# PURCHASING PRACTICES & BEYOND 2025

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PURCHASING & SUPPLY CHAIN MANAGEMENT ASSOCIATION OF THAILAND I SINCE 1988

## Sustainability Professional Insight

Look Indeed at Implementing Sustainable Procurement Practices



20 November 2024 | 08:00 – 17:00

Arnoma Grand Bangkok Hotel

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# Station 2 :
## ESG Qualified vendors

**คุณศุภกิจ กิจศรัณย์**, CPSM
Head of Procurement
บริษัท ปูนซีเมนต์นครหลวง จำกัด (มหาชน)




# Welcome to Qualified Supplier Station

GROUP#2




# Qualified Supplier - Station

| No. | Name | Organization |
|---|---|---|
| 1 | คุณศุภกิจ กิจศรัณย์ | PSCMT |
| 2 | คุณพัฒนุช เจริญกิจมงคล | PSCMT |
| 3 | คุณธันย์ชนก สัตตบงกช | Adv. CPS |
| 4 | คุณนวรัตน์ โพธิราช | Adv. CPS |




# Agenda

| Item | Topic | Duration (minutes) |
|---|---|---|
| 1 | Intro | 5 |
| 2 | Knowledge sharing | 15 |
| 3 | Poll and Group discussion | 30 |
| 4 | Conclusion | 5 |
| 5 | Total | 55 |




# Icebreaking Session

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# The qualified supplier cycle

The qualified supplier cycle is the process through which a business evaluates, selects, and monitors suppliers to ensure they meet the required standards for quality, reliability, and compliance

Incorporating Environmental, Social, and Governance (ESG) criteria into each step of the qualified supplier cycle can help ensure that suppliers align with sustainability and ethical standards.



Environment



Social




Governance

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# The qualified Supplier Cycle - Stages

An overview of the typical stages in a qualified supplier cycle

1. **Identification and Initial Screening**
2. **Qualification and Assessment**
3. **Approval and Contracting**
4. **Onboarding and Initial Orders**
5. **Performance Monitoring and Evaluation**
6. **Feedback and Improvement**
7. **Requalification or Removal**

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# Identification and Initial Screening

1

- identify potential suppliers based on industry research, recommendations, or past interactions.
- Conduct preliminary assessments to ensure they meet basic criteria (e.g., financial stability, general capabilities).

## ESG CRITERIA




**Develop ESG Criteria:** Create clear ESG requirements that suppliers must meet, including environmental impact, labor practices, and governance policies.

## ASSESSMENT




**Pre-qualification Assessments:** Implement initial surveys or questionnaires that include ESG compliance checks

## SUPPLIER COC




**Acknowledge supplier code of conduct.**

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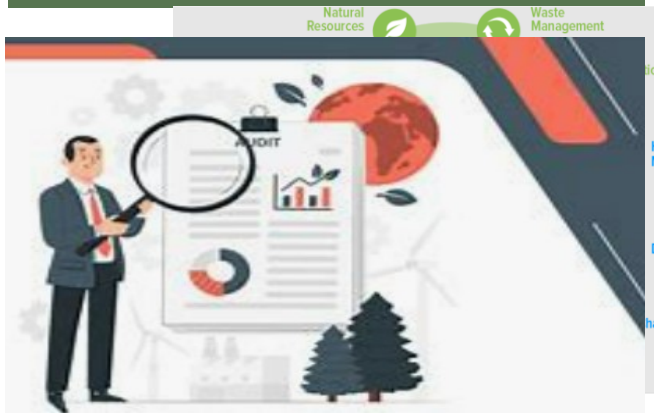
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# Qualification and Assessment

2

- Perform detailed evaluations, including audits, to assess the supplier's ability to meet specific quality and regulatory requirements.
- Check certifications, industry standards (e.g., ISO certifications), and compliance records.

