



EVOLVING TOGETHER

SUSTAINABILITY REPORT 2023



ABOUT THIS REPORT

EVOLVING TOGETHER

Evolving Together is the theme for Apical's 2023 sustainability report. Meaningful and consistent progress on our sustainability agenda happens through transforming how we conduct business with the support and inputs from stakeholders, including suppliers and communities. Strengthening partnerships, utilising innovative technologies, and empowering smallholders enable us to push boundaries on what we can achieve to protect the planet and our people, while also generating value for Apical.



REPORTING FRAMEWORK

Our sustainability report is prepared in reference to the Global Reporting Initiative (GRI) Universal Standards 2021.

At Apical Group (the "Group" or "Apical"), we look to address the gaps in our sustainability performance by benchmarking our sustainability processes and performance against our peers and industry best standards and practices.

BOUNDARY AND SCOPE OF THIS REPORT

Our sustainability reports are published annually, detailing information from the previous Financial Year (FY). This report contains information for FY2023, unless otherwise stated. The reporting period of this report is 1 January 2023 – 31 December 2023, which is aligned to our financial reporting period. The report is published on 26 June 2024.

The scope of the report includes the Group's environmental, social and governance performance of its operations across Indonesia, China and Spain, in relation to the Group's strategies, commitments, initiatives and goals. This includes eight refineries, five biodiesel plants, two kernel crushing plants, and six oleochemical plants. Further sustainability-related information is available on our Sustainability Progress Dashboard, which we update regularly.

For more details on our sustainability efforts, visit our regularly updated Sustainability Progress Dashboard hosted on our website. Each entity within Apical Group transparently reports on its performance across all material topics, ensuring comprehensive and balanced data.

EXTERNAL ASSURANCE

Apical is committed to enhancing the accuracy and transparency of our non-financial reporting and seeks external assurance for our annual sustainability reports.

Approved by the President, the Executive Director, the Head of Sustainability and the Head of each refinery and business unit, Apical has obtained its annual external assurance on the sustainability data disclosed in this report from the independent assurance provider, Control Union Certifications B.V. Control Union Certifications has confirmed that Apical fulfils the firm's internal governance benchmark and professional ethics procedures. Control Union Certifications is one of the first certification bodies involved in sustainable Palm oil certification, upholding clause 5.2 of International Organisation for Standardisation (ISO)/IEC 17021-1:2015 (Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements) and clause 4.2 of ISO/IEC 17065:2012 (Conformity assessment – Requirements for bodies certifying products, processes and services).

Control Union Certifications conducted independent assurance on selected disclosures, specifically:

- The materiality topics of Apical including from engagement with stakeholders;
- The engagement process with stakeholders during organisational decision making; and
- Apical's responses to stakeholders' feedback and grievances through the company's actions, performance and communication.

To guarantee the credibility of our sustainability data, an independent audit was conducted across all Apical's operations in Indonesia, China and Spain, achieving a moderate level of assurance.

For transparency, the scope and results of this external verification are reported to Apical's senior management including the President, Executive Director and Head of Sustainability. The contents of the Sustainability Report are also reviewed and approved by senior management.

Refer to pages 157-158 for the full assurance statement and the scope of data assured.

POINT OF CONTACT

We value and appreciate all feedback to enhance the relevancy of our reporting and meet the needs and expectations of stakeholders. Please direct any questions or comments pertaining to our sustainability report to:



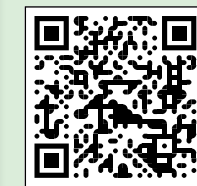
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Scan here for **Apical's Sustainability Progress Dashboard** at <https://www.apicalgroup.com/sustainability/progress-dashboard/>



Scan here for more information. This **Sustainability Report** is available at <https://www.apicalgroup.com/resource-library/sustainability-report-2023/>

PRESIDENT'S STATEMENT



“I am pleased to present Apical Group’s Sustainability Report 2023. Our commitment to sustainability is unwavering, serving as the cornerstone of our mission to deliver traceable and sustainable products to our customers and as catalyst for participative change in the entire value chain. It is this dedication that positions us uniquely, offering a competitive edge as we seek to broaden our market presence. Despite the ever-changing business landscape and its inherent challenges, our resolve towards a traceable, sustainable and deforestation-free supply chain will remain steadfast.”

PUTTING FORTH OUR SUSTAINABILITY COMMITMENTS AS COMPETITIVE ADVANTAGE

The year 2023 presented significant challenges for the palm oil industry at large, marked by lower palm oil production growth, geopolitical tensions, global economic slow down and evolving regulations. Despite these hurdles, we are confident and resilient in meeting our long-term strategy.

Sustainability remains central to our business strategy as we drive growth and expand our market share. Our ongoing expansion is built on a foundation of quality, productivity and cost efficiency, with a strong emphasis on maintaining cost competitiveness. Our efforts to enhance productivity and reduce waste align with our broader sustainability agenda.

We recognise the importance of meaningful collaborations and inclusive dialogues among all our stakeholders to ensure we Evolve Together in shaping a traceable, sustainable and deforestation-free supply chain.

As we navigate the ever-changing landscape and redouble our efforts to sustainability through our Apical2030 strategic roadmap, our inclusive approach is indispensable in ensuring sustainable management of palm oil value chain. Let us continue to evolve together by strengthening partnerships, utilising innovative technologies and empowering smallholders and communities to protect the planet, its people while generating value to Apical.

APICAL2030 PROGRESS

We are driven by our ambition to make positive impacts in the palm oil sector, which we have encapsulated within our Apical2030 roadmap. Apical2030 sets forth time-bound objectives across four strategic pillars: Transformative Partnerships, Climate Action, Green Innovation and Inclusive Progress. Since the launch of the Apical2030 sustainability framework, I am pleased to report that our progress in each of the four pillars throughout 2023 has been commendable, with achievements in each area.

In the area of Transformative Partnerships, we have achieved 99.7% Traceability to Plantation (TTP) and 93% for the Delivering Category No-Deforestation based on the No Deforestation, No Peat and No Exploitation Integrated Reporting Framework (NDPE IRF).

We also reached a milestone with the commissioning of a biogas plant in collaboration with our sister company, Asian Agri, showcasing our innovative approach to waste management by converting plantation waste into energy and reinforcing our commitment to sustainable production practices.

Under the Climate Action pillar, we have significantly enhanced our carbon emission data collection through digitalisation. Furthermore, we are upgrading our systems and processes to improve carbon efficiency through energy shifts. For example, we have successfully transitioned from coal to natural gas at our Marunda sites. Additionally, we have conducted a Life Cycle Assessment (LCA) on sustainable aviation fuel (SAF) to identify the main sources of emissions in its production and are finalising LCAs on all our products by 2024 to support our customers' requirements.

Under Green Innovation, we have doubled the usage of biomass such as palm kernel shell, woodbark, straw and rice chaff as biofuel throughout our refineries. We are also looking forward to implementing a mini hydro project that utilises seawater to generate electricity at PT Kutai Refinery Nusantara, starting in 2024. These initiatives are aimed at boosting our use of renewable and clean energy.

PRESIDENT'S STATEMENT

Lastly, in Inclusive Progress, we have officially rolled out our Sustainable Living Village (SLV) Programme in Aceh Singkil, following its launch in January 2023. This marks a crucial step forward in promoting forest conservation and protection as well as improving the livelihoods of the community, while closely working together with local communities and the government. We have also completed our inception phase in three villages in East Kalimantan for the SLV programme.

We remain steadfast in our commitment to the SMILE programme, which centres on fostering inclusivity and promoting positive engagement with independent smallholders. These components are essential for driving significant transformations and working together to tackle climate change while adhering to evolving regulatory standards alongside smallholders.

MILESTONES IN 2023

Notwithstanding the headwinds confronting the industry, 2023 marked many noteworthy milestones for Apical. One notable initiative was the transition from our Sustainability Policy 2014 to the enhanced Sustainability Policy 2023 that reaffirms our unwavering commitment to responsible corporate citizenship and dedication to becoming the most reliable integrated processor of sustainable vegetable oil and value-added downstream products. This enhancement complements the launch of our Apical Group's Human Rights Policy. This policy aligns with international human rights standards and ensures our respect for fundamental human rights throughout our supply chain.

Apical also made strides on the aviation front through a joint venture with Cepsa to produce second generation (2G) biofuels by constructing the largest plant in southern Europe, which can produce SAF

“ Our sustainability journey continues – achieving our ambitious goals will require ongoing dedication and strategic investment.

and/or renewable diesel, enabling the reduction of CO₂ emissions. We aim to play a significant role in supplying the plant with 2G feedstock¹ to address industry challenge of accessing raw materials for SAF production. Our involvement in SAF represents our commitment in promoting sustainable energy and transition to low carbon.

Apical and Asian Agri successfully concluded a three-year, US\$1 billion Sustainability Linked Loan (SLL) to bolster our sustainable operations and facilitate our expansion endeavors. This loan is tied to three key performance indicators (KPIs) that underscore our dedication to supplier engagement for enhanced traceability, the utilisation of renewable energy and collaboration with suppliers to adhere to our NDPE policy.



LOOKING FORWARD

Apical2030 continues to be our key focus, with significant emphasis placed on collaborative engagements with our stakeholders and enhancing our system processes. This process includes improved tracking and monitoring of GHG emissions from our suppliers, ensuring alignment with the highest ESG standards and compliance with regulatory requirements.

Apical recognises the importance of evolving with the dynamic regulatory landscapes. Our commitment to mitigating deforestation and forest degradation aligns closely with the requirements of the European Union's Deforestation-free Regulation (EUDR). We are proactively aligning our operations to comply with the requirements of EUDR to serve our customers, which is set to be enforced in December 2024. In response to that, we have introduced the Deforestation-Free Due Diligence (DFDD) Implementation Framework to enhance our traceability and compliance efforts. This initiative builds on our pre-existing A-SIMPLE Framework and leverages digital technology to ensure our best practices of environmental stewardship.

As our sustainability journey continues, achieving our ambitious goals will require ongoing dedication and strategic investment. We will endeavour to implement the necessary tools and resources by modernising our systems and processes to manage sustainability in our supply chains and operations.

But achieving sustainability isn't just about infrastructure, it's about people. We need the commitment and collaboration of our entire community – employees, partners, smallholders and other stakeholders. Open communication and shared understanding are crucial. That's why Apical is advocating for a collaborative and inclusive effort that empowers everyone to contribute and evolve together.

Together, let's build a culture of sustainability from the ground up. By working hand-in-hand, we can turn our commitments into lasting progress.

Yours sincerely,
Dato' Yeo How

¹ Organic waste such as agricultural waste and used cooking oils

ABOUT APICAL



With a **14%** global market share, Apical is the **second largest vegetable oil processor in the world** and has a growing customer base in over 60 countries.

COMPANY OVERVIEW

Apical Group Limited (Apical) is a privately-owned leading vegetable oil processor with an expanding global footprint. Headquartered in Singapore, our vertically integrated mid-stream refining and value-added downstream processing makes us an integral supplier that supports the food, feed, oleochemicals and renewable fuel sectors. With a 14% global market share, Apical is the second largest vegetable oil processor in the world and has a growing customer base in over 60 countries. We own three of the top 10 largest refineries in Indonesia, enabling significant economies of scale.

With integrated assets in strategic locations spanning Indonesia, China and Spain, Apical operates numerous refineries and plants namely for functional and specialty fats, oleochemicals, animal nutrition, renewable fuel and kernel crushing among others. Through joint ventures and strategic partnerships, Apical also has processing and distribution operations in Brazil, India, Pakistan, Philippines, Middle East, Africa, USA and Vietnam.

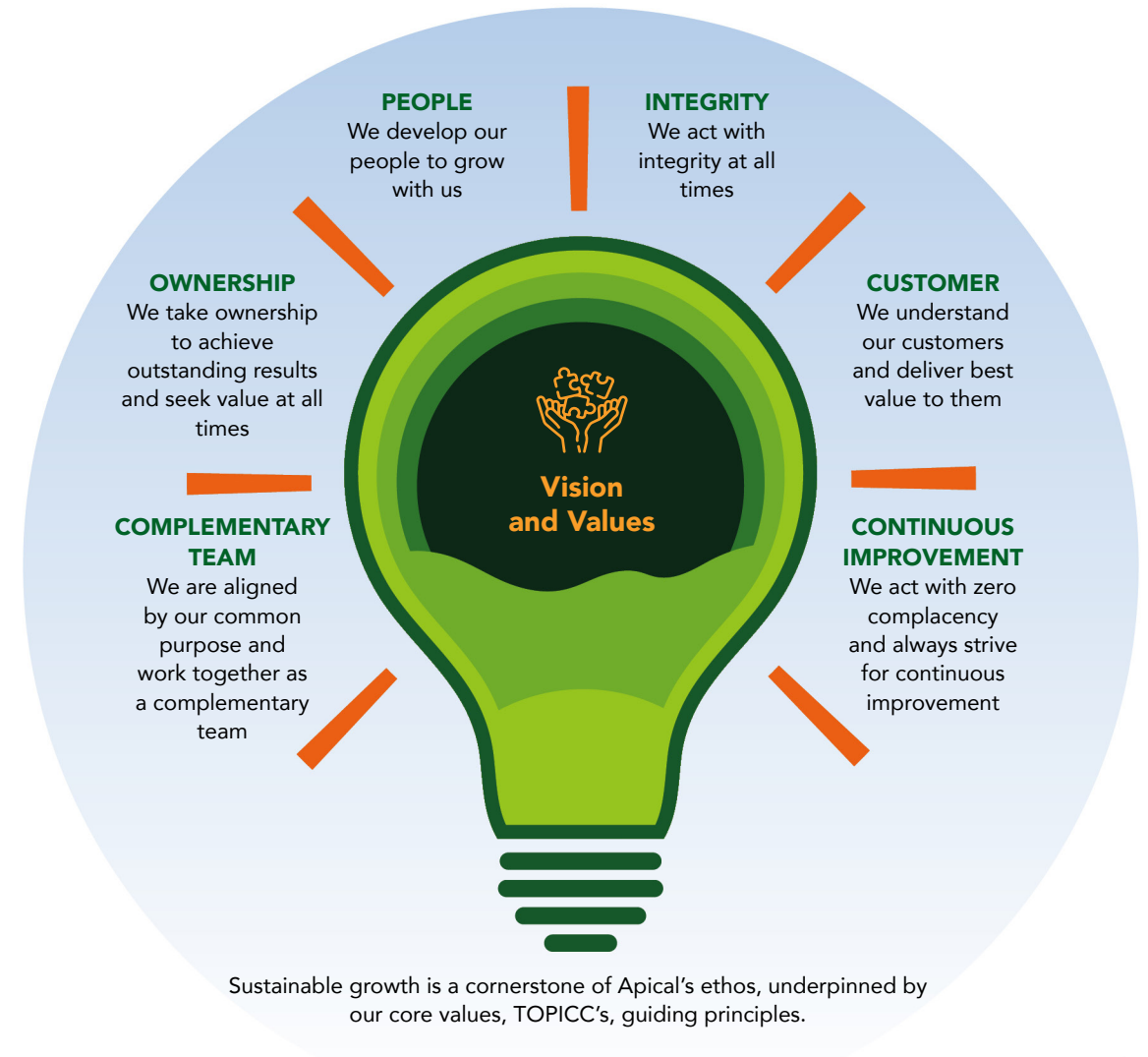
In 2023, we commissioned the first phase of our Oleochemical Integration Complex at our Apical Oleochemicals (Taixing) Plant in China. With a current capacity of 485,000 tonnes per annum (p.a.), this plant serves our growing market share in China, North Asia and the Americas. Spanning 27 ha, this plant is set to have an annual production capacity of 0.61 million tonnes of stearic acid, hydrogenated palm stearin, non-hydrogenated fatty acids, refined glycerine monoglycerides, monoalcohol esters and polyol esters. As a fully automated facility with world-class process technology and equipment, Apical Oleochemicals (Taixing) is aimed at creating a green oleochemical industry cluster that is safe, environmentally friendly, low in energy consumption and high in added value.

Apical's growth is built on the foundations of sustainability and transparency and we are motivated by our strong belief that we can contribute to a circular economy for a more meaningful impact, even as we continue to grow our business and deliver innovative solutions to our customers.

VISION AND VALUES

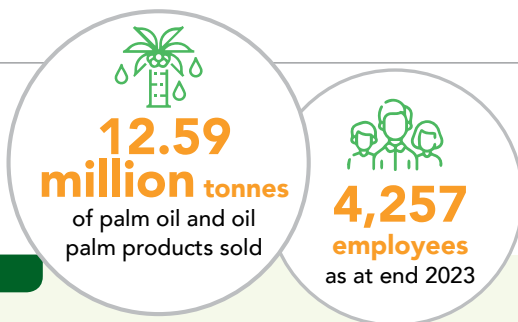
Our vision is to be the most reliable integrated processor of sustainable vegetable oil and value-added downstream products.

To fulfil this vision, we are guided by our 5Cs business philosophy of doing what is good for the community, country, climate, customer and only then, will it be good for the company.



