1.2.2.3 Procurement of Products and Services

Procurement Policy,
Product and Service Management,
and Sustainable Value Chain Management
Golden Lime Public Company Limited

To ensure that the procurement process is both effective and efficient, characterized by transparent, fair, and auditable operations, the company has implemented a procurement policy. This policy includes guidelines for the management of products and services in alignment with international quality management system standards such as ISO 9001, ISO 14001, and ISO 45001. Additionally, the company is committed to the development of trading partners to facilitate sustainable supply chain management, as outlined below.

1. Procurement will be carried out in accordance with a selection process that adheres to this Code of Conduct to engage partners capable of providing products and services that fulfill requirements efficiently and effectively, with a focus on quality, pricing, and service delivery.

2. The procurement process emphasizes SUTHA business ethics by ensuring the provision of accurate, complete, and transparent information, while treating all business partners equitably and valuing their feedback and suggestions.

3. Procurement activities will be executed with transparency, fairness, and accountability, strictly adhering to applicable regulations and laws as well as guided by risk management protocols, internal controls, and oversight to ensure compliance with corporate governance policies and sustainability development frameworks.

4. The procurement and business partnerships will be conducted with a focus on sustainability, taking into account environmental effects, social obligations, and the tenets of sound governance (Environmental, Social, and Governance: ESG). This entails overseeing business partners to guarantee compliance with the Supplier Code of Conduct (SCOC), which acts as a framework for sustainable supply chain management for effective business partner management, fostering strong relationships, and enhancing collaborative potential for ongoing joint development.
5. Knowledge management will be prioritized between the company and its business partners, as well as relevant stakeholders, to collaboratively advance technology and innovation for improved business management and operations.

Goods and service management
Golden Lime Public Company Limited

The company is committed to the sustainable procurement of goods and services, with excellent, transparent and fair operations, adhering to the principles of governance, environmental management and social care in the issues that the Company prioritizes and in line with the sustainability development to support business partners and stakeholders to acknowledge the policy as a guideline for practicing in the same direction in procuring goods and services throughout the supply chain and supporting business partners and stakeholders to acknowledge the policy as a guideline for practicing as follows:

The evaluation of business partners/sellers' performance will be conducted across various categories based on established criteria, as outlined below:

1. products and raw materials

This includes limestone, aggregates, coal, packaging, and general products, which will be assessed through two primary evaluations:

1.1 Quality:
- Product characteristics in relation to specifications
- Raw materials evaluated through its documented certificates, physical inspections, and quality standard compliance reports
- Packaging assessed based on documentation and adherence to quality standards
- General products evaluated for their alignment with user requirements

1.2 Service:
- Timeliness of delivery, ensuring it does not exceed the agreed-upon schedule and that quantities are delivered accurately

2. service work include:

2.1 Truck services, evaluated based on quality and service performance
2.2 Truck rentals for raw material transportation, where quality is determined by the condition of the materials, ensuring they are properly covered and transported in good condition, with accurate weight measurements. Service evaluation will include adherence to delivery timelines, driver performance, and staff coordination.
2.3 Machinery repair services, where quality is assessed based on the operational efficiency of the machinery post-repair.

2.4 Goods Packaging
Quality: Refer to the random weight verification checklist included in the goods transfer report.
Service: Evaluate based on the scheduled delivery timeframe.

2.5 Calibration services
Quality: Must be certified in accordance with international standards.
Service: the delivery timeline and Post-Delivery Support

3. Contractors and Service Providers
3.1 Safety Consideration
3.2 Environmental Consideration
3.3 Quality Consideration

The business partner acknowledges and adheres to the Supplier Code of Conduct (SCOC), which serves as a framework for sustainable supply chain management, fostering positive relationships, and promoting opportunities for ongoing collaborative development.

Procurement Process

1.1 Users submit a purchase request form (RO) detailing their product and service needs, which must be approved by the department head or manager, along with any necessary attachments.
1.2 The procurement department verifies the completeness of the request, including product type, quantity, packaging, and samples for pricing inquiries.
1.3 A vendor is selected, and pricing is requested based on the provided details.
1.4 The procurement team evaluates and compares vendor pricing based on product value.
1.5 A purchase order is submitted for executive approval per the accounting system's authority criteria.
1.6 In urgent cases affecting quality, users may seek initial approval from the department manager with written justification and notify procurement to expedite the order.
Upon receipt, the user inspects the goods for issues. The procurement department conducts vendor evaluations every six months and reassesses vendors if product quality changes.

