

## 7.6 Supplier and Supply Chain Management

SAT is committed to collaborating with all partners throughout the supply chain to build business growth and strength with transparency and fairness, through continuous transformation and improvement across every process, to transcend competition and achieve sustainability. Guided by the ideology of building a "complete" business, we believe in developing complete people to create a complete business and to fulfill this society completely.

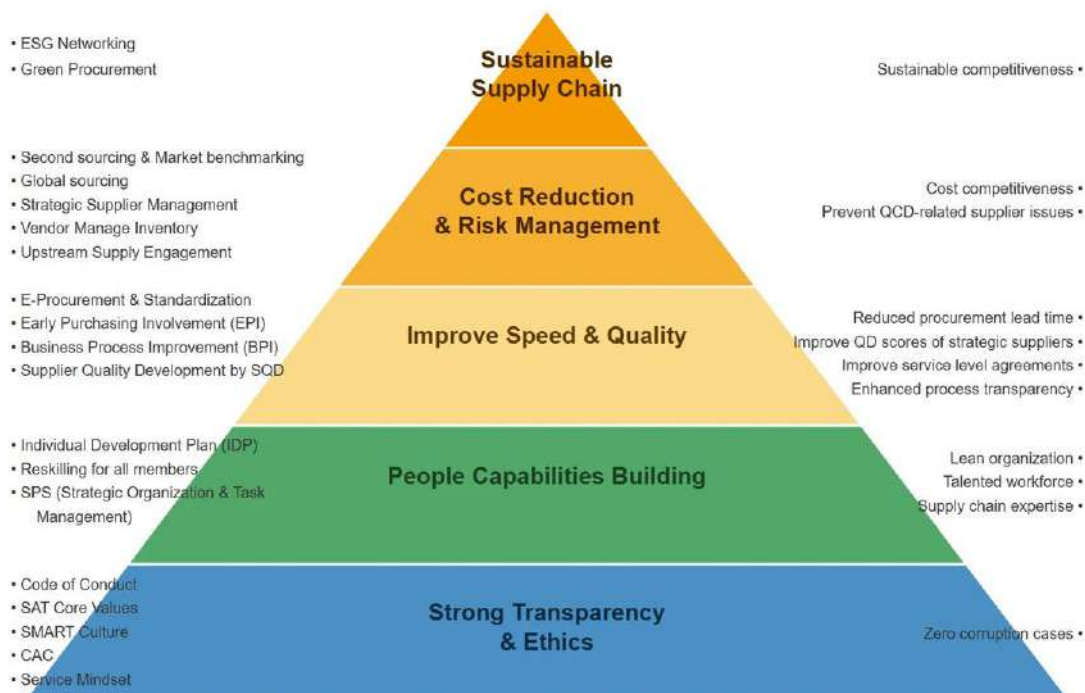
### Supply Chain Management Performance 2025

KPI	Target	Performance
New and existing suppliers sign declaration of intent with SAT	100%	100%
ESG risk assessments conducted for targeted supplier groups	38 suppliers	38 suppliers
การสื่อสารและกระตุ้นคู่ค้าให้มีส่วนร่วม การจัดทำบัญชี GHG	10 suppliers	27 suppliers

### Supply Chain Management Strategy

SAT implements its supply chain management strategy in accordance with the Supply Chain Development Framework:

1. Build a foundation of quality and ethics.
2. Develop personnel to support future competitiveness and sustainable growth.
3. Elevate the supply chain and co-develop suppliers through proactive collaboration and the adoption of innovation.
4. Enhance cost competitiveness and risk management capabilities.
5. Build an ESG network for the sustainable growth of the entire supply chain.



## Supply Chain Management

The Company follows a 4-step supplier management process, as follows:

### 1. Survey, Screen, and Evaluate Qualified Suppliers

By key product and service categories, considering three primary criteria:

1. Quality (Q)
2. Cost (C)
3. Delivery (D)

### 2. Supplier Group Management and Risk Assessment

Categorize suppliers using the SAT Supply Positioning Model into 4 groups:

1. Bottleneck
2. Critical
3. Routine
4. Leverage.

Assess sustainability risks across 2 key dimensions:

1. ESG
2. Economic

### 3. Supplier Planning and Management

Systematically develop supplier plans by:

1. Fostering a culture of ethics and defining the roles and responsibilities of all stakeholders across the supply chain.
2. Analyzing and developing communication plans and building supplier engagement for sustainable and ethical development.

