



Sustainable Supply Chain Management Policy

Effective from 12 November 2025

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Policy Principles and Rationale

Precise Corporation Public Company Limited and its subsidiaries (“the Company”) are committed to conducting business with integrity, transparency, honesty, and fairness, while advancing sustainable business practices across environmental, social, governance (ESG), and economic dimensions. This commitment also extends to ensuring occupational health and safety for all stakeholders throughout the Company’s supply chain—from upstream to downstream. The Company’s approach is guided by its Sustainable Development Policy and Corporate Governance Policy, and is aligned with the United Nations Sustainable Development Goals (SDGs) to support the long-term sustainability and resilience of its business. In line with these principles, the Company has established this Sustainable Supply Chain Management Policy and Guidelines to provide a structured and consistent framework for promoting responsible, ethical, and sustainable practices across its entire value chain. This ensures alignment with both internal policies and global sustainability standards, while fostering trust and transparency with all stakeholders.

Scope

This Policy and its associated guidelines apply to Precise Corporation Public Company Limited and its subsidiaries (hereinafter referred to as “the Company”). For the purposes of this document, the term “the Company” refers to each individual entity that adopts and implements this Policy. The Policy covers all operations and activities across the Company’s supply chain, from upstream procurement to downstream delivery. It shall be reviewed at least once annually, or sooner if material changes or other justifiable circumstances arise.

Objectives

The objectives of this Policy are to:

- Ensure that the Company’s sustainable supply chain management is implemented effectively and consistently across all business units.
- Provide a common framework for directors, management, and employees to align their actions and decisions with the Company’s sustainability commitments.
- Promote shared responsibility and active collaboration with suppliers, contractors, and service providers across the value chain.
- Strengthen stakeholder confidence by demonstrating transparency, accountability, and a commitment to sustainable development throughout the supply chain.

Sustainable Supply Chain Management Policy

1. The Company shall develop and implement a supply chain management strategy to ensure that all procurement and supply chain activities are carried out in a transparent, fair, accountable, responsible, and lawful manner. These activities shall comply with all applicable laws, regulations, and international standards, and be aligned with the Company's business strategy to support shared and sustainable growth.

2. Supplier Selection Criteria

The Company shall implement supplier selection processes based on following criteria:

- 2.1 Credibility and financial capability, based on reputation, business experience, financial standing, and past performance.
- 2.2 Existence of effective management systems for labor practices, occupational health and safety, and environmental impact mitigation.
- 2.3 Quality of products and services, technological capabilities, innovation, and reasonable and competitive pricing.

3. Supplier Guidelines and Code of Conduct

The Company shall establish and enforce Supplier Guidelines covering seven key areas, as set out in the publicly available Supplier Sustainability Code of Conduct:

- 3.1 Business ethics
- 3.2 Product and service quality and standards
- 3.3 Human rights
- 3.4 Fair labor practices
- 3.5 Occupational health, safety, and working conditions
- 3.6 Community and social responsibility
- 3.7 Environmental responsibility

These guidelines should be accessible on the Company's website and communicated to all relevant stakeholders.

4. Supplier Performance and Auditing

Supplier performance shall be evaluated regularly through audits conducted by responsible units. An Approved Vendor List (AVL) shall be maintained in accordance with the Sustainable Procurement Policy and internal procedures.

5. Support for Local Suppliers

The Company shall actively promote sourcing from local and domestic suppliers in operational areas to stimulate local economies, generate employment, increase household income, and strengthen community relationships.

6. Transparent and Fair Engagement

All procurement, contracting, and supplier engagements shall be executed transparently and equitably, in line with the Sustainable Procurement Policy and applicable Company regulations.

7. Environmentally Responsible Procurement

The Company shall prioritize environmentally responsible procurement, considering price, quality, and delivery, with the aim of reducing environmental impact and creating shared value for all stakeholders, including suppliers, society, and the environment.

8. Supplier Risk and Criticality Analysis

The Company shall conduct supplier criticality analysis, including:

8.1 Spend analysis

8.2 Product/service criticality

8.3 Supply dependency

Alongside this, the Company will perform ESG Supplier Risk Assessments covering environmental, biodiversity, social, governance, and economic risks

9. Risk Mitigation Measures

Based on the risk assessment and risk ranking results, the Company shall implement appropriate mitigation measures to minimize potential business, operational, and reputational risks stemming from supplier relationships.

10. Collaboration and Capacity Building

The Company shall treat suppliers as business partners, fostering mutual growth through engagement, dialogue, feedback, and capacity-building initiatives, with the goal of enhancing overall supply chain sustainability.