## ESG AUDIT




**Comprehensive ESG Audits:** Perform in-depth audits to evaluate the supplier's adherence to ESG standards, carbon footprint, ethical labor practices, and transparency in business operations.

## ESG POLICY AND REPORT




**Request documentation** on the supplier's ESG policies and sustainability reports.

## RISK ASSESSMENT




**Risk Assessment:** Identify and categorize potential ESG risks associated with each supplier (e.g., regulatory non-compliance, human rights issues).

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# Approval and Contracting 3

- Select the most qualified supplier based on the assessment.
- Negotiate terms, set expectations, and create a formal agreement or contract outlining performance metrics and deliverables.

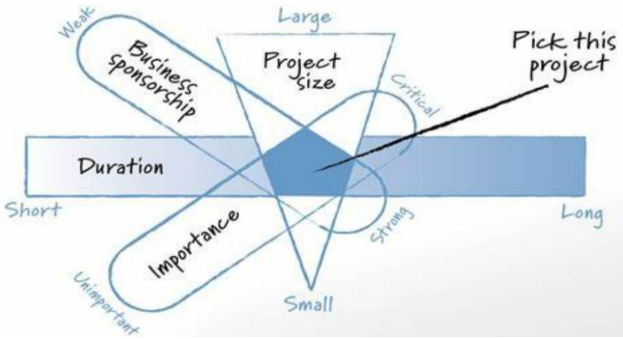
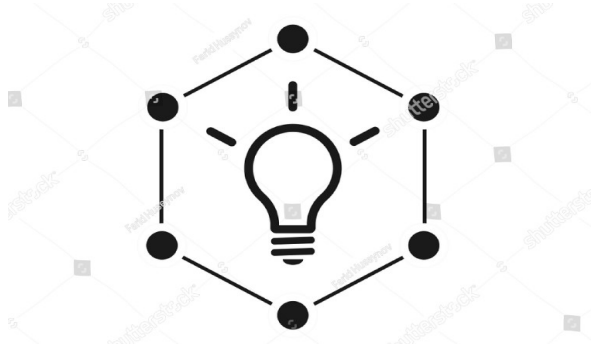
| ESG CLAUSES | BENCHMARKS | AGREEMENT |
|---|---|---|
|  |  |  |
| **Incorporate ESG clauses** into contracts, specifying obligations for environmental impact reduction, ethical labor practices, and anti-corruption measures.. | **Set benchmarks** for ongoing ESG performance and outline consequences for non-compliance. | **Negotiate agreements** that support sustainable initiatives (e.g., commitments to using recycled materials or renewable energy). |



# Onboarding and Initial Orders

4

- Integrate the supplier into the company’s supply chain processes.
- Start with trial orders or limited engagements to confirm the supplier’s reliability and adherence to quality standards.

| SUPPLIER TRAINING | PILOT PROJECTS | INITIATIVES |
|---|---|---|
|  |  |  |
| **Ensure training** for suppliers on your company's ESG expectations and reporting practices. | **Start with pilot projects** that emphasize sustainable practices to evaluate the supplier’s ability to meet ESG standards in real operations. | **Collaborate** on initiatives like waste reduction or packaging optimization |

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# Performance Monitoring and Evaluation

5

- Continuously monitor the supplier's performance through KPIs (e.g., on-time delivery, product quality).
- Conduct periodic reviews and audits to ensure ongoing compliance and quality

| ESG RELATED KPIs | DIGITAL PLATFORM | RUGULAR ESG REVIEW |
|---|---|---|
|  |  |  |
| **Track ESG-related KPIs**, such as carbon footprint, waste generation, and social impact (e.g., fair wages, safe working conditions). | **Use digital platforms** to collect data and generate sustainability scores for each supplier. | **Conduct regular ESG reviews** and supplier assessments, including third-party audits where necessary. |

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# Feedback and Improvement 6

- Provide feedback to the supplier for continuous improvement.
- Collaborate on process optimizations or address any issues that arise.

