company operations through distributor relationships rather than direct procurement

## Supplier Risk and Quality Assessment Criteria

Categories	Description	Weighting
1. Quality	Risk management plans for business operations and quality control of products or services	30%
2. Ethics	Establishment of policies and auditing procedures for business ethics	25%
3. Environment	Management, prevention, and quality control of environmental matters	15%
4. Social	Compliance with labor laws, occupational health and safety, respect for human rights, and social responsibility	30%

If a supplier's assessment score falls below 70%, they are classified as high to very high risk. The Company will conduct site visits and perform ESG audits at the supplier's premises. Suppliers are required to submit a Corrective Action Plan within 30 days of receiving the audit findings, with progress monitored quarterly. Failure to demonstrate adequate improvement within 12 months may result in contract termination or supplier delisting.

In years where no critical suppliers fall within the high to very high-risk category, the Company will randomly select critical suppliers that have not undergone an on-site audit within the past three years to ensure continuous assessment and quality improvement.

### Local Procurement

To ensure efficient resource management and promote local economic growth, the Company maintains a policy prioritizing the procurement of goods and services from communities where it operates and surrounding areas. Local suppliers are defined as those located within the same province as project sites or within a 50-kilometer radius. Beginning from the project bidding preparation phase, the Company assesses the capacity of local suppliers

before expanding its sourcing radius to fulfill project resource requirements and ensure business continuity.

The Company focuses on developing systematic partnerships with local businesses through several initiatives. These include advance communication of upcoming project requirements, consultations on quality standards and specifications, and capacity-building programs to help local suppliers meet the Company's ESG criteria. Equal opportunities are provided for small and medium enterprises to participate in procurement processes through simplified registration procedures and dedicated support channels.

The Company continuously monitors local procurement performance through systematic data collection and analysis. Key metrics tracked include the proportion of local procurement spend, number of local suppliers engaged, and supplier satisfaction levels. This data informs long-term policy development and identifies opportunities for enhanced support initiatives, guided by the principles of transparency, fairness, and shared prosperity for all stakeholders.

### **Supplier Development and Capacity Building**

The Company is committed to continuously enhancing supplier capabilities, enabling them to apply the knowledge and skills acquired to operate their businesses sustainably. Various initiatives have been implemented to support this objective, including training programs delivered through both online and on-site channels. These programs cover responsible and sustainable business practices aligned with ESG principles, business ethics development, the Company's Supplier Code of Conduct, and best practice guidelines for sustainable operations.

The Company also actively encourages suppliers to adopt internationally recognized quality management systems, particularly ISO certifications, by providing guidance on certification processes and sharing technical expertise. Additionally, the Company facilitates supplier participation in capacity-building programs organized by government agencies and

external organizations, helping suppliers access broader resources and networks for business development.

Supplier development outcomes are tracked through regular assessments, including improvements in ESG audit scores and certification achievements. This data enables the Company to refine its programs and ensure continuous improvement across its supply chain.

#### **Our target**

- 100% of critical suppliers assessed for ESG risks
- 10% of critical suppliers underwent on-site audits