

Supplier Screening



Supplier ESG Program

2. Supplier Screening

The Company has screened suppliers through the Ariba System which embeds the supplier selection criteria that include the assessment of the quality of products and services, and suppliers' financial status (business relevance) as well as the ESG aspects, including product delivery information, QSHE (Quality, Safety, Occupational Health and Environment) management, SCOC acknowledge, 3rd party verification.

The Company groups all Suppliers identified supplier screening by grouping the suppliers based on country, business sector, and commodity-specific – products, services, and activities. Then, screening suppliers to identify the potential ESG risk for each supplier group

Identification of the significant suppliers (Strategic & High Potential ESG risk)

The Company uses the Spending Analysis, Supply Risk & Sustainability(ESG) Risk assessment, and Supplier Classification to Identify the significant suppliers as follows;

2.1 Strategic Supplier from Supplier Classification

- High Spending Supplier
- High/Medium Risk (Supply Risk & ESG Risk Assessment)

2.2 High Potential ESG Risk Suppliers from ESG Risk Assessment

- Environment Risk
- Social Risk
- Governance/ Business Relevance Risk



Country-specific risk



Sector-specific risk

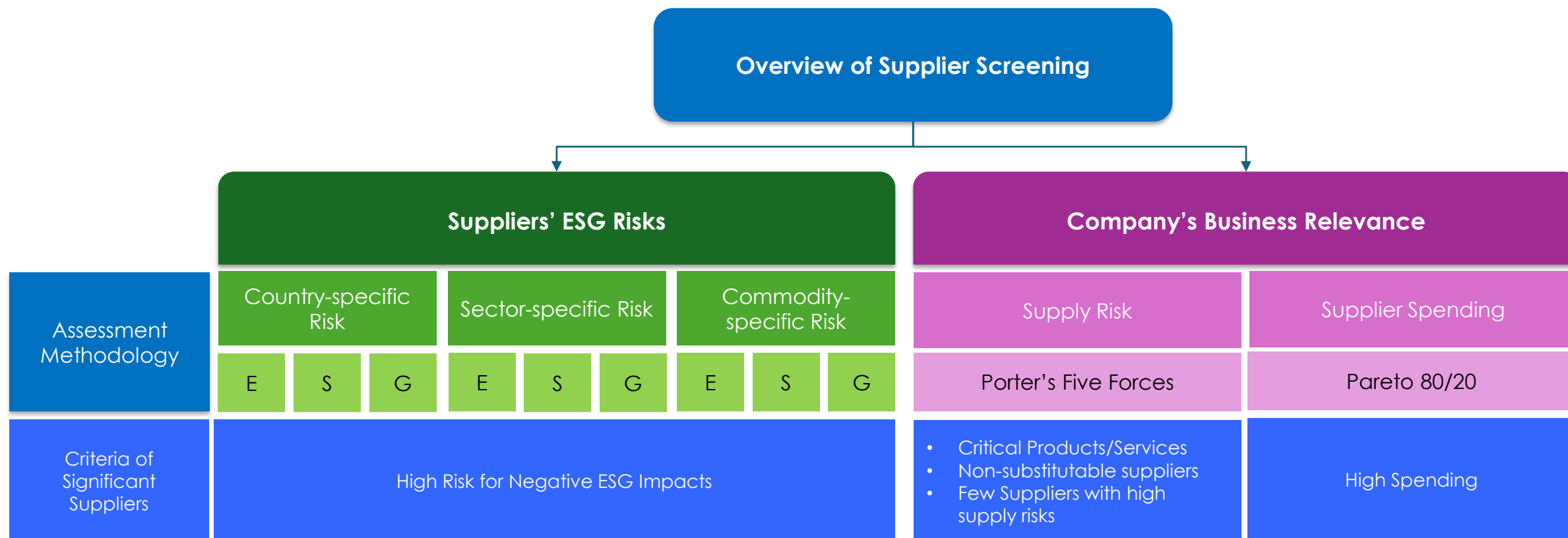


Commodity-specific risk

Please see more details in Supplier Screening Session on page 22-40.

Supplier Screening

Supplier Screening is considered the initial step to identify potential sustainability risks in the supply chain and is systematic desk research of Suppliers' risk for negative ESG impacts and the Company's business relevance, considering available data sources such as country, sector, or commodity ESG risks, spending, business relevance, etc.



Supplier Screening

ESG Risk Assessment Methodology of Supplier Screening Process for Significant Suppliers



Country-specific Risk: The risk for negative environmental, social, and governance impacts related to a country's political, social, economic, environmental, or regulatory situation that occur in the country where the company's Suppliers are located.



Sector-specific risk: The risk for negative environmental, social, and governance impacts related to a sector's distinct characteristics regarding labor situation, energy consumption, resource intensity, emissions, or pollution potential.



Commodity-specific risk: The risk for negative environmental, social, and governance impacts related to a commodity's supply chain structure, and social responsibility core subjects* which consists of Organizational Governance, Human Rights, Labor Practices, Environment, Fair Operating Practices, Consumer Issues, and Community Involvement & Development.

NOTE: * Social responsibility core subjects refers to ISO 26000:2010 (Guidance on social responsibility) and ISO 20400:2017 (Sustainable Procurement-Guidance)

Supplier Screening

ESG Risk Aspects of Supplier Screening Process for Significant Suppliers



Environmental aspects: The risk for negative impacts related to environmental topics, including but not limited to GHG emission and energy consumption, toxic emission & waste, water consumption, biodiversity



Social aspects: The risk for negative impacts related to social topics, including but not limited to human rights, labor management, occupational Health and safety, community relations.



Governance aspects: The risk for negative impacts related to governance topics, including but not limited to corporate governance, corruption, money laundering, government effectiveness occupational fraud, information security/ cybersecurity.