APICAL GROUP
SUSTAINABILITY REPORT 2023

ABOUT APICAL



REFINERIES

PT Sari Dumai Sejati (SDS)

Dumai, Riau; Indonesia
Sustainability Certification: RSPO & ISCC EU

PT Sari Dumai Oleo (Dumai) (SDO (D))

Dumai, Riau; Indonesia
Sustainability Certification: RSPO & ISCC EU

PT Asianagro Agungjaya Marunda (AAJ Marunda)

Marunda, Jakarta; Indonesia
Sustainability Certification: RSPO & ISCC EU

PT Asianagro Agungjaya Tanjung Balai (AAJ Tj Balai)

Tanjung Balai, North Sumatra; Indonesia
Sustainability Certification: RSPO & ISCC (EU)

PT Kutai Refinery Nusantara (KRN)

Balikpapan, East Kalimantan; Indonesia
Sustainability Certification: RSPO, INS & ISCC EU

PT Padang Raya Cakrawala (PRC)

Padang, West Sumatra; Indonesia
Sustainability Certification: RSPO & ISCC EU (WR)

Excelic Foods Technology (Nanjing) Co., Ltd (EFT)

Nanjing, Jiangsu; China
Sustainability Certification: RSPO

Bio-Oils Huelva (BOH)

Palos de la Frontera, Huelva; Spain
Sustainability Certification: ISCC EU

BIDIESEL PLANTS

PT Sari Dumai Sejati (SDS)

Dumai, Riau; Indonesia
Sustainability Certification: ISCC EU

PT Sari Dumai Oleo (Dumai) (SDO (D))

Dumai, Riau; Indonesia
Sustainability Certification: ISCC EU

PT Kutai Refinery Nusantara (KRN)

Balikpapan, East Kalimantan; Indonesia
Sustainability Certification: ISCC EU²

PT Padang Raya Cakrawala (PRC)

Padang, West Sumatra; Indonesia
Sustainability Certification: ISCC EU (WR)

Bio-Oils Huelva (BOH)

Palos de la Frontera, Huelva; Spain
Sustainability Certification: ISCC EU

OLEOCHEMICAL PLANTS

PT Apical KAO Chemicals (AKC) [Oleo JV]

Dumai, Riau; Indonesia
Sustainability Certification: RSPO

PT Sari Dumai Sejati (SDS)

Dumai, Riau; Indonesia
Sustainability Certification: RSPO

PT Sari Dumai Oleo (Dumai) (SDO (D))

Dumai, Riau; Indonesia
Sustainability Certification: RSPO

PT Sari Dumai Oleo (Marunda) (SDO (M))

Marunda, Jakarta; Indonesia
Sustainability Certification: RSPO & ISCC EU

PT Kutai Refinery Nusantara (KRN)

Balikpapan, East Kalimantan; Indonesia
Sustainability Certification: ISCC EU²

Apical Oleochemicals (Taixing) Co., Ltd (ACO)

Taizhou, Jiangsu; China
Sustainability Certification: RSPO

PALM KERNEL CRUSHING PLANTS

PT Sari Dumai Sejati (SDS)

Dumai, Riau; Indonesia
Sustainability Certification: RSPO & ISCC EU

PT Kutai Refinery Nusantara (KRN)

East Kalimantan, Indonesia
Sustainability Certification: RSPO & ISCC EU

We operate the following facilities:

Refining and Fractionation

- CPO
- CPKO

Production of Functional Fats

Chocolate & Confectionery

- Cocoa Butter Substitute
- Cocoa Butter Replacer
- Dairy Fat Replacer
- Spread Fats and Filling Fats
- Hardener Fats

Bakery

- Margarine
- Butter Oil Substitute
- Shortening and Filling Fats
- Pan Release Agent

Convenience Goods

- Frying Fats

Culinary

- Cooking Oil

Production of Oleochemical

- Fatty Acid
- Glycerine
- Animal nutrition
- Soap noodles

Production of Biofuels

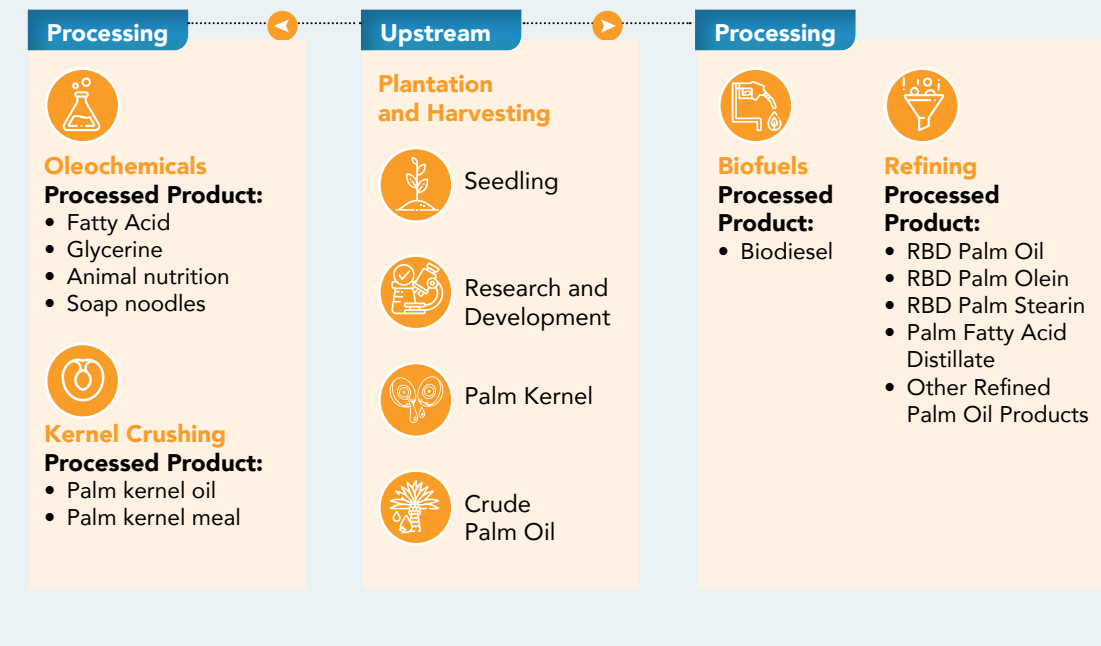
- Biodiesel

Kernel Crushing

- Crushing of Palm Kernels

Merchandising and distribution of CPO and PPO to the global market

- CPO & PPO Distribution



² ISCC EU certification for PT Kutai Refinery Nusantara (KRN) was obtained in March 2024

ABOUT APICAL

Our Products

Apical's key business segments include Bulk Oils, Functional & Specialty Fats, Oleochemicals, Animal Nutrition and Renewable Fuel.



BULK OIL

Our bulk oil business focuses on the selling of refined palm oil, palm olein, palm stearin, palm kernel oil and palm kernel olein among others.



OLEOCHEMICALS

Oleochemicals, already present in many everyday products, are experiencing a surge in popularity as consumers and brands embrace sustainable, natura and eco-friendly alternatives. We offer a diverse range of fatty acids, refined glycerine and soap noodles, providing the perfect ingredients for everything from personal care items and cleaning detergents to cosmetics, engine lubricants and PVC materials. With our commitment to sustainability, we are able to meet the growing demand for natural and responsible choices across diverse industries.

FUNCTIONAL & SPECIALTY FATS

Catering to evolving food preferences with eco-conscious solutions, Apical offers a diverse range of sustainable vegetable oils and derivatives. These high-quality ingredients enhance functionality and ensure superior results for bakers, chocolatiers, convenience food producers and chefs alike. We are committed to sustainable practices, allowing our customers to meet growing consumer demand for healthy and environmentally responsible food choices.



RENEWABLE FUEL & SUSTAINABLE AVIATION FUEL (SAF)

As the world increasingly opts for greener alternatives, Apical's Renewable Fuel is used to power transportations around the world while fueling modern economies. With our entry into the SAF market with our joint venture partner Cepsa, we are set to construct the Southern Europe's largest second-generation (2G) biofuels plant with an annual capacity of 500k tonnes – enough sustainable jet fuel to fly across the planet 1,300 times, and preventing CO₂ emissions of 3 million tonnes per year. Apical will supply 2G feedstock (organic waste such as agricultural waste and used cooking oils) to the new plant, further addressing the industry's challenge of accessing sustainable derived raw materials for SAF production.



ANIMAL NUTRITION

Feed fats are essential to animal nutrition. These supplements play a key role to support global demand for milk and fats and signify Apical's key contribution to building resilient food supply chains.

In 2023, Apical began selling Optymax, an animal feed product for ruminants, swine and poultry. With a highly concentrated source of fats and fibre, our range of Optymax products for livestock are developed to boost energy, milk yields and ensure consistent productivity.

2023 HIGHLIGHTS

<p>Sustainability Approach and Governance</p> <p>Achieved a C Score from CDP's Forests Questionnaire</p>	<p>Advanced to second place as the most transparent Palm Oil company by SPOTT with a 4% jump to 95.3% in 2023</p>	<p>Awarded the prestigious Subroto Awards 2023 in the sector of New Energy, Renewables, and Energy Conservation</p>
	<p>Secured a total of US\$1 billion of sustainability-linked loan</p>	<p>Continued commitment to Apical2030 framework targets and roadmap across four strategic pillars.</p>

Continued commitment to prioritise **nine UN SDGs** that are aligned to our targets:



<p>Supply Chain Management</p> <p>Maintained 100% traceability to supplying mills since 2015</p>	<p>Achieved 93% for Delivering Category No-Deforestation based on the, No Deforestation, No Peat and No Exploitation Implementation Reporting Framework (NDPE IRF) which has been verified by Control Union</p>	
	<p>Achieved 99.7% independently verified Traceability to Plantation (TTP) for all our refineries in Indonesia</p>	<p>Achieved 99.4% independently verified TTP for Crude Palm Kernel Oil (CPKO) suppliers</p>
<p>All refineries are 100% Roundtable on Sustainable Palm Oil (RSPO) – certified</p>	<p>Continued use of remote-sensing technology using platforms such as Global Forest Watch (GFW) Pro, Global Land Analysis (GLAD) and Radar for Detecting Deforestation (RADD) to monitor 100% of our suppliers. Apical's supply chain is also monitored by Innovasi Digital – Earthqualizer</p>	
<p>Awarded the 'Supply Chain Partnership Award' at the ESGBusiness Awards</p>	<p>Engaged 51 mills through our Priority Supplier Engagement Programme (PSEP) and Collaborative Action Remote engagement (CARE) programme</p>	
<p>Achieved independent traceability verification for 72% of suppliers</p>	<p>Published our revised Sustainability Policy and new Human Rights Policy</p>	

<p>Social and Environment</p> <p>Developing a digital platform to support our Deforestation-Free Due Diligence (DFDD) Framework to ensure our supply chain compliance to EUDR</p>	<p>Appreciation Award to PT Kutai Refinery Nusantara in our efforts to Promote Children's Health in Balikpapan</p>	<p>Received the Paritrana Award 2023 from the Indonesia government for its role in the fight against COVID-19 and the prevention of HIV/AIDS</p>
	<p>Named "The Most Reputable Palm Oil Company for its Efforts to Educate Micro, Small and Medium Enterprises (MSMEs) in Indonesia" by Majalah Sawit Indonesia for Apical's contribution to the palm oil industry</p>	<p>Completed restoration of 12,600 mangrove trees in Dumai and Jakarta in collaboration with Jakarta's Park and Forest Service and Yayasan Pecinta Alam Bahari, a marine environmental conservation non-governmental Organisation (NGO)</p>
<p>Engaged 3,083 smallholders through our SMILE programme</p>	<p>Completed due diligence for several mills for EUDR compliance</p>	<p>6.34 hours average training per employee</p>
<p>Progressing towards target to conserve 13,485 ha of forest in Aceh with plans to conserve 10,000 ha at East Kalimantan</p>		<p>Launched Sustainable Living Village (SLV) in Aceh in January 2023</p>



Apical 2030 HIGHLIGHTS

Pillar	Target	Progress	Status
Transformative Partnerships 	100% NDPE Compliant by 2025	<ul style="list-style-type: none"> Achieved 93% for Delivering Category No-Deforestation based on the NDPE IRF which have been independently verified by Control Union Engaged 51 mills through PSEP and CARE in 2023 	●
	100% Traceability Verification by 2025	<ul style="list-style-type: none"> Verified 72% of our suppliers 	●
	Protect and/or conserve 150k ha forest and peatland	SLV@Aceh: <ul style="list-style-type: none"> Focus Group Discussion (FGD) completed with 6 villages in 2023 Established a local forest monitoring and response protocol and team Implemented alerts tracking deforestation activities in Aceh Singkil since June 2023 with local partner, Yayasan Ekosistem Lestari Implemented community programs since September 2023 SLV@KalTim (East Kalimantan): <ul style="list-style-type: none"> Completed scoping exercise with external consultant Identified 3 villages for community program implementation 	●
	Collaborate with suppliers to promote clean energy through 20 biogas plants	<ul style="list-style-type: none"> Collaborated with Asian Agri on the commissioning of a biogas plant in December 2023 	●
Climate Action 	Reduce 50% GHG emission intensity in our production against 2020 baseline by 2030	<ul style="list-style-type: none"> Completed Scopes 1, 2 & 3 Emissions Profiling Template and Training Evaluated carbon management softwares Mangroves rehabilitation: completed restoration of 12,600 mangroves in Dumai and Jakarta Transition of 1 medium pressure boiler, 2 oil thermal heaters from coal to natural gas in SDO(M) Commenced Life Cycle Assessments (LCA) of all Apical Products 	●
	Net Zero by 2050	<ul style="list-style-type: none"> Completed LCA of refined, bleached, deodorised palm kernel oil for KRN refinery Completed LCA of Sustainable Aviation Fuel (SAF) produced from crude palm oil, and palm oil waste and residues 	●

● In Progress ● In Exploration Phase ● Achieved

Pillar	Target	Progress	Status
Green Innovation 	Derive 38% of total energy use from renewable and clean energy sources	<ul style="list-style-type: none"> Increased usage of biomass by >200% in 2023 compared to baseline (2020) Installed rainwater harvesting system at PRC Installed steam condensate recovery system in KRN 	●
	Improve water use intensity by 30% through circular solutions		
Inclusive Progress 	Support 30 villages through Sustainable Living Village (SLV) by 2030	<ul style="list-style-type: none"> In January 2023, we launched a 3-year "SLV@Aceh" programme to protect and conserve forests by: <ul style="list-style-type: none"> Boosting community resilience and livelihood options through sustainable practices targeting 1,000 independent smallholders Promoting good agricultural practices among smallholders Leveraging technology for forest monitoring to detect and prevent deforestation Establishing a dedicated response team to address threats to the ecosystem Initiated socialisation of honey cultivation programme targeting 50 farmers in the first phase Socialisation of the smallholder programme with a target of 500 farmers in the first year <ul style="list-style-type: none"> 252 farmers from a total of 3 villages has been identified Good Agricultural Practices Training conducted in October 2023 Initiated legalisation of independent smallholders under Surat Tanda Daftar Budidaya (STDB) Inception phase completed for targeted villages in East Kalimantan <ul style="list-style-type: none"> 3 villages identified for alternative livelihood option 	●
	Support 5,000 Independent Smallholders (ISH) to achieve certification by 2030	<ul style="list-style-type: none"> Engaged 3,083 smallholders under the SMILE programme <ul style="list-style-type: none"> 839 independent smallholders are RSPO-certified Target >1,000 smallholders to be certified in 2024 	●

● In Progress ● In Exploration Phase ● Achieved

OUR APPROACH TO SUSTAINABILITY



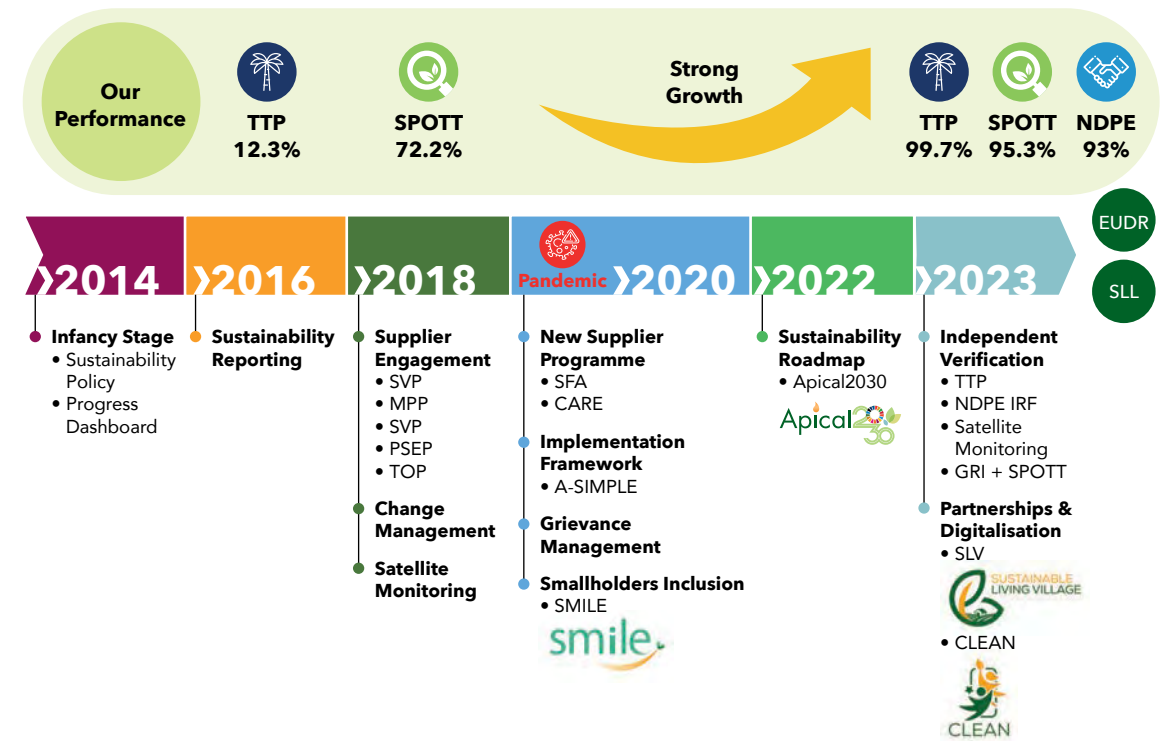
Apical thrives in a dynamic palm oil landscape environment. We stay ahead of the curve by actively engaging stakeholders and embracing best practices. This includes implementing frameworks such as NDPE and TCFD/ISSB for climate-related disclosures and developing a comprehensive Human Rights Policy that is complementary to our enhanced Sustainability Policy 2023. We transparently communicate these policies to stakeholders, maintaining our open dialogue and working collaboratively to address their needs and concerns. These efforts align seamlessly with our 5Cs business philosophy, prioritising Community, Country, Climate, Customer and ultimately, Company value creation. Our commitment to responsible governance strengthens our relationships and fosters long-term success.