11. Communication and Disclosure

The Company shall publicly disclose this Policy and its sustainable supply chain management practices to ensure transparency and to promote awareness and alignment among suppliers, stakeholders, employees, and the public.

12. Whistleblowing and Grievance Mechanisms

Suppliers shall be informed of their right to report concerns through the Company's whistleblowing channels, as detailed under Section 3 of the Whistleblowing Policy. Reports may be submitted via the following channels:

- **Post office:**
Internal Audit Department
Precise Corporation Public Company Limited
1842 Bangkok–Nonthaburi Road, Wong Sawang, Bang Sue,
Bangkok 10800, Thailand
- **Email:** pcise_whistleblow@precise.co.th
- **Online:** www.precise.co.th/en/whistleblowing-channel

All complaints will be handled confidentially. The Internal Audit Department, acting independently and under the supervision of the Audit Committee, will investigate reported concerns, coordinate corrective actions with relevant units, and notify the complainant of the outcome.

Operational Guidelines

1. Periodic Supply Chain Risk Assessment

The Company shall conduct risk assessments of key and secondary suppliers in accordance with defined Supply Chain Risk Factors, using reliable publicly available information, including reports from government agencies and non-governmental organizations. This is especially important for high-risk supply chains or raw materials. Where risks are identified, the Company shall collaborate with relevant business partners to establish appropriate mitigation and contingency plans.

2. Identification of Critical Tier-1 Suppliers

- 2.1 The Company shall establish and maintain a register of Critical Tier-1 Suppliers. These are suppliers that directly provide goods and/or services to the Company and are considered critical based on purchase volume, purchase value, essential components, or limited availability of substitutes.
- 2.2 The Procurement Department / Procurement Officers shall coordinate with suppliers listed in the Critical Tier-1 Supplier Register.
- 2.3 Each Critical Tier-1 Supplier shall be required to complete a self-assessment in accordance with the Company's prescribed assessment criteria.

3. Periodic Supplier Audits

- 3.1 The Supply Chain Management Working Group / Responsible Unit / Responsible Person shall appoint an Audit Team comprising representatives from:
 - Occupational Health, Safety, and Environment (OHSE)
 - Human Resources
 - Compliance
 - External advisors or auditors, as appropriate

- 3.2 The Audit Team shall assess supplier compliance with the Supplier Sustainability Code of Conduct and report the results to the Supply Chain Management Working Group / Responsible Unit / Responsible Person.
- 3.3 Any non-compliance with the Supplier Sustainability Code of Conduct shall be formally communicated to the relevant supplier.

4. Complaints requesting resolution of issues that are not related to business ethics.

- 4.1 When a supplier is found to be non-compliant, the Audit Team shall issue either a Minor Corrective Action Request (Minor CAR) or a Major Corrective Action Request (Major CAR):
 - 1) A Minor CAR shall be issued where non-compliance does not pose an immediate or severe threat to human rights or other stakeholders, and where risk management systems exist but require improvement.
 - 2) A Major CAR shall be issued where there is a significant risk of adverse impacts on human rights or stakeholders, or where the supplier lacks an adequate and predictable risk management system.
- 4.2 The Audit Team shall report on the CARs to the supplier's management.
- 4.3 The Audit Team shall specify the corrective timeframe. The supplier must submit a corrective action plan and timeline for approval and closure of the CAR.

5. Continuous Improvement of Suppliers

- 5.1 Based on audit results, the Procurement Department / Procurement Officers shall identify key improvement areas and provide training and support to help suppliers enhance their performance.
- 5.2 Suppliers rated as "low" or "unacceptable" shall be reported to the Supply Chain Management Working Group / Responsible Unit / Responsible Person, and their contract renewal or continuation may be reconsidered.

6. Supplier Relationship Management

- 6.1 Communication of the Supplier Sustainability Code of Conduct
 - 1) The Procurement Department shall distribute the Supplier Sustainability Code of Conduct to all suppliers through appropriate channels and ensure that Critical Tier-1 Suppliers acknowledge receipt. The Code shall also be published on the Company's website.
 - 2) The Supply Chain Management Working Group / Responsible Unit / Responsible Person shall ensure that the Supplier Sustainability Code of Conduct is properly communicated to all suppliers identified as Critical Tier-1 Suppliers, those

directly providing goods and/or services to the Company and shall require formal acknowledgment of receipt from each of these suppliers.

