

ESG SUPPLIER HANDBOOK



OBJECTIVES

A handbook on ESG implementation will typically include diverse content to guide and promote responsible practices in environmental, social, and corporate governance aspects. Here is a brief translation of the content mentioned:

1. ESG Concepts and Fundamentals:
 - Importance of ESG and relevant actions
 - Details on environmental, social, and corporate governance aspects
2. ESG Analysis and Management:
 - ESG risk and opportunity analysis
 - Planning and managing ESG initiatives
 - ESG reporting and communication
3. Metrics and Standards:
 - Key ESG indicators
 - Relevant ESG standards
 - ESG auditing and certification

Overall, an ESG handbook provides comprehensive guidance on the importance, analysis, management, and integration of ESG practices across an organization and its value chain.



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OVERVIEW OF TRUE'S SUSTAINABILITY STRATEGY

We also strive to work towards the True Sustainability Goals 2030 under the 3Hs strategy, which consists of Governance and Economy (Living Right), Society (Living Well), and Environment (Living Together) and follow up on the progress and reporting regularly to ensure transparency. Our performance highlights in 2024

- **Living Right:** The company received an “Excellent” (5-Star) corporate governance rating from the Thai Institute of Directors (IOD). Employees were regularly trained in intermediate and advanced digital skills. In addition, the company conducted ongoing human rights due diligence across all operations. There were no reported work-related fatalities or serious injuries among employees and contractors. The company also enhanced its personal data protection system to prevent data breaches and successfully supported 26.22 million people across Thailand in gaining access to education and digital resources

- **Living Well:** A total of 381,000 people received skills training to enhance income generation opportunities. The 5G network now provides nationwide population coverage. A total of 112 innovations or interventions were granted and filed. There are 1,573 individuals recognized as True innovators. Additionally, the company achieved an excellent iCSAT customer service satisfaction score.

- **Living Together:** We achieved an 18.5% reduction in greenhouse gas emissions intensity compared to the base year 2020. Currently, 10,406 sites, including base stations and Mobile Switching Centers (MSC), have solar cell installations. Water withdrawal intensity was also reduced compared to the base year 2020. From the customer participation campaign, we collected 2.03 million pieces of e-waste, with 42.8% properly recycled according to standards. Additionally, significant suppliers conducted human rights due diligence and successfully passed audits arranged by True.

SUPPLY CHAIN MANAGEMENT STRATEGY

True Group recognizes the importance of ESG in procurement decisions and has integrated ESG criteria into its supplier selection process. Key suppliers undergo commercial and specification checks, followed by an online self-assessment evaluating their ESG performance in areas such as compliance, financial and social risks, ethics, labor, and safety. A minimum score of 70% is required to pass the procurement process. Supplier onsite audits are conducted to assess risks and ensure compliance with the Supplier Code of Conduct. If significant ESG risks are identified, corrective actions are determined, and training is provided to address specific concerns. Compliance with labor and environmental laws, as well as standards like ISO 14001 and SA8000, is prioritized.





WHAT IS ESG AND WHY DOES IT MATTER?

WHAT ARE THE KEY ESG ISSUES FOR THE INDUSTRIAL AND ELECTRONICS INDUSTRY?

ESG, which stands for Environmental, Social, and Governance, encompasses principles and practices that promote responsible and sustainable business operations. It emphasizes considering environmental impact, social responsibility, and good corporate governance. This simple acronym supports strong and successful businesses that create long-term value for all stakeholders and contribute to the well-being of people, the planet, and profits. Within the ESG framework, companies must address various issues in their corporate strategies, measure their impact, and report on non-financial performance. Collaboration across the supply chain is essential as it drives positive change for smart businesses today. The telecommunication industry faces a wide range of crucial ESG issues, and each company should conduct a materiality assessment to identify their most significant ESG matters, including risks and opportunities.

To identify ESG issues that are relevant to your business, you can use established external frameworks and standards such as the Global Reporting Initiative (GRI). These frameworks offer valuable guidance to help you pinpoint the most material ESG issues for your business and determine how to address them effectively. By referring to these frameworks, you can align your ESG efforts with industry best practices, ensuring that you prioritize the most significant issues for your stakeholders and the long-term sustainability of your business.

WHAT IS ESG?

