



**PT. Great Giant Pineapple**

# **SUPPLY CHAIN MANAGEMENT REPORT**

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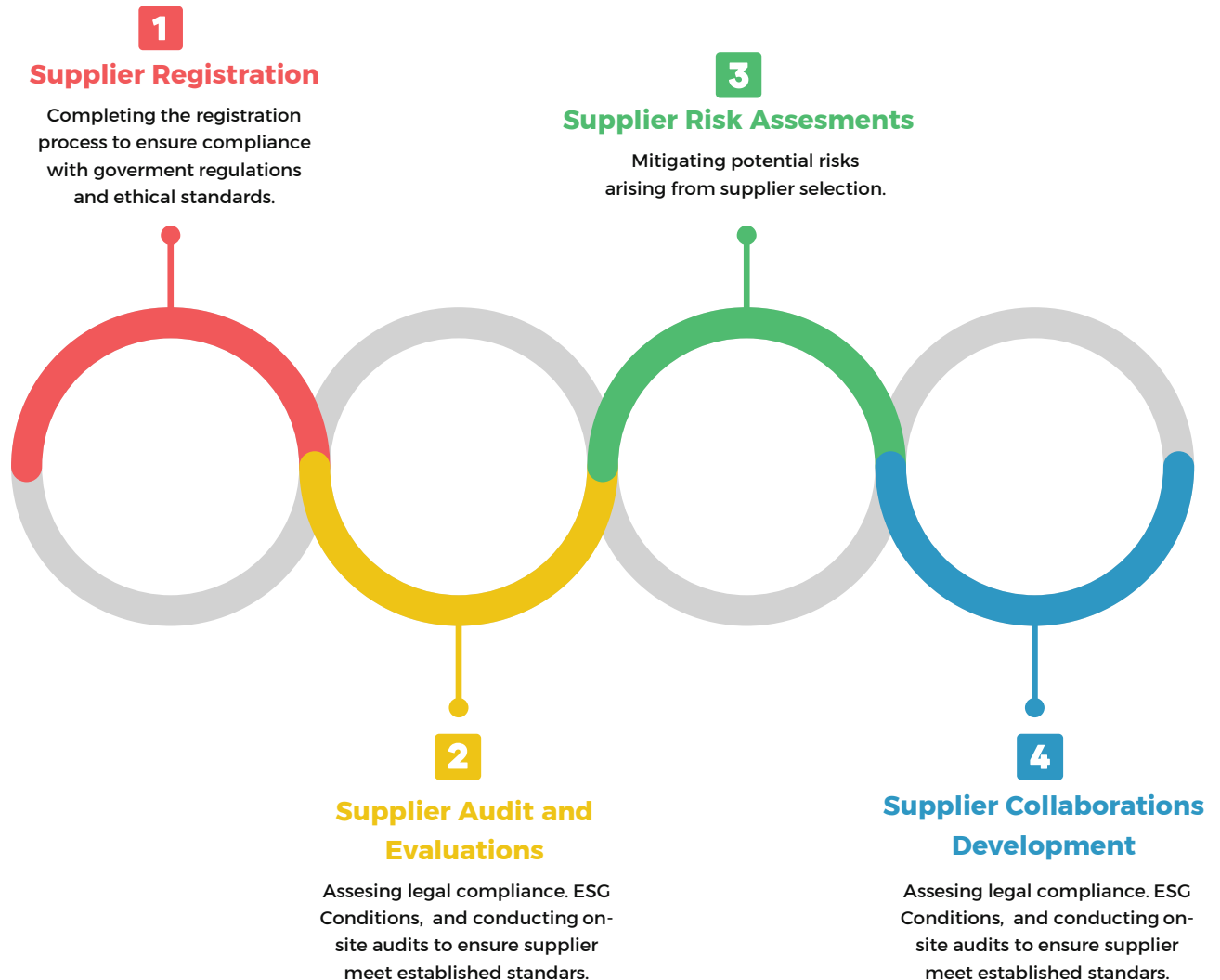
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# Supplier ESG Programs

## Supplier ESG Program

At PT Great Giant Pineapple, we have developed a ethical procurement strategy that includes the following stages:



In selecting suppliers, GGP ensures that the selected suppliers comply with applicable regulations and laws by checking supplier legality documents and signing an Integrity Pact. An Integrity Pact is a document signed by a supplier and contains a statement of commitment to implementing the highest standards of ethics and integrity in conducting business activities. The aspects listed in the Integrity Pact include legal and regulatory compliance, respect for human rights, work safety, environmental aspects, and continuous improvement. The parameters contained in the Integrity Pact are also the minimum requirements for fulfilling ESG aspects in supplier screening.

