

Guidelines

For Sustainable Supply Chain Management Policy

Primo Service Solutions Public Company Limited

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Guidelines For Sustainable Supply Chain Management Policy

1. Principles and Rationale

Primo Service Solutions Public Company Limited and its subsidiaries (“the Company”) recognize that suppliers and business partners are essential to the successful delivery of quality products and services. Accordingly, the Company has established this guideline as a framework for directors, management, and employees to follow. The Group places importance on conducting business with suppliers in a transparent, honest, and fair manner, alongside sustainable business practices covering economic, social, and environmental dimensions, as well as consideration for the safety and occupational health of relevant stakeholders. The objective is to foster cooperation with the Group’s suppliers and business partners, both directly and indirectly, in building a socially responsible supply chain that takes into account all stakeholders, thereby promoting long-term benefits, trust, and sustainable growth for both the Group and its suppliers.

2. Scope

This guideline applies to the Company and its subsidiaries in all procurement activities relating to goods and services. It applies to the Company’s suppliers and business partners, including vendors, contractors, and/or service providers, whether juristic persons or individuals, as well as subcontractors of vendors and contractors, to serve as a guideline for sustainable development.

3. Definitions

The Company means Primo Service Solutions Public Company Limited and its subsidiaries (“the Company”) under its control and supervision, including any persons authorized to act on behalf of the Company or assigned to perform work in the name of the Company.

Seller means a manufacturer or supplier of goods/services to the Company for further sale or service provision during business operations.

PRI Supplier means a list of suppliers that have passed the Company's preliminary selection process.

Tier 1 Supplier means a supplier that directly provides goods, materials, or services (including intellectual property/patents) to the Company.

Non-Tier 1 Suppliers means key suppliers that do not conduct business directly with the Company, but supply goods, materials, or services (including intellectual property/patents) to direct suppliers.

Critical Tier 1 Supplier means a key supplier that directly provides goods, materials, or services (including intellectual property (IP)/patents) to the Company and is critically important to the Company's business operations, such as suppliers with high purchase volumes, suppliers of key product components, or suppliers whose materials/services cannot easily be replaced.

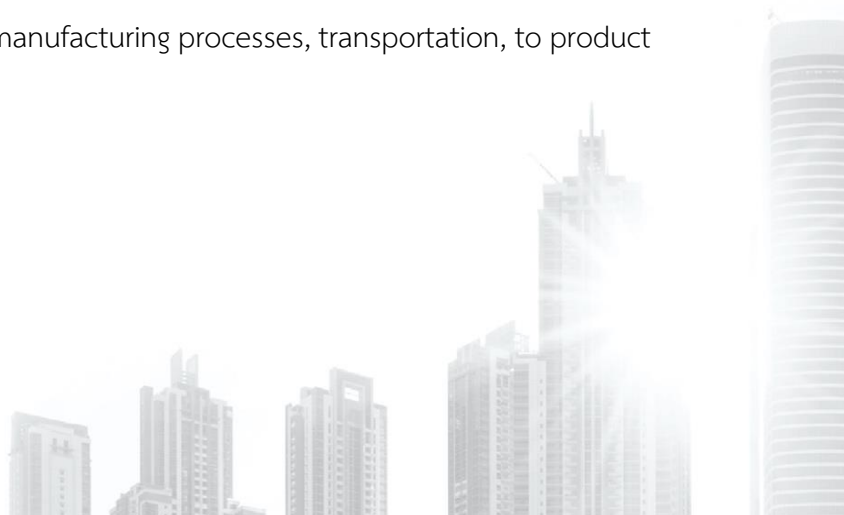
Critical Non-Tier 1 Suppliers key suppliers that do not conduct business directly with the Company, but provide products and services to Critical Tier 1 Suppliers.

Corrective Action Plan means an action plan that suppliers are required to implement for improvement and corrective measures following a sustainability assessment (ESG Audit).

Green Label means a Type I environmental label under ISO 14024 standards, indicating environmental friendliness. The label is awarded to products that meet the specified criteria by an independent third party with no conflict of interest (such as the Thailand Environment Institute), based on life cycle consideration of the product)

Eco Leaf Label means an environmental label based on Life Cycle Assessment (LCA) principles and verified by a third party, with The Japan Environmental Management Association for Industry serving as the governing body for certification and authorization of the label.

EPD Label means an Environmental Product Declaration label that provides information on product composition and environmental impacts throughout the product life cycle (Life Cycle Assessment), from raw material selection, manufacturing processes, transportation, to product use.



Low Carbon Label means a label attached to products to indicate that they are manufactured through processes with low greenhouse gas emissions, specifically products that reduce greenhouse gas emissions in the production process by at least 10 percent.

Cool Mode Label means a label granted to clothing or products with moisture absorption and heat ventilation properties that allow comfortable use in buildings or rooms with air-conditioning temperatures at 25 degrees Celsius. Cool Mode products support consumers who wish to help reduce electricity consumption from air conditioners and greenhouse gas emissions.

