


# SUSTAINABLE SUPPLY CHAIN MANAGEMENT

## Opportunities and Challenges


BCPG is committed to operating under the principles of good corporate governance and recognizes the importance of an efficient, high-value, and environmentally friendly supply chain management system. The Company upholds its responsibility to stakeholders across economic, environmental, and social dimensions, extending to business partners within the supply chain. Additionally, BCPG promotes green procurement, considering environmental impacts beyond quality, quantity, service, and price in accordance with standard procurement criteria. As a clean energy enterprise, BCPG aims to create shared value and achieve sustainability goals, particularly in reducing greenhouse gas emissions. The Company faces challenges in adapting to climate change comprehensively and effectively. A lack of awareness or incomplete environmental and social management practices within the supply chain may affect the evaluation and selection of business partners who potentially misalign with BCPG’s operational direction. Recognizing this, BCPG sees an opportunity to enhance supply chain management by strengthening employee and partner capabilities through capacity-building initiatives. These efforts aim to mitigate risks while ensuring a sustainable supply chain. Furthermore, BCPG seeks to foster innovation in products and services that add value to the Company in collaboration with business partners. Such initiatives not only enhance corporate social and environmental responsibility but also improve BCPG’s reputation, attracting customers and investors for future business expansion.

## Key Performance and Goals in 2024


Key Performance




Suppliers assessed for supplier risks screening: **25%** of all suppliers.



Suppliers evaluated through on-site audits: **46%** of Critical Tier 1 Suppliers.




Suppliers evaluated through self-assessment: **100%** of Critical Tier 1 Suppliers.




General management responsible for procurement participated in the SET ESG DNA training: **100%**, with a total of **18 hours** and **43 minutes** of training.

Goals





Critical Tier 1 Suppliers have undergone **100%** supplier assessment.



General management responsible for procurement participated in ESG training: **80%**.


## Key Stakeholders

Key Stakeholders	Actions Taken to Meet the Stakeholders’ Needs in 2024
<div><div>Employees</div></div>	<ul style="list-style-type: none"><li>Promoting knowledge and developing skills related to sustainable procurement and supply chain management.</li><li>Maintaining a good and safe working environment as a foundation, as well as providing health care to increase satisfaction.</li><li>Emphasizing the reduction of greenhouse gas emissions and the efficient use of resources, leading to participation in sustainability initiatives, such as reducing energy consumption and using recycled materials.</li></ul>
<div><div>Suppliers</div></div>	<ul style="list-style-type: none"><li>Annual site visits to suppliers to identify potential issues or weaknesses that could affect the supply chain and collaboratively find ways to improve efficiency.</li><li>Meetings and communications with suppliers to convey the intention of promoting business operations based on ESG principles, as well as exchanging opinions, suggesting approaches, and fostering effective collaboration.</li><li>Building a strong and trusting network for the development of new products or services.</li></ul>


## Strategy and Management Approach

BCPG recognizes the impact that suppliers have on its operations. By selecting suppliers who demonstrate efficiency, ethical business practices, and strong environmental and social policies, The Company can meet stakeholder expectations while delivering high-quality products and services to society. Therefore, BCPG places great importance on effective, transparent, and accountable supplier and supply chain management. The Company integrates environmental, social, economic, and good governance considerations into its supplier selection criteria. Additionally, BCPG has established the BCPG Supplier Code of Conduct to serve as a guiding framework for The Company’s suppliers.

BCPG has enhanced its supply chain management process through rigorous supplier evaluation criteria and supplier classification. This includes categorizing suppliers based on their products and services. In the past year, The Company conducted Supplier On-Site Audits for six suppliers to ensure strict compliance with transparency standards while fostering strong relationships. These efforts support the continuous improvement of products and services, potentially leading to environmentally friendly innovations. Additionally, BCPG provides training for employees and suppliers on sustainability in supply chain management. Strengthening these relationships enables The Company to adapt to business challenges and manage personnel systematically, fostering mutual growth.