### 4. Execute Development Plans and Elevate Suppliers

Rigorously execute development plans through various activities:

1. Communicate policies and business operational directions via SAT Group's Annual Supplier Meeting.
2. Transfer knowledge of the SPS/Lean Supply Chain system.
3. Provide guidance on improving work processes for greater transparency.
4. Provide knowledge and coaching to suppliers on GHG Inventory.

## 1. Survey, Screen, and Evaluate Qualified Suppliers



SAT conducts procurement under sustainable development principles, placing importance on environmental, social, governance, and long-term economic stability impacts, with the following key practices:

- SAT conducts procurement by considering Quality (Q), Cost (C), Delivery (D), responsiveness, and alignment with the Company's policies to maximize efficiency and effectiveness.
- SAT conducts procurement in a transparent, fair, and auditable manner, and upholds ethical principles in all procurement activities.
- SAT strictly complies with all applicable laws and regulations related to procurement in a complete and rigorous manner.
- SAT treats all suppliers fairly and equitably, providing accurate and complete information, and is receptive to feedback and suggestions for operational improvement.
- SAT places importance on suppliers who operate with responsibility toward the environment and society, and uphold good corporate governance, while supporting suppliers with standards and sustainability policies aligned with the Company's.

To align the Company's procurement with sustainable development guidelines, the Company has required ESG considerations to be incorporated into every procurement process, for both new and existing suppliers, as follows:

### 1) New Suppliers

During the selection and approval process for new suppliers, the Company conducts an initial assessment to determine whether the supplier has appropriate ESG-related policies or practices, by reviewing supporting documents and evidence, such as:

- Environmental Policy
- Occupational Health, Safety, and Working Environment Policy
- Labour, Human Rights, and Fair Labour Practice Policies
- Internal Corporate Governance Guidelines
- Management system certifications, such as ISO 14001 or equivalent

The evaluation is conducted based on the criteria outlined in the Company's procurement manual and the new supplier selection form.

## 2) Existing Suppliers

For approved suppliers, the Company periodically monitors and reviews ESG data, or when significant changes occur, such as:

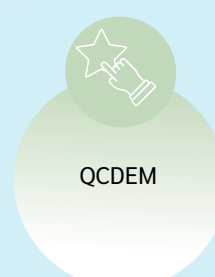
- Updates or changes to ESG policies
- Occurrences of environmental, social, or governance risks
- Expiration or changes in management system certification status
- Stakeholder complaints regarding non-compliant ESG behavior

The Company uses a Self-Assessment Form for suppliers in the target group to report relevant ESG data, and applies the assessment results to support decisions regarding contract renewal or further supplier development.

## 3) Continuous Supplier Guidelines and Development

Since 2024, the Company has officially adopted the Sustainable Code of Conduct for suppliers, covering ESG issues, and has continuously communicated these guidelines to all suppliers.

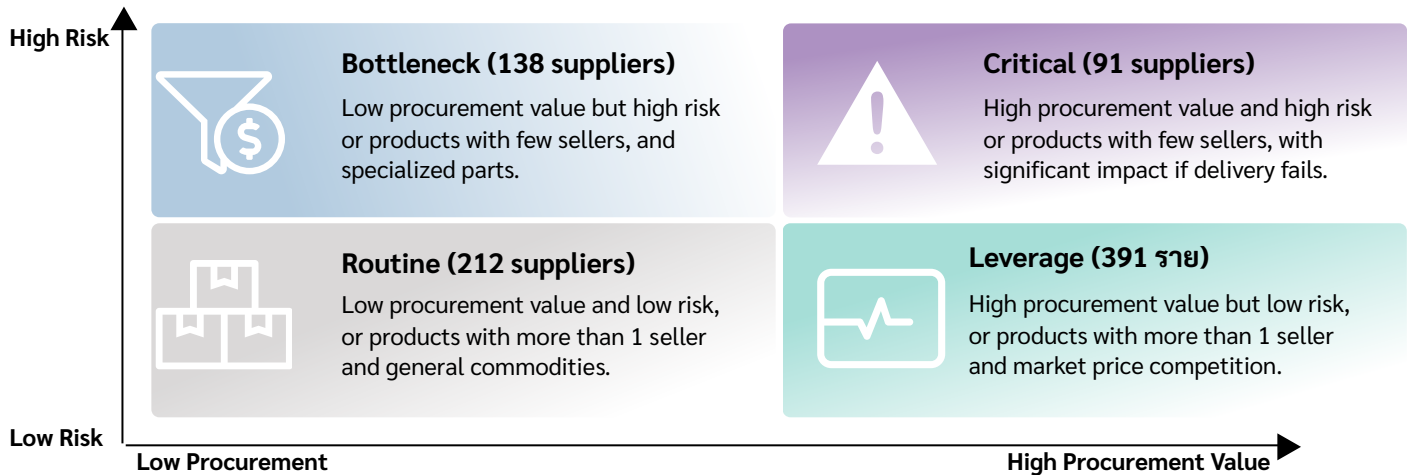
In addition, the Company has reviewed and updated its procurement manual to ensure that the procurement process is efficient, transparent, and responsive to the needs of both internal and external customers accurately and promptly, under sustainable development principles. Furthermore, the Company has prioritized and managed supply chain risks by encouraging suppliers to participate in developing and elevating quality standards under the QCDEM framework, covering Quality, Cost, Delivery, and other related elements. Suppliers who meet the Company's defined assessment criteria will receive recognition in accordance with the Company's guidelines.



