

Policy and Guidelines for Sustainable Procurement



Sikarin Public Company Limited

Definition

- Procurement means procurement, outsourcing of goods, outsourcing of services, outsourcing of transportation, leasing and leasing.
- Business Partner means a supplier, contractor, service provider, lessor or hire-purchase provider who delivers goods or services.
- Vendor List means a business partner or business partner with whom the transaction is made and is listed in Sikarin's system.
- Approved Vendor List means a supplier or business partner on the list of suppliers/business partners who have gone through the process of selecting and evaluating their performance in a specified group of products and services

Policy and Guidelines for Sustainable Procurement

Sikarin Public Company Limited (Sikarin), as a medical service provider operating with ethics and responsibility towards patients, the community, and the environment, recognizes the importance of procurement practices that extend beyond quality and cost considerations. Sikarin is committed to taking into account the broader impacts on environmental, social, and governance (ESG) dimensions, particularly within the context of the healthcare industry, which must uphold patient safety, service standards, and efficient resource utilization. Sustainable procurement is regarded as a key driver in today's business operations, which must address increasing risks such as climate change, resource scarcity, human rights violations within the supply chain, and growing stakeholder expectations.

This Policy has been developed as a framework to guide procurement processes in alignment with the requirements of the Stock Exchange of Thailand (SET EST Rating, CGR), global sustainability disclosure frameworks, and relevant international standards, such as ISO 20400 (Sustainable Procurement), the United Nations Global Compact, and the Global Reporting Initiative (GRI). It also takes into account the specific context in which hospitals operate, emphasizing patient safety, transparency, and accountability to both the community and the environment.

Scope of the Policy

This Policy and Guidelines shall apply to all procurement processes for goods and services carried out by Sikarin Public Company Limited (the "Company"), including those directly related to the provision of medical services—such as pharmaceuticals, medical supplies, and medical equipment—as well as those indirectly related, such as outsourcing services, procurement of office equipment, consumables, and construction projects. It further encompasses the evaluation, selection, performance monitoring, and relationship management with all vendors, suppliers, and service providers across the supply chain.

Objectives

This Policy and Guidelines are intended to:

- Establish a procurement approach that integrates environmental, social, and governance (ESG) considerations into the decision-making process;
- Encourage the selection of responsible, transparent, and sustainability-minded suppliers;
- Mitigate risks associated with reliance on suppliers that may negatively impact Sikarin's reputation, procurement stability, and patient safety;
- Promote the efficient use of resources, reduction of carbon emissions, and support for a circular economy;

- Ensure compliance with applicable legal requirements and both national and international sustainability standards.

Roles and Responsibilities

Board of Directors

- Set the direction and strategic framework for the organization’s sustainability by integrating environmental, social, and governance (ESG) principles into Sikarin’s core business strategies;
- Recognize and give due consideration to material sustainability issues, such as human rights in healthcare services, medical waste management, and equitable access to healthcare;
- Approve and regularly review Sikarin’s sustainability policies, as well as ensure transparent disclosure through various communication channels;
- Oversee and monitor that operations comply with applicable domestic and international sustainability standards, along with the guidelines of the Stock Exchange of Thailand.

Sustainability Committee

- Develop sustainability policies, targets, and operational guidelines that align with the hospital’s short- and long-term strategies;
- Track progress, assess performance, and review key sustainability issues such as energy use, water management, patient safety, and health and environmental risk management;
- Promote the integration of sustainability principles across all processes, including wellness program development, sustainable procurement, and fair and safe service delivery;
- Support the capacity building of personnel in sustainability through in-depth training, knowledge-sharing platforms, and internal advocacy initiatives;
- Ensure effective and transparent communication with internal and external stakeholders;
- Listen to feedback from stakeholders—including patients, families, communities, and staff—and use it to continuously improve operations.

Relevant Departments and Employees

- Perform their duties in accordance with the organization’s sustainability policies and guidelines relevant to their responsibilities;

- Participate in training programs and awareness-building activities on sustainability topics, such as patient safety, resource conservation, and infectious waste management;
- Adapt work practices to support environmental goals, including energy conservation, reduction of single-use plastics, and proper waste management;
- Report issues, suggestions, or improvement ideas related to sustainability, such as energy-saving measures or enhancing the safety and accessibility of services;
- Deliver quality medical services based on ethical standards and responsibility toward patients, the community, and the environment.

