



| | |
|---|--|
| Sustainable Supplier Management Policy | Reference number: SRMD 09/2021 |
| | Review date : 27 June 2023 |
| | Approval date : 27 June 2023 |
| | (Executive Board Meeting no.2/2023) |
| | Effective date : 27 June 2023 |
| | Supersede date : 28 June 2021 |

This policy provides the framework for Sustainable Supplier Management, enabling Berli Jucker Public Company Limited and the group companies (hereinafter referred to as "BJC Group") the effective management of suppliers throughout the supply chain. BJC Group emphasizes on Sustainable Supplier Management in accordance with the BJC Group's sustainable development guidelines, through its recognition that suppliers are key factors which enable BJC Group to proceed and achieve strategic plans, thus expects that various suppliers will continue to grow sustainably together.

Policy Scope

This policy applies to the business operations of Berli Jucker Public Company Limited and its subsidiaries

Definition

Suppliers, refers to individuals or organizations that provide goods and services to the company group through the procurement process as specified by the company group.

Guidelines

1. New Suppliers Identification

New Suppliers who will conduct business with BJC must meet the BJC's sustainability guidelines. Suppliers are selected has integrated sustainability considerations, including governance, environment, and social as part of the assessment criteria. Should score-based selection method be utilized, Sustainability-related considerations must be defined as part of the assessment topic.

2. Suppliers Risk Assessment

2.1 New suppliers whom meets the criteria specified by BJC, they are subjected to a sustainability risk assessment prior to registration as a supplier of the Group.



| | |
|---|--|
| Sustainable Supplier Management Policy | Reference number: SRMD 09/2021 |
| | Review date : 27 June 2023 |
| | Approval date : 27 June 2023 |
| | (Executive Board Meeting no.2/2023) |
| | Effective date : 27 June 2023 |
| | Supersede date : 28 June 2021 |

Should the supplier sustainability risk assessment take longer than expected and impacts the supplier’s registration processes, relevant departments may consider doing an assessment within 3 months after the supplier is registered. Suppliers with good assessment results will be considered for long-term supplier agreements, including excellent trading conditions. If the supplier has a high or very high risks, appropriate risk management must be in place, and appropriately communicated to relevant parties to prevent negative impacts on BJC.

2.2 Conduct a review of the priorities and sustainability risks of suppliers who still have regular business dealings with BJC or every three years. If the risk is high or very high, risk management plan and follow-up must be appropriately managed, as well as support for a non-Tier1 supplier risk assessment to ensure effective risk management

3. Supplier Code of Conduct

3.1 Relevant parties must communicate the supplier code of conduct policy to suppliers, new suppliers (in accordance with the criteria’s set by the company group) to all suppliers.

3.2 New suppliers that meet the criteria set by the company group (in accordance with item 2.1), must arrange appropriate training for suppliers regarding business ethics.

3.3 Should the supplier code of conduct undergo any significant changes, the supplier code of conduct must be communicated to suppliers who still have business operations with the company group for acknowledgement and appropriate training.



| | |
|---|--|
| Sustainable Supplier Management Policy | Reference number: SRMD 09/2021 |
| | Review date : 27 June 2023 |
| | Approval date : 27 June 2023 |
| | (Executive Board Meeting no.2/2023) |
| | Effective date : 27 June 2023 |
| | Supersede date : 28 June 2021 |

- 3.4 Established a process to evaluate significant suppliers’ compliance against the company’s supplier code of conduct, assessed through desk or on-site audits by relevant internal auditing personals or external auditors. The assessment method and frequency of audits will depend on the requirement of the company, such as the nature of business and/or the level of risks of the supplier, nature of operations and/or available resources of each business departments.
- 3.5 Should the audit identify that the supplier has significant violations against supplier code of conduct, suppliers must be notified and develop appropriate solutions, and monitoring suppliers’ corrective actions. In case suppliers lack appropriate remediation strategies/ plan which results in risks or negative impacts to the company, relevant departments shall consider taking appropriate actions with suppliers according to the company requirements.
- 4. Annual Supplier Risk Assessment and Suppliers Evaluation for Contract Renewal
Annual supplier assessment and suppliers’ evaluation for contract renewal, must integrate sustainability related topics, covering governance, environment, and social dimensions, including suppliers’ operations, which must be in line with the supplier code of conduct. Results of the evaluation will be used to determine purchase volume in the next cycle or supplier contract renewal.
- 5. Long-term Supplier Relationship and Development
The company group encourages building long-term relationship with suppliers in accordance with sustainable development guidelines, and supports supplier development to acknowledge, be knowledgeable, and recognize the importance of sustainable management, extending to support suppliers to develop operations in alignment with the principles of sustainable development or ESG



| | |
|---|--|
| Sustainable Supplier Management Policy | Reference number: SRMD 09/2021 |
| | Review date : 27 June 2023 |
| | Approval date : 27 June 2023 |
| | (Executive Board Meeting no.2/2023) |
| | Effective date : 27 June 2023 |
| | Supersede date : 28 June 2021 |

(Environmental, Social and Governance), allowing suppliers to achieve a sustainable growth alongside the company group.

To efficiently manage suppliers in accordance with the requirements of this policy, the group will review the guideline of the policy to align with the sustainability development guidelines of the group and requirements of the supplier code of conduct, including communicating, and training employees within the procurement department and other relevant parties to acknowledge, understand and be knowledgeable about sustainability, including those stated within this policy.