High Efficiency Label means a label indicating the energy efficiency performance of a product, based on actual testing in accordance with established standards and certification mechanisms prescribed by the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

4. Sustainable Supply Chain Management Strategy / Framework

The Company requires all directors, management, and employees to support, promote, and strictly comply with the procurement policies and management framework. The Company's supply chain management strategy is aligned with the Supplier Code of Conduct and sustainable business practices, with a focus on the following four key areas:



Supply Chain Management

 ENSURING SERVICE QUALITY & CONTINUITY	 FAIRNESS AND INTEGRITY	 ESG-DRIVEN FOR BUSINESS PARTNERSHIP	 OPTIMAL QUALITY AND VALUE
<ul style="list-style-type: none"> • PRI remains committed to continuously sourcing suppliers and personnel to prevent shortages of service providers. The Company also enhances the capabilities of employees and suppliers through upskilling and reskilling programs to keep pace with ongoing global changes. • Objective To maintain a sufficient number of suppliers capable of providing quality workforce support for sustainable business growth. • KPI No shortage of service personnel. 	<ul style="list-style-type: none"> • PRI has established a clear anti-fraud and anti-corruption policy covering processes from procurement and bidding to post-sales activities, to ensure fairness for all stakeholders. • Objective Transparent procurement processes and clearly defined key consideration criteria. • KPI <ul style="list-style-type: none"> - Clearly defined payment terms based on business characteristics - No complaints relating to procurement and purchasing processes 	<ul style="list-style-type: none"> • PRI places importance on supplier and business partner selection processes by incorporating key ESG considerations as one of the key indicators for evaluating suppliers and business partners, from the selection stage through to performance evaluation. • Objective Procurement and sourcing of low-carbon products and services certified by relevant institutions. • KPI <ul style="list-style-type: none"> - Suppliers acknowledge and sign the Supplier Code of Conduct and cooperate in ESG supplier assessments - Number of certified low-carbon suppliers approved by relevant institutions 	<ul style="list-style-type: none"> • PRI is committed to delivering high-quality services across its group companies to ensure customer satisfaction at reasonable and competitive prices, without undercutting competitors, while providing value for customers receiving the services. • Objective To reduce procurement costs while maintaining service quality standards, with no complaints regarding service quality each year. • KPI <ul style="list-style-type: none"> - Reduction in procurement costs - No complaints regarding service quality

5. Guidelines for Environmentally Friendly Procurement of Goods and Services

In addition to criteria relating to the quality of goods or services, price appropriateness, delivery performance, supplier reliability, and other screening criteria in accordance with the Company's requirements, the Company also encourages the Group to consider procuring environmentally friendly goods and services with the following characteristics, while appropriately taking into account the benefits to the Group and business competitiveness.

Characteristics of Environmentally Friendly Goods and Services

- Use materials with minimal environmental impact, such as non-toxic materials, renewable materials, recycled materials, and materials requiring low energy for sourcing.
- Use materials with minimal environmental impact, such as non-toxic materials, renewable materials, recycled materials, and materials requiring low energy for sourcing.
- Minimize the quantity and types of materials used without compromising product quality or functionality.

- Utilize highly efficient production technologies, such as clean energy, waste reduction in manufacturing processes, and streamlined production procedures.
- Implement efficient transportation and distribution systems, such as reducing excessive packaging, using reusable or recyclable packaging materials, selecting transportation methods with low environmental impact, and choosing energy-efficient transportation routes.
- Reduce environmental impacts throughout the product life cycle, such as low energy consumption, low emissions during use, reduced use of consumable materials, and minimizing unnecessary components.
- Provide life-cycle value, such as durability, ease of repair and maintenance, adaptability for upgrades or extensions, and reduced replacement frequency.
- Establish effective end-of-life management systems, such as collection or disposal processes that minimize environmental impact, product designs that support reuse or recycling of products or components, energy recovery from disposal processes, and safe landfill practices.
- Goods or services included in the Pollution Control Department’s environmentally friendly products and services list (Green Basket), products certified with the Green Label, hotel services awarded the Green Leaf Certificate, hotel services certified as Green Hotels, and environmentally friendly textile products under the Cool Mode program.
- Goods or services certified with environmental labels, such as:
 - Environmental labels administered by independent third-party organizations and awarded to products that meet specified criteria. The criteria consider the reduction of environmental impacts throughout the product life cycle (Life Cycle Consideration) in accordance with ISO 14024 standards, such as the Green Label.
 - Environmental labels issued by manufacturers, distributors, or exporters to indicate the environmental friendliness or environmental attributes of their own products (Self-declared Environmental Claims), such as energy-saving features or recyclability. These are Type II environmental labels under ISO 14021 standards. Examples include SCG Eco Value and Eco-Products labels.