Vendor Quality Review
Vendor evaluations occur annually in December. If there has been no trading activity in five years, the purchasing department will notify the accounts team to update the vendor's status.

Sustainable supply chain management
Golden Lime Public Company Limited

In managing the sustainable value chain, suppliers are important stakeholders who participate and promote the sustainable supply chain. Developing suppliers to jointly manage the sustainable supply chain following the UN Global Compact framework in 6 steps as follows:

1. The Supply chain sustainability declaration
    1.1 Determine the vision and goals of the Supply chain sustainability
    1.2. Establish Supplier Code of Conduct covering social and/or environmental issues to demonstrate the company's commitment to support its partners in their operation and ensuring an ethical and responsible manner to society and environment.
2. Conduct risk assessment and identify risks in ESG throughout the supply chain, study business activities throughout the supply chain to assess and manage partners, for example, key suppliers, strategic suppliers, etc.
3. Identify goals, strategies and policies for sustainable supply chain management, set criteria to classify suppliers for example, trade value, types of traded products/ services, etc.
4. Implement strategies, policies, and plans
    4.1. Determine roles and responsibilities in the supply chain management within the organization from the company's directorial level to the related departments, such as purchasing department, production department, quality inspection department, warehouse, and delivery, etc.
    4.2. Arrange process/ methods to identify economic risks (e.g., the risk of few partners, noncompliance products/services), social (e.g., human rights, employees, and labor), environment and reduction of impacts and the encouragement of positive biodiversity (such as compliance with laws, regulations, environmental standards, prevention of impacts on the ecosystem, and encroachment on protected areas of biodiversity) caused by the Company's partners.
    4.3. Supplier engagement to communicate the Company's expectations and commitments towards sustainability development and corporate in better the competitive abilities and supply chain involvement.
5. Performance evaluation and operation monitoring
    5.1. Monitor compliance of the supplier's code of conduct such as the supplier's self-assessment or site visit, etc.
    5.2. Provide initiatives to include partner's sustainable business operations into the Company's direction
6. Communicate and disclose strategies and procedures in working with the partners to develop towards the sustainable supply chain management covering from suppliers' risk assessment, suppliers' management, partner's evaluation, and development activities in both commercially and sustainably.

Production and capacity

There are 3 Production Plants as follows;	
Branch 2: Chongsarika, Pattananikom, Lopburi (CS plant) Lime Production Plant (6 kilns: K1-K6) Lime Capacity: 328,500 tons/annum ML Capacity: 91,000 tons/annum HL Capacity: 157,000 tons/annum CaCO3 Capacity: 26,000 tons/annum	
Branch 3: Huai Pa Wai, Prabuddhabaht, Saraburi (HW plant) Lime Production Plant (1 Kiln: K7) +(1 Kiln: K8 in future) Lime Capacity: 55,000 tons/annum	

Branch 4: Pukrang, Prabuddhabaht, Saraburi (PB plant) Lime Production Plant (2 Kilns: K9-K10) Produce Quicklime and new product Dolime Lime Capacity: 110,000 tons/annum ML Capacity: 92,000 tons/annum	
Note: Referring to the kiln capacity data 1 year as 365 days and kiln capacity at 150 TPD or 150 tons / day / Kiln (excluding lost hours or hours of Kiln shutdown maintenance)	

The Company, along with its subsidiary, operates three production facilities: the Chong Sarika factory, the Huai Pa Wai factory, and the Prabuddhabaht factory. Each facility is equipped with essential machinery, including lime kilns and various production equipment. In 2022, the total number of kilns utilized for production are nine, with an annual production capacity of 492,500 tons. Additionally, the Dolime Briquetting machine has a capacity of 52,000 tons per year, while the calcium hydroxide production machine can produce over 157,000 tons of hydrated mortar annually.