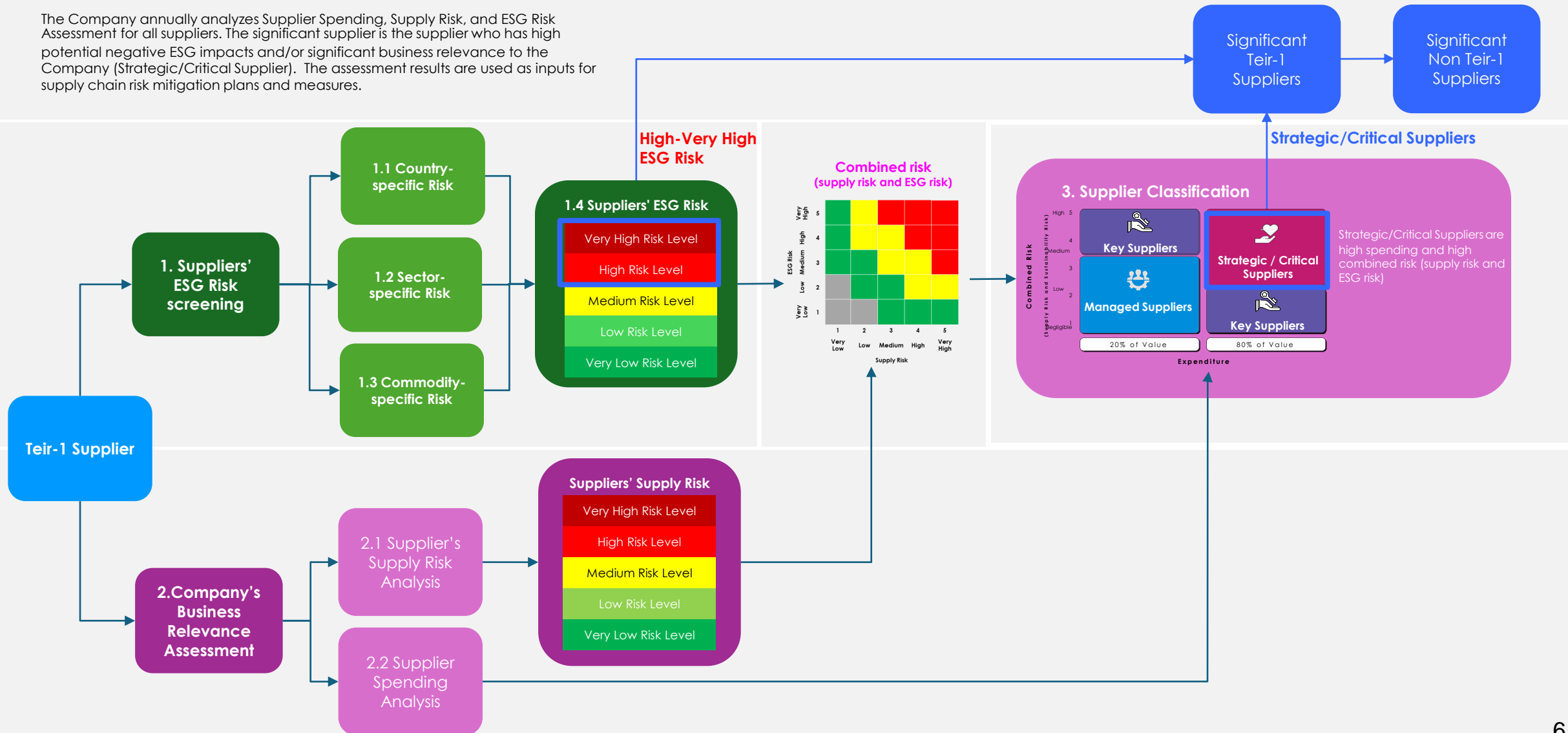


Business relevance: Business relevance considerations, including but not limited to share of spend/volume and substitutability.

Supplier Screening

Overview of Supplier Screening Process to identify Significant Suppliers

The Company annually analyzes Supplier Spending, Supply Risk, and ESG Risk Assessment for all suppliers. The significant supplier is the supplier who has high potential negative ESG impacts and/or significant business relevance to the Company (Strategic/Critical Supplier). The assessment results are used as inputs for supply chain risk mitigation plans and measures.



Supplier Screening

1. ESG Risk Assessment Methodology of Supplier Screening Process for Significant Suppliers

1.1 Country-specific Risk Methodology

Step 1: Identify procurement location and ESG risk universe

The Company has identified 42 procurement locations and utilize the developed tool to explore ESG risk universe of all procurement locations. The tool enable us to visualize ESG risk data over the world geography based on the aggregated data of various ESG indices.

Example:

Visualization of ESG risk data from the tool



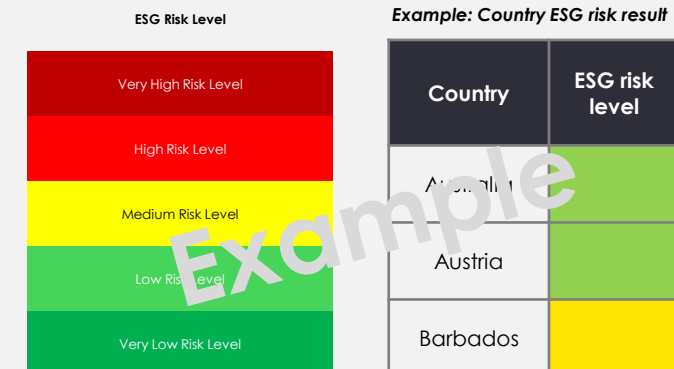
Step 2: Identify country-specific ESG risk issues

As explore ESG risk universe, the Company has identified 15 relevant ESG risk issues to evaluate all procurement location as follows:

- **Environmental aspect**
Climate Change: GHG emission, Average temperature, Energy Security, Water Security, Biodiversity
- **Social aspect**
Human rights, Child Labor, Human Trafficking, Labor Practice: LGBT employment discrimination, Labor flexibility, and Occupational Health & Safety: Fatal work-related accidents.
- **Corporate Governance aspect**
Corporate Governance, Corruption, Money Laundering, Government Effectiveness.

