

Supply Chain Management Report 2025

Chememan Public Company Limited recognizes the importance of conducting business with good governance and responsible supply chain management. The Company is committed to the efficient management of its supply chain by ensuring the appropriate sourcing of products and resources while maintaining a balance between business growth and environmental stewardship.

The Company is accountable to all stakeholders and operates with consideration for environmental and social impacts, particularly those associated with its supply chain. To support sustainable procurement practices, the Company promotes Green Procurement, which considers environmental impacts along with quality, quantity, service, and cost requirements in accordance with its procurement standards.

Criteria for Supplier Assessment and Identification of Critical Suppliers

The Company has established a supply chain management process that includes the classification of suppliers and the identification of Critical Suppliers and Critical Non-Tier 1 Suppliers based on the following criteria:

1. Suppliers that have direct business transactions with the Company through the provision of goods and/or services.
2. Suppliers with high procurement expenditure.
3. Suppliers that are critical to the Company's operations, including manufacturers and distributors of key equipment, machinery, materials, and services.
4. Suppliers with limited availability or suppliers whose goods or services are difficult to substitute.



Note:

In 2025, the Company's Critical Tier 1 Suppliers accounted for 7% of its total supplier base. No Critical Non-Tier 1 Suppliers were identified, representing 0% of total suppliers.

This is because the Company conducts procurement activities directly with its suppliers through Purchase Orders (POs), resulting in no suppliers being classified as Critical Non-Tier 1 Suppliers during the reporting period.

Critical Tier1 Suppliers

Critical Tier1 Supplier		Low	Medium	High	Level	Critical Tier1 Supplier		Low	Medium	High	Level
KANE		25	9	1	Low	บริษัท		33	2	0	Low
Maerz		33	2	0	Low	บริษัท		35	0	0	Low
บริษัท		23	11	1	Medium	บริษัท		32	3	0	Low
บริษัท		30	5	0	Low	บริษัท		24	11	0	Medium
บริษัท		27	6	2	Low	บริษัท		33	2	0	Low
บริษัท		29	6	0	Low	บริษัท		27	7	1	Low
บริษัท		25	9	1	Low	บริษัท		33	2	0	Low
บริษัท		33	2	0	Low	บริษัท		26	9	0	Low
บริษัท		25	10	0	Medium	บริษัท		29	5	1	Low
บริษัท		25	8	2	Low	บริษัท		13	22	0	Medium
บริษัท		27	7	1	Low	บริษัท		25	9	1	Low
บริษัท		31	4	0	Low	บริษัท		33	2	0	Low
บริษัท		31	4	0	Low	บริษัท		14	21	0	Medium
บริษัท		9	24	0	Medium	พาวเวอร์		32	3	0	Low
บริษัท		31	4	0	Low	สยาม		33	2	0	Low
บริษัท		17	18	0	Medium	ห้างหุ้น		14	20	1	Medium
บริษัท		31	4	0	Low	ห้างหุ้น		33	2	0	Low
บริษัท		25	9	1	Low	ห้างหุ้น		15	20	0	Medium
บริษัท		33	2	0	Low	ห้างหุ้น		32	3	0	Low
บริษัท		16	19	0	Medium						

Supplier Sustainability Risk Assessment Process
(Based on 2025 Supplier Data 2568)

Classification

[illegible]

Self-Assessment by supplier

[illegible]

Final Risk Summary

Critical Tier1 Supplier	Low	Medium	High	Level
KAL	25	9	1	Low
KAL	33	2	0	Low
LTH	23	11	1	Medium
LTH	30	5	0	Low
LTH	27	6	2	Low
LTH	29	6	0	Low
LTH	25	9	1	Low
LTH	33	2	0	Low
LTH	25	10	0	Medium
LTH	25	8	2	Low
LTH	27	7	1	Low
LTH	31	4	0	Low
LTH	31	4	0	Low
LTH	9	24	0	Medium
LTH	31	4	0	Low
LTH	17	18	0	Medium
LTH	31	4	0	Low
LTH	25	9	1	Low
LTH	33	2	0	Low
LTH	16	19	0	Medium
LTH	33	2	0	Low
LTH	36	0	0	Low
LTH	32	3	0	Low
LTH	24	11	0	Medium
LTH	33	2	0	Low
LTH	27	7	1	Low
LTH	33	2	0	Low
LTH	26	9	0	Low
LTH	29	5	1	Low
LTH	13	22	0	Medium
LTH	25	9	1	Low
LTH	33	2	0	Low
LTH	14	21	0	Medium
MTT	32	3	0	Low
MTT	33	2	0	Low
MTT	14	20	1	Medium
MTT	33	2	0	Low
MTT	15	20	0	Medium
MTT	32	3	0	Low