Procurement and Selection Policy for Suppliers/Business Partners

The Board of Directors has established policies and guidelines for the procurement and selection of Sikarin's suppliers to ensure that Sikarin will conduct the selection of suppliers fairly to support suppliers who conduct business ethically, socially and environmentally responsibly, and will not transact with individuals or juristic people who commit wrongdoing, corruption or conduct that implies corruption as follows:

1. Sikarin will procure in accordance with Sikarin's procurement regulations and methods with appropriate internal controls. Taking into account the needs in terms of quality, price, quantity, time, service, delivery, after-sales service, warranty and other conditions, without transacting with any person or entity that commits illegal, fraudulent or fraudulent behavior.
2. Sikarin will conduct the selection of suppliers in an equitable and fair manner. Support business partners who conduct business ethically, socially and environmentally responsibly.
3. Do not demand, accept, or pay any commercial benefits to suppliers in good faith and strictly comply with contracts, agreements and conditions with suppliers. If the conditions cannot be complied with, the business partners will be notified in advance to jointly consider and find a solution to the problem with the principle of reasonableness.
4. Appropriately supervise or prevent conflicts of interest related to Sikarin's business operations and will not seek any unlawful benefits or contrary to government regulations.
5. Do not take any action related to intellectual property infringement, including encouraging executives and employees to use Sikarin's resources and assets effectively. Use copyrighted goods and services and do not encourage the use of goods or services that infringe intellectual property rights.
6. Strictly comply with the terms and conditions of trade agreements to result in standard trade with both domestic and foreign partners.
7. Pay the partner on time according to the agreed payment terms.

Code of Conduct for Sikarin's Partners

1. Compliance with Laws: Partners shall comply with applicable laws in addition to complying with the requirements of this Code of Business Ethics for Partners. If the provisions of the relevant laws conflict with the requirements of this Business Ethics Code for Business Partners, higher standards shall be adhered to.
2. Respect for Human Rights: Business partners shall respect the principles of human rights which are international norms, including the United Nations Declaration and the Convention on Human Rights, and shall not take any act that causes or contributes to the violation or violation of human rights. Partners must respect personal dignity, privacy and individual rights.
3. Labor Standard:
 - **Freedom of Association and Right to Bargain:** Suppliers must recognize and respect the right to association freely. Suppliers must accept and respect the right of employees to assemble and participate in bargaining. The business partner must not discriminate against employee representatives or trade union members and allow such persons to perform their duties as representatives in the establishment.
 - **Prohibition of Child Labor:** Business partners shall not employ or use child labor. If the Supplier employs a child under the age of 18 years old but not less than 15 years old, the Supplier shall comply with the prescribed labor laws and the Supplier shall not allow persons under the age of 18 to engage in dangerous work or work that may have a negative effect on the **physical, mental or moral well-being of the person under the age of 18 years old.**
 - **Prohibition of Forced Labor:** Suppliers shall not engage in forced labor or labor conscription and shall ensure that the working relationship between employees and suppliers is voluntary and free from intimidation.
 - **Non-Discrimination:** Suppliers shall promote equal opportunities or treatment in employment and occupation and shall not engage in any act that discriminates or discriminates against employees based on race, religion, national origin, sex, color, age, physical fitness, sexual orientation, political opinions, status, education or any other orientation by acting in an unacceptable manner or insulting the dignity of the employee. This includes psychological abuse, sexual harassment or discrimination, as well as the use of sexually suggestive, coercive, intimidating, abusive or exploitative gestures, language or physical contact.
 - **Conditions of Employment:** Partners shall set working hours up to a maximum of the number of working hours as prescribed in relevant laws and industry standards. The Supplier shall respect the needs of each employee for rehabilitation and ensure that all employees have the right to adequate paid leave on such days.

