



**Procurement and Vendor Selection Policy  
Don Muang Tollway Public Company Limited**



**Administration and Procurement Department, Business and Finance Division  
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**Don Muang Tollway Public Company Limited** ("the Company") has established a policy for the procurement and vendor selection, which includes manufacturers, operators, suppliers, service providers, or contractors, in a systematic, fair, and transparent manner. This policy supports vendors who conduct their business ethically, in accordance with procurement regulations and procedures, to benefit cost management, operational efficiency, and support long-term business cooperation. It also encourages social, community, and environmental responsibility, leading to sustainable business growth together. The following guidelines and conditions have been set as follows:

1. The Company prioritizes supply chain management by focusing on quality, quantity, timely and accurate delivery, safety, environmental friendliness, and transparency. Both the Company and vendors must ensure transparent and verifiable operations that promote value creation.
2. There is a management and monitoring system in place for every step of the procurement and vendor selection process to ensure compliance with contractual conditions. This also includes avoiding conflicts of interest, fraud, corruption, or discrimination that may harm the Company's business operations.
3. The Company emphasizes risk management related to its vendors by regularly studying and analyzing transaction data between the Company and its vendors. It also identifies and evaluates vendor-related risks, considering social and environmental factors. Vendor risk management information is disclosed to stakeholders to build confidence and ensure operational transparency.
4. Measures to manage vendors are in place to ensure that their operations meet established standards, can respond to increased demand for goods and services, and achieve operational goals. The Company is committed to developing and maintaining long-term relationships with vendors and contractors to ensure mutual benefits and raise awareness among vendors about the Company's sustainability stance.
5. The Company has set standards for selecting, evaluating, and auditing vendors in a fair and transparent manner, based on business stability and vendor credibility. Vendors are selected based on ethical business practices, financial soundness, reliable business history, and verifiable operations. Additionally, the Company promotes business with vendors who act fairly, do not violate human rights, refrain from using child labor, legally employ foreign workers, and are socially, community, and environmentally responsible.

## Vendor Selection Criteria

The Company places great importance on selecting suitable and fair vendors to ensure that the vendor selection process is conducted appropriately and in accordance with established criteria. The procurement, selection, evaluation, and auditing of vendors are carried out equitably to ensure that vendors deliver products and services that meet the Company's requirements. This includes evaluating vendor capabilities, effectively selecting new vendors, and setting criteria that encourage vendors to adhere to the Company's **Code of Business Conduct for Vendors**, covering all types of vendors to promote sustainability.

## Procurement and Vendor Selection

The Company places great importance on evaluating the qualifications of its vendors. Vendors are required to complete a **Self-Assessment Form** as a criterion for selecting vendors with potential. This assessment covers various aspects, including product and service quality, business operations and sustainability, social responsibility, human rights and labor, environmental responsibility, corporate social responsibility, and safety and occupational health.

## New Vendors

The Company verifies information of potential new vendors to ensure that they are reliable and have policies and practices aligned with the Company's standards.

1. Vendors must complete a Self-Assessment Form covering areas such as product and service quality, business operations and sustainability, social responsibility, human rights and labor, environmental responsibility, corporate social responsibility, and safety and occupational health.
2. The Code of Business Conduct for Vendors is communicated to new vendors, who must acknowledge, sign, and comply with it.

## Current Vendors

The Company's current vendors must understand, acknowledge, and comply with the policies, regulations, practices, and other relevant guidelines. These guidelines must be followed in accordance with the Company's Code of Business Conduct for Vendors, including the evaluation of vendors according to the established criteria and methods.

## Vendor Classification

1. **Critical Tier 1 Vendors:** Vendors that are manufacturers or direct suppliers of goods and services to the Company.
2. **Critical Non-Tier 1 Vendors:** Vendors that are manufacturers, suppliers, or service providers to Critical Tier 1 vendors, or vendors that do not conduct business directly with the Company.
3. **Significant Tier 1 Vendors:** Significant vendors that are manufacturers or suppliers of goods or services directly to the Company.
4. **Significant Non-Tier 1 Vendors:** Significant vendors that are manufacturers or suppliers of goods or services to Significant Tier 1 vendors.

## Screening and Evaluation

The Company screens and evaluates Critical Tier 1, Critical Non-Tier 1, Significant Tier 1, and Significant Non-Tier 1 vendors as follows:

1. **Vendor Selection Evaluation:** Vendors are assessed based on their product and service readiness, pricing, delivery performance, and sustainability (ESG) through a **Self-Assessment**.
2. **Performance Evaluation:** Assessment of the vendor's performance according to contractual terms and delivery conditions.
3. **Onsite Audit:** Evaluation of the vendor's operations and sustainability through onsite audits as deemed appropriate. This ensures the vendor's compliance with the Company's **Code of Business Conduct for Vendors**, with consideration of environmental, social, human rights, labor, and business ethics impacts. Risk assessment is also conducted in alignment with the vendor code of conduct.

## Criteria for Consideration

The criteria for identifying key vendors that may impact the Company's operations, based on the vendor classification, are as follows:

1. Vendors that have high-value orders or services critical to the Company's business operations and cannot be easily replaced, possessing specialized expertise and advanced engineering capabilities.
2. Vendors collaborate with the Company in the development and procurement of equipment for various systems that are crucial to the Company's business processes.

## Vendor Risk Identification and Assessment

The Company establishes criteria for identifying and assessing vendor risks, including economic, environmental, and social risks, to enhance and develop its vendors. This process involves identifying, analyzing, and ranking risks, as well as evaluating the likelihood and impact of potential events.

