

**BJC**

Berli Jucker Public Company Limited

บริษัท เบลูจ็cker จำกัด (มหาชน)

**BJC Supply Chain
Transparency & Reporting****Support answer: 1.7 Supply
Chain Management****Report Year: 2023****Spending Analysis****Number of Supplier**

Type of Supplier	Number of Suppliers	% Share of Total Procurement Spent
Total Suppliers	8,561	100
Critical tier 1 Suppliers	283	28

Geographical

Spending	% Share of Total Procurement Spent
Local Supplier	89
Foreign Supplier	10



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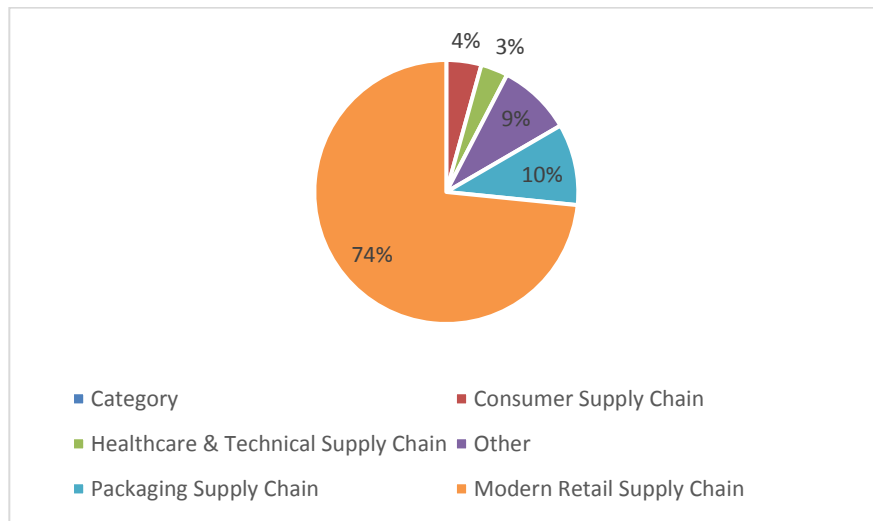
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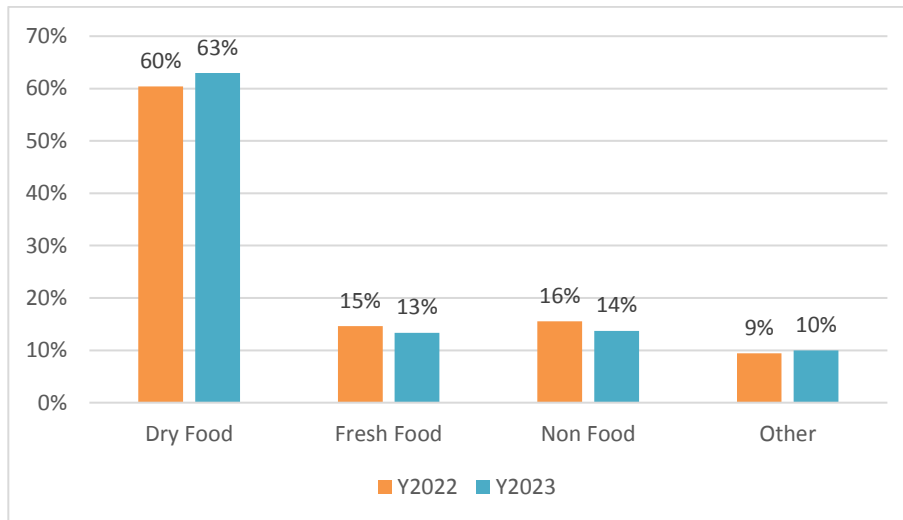
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Category

The total spending by business group is shown in the illustrate below



For the Retail business, the highest purchase is categorized as follows (% of spending value)



Note: 1) Non food include Home line, Hard line and Soft line.

2) Other include back office, logistic and rental fee.



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Supply Chain Awareness

Berli Jucker Public Company Limited and the group company (BJC Group) has developed a system to evaluate suppliers (Significant Suppliers) by considering Critical Tier 1 and Critical Non-Tier 1 Suppliers, enabling the effective planning and management of critical suppliers. The Company Group coordinated with the consultant to improve and develop systems for sustainable supply chain management.

BJC Group evaluated critical suppliers by considering factors which influences the suppliers' sustainable management including, 1) Spending 2) Criticality to Business Strategies and Operations, and 3) Ease of substitute suppliers' identification and the opportunity to collaborate on long-term business ventures. Identified critical suppliers are then evaluated based on their threats to sustainability, using the following criteria's,

- Country-specific risk: Considers supplier's location
- Sector-specific risk: Considers supplier's type of business
- Commodity-specific risk: Considers supplier's products
- Considers the characteristics of partners such as the organization and number of employees

Remark: See Appendix 1 for suppliers' average ESG risk score (ESG benchmarks against peers)

Results of the forementioned evaluation process to identify Significant Suppliers tier 1 and Significant Suppliers Non-tier 1 can be summarized as follow,

Type	Amount (Numbers)
Significant Supplier Tier 1	426
Significant Supplier Non-tier 1	22

In 2023, BJC spend a total of 68% on significant tier-1 suppliers and a total of 22 significant non-tier-1 suppliers.