| PERFORMANCE FEEDBACK | BEST PRACTICE SHARING | CREATE INCENTIVES |
|---|---|---|
|  |  |  |
| **Provide feedback** on ESG performance and suggest areas for improvement (e.g., better waste management or energy efficiency). | **Share best practices** and offer training or resources for suppliers to enhance their sustainability efforts. | **Create incentives** for suppliers who meet or exceed ESG targets, such as preferred supplier status or long-term contracts |

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# Requalification or Removal 7

- If a supplier consistently meets expectations, they may be requalified for extended contracts or larger roles.
- Suppliers that fail to meet standards may be subject to corrective action or removed from the approved list.

## REQUALIFY SUPPLIERS



**Requalify suppliers** based on both performance and adherence to ESG standards.

## CORRECTIVE ACTION PLAN




**Establish a corrective action plan** for suppliers who fall short on ESG expectations and provide a timeline for compliance improvements.

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## DISCONTINUE RELATIONSHIPS




**Discontinue relationships with suppliers** that consistently fail to meet ESG standards to uphold your company's sustainability commitments.

# Related ESG documents




SUPPLIER CODE OF CONDUCT




PRE-Q QUESTIONAIRES



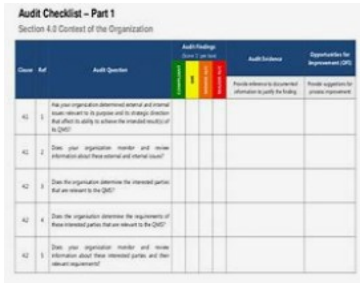

SCOPE OF WORKS



SELECTION CRITERIA




CONTRACT CLAUSE




AUDIT CHECKLIST




ESG RELATED KPIs




INITIATIVES PROJECT




SUPPLIER TRAINING



SUPPLIER REPORT




# Sharing Questions

Q1: How does the Procurement play a role in qualified supplier Cycle?

Q2: Importance and benefits of qualified supplier Cycle from your perspective?

Q3: What is your current stage in qualified supplier cycle?

Q4: What is the challenge stage in qualified supplier cycle for implementation?

Q5: How long does you take for implement this qualified Supplier Cycle?

Q6: What is your challenge in qualified supplier cycle?

Q7: What is your opportunity in qualified supplier cycle?

Q8: After this seminar, What is your first-action in qualified supplier cycle?




# Station 2 : ESG Qualified vendors

**1. How does the Procurement play a role in qualified supplier Cycle?**

Screening suppliers
Supplier Code of Conduct
explore
Supplier evaluating and rating
Contract
whole process in cycle
Supplier visit and audit
ESG Assessment
7 step
sourcing
Selection Criteria
Risk Assessment
ESG
ESG criteria
supplier value
Audit
code of conduct
Screening supplier
compliance
Screen supplier
Supplier assessment
Set standard
SCOC
safety audit follow PSM law