The primary production process involves the operation of lime kilns, which function continuously, 24 hours a day. These kilns operate as closed systems that require sustained heat to achieve the necessary burning temperature. Consequently, any prolonged disruptions to the kilns necessitate a significant amount of time to reignite and heat them to approximately 900 degrees Celsius. The Company has scheduled regular maintenance and repair intervals for the kilns; however, the production process remains uninterrupted outside of these planned maintenance activities. Major refractory maintenance is typically conducted every five years, contingent upon the condition of the brick walls, as well as the types and properties of the raw materials and fuels used.***ถึงแค่ตรงนี้

The company's production capacity

	Production capacity	Total utilization (Percent)
-Lime Capacity (Quick lime&Dolime): Tons	493,500	61%
-Mill Lime (ML)	183,000	59%
-Hydrated Lime (HL)	157,000	34%
-Calcium Carbonate (CaCo3)	26,000	13%

Production Policy

Production Policy and Strategy
Golden Lime Public Company Limited

Production Policy: To align with sales strategies and targets, ensuring the high-quality products that meet product standards and customer specifications, all while maintaining cost control and minimizing waste.
Objective: Production output shall meet quality standards and customer requirements while considering environmental, community, societal, safety, and occupational health impacts

Operational Strategies adhering to "Operational Excellence"

- **Safe Process, Personal Safety and Environment**
  Compliance with the Occupational Safety and Health standards; implementing safe working procedures throughout the production process and managing environmental practices within the organization, thereby ensuring the highest performance standards in alignment with the organization's safety protocols.

- **Quality Excellence**
  Emphasizing manufacturing high-quality products. The ongoing marketing efforts address a variety of market demands to maintain a competitive edge sustainably, while exclusively providing the highest quality offerings.

- **Energy**
  Mitigating environmental impact through efficient energy utilization, investing in solar energy, renewable energy, and low-carbon energy initiatives. Additionally, effective management of energy resources is essential to maintain stability and ensure uninterrupted production processes.

- **Project Development and Execution**
  Formulate investment initiatives aimed at enhancing processes, ensuring operational continuity, and generating opportunities for business expansion by effectively managing risks and protecting investments until the projects are systematically completed under stringent oversight.

- **Yield and Supply Chain**
  Emphasizing the production processes to enhance manufacturing efficiency in order to achieve a competitive edge.

- **Reliability**
  Prioritizing the maintenance of machinery for enhancing production efficiency to satisfy market demands.

- **Cost Effectiveness**

  Efficiently controlling and managing costs through the utilization of various tools, including Statistical Process Control (SPC) and Lean Manufacturing, aims to enhance the value of products and services while striving for the optimal use of resources.

- **Operation** to ensure business and operation sustainability by implementing innovative management tools and techniques, which include:

  1) **Strategy** - defining consistent paths and goals
  2) **Culture** - Encouraging employees to work together to create new ideas and implement innovations that enhance work, processes, or products.
  3) **Process**– capable of measuring, replicating, and achieving success.
  4) **Tool & Techniques** - employed to encourage innovation.
  5) **Matrices** –Performance metrics to evaluate effectiveness with measurable capacity.

- **Key Raw Materials for Production**

The main raw materials for lime production and Dolime product are limestone or dolomite and fuel. The major raw material for coated and uncoated calcium carbonate production is calcite, and the main raw material for producing calcium powder is marble chips. At present, the Company sources limestone from Saraburi Province and Lopburi Province sources with quality that meets the Company's requirements. The Company purchases limestone, dolomite and calcite from up to 4-5 suppliers. A team of geologists, along with control and quality assurance team are dispatched to explore limestone quality and collect samples from both current and new sources of purchases.

1) Limestone

Limestone serves as the primary raw material for the manufacture of calcium oxide and calcium hydroxide. This sedimentary rock is predominantly composed of calcium carbonate (CaCO3), typically in the form of the mineral calcite, along with other components such as magnesium oxide (MgO) and silica (SiO2).

The Company has entered into a long-term TMC-GL Kiln Feed Limestone Supply Agreement, which includes the establishment of a quarry management team to oversee operations at the Khao Khao quarry, as per concession number 32517/16065. This agreement enables the Company to obtain high-quality limestone with a significant calcium carbonate content from the quarry. Approximately 80% of the Company's kiln feed stone is sourced from TMC, with the remainder supplied by local vendors in Saraburi and adjacent provinces.

The limestone acquired from TMC's quarry is of superior quality, characterized by a high calcium carbonate content, making it ideal for lime production. The long-term Kiln Feed Limestone Supply Agreement with TMC is exclusive, granting TMC the sole right to supply this limestone with the Company.

