

Economic



> Fresh Fruit Bunch at Kota Bahagia Mill.

Traceability & Supply Chain Management

Why It Matters

Adopting responsible and sustainable sourcing practices enables us to achieve our business goals while reducing negative environmental impacts and supporting equitable outcomes for local communities and people.

This approach creates long-term value for the environment and communities we serve while meeting the expectations of our stakeholders.

Our Approach

Supporting MSPO SCCS Compliance

We are committed to achieving full traceability at every stage of FFB production, from the planting of seedlings to the harvesting and transportation of FFB. Similarly, at our palm oil mills, we ensure the traceability of our CPO and PK across the entire production process, encompassing FFB receipt, mill processing, transportation and delivery. These measures are essential for maintaining compliance with the MSPO SCCS, which is renewed every five years for all our mills.

Advancing Fair & Sustainable Sourcing Principles

We have institutionalised fair and transparent procurement practices, ensuring that all potential suppliers, including participants in our Vendor Development Initiative (VDI) are treated equally.

Our Procurement Department oversees the supplier selection process based on clearly defined criteria, such as vendor resources, capabilities, as well as the quality and suitability of requested resources. To uphold accountability and impartiality, our procurement activities are governed by strict internal controls, including limits of authority and approvals by the Tender Committee.

Aligned with our commitment to fostering a responsible and resilient supply chain, sustainability is integrated into every stage of our procurement process – from pre-qualification and supplier registration to annual performance evaluations. All suppliers, both new and existing, are expected to meet our established sustainability standards, which cover ethical practices, health and safety, environmental management and respect for human rights.

In addition, we carry out detailed supplier sustainability assessments that cover key environmental and social criteria. In FY2024, 0.7% of our major suppliers were subjected to the assessment.

Procurement Assessments

Item	2022	2023	2024
Suppliers screened using environmental criteria (%)	Nil	3	0.7
Number of suppliers assessed for environmental impacts	Nil	51	13
Suppliers screened using social criteria (%)	Nil	3	0.7
Number of suppliers assessed for social impacts	Nil	51	13