



## **Sustainable Sourcing Policy**

## 1. Principle

CP Aextra Public Company Limited (the “Company”) have aspirations for sustainable business and enhancing peoples’ life in accordance with its own sustainable strategic 6 goals as well as contribution for the United Nation Sustainable Development Goals or SDGs that prospects collaboration from all parties creating world of sustainability.

In order to achieve sustainable ambitions, “business partner or supplier” is one of critical stakeholder, working together creating sustainability entire value chain, conducting business with social and environmental responsibility, and deliver high quality, safety, and reasonable price products and services. The company has published this sustainable sourcing policy, ensuring that business manner and practice between the company and business partner in compliance with laws and regulations and increasing products and services values for the nation and all stakeholders.

## 2. Scope

This policy applies to the Company and its subsidiaries, own operation and supply chain including tier 1 suppliers and non-tier 1 suppliers.

## 3. Policy & Guideline

In order to ensure our business partner complies with this policy, the company has set management approaches for all sourcing activities as follows.

### 3.1. Development and integration of sustainable requirements a part of supplier screening and selection

- 3.1.1 The company shall conduct the procurement process with transparency, fair verifiable as well as compliance with relevant laws and regulations by adhering equally treatment with all suppliers.
- 3.1.2 The company has set that all suppliers have to carry out sustainability assessments, covering by 3 foundation dimensions which are Governance, Social, and Environmental dimensions as well as understand the company expectation referring to supplier code of conduct and other relevant policies. The company strives to develop sustainability assessment to align with international standards, local laws and suitable with all level suppliers.

3.1.3 Products and services that certified sustainability and safety will be promoted and prioritized for products and services selection along with market potential. Initial operating practices have set as follows:

- 1) Supplier who provides relevant agricultural products or services, shall follow Good Agricultural Practice (GAP) standards or higher.
- 2) Supplier who provides relevant agricultural products or services, shall declare type of pesticide and chemical used, purpose of use, and remaining residues shall be complied with relevant laws and regulations. The information shall be disclosed to public domain.
- 3) Supplier who provides relevant food products or services, shall follow Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) or higher standards.
- 4) Supplier who provides relevant animal products or services, shall prioritize and consider to procure from responsible and traceable sources that are not environmentally destructive and not compliant with the laws both forest and marine.
- 5) The company has directions to promote and prioritize animal products that comply animal welfare principles, which emphasize on 5 freedom principles including freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury, and disease; freedom to behave normally; and freedom from fear and distress.
- 6) The company has directions to promote fair product labelling which is beyond regulations. Customer can obtain sufficient information for considering the products. The information shall disclose relevant health and nutrition facts and traceability data.
- 7) The company has directions to promote and prioritize suppliers who set own sustainability policy and/or guidance that cover 3 dimensions which are Governance, Social, and Environmental dimensions and adhering with laws compliance. Example of sustainability topics that should be considered include: energy management; climate change; food loss and food waste; environmental friendly packaging; fair employment and living wage; human rights; environmental and social impacts assessment for business activities as well as contribution for achieving Sustainable Development Goals-SDGs.

However, if there are other specific sustainable sourcing guidelines which will be announced later, supplier and business partner shall be communicated for understanding and implementation.

### **3.2 Co-development promoting capability of supplier on sustainability foundation for competitiveness enhancement and creating long term strategic partnership**

- 3.2.1 The company has directions to promoting capability of supplier through sustainability assessment with suitable cycle. The assessing result will be used for designing supplier capability development program.
- 3.2.2 The company shall regularly monitor Business Partners' sustainability performance and support supplier for enhancing performance and gap closure.
- 3.2.3 The company shall set grievance mechanisms and communication channel for obtaining feedback for further improvement and effectiveness of relevant policy continuously. Information will be protected and treated as anonymous. The channels can be assessed by Call Center 02-067-8999 or the company website <https://www.cpaxtra.com/en/about-us/contact-us>.
- 3.2.4 The company has directions to promoting supplier to disseminate the policy guidance to other tier suppliers for creating better positive impacts and substantially sustainability performance with appropriate programs such as human rights and discrimination, Programs to reduce GHG emission, environmental pollution and water consumption, protect soil health, prevent destruction of ecosystems etc.

## **4. Sustainability performance disclosure**

With understanding and agreed between the company and the suppliers in the requirement for communicating the information to customers and relevant agencies and business transparency, the company is willing to disclose progress and results such as improvement of product labelling and disclose the traceability information on the public domain for obtaining the sufficient information for considering the products.

## **5. Disclaimer**

The company reserves the rights to cancel, withdraw and return the products if it is found that the suppliers or providers submitting false information or document about the sustainable sourcing policy and guidelines. This includes the suppliers or providers that are not able to improve their processes efficiently in order to comply with the laws and the company's policies and guidelines which the company has clarified the requirements and support the suppliers to improve the performance within the agreed timeframe.