In addition to the Integrity Pact, the Company requires every new supplier who will transact with the Company to submit a Supplier Qualification Assessment

Form (FPKP) along with supporting documents. FPKP contains information on legal requirements that must be met and practices carried out by suppliers in the social and environmental spheres such as waste management, emissions, water management and employment. Suppliers' inability to comply with requirements and the implementation of unsustainable practices based on the results of filling out forms are our considerations in selecting suppliers. Supplier procurement practices are regularly reviewed to ensure alignment with the Code of Conduct and to avoid potential conflicts with the ESG requirements set by the Company. Especially for production raw material suppliers, we visit new supplier locations to inspect the production location. Suppliers with better ESG performance are preferred by applying a minimum weight to ESG criteria in supplier selection and contract awarding by assessing the risk assessment of supplier related to ESG issues for raw materials. Before Supplier is officially being GGP's vendors, they need to comply first with GGP's requirement including ESG aspect, if they can not comply with several requirements within a set time frame, suppliers are excluded from contracting. All of the ethical procurement strategy is oversight by the the Executive Management.

To implement the ethical procurement strategy, Supply Chain Management team is collaborating with Sustainability Team to achieve the target. Thus, In 2024 Supply Chain Management team as internal stakeholders to apply the supplier ESG program has been received Supplier ESG Program training as well as their role to achieve the target of sustainable supply chain.

# Supplier Screening

At PT Great Giant Pineapple, we conduct audits, evaluations, and risk assessments for all raw material suppliers, particularly those classified as significant suppliers due to their substantial risks of negative ESG impacts or significant business relevance to the company, or a combination of both. All suppliers are required to complete and update a supplier assessment questionnaire every two years, providing information on developments in their commitments and practices related to quality, food safety, occupational safety and health, environmental management, and social accountability.

Based on the supplier assessment questionnaire, we conduct supplier screening by risk assessment analysis that consist of several indicators such as :

1. Environmental
2. Social
3. Governance
4. Business Relevance
5. History of food fraud incident
6. Country specific risk
7. Sector specific risk
8. Commodity specific risk

## Assessment Criteria Topics in Supplier Assessment Questionnaire

|                           |                               |                                        |
|---------------------------|-------------------------------|----------------------------------------|
| Quality Management System | Food Safety Management System | Food Security and Supply Chain Program |
| Process Control           | GMP and Sanitation            | Health and Safety Management System    |
| Customer Complaint        | Food Fraud Management         | Environmental Management System        |
| Product Traceability      | Food Safety Culture Program   | Social Accountability                  |

## Monitoring of PT. Great Giant Pineapple Supplier Screening

| Supplier Screening                                            | FY 2024 |
|---------------------------------------------------------------|---------|
| Total number of Tier-1 Suppliers                              | 855     |
| Total number of significant suppliers in tier-1               | 189     |
| % of total spend on significant suppliers in Tier-1           | 68%     |
| Total number of significant suppliers in non Tier-1           | 0       |
| Total number of significant suppliers (Tier-1 and non Tier-1) | 189     |

Definition :

- **Suppliers**

An organization that provide a product or service used in the supply chain of PT. Great Giant Pineapple. A Supplier are organization which have been registered under the GGP Supply System.

- **Critical Suppliers**

Suppliers which provide goods, materials, services (incl. Intellectual Property (IP)/patents) which have a significant impact on operations, competitive advantage, and market success or survival. Critical suppliers include suppliers of high-volume goods and services, suppliers of critical components and non-substitutable good and services.

- **Critical Tier 1 Suppliers**

Critical suppliers whom provides product, materials, and services (incl. Intellectual Property (IP)/patents) directly to PT. Great Giant Pineapple.

- **Critical Non-tier 1 Suppliers**

Suppliers that are considered critical, and provide products and services to the supplier at the next level in the chain (tier-2 suppliers and higher).

# Suppliers Assessment & Development

## Supplier desk assessments with systematic verification of evidence

In 2024, GGP developed an evidence verification system to assess the ESG performance of our critical tier-1 suppliers through a structured questionnaire and survey method. The collected information is subsequently reviewed, verified, and analyzed to generate an ESG performance appraisal, often in the form of a score. We utilized the Likert scale methodology to conduct this ESG assessment. The resulting ESG scores serve as a foundation for shaping our ESG program development—informing the key topics to address and guiding strategic planning for future collaboration with suppliers. The survey format used is included in the appendix at the end of this report.

