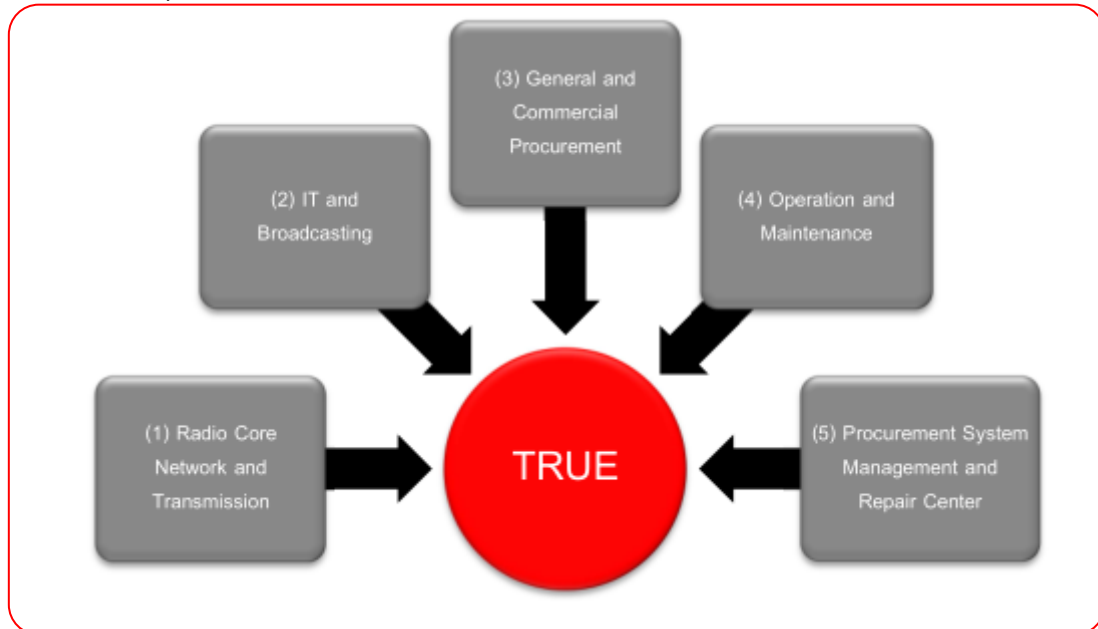


RESPONSIBLE SUPPLY CHAIN MANAGEMENT

True has a centralized supply chain management structure with company-wide procedures and standards to enable effective exchange of internal transaction data. There are five procurement areas as follows:



The Supply Chain Committee which is responsible for increasing procurement efficiency, strategizing, and driving procurement operations towards reaching the targets of the Company. The procurement unit provides support in selecting and evaluating suppliers, assessing risks and categorizing suppliers, negotiating, deciding on procurement, and building supplier capacity.

TRUE Supply Chain Management Strategy

1. Synergy with partners to increase efficiency and productivity in cost management

- Create synergy of procurement amongst the Charoen Pokphand Group and China Mobile by: 1) increasing the bargaining power of purchasing goods and services fairly and transparently 2) Apply same procurement standard across purchasing goods and services 3) Continuous sharing knowledge and new technology innovation

2. Align the supply chain to be consistent with the business

- Cost and Productivity Project to improve inventory turnover rate of network equipment
- Reduction of E-Waste Project to replace an existing lead-acid battery by a lithium battery for Telecom site, longer cycle life time, saving OPEX and reduce landfill waste

3. Embed sustainable business to the partners throughout the supply chain

- True Group's suppliers annual meeting
- Supplier Sustainability Self-Assessment

4. Develop potential of supplier in terms of product quality and sustainable business

- Product safety sharing from R&D to product line (Supplier involvement)
- Supplier Onsite audit

5. Foster the use of Innovation and Digital Technology

- Develop an e-Procurement system to share data and innovation across key partners
- Create "BOQ Management and Pricebook" platform to request prices and product list required to build a rollout network amongst vendors by including reference-based price from Pricebook . This information can be used later on to create a PR-PO

Integration of ESG Objectives

Link to overall TRUE supply chain strategy 2021

KEY ESG OBJECTIVE 1

Alignment with international environmental standard (ROHS):
 True has been improving product and service procurement by complying with international environmental standards.