Since 2014, Apical established our Sustainability Policy to adhere to NDPE commitments as well as support the well-being of local communities and ecosystems. In 2020, we launched the A-SIMPLE Framework to drive inclusive transformation across Apical's supply chain. In pursuit of a traceable, sustainable and deforestation-free supply chain, Apical Group has revised and enhanced its Sustainability Policy and developed a new Human Rights Policy in 2023.

This reaffirms our commitment to sustainable practices, ethical conduct, environmental stewardship and upholding human rights. These new commitments mark a pivotal moment in Apical's journey towards becoming the most reliable integrated processor of vegetable oils.

Apical's Sustainability Journey (2014-2023)

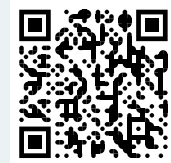
This timeline showcases Apical's evolving sustainability efforts from 2014 to 2023. This highlights our commitment to continuous improvement and adaptation to a dynamic palm oil landscape.



Evolving Together: Our Sustainability Journey Continues

We are proud to unveil our enhanced Sustainability Policy 2023 and introduce our new Human Rights Policy. These policies further reinforce our commitments toward a more sustainable future.

Learn more and join us on our journey



OUR APPROACH TO SUSTAINABILITY

MATERIALITY ASSESSMENT

Our sustainability strategies are aligned with the expectations of our stakeholders through the identification of material sustainability topics. These material topics form the basis of Apical2030, comprising four pillars of Transformative Partnerships, Climate Action, Green Innovation and Inclusive Progress. We conduct periodic reviews of the material topics to ensure their ongoing relevance to our business and stakeholders. Details of our materiality assessment and the list of identified material topics are included in the Appendix.

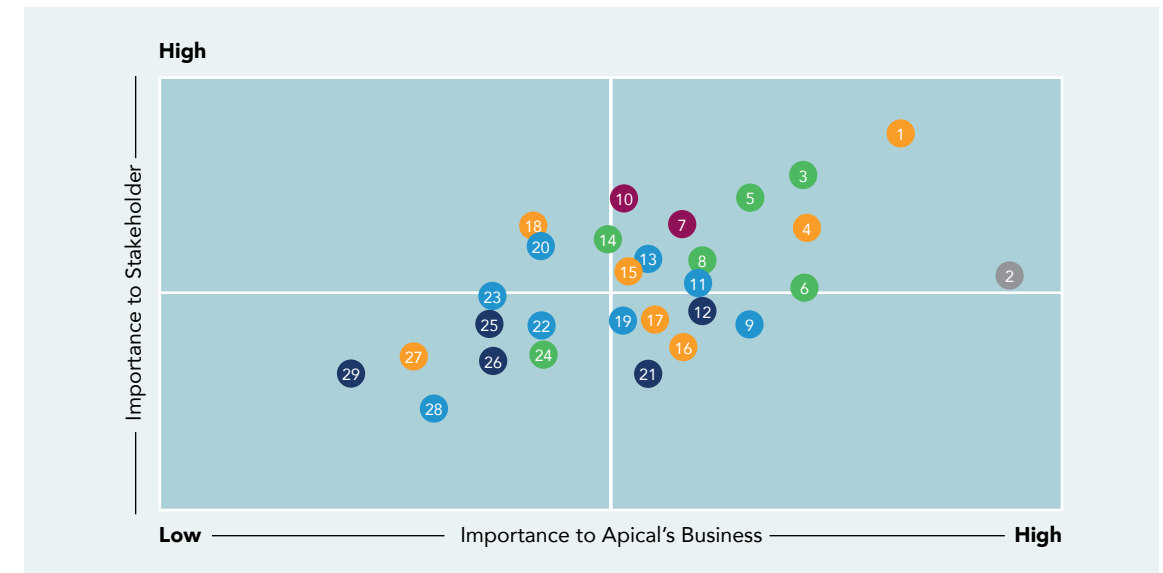
We conduct materiality assessments every 2-3 years to inform and update our understanding on relevant issues that impact Apical Group's sustainability priorities and stakeholders.

The materiality matrix is reviewed annually to reflect updates in the sustainability landscape as it relates to Apical Group and our business mandate. Based on the previous assessment conducted in 2021, we performed a high-level materiality assessment for this sustainability report. This process involved desktop research on our material topics revolving in the industry we operate in, reviewing our internal documents and policies and interviewing internal stakeholders comprised of senior management team.

We worked with a third-party sustainability consultant to review and update our materiality matrix through a three-stage process summarised in the table below:

Reviewing	Interviewing	Revising Material Topics
<p style="text-align: center;">Activities</p>		
<ul style="list-style-type: none"> Reviewed Apical Group's internal document, policies and procedures. Conducted a desktop review on 28 material topics of Apical Group against evolving market trends, established standards and regulations legislations such as GRI and the EUDR. 	<ul style="list-style-type: none"> Developed interview questions to gather insights from stakeholders on 28 identified material topics and sustainability focus areas and how they shape Apical's business priorities. The interviews also seek to understand how Apical collaborates with external partners to generate value for their stakeholders, the communities and the environment. 	<ul style="list-style-type: none"> Reviewed priorities and impact of all the existing identified material topics based on the outcome of desktop analysis and interview sessions conducted. Presented the revised materiality topics and ranking to Apical Group's senior management for endorsement and approval.

Our material topics are listed and ranked in the updated matrix below. The x-axis represents the importance of each topic to our business while the y-axis represents the importance of each topic to Apical from the perspective of our external stakeholders.



ENVIRONMENT

- 3 Deforestation
- 5 GHG Emissions
- 6 Waste
- 8 Climate Change Strategy
- 14 Biodiversity
- 24 Water Use

EMPLOYEES

- 12 Employee Health, Safety and Well-Being
- 21 Training and Development
- 25 Diversity and Inclusion
- 26 Compensation and Benefits
- 29 Freedom of Association

SUPPLY CHAIN

- 1 Supply Chain Traceability and Transparency
- 4 Responsible Procurement Practices
- 15 Serving Smallholder Farmers
- 16 Supplier Inclusiveness
- 17 Sustainable Agriculture
- 18 Labour Standards in the Supply Chain
- 27 Supplier Diversity

PRODUCTS AND SERVICES

- 2 Product Quality and Safety

SOCIETY

- 7 Empowering Communities
- 10 Supporting Human Rights

GOVERNANCE

- 9 Systemic Risk Management
- 11 Zero-tolerance Conduct/Grievance Mechanism
- 13 Business Ethics
- 19 Compliance
- 20 Transparency
- 22 Anti-Corruption
- 23 Access to Remedy
- 28 Board and Executive Compensation, Independence, and Diversity

OUR APPROACH TO SUSTAINABILITY

A few key changes have been made in our updated materiality matrix. We have split Supplier Diversity and Inclusiveness into two different topics. Supplier Inclusiveness, for example, has become a higher priority in our materiality matrix. This is driven by the increasing number of suppliers partnering with Apical attributed by our Supplier Anchor Programmes. However, for Supplier Diversity, it is ranked lower on the materiality matrix due to its minimised impact on Apical's operations. The positioning of seven topics on the matrix have been revised, which are now considered of higher importance to Apical's business and our stakeholders. These topics are: Product Quality and Safety, Waste, Empowering Communities, Serving Smallholder Farmers, Supporting Human Rights, Biodiversity and Supplier Inclusiveness. More information on the definition of the material topics can be found in the Materiality Assessment and Stakeholder Engagement section in pages 133-136.

COMPLIANCE TO EVOLVING STANDARDS AND REGULATIONS

Palm oil is known for its versatility and high yield, but there are continued concerns about its environmental and social impact. Land conversion for plantations releases greenhouse gases, impacting climate change. Unsustainable practices like slash-and-burn exacerbate deforestation, biodiversity loss and soil degradation. Climate change can impact crop yields, highlighting the need for adopting sustainable agricultural methods. All this has contributed to an evolving landscape in regulations and frameworks for stakeholders to comply with such as Task Force on Climate-related Financial Disclosures (TCFD), International Sustainability Standards Board (ISSB) and EUDR where there is an increased scrutiny in how companies are managing environmental and social impacts in their business. Apical continuously

addresses these challenges, to ensure that we exceed expectations when it comes to regulations and contribute to a long-term, sustainable palm oil industry.

A prime example of the evolving landscape would be the emergence of the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), issued by the ISSB. The requirements in IFRS S2 are consistent with the four core recommendations and eleven recommended disclosures published by the TCFD. A few notable differences of the IFRS standards would be the new requirements of disclosing Greenhouse Gas (GHG) scope 3 emissions which are industry-specific disclosures with targets for reduction. Thus, with Apical's commitment to transparency around climate-related risks and opportunities, we have taken proactive steps in 2023/2024 to ensure robust TCFD/ISSB reporting which includes:

Capacity Building for Leadership

Engaged an external consultant to educate senior executives and management on TCFD/ISSB recommendations, fostering strategic understanding for effective disclosure.

Climate Risk Assessment

A comprehensive qualitative assessment of physical and transitional climate risks is underway across 20 assets. This will be followed by a quantitative physical risk assessment to gain a deeper financial perspective.

TCFD/ISSB Disclosure in Sustainability Report

We aim to publish our initial TCFD/ISSB disclosure in the Sustainability Report 2024/2025.

Apical2030 STRATEGIC SUSTAINABILITY ROADMAP

Apical2030 was launched in 2022 as a sustainability roadmap that facilitates driving transformative changes in the palm oil sector – focusing on creating a positive social, environmental and business impact. The roadmap guides our decisions and actions with the aim of achieving sustainable growth and value creation for Apical and our stakeholders including customers.

Apical2030 was developed to reflect the heart of our business, ensuring a balance between managing business, environmental and social development. We aim to collaborate extensively with our partners, suppliers and local communities through ten ambitious and time-bound targets set across four strategic pillars: Transformative Partnerships, Climate Action, Green Innovation and Inclusive Progress. The targets were developed in reference to the Group's 5Cs business philosophy, our Environmental, Social and Governance (ESG) targets and nine United Nations Sustainable Development Goals (UN SDGs) prioritised by Apical.

Our Apical2030 targets are closely linked to:

5CS BUSINESS PHILOSOPHY

Community Country Climate

Customer Company

ESG

Environmental Social Governance

Prioritised UN SDGs:



OUR APPROACH TO SUSTAINABILITY



TRANSFORMATIVE PARTNERSHIPS

Sustainable development is a collaborative effort. At Apical, we collaborate closely with our stakeholders, especially our suppliers, to achieve our sustainability goals. We have implemented several impactful initiatives, such as enhancing supply chain traceability, adopting sustainability management practices and achieving NDPE compliance. We are always committed to further supporting our suppliers in their sustainability journey.

To deepen our engagement with suppliers, these are the four key targets that we are progressing towards:



Collaborate with suppliers to achieve a **100% NDPE compliant supply chain** by 2025



Collaborate with suppliers to promote **clean energy through 20 biogas plants**



Engage **100% of suppliers for traceability independent verification** by 2025



Partner with suppliers to **protect and/or conserve 150,000 ha of forest and peatland** by 2030



CLIMATE ACTION

The impacts of climate change on our global systems are increasingly apparent over the past few years – extreme weather events of high severity have affected food security. Apical is aware of the role we can play to reduce the impact of our business to climate change. Recent actions such as Scope 3 measurement and assessment were conducted in 2023, and are linked to the two targets that were established - a medium-term target and a long-term target – to mitigate emissions from its operations and value chain. The targets were designed with Indonesia's Nationally Determined Contributions, our peers, stakeholders and customers.



To **reduce 50% GHG emission intensity** in our production against 2020 baseline by 2030



Achieve net zero by 2050

Our final target to achieve net zero by 2050 has been developed with reference to requirements stipulated by the Science Based Targets initiative (SBTi).



GREEN INNOVATION

Establishing sustainable systems for production and consumption is important to Apical. We have adopted an approach that promotes continuous improvement known as "Kaizen" to effectively manage our energy utilisation, water consumption and waste generation. Enhancing our equipment and process efficiency will lead to cost savings and the reduction of waste generation. Examples of such actions include the transition of energy with the substitution of coal with alternative renewable energy sources within our facilities.

The Green Innovation targets aim to track our progress in effectively utilising technology and our resource management capabilities. The targets supplement our Climate Action initiatives to create a synergy between our strategies for the climate and environment.



To **derive 38% of total energy use** from renewable and clean energy sources



Improve water use intensity by **30% through circular solutions**



INCLUSIVE PROGRESS

We aim to enhance the welfare of the communities in which we operate by introducing localised initiatives that address the needs and livelihood of the community. Investing in local communities together with our stakeholders, including our suppliers, provides opportunities for Apical to develop positive relationships that could generate mutual benefits. The goals are focused on community empowerment and improving livelihoods.



Supporting communities through **30 Sustainable Living Village** by 2030



Supporting 5,000 independent smallholders to achieve certification by 2030



OUR APPROACH TO SUSTAINABILITY

“ In pursuit of a traceable, sustainable and deforestation-free supply chain, Apical Group has revised and enhanced its Sustainability Policy in 2023.

APICAL SUSTAINABILITY POLICY

Guided by our 5Cs business philosophy, the enhanced Sustainability Policy 2023 represents a significant leap in our journey to fuel transformative change towards sustainability in our operations and supply chain, which includes environmental, social and ethical practices. The progress from our Sustainability Policy 2014 to the updated version reaffirms our unwavering commitment to responsible corporate citizenship and dedication to becoming the most reliable integrated processor of sustainable vegetable oil and value-added downstream products. We firmly believe that transparency, continuous improvement and a commitment to protect the environment and respect human rights are vital to the palm oil sector, and our enhanced Sustainability Policy reflect these fundamental principles:

5 fundamental principles

Apical2030 Sustainable Strategic Roadmap



At the heart of these policy updates lies the Apical2030 framework, introduced in 2022. Apical2030 presents a forward-looking roadmap with ten time-bound targets, organised around four strategic pillars: Transformative Partnerships, Climate Action, Green Innovation and Inclusive Progress.

Setting Clear Targets for Bold Action



Our revised Sustainability Policy is a testament to our unwavering commitment towards a sustainable and deforestation-free supply chain. The policy takes a comprehensive approach to addressing gaps and sets clear, actionable targets that we will achieve with utmost determination. Most importantly, we have introduced a cut-off date as of December 2015 for No Deforestation, No Peat and No Exploitation (NDPE) compliance.

Expanding Commitments and Focusing on Key Areas



The updated Sustainability Policy 2023 is enhanced with a focus on our governance commitments, that comprehensively cover all aspects of our operations and supply chain to ensure that we maintain responsible practices. We are proud to highlight that the Sustainability Policy 2023 further strengthens our commitments to human and labour rights, indigenous peoples, local communities and land rights, biodiversity protection, community livelihood, smallholder partnerships and climate action, reflecting our commitment to sustainability and responsible business practices:

- a NDPE Commitment
- b Climate Action
- c Biodiversity Conservation and Protection
- d Protection of Fundamental Human Rights
- e Smallholders Inclusivity
- f Responsible Supply Chain Management
- g Keeping Pace with Emerging Legislation
- h Clear Implementation Plan

5 fundamental principles (cont'd)

Human Rights Policy



Our new Human Rights Policy represents a major milestone in the company's steadfast determination to uphold fundamental human rights of workers and communities across our global operations and supply chains. By doing so, we continuously strive to establish ourselves as an ethical and responsible corporate citizen that values and respects human rights. The Human Rights Policy aligns to international human rights standards, including the International Bill of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights (UNGPs) and is guided by the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises as well as the ten UN Global Compact principles. This policy complements the Sustainability Policy and reaffirms Apical's dedication towards addressing adverse human rights impacts human rights within our operations and supply chain.