## Supplier On-Site Assessments Carried Out By Purchasing Company Employees Or Contracted Consultant (2nd Party Assessment)

Purchasing and Quality Control Team is intensively communicating with suppliers via emails, online meeting and direct visit to the supplier location based. This approach aims to make sure our supplier consistently responsible to follow the system and standard for example based on ISO.

- Example of actions:

1. The purchasing team, in collaboration with the GGP environmental team, consistently conducts audits of our hazardous waste management vendors to ensure that the waste we send is properly managed.



## **Supplier Assessments (Desk Or On-Site) Are Carried Out Using Standards And Methodologies Of A Recognized Industry Or Multi-Stakeholder Initiative.**

In our supplier risk assessment review for raw materials, we utilize a comprehensive approach based on BRC (British Retail Consortium) and IFS (International Featured Standards) guidelines. This methodology allows us to systematically evaluate potential risks associated with our suppliers, ensuring that they meet the highest standards of quality and safety.

By following BRC and IFS protocols, we assess various factors, including the supplier's compliance with regulatory requirements, their quality management systems, and their ability to consistently provide safe and high-quality raw materials. This thorough review process helps us mitigate risks in our supply chain and ensure that our products meet both internal standards and customer expectations.

Ultimately, this proactive approach not only enhances our operational efficiency but also reinforces our commitment to maintaining the highest standards in our sourcing practices.

## **Supplier Corrective Action/Improvement Plans and Support for Suppliers for Implementation**

Based on the supplier risk assessment conducted for raw materials vendors, we categorize these vendors into low, medium, and high-risk groups concerning ESG (Environmental, Social, and Governance) issues. This assessment is performed biannually to ensure that we continuously monitor and manage risks associated with our suppliers. By regularly evaluating their ESG performance, we aim to uphold our commitment to sustainability and responsible sourcing practices.

Based on the supplier risk assessment results for 2024, there is no critical tier-1 suppliers categorized as high risk. Therefore, a corrective action plan is not necessary at this time. This positive outcome reflects our ongoing efforts to maintain strong supplier relationships and ensure compliance with quality and safety standards.

## **Supplier Information/Trainings On Company's Supplier ESG Program, Process And Requirements**

Since 2024, PT. Great Giant Pineapple collaborates with suppliers annually by conducting training sessions to explain the ESG program, processes, and requirements. During these meetings, the purchasing team clearly outlines the ESG survey that suppliers need to complete, the supplier assessment form, and the legal documents that must be provided. Additionally, we inform suppliers that there will be annual capacity development in the form of training on sustainability issues each year, demonstrating GGP's commitment to engaging the supply chain in collaborative efforts to enhance ESG practices together. Other than that, GGP was also inform the best practices of sustainability that already exist in GGP and required all suppliers to start to have the sustainability actions.

## **In-Depth Technical Support Programs to Build Capacity and ESG Performance in Suppliers**

Our Strategy for Supplier Capacity Development on ESG Issues follows the principles of the ADKAR (Awareness, Desire, knowledge, ability, reinforcement) change management model, which focuses on the following components:

Our Strategy for Supplier Capacity Development on ESG Issues follows the principles of the ADKAR change management model, which focuses on the following components:

| ADKAR Model             | A                                                                                                                | D                                                                                                                                                                                                                | K                                                                                                                    | A                                                      | R                                                                                                                                |
|-------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
|                         | Awareness                                                                                                        | Desire                                                                                                                                                                                                           | Knowledge                                                                                                            | Ability                                                | Reinforcement                                                                                                                    |
| <b>Definition</b>       | Ensure Awareness of ESG Issues of Our Suppliers                                                                  | Communicate benefit & risk that can be happened                                                                                                                                                                  | Know how to create and how to sustain the change                                                                     | Closing the skills gap that limit the changes          | Measuring & rewarding wins                                                                                                       |
| <b>PT. GGP Strategy</b> | Providing an ESG survey to suppliers to assess their level of understanding and implementation of ESG practices. | During our Supplier Capacity Development Program event, we provide an understanding of the benefits that can be gained and the risks associated with implementing ESG in <u>suppliers</u> respective operations. | Providing an understanding of the technical aspects necessary to implement ESG issues in each supplier's operations. | Providing training on specific ESG issues for supplier | On-going monitor and feedback related to their ESG performance and give the reward for suppliers who achieve the high ESG target |
| <b>Timeline</b>         | On-Going Annually                                                                                                |                                                                                                                                                                                                                  |                                                                                                                      |                                                        | Future Plan                                                                                                                      |

