Supply Chain Sustainability

dtac is committed to undertaking sustainable supply chain management based on Supplier Conduct Principles (SCP) with fairness and equality. The Supply Chain Sustainability Management team oversees suppliers to prevent risks that might affect the business operations of suppliers, dtac and the environment.

dtac provides written Sourcing Policy and Supplier Conduct Principles that are easy to understand and to the same standards. This reassures suppliers throughout the assessment process.

In addition, the SCP will help suppliers to maintain operational standards that demonstrate their activities are in full compliance with the laws and regulations related to human rights, health and safety, labor rights, environment and anti-corruption.

In 2018, dtac set itself the goal of upgrading standards in supply chain management with an emphasis on the safe workplace and business ethics.

Supplier Conduct Principles

Suppliers selected by dtac are obliged to sign the Agreement of Responsible Business Conduct (ABC) to ensure that their business operations meet dtac’s standards, especially in relation to compliance with human rights, anti-corruption and environmental responsibility.

The signing of the ABC is an affirmation of supplier cooperation and allows dtac to assess suppliers' business practices based on the Supplier Conduct Principles (SCP). The suppliers are required to maintain a strong commitment to the following eight areas:

1 Complying with all applicable laws and regulations

2 Complying with internationally recognized Human Rights regulations

3 Not engaging or employing people under any circumstances against their own free will, child labor below the legal minimum age requirement of any country and illegal foreign or migrant workers. Suppliers must accept and respect the legal rights and freedom of employees.

4 Implementing measures and enforcement of regulations for good occupational health and safety of employees.

5 Conducting environmentally friendly business operations and putting in place preventive measures to reduce the environmental impacts on surrounding communities.

6 Avoiding conflict minerals and unsustainable mining business suppliers, and sourcing only from those with legal mining concessions.

7 Accepting and respecting privacy and freedom of expression as well as ensuring personal data protection in the business operational process.

8 Conducting business with ethical standards, which include integrity in business competition. Engaging in bribery, offers, direct or indirect gift giving, as well as unethical practices are strictly prohibited.

Supplier Conduct Principle Assessment

dtac has established a Supply Chain Sustainability Management team to ensure that suppliers understand and conduct their business in compliance with dtac's SCP standards. This is to reduce risks of suppliers conducting their business without social and environmental responsibility.

Prioritizing Supplier Selection Criteria for the SCP Assessment

1 Types of business and services

2 Annual Supplier Self-Assessment (SAQ)

3 Value of business transactions with dtac

4 Past records of violation or negligence of the SCP

In 2018, the Supply Chain Sustainability Unit carried out 893 supplier inspections, of which 779 times were undertaken without notice. As a result of these assessments, dtac warned suppliers about 279 non-conformity issues. The supply chain management team will monitor the suppliers to ensure that their operations are in full compliance with the SCP.

Supplier Capacity Building Program

dtac provides knowledge for suppliers through its Capacity Building Program covering anti-corruption, environmental conservation, labor standards, occupational health and safety at work. In 2018, dtac incorporated a Health and Balance Working Environment policy into the program to promote better quality of life of suppliers' employees.

Three key training methods

1 A monthly training program for suppliers who need to enhance their knowledge and skills in implementing the eight SCP principles. dtac provides recommendations to improve operations for more effective engagements with suppliers.

2 On-site training and post-assessment training program with a focus on specific knowledge and skills to improve operations that might lead to violation of or which ignore the SCP principles. These include a workshop on how to use Personal Protective Equipment (PPE) for suppliers’ employees or contractors who work on-site in the construction, installation, or maintenance of dtac’s base stations.

3 Quarterly meeting with suppliers responsible for the construction, installation, or maintenance of dtac's base stations, who represent a big group of suppliers. The suppliers will report current circumstances, operation of safety plan, process and practices to enforce the use of Personal Protective Equipment for both employees of suppliers and sub-contractors. dtac will obtain opinions and suggestions to improve its operations for better partnerships between dtac and suppliers.

dtac is also planning to hold a quarterly meeting with suppliers from other types of business in the future. This is a reflection of its determination to develop supply chain management in response to the expectations of all stakeholders and create shared value.