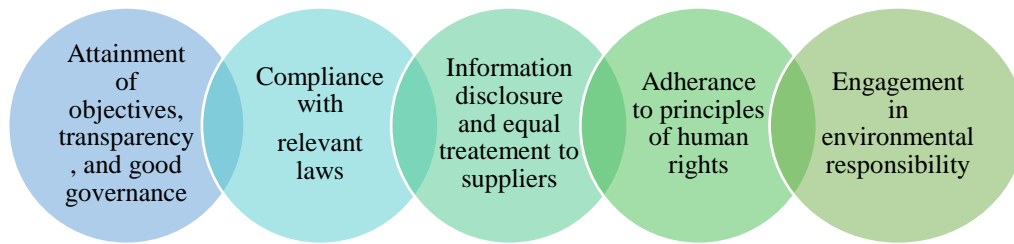


Supply Chain Management



BCPG is aware of the importance of supply chain management to ensure the efficient use of products and resources in an environmentally friendly manner, as well as its responsibility to all stakeholders, whether economically, environmentally, or for all society, for those in the supply chain. Furthermore, BCPG, as a clean energy operator, promotes a green procurement whereby the environmental impact is considered, in addition to product quality, quantity, provision of services, and product prices, in order to create common values for all concerned parties.

Suppliers Management

BCPG's suppliers are:

Critical suppliers: these are the manufacturers and distributors of goods and services that are critical for BCPG, and which involve high expenditure. These products are parts or equipment critical to the production line and could not be replaced by other goods or services. These critical suppliers are categorized as Tier 1 Suppliers in the Approved Vendor List.

Non-critical suppliers: these are the manufacturers and distributors of goods and services that are unlikely to affect the production line, however, they may have some impact on society, the environment, and corporate governance.



BCPG manages its suppliers using a system that allows continual communication and linkage with them, together with an inspection of their potential and the follow-up of the assessment of performance, in line with the Supplier Code of Conduct, which requires that the employees and suppliers must strictly adhere to the provision relating to the environment and society.

BCPG's supplier management comprises both risk assessment and value analysis in the supply chain, to group the critical suppliers and prepare the Approved Vendor List (AVL) to consider the qualifications of suppliers who will do business with BCPG. BCPG's suppliers must pass the assessment criteria on technical matters, quality assurance, and financial position, as well as comply with environmental and labour laws, in accordance with human rights principles.

Risk issues	Examples of Rectification
Substandard technical operation, goods/services	<ul style="list-style-type: none"> • Acceptance of goods in accordance with the standards • Inspection of the operation and following-up agreements and assurance
Non-compliance with environmental and labour laws, against human rights principles	<ul style="list-style-type: none"> • Communication of the importance of legal compliance • Supplier background check before registration • Following-up the suppliers' operations in the area of the environment and labour.

After inclusion on the Approved Vendor List (AVL), BCPG's suppliers must pass a yearly performance evaluation, using the vendor/contractor evaluation form to follow up their performance results, both as self-evaluation and a site audit, in accordance with the BCPG criteria, this depends on the type of products or services. However, if any supplier fails to pass the standards or fails to comply with the regulations, BCPG will suspend procurement from the Approved Vendor List (AVL), either on a temporary or permanent basis.

Critical Suppliers Analysis

Number of BCPG's suppliers in 2020

645

Tier 1 Critical Suppliers

103

Average score for user satisfaction for Tier 1 Critical Suppliers

