



PTG ENERGY GROUP

Supporting Document

on

Supplier Acquisition and Procurement Policy

Revision History

08	01/01/2025	2024 Annual revision
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02	01/04/2019	Added a subsection of Supplier Acquisition
01	01/01/2019	2018 Annual Revision
00	30/01/2018	First implementation
Revision#	Effective Date	Description



Supplier Acquisition and Procurement Policy

PTG Energy Group ("the Group") has implemented a policy pertaining to the acquisition and procurement of business partners namely manufacturers, suppliers, distributors, agents, service providers and contractors in an integrated and transparent manner. With aims to achieve effective capital management, performance efficiency and consistent collaboration, the Group is biased towards suppliers that operate their business with integrity and conformity to the Group's procurement guidelines and mechanisms. This present policy extends to active participation in and responsibilities towards communities, society and the environment, all of which constitute a key driver that ultimately leads to sustainable inclusive growth. Correspondingly, the Group therefore develops procurement guidelines, terms and conditions as follows:

1. The Group places heightened importance on supply chain management, prioritising delivered quality and quantity, which need to be correct, responsive, safe and friendly to the environment. The operations of both the Group and its partners are required to be transparent and accountable. They must render added value to all affiliated entities throughout the supply chain.

2. The Group have administrative and monitoring procedures in place at every step of the supplier acquisition and procurement process to affirm that all aspects agreed in executed contracts have been satisfied. Moreover, such procedures are to limit actions that precipitate conflict of interest, potential corruption or discrimination, which may consequently cause damage to the Group's operations.

3. The Group prioritises management of potential risks across suppliers. Research and data analysis on transactions made between the Company and its suppliers are conducted on a regular basis. The analysis also includes identification and evaluation of possible risks among the suppliers, taking into account the society at large and the environment. Importantly, the Group has strengthened confidence of all stakeholders and ensure transparency in its operation through disclosure of potential risks associated with the suppliers.

4. The Group introduces supplier management measures to encourage compliance with applicable operational standards in order to balance multiplying demands and achieve goals. In addition, the Group is committed to upgrading and maintaining its relationships with partners and contractors so as to consistently generate shared benefits for the suppliers and the Group itself, and to instill awareness about the Group's sustainability commitment.

5. There is a recognised standard for supplier procurement, evaluation and review which is placed on an equitable and transparent basis by valuing business stability and credibility of the partners. Importantly, each supplier procured by the Group is required to carry out their business with integrity, high liquidity, credible business records, and transparent operations. The Group is biased towards partners that operate their business with equality and inclusion strategies while concurrently not tolerating human rights violations, and being well aware of social, community and environmental responsibilities.



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Supplier Procurement Criteria

The Company emphasises the importance of suitable and fair procurement process to ensure its accuracy and appropriateness, in line with the criteria stipulated. All suppliers must be procured, evaluated and reviewed on the same footing to ensure each of them will be capable of delivering products and services that meet the Company's preferences and specifications. In addition, competencies of suppliers will be rated on a consistent basis while new supplier acquisition will be on a thorough consideration based on available budgets and procurement procedures. To this end, in order to effectively identify potential suppliers in different business fields, the company thus follows the below criteria for new supplier acquisition and existing supplier management:

- Product and service quality, or supplier's proven track records;
- Price or service fees;
- Delivery duration;
- Collaboration, e.g., providing product samples, quotation, compliance with Supplier Code of Conduct, which also covers Business Code of Conduct for the benefit of the society and the environment.
- Payment terms and conditions

The Company requires active partner evaluations to be carried out twice a year based on critical criteria, which consist of products, work and service quality, final work delivery, product prices, etc. Each supplier will be rated using the scale that reflects the required qualifications. After that, the suppliers will be classified using grading system while possible rooms for improvements will also be addressed. For instance, the Group may request a supplier to improve a specific aspect that obtains a lower score in order to boost its rating and meet the criteria required.