Step 3: Assess & summarize country-specific risk

To assess and summarize the country specific risk of the procurement location, the Company calculate the total risk score by country obtained from the developed tool to determine the risk ranking based on the 5-scale risk assessment criteria, which ranged from very high to very low.



Supplier Screening

1.1 Country-specific Risk Methodology

Step 1 and 2: Identify procurement location and ESG risk universe & short-listed of the risk issues

ESG	Dimensions	Indices/Risk issue	Assessment focus
Environment	Climate change	CO2 emission	
		Average temperature	
	Energy	Energy security	
	Water	Water security	
	Biodiversity	Biodiversity	
Social	Human right	Human right	
		Child labor	
		Human trafficking	
	Labor practice	LCBT employment	
		Discrimination	
Governance	OHS	Labor flexibility	
		Fatal work-related accidents	
	Corporate governance	Corporate governance	
	Corruption & government stability	Corruption	
		Money laundering	
		Government effectiveness	

Process to collect the list of procurement location and identify country specific ESG risk issue. This resulted in 15 ESG risk issues identified to assess ESG risk level of a countries, where the procurement activities take place.

Step 3: Assess & summarize country-specific risk

Country	Risk score	ESG risk level
Australia		
Austria		
Barbados		
Belgium		
Canada		
China		
Czechia		
Denmark		
Finland		
France		
Germany		
Greece		
Hong Kong		
Hungary		

Supplier Screening

1. ESG Risk Assessment Methodology of Supplier Screening Process for Significant Suppliers

1.2 Sector-specific Risk Methodology

Step 1: Initial Sector Classification

The Company classifies our suppliers' sub-groups based on the Global Industry Classification Standard (GICS®), which encompasses 11 sectors and 46 sub-industries, according to business activities of each suppliers. This step ensures that Thaioil suppliers' sub-groups are accurately classified in accordance with internationally accepted standard.

Example:



Step 2: Identify Sector-specific ESG Risk Issues

The Company has identified sector-specific ESG risks by utilizing the MSCI's ESG Materiality Map, the SASB Materiality Finder, and the 2024 CSA Weight by Industry. Each industry will be assigned a weight based on its significance within the sector to ensure the most validated results for the final risk assessment as follows:

- **Environmental aspects**
Carbon Emissions & Energy Consumption, Toxic Emissions & Waste, Water Stress, Biodiversity.
- **Social aspects**
Occupational Health & Safety, Labor Management, Community relations.
- **Governance/Business aspects**
Governance, Information Security/ Cybersecurity.

Step 3: Assess Sector-specific ESG Risk

The level of ESG risk for each sector is determined based on the analysis of available statistical information regarding the 9 ESG risk issues, using a 5-ranking scale. The criteria are designed to encompass both quantitative and qualitative factors. ESG risk issues have been assessed at the sector level, and the results will be applied to the sub-industries listed under each specific sector. The final risk level is determined by the weight assigned, which varies according to its relevance to the sector.

ESG Risk Level	
Very High Risk Level	
High Risk Level	
Medium Risk Level	
Low Risk Level	
Very Low Risk Level	

Example: Sector ESG risk result	
Sector	ESG Risk
SERVICE ROAD CONSTRUCTION, PAVING, GRADING & BLACKTOP	M
SERVICE, ELECTRICAL, GENERAL	M

Supplier Screening

1.2 Sector-specific Risk Methodology

Step 1: Sector classification

Matl. Group	Main Group Des.	Matl. Description	GICS Sub-industries	GICS Sectors
CD3710	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, ROAD CONSTRUCTION, PAVING, GRADING & BLACKTOP	20103010: Construction & Engineering	Industrials
CD3720	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, CANAL WORKS/MAINTENANCE	20103010: Construction & Engineering	Industrials
CD4310	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, COOLING TOWER	20103010: Construction & Engineering	Industrials
CD4320	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, FLARE/CHIMNEY	20103010: Construction & Engineering	Industrials
CD4330	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, REFRACTORY/LINING	20103010: Construction & Engineering	Industrials
CD4340	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, STACK	20103010: Construction & Engineering	Industrials
CD6110	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, REPAIR/MAINTENANCE OF TILING BODY SHOP	20103010: Construction & Engineering	Industrials
CD6130	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, CONSTRUCTION, STEEL STRUCTURES	20103010: Construction & Engineering	Industrials
CD6150	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, TEMPORARY BUILDINGS, INCLUDING PORTA CABINS RENTAL	20103010: Construction & Engineering	Industrials
CD6160	MAIN GROUP, CIVIL EQUIPMENT AND SERVICE	SERVICE, PILE DRIVING, CONCRETE PILES & CORRUGATED SHEETS	20103010: Construction & Engineering	Industrials
LF0000	MAIN GROUP, GENERAL NON-TECHNICAL SERVICE	SERVICE, MEDIA/ADVERTISE	50201010: Advertising	Communication Services
NA9760	MAIN GROUP, GENERAL NON-TECHNICAL SERVICE	SERVICE, TANK CLEANING RESIDUE DISPLACER INTERCEPTORS, COMPOUNDS	20201070: Diversified Support Services	Industrials
NA9770	MAIN GROUP, GENERAL NON-TECHNICAL SERVICE	SERVICE, INDUSTRIAL CLEANING GENERAL	20201070: Diversified Support Services	Industrials
NC9110	MAIN GROUP, GENERAL NON-TECHNICAL SERVICE	SERVICE, HEALTH CLINICAL- MEDICAL SERVICES AND REPORTS	35102015: Health Care Services	Health Care
NC9130	MAIN GROUP, GENERAL NON-TECHNICAL SERVICE	SERVICE, DISEASE CONTROL, INCLUDING VACCINATION PEST CONTROL	35102015: Health Care Services	Health Care