In 2023, SUTHA achieved its objective of securing production supply by successfully renewing the concession for the Khao Khao quarry, which is operated by Thai Marble in Saraburi Province. This subsidiary is responsible for supplying kiln feed stone necessary for producing the required quality of quicklime. SUTHA acquired Thai Marble Co., Ltd. through the purchase of common shares from the original shareholders in 2020 and successfully renewed the concession certificate, which was set to expire in October 2023, for an additional 20 years. This renewal ensures SUTHA's ability to address growth challenges and maintain security and stability for its business and stakeholders.

The quarry management of Thai Marble Corporation Co., Ltd.
(a subsidiary)

The supply of Limestone, which constitutes 80% of the key raw material for lime production, is secured through a long-term Arm's Length Basic agreement with the quarry management of the Khao Khao quarry, as per concession number 32517/16065. This concession was successfully renewed in October 2023 and will remain valid until October 29, 2043. The Company has engaged quarry management to guarantee compliance with performance obligations.

Limestone quarrying at Khao Khao quarry	Internal controls
Core process; 1) PLANNING, EXPEDITION 2) STRIPPING 3) DRILLING - BLASTING 4) HAULING 4.1) weighing limestone at the quarry before delivering to the mill 5) CRUSHING – SEAVING 6) WEIGHING and transfer limestone to the mills 6.1) weighing KFS_L and KFS_S at the mill front before delivering to GL 6.2) weighing Ready Mix and aggregates for TMC's customers	1. The quarrying management is responsible for planning and controlling, supervising, and monitoring the contractors for carrying out the plans and work processes at the quarry. 2. Upon blasting, weighed quarried limestones are transported from the quarry to the mill by internal trucks and an external fleet of contractors which transport limestone to the mill. 3. A contracted mill that receives quarried and weighed limestone. To proceed milling according to the assigned plan; 3.1 High-Calcium Limestone -KFS_L sized 65-115 mm -KFS_S sized 30-35 mm to deliver to the GL plants 3.2 Ready Mix sized 15-25 mm for construction and cement to be distributed to GL customers and to the mills to supply their customers. 3.3 Construction aggregates

Limestone quarrying at Khao Khao quarry	Internal controls
 7. Risk management practices conducted to the quarrying contractors to ensure safe and complaint process	- ROM Aggregate sized 0-1,000 mm - Stone Chips sized 0-25 mm - Stone Dust sized 0-3 mm and scraps as by products from milling process to be sold to stone mills and to other customers. One controlling point is weighing each product type as stringent control is conducted to each product type, grade, quantity, and storage practices. Internal Controls are implemented to the invoicing and receiving process conducted by TMC Accounting Department and the Stone Mill to oversee and inspect and risk mitigating practices such as CCTV ,Stock counting by the company or independent external auditors on a periodic basis to confirm and calibrate the actual counted quantities with the stock quantities of the stone milling plant, etc.

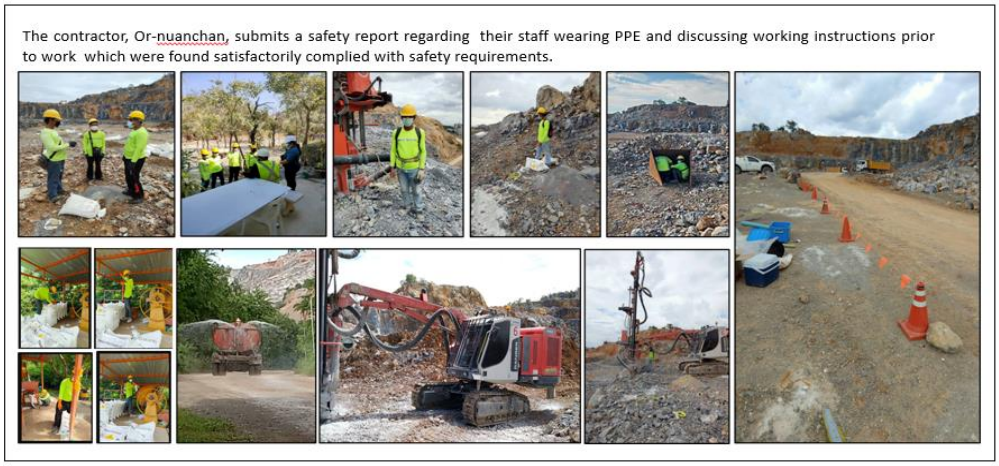
Quarrying management is conducted and controlled by Golden Lime Public Company Limited, including subcontractors who pass the suppliers evaluation as for internal control and risk management according to the supply chain management that includes ;