# Station 2 : ESG Qualified vendors

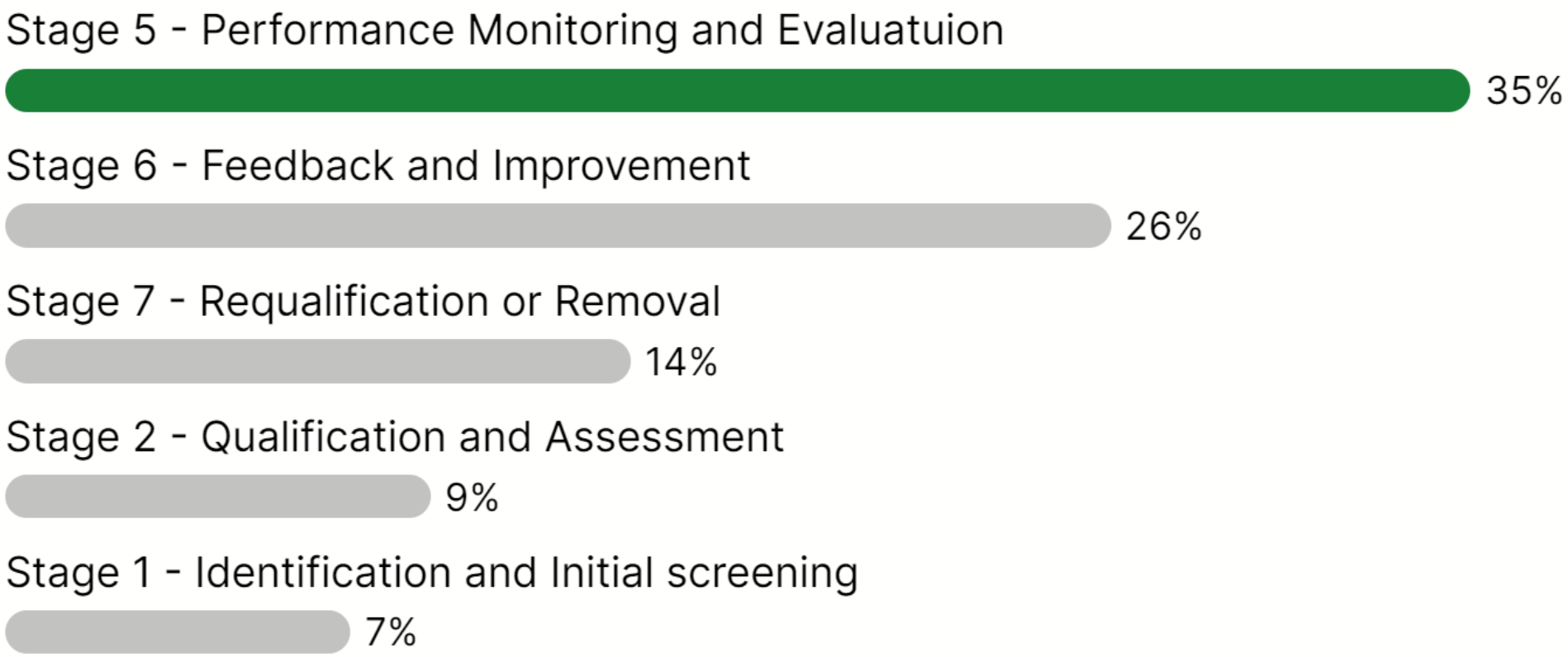
**2. Importance and benefits of qualified supplier Cycle from your perspective?**

Happy user
supply chain management
Transparency
improve cost efficiency
Mitigate risk
Smooth supply
Reduce risk
Risk identification
Sustainable supply
Social
Value Chain
competition
More reliability
Strengthen relationship
Reliability
Quality
Continuous improvement
ontime task
Subtainable
low cost
Ensure quality
sustainable growth
Stabilize QCD of product
secure the supply
Supplier development