For more details on BCPG Supplier Code of Conduct, visit: [Click](#)






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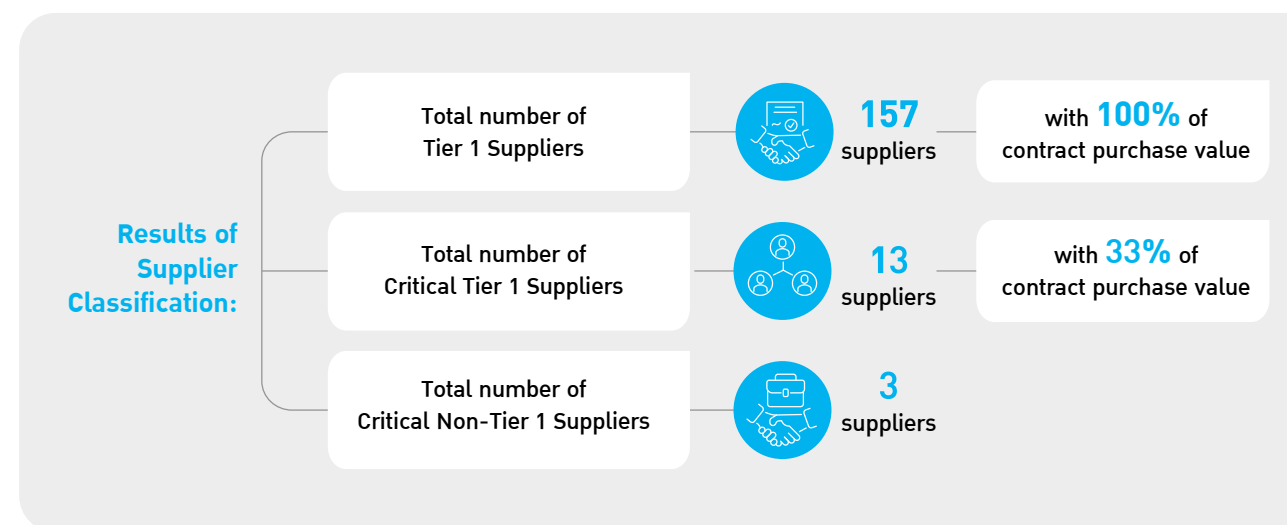


## Criteria for Supplier Classification and Grouping

BCPG has enhanced its supply chain management process by categorizing suppliers based on their roles as manufacturers and service providers. The Company has also established criteria to identify Critical Tier 1 Suppliers (key suppliers that directly conduct business with BCPG) and Critical Non-Tier 1 Suppliers (key suppliers that do not directly engage with BCPG). The classification details are as follows:

The criteria for classifying critical suppliers include:	
	Suppliers with high contract purchase values, such as those supplying parts or equipment in the production line.
	Suppliers critical to The Company's operations, such as those providing raw materials, electrical equipment, and maintenance services.
	Suppliers that are few in number or cannot be replaced by other products or services.

Based on the company's operations in 2024, the groups can be classified according to the following evaluation criteria.



## Supplier Management Approach

BCPG manages its suppliers through a system that facilitates continuous communication and engagement. The Company evaluates supplier capabilities and monitors their performance to ensure compliance with the BCPG Supplier Code of Conduct, which outlines environmental and social responsibilities to be strictly adhered to by suppliers. BCPG aims to strengthen its supplier management in regards to ethical standards, fairness, and transparency throughout the supply chain. The Company's supplier management and development strategies align with sustainable supply chain practices and fall under the responsibility of the General Administration Procurement Department. This division defines operational directions and enhances processes to establish a clear and tangible framework for sustainability.

### Supplier Management Approach Diagram



BCPG's supplier risk management encompasses risk assessment, value analysis, and key factors in sustainable supply chain management that impact both the Company and its stakeholders. This includes the classification of key suppliers and the development of the Approval Vendor List (AVL), which evaluates the suitability of suppliers entering business with the Company. The assessment criteria are based on technical aspects, contractual quality assurance, financial status, as well as compliance with legal regulations, environmental standards, and labor-related human rights principles.