- 3) The Supply Chain Management Working Group / Responsible Unit/ Responsible Person shall publish the Supplier Sustainability Code of Conduct on the Company's website to ensure it is readily accessible to all relevant stakeholders.

6.2 New Supplier Onboarding

All potential new suppliers shall:

- 1) The Procurement Department / Procurement Officers shall require all prospective new suppliers to complete a self-assessment covering Environmental and Biodiversity, Social, Governance, and Economic (ESG) criteria prior to approval.
- 2) In addition to other due diligence processes, the Supply Chain Management Working Group / responsible unit / designated personnel shall appoint an audit team to conduct either an on-site or desk-based audit of new suppliers, in accordance with the Company's supplier audit criteria and procedures.
- 3) During the audit review, the audit team shall communicate any non-conformities with the Supplier Sustainability Code of Conduct to the Procurement Department / Procurement Officers, who shall take the following actions:
 - a. If the supplier is issued a Major Corrective Action Request (Major CAR), the Procurement Department / Procurement Officers shall withhold approval of any procurement contract until the supplier has satisfactorily addressed and corrected the identified non-conformities.
 - b. If the supplier is issued a Minor Corrective Action Request (Minor CAR), the Procurement Department / Procurement Officers shall ensure that the supplier implements the corrective actions within an appropriate and mutually agreed timeframe.
 - c. The Procurement Department / Procurement Officers, in coordination with the Compliance Unit, shall incorporate the "Standard Human Rights Clauses in Procurement Contracts" into all procurement contracts entered into with new suppliers.

6.3 Existing Suppliers

- 1) The Procurement Department / Procurement Officers shall continue engaging with and procuring from existing suppliers who have agreed to and signed the "Standard Human Rights Clauses in Procurement Contracts."

- 2) For contract renewals or renegotiations of procurement agreements:
 - a. The Procurement Department / Procurement Officers shall notify the Supply Chain Management Working Group / Responsible Unit / Designated Responsible Person of any upcoming contract renewal or renegotiation.
 - b. The Procurement Department / Procurement Officers shall require the supplier to complete an Environmental, Biodiversity, Social, and Governance (ESG) Self-Assessment in accordance with the Company's requirements.
 - c. For suppliers identified as high-risk, based on the Company's established criteria, the Supply Chain Management Working Group / Responsible Unit / Designated Responsible Person shall coordinate a supplier audit, as outlined in Section 2, prior to finalizing any contract renewal.
 - d. The Procurement Department / Procurement Officers shall ensure that the "Standard Human Rights Clauses in Procurement Contracts" are incorporated into all contract renewals and newly negotiated procurement agreements.

6.4 Corrective Action for Non-Compliance with the Supplier Code of Conduct (Corrective Action Request – CAR)

- 1) Where a supplier is found to be non-compliant and has been issued a Corrective Action Request (CAR) with a specified corrective timeframe, the Procurement Department / Procurement Officers shall report the case to the Supply Chain Management Working Group / Responsible Unit / Designated Responsible Person. This party shall then determine whether the Company should exercise its contractual rights (e.g., contract termination) or apply other appropriate measures (e.g., issue a formal warning to the supplier).
- 2) If a supplier repeatedly fails to resolve issues under Minor Corrective Action Requests or fails to address issues under a Major Corrective Action Request within the prescribed timeframe, the Procurement Department / Procurement Officers shall promptly report the matter to the Supply Chain Management Working Group / Responsible Unit / Designated Responsible Person. A decision shall then be made regarding contract termination and/or blacklisting of the supplier, in accordance with contractual terms, with notification to all companies within the Precise Group.
- 3) Prior to contract termination, the Supply Chain Management Working Group / Responsible Unit / Designated Responsible Person shall offer the supplier relevant training on risk management and compliance to support performance

improvement. Designated personnel shall be appointed to oversee and facilitate such capacity-building efforts.

4) The Company acknowledges that certain risks may be systemic across the supply chain and that suitable alternative suppliers may not be readily available. In such cases, Management shall collaborate with relevant internal units and external stakeholders to improve supply chain practices and encourage supplier compliance with applicable standards, while developing appropriate remediation and improvement measures.

5) Communication on Supply Chain Risk Management

6) The Company shall communicate material updates on supply chain risk management and corrective actions to relevant stakeholders in a transparent and appropriate manner, in alignment with applicable international principles and standards.