The Company has established a systematic and continuous supplier management approach, beginning with effective communication and engagement with suppliers. The Company encourages suppliers to demonstrate their commitment to conducting business in accordance with its standards and expectations. This includes compliance with the principles outlined in the Supplier Code of Conduct, which emphasizes environmental and social responsibility. The Code serves as a guideline for suppliers to align their operations and practices with the Company's sustainability objectives.

To manage supplier-related risks, the Company conducts supplier risk assessments and evaluations prior to supplier registration under the Approved Vendor List (AVL) process. The supplier selection process considers various factors, including product and service quality, reliability, financial stability, compliance with environmental regulations, occupational health and safety practices, labor laws and human rights principles, as well as the ability to contribute to social and community development.

For approved suppliers, Chememan conducts annual performance evaluations in accordance with the Company's procurement procedures. The supplier evaluation criteria are defined based on the relevant category of goods or services to ensure that the assessment is appropriate and comprehensive. The evaluation covers both operational performance and overall business cooperation, including communication, responsiveness and problem solving.

In addition, Chememan conducts on-site audits for selected suppliers based on the nature of the goods or services provided. If a supplier does not comply with the Company's required standards or violates applicable laws and regulations, appropriate corrective actions will be taken. Where necessary, this may include the suspension of procurement activities with the supplier.

ESG Risk Assessment and Supplier Audits

The Company assesses supplier risks across economic, environmental, and social aspects to promote responsible and sustainable business practices throughout its supply chain.

Supplier risk assessments are conducted through self-assessment questionnaires and evaluated based on the likelihood and impact of potential risks. Suppliers are classified into three risk levels: High, Medium, and Low.

Key assessment areas include:

1. Product and service quality
2. Business ethics and anti-corruption practices
3. Environmental compliance and management
4. Occupational health and safety
5. Labor practices and human rights

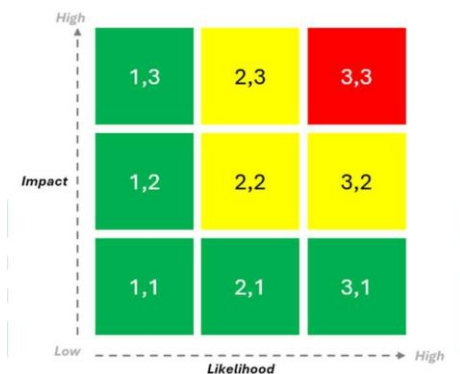
Suppliers identified as having elevated risk levels may undergo further review or on-site audits to ensure compliance with the Company's standards and sustainability requirements.

Supplier Risk Assessment Matrix

Critical Tier 1 Suppliers are required to complete a self-assessment questionnaire to support the initial supplier risk evaluation process.

Supplier risks are assessed based on two factors: Likelihood and Impact. The overall risk score is calculated using a risk matrix and classified into three categories:

	Risk score	Risk level
	6–9 points	High Risk (H)
	4–6 points	Medium Risk (M)
	Below 4 points	Low Risk (L)



The assessment results are used to categorize suppliers according to their risk level and determine appropriate monitoring and risk management measures.

Based on the risk assessment results, suppliers are classified into three risk categories:

- High Risk (H): Suppliers with three or more high-risk findings.
- Medium Risk (M): Suppliers with ten or more medium-risk findings.
- Low Risk (L): Suppliers that do not meet the criteria for High or Medium Risk.

The classification results are used to prioritize supplier monitoring, engagement, and risk mitigation activities.

Description of Likelihood Rating

Score	Rating	Likelihood	Description
1	L - Low	$\leq 30\%$	Unlikely to occur or has never occurred in previous operations.
2	M – Medium	$>30\% - \leq 70\%$	May occur under certain conditions or has occurred occasionally in the past.
3	H - High	$>70\%$	Likely to occur frequently or has occurred repeatedly in the past.