Environmental

- Environmental Management
- Sustainability Supplier Development
- Energy conservation

Mandatory : Supplier Code of Conduct, International, National Law and Regulation

Best Practice : ISO14001, ISO50001

Social & Safety

- Occupational Health and Safety
- Dormitories
- Risk Management
- People
- Child labor
- Force Labor
- Discrimination
- Compensation
- Working Hour
- Freedom of Association and collective

Mandatory : Supplier Code of Conduct, International, National Law and Regulation

Best Practice : ISO45001, SA8000, TLS8000

Governance

- Disciplinary Management
- Ethical Business Practice
- External stakeholder
- Anti Corruption
- Anti Bribery
- Risk Management

Mandatory : Supplier Code of Conduct, International, National Law and Regulation

Best Practice : ISO22301, ISO37001

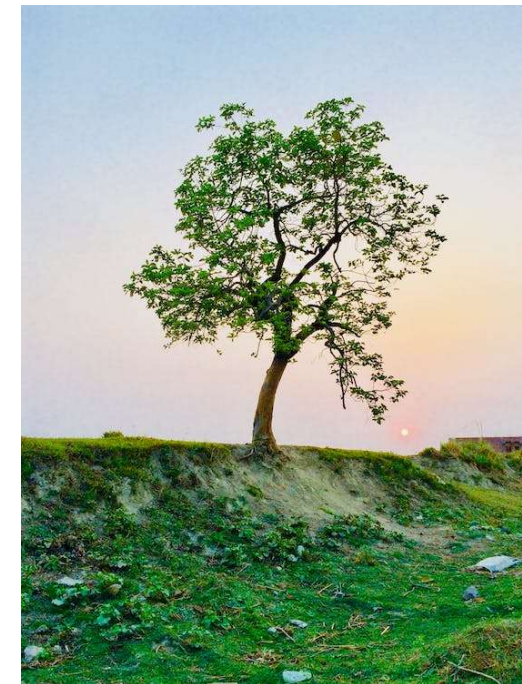
ENVIRONMENTAL (E): To avoid the worst impacts of climate change, businesses need to develop robust net zero strategies throughout the value chain to accelerate sustainable systems and keep global warming below 1.5°C above pre-industrial levels, in line with the Paris Agreement.

Key topics include:

- Climate change and greenhouse gas (GHG) emissions
- Sustainable and circular products
- Circular economy, waste and recycling
- Energy efficiency
- Environmental management systems (EMS)
- Water management
- Biodiversity

Spotlight on:

- **Energy consumption & GHG emissions:** Striving for net zero operations through efficient energy management, renewable energy adoption, and low-carbon heat solutions.
- **Sustainable products & service solutions:** Ensuring the use of sustainable and recyclable materials in products and assisting consumers in reducing their environmental impacts, such as energy, emissions, and water usage.
- **Sustainable packaging:** Reducing packaging, using recyclable, reusable, or compostable materials, and incorporating recycled content. Working towards eliminating single-use plastics and other unsustainable materials.



SOCIAL (S) : Businesses play a crucial role in promoting human rights, diversity, and equality. They must support their employees to excel and develop skills for the future. Companies that prioritize these values will attract and retain top talent, leading to long-term success.

Key topics include:

- Diversity and inclusion
- Employee development and learning opportunities
- Employee engagement and purpose-led culture
- Fair pay and rewards
- Health, safety and well-being
- Labor standards and human rights
- Communities

Spotlight on:

- **Health, safety and wellbeing:** Ensuring the health, safety, and wellbeing of your employees, customers, and the public by prioritizing safety in all activities.
- **Labour and human rights:** Upholding human rights and eliminating corruption, child labour, slavery, and human trafficking within the industry.
- **Diversity and inclusion:** Promoting equal opportunity, equitable employment, and fairness for all regardless of gender.