After being listed in the Approval Vendor List (AVL), suppliers must undergo an annual Yearly Performance Evaluation using the Vendor/Contractor Evaluation Form. This process includes performance monitoring through Supplier Self-Assessment and On-site Audit at the operational site, following the procurement regulations set by the Company. If a supplier fails to meet the required standards or does not perform at the designated level, the Company may consider temporarily or permanently suspending procurement from that supplier. The supplier management framework is reviewed annually to ensure alignment with the BCPG Supplier Code of Conduct for sustainable business development, while also mitigating risks across environmental, social, and governance (ESG) dimensions.



# ESG Supplier Risk Screening

BCPG has established criteria for identifying and assessing supplier risks, covering environmental, social, and governance (ESG) factors to enhance and develop its suppliers. This process includes risk identification, risk analysis, and risk ranking based on the likelihood and impact of potential risks. The supplier risk identification criteria consider various risk factors and are based on Supplier Self-Assessment data, including:

- **Product and Service Risks** – e.g., technical operation issues, substandard products/services.
- **Business Operation Risks** – e.g., procurement of specialized equipment with limited suppliers.
- **Environmental Risks** – e.g., non-compliance with environmental regulations.
- **Social Risks** – e.g., non-compliance with labor and safety laws, violations of human rights principles.

## The Criteria for Assessing Supplier Risks

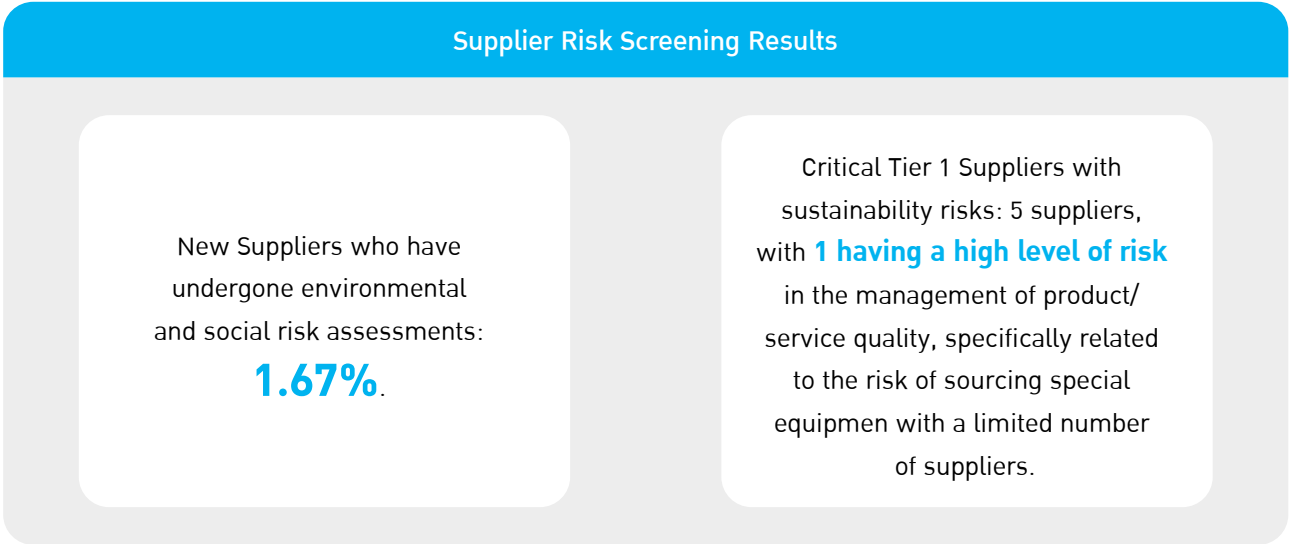
### Risk Matrix

Impact	1,4	2,4	3,4	4,4	Risk level*		Risk Evaluation	
	1,3	2,3	3,3	4,3		Scores 9 - 16		Very High
	1,2	2,2	3,2	4,2		Scores 58		High
	1,1	2,1	3,1	4,1		Scores 3 - 4		Medium
						Scores 1 - 2		Low
Likelihood				Remark: Risk level = Likelihood of occurrence x Severity of impact				