- **Collaborated** with suppliers in China to research and develop green product quality standards, including identifying product specifications, green procurement methods, environmental management standards, rules, or systems to be complied with by suppliers for example, improvements to fiber optic cables to make them fire and weather resistant.
- **Adopting** green product quality standards such as the ROHS allows True to ensure their product restriction on the use of hazardous materials to the environment and pollute landfills

- SC1:** Synergy with partners to increase efficiency and productivity in cost management.
- SC2:** Align supply chain management with sustain- ability and business direction
- SC4:** Develop potential of supplier in terms of product quality and sustainable business

KEY ESG OBJECTIVE 1

Circular economy
 TRUE is committed to embracing the circular economy concept into its business operations. Additionally, True is ambition to achieve a zero e-waste to landfill by 2030. True have put in-place an e-procurement system to manage the supply chain in a transparent and fair manner.

- **Develop innovation** True cooperates with the Provincial Electricity Authority (EGAT) to develop 5G networks and A.I. system to control the electrical system (such as a drone to check the heat of coal, Analysis of coal at risk of fire and difficult to access
- **Encouraged** reduction of paper consumption and fuel consumption for suppliers via implementation of technology to make the procurement process faster ,more efficient and in line with sustainable practices
- **Implement** battery recycling program via Supplier Selection based on certifications complies with government standard regarding recycling activities

- SC3:** Embed sustainable business to the partners throughout the supply chain
- SC5:** Foster the use of Innovation and Digital Technology

ESG Integration into Supply Chain Management Strategy

True Group sees the importance of ESG as a metric for evaluating procurement decisions. Therefore True Group has integrated ESG criteria into the process for supplier selection. All our key supplier groups must pass through commercial and specification checks first, these checks are part of normal supplier selection processes and are not related to ESG metrics. Suppliers that pass these initial checks are then required to complete an online self-assessment that assesses their ESG performance.

The online self-assessment includes, but is not limited to the following criteria: compliance with law and regulations, financial risks, social risks, Business Ethics and Transparency, labor and SHE (Safety, Health and Environment). In order to pass this self-assessment suppliers must score at least 70%. All suppliers must pass this self-assessment process in order to continue the procurement process.

The company has conducted a supplier onsite audit to evaluate risks and ensure that suppliers comply with the established plans. If a significant ESG risk is found, we will work together with the supplier to investigate the cause and determine a corrective action, as well as conducting an evaluation after implementing the corrective action, to ensure compliance with minimum requirements of the labor law, environmental law, and management standards such as ISO 14001 and SA8000 standards.

Supply Spend Analysis

In 2021 we had a total of 2,414 Tier 1 suppliers and 6 critical non-tier 1 suppliers. Our spending on suppliers in 2021 is broken down as follows:

Supplier Category		Proportion of Procurement
Tier 1	Telecommunication Construction and Installation Service	51.2%
	Telecommunication Core Network Equipment and Services	20.9%
	Mobile Device and Accessories	18.6%
	Fiber Optic	7.0%
	Other	2.3%
	Total	100%
	Critical Suppliers	78.39%
Non-Tier 1 Suppliers	Critical Suppliers (6 suppliers)	-

Remarks: as of 2021, True Group's procurement activities are conducted only with suppliers and vendors who are based in Thailand or have representing entities located in Thailand.

Identification of Critical Supplier Groups

The Company identifies Critical Supplier groups through Spend Analysis, with the following criteria: Supplying High Value Products and Services, Supplying Core Products and Services, and Supplying Un-Substitutable Products and Services. In 2021, of the Company's 2,414 suppliers, 43 are Critical Suppliers, accounting for 78.39% of total procurement, covering 77 product and service categories.

Supply Chain Risks Assessment

In 2021, the Company conducted risk assessments on 2,414 suppliers, covering 77 product and service categories. All suppliers that have high risks identified must be audited within 1 year by True. 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 to discontinue using that supplier.

An example of a corrective action was for safety issues that we found at one of our suppliers. We ordered for this supplier to solve these issues by ensuring proper use of personal protective equipment and use of proper operating procedures. After our correction action was communicated to the supplier, we inspected the work area to ensure the supplier had corrected all issues. In 2021, all suppliers (100%) that were given corrective actions were able to comply with True's request.

KPIs for Supply Chain Management

True Group Corporate KPIs for supply chain management are as follows:

- 100% of critical suppliers to be assessed on ESG
- 100% of tier 1 critical suppliers to be completed onsite audit
- 100% of Tier 1 suppliers to receive and agree to abide by True's Supplier Code of Conduct