Supply Chain Management

S P V I Public Company Limited

Supplier Code of Conduct

S P V I Public Company Limited ("the Company") places importance on conducting business with good corporate governance, transparency, and sustainability, while recognizing the critical role of the supply chain as a key factor contributing to business success and responsibility toward society and the environment. The Company has therefore established this Supplier Code of Conduct to communicate its expectations and guidelines for conducting business with suppliers in an ethical and fair manner.

The Company expects suppliers to conduct business in compliance with applicable laws, regulations, and standards, while maintaining the quality of products and services in order to uphold reliability and meet consumer expectations. Respect for human rights, compliance with labor laws, the avoidance of child labor, forced labor, and discrimination, as well as the provision of a safe and healthy working environment, are fundamental principles that the Company expects from all suppliers. These principles are intended to jointly elevate the standards of product and service delivery, drive long-term mutual success, and support the sustainable development of the supply chain.

Supplier Selection and Procurement Process

The Company places importance on comprehensive supply chain management by emphasizing the selection of suppliers that demonstrate quality, transparency, and responsibility across economic, social, and environmental dimensions. This is to ensure that business operations are conducted in accordance with good corporate governance and long-term sustainability principles.

The selection and evaluation process for both new and existing suppliers is designed to be transparent, systematic, and auditable, based on clear criteria aligned with the Company's practices. The Company also encourages suppliers to understand and comply with the standards and expectations established by the Company.

1. Selection and Screening of New Suppliers
    - Suppliers are required to complete a self-assessment covering product and service quality, as well as environmental, social, and governance (ESG) practices, for the purpose of evaluating their capabilities prior to business engagement.
    - The Company shall communicate the Supplier Code of Conduct to suppliers in order to create understanding of the expected standards and practices, and suppliers shall acknowledge and sign their acceptance of the Company's expectations.

- The Company shall regularly monitor and review suppliers' compliance with the Supplier Code of Conduct, particularly during the initial engagement period with new suppliers, to ensure that business operations are conducted ethically and sustainably.

2. Existing Suppliers
   - The Company shall regularly evaluate suppliers using criteria appropriate to each supplier category, including product and service quality, delivery performance, financial considerations, and suppliers' ESG self-assessments. The evaluation results shall be used to monitor, assess, and continuously improve supplier capabilities.
   - Suppliers must provide transparent, accurate, and truthful information in their self-assessments and must not conceal or misrepresent facts. The Company shall use such information in assessing ESG-related risks.
   - Suppliers are required to acknowledge and comply with the Company's requirements, including the Supplier Code of Conduct.

Supplier Classification

Supplier classification is an important process in supply chain management, enabling the Company to categorize suppliers according to their level of importance and role within business operations. This includes Critical Tier 1 suppliers, which provide key products or services that directly impact the Company's operations, and Critical Non-Tier 1 suppliers, which are suppliers further down the supply chain.

Such classification enables the Company to establish appropriate evaluation, monitoring, and risk management approaches based on the significance of each supplier group, including assessments relating to quality, delivery, cost, and ESG risks, which are key components of responsible procurement.

1. Critical Tier 1 Suppliers

   Critical Tier 1 suppliers refer to suppliers representing at least 80% of the Company's total procurement value and whose products or services have a significant impact on the Company's competitiveness, market advantage, or business continuity. These suppliers are generally limited in number or cannot be readily replaced within a short period of time.

2. Critical Non-Tier 1 Suppliers

   Critical Non-Tier 1 suppliers refer to suppliers providing raw materials, products, or services to Critical Tier 1 suppliers, where such products or services significantly impact the Company's competitiveness, market advantage, or business continuity, and where alternative suppliers are limited or unavailable within a short period of time.

Supplier Risk Identification and Assessment

The Company conducts supplier risk identification and assessment to ensure that procurement activities and supply chain operations do not adversely affect business continuity, product and service quality, or the Company's sustainability objectives.

The assessment covers suppliers that are significant to the Company's business operations and considers risks across environmental, social, governance (ESG), and economic dimensions. For ESG assessments, the Company collects information through supplier self-assessment questionnaires to classify risk levels and support the determination of appropriate supplier monitoring and development approaches.

The economic assessment considers the importance of suppliers to the Company's business operations and the potential impact on the quality and delivery of products and services. The Company combines the results from each assessment dimension to determine the overall supplier risk level and establish risk management measures appropriate to the assessed level of risk.

Supplier Assessment

The Company conducts supplier assessments through desk-based assessments, using supplier self-assessment questionnaires as the primary tool for collecting information relating to environmental, social, and governance factors, together with economic considerations. The information obtained is used to classify supplier risk levels and determine appropriate monitoring and supplier development approaches.

The Company may consider conducting additional in-depth assessments for suppliers identified as having elevated risk levels, taking into account the specific circumstances of each supplier, as appropriate, in the future.

Supplier Development Guidelines

The Company promotes supplier risk management by communicating its expectations regarding ethics, environmental responsibility, and social responsibility through the Supplier Code of Conduct. Suppliers are encouraged to conduct self-assessments to identify potential risk issues.

The Company uses the assessment results as part of its supplier evaluation process in order to support sustainable business operations.