

Green Procurement Policy

1. Definition of Green Procurement

Green Procurement is the process of sourcing goods, technologies, and services that have a reduced environmental impact throughout their entire life cycle—from raw material extraction and production to transport, use, and disposal—compared to other products that serve the same purpose.

Examples of Green Procurement in practice:

- Purchasing office equipment with high energy-efficiency ratings to reduce electricity consumption.
- Selecting suppliers who use recyclable or returnable packaging to minimize industrial waste.
- Prioritizing raw materials that are biodegradable or contain recycled content.
- Choosing logistics partners who utilize low-emission vehicles or optimized routing to reduce CO2.

2. Purpose and Scope

The purpose of this policy is to provide a framework for AVT and its affiliates to implement sustainable purchasing practices. This policy complements the **Procurement and Supply Chain Policy** and the **Code of Conduct for Suppliers** by providing specific focus on environmental preservation.

The ultimate goal of this policy is to achieve **Sustainability** by balancing 3 key pillars:

- **Environmental Value:** Ensuring a greener tomorrow through reduced impact and resource conservation.
- **Economic Value:** Ensuring continuous growth and profitability through operational efficiency.
- **Social Value:** Enhancing the quality of life for the community and ensuring health and safety.

3. Core Principles

In alignment with our basic procurement principles, AVT will apply the following "Green" criteria:

- **Environmental Lifecycle Consideration:** Beyond price and quality, AVT will give due consideration to natural resource conservation and the environmental footprint of products.

- **Innovative & Sustainable Technology:** AVT will consistently search for innovative technologies and services that promote sustainability and efficiency.
- **Compliance & Beyond:** While mandatory compliance with environmental laws of Thailand and international norms is the baseline, AVT encourages proactive measures for environmental protection.

4. Supplier Expectations (Green Framework)

AVT expects business partners to align with our environmental values as outlined in the **Procurement and Supply Chain Policy** and the **Code of Conduct for Suppliers**. Our general framework for green supply chain management includes:

- **Continuous Improvement:** Suppliers are expected to commit to continuous improvements in environmental protection activities.
- **Emission Reduction:** Partners should actively work toward CO2 emission reduction in their operations and supply chains.
- **Resource Management:** Suppliers are encouraged to minimize waste and optimize the use of raw material, water and energy during production.
- Suppliers are encouraged to **monitor and report** their environmental footprint using standardized metrics:

5. Evaluation and Selection

AVT integrates environmental considerations into the supplier selection process based on the nature, scale, and potential impact of the procurement.

- **Risk-Based Application:** Environmental evaluation and "Green" criteria are applied primarily to critical suppliers, high-value contracts, or procurement categories with significant environmental impact (e.g., chemicals, heavy machinery, or large-scale construction).
- **Proportionality:** For standard, low-risk, or routine POs, environmental assessment may be satisfied by the supplier's general compliance with our Code of Conduct for Suppliers.
- **Flexibility in Selection:** When evaluating business partners, AVT may choose to include specific environmental performance as a weighted criterion in the final selection for strategic projects. This is determined on a case-by-case basis by the Procurement Division, ensuring that our "fair and equitable" transaction principle is maintained while striving for sustainability.

- **Continuous Improvement:** We encourage all business partners to align with our green goals, but the depth of our assessment will be proportionate to the scope and duration of the partnership.
- AVT aligns its procurement evaluation with Green SCOR framework to ensure sustainability across the lifecycle:
 - Reliability: Selection preference is given to suppliers who demonstrate the ability to deliver the 'Right Product' in the 'Right Condition,' thereby reducing waste from discards and extra transportation.
 - Flexibility: Evaluation of a supplier's agility in meeting evolving environmental demands, such as recyclability and eco-friendly production.
 - Asset Efficiency: Prioritizing partners who manage assets in a way that reduces internal costs and environmental impacts simultaneously.

6. Transparency and Reporting

- **Open Communication:** AVT will maintain close communication with business partners to build a "mutual prosperous partnership" focused on green growth.
- **Reporting Concerns:** Any concerns regarding environmental misconduct should be reported through the established AVT Hotline or Whistleblower channels.



Mr. Naruedom Lacharajana

Senior Vice President

Procurement and Supply Chain Management