### Likelihood

1 - High Unlikely	2- Unlikely	3 - Possible	4 - Likely
Possibility of existing risks is ≤ 20%	Possibility of existing risks is > 20-50%	Possibility of existing risks is > 50-80%	Possibility of existing risks is > 80%
Unlikely to happen in the current year	Possible to happen under specific circumstances	Possible to happen in the current year	Most likely to happen in the current year
Never happen	Rarely happen in the past year	Sometimes happen in the past years	Regularly happen in the past years

Impact		Finance	Operation and Workforce	Reputation	Compliance and Environment
Severe	4	Affect EBITDA, Revenue or PAT > 10%	<ul style="list-style-type: none"><li>• The power plant loses of operational opportunities / experiences a sudden and continuous shutdown of operations &gt; 20 days</li><li>• Disability and fatality from the operation activities</li></ul>	<ul style="list-style-type: none"><li>• The incident led to strong opposition or protests from the public, local communities, or stakeholders</li><li>• Loss of creditability among key stakeholders critical to sustainable business development for &gt; 1 year</li></ul>	<ul style="list-style-type: none"><li>• Termination of employment is ordered upon confirmation of misconduct</li><li>• A personal data breach or leakage occurred, which may seriously impact the rights and freedoms of data subjects, resulting in liability under the Personal Data Protection Act</li><li>• Severe pollution and/or environmental damages to both inside and outside operation sites</li></ul>
	3	Affect EBITDA, Revenue or PAT > 5%-10%	<ul style="list-style-type: none"><li>• The power plant loses of operational opportunities / experiences a sudden and continuous shutdown of operations &gt; 10-20 days</li><li>• Severe injury from the operation activities, resulting in operational halt for &gt; 90 days</li></ul>	<ul style="list-style-type: none"><li>• The incident led to unsatisfaction from stakeholders through complaints and whistle blowing report, leading to negotiation and remendability</li><li>• Loss of creditability among key stakeholders critical to sustainable business development for &gt; 1-12 months</li></ul>	<ul style="list-style-type: none"><li>• An order for removal from responsibilities will be issued upon confirmation of wrongdoing</li><li>• A personal data breach or leakage occurred, which may seriously impact the rights and freedoms of data subjects, resulting in lawsuits from the personal data owner and/or external stakeholders</li><li>• Pollutions that negatively affect environments to both inside and outside operation sites</li></ul>
	2	Affect EBITDA, Revenue or PAT > 1%-5%	<ul style="list-style-type: none"><li>• The power plant loses of operational opportunities / experiences a sudden and continuous shutdown of operations &gt; 2-10 days</li><li>• Severe injury from the operation activities, resulting in operational halt for 90 days</li></ul>	<ul style="list-style-type: none"><li>• The incident led to unsatisfaction from stakeholders, leading to request for the Company to clarify</li><li>• Loss of creditability among key stakeholders critical to sustainable business development for &gt; 1 week – 1 month</li></ul>	<ul style="list-style-type: none"><li>• Verbal and written warnings are issued upon confirmation of misconduct</li><li>• A personal data breach or leakage occurred, which may seriously impact the rights and freedoms of data subjects, however, there are no leakage of sensitive data</li><li>• Pollutions that negatively affect environments to both inside and outside operation sites</li></ul>
	1	Affect EBITDA, Revenue or PAT ≤1%	<ul style="list-style-type: none"><li>• The power plant loses of operational opportunities / experiences a sudden and continuous shutdown of operations ≤ 2 days</li><li>• Severe injury from the operation activities, resulting in operational halt &lt; 90 days</li></ul>	<ul style="list-style-type: none"><li>• The incident led to unsatisfaction from stakeholders, but the Company can contain the damages</li><li>• Loss of creditability among key stakeholders critical to sustainable business development for ≤ 1 week</li></ul>	<ul style="list-style-type: none"><li>• Investigation are issued upon confirmation of misconduct</li><li>• A personal data breach or leakage occurred with little or none negative impacts to the data subjects</li><li>• Leakage or pollution that are needed to be announced but with little or none environmental negative impacts</li></ul>