Mapping suppliers' business activities with GICS sector/ sub-industry

Step 2: Identify Sector-specific ESG Risk Issues

Process to identifying ESG issues and weight

ESG Risk	Weight	Score	Weight	Score	Weight	Score
Carbon Emissions & Energy Consumption	11%	1.1	Carbon Emissions & Energy Consumption	11%	1.1	1.1
Toxic Emissions & Waste & Pollutants	15%	1.5	Toxic Emissions & Waste & Pollutants	15%	1.5	1.5
Water Stress	1%	0.1	Water Stress	1%	0.1	0.1
Biodiversity & Land Use	1%	0.1	Biodiversity & Land Use	1%	0.1	0.1
Occupational Health & Safety	21%	2.1	Occupational Health & Safety	21%	2.1	2.1
Labor Management	16%	1.6	Labor Management	16%	1.6	1.6
Community Relations	0%	0.0	Community Relations	0%	0.0	0.0
Governance (Fraud cases)	3%	0.3	Governance (Fraud cases)	3%	0.3	0.3
Information Security/ Cybersecurity	1%	0.1	Information Security/ Cybersecurity	1%	0.1	0.1

GICS Sector	Sub-industry	Weight
Information Technology	45203010: Electronic Equipment & Instruments	100%
	Carbon Emissions & Energy Consumption	11%
	Toxic Emissions & Waste & Pollutants	15%
	Water Stress	1%
	Biodiversity & Land Use	1%
	Occupational Health & Safety	21%
	Labor Management	16%
	Community Relations	0%
	Governance (Fraud cases)	3%
	Information Security/ Cybersecurity	1%
Communication Services	50201010: Advertising	100%
	Carbon Emissions & Energy Consumption	11%
	Toxic Emissions & Waste & Pollutants	15%
	Water Stress	1%
	Biodiversity & Land Use	1%
	Occupational Health & Safety	21%
	Labor Management	16%
	Community Relations	0%
	Governance (Fraud cases)	3%
	Information Security/ Cybersecurity	1%
Utilities	49101010: Electric Utilities	100%
	Carbon Emissions & Energy Consumption	11%
	Toxic Emissions & Waste & Pollutants	15%
	Water Stress	1%
	Biodiversity & Land Use	1%
	Occupational Health & Safety	21%
	Labor Management	16%
	Community Relations	0%
	Governance (Fraud cases)	3%
	Information Security/ Cybersecurity	1%

Step 3: Assess Sector-specific ESG Risk

Sector risk assessment criteria

Risk level	Carbon Emissions & Energy Consumption	Toxic Emissions & Waste	Water Stress	Biodiversity & Land Use	Occupational Health & Safety	Social Labor Management & Community Relations	Governance & Economic Information Security/ Cybersecurity
1 (Very Low)							
2 (Low)							
3 (Medium)							
4 (High)							
5 (Very High)							

Sector ESG risk assessment result

ESG risk issues	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Communication Services	Utilities	Real Estate
Environment											
Social											
Governance & Economic											

Sector	Sub-industry	Weight
Energy	Oil & Gas Drilling	100%
	Oil & Gas Equipment & Services	100%
	Integrated Oil & Gas	100%
	Oil & Gas Exploration & Production	100%
	Coal & Consumable Fuels	100%
	Commodity Chemicals	100%
	Diversified Chemicals	100%
	Construction Materials	100%
	Metal, Glass & Plastic Containers	100%
	Paper & Plastic Packaging Products & Materials	100%
	Construction & Engineering	100%
	Electrical Components & Equipment	100%
	Heavy Electrical Equipment	100%
	Industrial Machinery & Supplies & Components	100%
	Environmental & Facilities Services	100%
	Office Services Supplies	100%
	Diversified Support Services	100%
	Security & Alarm Services	100%
	Human Resource & Employment Services	100%
	Research & Consulting Services	100%
	Air Freight & Logistics	100%
	Marine Transportation	100%
	Cargo Ground Transportation	100%
	Passenger Ground Transportation	100%

Supplier Screening

1. ESG Risk Assessment Methodology of Supplier Screening Process for Significant Suppliers

1.3 Commodity-specific Risk



Supplier Screening

1. ESG Risk Assessment Methodology of Supplier Screening Process for Significant Suppliers

ESG Risk aspects cover all 7 Social Responsibility Core Subjects identified in ISO 26000:2010, Guidance on social responsibility which consists of Organizational Governance, Human Rights, Labor Practices, Environment, Fair Operating Practices, Consumer Issues, and Community Involvement & Development.



Social Responsibility Core Subjects	Environment Aspect	Social Aspect	Governance Aspect
Organizational Governance			<ul style="list-style-type: none"> Regulatory Compliance Confidentiality of Information Disclosure
Human Rights		Human Resources <ul style="list-style-type: none"> Employee Health & Safety Working conditions Human Rights <ul style="list-style-type: none"> Child Labor Forced Labor Human Trafficking Diversity Discrimination 	
Labor Practices			
The Environment	<ul style="list-style-type: none"> Environmental Management Sustainable Resource Efficiency Biodiversity, Deforestation or Land Conservation Pollution Prevention and Waste Management Greenhouse Gas Reduction and Climate Change Mitigation 		
Fair Operating Practices			<ul style="list-style-type: none"> Anti-Corruption & Bribery Anti-Competitiveness Conflicts of Interest Gifts Respect for Intellectual Property Rights
Consumer Issues		<ul style="list-style-type: none"> Customer Data Protection and Privacy Protecting Customers' Health and Safety Education and Awareness Customer Service, Support and Complaint and Dispute Resolution 	
Community Involvement and Development		<ul style="list-style-type: none"> Employment creation and skills development Technology development and access Wealth and income creation Health Social Investment 	