1) ensure compliance with legal and occupational health and safety standards, while adhering to human rights principles, to prevent any negative effects on stakeholders involved.
2) regulating production to guarantee that limestone quantities align with the plan and meet product demand, while also managing production costs for optimal efficiency.
3) Internal controls and risk management involve verifying production volume accuracy, proper sorting and storage of products, overseeing Ready Mix stone inventory, and managing unsold stone inventory to avoid loss or depreciation. The limestone quarry management will collaborate with the accounting department of Thai Marble Co., Ltd. to monitor and confirm the inventory of stones received for production and those sold to customers, as well as checking unsold stock against recorded inventory values.
4) Managing business partners, particularly contractors involved in limestone production at the mine and stone mill, is crucial. Important business partners will be categorized into a Tier 1 group for close monitoring, with scheduled Supplier Site Visits for relevant personnel to assess operations and ensure adherence to internal control processes and risk management for trading partners.
5) Management will establish control and oversight measures to reduce impacts related to legal compliance, financial performance, and operational processes, while also mitigating risks associated with these impacts.

Preventive measures in quarrying **(GRI:403-7)**

Controls and preventive measures to ensure procedural safety for operators and stakeholders are conducted by mean of the Supplier Site Visit.

- Set a mutual safe work practices and required standards in arranging safety training by professional safety officers to educate and monitor safety at work control as well as environmental impacts from the subcontractors work process to develop safe work practices leaving no impact to both social and environmental aspects.



- Locating geologists to survey and identify potential impact to set preventative measures.

- Allocate budget for the rockfall protection barriers at limestone slopes as mitigation measure limiting limestone rolling away from mining areas.

The mitigation measure in case the raw materials of the subsidiary cannot suffice the production demand is that the Company will purchase raw materials from other limestone producers as an offset to missing quantity and maintaining relationships with them to secure limestone supply and safe inventory stock to ensure business stability and continuity.

2) Dolomite / Dolomitic Limestone

Dolomite is the main raw material for the production of Calcium Magnesium Oxide or Dolime. Dolomite is one of the Limestones mostly consists of Calcium Magnesium Carbonate ($CaMg(CO_3)_2$) and other substances such as Silica (SiO2). Dolomite has the same origin as Calcite found in Dolomitic Limestone by the secondary deformation by replacing the existing Lime by Magnesium or occurs in the Lead or Zinc which cut through Limestone. Dolomite has a dense texture visible in white, grey, pink, green, brown or black and well dissolve in water. In Thailand, Dolomite is prevalent in Karnchanaburi, Suratthani, Krabi and Song-Khla etc.

3) Calcite

Calcite is the most stable carbonate mineral in the mineral group with chemical formula, i.e. calcium carbonate ($CaCO_3$). This is the crystalline rock with non-toxic properties, normally white or colorless, shiny like transparent to translucent glass, highly bright and can disperse well. In Thailand, calcite is common in limestone provinces and prevalent in Lopburi Province, Saraburi Province, Chanthaburi Province, Kanchanaburi Province, Chumphon Province, Surat Thani Province, Nakhon Sawan Province and Phetchaburi Province [2/]

[1/] *Information from the Department of Mineral Resources, Ministry of Natural Resources and Environment and Wikipedia.*

[2/] *Mining operators must request patents and relevant licenses such as licenses for purchase, use, and transport of explosives.*

The Company uses calcite crushed into flakes as raw material to produce Uncoated Calcium Carbonate and Coated Calcium Carbonate. This is suitable for use as Filler in the rubber and plastic industry or as the whitening enhancer. The Company orders calcite from about 3-5 domestic suppliers. Selection is based on the quality of calcite rock, whiteness, price and service of suppliers. The Company is responsible for the costs of goods and transportation. The Company dispatches a geological and quality assurance team to randomly check the quality of calcite rock at the quarries regularly to ensure the quality of calcite ordered.

4) Marble Scrap for Calcium Carbonate Powder of TMC (subsidiary)

TMC converts the marble scrap excess from the production of the marble-finished goods into calcium carbonate powder (CaCO3) to maximize the use of raw material. The raw material for the production of Ground calcium carbonate is derived from the by-product of the marble blocks production process, which is known as a source of fine raw materials and high quantity of natural calcium carbonate and can be used as primary raw material of other industries as well.

