



**Sustainable Procurement
Policy and Guidelines
Ascend Group of Companies**



Revision History
Sustainable Procurement Policy and Guidelines
Charoen Pokphand Group

Version	Responsible Department	Description	Reviewer	Approver	Effective Date
1)	Corporate Governance Department, Charoen Pokphand Group Co., Ltd.	Revised the template in accordance with the policy and guidelines as approved by Charoen Pokphand Group Co., Ltd.'s Corporate Governance, Risk and Audit Steering Committee and approved by the Executive Board in October 2022	Corporate Governance, Risk and Audit Steering Committee	Executive Board	October 2022

Notice: This table is intended for internal use only.



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Version	Responsible Department	Description	Reviewer	Approver	Effective Date
1)	Corporate Governance Department, Ascend Group Co., Ltd.	- Revised in accordance with the first revision of Charoen Pokphand Group's Sustainable Procurement Policy and Guidelines	Procurement Department, Ascend Group Co., Ltd.	Board of Directors, Ascend Group Co., Ltd. and Management, Ascend Group of Companies	1 September 2023



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Sustainable Procurement Policy and Guidelines

Ascend Group of Companies

1. Intent

Ascend Group of Companies 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. Ascend Group of Companies 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), Ascend Group of Companies' Corporate Governance Principles, and the Code of Conduct. Ascend Group of Companies is also holding accountable to accuracy, transparency, and auditability by considering Environmental, Social, and Governance (ESG) impacts, promoting fair competition in procurement, in order to enhance the company's and suppliers' capacity to compete, resulting in increased suppliers' capabilities and efficiency, leading to sustainable mutual growth.

2. Scope

This Sustainable Procurement Policy and Guidelines apply to Charoen Pokphand Group (hereafter "the Group"), which includes Charoen Pokphand Group Co., Ltd., and all of its subsidiary companies that Charoen Pokphand Group Co., Ltd. has management control. The term "company" hereafter refers to any such company individually that has adopted this Sustainable Procurement Policy and Guidelines. This document shall be reviewed at least once a year or as conditions require.

3. Objective

To provide directors, 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 Supplier Code of Conduct of the company.

4. Roles and Responsibilities

4.1 Board of Directors

- 4.1.1 Consider and approve the Sustainable Procurement Policy and Guidelines.
- 4.1.2 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.

4.2 Management

- 4.2.1 Establish objectives, goals, and key performance indicators of sustainable procurement practices.
- 4.2.2 Establish guidelines, standards and procedures according to the business context that are consistent with the Sustainable Procurement Policy and Guidelines.
- 4.2.3 Determine the corporate structure and responsible persons with appropriate roles and responsibilities.
- 4.2.4 Establish a supplier selection criteria to ensure that there is a transparent pre-qualification process and that suppliers operate in accordance with the Supplier Code of Conduct and the Sustainable Development Goals.
- 4.2.5 Promote and support business operations in compliance with the Group's Policies and Guidelines, including applicable laws, rules, regulations and standards.
- 4.2.6 Assess and manage risks related to sustainable procurement throughout the supply chain in order to establish internal controls and operate in accordance with policies and guidelines.
- 4.2.7 Communicate this Policy and Guidelines to promote awareness for managers and staff at all levels.
- 4.2.8 Establish whistleblowing and grievance channels to report sustainable procurement violations, including whistleblower and complainant protection measures.
- 4.2.9 Monitor, manage, and support compliance with laws, policies and guidelines, requirements, and standards.
- 4.2.10 Consider the disclosure of sustainable procurement progress reports.

4.3 Responsible Department/Persons

- 4.3.1 Assess and manage product and service sourcing risks and supply chain management risks.
- 4.3.2 Establish an efficient sustainable procurement management plan throughout the supply chain in alignment with policies, guidelines, and strategies of the company.
- 4.3.3 Establish criteria and procedures for selecting suppliers in accordance with the Corporate Governance Principles, the Code of Conduct, and Sustainable Development Goals of the company.
- 4.3.4 Establish efficient internal control and audit systems of the procurement process.
- 4.3.5 Assess sustainable procurement performance that includes the selection criteria and process, and contract management on a regular basis.
- 4.3.6 Build awareness and provide advice on sustainable procurement to employees and stakeholders throughout the supply chain.
- 4.3.7 Prepare a sustainable procurement performance report.

4.4 Staff

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

5. Guidelines

- 5.1 Procure products and services by considering their value for money, efficiency and effectiveness in terms of quality, safety, and price.
- 5.2 Promote and support the procurement of products and services with integrity, transparency, and fairness in compliance with laws, regulations, standards, the 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.
- 5.3 Promote and support the procurement of environmentally-friendly products and services, including to support suppliers in environmental management, the development of technology innovations to conserve energy, reduce pollution,

greenhouse gas emissions, and the development of an efficient waste management system.