1.3 Commodity-specific Risk

Step 1: Initial Commodity Classification

Example

Step 3: Assess Commodity-specific ESG Risk

Impacts

Likelihood



Likelihood



Very High Risk Level

High Risk Level

Medium Risk Level

Low Risk Level

Very Low Risk Level

Summary of Commodity-specific Risk

RAM: Impacts X Likelihood = ESG Risk Level

Supplier Screening

1. ESG Risk Assessment Methodology of Supplier Screening Process for Significant Suppliers

1.4 Summarizing the Suppliers' ESG Risk

1.4A. The Company uses the following formular to calculate the **suppliers' ESG risk score** (X) as to combine the score obtained from 1.1-1.3

$$X = \frac{(\text{Country risk score} + \text{Sector risk score} + \text{Commodity risk score})}{3}$$

1.4B. To summarize the **ESG risk level**, the Company benchmark 1.4A result with the 4-scale supplier ESG risk criteria.

Risk score	Risk Level
4.51-5.00	5 (Very High)
3.51-.4.50	4 (High)
2.51-3.50	3 (Medium)
1.51-2.50	2 (Low)
1.00-1.50	1 (Very Low)

Example: Summarizing the supplier ESG risk score & level

Country	Matl. Description (Defalt)	Sector	Result from 1.1		Result from 1.2		Result from 1.3		Result from 1.4A&B	
			Country risk score	Country risk level	Sector risk score	Sector risk level	Commodity risk score	Commodity risk level	Combined ESG Risk Score	ESG risk Level
TH	SERVICE, AUTOMATION SYSTEM, INCLUDING D	20103010: Construction & Engineering								
TH	SERVICE, AUTOMATION SYSTEM, INCLUDING D	20103010: Construction & Engineering								
TH	SERVICE, AUTOMATION SYSTEM, INCLUDING D	20103010: Construction & Engineering								
TH	SERVICE, AUTOMATION SYSTEM, INCLUDING D	20103010: Construction & Engineering								
TH	SERVICE, AUTOMATION SYSTEM, INCLUDING D	20103010: Construction & Engineering								
TH	SERVICE, AUTOMATION SYSTEM, INCLUDING D	20103010: Construction & Engineering								
TH	SERVICE, AUTOMATION SYSTEM, INCLUDING D	20103010: Construction & Engineering								
TH	SERVICE, AUTOMATION SYSTEM, INCLUDING D	20103010: Construction & Engineering								
TH	SERVICE, ELECTRICALINSTRUMENT/COMMUNII	20103010: Construction & Engineering								
TH	SERVICE, QMI PROCESS INSTRUMENTS MAINTI	20103010: Construction & Engineering								
TH	SERVICE, ELECTRICALINSTRUMENT/COMMUNII	20103010: Construction & Engineering								
TH	SERVICE, ELECTRICALINSTRUMENT/COMMUNII	20103010: Construction & Engineering								
TH	SERVICE, U.P.S. SYSTEMS	20103010: Construction & Engineering								
TH	SERVICE, QMI PROCESS INSTRUMENTS MAINTI	20103010: Construction & Engineering								
TH	SERVICE, QMI PROCESS INSTRUMENTS MAINTI	20103010: Construction & Engineering								
TH	SERVICE, QMI PROCESS INSTRUMENTS MAINTI	20103010: Construction & Engineering								
TH	SERVICE, QMI PROCESS INSTRUMENTS MAINTI	20103010: Construction & Engineering								
TH	SERVICE, ELECTRICALINSTRUMENT/COMMUNII	20103010: Construction & Engineering								
TH	SERVICE, QMI PROCESS INSTRUMENTS MAINTI	20103010: Construction & Engineering								
TH	SERVICE, QMI PROCESS INSTRUMENTS MAINTI	20103010: Construction & Engineering								
TH	SERVICE, ELECTRICALINSTRUMENT/COMMUNII	20103010: Construction & Engineering								
TH	SERVICE, FIELD INSTRUMENT MAINTENANCE	20103010: Construction & Engineering								

Supplier Screening

2. Business Relevance Assessment Methodology of Supplier Screening Process for Significant Suppliers

2.1 Supplier's Supply Risk Analysis

The Company uses Porter's Five Force Model for Supplier's Supply Risk Analysis and visualizes it via the Company's in-house software, namely "SRM (Supplier Relationship Management) Platform".

Porter's Five Force Model consists of main 5 questionnaires and each questionnaire has a set of questionnaires for deep drive analysis. The Company will evaluate each questionnaire with a score range (1 to 5).

No.	Main Questionnaire	Rationale	No. of Questionnaire
1	Threat of New Suppliers entering to the market	Low entry barriers into the industry can lead to higher competition and thus lower complexity of the industry. High entry barriers prevent new players from entering the industry and challenge existing players.	10
2	Bargaining power of suppliers of inputs	The industry is complex when these suppliers possess/offer unique assets or assets with limited accessibility as this will increase their power.	4
3	Competition amongst suppliers	This refers to the competition among the suppliers. Low competition can be caused by a limited number of players (e.g., monopoly, oligopoly,...)	5
4	Availability of substitution products/Services	A high potential for availability of substitution leads to a less complex industry.	3
5	Bargaining power of buyers	A low level of buying power implies a higher complexity of the industry.	4
			26

So, the Company can evaluate the supply risk in the score and convert it to risk level.

