



PTG ENERGY GROUP

Supporting Document

on

Supply Chain Strategy

Record of Revisions

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Supply Chain Strategy

PTG Energy Public Company Limited and its subsidiaries (“**the Group**”) have discerned how supply chain management is in addressing consumer needs and enhancing the capacity of developing a supply chain management system to ensure all the procedures are effective, transparent, and contribute to sustainable values for all vendors and business partners. Proper management is aimed to mitigate potential risks in different business fields, including those of the environmental, social, governance (ESG) dimension, which may be potentially incurred by vendors’ operations. Therefore, the company outlined a sustainable supply chain strategy, determined to conduct a comprehensive supply chain which ranges from vendor procurement whereby all vendors are required to have potential in ethical business operations and adaptability to embrace changes that affect sustainability practices under a risk management plan. Moreover, it is to encourage vendor development, enabling them to sustainably operate their business and strive alongside the company in the long run.

The following five strategies are thus executed.

1. Vendor Management Standard

Provide a vendor management standard applicable to acquisition, potential assessment, retention, and risk management to ensure that the procurement process is carried out effectively and respond to higher product demands, as well as to reassure that products and services delivered meet the required quality and are in compliance with policies, regulations, operational standards, and the objectives of the company.

2. Accountable vendor procurement and assessment

The company works on acquiring and recruiting productive and credible vendors while also adhering to assessment criteria to maintain the Approved Vendor List. In addition to product quality/safety, pricing, and quality of deliverables, the company also places importance on the management of ESG issues of the vendors, which encompasses environmental impact management, good labor practices, and compliance with applicable laws and regulations to sustainably enhance the performance of business operations, both of the company and the vendors.

3. ESG Risk Management

Outline a vendor ESG risk assessment, of which the criteria will be based on the nature of each business field, and also actively evaluate the vendors and monitor their operations.

4. Cost Optimization

Committed to providing an excellent work process by consolidating data management to systematically classify products and vendors through technology usage to enhance each step of the procurement process. Moreover, the company prioritizes transparency, accountability, cost reduction, and minimization of errors.



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5. Relationship Development

Develop strong and trusting relationships with vendors while also identifying business growth and expansion opportunities, both in terms of innovation and the development of sustainability potential through knowledge exchange between organizations.

Integration of ESG Objectives and Supply Chain Management

Strategy	Objective	Action
Develop relationships with vendors	To identify growth and expansion opportunities, both in terms of innovations and the development of sustainability potential.	<ul style="list-style-type: none">• Provide training courses regarding environmental management, good labor practices, occupational health and safety, and corporate governance, at least once a year. The training is dedicated to all vendors, especially SMEs.• Engage in business review with vendors on a quarterly basis.
Accountable vendor procurement and assessment	Raise awareness among vendors by taking into consideration the ESG practices to minimize business risks.	<ul style="list-style-type: none">• Integrate sustainability practices into the acquisition and selection of new vendors while also maintaining strong relationships with the existing vendors.
Vendor Sustainability Risk Management	To reduce business interruption risks and encourage all vendors to recognize sustainability practices in business operations.	<ul style="list-style-type: none">• Provide vendor risk assessment and arrange a visit to sites of vendors that are prone to high ESG risks, as well as requiring vendors to provide a clear corrective action and audit plan.