# Station 2 : ESG Qualified vendors

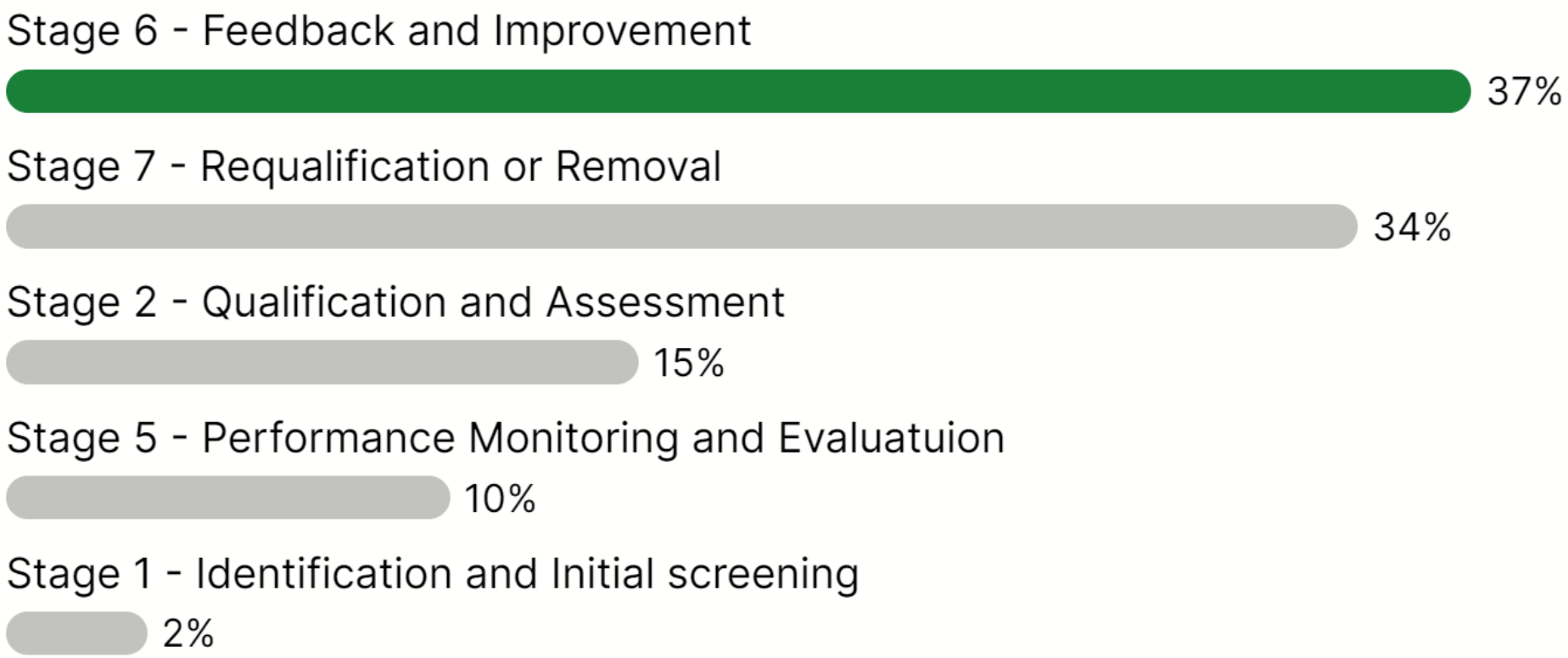
**3. What is your current stage in qualified supplier cycle?**






