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Sustainable Procurement Policy

Purpose

Tong Thai Rubber Group is committed to adopting sustainable procurement practices to minimize environmental and social impacts across the supply chain. These practices align with our broader sustainability goals and support the responsible sourcing of raw materials. By embedding sustainability into procurement practices, we aim to create a resilient, ethical, environmentally, and socially responsible supply chain for rubber manufacturing.

Scope of Application

This policy applies to all entities under Tong Thai Rubber Group, including:

- Tong Thai Rubber Co., Ltd.
- Tongthai Technical Rubber Co., Ltd.
- Sin Tong Thai Rubber Co., Ltd.
- Grand Rubber Co., Ltd.
- TTN Rubber Co., Ltd.

Includes all procurement functions and relevant internal stakeholders involved in sourcing and purchasing activities. Extends to all suppliers, contractors, and business partners within Tong Thai Rubber Group's supply chain, covering all raw materials, goods, and services procured in support of business operations. Natural rubber is the Group's **key raw material** and is addressed in detail throughout this policy; Tong Thai Rubber Group also seeks to apply the general principles of responsible and sustainable sourcing to other significant categories of goods and services it procures, where relevant and practicable.

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Establishes responsible sourcing practices that prioritize environmental stewardship, employee well-being, and ethical behavior across the supply chain.

1. Core Requirements for All Suppliers

All suppliers are expected to meet the following requirements, as relevant to their activities:

- Comply with applicable laws, permits, and contractual requirements, including applicable land tenure, tax, anti-corruption, and trade/customs laws.
- Respect internationally recognized human and labor rights; prohibit forced labor, child labor, trafficking, modern slavery (a situation in which a person is exploited by others, controlled, or forced to work), harassment, and discrimination.
- Provide safe and healthy working conditions, lawful wages and working hours, and respect lawful freedom of association and collective bargaining.
- Prevent pollution; manage waste, chemicals, wastewater, emissions, energy, water, and natural resources responsibly; and seek continuous environmental improvement.
- Conduct business ethically, including prevention of bribery, corruption, fraud, conflicts of interest, and anti-competitive practices.
- Protect confidential information, personal data, and intellectual property, and maintain accurate business records.



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- Provide accurate information and cooperate with proportionate supplier assessments, monitoring, corrective actions, and audits.
- As all of the Group's suppliers and operations are based in Thailand, comply in particular with the **Labor Protection Act B.E. 2541 (1998)** and its amendments, the **Land Code Act B.E. 2497 (1954)**, the **Organic Act on Counter Corruption B.E. 2561 (2018)**, and the **Personal Data Protection Act B.E. 2562 (2019)**.

2. Additional Requirements for Natural-Rubber and Relevant Land-Use Suppliers

Natural-rubber suppliers, and other suppliers whose activities create material land-use, agriculture, forestry, biodiversity, or community-rights risks, are subject to the following additional requirements, reflecting Tong Thai Rubber Group's **No Deforestation, No Peat, No Exploitation (NDPE)** approach in alignment with the **GPSNR Policy Framework** and the **EU Deforestation Regulation (EUDR)**.

2.1 GPSNR-Aligned NDPE Commitment

- No deforestation or conversion of natural forests after **1 April 2019** for applicable natural-rubber sourcing.
- No new development or conversion of peatlands inconsistent with the Group's NDPE commitment.
- Protect biodiversity and **High Conservation Value (HCV) / High Carbon Stock (HCS)** areas where relevant.
- No exploitation, including forced labor, child labor, modern slavery, unsafe or abusive working conditions, or violations of legitimate land and community rights.
- Comply with Thailand's **Forest Act B.E. 2484 (1941)**, **National Reserved Forest Act B.E. 2507 (1964)**, and **Community Forest Act B.E. 2562 (2019)** governing forest and reserved land use.

2.2 Land Rights and Free, Prior, and Informed Consent (FPIC)

Tong Thai Rubber Group respects the legitimate land tenure and resource rights of Indigenous Peoples and local communities, in line with the **UN Declaration on the Rights of Indigenous Peoples (UNDRIP)**. Where new development, land acquisition, or expansion may affect such rights, appropriate **Free, Prior and Informed Consent (FPIC)** processes shall be applied, and relevant suppliers shall cooperate with land-tenure screening, stakeholder engagement, grievance handling, and remediation where needed.

In September 2025, Thailand enacted the **Act on Protection and Promotion of the Way of Life of Ethnic Groups B.E. 2568 (2025)**, which recognizes rights to land and natural resources within designated protected areas for ethnic groups and establishes a participatory council for their representation.