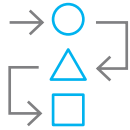



Supplier Assessment

BCPG conducts annual monitoring of key suppliers’ business ethics in environmental, social, and governance (ESG) aspects. This includes on-site visits to key suppliers to assess their business status, combined with self-assessment results and compliance evaluations. In 2024, the Company conducted supplier assessments based on the following selection criteria:

Criteria for Selecting Suppliers to Participate in the Evaluation

- **Critical Tier 1 Suppliers**, particularly those providing equipment and materials for power generation projects.
- Suppliers with **contract values of at least THB 1 million**.
  - Suppliers who have given **consent for assessment**.

In 2024, the Company set a target to assess 100% of its critical tier 1 suppliers through Supplier Self-Assessment and on-site evaluations. Each supplier was evaluated based on six key criteria, as outlined in the annual supplier assessment framework as follows:

Criteria for Supplier Evaluation	Supplier Evaluation Content
<div></div> <div>1. Duties, Responsibilities, and Code of Ethics of Executives</div>	<ul style="list-style-type: none"><li>• Readiness of requirements or operational principles in the production process</li><li>• Appointment of responsible persons to oversee the operations of suppliers</li><li>• Emergency backup plan for handling service quality issues</li><li>• Training plans, programs, and skill development to enhance human resource knowledge and understanding</li></ul>
<div></div> <div>2. Management of Product/Service Quality</div>	<ul style="list-style-type: none"><li>• Ability to deliver according to the scope of work (TOR)</li><li>• Plan for controlling and inspecting products and services at every stage</li><li>• Clear assignment of responsibilities in the production or service delivery process</li><li>• Suppliers’ ability to continuously improve and develop program structures, such as Kaizen, Lean, Six Sigma, etc.</li></ul>
<div></div> <div>3. Control of the Production Process (Specific to the Procurement of Goods)</div>	<ul style="list-style-type: none"><li>• Supplier’s preventive maintenance operations</li><li>• Use of process control tools by the supplier, such as process flow diagrams and process control plans</li><li>• Ability to adjust or increase production capacity according to the supplier’s needs</li><li>• Adherence to FIFO (First In, First Out) or other production procedures, with the supplier’s good performance results.</li></ul>
<div></div> <div>4. Supply Chain Management</div>	<ul style="list-style-type: none"><li>• Establishment of the supplier’s supply chain management policy and clear definition of responsibilities</li><li>• Having policies or programs for cost reduction by the supplier</li></ul>
<div></div> <div>5. Goods Delivery Management and Customer Responsibility</div>	<ul style="list-style-type: none"><li>• The supplier can deliver products and services as agreed.</li><li>• Effectiveness in reporting issues related to the quality of products and services.</li><li>• The supplier has a plan to monitor customer complaint trends and a timely corrective and preventive action plan.</li></ul>
<div></div> <div>6. Safety and Environment</div>	<ul style="list-style-type: none"><li>• The supplier has a policy for waste segregation or reducing waste volume.</li><li>• The supplier has a policy for wearing personal protective equipment while working in production areas.</li><li>• The supplier’s environmental policy complies with regulations.</li><li>• The supplier has ISO 14001 or equivalent certification.</li><li>• The supplier has a good management system throughout the project and/or office areas.</li></ul>





## Supplier Assessment Result in 2024

### ผลการตรวจประเมินผู้ค้า



The number of suppliers assessed is **6**, or **46%** of Total Tier 1 Suppliers.



There were **0** supplier with significant negative impacts for whom corrective or improvement measures were implemented.



There were **0** supplier assessed with significant negative impacts.



