

7.6 Supplier management and supply chain management

Somboon Advance Technology have committed to achieve sustainable business growth by enhancing competitiveness in production costs and fostering mutual growth with their business partners through a transparent and fair procurement process, guided by the Company's procurement management framework. To this end, the Company has established a procurement policy with the following key principles:

1. Procurement is carried out with careful consideration of quality (Q), cost (C), delivery (D), speed of service, and adherence to the Company's policies, with an emphasis on efficiency and effectiveness.
2. Procurement is carried out with transparency, fairness, and is subject to verification procedures.
3. The Company adheres strictly and completely to all laws and regulations related to procurement.
4. The Company treats all its business partners with fairness and transparency, providing accurate and complete information, without discrimination or manipulation. It also encourages and welcomes feedback and suggestions from its business partners to improve collaboration and enhance the quality of service.
5. The Company selects business partners who prioritize minimizing environmental impacts, share social responsibilities. The Company also takes into consideration their level of engagement and business operation with good governance.
6. Business partners must strictly comply with "Ethics and Guidelines for Business Partners of the Somboon Group," as well as with all laws and regulations related to business activities.

Targets

In order to comply with the policy, the Company has taken into account the needs and key factors of key stakeholders, such as customers, to set appropriate goals for production processes and operations that ensure effectiveness throughout the supply chain. The key performance indicators include:

Indicator	Target	
	2022	2023
1. Cost		
1.1 Cost Reduction	5% reduction compared to 2021	5% reduction compared to 2022
2. Delivery		
2.1 Delivery	100%	100%
3. Compliance (Anti-Corruption)		
3.1 New suppliers must declare their commitment to anti-corruption.	100%	100%
3.2 Suppliers with a purchase amount of 10 MB or more are required to declare their commitment to CAC for 100%.	+10	+10



Indicator	Target	
	2022	2023
3.3 Supplier Code of Conduct & CSR	100%	100%
<ul style="list-style-type: none"> All new suppliers are required to sign a commitment agreement. 	10 Suppliers	10 Suppliers
<ul style="list-style-type: none"> Suppliers with a purchase amount of 10 MB or more are required to sign a commitment agreement. 		
3.4 Practice in compliance with the laws	100%	100%



Management Approach

The company has developed a set of guidelines for prioritization and risk management in the supply chain. These guidelines aim to foster engagement from business partners and create opportunities for them to participate in the development and upgrading of our quality and cost standard, known as QCDEM. Business partners who meet the assessment criteria will receive a business partner certificate. The following are some of the key guidelines:



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Operation results



5%

in cost reduction
according to the
2022 target.



100%

of new business partners
have declared their
commitment to
anti-corruption with SAT.



100%

of products have
been delivered
according to the
2022 target.



14 target business partners with
a purchase amount of 10 million baht
or more have declared their
commitment with CAC.