Clear Implementation Plan



To deliver on our commitments as outlined in the Sustainability Policy 2023 and the new Human Rights Policy, we have strengthened the A-SIMPLE Framework by embedding a robust time-bound implementation action plan which is shown in pages 30-32.

Our enhanced Sustainability Policy and new Human Rights Policy applies to all Apical's operations, joint ventures, subsidiaries and direct and indirect suppliers in our palm oil supply chain. We deploy our policy to our suppliers through our Sourcing Policy and various supplier Anchor Programmes.

Internally, we leverage Human Resources channels to communicate the policy to all employees in 2024. Workshop, webinars, annual refreshers and onboarding trainings ensure every Apical employee understands their role in upholding our sustainability commitments.



Refer to our website for more information and on our Sustainability Policy.



OUR APPROACH TO SUSTAINABILITY

HUMAN RIGHTS POLICY

In pledging our commitment to ethical and responsible business practices, Apical published a new Human Rights Policy in 2023. This reaffirms our responsibility to respecting the fundamental human rights of workers and communities throughout our global operations and supply chain.



Protection of Fundamental Human Rights

Committed to respecting internationally recognised human rights across our global operations and supply chains, ensuring ethical and responsible business conduct



Labour Rights

Committed to respecting rights of all workers



Indigenous Peoples & Local Communities

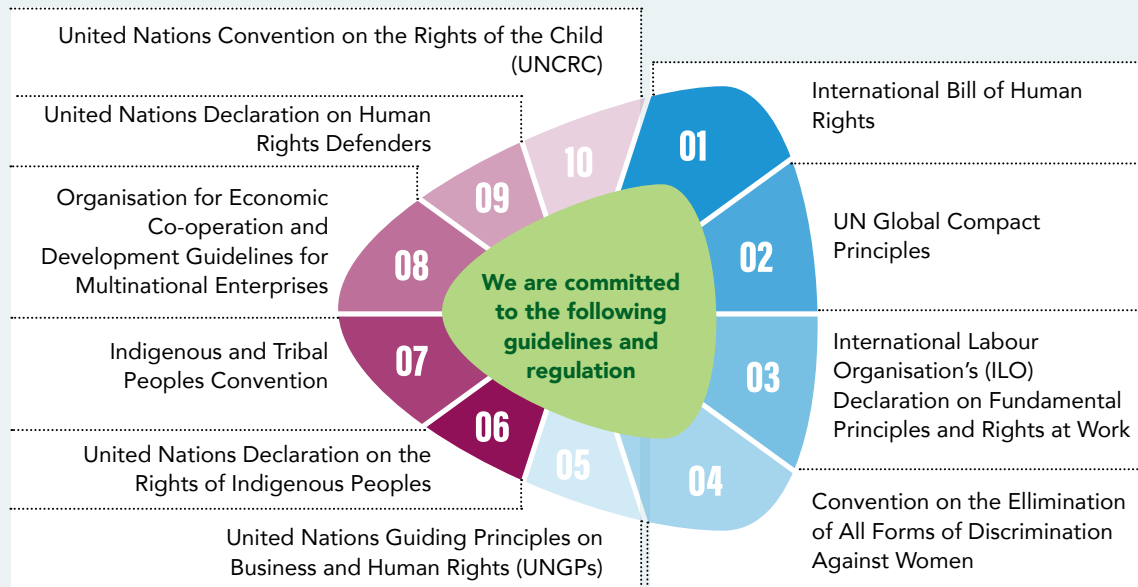
Respect the rights of indigenous peoples and local communities



Human Rights Defenders (HRDs)

Respect the rights of HRDs' to raise concerns and pledge to address any harmful impacts towards them caused by our operations or supply chain, in accordance with the UNGPs

We are committed to respecting all internationally recognised human rights principles, guidelines and regulations, namely:



For more information on Apical's Human Rights Policy, please scan the QR code



In further recognition of certain vulnerable and marginalised groups³ that may be at higher risk of being adversely impacted by our operations or our supply chain, we adhere to the principles laid out in the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), Indigenous and Tribal Peoples Convention, United Nations Declaration on Human Rights Defenders and the United Nations Convention on the Rights of a Child (UNCRC).

We shall adhere to all applicable national laws and regulations throughout our operations. If there are discrepancies between national and international laws, Apical shall strive to adhere to the highest applicable standards.

This Human Rights Policy is complementary to the Apical Group Sustainability Policy, reinforcing our commitment to ethical and responsible business practices across our entire operations, including joint ventures, subsidiaries, and direct and indirect suppliers within our palm oil supply chain.



For more information on Apical's Sustainability Policy, please scan the QR code



Furthermore, to demonstrate our unwavering commitment to this policy, we plan to strengthen our existing sustainability framework by incorporating clear targets, milestones, and performance indicators specifically focused on human rights. We have developed a comprehensive implementation plan for fiscal years 2024/2025, outlining specific goals and timelines for achieving our human rights commitments. This plan will demonstrate our transparency and accountability in upholding human rights throughout our operations and supply chain.

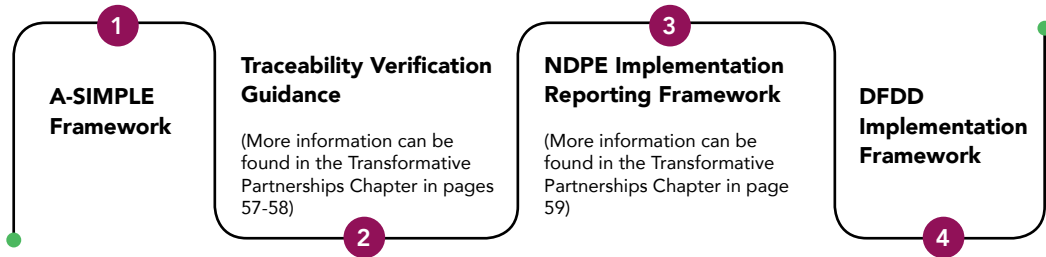
No	Activities
1.	Policy • Launch of Apical Group Human Rights Policy
2.	Communication & Awareness • Internally to facilities • Externally to suppliers (virtual and physical sessions)
3.	Supplier Commitment • Supplier engagement letters with human rights commitments
4.	Internal Policy and Standard Operating Procedure (SOP) review • Identification of policies and SOP's for review and development including Grievance Procedures
5.	Governance • Developing a governance structure for human rights implementation and monitoring
6.	Identify and Assess Risks and Impacts • Human Rights Impact Assessment (HRIA) • Deployment of Palm Oil Collaboration Group (POCG) HRDD checklist for refineries • Action Plan development based on issues and risks determined
7.	Disclosure and Reporting • Internal and External reporting on human rights
8.	Implementation & Monitoring • Social Impact Assessments (SIA) for facilities • Sedex membership and SMETA audits for facilities • Penilaian Resiko Bisnis Dan Ham (PRSIMA from kemenkumham) verification for suppliers • Monitoring for Indigenous Peoples & Local Communities' risk using Badan Registrasi Wilayah Adat (BRWA) maps for suppliers • Implementation of Human Rights Action Plans developed and monitoring gaps for improvement

³ Includes (and not limited to) women, children, religious and ethnic minorities, indigenous peoples, environmental and human rights defenders and migrant workers

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY FRAMEWORKS

There are four major frameworks that support Apical's sustainability approach. This provides guidance to how we engage with our suppliers, stakeholders and communities while in parallel, protecting and conserving biodiversity and the environment. Collaboration and transparency are the cornerstones of these frameworks as they outline steps to align sustainability priorities to international standards and frameworks, implement grievance processes, establish monitoring protocols and provide disclosures on levels of compliance through sustainability reports.



A-SIMPLE FRAMEWORK

In 2020, Apical launched the A-SIMPLE Framework to implement our sustainability practices and policies throughout our operations and supply chain. The framework enables our suppliers to achieve compliance against NDPE commitments to reduce supply chain risks. In turn, we fulfil the expectations of our stakeholders and meet our customers' demand for products that are both sustainably sourced and produced. The core principle of the framework lies in proactive engagement with our suppliers to continuously improve their operations and achieve value in all segments of the supply chain.

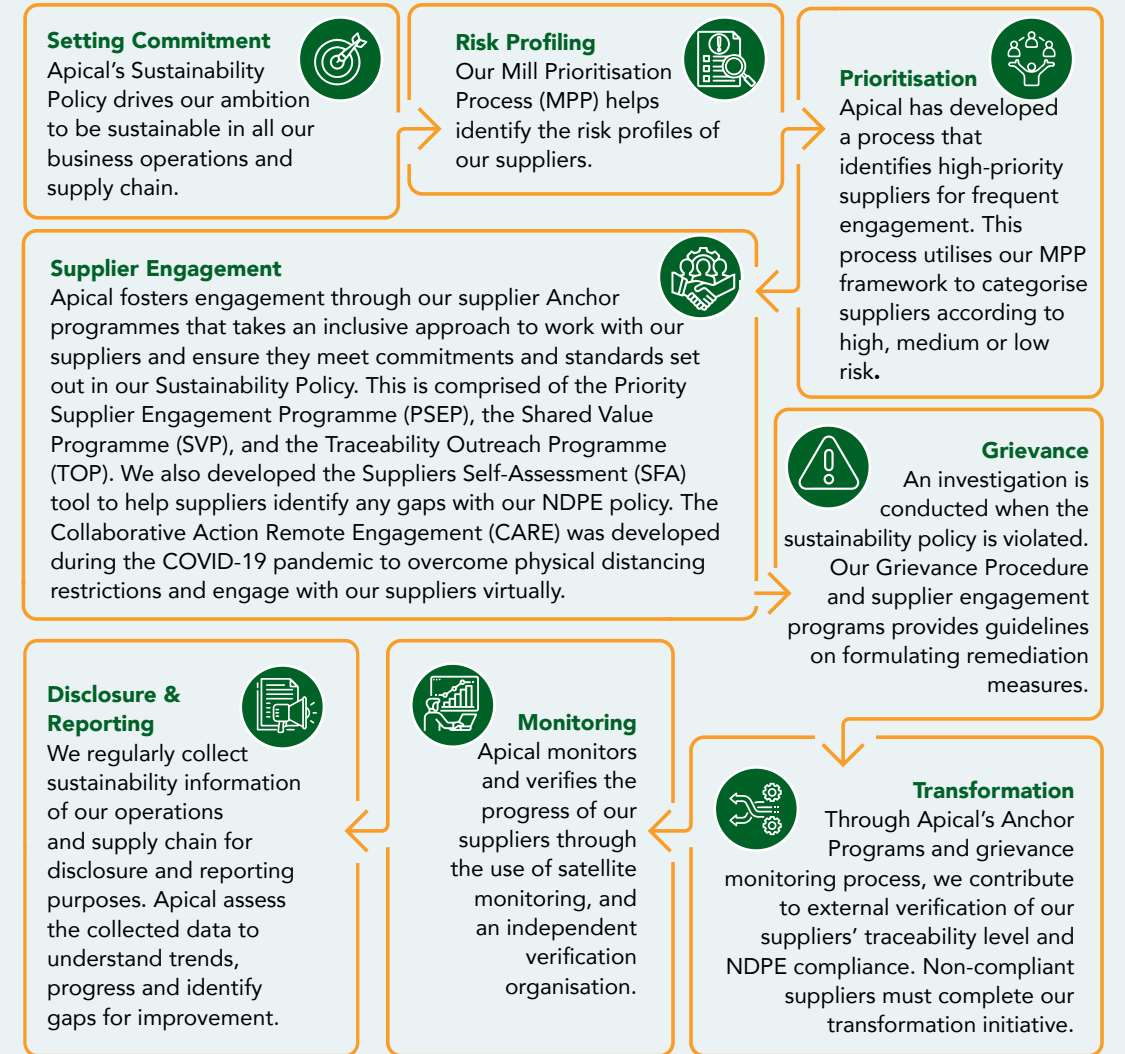
In line with our enhanced Sustainability Policy and our new Human Rights Policy published in 2023, we have strengthened our A-SIMPLE Framework embedding a robust time-bound implementation action:

a. **Setting Commitments:** Align with Apical2030 roadmap and targets, policy commitments, suppliers' acknowledgement, strengthening A-SIMPLE framework, review of policies and procedures, awareness and communication to stakeholders

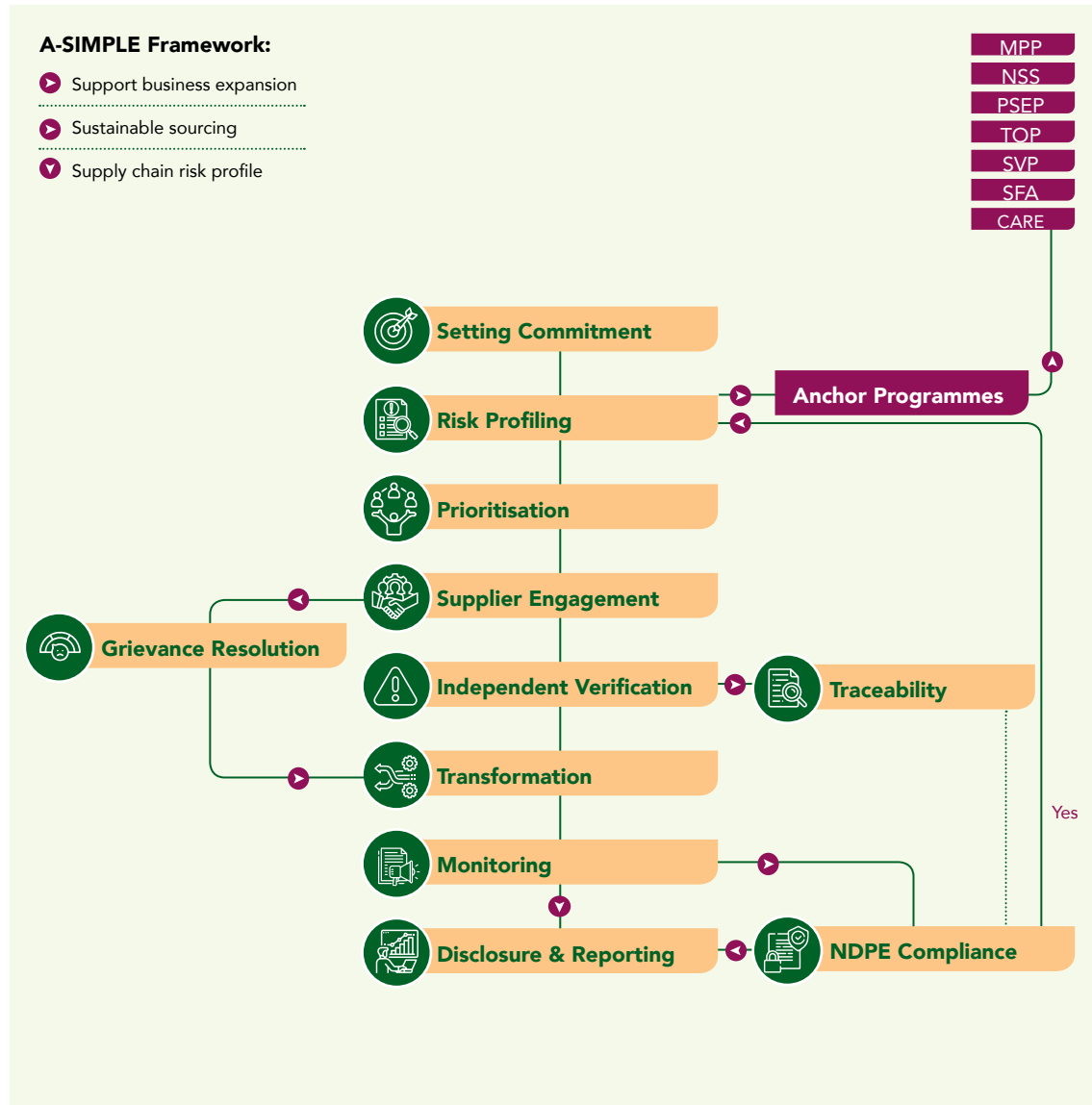
- b. **Risk Profiling:** Supplier screening, certification, risk and impact assessments
- c. **Prioritisation:** Adopt a risk-based approach by prioritising supplier engagement based on supplier risk profiling
- d. **Supplier Engagement:** Perform both broad-based and deep supplier engagement approach via Apical's Anchor programmes which includes deforestation-free due diligence and third party verification for NDPE compliance and beyond
- e. **Cease, Prevent, or Mitigate and Remediation:** Implementation of an effective grievance mechanism that aligns with the UNGPs and international best practice for resolution
- f. **Transformation:** Continue embarking on our strategic projects, conducting social impact assessments, deployment of Sustainable Living Village (SLV) programme, Smallholder Inclusion for better Livelihood & Empowerment (SMILE) programme, Community Livelihood Empowerment & Action (CLEAN) programme, and implementation of forest protection and emission reduction initiatives, among others

- g. **Monitoring and Tracking of Implementation Programme:** NDPE Compliance, third party satellite monitoring, independent data verification, deforestation risk monitoring and on-site visits for high risk suppliers
- h. **Disclosure and reporting:** Our sustainability progress will be communicated transparently through Apical's annual Sustainability Reports and Apical's Progress Dashboard

The A-SIMPLE Framework is comprised of the following components:



OUR APPROACH TO SUSTAINABILITY



DEFORESTATION FREE DUE DILIGENCE FRAMEWORK

Apical is committed to protecting and conserving forests, biodiversity and social well-being to ensure a traceable, sustainable and deforestation-free supply chain. In 2023, we commenced the development of the DFDD building upon Apical's A-SIMPLE Framework. This framework seamlessly integrates DFDD implementation into our operations, enhancing transparency and accountability throughout our supply chain and supports our compliance to EUDR, customer specific sustainability requirements, and meet future legislations of importing countries. Additionally, the DFDD framework streamlines processes and optimises operational efficiency by providing clear guidelines for EUDR compliance and future legislations.

