### SUSTAINABLE SUPPLY CHAIN

#### **SIGNIFICANCE**

e recognise the immense significance of a Sustainable Supply Chain, underpinning our ability to maintain operational continuity. Our day-to-day highway operations and services rely on its presence, enabling us to exhibit resilience and agility in navigating challenges.

Over the years, our focus on making continuous improvements has led us to cultivate a culture of responsibility and sustainability throughout our value chain, ensuring our practices reflect our values and contribute to a sustainable business ecosystem.

Our strategic focus is more expansive than operating sustainably within ourselves. We aim to inspire and encourage sustainable practices across our network of partners and suppliers. Doing so amplifies our impact on the broader economic and environmental landscape, enabling us to make meaningful contributions to sustainability.

In enhancing the sustainability of our operations, we will continuously advocate for sustainability throughout our value chain to leave a positive impact in the areas in which we operate.

**OUR APPROACH** SUSTAINABLE SUPPLY CHAIN With a steadfast commitment to sustainability, we strive to integrate it seamlessly into every step of our supply chain. Our strategy is divided into two main areas, and we are **BUILDING A RESILIENT SUPPLY** committed to working collaboratively with **CHAIN FOR OPERATIONAL** all stakeholders to ensure that we meet our **EXCELLENCE** sustainability goals while supporting our business objectives. **01:** PROLINTAS is shaping a robust, sustainable supply chain to support consistent, high-quality 02 highway services and adapt to market changes. **FOSTERING SUSTAINABILITY AND** Our focus on eco-friendly practices and strong **SHAPING INDUSTRY STANDARDS** partnerships bolsters long-term operational efficiency and sustainability. 02: PROLINTAS cultivates ethical supply chain partnerships, driving sustainability and industry excellence, shaping standards and fostering a responsible operational ecosystem.

# ACCELERATING ADVANCEMENT SUSTAINABLE SUPPLY CHAIN

#### **BUILDING A RESILIENT SUPPLY** CHAIN FOR OPERATIONAL **EXCELLENCE**

nderstanding that maintaining a robust and resilient supply chain is critical to our success. To achieve this, we have developed a strategic approach to selecting suppliers who prioritise forming stable, long-term relationships with reliable partners.

We conduct extensive research and due diligence to identify suppliers who can offer the quality, quantity and diversity of products we require. We evaluate suppliers based on their track record, financial stability, compliance with regulations and commitment to sustainability. By selecting suppliers who meet these criteria, we can ensure that we have multiple sources to meet our various needs, reducing the risk of operational disruptions.

In addition to reducing risk, our approach to supply chain management allows us to respond quickly to changes in demand. By having a diverse network of suppliers, we can pivot quickly to meet the evolving needs of our customers. This agility is essential to maintaining our competitive edge in the market.

Critically, we understand the importance of maintaining financial health and cost-effectiveness in our operations. We negotiate with our suppliers to secure stable and competitive pricing while maintaining a balance that benefits both parties. By doing so, we can ensure that we maintain our financial stability and continue to provide high-quality products and services to our road users and customers.

Registered Vendors in 2023

FY2022: 753

**Number of Contractors** Awarded in 2023

215

FY2022: 165

**30%** 

**Building** a resilient supply chain in highway construction is vital to ensure timely access to materials, mitigate disruptions caused by unforeseen events such as natural disasters or supply chain shocks, and maintain project efficiency and cost-effectiveness. ultimately enhancing the durability and

reliability of the constructed infrastructure

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Data & Assurance

We experienced a 15% rise in vendor interest compared to 2022, reflecting increased supplier engagement with PROLINTAS.

> Pn. Norhayati Abdul Aziz Manager, Contract Management

PROJEK LINTASAN KOTA HOLDINGS SDN BHD (PROLINTAS) SUSTAINABILITY REPORT 2023 02

### FOSTERING SUSTAINABILITY AND SHAPING INDUSTRY STANDARDS

s a responsible highway operator, we prioritise sustainability throughout our supply chain, aiming to shape industry standards and promote corporate responsibility. We carefully vet and select suppliers who share our commitment to ethical and sustainable practices, ensuring alignment with environmental and social standards such as reducing emissions and promoting fair working conditions. Through close collaboration with our suppliers, we drive sustainability initiatives and innovate solutions to minimise our environmental impact, mitigate regulatory risks and safeguard our reputation.

By fostering sustainable practices and partnering with responsible suppliers, we generate long-term value for stakeholders while contributing to a more sustainable future. We promote positive and productive supplier relationships by adhering to clear communication, mutual expectations, and performance standards, ensuring a strong and mutually beneficial partnership.

Refer to page 184, for further information on our sustainability initiatives in sourcing Sustainable Materials.

Our communication plan includes annual engagements, dialogue sessions with suppliers and interactions during tendering and contract awards, ensuring clear and effective communication channels are maintained.



**ENVIRONMENTAL** 

#### GHG EMISSIONS & ENERGY USAGE

Suppliers who monitor & track energy consumption.

#### **PACKAGING**

42%

Suppliers who have set targets to reduce & recycle the packaging used.

#### **WASTE MANAGEMENT**

33%

Suppliers who conduct programmes and have procedures to reduce or eliminate pollution and waste in their operations.

KEY HIGHLIGHT

Our 2023 Supplier Sustainability Survey Report showcased robust engagement, with 62% of our suppliers responding to the survey, reflecting a deepened commitment to environmental and social responsibility.

A TOTAL OF 119

PARTICIPANTS)

Responded

to the survey

Notably, there is a concerted effort towards energy efficiency, with 5% monitoring GHG emissions and 33% actively managing waste. Furthermore, 42% of our suppliers are dedicated to reducing and recycling packaging, evidencing our collective drive towards sustainable operations.

PROLINTAS SUPPLIER
SUSTAINABILITY SURVEY

7%
Partnerships
Supplier
Sustainability
Survey 2023
Private Limited
Companies

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SOCIAL

#### WORKPLACE MANAGEMENT

43%

Provide Personal Protection Equipment (PPE) to their employees.

#### **HEALTH & SAFETY**

**51%** 

ISO 45001-2018 Occupational Health and Safety Management System certified.



#### GOVERNANCE -

### FORCED & CHILD LABOUR POLICIES

**58%** 

Have their own policies prohibiting Forced & Child Labour

49%

Have personnel responsible for compliance with environmental laws, regulation & codes.

a Sustainability Supplier Survey to assess our vendors' understanding of sustainability topics through the EESG lens.

In 2023, we conducted

**Tey Seu Inn**Senior Manager
Administration & Purchasing

## ACCELERATING ADVANCEMENT SUSTAINABLE SUPPLY CHAIN

#### **GOING FORWARD**

n our ongoing journey, our commitment to responsible practices remains resolute. We will persist in building a sustainable supply chain, fostering long-lasting relationships with like-minded partners, and inspiring responsible practices across our industry. Upholding ethical guidelines, we aim to make a positive impact on the environment, society, and our business, all while creating a more sustainable future with our partners and employees by our side.

The PROLINTAS team conducted a sustainability survey among RSA visitors to capture their opinions on the sustainability efforts implemented by PROLINTAS. The survey aimed to understand the perspectives of the public who patronise our RSAs, providing valuable information for future sustainability planning and improvements.



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