Supplier's Supply Risk Score	Supplier's Supply Risk Level
4.51-5.00	Very High Risk Level
3.51-4.50	High Risk Level
2.51-3.50	Medium Risk Level
1.51-2.50	Low Risk Level
1.00-1.50	Very Low Risk Level

Example: Supply Risk Analysis via SRM Platform

Supply Risk Analysis

Overall Supply Risk Score 3.35

Overall Supply Risk Level M

Threat of new suppliers entering to the market 3.50

Key Question

Bargaining power of suppliers of inputs 3.00

Key Question

Competition amongst suppliers 3.40

Key Question

Availability of substitution 3.33

Key Question

Bargaining power of buyers 3.50

Key Question



Example: Key Questionnaires with a set of questionnaires that evaluated via SRM Platform

Bargaining power of buyers

Overall Score : 3.50

Action	Key Question	Answer	Score(1-5)	Comment
1	Are there many buyers in the market?		3.00	
2	Are switching costs high when changing suppliers ?		4.00	
3	Is buying from any alternative supply markets difficult or will it result in a high total cost ?		3.00	
4	Is there a high level of loyalty to suppliers in this market?		4.00	

Supplier Screening

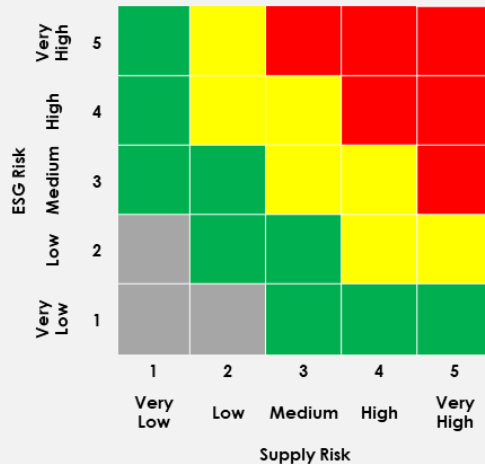
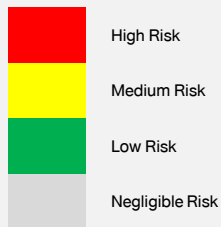
2. Business Relevance Assessment Methodology of Supplier Screening Process for Significant Suppliers

$$\text{Combined Risk} = \text{Supplier's Supply Risk} \times \text{Supplier's ESG Risk}$$

The supply risk level will combine with ESG risk.

Combined Risks

This ESG Risk Level is from the result that the Company conducts in 1.4 Supplier's ESG Risk



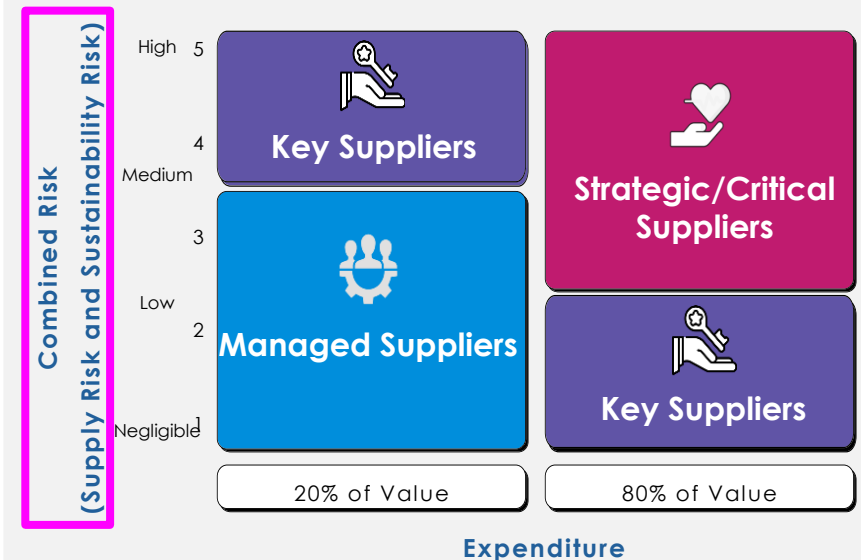
This Supplier ESG Level is from the result that the Company conducts in 2.1 Supplier's Supply Risk Assessment

Combined Risk is assessed based on Supply Risk and Sustainability Risk which is related to 5 key dimensions.

1. Operations and SSHE / Sustainability Management Risk
2. Competitive Advantage
3. Planning Risk
4. Competitive Risk
5. Spend

Key Dimensions	Risk Assessment Methodology
Operations and SSHE / Sustainability Management Risk	Sustainability Risk Analysis
Competitive Advantage	Supply Risk Analysis Sustainability Risk Analysis
Planning Risk	Supply Risk Analysis Sustainability Risk Analysis
Competitive Risk	Supply Risk Analysis
Spend	Supply Risk Analysis

The combined risk is to be one factor of Business relevance to identify significant suppliers.