Collaboration and inclusivity are also crucial to our proactive approach, which is demonstrated by driving the development and implementation of SOPs for systemic EUDR compliance across our supply chain and operations. These SOPs complement our existing A-SIMPLE Framework and align with local and international sustainability regulations, ensuring a comprehensive and compliant approach among relevant stakeholders, including smallholders. Through inclusive communication and

capacity-building programmes, we ensure the industry players understand their role in achieving EUDR compliance. This applies to all palm oil and derivatives, as well as all raw materials used for products destined for the EU/EEA market.

To further strengthen our commitment to deforestation-free supply chains, we are developing a digital platform to support the implementation of DFDD framework with real time data monitoring. This platform, to be launched in 2024, will enhance traceability by streamlining the supply chain to shipment tracking and due diligence processes. It will ensure compliance with the EUDR among suppliers while providing a transparent and efficient data management system to support audits. This platform marks a significant step towards increased transparency and accountability in our supply chain.

CORPORATE GOVERNANCE

GRI 2-7, 2-9, 2-11, 2-12, 2-13, 2-14, 205-3, 206-1

We prioritise good corporate governance to achieve our sustainability goals. This means operating ethically and transparently, complying with all local regulations and upholding the highest standards of business conduct.

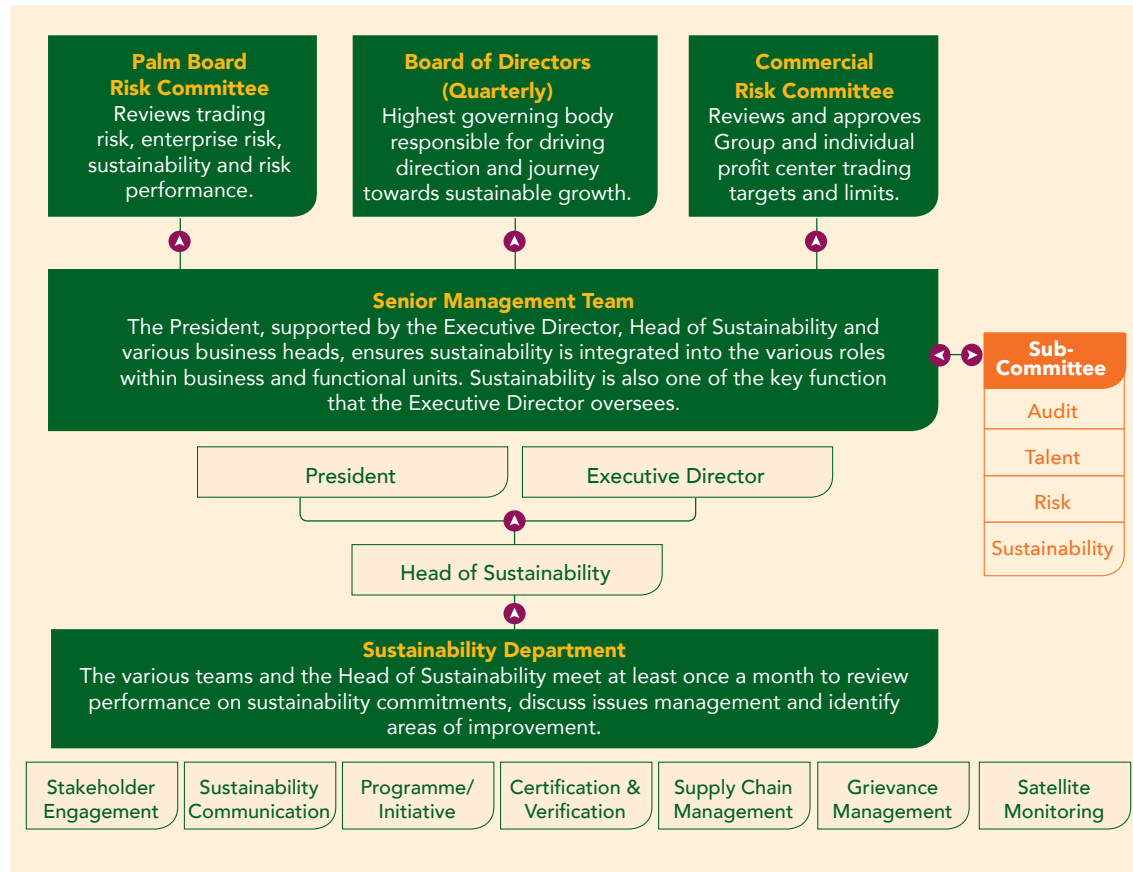
Our Code of Conduct guides employees by outlining expected standards, such as anti-corruption, fair competition and environmental responsibility. It promotes sustainable practices, protects workers' rights, and enforces zero tolerance for social injustices. These principles extend to our suppliers through the Apical's Code of Procurement Ethics (COPE).

In 2023, we recorded no new or outstanding non-compliances with national laws and regulations of countries where we operate. We recorded zero incidents of corruption and anti-competitive behaviour.



OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE



Apical Board of Directors (BoD) assumes the highest level of responsibility in steering Apical towards a path of sustainable development. The senior management team comprising of the President, the Executive Director and the Head of Sustainability assume responsibility for the review and approval of information presented in the Apical sustainability report before publication is granted by the President.

The BoD and senior management team are responsible for the strategic and operational management of Apical. This includes ensuring the company's core values are incorporated in key sustainability initiatives, making informed investment and divestment decisions, and managing environmental and social risks. Their oversight is supported by the discussion on material sustainability topics of Apical during biannual Board meetings.

The senior management team, which includes the Executive Director, Head of Sustainability and other business leaders, is primarily responsible for ensuring sustainability is integrated across all business and functional units. Sustainability is one of the key functions that the Executive Director oversees.

The Head of Sustainability is aided by dedicated sustainability teams located in Kuala Lumpur, Pekanbaru, Medan, Jakarta, Balikpapan and Dumai. These teams oversee the implementation and monitoring of Apical's sustainability commitments. Monthly meetings are held between the Head of Sustainability and the respective teams to monitor and assess the sustainability performance of the company, manage issues and to determine opportunities for improvement.

Our dedicated sustainability team oversees tasks include but are not limited to:

-  Advising the Board on Apical Group's sustainability strategy, considering material ESG matters to the Group and our operations
-  Engaging stakeholders to ensure their concerns on ESG are considered and addressed
-  Monitoring the implementation and incorporation of Apical2030 and sustainability initiatives
-  Managing supply chain transparency by monitoring and keeping abreast to latest technology e.g. satellite monitoring to mitigate supply chain risks
-  Implementing initiatives to remain engaged with our suppliers and to ensure development of a transparent and sustainable supply chain. Apical created A-SIMPLE Framework to assist our suppliers on their sustainability journey according to Apical's policies. To facilitate adoption of sustainable practices, we devised the Anchor Programmes for our suppliers
-  Ensuring proper certification standards of our facilities and products to commit to responsible production and sustainable practices in the palm oil sector
-  Employing third-party verifications for our traceability data and NDPE commitments

Each of our operations has a dedicated Social, Security and Licensing (SSL) department that oversees social and licensing matters, in accordance with national regulations and our Sustainability Policy, Human Rights Policy and Sourcing Policy. The department also oversees Corporate Social Responsibility (CSR) programmes aimed at enriching the livelihoods of local communities.

OUR APPROACH TO SUSTAINABILITY

RISK MANAGEMENT

Apical prioritises environmental responsibility through a robust risk management system aligned with ISO 31000:2018 standards. This framework identifies and mitigates potential risks impacting operations and stakeholders based on severity and likelihood.

- **Strategic Oversight:** A biannual Risk Management Committee (RMC) led by Apical's President addresses highly consequential risks, including ESG concerns.
- **Operational Implementation:** A Group Risk Management Department (GRMD) with site representatives implements our approach to reporting, investigating, and addressing non-compliances. They maintain a risk register and report to senior management quarterly.
- **Transparent Communication:** GRMD actively communicates goals, policies and procedures through various channels to the Board and employees.

ETHICS AND COMPLIANCE

GRI 2-27, 206-1

Apical is committed to upholding integrity in all business dealings, in accordance with legal and ethical standards. The Code of Conduct requires employees to comply with all applicable anti-trust and competition laws in countries where we operate. There were no reported incidents of anti-competitive behaviour and anti-trust monopolistic practice involving Apical in 2023.

The BoD and Apical employees are expected to adhere to the Code of Conduct, which provides guidance on employees' behaviour in line with our Core Values – TOPICC. New employees are provided with the Code of Conduct and Apical's Core Values during their orientation programme, while current employees undergo periodic training to refresh their understanding of Apical's core values.

Our commitment to business ethics is extended to our suppliers. Apical ensures that our suppliers abide with the COPE, which details commitments to ethical conduct and the prohibition of corruption. Apical is deeply committed to ensuring the integration of sustainable practices to our business operations, as we believe it will lead to our long-term success and provide benefits to our stakeholders.

ANTI-CORRUPTION AND ANTI-BRIBERY

GRI 2-27, 205-1, 206-1

Apical is cognisant of the importance of upholding integrity in its business conduct. We have published our Anti-Bribery and Anti-Corruption (ABC) Policy in 2023 that all employees must abide to comply with the applicable ABC Laws. The policy mandates strict compliance with all relevant laws and regulations regarding bribery and corruption in all countries where Apical operates. This includes adhering to the guidelines outlined in the United Nations Convention Against Corruption.

All Apical's employees and any persons who performs services and/or acts for and on behalf of Apical including contractors, suppliers, consultants, agency staff and business partners are required to comply to this policy. Any cases of non-compliance are subject to investigations and disciplinary proceedings.

Apical's ABC policy refers to all types of corrupt practices and key areas of risk that are likely to arise, including but not limited to:

- Active bribery
- Passive bribery
- Facilitation or grease payments
- Illicit enrichment
- Facilitation of tax evasion
- Conflicts of interest
- Gifts and hospitality
- Political donations
- Interactions with public and government officials and lobbying
- Misuse of position

All employees receive ABC Policy training and are encouraged to raise concerns about suspected misconduct or malpractice to either the relevant department heads or in accordance with our Whistleblowing Policy.

In 2023, there are no breaches of the Code of Conduct, including corruption, anti-competitive behaviour and violations of anti-trust and monopoly legislation. There are no significant fines and non-monetary sanctions for non-compliance with laws and regulations in the environmental, social and economic area.

TAX MANAGEMENT

GRI 207-1, 207-2

Apical seeks to comply with the tax systems in countries we operate in. We exercise reasonable steps in determining and following the interpreted intent of the respective tax legislatures. Our tax strategy is comprehensive and aims to ensure we follow relevant tax laws.

Our Tax Policy outlines our statement, method of reporting on tax-related matters and tax strategy. Apical ensures that all key tax positions, tax compliance and tax-planning decisions are taken in compliance with our Policy. Any initiatives that impact corporate structures and business models must be approved by the Business Group President or Managing Director on the tax implications before a final decision is made. To ensure compliance with tax regulations, we work with external tax consultants on matters of uncertainty in relation to taxation.

We are committed to implementing a tax approach that is linked to the business imperatives and sustainability commitments of Apical.

FEEDBACK CHANNELS FOR STAKEHOLDERS

GRI 2-25, 2-26

Apical understands that the issues most critical to sustainability are determined by the diverse perspectives of our stakeholders. We value their insights and are committed to proactive and constructive engagement. This two-way dialogue involves actively seeking feedback and sharing progress updates on our sustainability programmes, initiatives and grievances. We believe open communication is crucial and we welcome the input of our key stakeholders as much as we proactively seek to communicate with them.

To empower stakeholders to raise concerns and questions, we provide clear avenues for feedback. Our grievance mechanism allows them to communicate potential or actual negative impacts associated with Apical or our suppliers' practices. Additionally, a separate whistleblowing mechanism enables stakeholders to raise concerns or seek clarification about our business practices or those of our suppliers.

OUR APPROACH TO SUSTAINABILITY

GRIEVANCE MANAGEMENT

GRI 2-25

Apical empowers stakeholders to raise concerns and seek solutions for potential or actual sustainability issues, aligning with the principles of responsible practices outlined in the RSPO Principles & Criteria (RSPO P&C) 2018. Stakeholders can raise potential or actual negative impacts and seek remediation through various channels without any fears of reprisal:

- **24/7 Online Form:** Accessible on our website for easy reporting.
- **Email:** Submit a grievance form anonymously or with contact information.
- **Third-Party Representation:** Stakeholders can choose a representative to voice their concerns.



Available on the Apical website



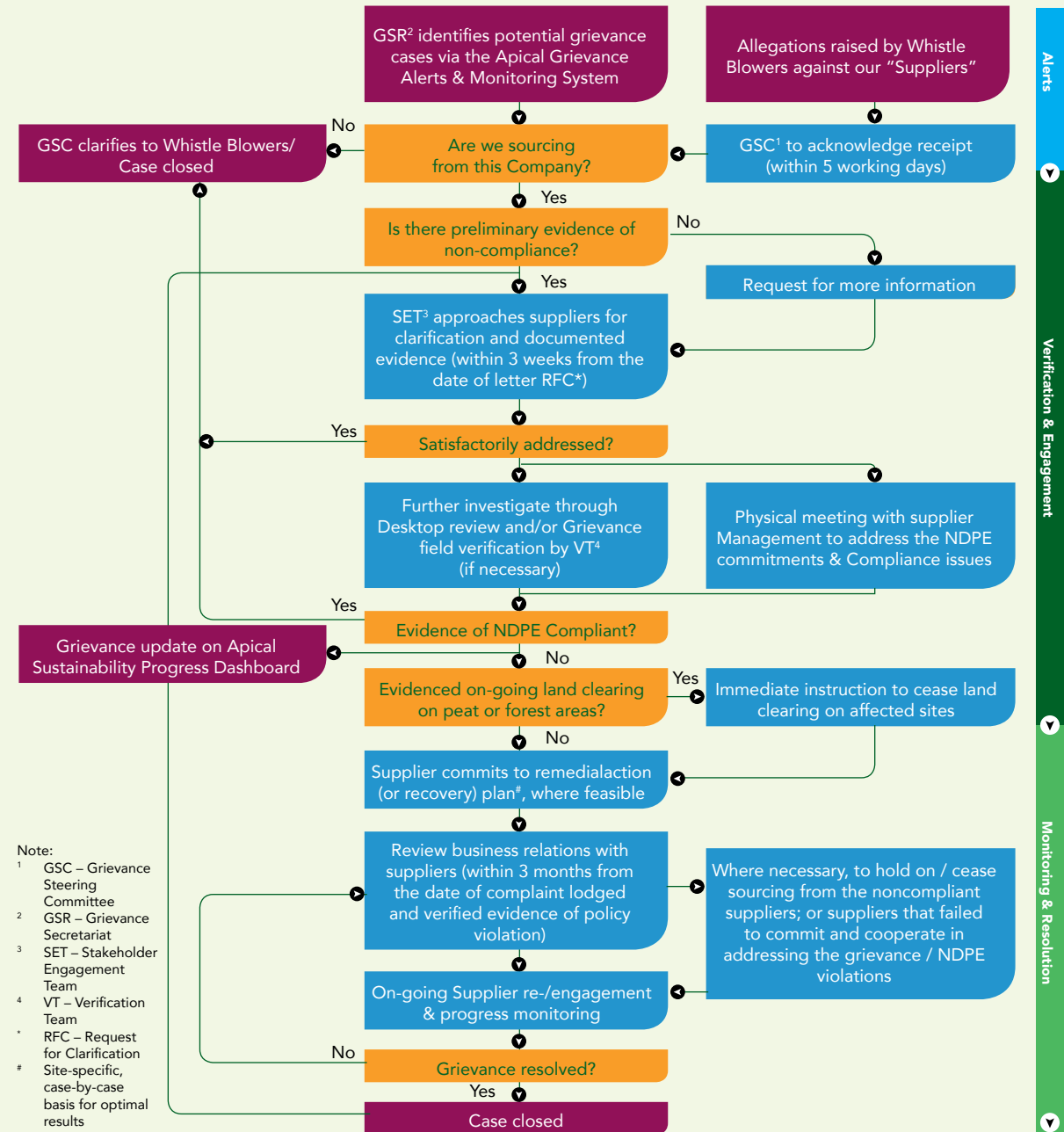
Apical's Grievance Process Flow allows sustainability concerns within the supply chain to be raised, investigated and addressed in a transparent manner. This system allows stakeholders to report issues of concern and allows Apical to facilitate a thorough investigation to ensure compliance to our policies and standards. We continuously monitor our supply chain and ensure that all grievances raised are addressed. In addition, we review our grievance management system and processes periodically to identify areas for enhancement.