GOVERNANCE (G) : Good corporate governance requires businesses to implement strong policies, processes, and standards that promote better ways of working. This includes clear leadership, an ethical framework, and transparent practices that are consistently implemented throughout the organization and supply chain

Key topics include:

- Anti-bribery & corruption
- Business ethics
- Cyber security
- Policies, processes and risk management
- Product governance (including traceability, use of conflict minerals & counterfeit products)
- Remuneration
- Responsible supply chain

Spotlight on:

- **Business ethics:**

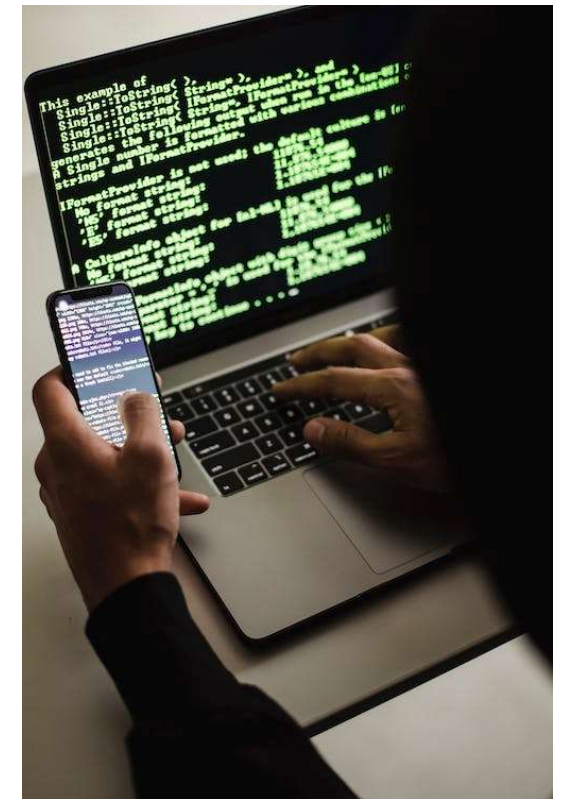
Upholding high standards of legal and ethical conduct through good governance, effective policies, processes, and strong values.

- **Responsible supply chain:**

Collaborating with partners and vendors to develop mutually beneficial relationships and applying ethical standards throughout the value chain.

- **Information security and data privacy:**

Protecting and preserving information by embedding effective data privacy and information security practices and complying with relevant legislation and standards.



KEY DRIVERS OF ESG :

THE SIGNIFICANT INCREASE IN CORPORATE ENGAGEMENT WITH ESG IN RECENT YEARS HAS BEEN INFLUENCED BY VARIOUS CONVERGING FACTORS, INCLUDING:

STAKEHOLDER EXPECTATIONS

Stakeholders worldwide are increasingly recognizing the importance of businesses taking action on ESG. This is driven by various factors, including:

- Companies setting net-zero emissions commitments.
- Customers shifting towards more sustainable choices.
- Employees seeking purpose-driven businesses.
- CEOs considering sustainability as crucial to success.
- Supply chain incorporating sustainability criteria.

These factors highlight the growing demand and relevance of ESG in today's business landscape



TRUE'S ESG APPROACH

VISION

The company is dedicated to being the leader in telecommunications technology in Thailand, transforming the way of life of Thai people and driving businesses to the forefront of the global digital economy

MISSION

The company strives to develop a robust technology ecosystem, enriched by talented young digital experts, with the potential to introduce innovative services that enhance the quality of life of our customers and contribute to the sustainable growth of society.

WHAT WE DO

We will develop technology and innovation to deliver value to society, respond to consumer needs, and create opportunities for sustainable business growth, further strengthening both the organization and Thailand's economy. The Company will organize various activities and channels for stakeholders to participate in the development of business practices so that tangible value is created for all stakeholders

SUSTAINABILITY FRAMEWORK AND SUSTAINABILITY GOALS 2030



Committed to being a leader in Thailand's telecommunications technology, enhancing the quality of life for Thai people sustainably, and driving the business to the forefront of the global digital economy

Sufficiency Economy Philosophy

Quality Management Systems

The 10 Principles of UNGC, 17 UN Sustainability Goals, UNGP

Rules, Regulations, and Standards

7 Business Strategies

Be the Undisputed Network & Digital Infrastructure Leader

Champion Growth Beyond the Core

Set the Bar for Customer Experience

Enhance smart Life for Customers

Raise Standards for Enterprise Customers

Create Sustainable Value through ESG

Build the Best Place to Work

LIVING RIGHT

1. CORPORATE GOVERNANCE

5 ★★★★★

Excellent rating received from the CGR assessment by the IOD



2. HUMAN RIGHTS AND LABOR PRACTICES

100%

conduct human rights due diligence in own business and significant high-risk tier-1 suppliers



3. INEQUALITY REDUCTION AND EDUCATION

36 million

people and users supported through education, lifelong learning, and upskilling



4. LEADERSHIP & HUMAN CAPITAL DEVELOPMENT

100%

employees participating in digital reskilling and upskilling



5. CYBERSECURITY AND DATA PRIVACY

100%

of significant businesses certified on global standard of data security and privacy



LIVING RIGHT

6. HEALTH & WELL-BEING

25%

of revenue from new products and services empowering health, well-being, and digital society



7. SOCIAL IMPACT & ECONOMIC CONTRIBUTION

0.5 million

individuals from vulnerable groups receiving digital upskilling for job and income opportunities.