Description of Impact Rating

Score	Rating	Impact
1	L - Low	Minor impact on operations. Production disruption, if any, is minimal. No reputational impact and remains compliant with applicable laws and regulations.
2	M – Medium	Moderate impact on operations. Production may be interrupted for several days and could result in some reputational impact, while remaining compliant with applicable laws and regulations.
3	H - High	Significant impact on operations. Production may be suspended or experience prolonged disruption, resulting in substantial reputational damage and non-compliance with applicable laws and regulations.

Summary of Supplier Sustainability Risk Assessment

Based on the 2025 supplier sustainability risk assessment, all 39 Critical Tier 1 Suppliers completed the self-assessment process and were evaluated against the Company's ESG risk criteria.

The assessment results indicated that none of the suppliers were classified as high-risk. All 39 suppliers were categorized as low-risk suppliers. These results demonstrate that the Company currently has no significant ESG risks identified within its supplier base.

Risk Assessment Result	
Critical Tier 1 Supplier	High-risk Supplier
39 Suppliers	0 Supplier

Critical Tier1 Supplier	Low	Medium	High	Level
KANE	25	9	1	Low
Maerz	33	2	0	Low
บริษัท	23	11	1	Medium
บริษัท	30	5	0	Low
บริษัท	27	6	2	Low
บริษัท	29	6	0	Low
บริษัท	25	9	1	Low
บริษัท	33	2	0	Low
บริษัท	25	10	0	Medium
บริษัท	25	8	2	Low
บริษัท	27	7	1	Low
บริษัท	31	4	0	Low
บริษัท	31	4	0	Low
บริษัท	9	24	0	Medium
บริษัท	31	4	0	Low
บริษัท	17	18	0	Medium
บริษัท	31	4	0	Low
บริษัท	25	9	1	Low
บริษัท	33	2	0	Low
บริษัท	16	19	0	Medium

Critical Tier1 Supplier	Low	Medium	High	Level
บริษัท	33	2	0	Low
บริษัท	35	0	0	Low
บริษัท	32	3	0	Low
บริษัท	24	11	0	Medium
บริษัท	33	2	0	Low
บริษัท	27	7	1	Low
บริษัท	33	2	0	Low
บริษัท	26	9	0	Low
บริษัท	29	5	1	Low
บริษัท	13	22	0	Medium
บริษัท	25	9	1	Low
บริษัท	33	2	0	Low
บริษัท	14	21	0	Medium
พาวเวอร์	32	3	0	Low
สยาม	33	2	0	Low
ห้างหุ้น	14	20	1	Medium
ห้างหุ้น	33	2	0	Low
ห้างหุ้น	15	20	0	Medium
ห้างหุ้น	32	3	0	Low

Risk Management Measures

Risk Category	Risk Management Approach
Suppliers with Sustainability Risks (≥ 3 High-Risk Findings)	• Perform root cause analysis • Strengthen internal controls and revise relevant assessment checklists where necessary. • Communicate and reinforce compliance with the Supplier Code of Conduct. • Encourage the establishment of relevant policies, monitoring mechanisms, and reporting processes. • Promote the use of independent whistleblowing channels and investigation procedures. • Conduct periodic internal and external audits to verify the effectiveness of corrective actions and risk controls.
Suppliers with No Sustainability Risks Identified	Continue regular monitoring and supplier performance evaluations in accordance with the Company's procurement procedures.