Since 2024, we have been conducting an Annual Supplier Capacity Development Program featuring a variety of technical topics aimed at helping our suppliers understand specific issues within the ESG (Environmental, Social, and Governance) framework. In November 2024, we will host training focused on "Climate Change and Initiatives for Suppliers to Reduce Their Emissions."

We are inviting a professional trainer with over 20 years of expertise in emissions reduction to guide our critical tier-1 suppliers through this important topic. Additionally, we will conduct pre- and post-tests to assess the level of understanding of ESG issues among our suppliers. Furthermore, our critical tier-1 suppliers will be required to complete an ESG survey to evaluate the extent of ESG implementation in their operations. This data will enable us to tailor our Supplier Capacity Development Program more effectively.



Picture 1. Suppliers ESG Program Training & Webinar

## Coverage and Progress of Our Supplier Assessment Program

| Supplier Assessment                                                                             | FY 2024 | Target for FY 2024 |
|-------------------------------------------------------------------------------------------------|---------|--------------------|
| Total number of suppliers assessed via desk assessment/on-site assessment                       | 19      | 10                 |
| % of Significant suppliers assessed                                                             | 31%     | 16%                |
| Number of suppliers assessed with substantial actual/potential negative impacts                 | 0       | 0                  |
| % of suppliers with substantial actual/potential with agreed corrective action/improvement plan | 0       | 0                  |
| Number of supplier with substantial actual/potential negative impacts that were terminated      | 0       | 0                  |

## Coverage and Progress of Our Suppliers with Corrective Action Plans

| Corrective Action Plan Support                                                                                                | FY 2024 | Target for FY 2024 |
|-------------------------------------------------------------------------------------------------------------------------------|---------|--------------------|
| Total number of suppliers in corrective action plan implementation                                                            | 0       | 0                  |
| % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation | 0       | 0                  |

Coverage and Progress of Our Suppliers in Capacity Building Program

| Corrective Action Plan Support                          | FY 2024 | Target for FY 2024 |
|---------------------------------------------------------|---------|--------------------|
| Total number of suppliers in capacity building program  | 33      | 30                 |
| % of significant suppliers in capacity building program | 54%     | 49%                |

# APPENDIX

# ESG Survey Assessment for Suppliers Aims to Assess Suppliers ESG Score

Section 2 of 6

We want to know more your ESG Strategy



Description (optional)

What are your ESG goals and key metrics? \*

Long answer text

How does your company monitor and evaluate progress towards ESG goals? \*

Long answer text

Do you publish a sustainability report? If so, please upload it here



Add file



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# ESG Survey Assessment for Suppliers Aims to Assess Suppliers ESG Score

Section 3 of 6

Environment Aspect

Description (optional)

Have you already implemented an environmental management system? \*

☐ Yes

☐ No

☐ Maybe

If yes, what system have you implemented for environment management? (For example: ISO 14000)

Long answer text

Does your company have a policy for reducing energy consumption? \*

☐ Yes

☐ No

☐ Maybe

If so, please upload your policy of energy consumption here

Add file

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# ESG Survey Assessment for Suppliers Aims to Assess Suppliers ESG Score

Have you already implemented an energy management system? \*

☐ Yes

☐ No

☐ Maybe

If yes, what system have you implemented for energy management? (For example: ISO 50001)

Long answer text

What strategy do you use to achieve energy efficiency? \*

Long answer text

Do you use renewable energy sources in your operations? \*

☐ Yes

☐ No

☐ Maybe

If yes, what percentage of your total energy consumption does this represent?

Long answer text

# ESG Survey Assessment for Suppliers Aims to Assess Suppliers ESG Score

Long answer text

Do you measure your green house gas emission (GHG) inventory? \*

Yes

No

Maybe

If yes, Are the GHG calculations validated and verified by a third party? Please share the third-party name of institution

Short answer text

Scope 1 emission (ton CO2eq)

Short answer text

Scope 2 emission (ton CO2eq)

Long answer text

Scope 3 emission (ton CO2eq)

Long answer text

Tt