8. INNOVATION & TECHNOLOGY

200 Patents and petty patents

of innovations or interventions granted and filed



9. STAKEHOLDER ENGAGEMENT

88%

engagement score of multi-stakeholder perception survey



10. NETWORK AVAILABILITY

95%

5G network coverage of population throughout the nation



LIVING TOGETHER

11. CLIMATE RESILIENCE

Carbon Neutral by 2030

Net Zero by 2050

carbon emissions of organization's operations (Scope 1 & 2)



12. CIRCULAR ECONOMY

ZERO E-Waste to Landfill

zero-landfill of e-waste from business operations and from consumers voluntarily joining campaigns



13. WATER STEWARDSHIP

42%

Reduction in water withdrawal compared to base year 2020



14. RESPONSIBLE SUPPLY CHAIN

100%

of significant tier-1 suppliers and shop operation partners are audited.



TRUE SD GOALS ACTIONS BY 2030

GOALS	WHAT WE'VE ACHIEVED TO DATE	SUPPLIER EXPECTATION	TRUE SUPPORT PROVIDED
HUMAN RIGHTS	Human rights due diligence of high-risk tier 1 suppliers	Human rights due diligence in own operations	Supporting personnel with expertise in human rights and providing consultancy in human rights
STAKEHOLDER ENGAGEMENT	Engage True sustainability activities	Participate in all sustainability activities with True Corporation.	True provides sustainability training on various topics, including ESG programs, climate change, human rights, and employee health and safety every year.
CLIMATE RESILIENCE	Zero E-Waste generated from internal operation to landfill	Zero E-Waste generated from internal operation to landfill	True organizes training sessions to raise awareness about environmental sustainability topics such as using raw materials responsibly and reducing oil consumption
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	Percentage of critical suppliers on-site audit .	All partners received "Good" ESG Onsite Audit rating	True has developed an ESG Handbook and conducts regular training for partners every year. We also engage expert third-party.

An aerial photograph of a winding asphalt road that curves through a dense, lush green forest. The road is light-colored and contrasts with the dark green foliage. The perspective is from directly above, looking down at the road as it snakes through the trees.

OUR SUPPLIER ESG ACTION PLAN

True has embedded ESG issues in supply chain management process includes supplier screening (supplier identification), supplier risk assessment and supplier evaluation with company support to help guide our supplier toward sustainable development

SUPPLIER SCREENING

Significant Supplier Identification, also called Significant Supplier Ranking, is a process that evaluates and ranks suppliers based on their impact importance and associated risk. This is achieved using a matrix that considers the supplier's significance and level of risk.

CRITICAL / METHODOLOGY	HIGH	MEDIUM	LOW
HIGH	HIGH	HIGH	MEDIUM
MEDIUM	HIGH	MEDIUM	LOW
LOW	MEDIUM	MEDIUM	LOW

RISK ASSESSMENT

The Company conducted risk assessments on suppliers, covering 98 product and service categories. It is required for all True's suppliers to do self-assessment via pre-questionnaire involving business concerns and ESG aspects as per relevant international standards. Any suppliers with suspected ESG risks shall be further investigated by desk assessment, on-site procurement audit, on-site second party audit, or on-site third party audit depending on risk level and type of supplier. In addition, to minimize related risks identified, suppliers that have high risks identified must be re-assessed within 1 year by True. To allow continuous improvement of supplier performance, suppliers shall be able to access to supplier grading among peers in term of ESG score via annual supplier assessment summary report shared to supplier once a year.

PERFORMANCE EVALUATION

The supplier evaluation on the EP system (Self-assessment report on Supplier Sustainability) is conducted to track and consider the vendor selection process based on the self-registered score of each supplier. This process helps analyze their performance, identify any weaknesses, and plan for risk management that may arise. The scores and performance criteria are categorized into 3 levels, and suppliers are informed of any necessary improvements or adjustments based on their self-assessment results

LEVELS	SCORE CRITERIA
Good	Score >70%
Fair	Score between 20% to 70%.
Poor	The overall score is less than 20%.