- Labels presenting quantitative information based on Life Cycle Assessment (LCA), including details regarding the use of natural resources, energy consumption, and pollution generated by the product, such as Eco Leaf and EPD labels.
- Other environmental labels intended to encourage or promote consumer awareness of products with lower environmental impacts, such as Low Carbon Labels, Cool Mode Labels, Energy Efficiency Label No. 5, and High Efficiency Labels.
- Goods or services listed in the Green Product Registry of the Thailand Environment Institute, the Thai Industrial Standards Institute under the Ministry of Industry, the Pollution Control Department under the Ministry of Natural Resources and Environment, or equivalent organizations in other countries.
- Procured from suppliers/service providers certified with environmental management standards, such as ISO 14001 or other environmental standards supported by verifiable evidence, or suppliers/service providers with management systems capable of controlling environmental impacts from business operations in compliance with applicable laws and regulations, with supporting evidence available. This also includes suppliers/service providers supporting environmental conservation initiatives in Thailand, such as Reuse-Reduce-Recycle programs, charitable contributions to environmental organizations, or support for reforestation activities, with verifiable evidence.

6. New Supplier Selection

In the procurement of goods and services, procurement personnel shall conduct supplier selection in accordance with the following procedures:

- 1) Procurement requirements for goods or services shall be communicated clearly, accurately, and fairly to suppliers with the appropriate capabilities or qualifications for the procurement process.
- 2) New suppliers shall undergo an initial risk assessment based on the prescribed screening form. The assessment shall consider necessary information to ensure that new suppliers possess appropriate qualifications and maintain effective internal management processes covering environmental, social, and governance dimensions.

Scoring criteria shall be based on the table below.

- Operational assessment of new suppliers: the total score must not be lower than 60% to qualify as an approved new supplier.

No.	Evaluation Criteria	Score Weighting
1	Quality	30%
2	Delivery	30%
3	Price	20%
4	Cooperation and Service	20%

- Sustainability assessment for new suppliers: the total score must not be lower than 50% to qualify as an approved new supplier.

No.	Evaluation Criteria	Score Weighting
1	Environmental Management	30%
2	Human Rights	30%
3	Safety and Occupational Health	10%
4	Social Responsibility	10%
5	Corporate Governance and Business Ethics	20%

7. Identification of Key Suppliers

The Company classifies Critical Tier 1 Suppliers and Critical Non-Tier 1 Suppliers based on the following criteria:

- Purchase/service value from a supplier exceeding THB 1 million
- Level of dependency of goods and services on business operations
- Suppliers with a combined score from the above two factors of 60% or higher shall be classified as Critical Tier 1 Suppliers.

8. Sustainability Risk Assessment

The Company conducts sustainability risk assessments of the supply chain at least once every three years through the following methods:

- Supplier site visits
- Self-assessment questionnaires
- Assessments conducted by external organizations
- Assessments conducted by reliable stakeholders

The assessment covers environmental, social, and governance (ESG) dimensions in accordance with the risk factor matrix.

Environment	Social	Governance
Pollution Emission	Child Labor	Conflict of Interest
Greenhouse Gas Emission	Discrimination	Bribery and Corruption Act
Energy Consumption	Forced Labor and Abuse of Labor	Protection Information
Water use and wastewater treatment	Remuneration	Fair Competition
Sustainable resource use	Occupational Health and Safety	Intellectual Property
Waste Disposal	Global Disease	

9. Scoring Criteria for Sustainability Risk Assessment

- Define the severity of impact (I = Impact) in order to assess impacts arising in environmental, social, and governance (ESG) dimensions.

Impact	Score Level
Impacts achievement of objectives	5
Negative impact exceeding 50% and objectives cannot be achieved	4
Negative impact not exceeding 50%, but without affecting achievement of objectives	3
Minor impact	2
No impact	1

- Define likelihood (L = Likelihood) as the assessment of the probability or frequency of occurrence of each issue.

Likelihood	Score Level
Occurs regularly every month or every quarter and is likely to occur in the future	5
Occurs regularly every year	4
Occurs regularly every 2–3 years	3
Occurred in the past but has not occurred within the past 3 years	2
Has never occurred and is not expected to occur in the future	1

Risk assessments shall be conducted for each environmental, social, and governance (ESG) issue based on the risk factor matrix, using impact and likelihood assessment criteria. Suppliers identified as having moderately high risk and high risk issues (orange and red zones,

respectively) shall be identified for audit planning and the establishment of control measures to reduce risks and impacts.

ระดับความรุนแรงของผลกระทบ (Impact)	Critical	5	Medium	> Medium	> Medium	High	High
	Serious	4	Medium	Medium	> Medium	> Medium	High
	Moderate	3	Low	Medium	Medium	> Medium	> Medium
	Minor	2	Low	Low	Medium	Medium	> Medium
	Insignificant	1	Low	Low	Low	Medium	Medium
			1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Almost Certain
ระดับความรุนแรงของโอกาสในการเกิด (Likelihood)							

The details set forth in this announcement shall be effective from 1 January 2024 onwards.

(Mr. Marote Vananan)

Chairman of the Board

