

Human Capital & Culture

Procurement & Vendor Management Policy

Purpose

The purpose of this policy is to establish a standardized framework for the procurement of goods and services and the management of third-party vendors across B&S Investments. This policy ensures that all procurement activities are transparent, cost-effective, compliant with legal and ethical standards, and aligned with the Group's strategic and operational goals.

Given B&S Investments' diverse sectors—including exhibitions, manufacturing, tourism, creative content, hospitality, and digital ventures—this policy seeks to optimize vendor relationships, mitigate risk, enhance supply chain resilience, and foster innovation through ethical partnerships.

Scope

This policy applies to all B&S Investments business units, subsidiaries, and functions involved in procurement or third-party engagement. It includes:

- Central and departmental procurement teams
- Project-based procurement (e.g., exhibitions, hospitality events)
- Vendor selection, evaluation, and onboarding
- Contract negotiation, execution, and renewal
- Local and international sourcing activities
- Supplier risk, sustainability, and performance management

Policy Statement

B&S Investments is committed to conducting all procurement activities with integrity, transparency, and accountability. The Group will:

- Source goods and services in a fair, competitive, and ethical manner
- Engage only with pre-qualified and compliant vendors
- Align procurement decisions with budget controls, quality standards, and ESG considerations
- Manage vendors as strategic partners with performance and compliance oversight
- Ensure segregation of duties and avoid conflicts of interest in procurement processes

All purchases must be supported by documented requisitions, approvals, and contracts or purchase orders in accordance with Delegation of Authority (DoA) levels.

Roles & Responsibilities

Role	Responsibility
Chief Procurement Officer (CPO)	Define procurement strategy, approve high-value sourcing decisions, and oversee group-wide compliance
Procurement Department	Execute procurement activities, maintain vendor database, manage tendering and contracting
Department Heads	Submit purchase requisitions, provide technical specifications, and evaluate vendor performance
Finance Department	Validate budget availability and ensure alignment with payment terms and controls
Legal Department	Review and approve contracts, NDAs, and vendor compliance documents
Internal Audit	Periodically assess procurement practices and vendor transactions for compliance
Vendors / Suppliers	Fulfill contractual obligations, meet service level agreements, and comply with ethical and legal standards

Procedures & Implementation

1. Procurement Planning & Requisition

- Annual and project-based procurement plans are developed in coordination with business units
- Requisitions must include clear technical specifications, budget code, and required delivery timelines
- All requests are submitted via the approved Procurement Management System (PMS)

2. Vendor Selection & Prequalification

- Vendor selection is based on capability, cost, quality, lead time, and ESG alignment
- Prequalification includes submission of business licenses, tax certificates, financial stability reports, and references
- High-risk vendors (e.g., handling sensitive data or critical infrastructure) undergo enhanced due diligence
- Blacklisted or sanctioned entities are automatically disqualified

3. Tendering & Quotation Process

- Competitive bidding is required for purchases exceeding predefined thresholds
- A minimum of 3 quotations must be obtained for mid- to high-value purchases
- Tender evaluations must be documented and involve cross-functional review (technical, financial, and risk)
- Exceptions (e.g., sole sourcing) require CPO justification and CFO approval

4. Contracting & Purchase Order Issuance

- Contracts must define scope of work, service level agreements (SLAs), penalties, delivery schedules, and termination clauses
- All contracts are reviewed by Legal and signed in accordance with the Delegation of Authority matrix
- Purchase Orders (POs) must be issued before goods/services are delivered
- Verbal or informal commitments are strictly prohibited

5. Vendor Onboarding & Monitoring

- Onboarded vendors are added to the centralized Vendor Master List with unique IDs and classification tags (e.g., strategic, tactical, local)
- Performance reviews are conducted quarterly or per project completion, covering:
 - Delivery timelines
 - Compliance with SLAs
 - Quality of goods/services
 - Responsiveness and communication
- Underperforming vendors receive formal warnings and may be delisted after repeated non-conformance

6. Ethics & Conflict of Interest

- All procurement staff must disclose any potential conflict of interest prior to vendor selection or contracting
- Gifts, incentives, or personal benefits from vendors are strictly prohibited
- Violations are escalated to HR and may result in termination or legal action

7. Sustainability & Supplier Diversity

- Preference is given to vendors with sustainable practices, local sourcing, and inclusive hiring policies
- Procurement teams must assess ESG scores and sustainability credentials where applicable
- Strategic sourcing should consider total lifecycle cost, not just unit price

Monitoring & Review

This policy is reviewed annually by the Procurement Department in coordination with Legal and Finance. It is also reviewed following:

- Regulatory changes affecting procurement or competition law
- Major incidents involving vendor performance, fraud, or contract disputes
- Strategic shifts in sourcing or supply chain model (e.g., localization or digitization)

Performance metrics monitored include:

- Cost savings achieved through strategic sourcing
- Vendor compliance and SLA breach rates
- Procurement cycle times

- Audit findings and incident reports.

Associated Documents

- Delegation of Authority Policy
- Vendor Prequalification Form
- Procurement Management SOP
- Standard Contract Templates (Goods, Services, Consultancy)
- Supplier Code of Conduct
- Ethics & Anti-Corruption Policy
- Conflict of Interest Declaration Form
- Budget Approval Guidelines
- ESG Evaluation Framework for Suppliers
- Vendor Performance Scorecard