Rocks that have been shredded and prepared for use as raw materials for calcium carbonate production.

5) Fuel – Coal

The Company's Fuel Procurement and Risk Management

- **Key Procurement Strategies:**
  - Identifying dependable suppliers that present low transportation risks and minimal losses during transit.
  - For international imports, evaluating the dependability of suppliers, transportation providers, and insurance firms.
  - Ensuring that fuel selection adheres to the necessary specifications, thermal characteristics, quantity, and pricing that are appropriate for processing and storage.

Management and Risk Mitigation in Fuel Procurement:

- **Improved Fuel Sources:**
  - Acquiring fuel with enhanced thermal characteristics to promote efficient combustion in production processes.

- Sourcing from both domestic and international producers, consistently engaging with 2-3 primary domestic suppliers.
- Procuring from additional international suppliers based on their reliability, product quality, quantity, and pricing.

Price and Risk Assessment:

- Gathering and analyzing price information from a range of suppliers.
- Assessing supplier risks and comparing prices prior to making supplier selections.
- Adhering to a predetermined import schedule for future shipments.

Inventory Management:

- Preparing for possible delays in international fuel deliveries by maintaining an adequate inventory.
- Managing inventory levels to satisfy company requirements for a duration of 3-8 months, contingent upon working capital management.
- Utilizing low interest working capital while managing risks associated with fixed and floating interest rates.

Production Process Improvement for Fuel Versatility:

- Advancing production processes to accommodate fuel from both domestic and international sources.
- Executing the FLEX_FUEL initiative to utilize various grades of coal from multiple suppliers.
- Sourcing bituminous or steam coal and processing it to the necessary sizes for diverse industries.

Supplier Reliability and Safety:

- Acquiring fuel from suppliers with a proven trading history or a reputable database.
- Maintaining relationships with more than 2-3 suppliers, both domestic and international, who can reliably provide the required fuel quality and quantity at competitive prices.

Management Guidelines for Import Fuel Procurement:

Price Evaluation:

- Analyze trends in fuel pricing and available offers, making comparisons with local market rates.
- Consider utilizing international fuel suppliers if they present lower costs.
- Engage Premthai Energy Limited (PEL) for procurement and negotiations with suppliers under a service agreement with SUTHA.

Import Considerations:

- Take into account the volume and value of shipments, ensuring compatibility with storage capabilities and letter of credit (L/C) restrictions.
- Prioritize cost-efficient transportation to Koh Si Chang.

Supplier Dependability:

- Procure from established, registered international producers and suppliers.
- In 2023, procurement for Indonesian fuel sources, taking into account regulatory requirements, transportation logistics, and supplier reliability.

Risk Mitigation:

- Evaluate the performance record and dependability of suppliers to minimize risks of non-compliance.
- Proactively manage potential delays in loading and shipping processes to mitigate associated risks and impacts.

Inventory Management and Insurance:

- Sustain an inventory level sufficient for 3 to 8 months, aligned with available working capital.
- Utilize low interest working capital while managing exposure to interest rate fluctuations.
- Establish marine and domestic transport insurance to protect against unforeseen risks.

Inbound Logistics Management for Raw Materials

The Company oversees transportation operations to ensure adherence to legal standards and to mitigate environmental and community effects. The following guidelines and practices are established for the transportation of fuel by partners and contractors:

Legal and Environmental Compliance:

- Execute transportation activities in alignment with legal requirements while minimizing environmental and community repercussions.

- Develop and implement fuel transportation protocols for partners and contractors.

Operational Guidelines:

- Regulate transportation processes for the receipt of raw materials and the delivery of products to ensure compliance with traffic and transportation regulations.
- Organize transportation schedules to avoid peak traffic periods and restrictions applicable to trucks.

Traffic Management:

- Select routes that do not disrupt community roadways and prohibit truck parking in residential areas.
- Schedule deliveries during off-peak travel times, particularly around holidays, to lessen traffic disturbances.

Route Planning:

- For routes from Ayutthaya to the Northeast and North, avoid scheduling during peak travel times associated with holidays.
- Formulate strategies to postpone or halt deliveries during significant holidays to reduce the impact on public transportation.

Load Securing:

- Ensure that trucks are adequately covered with tarps and comply with legal standards to minimize the community impact resulting from transportation activities.