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BJC group classified the management of Significant Supplier tier 1, into 2 assessment types,

1. Desk Assessment: Relevant departments will send surveys to suppliers according to the identified suppliers' risk to provide feedback on their respective management strategies of such risks, in addition to supplying additional documents or evidence of operations to allow relevant departments to verify the sufficiency and appropriateness of the management approach.
2. On-Site Assessment: Conducted for Significant Supplier at their respective operation locations be either the internal departments (2nd party assessment), and/or hiring external organizations to perform the assessment (3rd party assessment)

Following the evaluation, BJC Group will notify the suppliers about identified issues and coordinate with all relevant parties to collectively develop appropriate solution and mitigation strategies, including regular monitoring. All suppliers with identified issues from the audit have developed and implemented appropriate improvement and corrective actions to resolve all issues. Additionally, no suppliers have been discontinued due to the supplier risks, which would negatively impact the company group.

Furthermore, BJC Group also has projects in place to assist the development of critical suppliers to foster sustainable growth, achieved through knowledge sharing and business development through training, joint projects, and continuous development of suppliers.

Examples of supplier's development programs implemented in 2023 includes:

- Contract farmer suppliers have been developed to comply with sustainable agriculture practices, to ensure water efficiency, reduce chemical use, and improve yield quality.
- Empowering local farmers by providing farmers with access to modern agricultural techniques, training, and novel market opportunities, ultimately enhancing crop quality, yield, and fostering economic growth within local communities.

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- Big C's Farmer Development Program provides farmers with access to scientific knowledge, best practices, and modern agricultural techniques, resulting in improved crop yields and enhanced product quality. Big C also supports farmers in adopting appropriate packaging practices, ensuring that their products meet the stringent quality standards required for sale in Big C's retail outlets and online platforms.

Developing suppliers' potential reduces suppliers' risks and increases business opportunities for the organization, safeguarding availability of sufficient raw materials for production and goods for sale to customers, allowing the best management of product quality and cost as the group intended, and enabling the business and suppliers to sustainably grow together.

ESG Integration in Supply Chain Management Strategy

BJC has put in place systematic measures in order to ensure that the important issues in our supply chain are prevented from any misconduct caused by our suppliers. We are confident that our good sense of corporate responsibility will be forwarded to the suppliers, trade partners, service providers, contractors, as well as business alliances. Thus, we prioritize supply chain management through the supervision of our business partners.

Top Five Priorities of BJC's Supply Chain Management

1. Select good quality products and services with reasonable price
2. Provide efficient distribution within time limit
3. Develop efficient inventory management
4. Build and maintain long-term relationship with suppliers
5. Improve human capital development process to enhance supply chain management



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Integration of ESG Objectives

1. To identify and select potential suppliers to participate in a supplier development program that complies with sustainable development principles in the economic, environmental, and social dimensions, as well as the supplier code of conduct – BJC select potential suppliers to participate in the supplier development program through a variety of methods, including training, on-site auditing to assess internal processes, as well as considering action for improvement. To do this, BJC begin by partnering with SMEs that provide fresh food and produce house brands for Big C. The development topics cover three aspects of ESG and relate to the supplier code of conduct, including economic (e.g. product quality, supplier management), environmental (e.g. natural resource management, waste management, climate related management), and social (e.g. employee well-being, occupational health and safety, community relations).

In terms of supplier management, BJC intends to identify potential partners in the fresh food category that are SMEs and produce own-brand products for Big C in order to improve process efficiency while adhering to BJC policies, supplier code of conduct, and sustainability criteria. This key objective is associated to our supply chain strategies No.1 "Select good quality products and services with reasonable price", No.4 "Build and maintain long-term relationships with suppliers" and No.5 "Improve human capital development process to enhance supply chain management"

2. To obtain and select potential suppliers and to develop our existing partners, BJC conducts ESG risk assessments on suppliers and raises sustainable development awareness among suppliers through regular ESG instruction.

As a consequence, suppliers have a deeper knowledge and awareness of ESG matters, which enables their businesses to operate more sustainably. This objective is to develop BJC's supply chain toward sustainability by establishing and maintaining long-term partnerships between BJC and our suppliers.



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To focus on our suppliers, BJC performed a supplier risk assessment, which included sustainability considerations, in order to identify possible risks and develop mitigation measures. In addition, we encourage our suppliers on the knowledge and awareness of sustainability in their organizations and supply chain through various channels such as digital acknowledgment training. This key objective is linked to our supply chain strategy No. 1 “Select good quality products and services with reasonable price” and No. 4 “Build and maintain long-term relationships with suppliers”.

In addition, the Company established BJC’s Supplier Code of Conduct which is required to be reviewed every two years to assure suitable and applicable coverage of sustainability issues, effective to all of our business partners.