Vendor risk identification takes into account various risk factors, referencing data from the vendor's Self-Assessment. The risk factors are categorized into four areas:

1. Product and service risks
2. Business operation risks
3. Environmental risks
4. Social risks

<b>Likelihood Criteria</b> The probability or chance of an event occurring.	<b>Possibility</b>	<b>Frequency</b>
<b>5</b> <b>High</b>	An event that occurs frequently or regularly in every business operation.	More than 6 times per year.
<b>4</b> <b>Likely</b>	An event that is highly likely or occurs regularly in most business operations.	4-6 times per year.
<b>3</b> <b>Possible</b>	An event that is likely or may occur occasionally in business operations.	2-3 times per year.
<b>2</b> <b>Unlikely</b>	An event that is unlikely or rarely occurs in business operations.	1 time per year.
<b>1</b> <b>Highly Unlikely</b>	An event that has a very low likelihood of occurring in business operations.	1 time every 2-3 years.

Severity Criteria The level of impact or severity of the consequences.	Financial Gain/Loss	Reputation	Stakeholder	Environment		Safety and Occupational Health
<b>5 High</b>	Gain or loss of business opportunities amounting to 5% or more of total revenue.	Direct impact on business licensing or closure of operations due to community rejection.	A large number of stakeholders are affected, or the widespread impact leads to permanent changes in the economic and social conditions.	The severe impact can persist for a long period, or the impact may spread widely and become irreversible.	Contract termination/business license revocation.	It may result in the loss of life of employees or nearby residents.
<b>4 Likely</b>	Gain or loss of business opportunities amounting to 1-5% of total revenue.	Severe impact on the organization's image at the local, national, and international levels, attracting attention from international media.	A moderate number of stakeholders are affected, and the impact on the livelihoods and quality of life of the people will take a long time to recover.	The severe impact can persist for a long period, or the impact may spread widely, taking a long time to recover.	Investigated by government authorities and found guilty of environmental violations.	Accidents leading to employee lost work time, resulting in disability or impairment affecting their ability to work, or health-related complaints that require a long recovery period.
<b>3 Possible</b>	Gain or loss of business opportunities amounting to 0.5 – 1% of total revenue.	Affects the company's image from the perspective of stakeholders at the local and national levels, potentially influencing investment decisions and attracting media attention.	A moderate number of stakeholders are affected, impacting the livelihoods and quality of life of the people.	The impact on the surrounding environment will take a long time to restore.	The company may be required to submit evidence and provide an explanation if the investigating authority accepts the case.	Serious injuries or accidents resulting in employee lost work time, or health-related complaints.
<b>2 Unlikely</b>	Loss of business opportunities valued at more than 1 million baht but not exceeding 0.5% of total revenue.	The impact on the organization's image is limited, affecting only a few nearby communities and less significant stakeholders.	A small number of stakeholders are affected, causing short-term disruption to the community without leading to ongoing impacts or long-term effects on the livelihoods and quality of life of the people.	A limited chemical spill or a localized environmental impact that can be restored within a short period of time.	A minor offense that results in a warning or a fine of an insignificant amount.	Minor injuries or illnesses affecting employees or nearby residents that do not result in work stoppage.
<b>1 Highly Unlikely</b>	Insignificant gain or loss of business opportunities.	No impact on the organization's image.	Customers/shareholders are hardly affected.	There is almost no noticeable impact on the surrounding community or the environment.	There is almost no impact.	There is almost no noticeable impact on individuals, including employees working in the area.

## A risk map

Impact Likelihood	1 Highly Unlikely	2 Unlikely	3 Possible	4 Likely	5 High
5 High	Moderate	High	Very High	Very High	Very High
4 Likely	Moderate	Moderate	High	Very High	Very High
3 Possible	Low	Moderate	High	High	Very High
2 Unlikely	Low	Moderate	Moderate	Moderate	High
1 Highly Unlikely	Low	Low	Low	Moderate	Moderate

- Score 15-25 : Very High Risk
- Score 9-14 : High Risk
- Score 4-8 : Moderate Risk
- Score 1-3 : Low Risk

### **Risk Level = Likelihood of Occurrence of Events X Severity of Impact**

The level of risk indicates the importance of risk management in each area for the vendor, determined by assessing the risk level based on the established criteria.

### **Vendor or Contractor Selection: Vendor Selection Criteria**

The Company places great importance on selecting suitable and fair vendors to ensure that the vendor selection process is conducted appropriately and in accordance with established criteria. The procurement, selection, evaluation, and auditing of vendors are carried out equitably to ensure that vendors deliver products and services that meet the Company's needs. This includes evaluating vendor capabilities and effectively selecting new vendors, with criteria that encourage vendors to comply with the **Code of Business Conduct for Vendors**, covering all types of vendors to promote sustainability. Additionally, the Company will provide special consideration and bonus points in the evaluation of new vendors or contractors who participate in the **CAC Change Agent program** in collaboration with the Company.

## Promoting and Supporting Vendor Sustainability Development

The Company is committed to promoting and supporting the development of its vendors' capabilities through collaboration and development initiatives, including:

1. Establishing joint business planning with vendors, working together to experiment, test, and develop innovations or new projects that enhance both the Company's and the vendors' sustainability performance.
2. Encouraging vendors to conduct a **Self-Assessment in Sustainability** to review their performance against the Company's requirements.
3. Building long-term relationships with vendors, fostering strong ties and long-lasting relationships through mutual knowledge exchange. This includes collaborating on the development of environmentally friendly products and organizing vendor meetings to share insights.
4. Facilitating vendor collaboration with the Company on product samples, quotations, and other relevant information, such as adherence to the **Supplier Code of Conduct**, which encompasses business ethics, social and environmental responsibility, delivery timelines, and payment terms.

- Signature-

(Dr. Sakda Panwai)

Managing Director

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