Independent human rights bodies have noted that the Act only **partially reflects FPIC principles** and does not yet extend full legal recognition to Indigenous Peoples as a distinct category. The FPIC commitment set out below is a voluntary standard aligned with the GPSNR Policy Framework and international frameworks, including UNDRIP, and Tong Thai Rubber Group applies it in full regardless of the scope of current Thai legal requirements.

To uphold this commitment, Tong Thai Rubber Group will:



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- Conduct participatory stakeholder and land-tenure mapping before any new sourcing area or plantation is brought into the supply chain.
- Ensure affected communities receive clear, accurate, and culturally appropriate information, with adequate time to decide, free from coercion or pressure.
- Respect the right of communities to give, withhold, or withdraw consent, and suspend or halt any activity where consent is not obtained or is withdrawn.
- Require suppliers and smallholder partners whose own operations involve new land development to apply the same FPIC standard.
- Provide a grievance channel for land, resettlement, and community-rights concerns, and commit to investigate and remedy legitimate grievances in good faith

2.3 Traceability and Smallholder Inclusion

Tong Thai Rubber Group is committed to **traceability of natural rubber to the plantation level**, in alignment with the GPSNR Policy Framework and applicable regulation. For **EUDR-compliant supply chains**, the Group has achieved **100% traceability to plantation polygon level**, with geolocation data maintained for relevant production plots. For **non-EUDR supply chains**, traceability is currently maintained at **province, district, and subdistrict levels**, with ongoing efforts to progressively strengthen traceability toward plantation level.

Suppliers are required to:

- Provide geo-location data, including plantation polygon boundaries where available, or at a minimum, province, district, and subdistrict information.
- Maintain accurate, complete, and verifiable sourcing information.
- Cooperate with traceability verification processes, including satellite-based monitoring and audits.

As the Group sources exclusively from within Thailand, it also draws on registration and geolocation data from the **Rubber Authority of Thailand (RAOT)** — with which the large majority of Thai rubber producers are registered — to support plantation-level mapping and legality verification.

Tong Thai Rubber Group will continue to strengthen digital and geospatial traceability systems to map, monitor, and verify supply chains, ensuring continuous improvement toward full plantation-level traceability across all sourcing areas.

Tong Thai Rubber Group also recognizes the importance of smallholders and is committed to:

- Supporting adoption of sustainable practices.
- Providing training and technical assistance.
- Ensuring smallholders are not excluded due to capacity constraints where reasonable training, technical assistance, or remediation can address identified gaps.

Tong Thai Rubber Group works collaboratively with smallholders to enable them to meet sustainability and regulatory requirements.



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3. Additional Requirements for EUDR-Relevant Supply Chains

For transactions or supply chains within the scope of the **EU Deforestation Regulation (EUDR)**, relevant suppliers shall provide the information and cooperation necessary for the Group and its customers to meet applicable due-diligence obligations, including:

- Geolocation information for relevant production plots and accurate supply-chain traceability data.
- Evidence supporting deforestation-free status and compliance with applicable legislation in the country of production.
- Information required for risk assessment, risk mitigation, verification, and due-diligence documentation.
- Retention and availability of relevant due diligence records for a minimum of **7 years**, or such longer period as required by law or contract.

For EUDR legal compliance, the statutory deforestation cut-off date of 31 December 2020 applies. Tong Thai Rubber Group applies its more stringent GPSNR-aligned internal cut-off date of 1 April 2019 for applicable natural-rubber commitments, which satisfies the EUDR's statutory cut-off date for EU-bound shipments. For supply chains feeding EU-bound shipments, the Group maintains a documented due diligence system covering information collection, risk assessment, and risk mitigation, and prepares a Due Diligence Statement (DDS) for each relevant shipment confirming deforestation-free status, legal compliance, and accurate geolocation data.

Legality checks for these supply chains cover: land use rights, environmental protection, forest-related rules, labor rights, human rights (including FPIC), and applicable tax, anti-corruption, trade, and customs regulations. Suppliers outside EUDR scope are not required to meet these EU-specific geolocation or documentation requirements unless required by law, contract, or customer requirement, but remain fully subject to the Group's GPSNR-aligned NDPE, human rights, and FPIC commitments described elsewhere in this policy.

4. Supplier Risk Assessment, Selection and Monitoring

Tong Thai Rubber Group applies a risk-based supplier management approach. The level of due diligence and monitoring depends on factors such as procurement category, geography, ESG risk, spend, strategic importance, regulatory exposure, customer requirements, and previous performance.

