

## Supply Chain Management Policy

The Company recognizes the importance of supply chain management, as it has an impact on various stakeholder groups. The Company's service recipients benefit from receiving quality treatment or services that meet standards at appropriate prices, while suppliers or partners are provided with opportunities to develop their potential and competitiveness through the Company's training programs, which lead to capacity development, job creation, and income distribution. In addition, communities and society benefit from operations that take into account environmental impacts, operational safety, and fair labor practices.

For this reason, the Company has established goals and approaches for supply chain management in alignment with the strategies and policies approved by the Board of Directors. The Company also integrates sustainability issues, Environmental, Social, and Governance (ESG), as part of the supply chain management criteria in order to create business stability and sustainable shared value. Relevant working groups are required to continuously report their performance to the Sustainable Development Working Group and the Board of Directors.

The Company has established procurement processes to be accurate, transparent, verifiable, and responsible, covering the procurement of medicines, medical supplies, medical equipment, and various support services throughout the product life cycle, Life Cycle Approach, in alignment with the strategies and policies approved by the Board of Directors. Such processes aim to maintain the organization's competitiveness while protecting trade confidentiality and promoting the procurement of environmentally friendly products and services to support the organization's sustainable development goals.

This policy covers all types of procurement including general goods, fixed assets, services, maintenance work, lease agreements, and medical equipment, as well as relationship management with suppliers at all levels that conduct business with Praram 9 Hospital, including suppliers that do not directly conduct business with the Hospital but have an impact on the supply chain. The policy is implemented as follows:

### 1. New Supplier Evaluation

The Company requires suppliers to be evaluated before being registered in the Approved Supplier List: ASL, using systematic assessment criteria covering at least four key areas:

- Quality and safety of products/ services
- Price and value for money
- Reliability and operational capability of the vendor
- Impact assessment covering environmental, social, labor, human rights, ethics, and business conduct issues

The Company requires ESG Due Diligence to be conducted to assess impacts covering environmental, social, labor, human rights, ethics, and business conduct issues for suppliers of Praram 9 Hospital, with the objective of screening and reducing ESG risks from the beginning, before entering into a business relationship.

### **Environmental Criteria**

The Company places importance on selecting suppliers that have systematic environmental management. In particular, suppliers with policies, targets, and continuous environmental disclosure will receive special consideration in the following key areas:

#### **1. Climate Change Management**

- Have target to reduce greenhouse gas emissions
- Use energy efficiently

#### **2. Resource Conservation**

- Have measures to reduce waste, such as upcycling
- Have an efficient water management system

#### **3. Responsible Sourcing**

- Materials such as paper, wood, and construction materials must not be associated with deforestation (No-deforestation)
- Have certifications, such as FSC or equivalent
- Consideration shall be based on the level of risk and medical safety requirements.

### **Social & Human Rights Criteria**

The Company requires suppliers to strictly comply with human rights principles and labor laws, covering key issues including no use of child labor or forced labor, non-discrimination, support for freedom of association, payment of wages and benefits in accordance with the laws and promotion of wages sufficient for a decent standard of living (Living Wages), as well as fair working hour management that does not exceed legal limits, and the provision of a safe working environment. The Company will conduct risk-based social and labor risk assessments to prevent potential impacts in the supply chain.

### **Governance Criteria**

The Company selects suppliers under the principles of good governance by requiring that:

1. Suppliers must have no history of corruption or ethical misconduct
2. Suppliers are encouraged to have concrete anti-corruption policies and measures
3. For suppliers involved with personal data, particularly medical data
  - o They must pass an information security risk assessment before entering into a contract
  - o They must strictly comply with the Personal Data Protection Act B.E. 2562 (2019), PDPA
  - o They must be aligned with the Hospital's cybersecurity policy

## 2. Supplier Selection and Registration

The Company has established procurement practices to be transparent, fair, verifiable, and efficient, to ensure that the Company receives quality products and services that are appropriate for medical use and aligned with patient safety standards.

For the procurement process, the Company applies an approach based on the value and importance of the item, as follows:

- For high-value items, the Company will proceed through Competitive Bidding
- For general items, products, or services with lower prices, the Company will use Price Comparison

Regardless of the procurement method, the Company requires systematic assessment based on defined criteria by integrating Environmental, Social, and Governance: ESG factors together with quality, price, and reliability criteria, to ensure that procurement decisions are aligned with Sustainable Procurement principles and international standards.