# Station 2 : ESG Qualified vendors

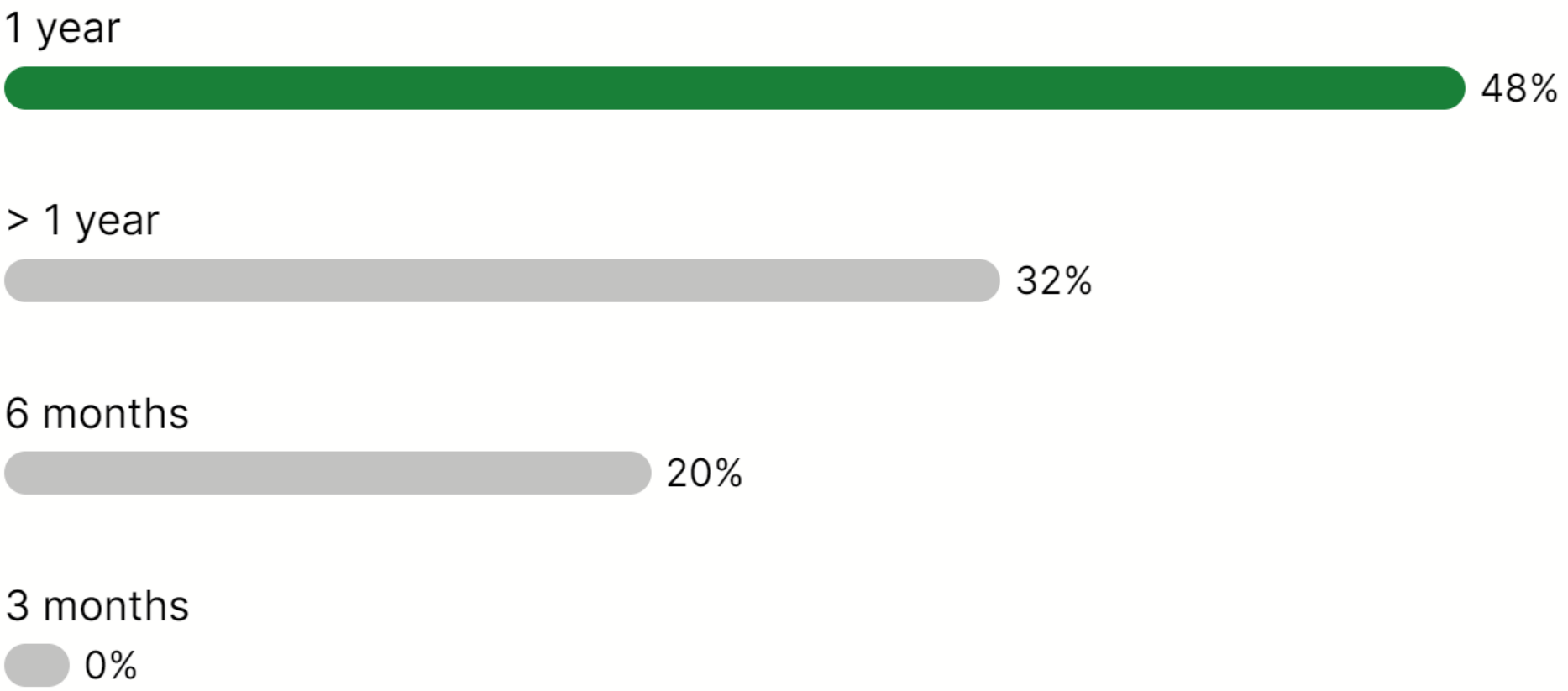
**4. What is the challenge stage in qualified supplier cycle for implementation?**






# Station 2 : ESG Qualified vendors

**5. How long does you take for implement this qualified Supplier Cycle?**






# Station 2 : ESG Qualified vendors

**6. What is your challenge in qualified supplier cycle?**

Step2: Pre-Qualify vendor before select bidding

Under Stand ESG

Financial

Communication

User

Work load

quality

Assessment

Collaboration

Time

On site Audit

Bias

Resource

trust

Workload

mindset

Critical and urgency

Personal Seller

Know how of ESG activities

Awareness

Supplier ที่เปนธุรกิจขนาดเล็กจะไม่ค่อยมีความพร้อมในกาตปรับปรุข

100% ESG vendor in a short-term




# Station 2 : ESG Qualified vendors

**7. What is your opportunity in qualified supplier cycle?**

Improvement
Reduce negative impact
Reorganization
quality supplier
Seek for new technology
Business
Quality
Supplier improvement
Clarify
Disqualify vendor
Suplier improvement
Data
Innovation
Partner
Knowledge
Variety of sources
Align Goal
shareholders
Sustainability growth
Knowledge management
Quality of supplier
good result
Seek for innovation
Performance vendor
Digitalize data
Competitiveness in new market




# Station 2 : ESG Qualified vendors

**8. After this seminar, What is your first-action in qualified supplier cycle?**

Feedback
Tecap to our team and implement
Feedback annual assesment
Coffee please
Review Vendor
Supplier Improvement
reassessment
supplier
Priorities
Improvement Criteria
ESG
Improved suppliers
80/20
Add
Set standard
Improve selection criteria
Risk Assessment
Review and apply
citerial
recoew
performance
Criteria bidding
Review qualified supplier process