We are committed to ensuring appropriate remedial actions are taken for all verified grievances and complaints.

The grievance mechanism is managed and implemented by the company through our Grievance Steering Committee (GSC), Grievance Secretariat, Stakeholder Engagement Team and Grievance Verification Team (GVT).

The GSC is headed by the President and Executive Director of Apical that oversees the grievance management. The Head of Sustainability updates the Senior Management on the grievance reports every month through a Financial Reporting Meeting (FRM) and on an ad-hoc basis for urgent reports to the BoD.

APICAL GRIEVANCE PROCESS FLOW



OUR APPROACH TO SUSTAINABILITY

The commitment and collaboration of all stakeholders are necessary to ensure a transparent process for managing and processing grievances. Suppliers are required to cooperate to support the investigation in addressing any grievance and/or allegations made against them in violation of our Policies and commit to remediation and/or grievance resolution proposal within a stipulated timeline. In relation to any credible evidence of deforestation, suppliers shall commit to stop land clearing and perform a High Conservation Value (HCV) and High Carbon Stock (HCS) assessment and if necessary, any additional appropriate measures to halt and remediate the deforested area. The list of grievances along with their status are available on our grievance tracker in our website:



In 2023, there were 2 grievances raised, 1 against Apical Group and 1 against our supplier. The grievances were related to allegations of environmental pollution (noise and air) and illegal Fresh Fruit Bunches (FFB) sourcing. Both cases have been investigated and one has been resolved. About 4.56% our total supplying mills were implicated in grievance issues, as reported in our Grievance Tracker on our website.

The total area of illegal/non-compliant deforestation recorded from January 2016 until December 2023 for all our suspended suppliers is 65,193.71 ha.

Total Grievance Cases Received in 2023

Total cases received	Cases investigated	Cases resolved	Cases under monitoring
2	100%	50%	50%

Total Accumulated Grievance Cases since 2015

Total cases received	Cases investigated	Cases resolved	Cases under monitoring
60	100%	78%	22%

WHISTLEBLOWING

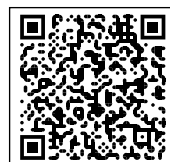
GRI 2-26

Apical offers a whistleblowing channel that is accessible through our website. This platform is available for employees and external stakeholders to anonymously report concerns about our operations or suppliers' practices. This mechanism aligns with our grievance process and ensures reports are reviewed by the dedicated GVT.

Employees are encouraged to report any violations of the Code of Conduct or company policies, such as illegal, irregular, dangerous or unethical activities. They can do so without fear of reprisal through the following channels:

- 01 Reporting Manager or HR Representative**
This is the preferred first point of contact.
- 02 Online Whistleblowing Form**
Available on the Apical website with clear submission instructions.

For further information regarding the whistleblowing mechanism, visit our website and view the available reporting channels.



PARTNERSHIPS, MEMBERSHIPS, AND CERTIFICATIONS

GRI 2-28

The challenges related to sustainability in the palm oil industry are complex and thus require collective effort amongst stakeholders to evolve together towards sustainable production.

To achieve our sustainability goals, we foster partnerships with suppliers and stakeholders throughout our supply chain to:

- 01 Drive Sustainable Production**
Collaboration improves our sustainability management practices and promotes sustainable production methods.
- 02 Stay Ahead of the Curve**
Engagement with external stakeholders keeps us informed of the latest developments and best practices.

Apical demonstrates this commitment through memberships in national and international organisations, collaborating on specific sustainability initiatives.

Membership Associations		
Indonesia Employers Association	International Sustainability and Carbon Certification (ISCC)	Palm Oil Refiners Association of Malaysia (PORAM)
Roundtable on Sustainable Palm Oil (RSPO)	Singapore Agri-Food Innovation Lab (SAIL)	The Tropical Forest Alliance 2020
Palm Oil Collaboration Group (POCG) <ul style="list-style-type: none"> • Integrated Reporting Framework Working Groups (IRF AWG) • Independent Verification Working Group (IWVG); • Production and Protection Beyond Concession Working Group (PPBC WG); and • Social Issues Working Group (SIWG) 		New York Declaration on Forests Earthworm Foundation

Apical prioritises transparency in our sustainability journey. Since 2019, we have undergone annual public assessments by the Sustainable Palm Oil Transparency Toolkit (SPOTT). Furthermore, we have submitted responses to the CDP Forest (formerly 'Carbon Disclosure Project') since 2020. These independent assessments demonstrate our commitment to accountability and continuous improvement.



In 2023, Apical has surpassed its previous SPOTT score of 91.7% to 95.3%, achieving 2nd place out of the 100 companies assessed.

OUR APPROACH TO SUSTAINABILITY

Apical recognises that sustainable palm oil production is not only the right thing to do, but also a key driver of business success. Certification through schemes like Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability and Carbon Certification (ISCC) unlocks market access and positions us for future growth.

Certification	Description
<p>The International Sustainability & Carbon Certificate (ISCC)</p>	<p>An international certification system established as the first certification system to ensure sustainable production of bio-based feedstocks and renewables in global supply chains</p> <ul style="list-style-type: none"> 88% of facilities are certified by ISCC as of 2023, up from 80% 100% of our biodiesel facilities are certified by ISCC as of 2023
<p>The Roundtable on Sustainable Palm Oil (RSPO)</p>	<p>A global multi-stakeholder initiative aimed to promote sustainable palm oil production and trade</p> <ul style="list-style-type: none"> Certified RSPO Supply Chain Certification since 2012 100% of facilities are certified by RSPO
<p>Indonesian Sustainable Palm Oil (ISPO)</p>	<p>A mandatory local certification established in 2011 by the Government of Indonesia for all palm oil production and millers in the country</p> <ul style="list-style-type: none"> We ensure all our suppliers adhere to ISPO requirements and/or guidelines
<p>International Organisation for Standardisation 9001 (ISO 9001)</p>	<p>ISO certification in ensuring quality management systems requirements</p> <ul style="list-style-type: none"> Obtained ISO 9001 certification for 88% of our plants
<p>International Organisation for Standardisation 14001 (ISO 14001)</p>	<p>Certification by ISO that specifies requirements for effective environmental management system – in efficient use of resources, energy, and waste reduction</p> <ul style="list-style-type: none"> Obtained ISO 14001 certification for 33% plants across Indonesia and Spain

Certification	Description
<p>Sedex Members Ethical Trade Audit (SMETA)</p>	<p>Sedex is a leading ethical trade service provider, seeking to improve global supply chains. SMETA is an audit methodology assessing responsible business practice, covering Sedex's four pillars of Labour, Health and Safety, Environment, and Business Ethics</p> <ul style="list-style-type: none"> In 2023, our 2 refineries; PRC and AAJ Marunda participated in the SMETA audits SDS and SDO (M) completed their audits in the first quarter of 2024
<p>Halal Certification</p>	<p>Depending on the operational location different entities were engaged to certify Apical's production facilities "Halal" certified. The scope of certification differs in each plant</p> <p>Example of certification bodies are The Indonesian Council of Ulama (Majelis Ulama Indonesia) and LPPOM MUI from Indonesia</p> <ul style="list-style-type: none"> 100% of refineries in Indonesia are halal certified
<p>Kosher Certification</p>	<p>Depending on the operational location – different entities were engaged to certify Apical's production facilities as "kosher" certified. The scope of certification differs in each plant</p> <p>Examples of certification bodies are Rabbi Mordechai Abergel, Orthodox Union, and Singapore Kashruth Services Pte Ltd</p> <ul style="list-style-type: none"> 100% of refineries in Indonesia are kosher certified

Further information on our participation in these certifications is available on our website.

OUR APPROACH TO SUSTAINABILITY

SUPPORTING THE UN SDGs

The UN SDGs established in 2015, offers a common framework for governments, businesses and society to address the most urgent global challenges by 2030. We have identified nine UN SDGs that are of priority to Apical. These SDGs leverage on the company's strengths to support the needs of the communities where we operate and is strongly aligned with the Apical2030 goals.

Our contributions towards the SDGs are highlighted in respect to each of the nine prioritised goals. Additional information is available in the relevant chapters as stated.



Summary of Relevant SDG Targets to Achieve by 2030⁴

- 1.2 Reduce at least by half the proportion of men, women and children of all ages living in poverty.
- 1.4 Ensure all men and women, in particular the poor and the vulnerable, have equal rights to economic resources and access to basic services, ownership and control over land and other forms of property, inheritance and natural resources.

Apical's Initiatives

- Providing job opportunities to the local community, with wages that at least meet or are above the minimum legal requirements.
- Working with communities to develop new skills such as vegetable growing, goat farming, cassava chips and cake making, allowing them to diversify their source of income.
- Continuation of SMILE programme launched in 2020 to support ISH productivity and income levels through the sales of certified sustainable palm oil.

For more information on the SMILE Programme, please refer to pages 108-109



Summary of Relevant SDG Targets to Achieve by 2030⁴

- 2.1 End hunger and ensure access by all people, in particular the poor and people in vulnerable situations to safe, nutritious and sufficient food all year round.
- 2.2 End all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.
- 2.3 Double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers; including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition.

⁴ Target years are mainly 2030, unless stated otherwise

OUR APPROACH TO SUSTAINABILITY

Apical2030 Pillar: Inclusive Progress

Apical's Initiatives

- Continuation of the SMILE programme launched in 2020, to help independent oil palm smallholders in Indonesia to improve their livelihoods and obtain certification.
- Supported communities to establish sustainable livelihood communities through entrepreneurship opportunities under the CLEAN programme.
- Continuation of chilli growing and goat farming programmes as a food source and alternative livelihood to local communities.
- To combat stunting, we empower women in communities like Cilincing, North Jakarta, to become health cadres. We partner with local health centers to provide them with workshops on maternal and child health, specifically focusing on stunting prevention. Beyond training, we equip them with the skills and resources to organise healthcare programs within their communities, reaching pregnant women and children most in need.

For more information on our community and smallholder initiatives, please refer to Inclusive Progress Chapter, pages 99-113



Summary of Relevant SDG Targets to Achieve by 2030⁴

- 7.2 Substantially increase the share of renewable energy in the global energy mix.
- 7.3 Double the global rate of improvement in energy efficiency.

Apical's Initiatives

- Continue to increase energy consumption from renewable sources. In 2023, 7% of energy consumed was from renewable and clean energy sources.
- Installation of insulating tanks to reduce steam consumption for heating.

For more information, please refer to our Green Innovation Chapter, pages 79-93



Summary of Relevant SDG Targets to Achieve by 2030⁴

- 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- 8.7 Take immediate and effective measures to prohibit and eliminate the worst forms of child labour by 2025 including recruitment and use of child soldiers, eradicate forced labour.
- 8.8 Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants.

Apical's Initiatives

- Continue to uphold our Sustainability Policy to provide decent work opportunities, respecting human and labour rights and maintaining a safe work environment.
- Work closely with our suppliers through ongoing Apical Anchor Programmes to ensure fair labour practices are employed within our supply chain.
- Launched Apical Group Human Rights Policy with action plans to conduct Human Rights Impact Assessment and develop a Human Rights Due Diligence system.
- Launch of SLV@Aceh in 2023, a landscape initiative through partnership with local government and community to promote positive human-forest relationships and alternative livelihood in 6 villages.

For more information, please refer to the Our Approach to Sustainability and Transformative Partnerships Chapters, pages 51-71

⁴ Target years are mainly 2030, unless stated otherwise

⁴ Target years are mainly 2030, unless stated otherwise

OUR APPROACH TO SUSTAINABILITY



Summary of Relevant SDG Targets to Achieve by 2030⁴

- 12.2 Achieve sustainable management and efficient use of natural resources.
- 12.4 Achieve environmentally sound management of chemicals and all wastes throughout their life cycle - in regard to air, water and soil to minimise adverse impacts on human health and the environment, by 2020.
- 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.

Apical's Initiatives

- Continuously improve operational processes and resource efficiency to reduce energy usage, reduce waste generation and reuse wastewater and waste.
- Conducted a LCA for the following:
 - Apical Group product portfolio determine carbon emission hotspots
 - SAF derived from different palm oil residues for Global Warming Potential (GWP)
- Apical's upstream and downstream factories produce byproducts and waste, which can be converted to value added feed for livestock.
- Implemented wastewater recycling at SDO (D).
- Utilising the waste and residues from our supply chain for sales as 2G feedstock.



For more information, please refer to the Climate Action and Green Innovation Chapters, pages 72-78 and 79-93 respectively



Summary of Relevant SDG Targets to Achieve by 2030⁴

- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- 13.2 Integrate climate change measures into national policies.

Apical's Initiatives

- Partner with our suppliers to protect and/or conserve forest and peat areas.
- Collaboration with external associations to stay abreast of best practices and development within palm oil production.
- Expand emission reduction activities - e.g. restoration, use of less carbon intensive energy sources and methane capture projects.
- Protecting 13,000 ha of forest under our SLV programme in Aceh.
- Ongoing Scope 3 carbon emissions assessment, to identify and address emission hotspots.
- Explore carbon management software tool to better measure, manage and report Apical's carbon emissions.



For more information, please refer to the Climate Action Chapter, pages 72-78



Summary of Relevant SDG Targets to Achieve by 2030⁴

- 14.1 Prevent and significantly reduce marine pollution, in particular from land-based activities, including marine debris and nutrient pollution, by 2025.
- 14.2 Sustainably manage and protect marine and coastal ecosystems including strengthening their resilience and acting on restoration to achieve healthy and productive oceans, by 2020.

Apical's Initiatives

- Manage coastal ecosystems - mangrove planting and conservation.
- Establish proper guidance on wastewater discharge in compliance with local regulations.



For more information, please refer to the Climate Action Chapter, pages 72-78

⁴ Target years are mainly 2030, unless stated otherwise

⁴ Target years are mainly 2030, unless stated otherwise

OUR APPROACH TO SUSTAINABILITY

Apical2030 Pillar: Transformative Partnerships

Summary of Relevant SDG Targets to Achieve by 2030⁴

15.2 Implement sustainable management of all forests, halt deforestation, restore degraded forests and increase afforestation and reforestation globally, by 2020.

Apical's Initiatives

- Continue engagement with suppliers through our Anchor programmes and A-SIMPLE framework to ensure compliance with our NDPE commitments and protect HCS forest areas and HCV land.
- Improve TTM and TTP verification of our mills using established Apical Traceability Verification Guidance created with Daemeter and Proforest.
- Tracking of grievance management of external stakeholders on ESG issues within the supply chain.
- Implementation of the DFDD framework and GIS monitoring of supply chain.

For more information, please refer to the Transformative Partnerships Chapter, pages 51-71

Apical2030 Pillar: Transformative Partnerships

Summary of Relevant SDG Targets to Achieve by 2030⁴

17.16 Enhance global partnership for sustainable development that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, particularly developing countries.

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Apical's Initiatives

- Implementation of a database system to assist Apical in the management and monitoring of ESG data across the organisation.
- Engage suppliers through the Anchor Programmes to ensure compliance, promote traceability and facilitate the adoption of more sustainable practices.
- Collaborate with public stakeholders - local authorities and NGOs to support Sustainable Development goals of Indonesia:
 - Yayasan Inisiatif Dagang Hijau (IDH);
 - Yayasan Ekosistem Lestari (YEL);
 - Forum Konservasi Leuser (FKL);
 - Earthworm Foundation; and
 - Inovasi Digital - Earthqualizer.

For more information, please refer to the Transformative Partnerships Chapter, pages 51-71

⁴ Target years are mainly 2030, unless stated otherwise

TRANSFORMATIVE PARTNERSHIPS

BACKGROUND

At Apical, working closely with our suppliers and key stakeholders to foster a responsible and sustainable supply chain is critical for sustainability management. Since a major part of our business involves engaging with numerous suppliers across the supply chain, and given that Apical does not own any plantations or mills, we are committed to transforming and empowering our suppliers to create positive changes throughout the supply chain.

The Transformative Partnerships pillar includes various initiatives aimed at ensuring traceability within our supply chain to implement sustainable practices. These practices focus on traceability, NDPE compliance and conservation efforts.