## 3. Critical Supplier Identification

The Company requires suppliers to be classified and prioritized in order to manage supply chain risks effectively. Suppliers are divided into two main groups:

- **Critical Tier 1:** Suppliers that directly deliver products and services to the Company and are strategically important and/or have a direct impact on treatment quality and patient safety
- **Critical Non-Tier 1:** Suppliers that do not conduct business directly with the Company but play a role in the supply chain of key suppliers and may have an impact on service continuity or ESG risks

The classification of suppliers shall be based on a Risk-based Approach by considering key factors, including procurement value, importance to operations and patient safety, supply chain risks, and the ability to source substitute products or services. Such supplier classification enables the Company to establish appropriate governance, assessment, and supplier development measures according to the level of risk.

## 4. Supplier Monitoring and Periodic Review

The Company requires systematic monitoring, assessment, and review of supplier performance to align with the level of importance and risk of suppliers. For critical suppliers, namely Critical Tier 1 and Critical Non-Tier 1 suppliers, with high value or impact on patient safety, ESG Due Diligence will be conducted at least once a year.

For critical or high-risk suppliers, the Company will conduct assessments through appropriate tools and methods, including:

- Supplier Self-Assessment
- Performance assessment by relevant departments
- On-site visit Assessment

- Independent third-party audit

#### **Human Rights and Labor Monitoring**

The Company places importance on the continuous review of suppliers' human rights and labor practices to ensure that suppliers comply with international standards and the organization's requirements. This covers key issues such as no use of child labor or forced labor, non-discrimination, support for freedom of association, provision of a safe working environment, payment of wages and benefits in accordance with the law, and promotion of wages sufficient for a decent standard of living (Living Wage), as well as fair working hour management that does not exceed legal limits, including labor protection and occupational safety according to the relevance of the products and services.

#### **Governance Monitoring**

The Company regularly reviews the governance status of suppliers, particularly in relation to having anti-corruption policies and measures, and compliance with the Supplier Code of Conduct. In cases where critical suppliers have not yet implemented such policies, the Company will promote, support, and invite them to participate in anti-corruption programs or practices in order to enhance common standards across the supply chain.

#### **Environmental Monitoring**

For suppliers that are significant or have high environmental risks, the Company may request information, evidence, or progress reports on relevant issues such as energy and water use, waste management, and measures to reduce greenhouse gas emissions. The Company also encourages suppliers to develop continuous improvement plans to reduce environmental impacts throughout the supply chain without affecting medical quality and safety.

#### **Non-Compliance Management**

In cases where suppliers are found to have committed serious and significant non-compliance with environmental, social, and governance requirements, the Company will consider taking actions according to the level of severity and risk, ranging from issuing warnings and requiring corrective action plans, monitoring improvement progress within a specified timeframe, temporarily suspending purchases or reducing purchase volume, lowering the supplier's level of importance, to contract termination and removal from the supplier list (Delist).

The Company will continuously update the Approved Supplier List: ASL according to assessment results.

### **5. Supplier Engagement and Development**

The Company focuses on building long-term relationships with suppliers as business partners by communicating assessment results to suppliers and identifying areas for improvement in order to enhance the quality of products and services and create maximum value for service recipients.

The Company continuously supports supplier capacity development through various activities, such as training on safety, medical waste management, and infection control, among others. It also promotes

the development of environmentally friendly products and services and the reduction of single-use plastics in order to enhance sustainability throughout the supply chain and increase the competitiveness of Thai suppliers.

The Company promotes and supports participation in projects, collaborations, or workshops related to enhancing the management of environmental and social impacts in the supply chain together with relevant organizations/ networks as appropriate, including considering participation as a member in relevant industry programs or collaborations to exchange good practices and enhance common standards. The Company will record and review the outcomes of such engagement for use in continuously improving supplier selection, monitoring, and development criteria.

#### **6. Grievance Mechanism**

The Company provides transparent, independent, and safe channels for receiving complaints and whistleblowing reports for employees, suppliers, and stakeholders, including Whistleblowing channels, hotline: 1270, Procurement Department email: [procurement@praram9.com](mailto:procurement@praram9.com), and online form. The Company requires acknowledgement of complaints within five working days, investigation and notification of results within 30 days, or notification of reasons in case of delay. Whistleblowers will be protected in terms of confidentiality and safety in accordance with the Company's policy.

#### **7. Policy Review**

This policy shall be reviewed at least once a year, or when there are changes in international standards, relevant laws and regulations, or the organization's strategy, to ensure that the policy remains appropriate, up to date, and most effective.

#### **8. Indicators and Targets**

- 100 percent of Critical Tier 1 suppliers acknowledge and sign the Supplier Code of Conduct
- 100 percent of Critical Tier 1 and Critical Non-Tier 1 suppliers pass the sustainability Self-Assessment covering Environmental, Social, and Governance (ESG)
- No incidents related to product quality issues caused by suppliers
- No suppliers found to be non-compliant with the Code of Conduct