Dust prevention in bulk material transportation and handling to reduce Dust Exposure

Marine logistics	In-land logistics
Using canvas to reduce airborne dust	
	

6) Materials for Mable Slabs Production and Handicraft

The production of marble slabs involves the utilization of marble rods sourced from TMC mining operations or imported from various countries. These rods undergo processing to attain standard dimensions or to meet specific customer specifications.

Proportion of domestic and overseas procurement **(GRI: 2-6 bii)**

Key raw material purchase for 2024 from both local and international suppliers.

Goals and Performance		
Value of Domestic and International Purchases for the Year 2024	Baht	565,841,874
Rate of Domestic Purchases of Goods and Services for the Year 2024	Baht	558,618,932
(Calculate the Percentage Based on an Invoice) (GRI : 204-1)		99%
Rate of International Purchases of Goods and Services for the Year 2024	Baht	7,222,942
(Calculate the Percentage Based on an Invoice)		1%
Number of Key Raw Material Suppliers	Baht	26

Major raw material distributors GRI:308-1

Number of major raw material distributors (persons) : 26

Limestone producers and raw material partners.

The company sources limestone from suppliers with mining licenses in nearby areas, including limestone sources in Saraburi and Lopburi provinces, which meet the company's quality requirements. Currently, the company purchases limestone raw materials for its main production process from Thai Marble Company Limited ("TMC"), a subsidiary. TMC operates a mining business, and the company manages the limestone mine to ensure sufficient raw material supply. The company has entered into a long-term limestone purchase agreement with TMC, effective since 2020, with a policy to procure 80% of the required limestone volume from TMC.

Limestone raw material partners who are contractors for crushing, grinding, and processing limestone include stone crushing plant partners who are contracted to produce limestone products and by-products from limestone quarries.

Golden Lime Public Company Limited has organized a management team for the limestone mine, acting as a contractor for its subsidiary. The company has entered into contracts with nearby stone crushing plants to process limestone to the required sizes. The limestone production process from the mine yields five main products: KFS_L, KFS_S, Ready Mix, crushed stone, and stone dust. The subsidiary has long-term sales contracts for KFS_L and KFS_S, delivering all produced products to the company. Ready Mix, crushed stone, and stone dust are stored at the contractor's stone crushing plant. These contracts have been in place since 2020

Fuel Suppliers

The company produces coal fuel for production from 2-3 suppliers, both domestic and international. Domestic suppliers are regular partners who import high-calorific fuel from abroad and are currently the main suppliers, with transactions starting in 2023. International suppliers are multiple vendors, but not regular partners, as international transactions require bidding and large shipment volumes. Procurement must consider the offered quantity, whether it meets the company's needs, import budget, and storage capacity. If a supplier offers a suitable quantity and price, the company will purchase through fuel management consultants, who are experts in fuel supply and part of the GP Group, the main shareholder group.

Refractory Brick Manufacturers

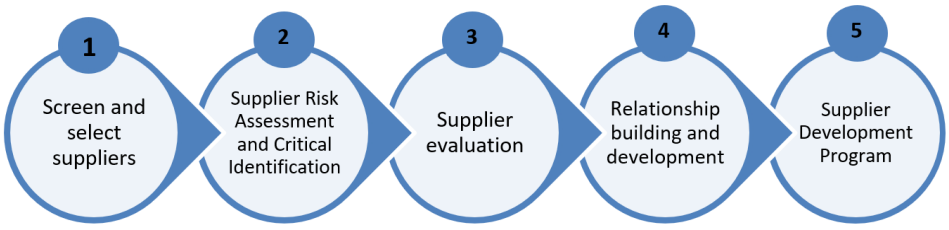
Refractory materials are essential for constructing the walls of lime kilns to help reduce the heat from the firing process, preventing it from affecting the steel structure of the kiln machinery. The company has a plan and schedule to replace the kiln wall bricks every 5-6 years. Due to the limited number of refractory brick manufacturers that meet the required specifications and quality, most of them are international producers. Currently, the company imports refractory bricks from manufacturers based in Austria, China, and India. These are the main partners with long-term procurement agreements and have been in business with the company for over 10 years.

The number of key raw material suppliers

Key raw material suppliers in the categories of stone, minerals, fuels, raw material production contractors, and delivery services, which have ongoing transactions. The summary of transactions in the year 2024 includes a total of 26 suppliers, with 20 domestic suppliers and 6 international suppliers as follows

Supply chain management

The Company develops Supply chain ESG to cover the environmental, social, and governance impact of an organization's day-to-day operations by establishing guidelines below.