One factor of Business relevance to identify significant suppliers

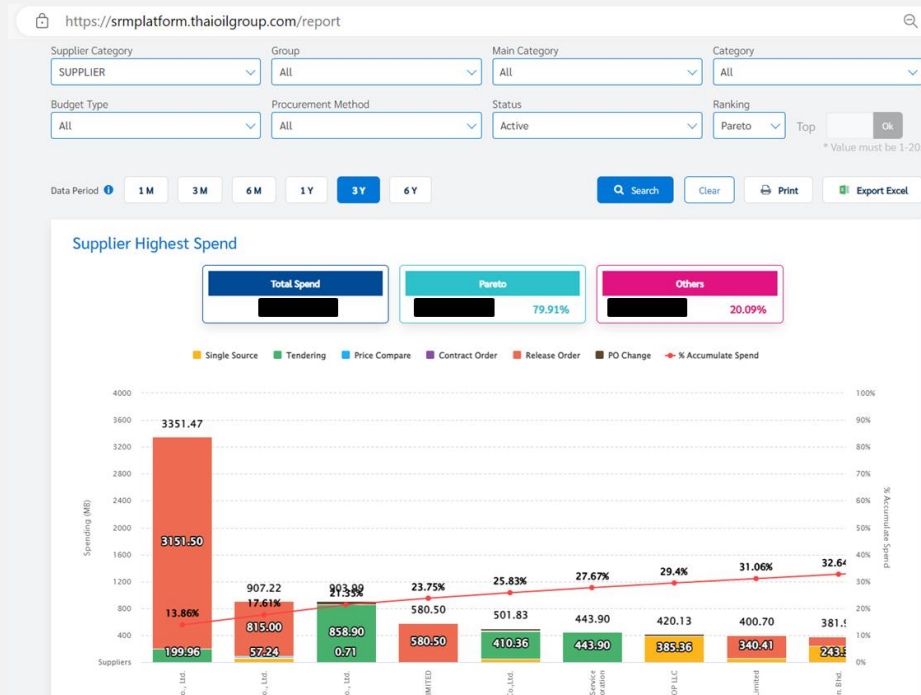
Supplier Screening

2. Business Relevance Assessment Methodology of Supplier Screening Process for Significant Suppliers

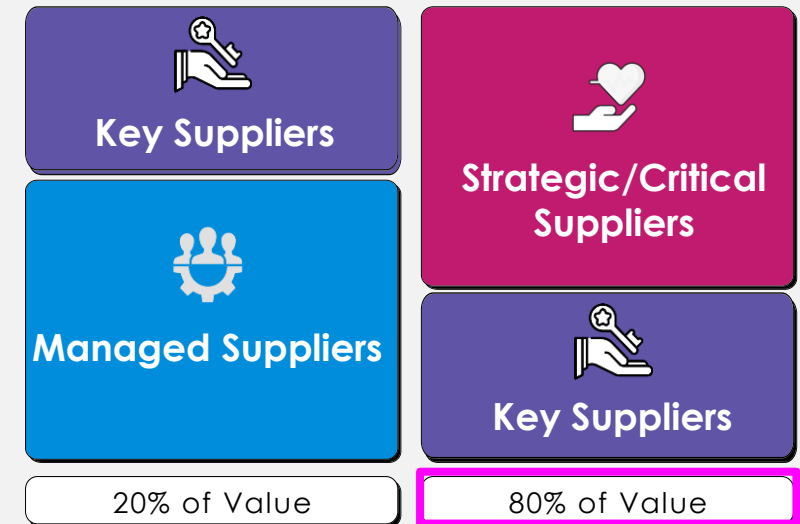
2.2 Supplier Spending Analysis

The Company uses Pareto 80/20 for Supplier Spending Analysis. The Company gathers the historical spending data from ERP and visualizes it via the Company's in-house software, namely "SRM (Supplier Relationship Management) Platform".

Example: Pareto 80/20 Analysis via SRM Platform



So, the Company can classify which suppliers are in 80% of values or 20% of values. The suppliers who are in 80% of values is one factor of **Business relevance** to identify significant suppliers.