4. Occupational Safety and Health: Suppliers must provide employees with a safe and correct working environment in accordance with domestic laws and internationally recognized standards. Business partners shall make every effort to control hazards and take measures to prevent accidents and diseases at work. Where necessary, the supplier shall provide and require employees to use appropriate accident protective equipment. Suppliers should provide adequate and regular training to provide safety and health knowledge to employees.
5. Environment: Business partners must conduct business with consideration for environmental impacts. Initiate and support the creation of environmental awareness and promote the development of environmentally friendly technologies must comply with domestic laws and internationally recognized environmental standards, minimize environmental impacts, and continuously develop and improve environmental operations.
6. Anti-Corruption: Suppliers must comply with laws and regulations related to anti-corruption. The business partners must not accept any corruption and participate in any form of corruption, either directly or indirectly, and must not offer or promise to provide undue benefits. Assistance or incentives to government officials, international organizations, or any other person, directly or through intermediaries, to influence an action or decision or to gain an undue business advantage.
7. Fair Competition: Partners shall comply with domestic and international competition laws and shall not under any circumstances engage in illegal price fixing, market sharing and bid rigging, or any act that violates relevant competition laws.
8. Procurement: Suppliers must provide a sustainable procurement policy to be used in the selection of their suppliers. The business partners shall not engage in discriminatory acts and provide equal opportunities in the selection of business partners and in business operations between them. Sikarin shall make its best efforts to encourage and support its suppliers to comply with this Code of Business Ethics for Suppliers or to have business ethics equivalent to international standards

Criteria for Choosing Company's Suppliers

1. Being a manufacturer, entrepreneur, distributor, distributor, service provider, or contractor with an auditable establishment.
2. Have a reliable financial position and business history.
3. Agree to abide by the Code of Conduct.
4. Be a person who has a quality performance that is recognized and evaluated by Sikarin.
5. The person has no conflict of interest with Sikarin's business.

Application to become a Business Partner

1. Interested applicants can submit the application form according to the prescribed form with detailed information and supporting documents, including certificate of registration of juristic person or 5 individual, other certificates issued by the government office, power of attorney, bank account number, and copies of registration letters with the Revenue Department, such as a copy of the VAT registration certificate (Por Por 20), etc., by submitting it to Sikarin's procurement agency.
2. Sikarin's business partners must sign an agreement to comply with the SKR Supplier Code of Conduct.

Qualification of Company's Suppliers

1. Partners/business partners who can do business with Sikarin must be business partners/business partners who are already listed in Sikarin's system. Except in some cases where bidding or tenders are used. Partners/business partners may be invited to bid before they are listed in the system, and once selected, they may apply to be a partner/business partner.
2. A purchase order or contract under the agreement between the Supplier/Business Partner and Sikarin that is prepared in writing shall be considered as a binding on the transaction between Sikarin and the Supplier/Business Partner.
3. In bidding or entering into a contract. Sikarin may require the Partner/Business Partner to provide a security guarantee for the performance of the Agreement, which Sikarin will notify in writing and will return the security upon the end of the obligation related to the transaction.
4. When the Partner/Business Partner complies with the Agreement. The Supplier/Business Partner shall submit the tax invoice, receipt and/or other supporting documents necessary to obtain payment at the place and time specified by Sikarin for the convenience and speed of all work, and Sikarin will pay by transferring the cost of goods/services after withholding tax as prescribed by the government and other contractual obligations such as performance guarantee to the bank account that the Supplier/Business Partner has notified or unless the Supplier/Business Partner requests to receive it as a cheque. Sikarin reserves the right to pay by cheque crossed into the account only.
5. Suppliers/business partners can request to amend the information of suppliers/business partners in Sikarin's system by contacting Sikarin's procurement agency and submitting supporting documents for correction certified by the authorized person of the supplier/business partner.

6. Suppliers/business partners can report complaints of unfair treatment to suppliers/business partners in accordance with corporate governance principles through the channels designated by Sikarin at the complaint and whistleblowing system www.sikarin.

Sikarin will regularly monitor and evaluate the compliance with the business ethics for its partners. Sikarin may arrange for Sikarin's officers or independent experts outside the organization to conduct inspections of the business partners' establishments with or without prior notice.

This Policy and Guidelines for Procurement and Selection of Suppliers is the 2nd Revised Version, effective from 16 January 2025 onwards by the resolution of the Board of Directors at the meeting No. 1/2025 on 15 January 2025.



Mr. Seni Chittakasaem

Chairman