1. Supplier screening

The Company assess and select suppliers with ESG criterion and its business continuity

2. Supplier Risk Assessment and Critical Identification

The Company has established criteria for assessing the critical suppliers and ESG risks, with the aim of categorizing suppliers based on their risks. These criteria consider the characteristics of products and services provided by suppliers, as well as the analysis of procurement costs for each group of goods and services. Additionally, suppliers' classification criteria was set to ensure appropriate management of suppliers. The criteria for suppliers can be divided into the following types:

2.1 Critical Tier 1 Suppliers

are critical suppliers who produce or directly provide services to the Company.

Critical non-Tier 1 Suppliers

are critical suppliers who produce or directly provide services to the critical Tier 1 Suppliers and should keep as raw material and fuel suppliers substitution

2.2 Tier 1 suppliers

are suppliers who produce or provide services directly to the Company.

Non-Tier 1 Suppliers

are suppliers who produce or provide services to the Tier 1 suppliers.

3. Supplier Site Visit Environmental, Social and Governance Audit (ESG Audit)

The Company will conduct Supplier Site Visit together with relevant departments such as engineering department or subsidiaries' engineers, safety officers, geologists, or external independent auditors, auditors or internal control system auditors, maintenance department or stakeholders and customer representatives within the value chain covering social, environmental, and governance issues.

4. Relationship Building and Supplier Development

After the ESG risk assessment, business partner with a high ESG risk, will be proactively audited to ascertain such risks to establish corrective and preventive action plan to follow up on planned corrective and preventive actions of suppliers as well as provide training, knowledge, and advice to develop their risk mitigation and treatment.

5. Supplier Development Program

The Company prioritizes education, development, and upgrading suppliers' process and services to meet standards, as well as encouraging social responsibility, clarification, and oversight of suppliers' respect for human rights, fair treatment of their workers, and social and environmental responsibility. To carry out these implementations, the Company provides communication, contractor safety training, study visits, partner meetings, and an annual supplier assessment to provide advice, collaborate to solve problems, and improve the quality of raw materials for long-term sustainability business development.

The Company established a Supplier code of conduct and practices toward stakeholders including green procurement as detailed in the Supplier code of conduct is provided via the company website. The business ethics and the supplier code of conduct including green procurement are shared to all suppliers and its abstract are shared with targeted suppliers to sign acknowledgement.

The Suppliers Day and Supplier Site Visit aim to jointly develop processes within the value chain and reduce impacts within the processes for the benefit of the company and its partners. These activities provide information on requirements and standard management practices for the value chain, including communication of business ethics for partners, policies, and collaboration in anti-corruption efforts. Additionally, they involve providing information and training on practices within the framework of sustainable development that suppliers should follow to comply with labor laws, uphold essential human rights, ensure safety and occupational health for workers and stakeholders, and minimize environmental and community impacts from product and service procurement.

Procurement of products or services

Supplier Day

Supplier Site Visit

(GRI:205-2)

2024 Sustainable Supply Chain Management				
In 2024, the number of suppliers engaged in transactions	380 Suppliers	Critical Tier 1 Suppliers		
		Critical Tier 1 15 suppliers (4%)	Domestic 14 suppliers	International 1 Suppliers
Suppliers' Safety Target		Result		
Zero incident		-None- Target met		
Suppliers duly signed acceptance of the supplier code of conduct			(GRI:205-2)	
Target	Actual Performance	Result		
25% or higher than last year	246 suppliers = 53 % of all suppliers	Target met		
Supplier ESG Self-assessment result				
2024		Number of suppliers		
Total number of suppliers who conducted ESG self-assessment with environmental, human rights and safety indicators		Assessment Result	206	
Number of suppliers assessed with substantial actual/potential negative impacts on		60-70	11	
		71-80	15	
- Environment		81-90	53	
- Human rights, child labour, forced labour.		90-100	127	
- Significant Governance issue				

Risk assessment Critical Tier 1 suppliers

There are 15 Critical Tier 1 suppliers, accounting for 4% of the total number of trading partners. These Critical Tier 1 suppliers undergo both inherent risk assessments and risk assessments based on key risk factors prioritized by the company. In summary, there are 3 suppliers with inherent risks, and none of the suppliers have high-risk issues and no complaints have been received from the suppliers.