**0** supplier with significant negative impacts have had their contracts terminated with the Company.

### The Results of the Supplier Assessment Regarding Corrective Action Plans and Supplier Capacity Building:



The number of suppliers supported in implementing corrective action plans or developing **supplier is 0**.

## Corrective Action Plan

BCPG has established corrective action or development guidelines for suppliers assessed as having risks in various areas, with examples of corrective action plans as follows:

- Product and Service Quality Management
  - If there is a risk in selecting suppliers who provide or source special products, the Company has a plan to extend the supplier selection period and consider suitable tender processes.
  - If there is a risk of technical issues with low-quality products and services, the Company has a plan to inspect goods according to standards, check the work process, and monitor warranty agreements.
- Environment and Safety
  - In cases where there is a risk of suppliers not complying with environmental laws, labor laws, or human rights principles, the Company will communicate and educate suppliers to raise awareness of the issues. Additionally, the Company will check the supplier's history before registration and closely monitor the operations of suppliers with environmental and social risks.

## Development of Employee Capabilities

In addition to comprehensive supplier management, BCPG places great importance on developing the capabilities of employees in the supply chain management division, particularly in sustainability-related aspects. This initiative aims to enhance the knowledge of general management personnel and procurement officers, ensuring their ability to adapt to business changes while incorporating environmental, social, and governance (ESG) principles into their decision-making. These principles influence supply chain management, procurement, and supplier selection, ensuring partnerships with visionary and sustainability-driven suppliers who uphold transparency and good corporate governance. In 2024, BCPG organized training programs to enhance the capabilities of general management personnel and procurement officers. These training sessions aimed to raise awareness of sustainability and encourage the practical application of this knowledge in procurement processes for greater efficiency.

### Participation in the SET ESG DNA program



BCPG has participated in the SET ESG DNA program, focusing on sustainable business practices that consider environmental, social, and governance issues. These are key aspects in driving the business sector. The objective is to conduct business sustainably, developing strategies and processes, along with sustainability activities the Company has implemented. Additionally, the program examines the impact of sustainability concepts on supply chain management, including interesting case studies.

BCPG has enrolled employees or personnel responsible for procurement management in the general administration department in this training program to enhance their understanding of sustainability concepts on a broad scale. The program focuses on applying sustainability

principles effectively in supply chain management, taking into account supplier risks, supplier assessments, and strategies for developing the capabilities of suppliers in the areas of environment, society, and governance.

### Benefits from the Programs



Employees participating in the program: **3**



The employees gained basic knowledge about the importance of sustainable business practices, along with the guidelines and frameworks for sustainability, to be applied in supply chain management: **100%**





## Participation in Sustainable Business Practices to Support Suppliers



BCPG actively assists and raises awareness about sustainable business practices among suppliers, ensuring that they have financial liquidity and can continue their operations. This is achieved by setting a payment term for suppliers not exceeding 30 days.

In 2024, the expenses from the operations of the group include inter-company transactions, support for business operations, and the promotion of the corporate image, investor relations, as well as consultancy fees. The group has an average payment term to suppliers of 20 days, in line with the Company's set guidelines, reflecting good business practices.

### Safety Training Program in 2024



BCPG has an ongoing occupational health and safety development program for its partners working on the group's projects each year. The goal is to enhance skills, knowledge, and understanding to improve safety effectively as per legal requirements and to build confidence among stakeholders. This program also aims to prevent or reduce the risks of accidents during operations and potential costs. Therefore, the Company requires its partners to participate in safety training programs based on the curriculum for general employees, new employees, and contractors, according to the specified training period. The training content includes:

- Knowledge about Safety
- Safety Laws
- Safety Regulations
- Laws Related to the Development of Electrical Personnel that Have Been Enacted
- Laws on Annual Electrical System Inspections

The results of the operations in 2024 show that a total of 272 participants attended the training program across 22 operational areas, consisting of 236 males and 36 females. No work-related accidents leading to work stoppages or fatalities occurred in the power plant's operational areas. This success allowed the Company to control the number of accidents involving suppliers and contractors, without losing any work opportunities.