## 2. Supplier Group Management Based on SAT Supply Positioning and ESG Risk Assessment

Supplier group management and ESG risk assessment of the supply chain is a critical process and an essential tool that enables the Company to define approaches for mitigating and preventing environmental and social impacts.

### ● Supply Chain Analysis and Supplier Group Management Based on SAT Supply Positioning



In supplier development, the Company prioritizes the Critical category first, as these suppliers carry high risk and high-value impact on the Company. The subsequent step is to expand development to Critical non-tier 1 suppliers, which are manufacturers and distributors of key goods and services for the Company's Critical suppliers.



- **Supplier Risk Assessment**

The Company conducts supplier risk assessments across various dimensions in 5 steps, as follows:

### 1. New Vendor Pre-Qualification

Conduct initial pre-screening by considering suitability based on product/service category, business capability, and compliance with the Company's requirements, before proceeding to in-depth assessment.

### 2. Financial Analysis and Sourcing Risk Assessment

#### Supplier Financial Assessment

Such as cash flow status, liquidity, business stability, and credit standing.

#### Sourcing Risk Assessment

Using the Supply Positioning Model to categorize the criticality level of products/services (Critical / Bottleneck / Routine / Leverage).

### 3. Sustainability Risk Assessment

#### 3.1 ESG Risk

##### Environmental

Environmental law compliance, waste management, and environmental impact reduction.

##### Social

Workplace safety, labour standards, and supplier workforce management.

##### Governance

Transparency, anti-corruption, and regulatory and contractual compliance.

#### 3.2 Economic / Business Continuity Risk

Assess sourcing and delivery capabilities, business continuity, supply chain resilience, and market volatility risks.

### 4. Integration of Sustainability Issues in Sourcing and Contract Management

#### ESG clauses integrated into procurement contracts

Incorporated into procurement agreements.

#### Supplier Code of Conduct

Established and required supplier acknowledgement and sign-off.

#### Performance Monitoring & Audit

Monitor performance and conduct risk-based Supplier Audits.

#### Corrective Action Plan

Joint improvement plans when risk issues are identified.

### 5. Management of Other Risk Types

#### Industry-Specific Risks

Such as sector-specific regulations and geopolitical risks.

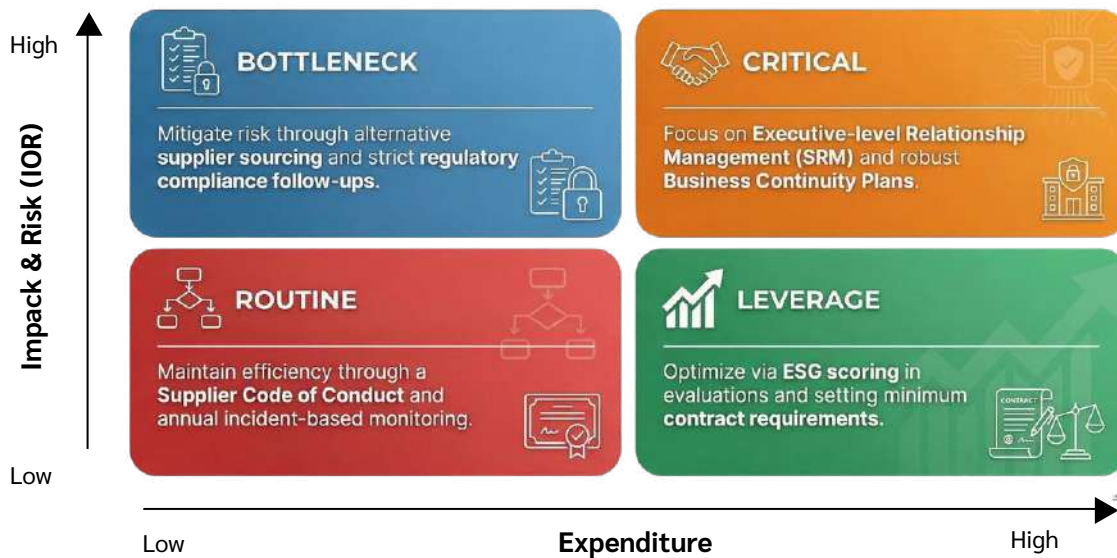
#### Product-Specific Risks

Commodity price volatility and Supply Shortage.