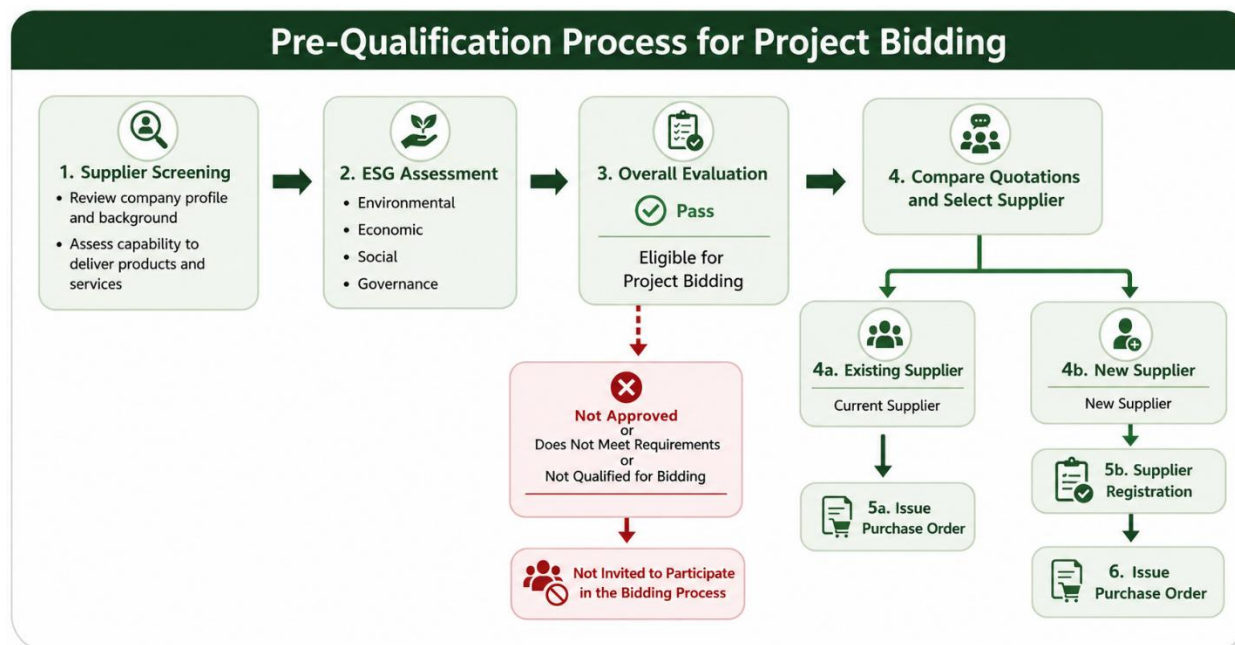
Monitoring Compliance with the Supplier Code of Conduct

The Company regularly monitors compliance with its Supplier Code of Conduct among key suppliers, covering economic, environmental, and social aspects.

To strengthen supplier oversight, the Company plans to conduct on-site visits to directly assess suppliers' operations and their compliance with the Supplier Code of Conduct.

In 2025, supplier compliance was assessed through supplier evaluation forms and self-assessment questionnaires as part of the Company's supplier management process.

Pre-Qualification for project bidding process



ESG-Based Supplier Pre-Qualification Process

To strengthen supplier selection and promote sustainable procurement practices, the Company has established a supplier pre-qualification process for project bidding. New and existing suppliers are assessed prior to participation in the bidding process using criteria aligned with ESG principles, covering Environmental, Social, and Governance aspects.

The assessment extends beyond pricing and operational capability to include business ethics, environmental management, labor practices, and social responsibility. Suppliers are required to demonstrate relevant policies, practices, or supporting evidence, which are considered as part of the Company's supplier evaluation process. This approach supports the development of a transparent, responsible, and sustainable supply chain while enhancing supplier management practices and aligning with the Company's sustainability commitments.

Sustainability concern for general purchasing selection

The Company incorporates sustainability considerations into its general procurement process by integrating ESG (Environmental, Social, and Governance) criteria into supplier evaluations. In addition to price and technical qualifications, suppliers are assessed based on sustainability-related factors to support responsible procurement practices

Key sustainability considerations include:

1. Product Sustainability

- Products designed for reuse or recycling
- Long product lifespan and durability
- Use of sustainable or recycled materials
- Design that enables repair or component replacement
- Reduced waste generation and environmental impact

2. Supplier Sustainability Practices

- Business ethics and transparency
- Anti-corruption practices (Mandatory document signed to acknowledge the Anti-Corruption & Anti-Bribery requirements before project implementation)
- Compliance with labor standards and human rights principles

3. Manufacturing Sustainability

- Responsible for sourcing of raw materials
- Compliance with environmental regulations
- Occupational health and safety standards (Safety measures stated in the employer's term of reference for use in selection and management of contractors)
- Certified management systems and production standards

4. Service Sustainability

- Environmentally responsible service delivery
- Efficient use of energy and resources
- Paper reduction initiatives
- Proper waste management during service operations

The assessment criteria applied may vary depending on the type of product or service being procured.

Procurement personnel may select the most relevant sustainability criteria to ensure an effective and appropriate evaluation process.