- 5.4 Promote and support the procurement of 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.
- 5.5 Select suppliers through a transparent, fair, auditable process and consider the performance of suppliers with environmental, social, and governance potential.
- 5.6 Develop supplier classification and conduct risk assessment of suppliers' performance with potential impact on the environment, social, and governance, as well as establish mitigation measures to reduce potential impacts across the supply chain.
- 5.7 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.
- 5.8 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.
- 5.9 Promote suppliers to implement sustainable procurement and supply chain management with their suppliers.
- 5.10 Foster collaboration and promote capacity building for suppliers to compete and develop products and services that is responsible to the environment, social and governance.
- 5.11 Engage and build good relationships with suppliers in accordance with the sustainability approaches of the company.
- 5.12 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 the Supplier Code of Conduct.
- 5.13 Communicate and build awareness on sustainable procurement to staff, suppliers, business partners, consumers, and stakeholders on a regular basis.
- 5.14 Disclose information and sustainable procurement performance to stakeholders in the Sustainability Report or other reports annually.

6. Training

The company shall communicate and cascade the Sustainable Procurement Policy and Guidelines through training programs, conferences, and other appropriate channels to its directors, management, staff and external stakeholders including suppliers, business partners and the general public throughout the supply chain. The effectiveness of training shall be evaluated after each session.

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 the Sustainable Procurement Policy and Guidelines, employees can seek guidance from their supervisor, responsible procurement department or persons, the Compliance Department 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 the company's regulations.

10. Related Laws, Regulations, and Policies

- 10.1 Relevant Procurement Laws
- 10.2 The United Nations Procurement Manual
- 10.3 The Principles for Integrity in Public Procurement by the Organization for Economic Co-Operation and Development (OECD)
- 10.4 The Procurement Guidelines by the Asian Development Bank (ADB)
- 10.5 The International Organization for Standardization (ISO) 20400: Sustainable Procurement
- 10.6 The EcoVadis Sustainability Assessment



11. Appendix

The following Appendix is attached to this Policy and Guidelines:

11.1 Appendix A: Definitions

Appendix A

Definitions

1. Sustainable Procurement

The organization's procurement process and procedures for products and services that consider environment, social, and governance factors together with factors related to price, product quality, and delivery of goods and services which not only achieves value for money, but the procurement also benefits society and the economy while reducing negative environmental impacts.

2. Suppliers

Distributors, contractors, service providers, rental or hire purchase providers contracted to provide products or services to the company.

3. Supply Chain Management

Systematic approaches for building supplier engagement in strengthening their capacity for mutual sustainable growth. It includes supplier selection; risk assessment and supplier classification; supplier performance evaluation; relationship building and supplier development as well as promoting supplier engagement for sustainable development covering environment, social, and governance dimensions across the supply chain.

4. Supplier Classification

Identifying suppliers in order of importance to the organization's business operations for developing an appropriate engagement program. Examples of supplier classification includes:

- (1) Suppliers that purchase or sell at a high value
- (2) Suppliers that provide products/services essential to production
- (3) Suppliers that provide non-substitutable products/services or that only a few other suppliers can provide
- (4) Suppliers that are in strategic partnerships

Attachment
Frequently Asked Questions (FAQ) List

No.	Question	Answer
1)	This Policy and Guidelines applies to Charoen Pokphand Group (or C.P. Group), means Charoen Pokphand Co., Ltd. and all its subsidiary companies. How is it related to Ascend Group of Companies?	Ascend Group of Companies is one of the e-commerce and digital business entities under “Charoen Pokphand Group (or C.P. Group)”. Charoen Pokphand Group Co., Ltd. is a private company and the parent company of C.P. Group. It operates as a holding company that holds shares in both listed and non-listed companies (including Ascend Group of Companies) that form the Group. As a major shareholder of these companies, Charoen Pokphand Group Co., Ltd. determines the strategic direction and Corporate Governance (or CG) policy for non-listed companies. It also provides support and promotes the implementation and advancement of CG standards and practices in non-listed companies to reach the levels of its listed companies and meet international standards, as well as ensuring uniformity in CG across the Group.
2)	What does Ascend Group of Companies mean, and which companies are included in?	<p>“Ascend Group of Companies” means Ascend Group Co., Ltd. (ACN-TH) and all its subsidiaries where Ascend Group Co., Ltd. holds more than 50% of the shares, whether directly or indirectly, or has control over the business, which consists of companies that are both registered in and outside Thailand, in a total of 37 companies (as of June 1, 2023) as follows.</p> <ol style="list-style-type: none"> 1) Ascend Group Co., Ltd. (ACN-TH) 2) Ascend Money Co., Ltd. (ACM-TH) 3) ACM Holding Co., Ltd. (ACMH-TH) 4) Ascend Nano Co., Ltd. (NNO-TH) 5) Ascend Wealth Mutual Fund Brokerage Securities Co., Ltd. (ACW-TH) 6) Ascend Assurance Broker Co., Ltd. (AAB-TH) 7) True Money Co., Ltd. (TMN-TH) 8) Ascend Innovation Co., Ltd. (AIN-TH) 9) Ascend Digital Commerce Group Co., Ltd. (ACG-TH) 10) Pantavanij Co., Ltd. (PTV-TH) 11) Egg Digital Co., Ltd. (EGG-TH) 12) Ascend Commerce Co., Ltd. (COM-TH) 13) Ascend Travel Co., Ltd. (ACT-TH) 14) Aden Fulfillment Co., Ltd. (ADN-TH)