#### Technology Risks

Technology risks and Cybersecurity.

High-risk supplier groups are assessed by a Multidisciplinary Team, led by the Supply Chain department, along with safety assessments based on the risk type of each operation. In addition, the Company conducts on-site visits to supplier establishments at least every 3 years. If high-level risks are identified, suppliers are required to develop corrective and risk mitigation plans, along with compliance verification plans in accordance with the Company's guidelines and manuals, to ensure that risks are managed to a level that does not impact business operations, communities, or the environment.



● **Supplier Selection Criteria for ESG Self-Assessment and ESG On-Site Audit**

The Company selects suppliers to conduct ESG self-assessments, using the data obtained as a foundation for supplier development planning and supply chain elevation in the future. The key criteria comprise:

- 1. Environmental Sustainability:** Assess whether suppliers have appropriate environmental management practices, such as regulatory compliance, waste control, efficient resource utilization, and environmental impact reduction.
- 2. Social & Human Rights:** Examine fair and safe employee care practices and respect for human rights within supplier establishments, such as compliance with labour laws, implementation of workplace safety measures, and commitment to conducting comprehensive human rights assessments, with no use of child or forced labour.
- 3. Business Management:** Evaluate suppliers' internal management systems, such as risk management, quality control, production processes, or service delivery that meets established standards.
- 4. Governance:** Assess transparency, business integrity, compliance with applicable laws, and adherence to the Company's corporate governance policies.

**Sample Supplier ESG Self-Assessment Form**

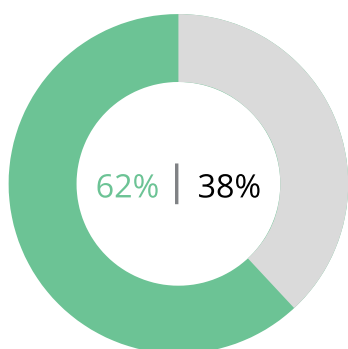
Scoring Criteria	
5	Fully compliant with standards/laws and certified under an environmental management system (ISO 14001).
4	Fully compliant with standards/laws but not yet certified.
3	Partially compliant with standards/laws.
2	Operations exist but not yet compliant with standards/laws.
1	Minimal operations and not compliant with standards/laws.
0	No operations in place.

Once suppliers have completed the ESG self-assessment, the Company will use the assessment results to select suppliers for ESG On-Site Audits accordingly.

ASSESSMENT CRITERIA	
≤ 90%	Pass
≤ 80%	Pass - required to define an action plan and conduct follow-up performance monitoring continuously.
≤ 60%	Pass - required to define an action plan, conduct follow-up performance monitoring, report performance results, and conduct re-assessment.
≤ 60%	Fail — required to implement corrective actions and conduct re-assessment.

### Supplier ESG Assessment Results

From the assessment of all 38 current suppliers in 2025, comprising 10 suppliers carried over from the 2024 list and 28 newly selected suppliers in 2025:



From the ESG risk assessment results of suppliers, it was found that 28 suppliers (accounting for 68%) still do not have ESG management systems in place, whether in the form of environmental management system certification (Environmental Management System) or formally established ESG policies. Such circumstances may expose the Company to multiple risks, including:

- Non-compliance with the requirements of key customers.
- Reputational and organizational credibility risks.
- Risk of non-compliance with laws or requirements of future target markets.

The Company has developed a medium-term strategy for 2026–2030 (5-year plan) by building a collaborative network within the supply chain, or ESG Networking, to drive ESG operations through supplier engagement, as well as setting joint targets to expand performance and foster ongoing participation throughout the supply chain. This also includes expanding the implementation of comprehensive Human Rights Due Diligence (HRDD) to create a Value Chain for products or services, and to build differentiation and value for the supply chain.

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1. Suppliers sign declaration of intent with SAT

100%



2. Target supplier group passes ESG risk assessment process

100%



3. Target supplier group of at least 10 suppliers trained on GHG accounting

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4. Comprehensive human rights assessments conducted with key suppliers

100%