APICAL2030 TARGETS AND PERFORMANCE FOR TRANSFORMATIVE PARTNERSHIPS

Pillar	Transformative Partnerships Targets	Progress in 2023	Status
Transformative Partnerships	Collaborate with suppliers to achieve a 100% NDPE compliant supply chain by 2025	<ul style="list-style-type: none"> • Achieved 93% for Delivering Category No-Deforestation based on the NDPE IRF • Engaged 51 mills through combined CARE and PSEP in 2023 • Collating and mapping 100% of concession for direct suppliers including group level • Continued the use of remote-sensing technology using platforms such as GFW Pro, GLAD and RADD to monitor 100% of our supplier concession • Partnership with Inovasi Digital – Earthqualizer to monitor supply chain 	In Progress
	Engage 100% suppliers for traceability independent verification by 2025	<ul style="list-style-type: none"> • Achieved 72% of suppliers of Apical refineries for traceability independent verification 	In Progress

TRANSFORMATIVE PARTNERSHIPS

Pillar	Transformative Partnerships Targets	Progress in 2023	Status
Transformative Partnerships	Partner with suppliers to protect and/or conserve 150,000 ha forest and peat areas by 2030	SLV at Aceh <ul style="list-style-type: none"> Identified 13,485 ha of forest to be protected in 6 Villages in Aceh Singkil SLV at East Kalimantan <ul style="list-style-type: none"> Identified 10,000 ha of forest in 3 Villages 	In Progress
	Collaborate with suppliers to promote clean energy through 20 biogas plants	1 biogas plant commissioned in December 2023 together with our supplier, Asian Agri	Complete

6A. WORKING WITH SUPPLIERS

MANAGEMENT APPROACH

GRI 3-3

In 2015, Apical implemented its Sourcing Policy to responsibly source from traceable, legal and NDPE compliant supply chain. The policy is guided by several key principles:

- Prohibiting deforestation of HCV and HCS areas;
- Ensuring the protection of peatlands, irrespective of their depth; and
- Promoting positive socio-economic benefits for individuals and communities.

This policy applies to all Apical's operations, joint ventures, subsidiaries and direct and indirect suppliers in our palm oil supply chain. We enforce this policy through our A-SIMPLE Framework and Supplier

Anchor Programmes. Suppliers that are found to be in violation of our Sourcing Policy are subject to the Grievance Mechanism. We are in the process of revising our Sourcing Policy to ensure it aligns with our enhanced Sustainability Policy 2023 and Human Rights Policy 2023. The revision is expected to be completed by 2024.

INCLUSIVITY IN PARTNERSHIPS

GRI 3-3

Apical recognises that building a traceable, deforestation-free palm oil supply chain requires collaboration. We believe all participants, from farmers to consumers, have a role to play in achieving this shared goal. Our strategy for managing Apical's value chain through close collaboration with our suppliers is based on two foundational frameworks, A-SIMPLE framework and NDPE IRF. They underscore our dedication to fostering inclusive partnerships with our suppliers. These partnerships are aimed at aligning our joint efforts towards our sustainability goals and advancements.

A-SIMPLE Framework

The first of these frameworks is the A-SIMPLE Framework, introduced in 2020, which is designed to embed our sustainability practices and policies across our operations and supply chain. This robust framework assists our suppliers in meeting NDPE commitments, thereby minimising risks in the supply chain. This not only helps meet our stakeholders' expectations but also satisfies our customers' demands for sustainably produced products. Further details can be found in the "Our Approach to Sustainability" section of our report on pages 30-32.

NDPE Implementation Reporting Framework (IRF)

Apical is an active participant in the AWG for NDPE IRF. Our involvement in this framework is instrumental in supporting sustainable palm oil production and enhancing cooperation with suppliers, traders and mills to ensure adherence to our policies and standards. The NDPE IRF helps in ensuring compliance with our NDPE obligations, offering a structure for monitoring progress, identifying supply chain discrepancies and devising strategies to address these issues.

Our adherence to the NDPE IRF is annually validated by an independent third party. As part of our ongoing commitment to responsible natural resource management and reducing the negative environmental impact of our operations, we remain dedicated to upholding the NDPE framework standards.



Sustainable Supply Chain Partnership Award

In November 2023, Apical has been awarded the Sustainable Supply Chain Partnership Awards, at the ESGBusiness Awards in Singapore. This prestigious awards programme honours businesses that demonstrate outstanding commitment and achievements in ESG practices, as well as those leading the way towards a sustainable future. Apical's approach to closely working with suppliers to manage its value chain is grounded in its governance and compliance with regulatory standards and legislation, smallholder inclusivity, and supplier and stakeholder engagement. This award highlights our commitment to driving inclusive partnerships across the supply chain to achieve alignment on our sustainability ambitions.



TRANSFORMATIVE PARTNERSHIPS

OUR SUPPLY CHAIN PROFILE

GRI 2-6, 204-1

Apical operates as a midstream processor, exporter, and trader. We do not own any plantations or mills. Our primary raw materials include Crude Palm Oil (CPO), Crude Palm Kernel Oil (CPKO) and Palm Kernel (PK), all of which are sourced from external mills. These raw materials are then processed in facilities owned by Apical.

Our Supply Chain Profile in Indonesia

378 CPO supplying mills

121 CPKO suppliers

166 PK suppliers

Notes:

- Apical sources CPO from mills to process and produce palm oil products.
- Apical sources CPKO from kernel crushing plants to process and produce palm kernel oil products. CPKO is produced from the processing of palm kernel.
- The above figures only cover our facilities in Indonesia. External suppliers from our operations in China and Spain are excluded.
- Some of our direct CPO supplying mills also supply PK to Apical.

100% of our procurement spend for our Indonesian operations is from local suppliers

16% and 3% of our procurement spend in our operations in Spain and China are from local suppliers, respectively

Notes:

Local suppliers are defined as those based in the same region

CPO and CPKO originates from the processing of FFB. FFB are sourced by mills from their own estate, third-party commercial estates, smallholder cooperatives and schemes, independent smallholders and dealers. Apical also sources CPO and CPKO from traders.

8.81% of the total volume of CPO sourced comes from traders

4.07% of the total volume of CPKO sourced comes from traders

TRACEABILITY OF OUR PALM OIL

GRI 3-3

Achieving traceability within our supply chain is a crucial component of our sustainability commitment, especially given the complexity of the palm oil industry. We engage closely with all our suppliers to ensure the traceability of our palm oil supply chain.

Traceability to Mill

Our suppliers primarily operate in the major provinces of Riau, North Sumatra, Jambi, Sulawesi, and Kalimantan. A significant 93.91% of our palm oil is sourced directly from these mills, with the balance obtained through trading companies.



Maintained 100% traceability to supplying mills since 2015

Traceability to Mill (TTM) Methodology

Our TTM efforts also extend to tracing the origins of FFB. In addition, considering Apical buys CPO and CPKO from traders, who themselves source from various suppliers, tracing FFB origins can pose a challenge. Nonetheless, given that FFB must be processed within 24 hours of harvesting to ensure oil quality and plantations need to be within a day's journey to a mill, we have devised a method to trace FFB supplier locations as seen in the infographic below:

Unveiling Our Supply Chain: Transparency for Sustainability

Mandatory Traceability Declaration Document (TDD)



Updated quarterly on Apical's website



Detailed information from mill

- GPS coordinate
- Legal Company names
- Mill addresses
- Universal Mill List (UML)

We confirm the accuracy of GPS data through:

- **Database Checks:** Verification against a master database ensures consistency
- **Satellite Imagery Analysis:** Satellite images confirm the physical location of the mills
- **Unique Identification:** Once validated, each mill receives a unique ID logged in the UML
- **UML:** A shared resource developed by World Resources Institute (WRI) and Rainforest Alliance

TRANSFORMATIVE PARTNERSHIPS

Traceability To Mill Progress

01 FFB Sources

35.6% of the total volume of FFB from the supplying mills are sourced from their own estates and scheme smallholders

64.4% of the total volume of FFB from the supplying mills are sourced from third-party plantations

02 CPO Mills

57.1% of our supplying mills sourced FFB from their own estates and scheme smallholders

42.9% of our supplying mills sourced FFB from third-party estates

03 PK Mills

52.6% of our supplying mills sourced FFB from their own estates and scheme smallholders

47.4% of our supplying mills sourced FFB from third-party estates

Traceability to Plantation (TTP)

To meet our TTP objectives, we initiated the Traceability Outreach Programme (TOP) targeting our suppliers across Riau, Jambi, North Sumatra, Aceh, Kalimantan, Sulawesi and Bangka Belitung. Recognising the dynamic and complex nature of our supply chain, we actively work with our suppliers to implement our TTP protocol. For our new suppliers, this involves an intensive collaboration to enhance their understanding of TTP. Moreover, we focus on assisting the handful of suppliers who are progressing in their TTP by developing specific action plans to guide them towards this goal.



Further insights into this endeavour can be found on pages 60-67. We aim for continuous improvement in our traceability efforts annually.

FFB Sources	Estimated percentage of palm oil supplied to our refineries
Estate (<25 ha and ≥25 ha)	59.4%
Cooperatives/Schemed/Smallholder Groups	15.1%
Dealers (sourced from Independent Smallholders)	25.5%

TTP Progress

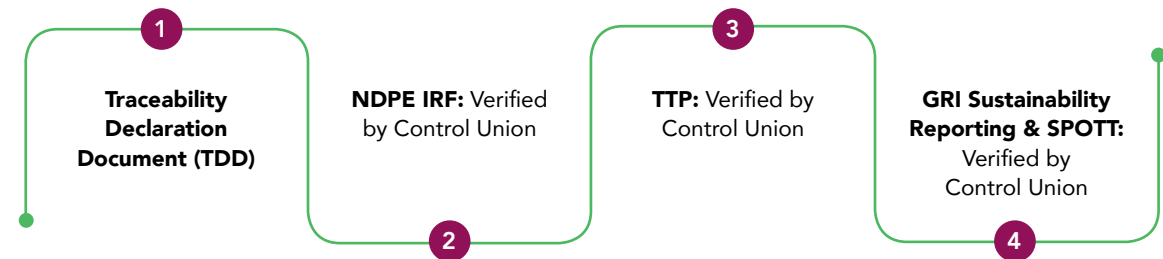
FFB Sources	2021	2022	2023
CPO Suppliers – Existing Suppliers	99.7% for 4 refineries and/or facilities	99.9% for 5 refineries and/or facilities	99.8% for 5 refineries and/or facilities
CPO Suppliers – New Suppliers	99.3% for 5 refineries and/or facilities	99.7% for 5 refineries and/or facilities	100% for 5 refineries and/or facilities
CPKO Suppliers	96.0% for 4 refineries	98.4% for 5 refineries	99.7% for 5 refineries
PK Suppliers	96.1% achieved for 2 kernel crushing plants	97.0% achieved for 2 kernel crushing plants	99.7% achieved for 2 kernel crushing plants

Note:

Since 2020, we separated our TTP percentage into two categories, which are new and existing suppliers. This distinction allows Apical to ensure that all existing suppliers commit to a traceable and transparent supply chain, as outlined in our enhanced Sustainability Policy 2023, while new suppliers abide by a time-bound commitment.

Verifying Traceability

We ensure data accuracy and completeness including third-party verification⁵ of traceability data, where applicable.



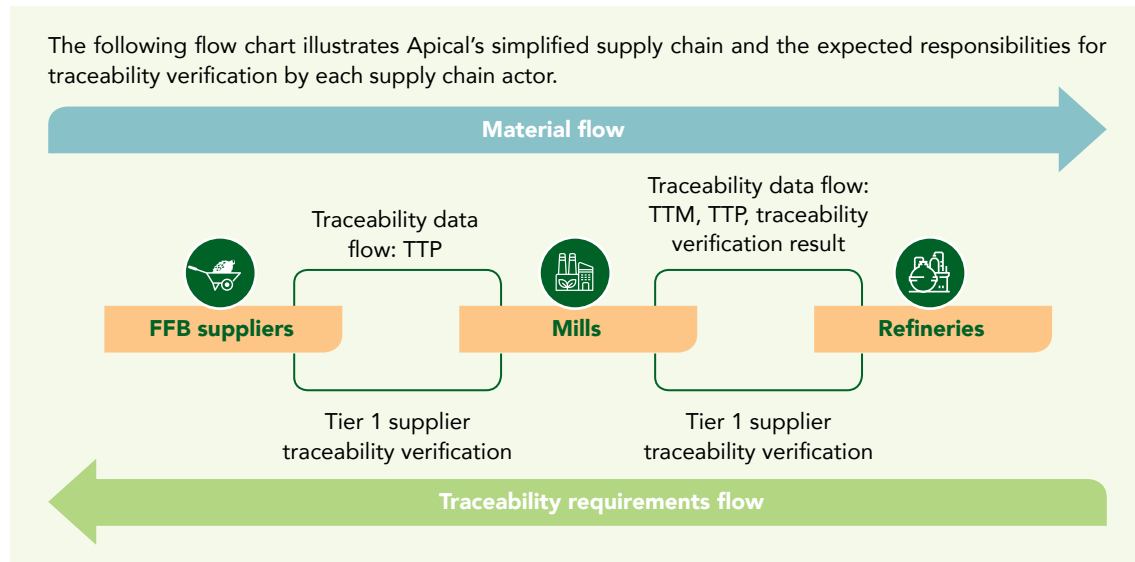
We have established procedures to check the accuracy of traceability information reported by both direct and upstream suppliers of Apical, underscoring our dedication to fostering a transparent supply chain. In collaboration with the Consortium of Resource Experts, we have created a protocol to evaluate the reliability of the data provided by suppliers.

⁵ The verification scope covered the TDD methodology

TRANSFORMATIVE PARTNERSHIPS

Our Traceability Verification Guidance (TVG) offer a detailed methodology for data verification, introducing a standardised approach to protocol implementation across our operations. This guidance ensures consistency among all participants in our supply chain, setting uniform criteria and expectations for verifying the traceability of Tier 1 suppliers. As a result, we anticipate that all entities within our supply chain will motivate their Tier 1 suppliers to adopt this guidance, thereby reinforcing their commitment to traceability.

The development of this guidance was in line with established protocols, including the NDPE IRF and the ISO 14001 and ISO 9001 standards.



Apical2030 Target

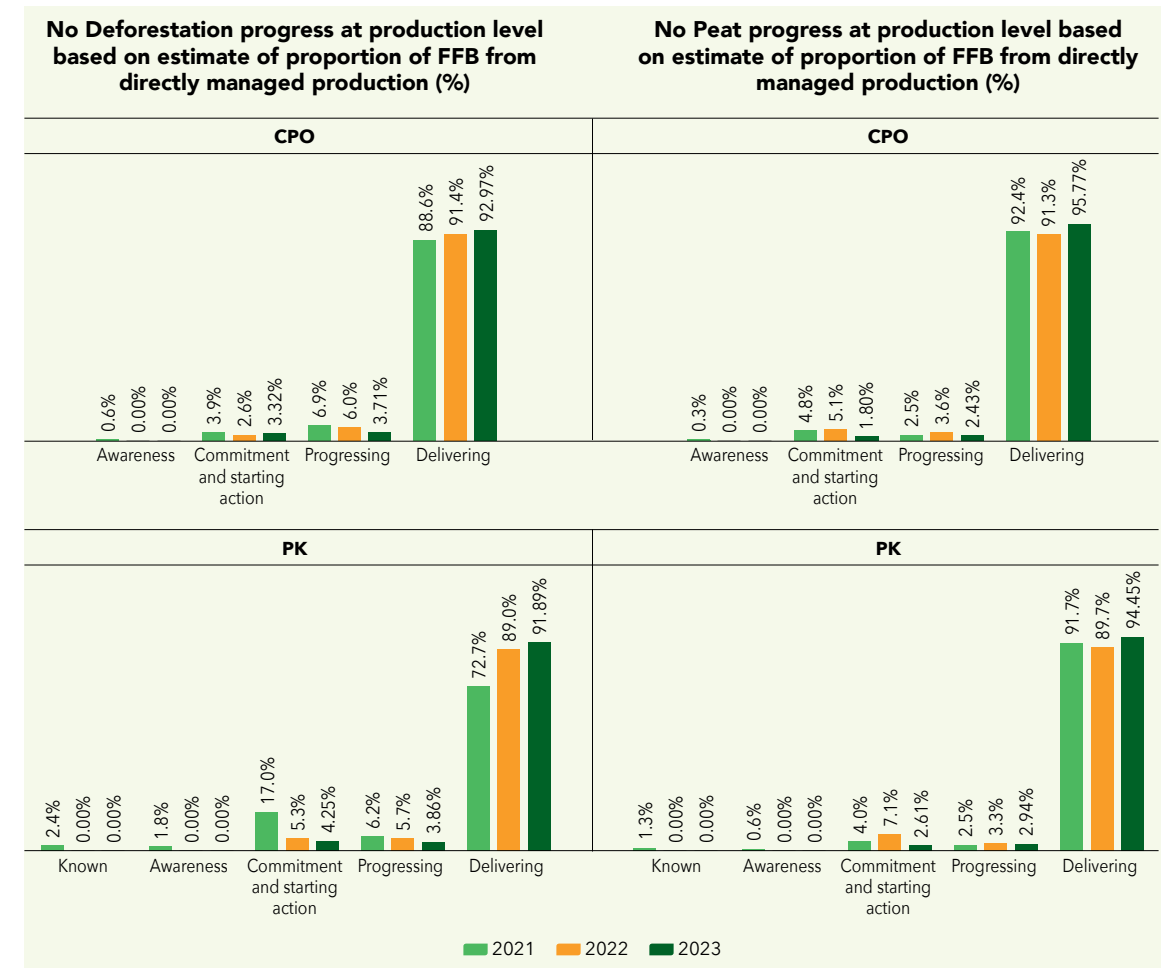
Engage **100%** of our suppliers for independent verification of traceability data by 2025

We are pleased to report that we surpassed our 2023 goal by verifying 72% of our suppliers, exceeding the initial target of 50%. For 2024, our objective is to have 90-100% of our TTP data confirmed by an external verification body.