Supplier management measures may include:

- Risk-based prioritization of sourcing areas and suppliers for deeper due diligence, based on commodity, geographic, spend-related, and other ESG risk factors.
- Supplier Code of Conduct or equivalent contractual sustainability commitments, establishing expectations for ethical business practices, environmental stewardship, fair labor, and human rights.
- Initial sustainability risk screening and, for targeted or higher-risk suppliers, CSR self-assessment questionnaires and supporting evidence completed during onboarding.



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- Sustainability criteria incorporated into supplier selection, contracting, renewal, and performance review decisions.
- Verification of **Rubber Authority of Thailand (RAOT)** registration status, where applicable, as part of legality and traceability screening for domestic natural-rubber suppliers.
- Remote or on-site audits, conducted where justified by risk, significance, or identified concerns, to verify compliance and identify areas for improvement.
- Training, guidance, and capacity-building initiatives to support supplier improvement.

5. Targets

- To ensure at least **80% of our total procurement** is from sustainable farmers or suppliers by 2030.
- To train at least **100% of employees in Procurement departments** on sustainable procurement, with a focus on engaging suppliers to meet their environmental and social responsibility commitments, by 2030.
- To ensure **100% of targeted suppliers** sign Supplier Code of Conduct by 2030.
- To ensure **100% of new onboarding suppliers** complete **CSR self-assessment questionnaire** covering their environmental and social performance by 2030.
- To conduct **on-site audits to at least 80%** of targeted suppliers to assess their environmental and social compliance by 2030.
- To conduct **Free, Prior, and Informed Consent (FPIC)** and land-tenure risk screening for **100%** of new sourcing areas prior to onboarding, by 2030.

Responsibilities

Management

- Overseeing the effective implementation of this policy.
- Periodically reviewing and updating the policy to maintain relevance.
- Providing adequate resources to support the procurement team in understanding and applying sustainable procurement practices.

Sustainability and Procurement team

- Communicating this policy to suppliers and working collaboratively with them to ensure their practices align with our sustainability standards.
- Conducting supplier assessments, audits, and performance reviews with a focus on environmental and social compliance.

Suppliers



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- Adhering to the sustainability standards outlined in this policy, ensuring compliance with environmental and social requirements, and providing transparent information about their practices.
- Completing self-assessments, cooperating with audits, and addressing improvement areas within agreed timelines.
- Understanding that failure to meet these standards may result in a **corrective action plan**, and that persistent non-compliance could lead to contract termination and exclusion from the supply chain.

Communication of Policy

- Introduced to employees during onboarding for new staff and shared via hardcopy or email.
- Updates or amendments communicated through announcement or email to all full-time, part-time, and contractual employees, as well as suppliers.
- An annual refresher course conducted for all employees to reinforce the organization's commitment to ethics and the principles outlined in this policy.

Communicated to all suppliers, contractors, and business partners within the Group's supply chain through the Supplier Code of Conduct, legal agreements, or email communications.

Review of Policy

Reviewed at least every two years, or more frequently if required, to ensure its ongoing relevance and effectiveness. Tong Thai Rubber Group welcomes feedback and encourages dialogue with any interested party, and remains committed to staying at the forefront of sustainable procurement practices. Progress against the targets set out in this policy will be periodically communicated to relevant stakeholders and customers, including through sustainability reporting or recognized third-party assessment platforms where appropriate.



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Sanctions

Tong Thai Rubber Group takes this policy very seriously. All employees and suppliers are expected to abide by the principles laid out in this policy; failure to comply may result in disciplinary action, up to and including termination of employment or business contract.

- All stakeholders — including employees, suppliers, smallholders, local communities, and other interested parties — are encouraged to report any potential or actual infringements of this policy, including concerns related to land rights, community rights, or Free, Prior, and Informed Consent (FPIC), at the soonest.
- Reports may be made to **grievance@tongthai.co.th**.
- All reports are treated with the utmost confidentiality; while it is helpful for follow-up if you identify yourself, you have the option to make an anonymous report via the helpline **+66 9 1889 2288**, within the limit of the law.
- Concerns should be raised in good faith, meaning you are making a genuine effort to provide accurate and honest information.
- Tong Thai Rubber Group has a strict **no-retaliation policy** for individuals who report concerns or participate in investigations; any employee or supplier found engaging in retaliation will face disciplinary action.

Signature

General Manager of
Tong Thai Rubber Group
Ms. Shi Ching Chien
Date: 01/07/2026