6.5 The Supply Chain Management Working Group / Responsible Unit / Designated Responsible Personnel shall be responsible for communicating updates on improvements in supply chain risk management to relevant stakeholders and the public, in accordance with the United Nations Guiding Principles on Business and Human Rights, which require the public disclosure of risks related to human rights impacts.

6.6 The Supply Chain Management Working Group / Responsible Unit / Designated Responsible Personnel shall collaborate with Management and/or the Board of Directors to develop and disclose a public policy on supply chain management, which shall include, at a minimum, the following:

- 1) The actions and processes implemented during the relevant year, including the scope of supply chain risks assessed.
- 2) The key risks faced by the Company, along with the measures taken to prevent, mitigate, and remedy those risks; and
- 3) The improvements and progress achieved by the Company in reducing supply chain risks.

7. Training

The Company shall communicate and cascade the Sustainable Supply Chain Management Policy and Guidelines through training programs, meetings, and other appropriate channels for directors and management. The effectiveness of such training shall be regularly monitored and evaluated to ensure continuous improvement and organizational alignment.

8. Whistleblowing

Any person who becomes aware of, or suspects, any action that may constitute a violation of this Policy or its Guidelines is encouraged to report or lodge a complaint in accordance with the Whistleblowing Policy. Whistleblowers and complainants shall be fully protected, and all reports shall be treated with strict confidentiality. No adverse consequences shall affect the whistleblower's employment status during or after the investigation process.

9. Seeking Advice

If there is any uncertainty about whether an action may violate applicable laws, regulations, or the Sustainable Supply Chain Management Policy and Guidelines, advice should be sought from a supervisor, the responsible supply chain management unit, the compliance function, or the legal department prior to making any decisions or acting.

10. Disciplinary Measures

All employees are expected to fully cooperate with internal and external authorities during any investigation. Any director, executive, or employee who violates or fails to comply with this Policy either directly or indirectly shall be subject to disciplinary action in accordance with the Company's rules and regulations.

11. Applicable Laws, Regulations, and Related Policies

This Policy shall be implemented in alignment with the following related laws, regulations, and internal policies:

- 1) Supplier Sustainability Code of Conduct
- 2) Sustainable Procurement Policy
- 3) Whistle Blowing Policy
- 4) Corporate Governance Policy
- 5) Sustainable Development Policy

Roles and Responsibilities

1. Board of Directors

Establishes the Sustainable Supply Chain Management Policy and related guidelines. Oversees implementation to ensure that the supply chain is managed in a responsible, ethical, and sustainable manner.

2. Management

- 2.1 Establish internal regulations appropriate to each company's context, ensuring alignment with this Policy, related practices, and applicable laws in all countries of operation.
- 2.2 Define and implement suitable organizational structures, roles, and accountabilities to ensure proper and effective policy execution.
- 2.3 Set transparent supplier selection criteria that ensure compliance with the Supplier Code of Conduct and alignment with the Sustainable Development Goals (SDGs).
- 2.4 Ensure full compliance with this Policy, related practices, and internal procedures, and continuously improve their effectiveness, including performance tracking and reporting.
- 2.5 Communicate this Policy and associated practices to raise awareness at all organizational levels.
- 2.6 Provide secure whistleblowing channels related to sustainable sourcing, along with protections for whistleblowers and complainants.
- 2.7 Review and act upon reports on sustainable supply chain management performance.

3. Supply Chain Management Working Group / Responsible Units / Designated Personnel

- 3.1 Communicate and provide guidance to employees to ensure correct implementation of this Policy and related procedures.
- 3.2 Monitor internal compliance and respond to stakeholder expectations and inquiries from external organizations.
- 3.3 Regularly report sustainable supply chain performance to Management and/or the Board of Directors.

4. Procurement Department / Purchasing Officers

- 4.1 Distribute and promote awareness of the Supplier Sustainability Code of Conduct.
- 4.2 Coordinate with current and prospective suppliers to ensure timely completion of ESG self-assessments (covering environment and biodiversity, social, and governance and economic factors).
- 4.3 Collaborate with the Audit Team and suppliers to conduct supplier audits and resolve any non-conformities identified under the Supplier Code.
- 4.4 Report audit outcomes and supplier performance to the Supply Chain Management Working Group / Responsible Unit.

5. Audit Team

- 5.1 Support the Procurement Department in conducting audits of suppliers and resolving non-conformities with the Supplier Sustainability Code of Conduct.

6. Employees

- 6.1 Learn, understand, and comply with all applicable laws, regulations, internal policies, and this Policy.
- 6.2 Proactively report or raise concerns about actual or potential violations of this Policy through designated channels.