For those suppliers that are audited, findings are separated into two categories: major actions (the supplier is required to have an action within 30 days) and minor actions (the supplier is required to have an action within 90 days).

If the supplier is unable to provide action to close the finding True will consider discontinuing using that supplier. If a supplier fails to take action to address identified issues, True will consider discontinuing the use of that supplier. Termination of the contract will be enforced in cases of non-compliance without appropriate Corrective Action Reports (CAR) within the specified timeframe.

CAPACITY BUILDING PROGRAMS

(remote/onsite)

As part of supplier development, the company has provided annual training and continuous support on company ESG program including introduction of ESG, corporate sustainability goals, supplier contribution to corporate goal, supplier support and development program. The Suppliers Development Program can have various components depending on the organization's needs and level. Examples of possible programs include:

1. Social Responsibility and Sustainability Promotion

2. Knowledge and Skills Development

3. Quality Improvement and Innovation Promotion

4. Business Sustainability Promotion

These programs aim to foster collaboration between organizations and suppliers to create sustainable businesses with minimal social and environmental impact

ACTION PLAN

ADVANCING SUSTAINABILITY	<ol style="list-style-type: none"> 1. Set science-based carbon reduction targets 2. Develop and offer more sustainable products 3. Use less packaging and more sustainable alternatives 4. Use lower-carbon modes of transport
EMPOWERING OUR PEOPLE	<ol style="list-style-type: none"> 5. Protect and empower people across your business and value chain
DOING BUSINESS RESPONSIBLY	<ol style="list-style-type: none"> 6. Provide transparent ESG information as part of our supplier qualification process 7. Commit to and sign our Supplier COC 8. Commit to and Align your offer to the United Nations Global Compact Network Thailand (UNGCNT) 9. Collaborate to set ESG partnership objectives and drive shared action

A photograph of a paved path with a green running track on the right, lined with trees and a tall light pole. The path is paved with asphalt and has a yellow double line on the left side. The running track is a vibrant green color. The path is lined with trees, some of which have yellow leaves, suggesting autumn. A tall, white light pole with two lamps is visible on the right side of the path. The sky is overcast and grey.

APPENDIX AND ADDITIONAL RESOURCES

GLOSSARY OF TERMS

- **Carbon Neutral**

Carbon neutrality is a state of net-zero carbon dioxide emissions. This can be achieved by eliminating, capturing or offsetting emissions.

- **GHG**

Greenhouse gases absorb infrared radiation (net heat energy) emitted from Earth's surface and re-radiating it back to the Earth's surface, thus contributing to the greenhouse effect.

The greenhouse gases that contribute to the greenhouse effect are listed in the Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC).

- **Net Zero**

Net-Zero target setting supports the rapid decline of a company's value-chain emissions to limit global temperature rise to 1.5°C. NetZero covers the entire value chain emissions, including those produced by one's own processes (Scope 1), purchased electricity and heat (Scope 2), and generated by suppliers, service providers and customers (Scope 3).

GLOSSARY OF TERMS

Scope 1 emissions

Total direct GHG emissions from sources owned or controlled by the company and its subsidiaries. This includes CO₂e from fossil fuels and processes, the company leased/owned vehicles, waste and wastewater treatment, make-up chemicals and other GHGs.

• Scope 2 emissions

Total indirect GHG emissions from sources that are related to the generation of purchased energy outside the company boundaries.

• Scope 3 emissions

Total indirect GHG emissions from the production of fuel and raw materials; business travel; raw materials; transport of products and raw materials; and employee commuting.

• SDGs

The United Nations Sustainable Development Goals, a set of universal goals that meet the urgent environmental, political, and economic challenges facing our world

• UNGC

The United Nations Global Compact (UNGC) is a non-binding United Nations pact to encourage businesses and forms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. Formal disclosure is done through a document referred to as the Communication on Progress (COP)



True Corporation Public Company Limited
18 True Tower, Ratchadapisek Road,
HuaiKhwang, Bangkok 10310, Thailand

Division:
Strategy & Sustainable Development
E-mail: CSR-SD@truecorp.co.th