No.	Question	Answer
		15) Sendit (Thailand) Co., Ltd. (SIT-TH) 16) Ascend Food Co., Ltd. (ACF-TH) 17) True Internet Data Center Co., Ltd. (TID-TH) 18) BBIX (Thailand) Co., Ltd. (BBIX-TH) 19) Ascend Capital Co., Ltd. (CAP-TH) 20) Ascend Bit Co., Ltd. (ABC-TH) 21) Ascend AI Co., Ltd. (AAI-TH) 22) Ascend Technology Vietnam (ACN-TECH-VN) 23) True Money (Cambodia) Plc. (TMN-KH) 24) PT Witami Tunai Mandiri (True Money Indonesia) (TMN-ID) 25) True Money Malaysia Sdn. Bhd. (TMN-MY) 26) True Money Myanmar Co., Ltd. (TMN-MM) 27) True Money Philippines Inc. (TMN-PH) 28) True Money Vietnam Joint Stock Co. (TMN-VN) 29) Pantavanij (Vietnam) Co., Ltd. (PTV-VN) 30) True Internet Data Center (Cambodia) Ltd. (TID-KH) 31) True Internet Data Center (Malaysia) Sdn. Bhd. (TID-MY) 32) True IDC (Myanmar) Co., Ltd. (TID-MM) 33) True Internet Data Center (Vietnam) Co., Ltd. (TID-VN) 34) Ascend Bit (Singapore) Pte., Ltd. (ABC-SG) 35) Egg Digital (Malaysia) Sdn. Bhd. (EGG-MY) 36) TMVSG Service Co., Ltd. (TMVSG-VN) 37) TFS Services Co., Ltd. (TFS-VN)
3)	<p>When any company is under the definition of Ascend Group of Companies, is the company require to enforce this Policy and Guidelines automatically; and able to use this document to eliminate redundancy in the preparation or execution?</p>	<p>It is necessary for all companies within Ascend Group of Companies to abide by and strictly adhere to this group-level Policy and Guidelines without creating a new version. However, in case any business line (that Ascend Group Co., Ltd. (ACN-TH) holds shares directly) as follows:</p> <ol style="list-style-type: none"> 1) Ascend Money (ACM-TH) 2) Ascend Digital Commerce Group (ACG-TH) 3) True Internet Data Center (TID-TH) 4) Ascend Capital (CAP-TH) 5) Ascend Bit (ABC-TH) 6) Ascend AI (AAI-TH) <p>Or company under such 6 business lines is obliged to meet the specific requirements or the scope and nature of the business, an additional sub-policy can be established (but not being contrary to</p>

No.	Question	Answer
		or inconsistent with, having measures which are more intense than, and being continuation of this document).
4)	In case any business line or company would like to conduct the training related to this Policy and Guidelines, what department in Ascend Group of Companies is responsible for?	Employees can contact CG department of Ascend Group Co., Ltd. to coordinate with the relevant department to provide appropriate and effective communication to all users of the business entities.
5)	In case employees would like to blow the whistle related to this Policy and Guidelines, what department in Ascend Group of Companies can be consulted with?	When employees feel uncomfortable raising a concern or unsure whether such action is within the scope of whistleblowing report or not, please notify CG department (grievance office). In any matter referred to it, all information will only be visible and limited to a very small number of people; as well as you can rest assured that the concern will be handled in the strictest confidence.
6)	In case of any query, what department in Ascend Group of Companies is responsible for this Policy and Guidelines?	Employees can seek guidance from CG department or working team, including their supervisors and relevant department or person in each business line or company such as Compliance, Human Resources, Internal Audit, Legal, Procurement, Risk and Fraud Management, etc.