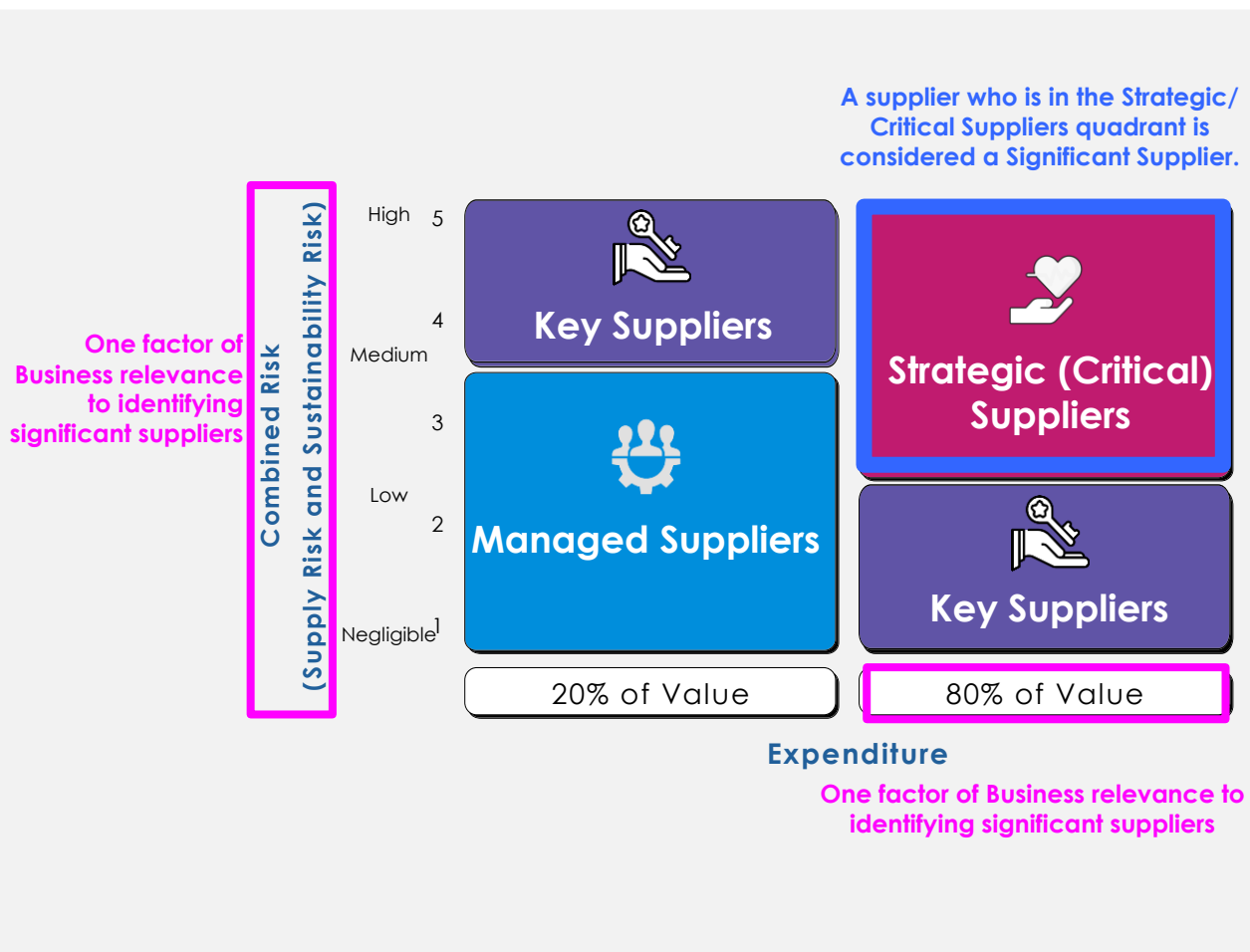
Expenditure

One factor of Business relevance to identify significant suppliers

Supplier Screening

2. Business Relevance Assessment Methodology of Supplier Screening Process for Significant Suppliers

2.3 Supplier Classification



Supplier Screening

3. The Identification of Significant Suppliers

Significant Tier 1 Suppliers

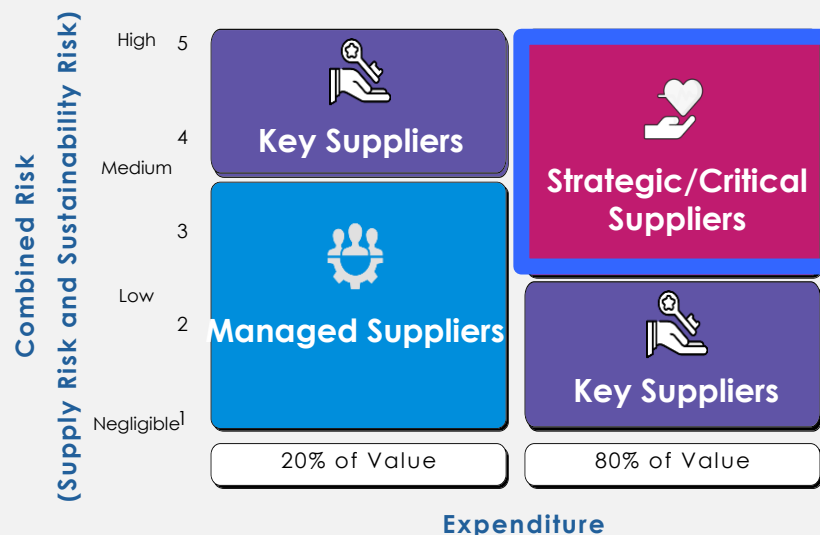
The significant Tier 1 suppliers are “High Potential ESG Risk Suppliers” and/or “Strategic/Critical Suppliers”.

Supplier's ESG Risk Level



A supplier who has a Very High or High ESG risk level is considered as a Significant Supplier.

Supplier Classification



A supplier who is in the Strategic/Critical Suppliers quadrant is considered as a Significant Supplier.

Significant Non-Tier 1 Suppliers

The significant Non-Tier 1 suppliers are Suppliers who are not directly supply goods, materials or services to Thailoil Group but have substantial risks of negative ESG impacts or significant business relevance to the company or a combination of both to Thailoil Group's Significant Tier-1 Suppliers

PART 2: QUESTIONNAIRE

The following people confirm that all statements made in this Questionnaire provided to Thai Oil Public Company Limited are true to the best of their knowledge.

Name:	
Function/Position:	
Company:	
Date:	

1. Please provide your Tier-1 supplier data in the table below.

1.1	Total number of Tier-1 suppliers	
1.2	Total number of significant suppliers in Tier-1	
1.2.1	Total number of high ESG risk suppliers	
1.2.2	Total number of high spending & high supply risk suppliers	

(1) The total number in question no. 1 is for the last fiscal year.

Country	Supplier Name	Main Group	Buyer	Status	Number of their Tier 1	Number of their Significant	Propose
TH		M01		Completed			
MY		M07		Not Respond			
OM		M07		Completed			
TH		M07		Completed			
TH		M07		Not Respond			
TH		M07		Not Respond			
TH		M07		Not Respond			
TH		M07		Completed			
TH		M07		Completed			
TH		M07		Not Respond			
GB		M07		Completed			
TH		M07		Not Respond			
SG		M07		Not Respond			
TH		M07		Completed			
TH		M07		Not Re			
TH		S02		Com			
TH		S02		Com			
TH		S02		Com			
TH		S03		Com			
TH		S03		Com			
TH		S04		Com			
TH		S04		Com			
TH		S04		Com			
US		S04		Not Re			
TH		S04		Com			
TH		S04		Not Re			
TH		S05		Com			
TH		S05		Com			
TH		S05		Not Re			
TH		S06		Not Re			
TH		S07		Com			
TH		S10		Com			
TH		S10		Com			
TH		S10		Com			
TH		S11		Not Re			

List of Significant Non Tier-1 Suppliers

Assessment Year (T):	20xx
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[illegible]

Supplier Screening

Risk Management Process for Significant Suppliers



1. Risk Assessment

After conducting risk assessment (Risk Identification, Analysis, and Evaluation) via the Supplier's ESG risk assessment and the Company's business relevance assessment.

The Company will give the priority on the significant suppliers are "High Potential ESG Risk Suppliers" and/or "Strategic/Critical Suppliers".



2. Risk Treatment and Risk Management Measures

Significant Suppliers

- Supplier's SCOC Acknowledgement
- Internal Monitoring and Assessment
- Supplier Assessment with Corrective Action Plans (CAP).
- Supplier Development.

Non-Significant Suppliers

- Supplier's SCOC Acknowledgement
- Internal Monitoring and Assessment



3. Monitoring & Review

- Plan for monitoring, assessing, and reviewing risks and risk management measures.
- Meeting with key internal stakeholders and significant suppliers to monitor, assess, and review risks and risk management measures and record them in the database.



4. Recording & Reporting

- Prepare risk analysis records and reports in the form of risk registers to ensure uniformity.
- Regular proactive risk reports by Significant Suppliers through formal channels as planned.

THANK YOU



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