To further improve the effectiveness of our TTP programme, we have introduced a Risk Calibrated Approach. This strategy enhances our insight into the specific risks faced by our suppliers and their ability to adhere to NDPE commitments, tailoring our support and interventions more effectively.

NDPE IRF

Aligned with Apical's commitment to adhering to NDPE principles throughout our operations, we have worked alongside industry partners to create the NDPE IRF, a monitoring tool that allows companies to measure and monitor their progress towards NDPE commitments. In 2023, we achieved 92.7% for the Delivering Category of No-Deforestation for our suppliers' risk profile. This achievement is reflected in our annual data verification process. The NDPE IRF score has been independently verified by Control Union, a reputable third-party organisation that we appointed for verification purposes.



The NDPE IRF score tracks the progress of mills which is NDPE compliant delivering to a refinery. In 2023, 93% of the CPO volume delivered to our refineries are from NDPE compliant mills.

TRANSFORMATIVE PARTNERSHIPS

MANAGING SUPPLY CHAIN RISK THROUGH TECHNOLOGY

GRI 3-3, 308-2

Digital transformation and innovation are crucial for Apical in enhancing supply chain transparency and achieving our NDPE commitments. These advancements aid in the verification of supplier data and assessment of their potential environmental impacts. Due to the resource-intensive nature of our operations, managing environmental impacts is a core focus. We employ various technologies to put our commitments into action.

Supply Chain Mapping

We use Geographic Information System (GIS) technology to monitor our palm oil supply chain and supplier risk profiling. This allows us to pinpoint suppliers who breach our Sourcing Policies and/or Sustainability commitments. Non-compliant suppliers are required to follow procedures as outlined in our Anchor Programmes. Additionally, we share the results of our list of supplying mills and their GPS coordinates, on our website every quarter.

Satellite Imagery

Apical leverages on satellite technology to monitor land use change to detect deforestation in critical areas of our supply chain. We utilise a forest monitoring platform known as GFW Pro, created by the World Resources Institute, to monitor our supply chains more effectively, uphold our deforestation-free pledges and ensure compliance with regulations.

The GFW Pro system is regularly updated with mill locations that our suppliers must report. It features various alert mechanisms capable of immediately identifying areas of deforestation. Among these, Apical predominantly uses Global Land Analysis (GLAD) alerts for our weekly updates and ability to compare new satellite images with historical data. Since 2019, GFW Pro and GLAD alerts have been instrumental in automating our transparency efforts and refining our decision-making process.

We also utilise RADD, a tool for detecting deforestation in real-time using satellite imagery. Organisations like WRI have used RADD for forest management and to combat illegal deforestation.

Through the combined application of GLAD and RADD, Apical's satellite monitoring efforts enable precise monitoring of land use and deforestation activities within our supply chain, almost in real-time. The reliability of these tools allows us to identify deforestation quickly and confidently, prompting engagement with suppliers to address any land clearing over one hectare. They also offer critical insights to stakeholders in the palm oil sector committed to sustainable and ethical sourcing practices.

ENGAGEMENT THROUGH OUR ANCHOR PROGRAMMES

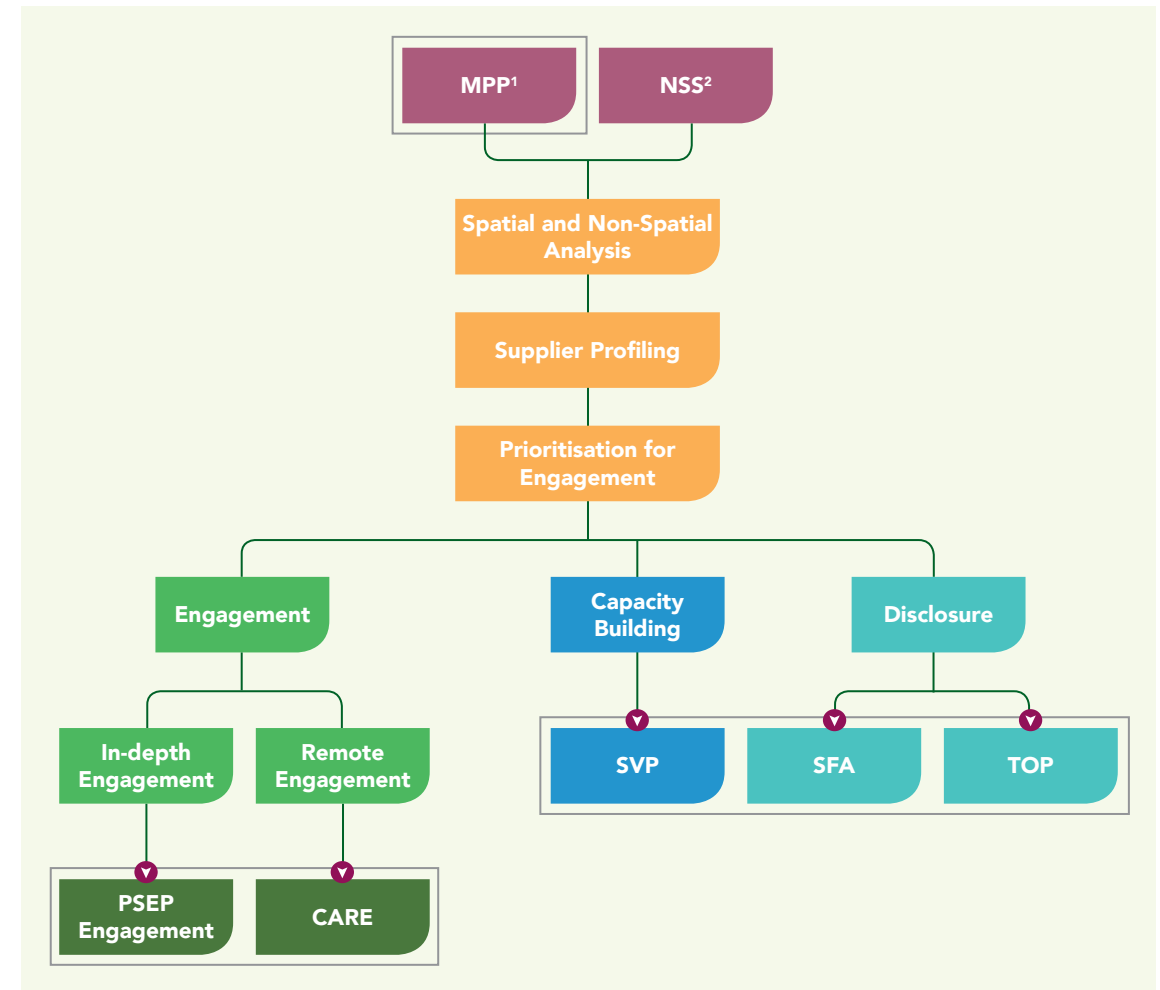
GRI 2-24, 308-1, 308-2, 414-1, 414-2

Apical recognises that a transparent and sustainable palm oil supply chain relies on strong engagement and partnerships with suppliers. Through collaborative programmes like PSEP, SVP, TOP and SFA, Apical drives suppliers to adhere to responsible practices. By working together, Apical and its suppliers can build a more sustainable future.

Supplier Onboarding Process

As part of the onboarding process, all suppliers are required to formally declare their adherence to our Sourcing Policy in writing. We conduct thorough due diligence of all our palm oil suppliers in Indonesia before integrating them into our supply chain. This strategy employs our MPP and New Supplier Screening (NSS) processes to categorise suppliers based on their risk profiles, determining which will be prioritised for further involvement through our Anchor Programmes. Suppliers identified as high risk according to our risk assessment criteria will be prioritised for engagement.

The methodology for selecting suppliers for further engagement is outlined in the flowchart below.



Notes:
 1 MPP: for existing suppliers
 2 NSS: for new suppliers

TRANSFORMATIVE PARTNERSHIPS

Mill Prioritisation Process (MPP)

The MPP is designed as a risk-based evaluation method for assessing our suppliers, specifically focusing on mills to determine their priority level. The goals of the MPP include:

- Identifying which mills require engagement;
- Enhancing engagement with high risk mills to encourage improvements/mitigation plans;
- Deciding if a detailed strategy for engagement is necessary.

To assess risk, we evaluate a series of factors through the MPP, including the analysis of land use within a 50-km radius around a mill and non-spatial factors, such as qualitative assessments of a mill's interactions with local communities and small-scale farmers. All suppliers undergo the MPP evaluation, with those deemed high risk and having a longstanding business relationship with us being prioritised for the PSEP.

We conduct ongoing monitoring of our suppliers, updating their risk status monthly. In 2023, we identified 41 mills that were found to have significant actual and potential negative social and environmental impacts. These risks include labor exploitation, illegal burning, deforestation, peatland development, FFB sourcing from protected areas and social issues. Of these, 11% were selected for priority engagement under PSEP.

Priority Supplier Engagement Programme (PSEP)

As a follow-up to MPP, we have launched the PSEP in 2015 to assess our high-risk suppliers. This initiative aims to evaluate their commitment and adherence to our Sustainability Policy and relevant industry norms.



The PSEP revolves around six core principles:

- Ensuring legal compliance;
- Safeguarding critical conservation areas such as HCV, HCS and Peatlands;
- Managing environmental impacts, including the handling of waste and chemicals;
- Upholding respect for individuals and communities, which encompasses labour and human rights;
- Creation of shared value;
- Enhancing traceability.

Through the PSEP, Apical conduct field visits to priority suppliers to recommend improvement opportunities and build strong relationships. During these visits, we offer comprehensive guidance to help our suppliers develop robust SOPs and sustainability frameworks. We maintain regular communication with our suppliers to monitor progress and verify the implementation of recommended action plans.

Collaborative Action Remote Engagement (CARE)

In response to the travel restrictions imposed during the COVID-19 outbreak, we introduced the CARE programme in 2020 as a strategic extension of the PSEP to maintain virtual engagement with our suppliers. Since 2022 however, COVID-19 restrictions were lifted, but CARE is still being used for low-risk suppliers. Our sustainability team then conducts a desktop review of these self-assessments, followed by remote discussions with suppliers to update data and gain further insights into their practices. Based on this, Apical develops targeted action plans to address any gaps and enhance compliance with our NDPE policy.

Traceability Outreach Programme (TOP)

Launched in 2017, the TOP offers a comprehensive range of resources to our supplying mills, including information on the most effective ways to manage traceability information. TOP reflects our "outside-in" approach to supplier engagement, where we see them as partners in enhancing traceability within the palm oil industry. Our goal with TOP is to develop an interactive mapping platform by integrating the data collected. This programme will assist suppliers in addressing issues at the landscape level based on the origin of their FFB.

Shared Value Programme (SVP)

Initiated in partnership with the Earthworm Foundation, Proforest, and Daemeter, Apical's SVP consists of workshops that provides our suppliers access to exclusive market insights and best practices. Since its launch in 2015, we have invited a diverse group of industry professionals to foster an environment of knowledge sharing and engaging discussions. During these sessions, we also emphasise the importance of global certification schemes like the RSPO and update our suppliers on the latest environmental regulations.

The workshop covered topics such as overview on global market situation, Apical Sustainability Policies, NDPE management practices, customer requirements, GHG emission reductions, employee and labour standards, Apical2030, and EUDR requirements on traceability and deforestation-free supply chain. We plan to continuously organise these workshops biannually.



Angga Wahyu Interview Quote (Sustainability Manager, PT. Merangkai Artha Nusantara)

In the past, sustainability was not a major focus for our company. It was primarily a paperwork exercise that was done only when requested. But that all changed after Apical's team visited our mill and introduced us to the SVP.

The SVP workshop has been incredibly valuable. They provided updates on sustainability best practices, buyer perspectives, and new standards like ISCC, SPO, HCV/HCS, SIA, etc. They also offer a fantastic platform to connect with other suppliers and share best practices experiences from the mill level.

One aspect of the SVP that particularly impressed me was the session on smallholder management. Learning how to improve smallholder livelihoods and integrate them more effectively into the supply chain aligns perfectly with our own sustainability goals. Additionally, the programme covered crucial topics like satellite monitoring for deforestation and fire risk mitigation, which are essential tools for any responsible palm oil producer.

TRANSFORMATIVE PARTNERSHIPS

Suppliers Self-Assessment (SFA)

Introduced in 2020, the SFA tool allows our suppliers to conduct a self-evaluation questionnaire to check their alignment with our NDPE policy and to identify supply chain risks. Suppliers flagged as high-risk through the SFA are encouraged to join the PSEP, CARE, and SVP for necessary corrective measures. The SFA tool has been crucial in maintaining engagement with our suppliers, especially during the COVID-19 pandemic restrictions, and remains in active use.

Apical Supplier Platform (SFA)

Apical launched SFA, which has been live since August 2023. The SFA is designed to streamline and improve the collection and management of vital supplier information and data. It efficiently includes NDPE Compliance and traceability information from the enormous pool of suppliers. This platform is crucial for ensuring a sustainable and deforestation-free supply chain. SFA features:

- Data Streamlining – streamlines data collection and management from supplying mills.
- Supplier Collaborations – improves supplier collaboration with the user-friendly interface.
- Enhanced Traceability – enhances traceability by capturing accurate and up-to-date data.

manner. Our commitment to sustainability is at the heart of our business, positioning us to effectively tackle significant global challenges and comply with evolving ESG standards, including the recent EUDR.

We are committed to protecting and conserving forests, biodiversity and social well-being, to ensure our supply chain is traceable, sustainable and deforestation free, in line with EUDR requirements. The EUDR aims to reduce deforestation, greenhouse gas emissions, and biodiversity loss worldwide by providing screening requirements for 6 main commodities which are wood, cattle, oil palm, soy, coffee, cocoa. It was passed by the EU parliament in June 2023 and will be enforced from December 30, 2024.

To comply with EUDR, we conducted due diligence on our suppliers based on several criteria, among others:

- Compliance with the producing country's relevant legislation.
- Traceability of FFB sources of origin using at least one latitude and one longitude with at least 6 decimal digits for plot of land less than 4 ha and polygon mapping with sufficient latitude and longitude points to describe the perimeter of each plot of land more than 4 ha.
- A comprehensive deforestation-free due diligence process, including risk assessment and mitigation, with a due diligence statement submitted for each EUDR-compliant shipment.
- Ensure no mixing implementation throughout the supply chain to prevent mixing with non-EUDR raw materials.

APICAL'S PROGRESS ON EUDR COMPLIANCE

As a global integrated processor of vegetable oils, Apical can efficiently and sustainably manage its supply chain and its processes in a transparent and traceable

Apical has proactively engaged in internal discussions and briefings across various departments and facilities, as well as communicated our commitment and strategies to our customers, aligning with the EUDR's timeline and requirements. We are also conducting deforestation due diligence of our supply chain, in collaboration with external consultants, to communicate expectations to our suppliers and digitalise our traceability efforts.

To elevate our commitment to deforestation-free palm oil, we have developed a new DFDD Implementation Framework. This framework builds upon our existing A-SIMPLE Framework, ensuring a smooth integration of DFDD practices into our entire supply chain and operations.

Furthermore, we have developed and implemented several SOPs which has been legally reviewed by an external counsel. The SOPs are aligned with local and international sustainability regulations. These SOPs provide clear guidelines for effectively mitigating and managing the risk of non-compliance.

Additionally, in order to enhance supply chain traceability of shipment, we are progressing well in the development of a digital platform to streamline due diligence processes, ensuring our suppliers'

compliance with deforestation-free standards and delivering the compliance information to customers. This will also facilitate auditing through transparent and efficient data management. We plan to roll out the digital platform by second half of 2024.

HUMAN RIGHTS AND OUR SUPPLY CHAIN

GRI 408-1, 409-1

As the significance of human rights in supply chains becomes increasingly critical, we are intensifying our efforts to collaborate closely with our suppliers to respect human rights and establish safe workplaces for workers. To foster a positive socio-economic impact for workers and communities within our operations and supply chains, we have introduced several initiatives aimed at respecting human rights.

Our new Human Rights Policy represents a major milestone in the Apical's steadfast determination to respect the fundamental human rights of workers and communities across our global operations and supply chains. This policy complements the revised Sustainability Policy 2023 and reaffirms Apical's dedication towards addressing adverse human rights impacts within our operations and supply chain.



TRANSFORMATIVE PARTNERSHIPS



Protection of Fundamental Human Rights:

Committed to respecting all internationally recognised human rights across our global operations and supply chains, ensuring ethical and responsible business conduct



Labour Rights:

Committed to respecting rights of all workers



Indigenous Peoples & Local Communities:

Respect the rights of indigenous peoples and local communities



Human Rights Defenders (HRDs):

Respect the rights of HRDs to raise concerns and pledge to address any harmful impacts towards them caused our operations or supply chain, in accordance with the UNGPs

We are committed to the following guidelines and regulations:

International Bill of Human Rights	International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work	United Nations Guiding Principles on Business and Human Rights (UNGPs)	Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises
UN Global Compact Principles	Convention on the Elimination of All Forms of Discrimination Against Women	United Nations Declaration on the Rights of Indigenous Peoples	Indigenous and Tribal Peoples Convention
United Nations Declaration on Human Rights Defenders	United Nations Convention on the Rights of a Child	We respect the rights of Human Rights Defenders to raise issues and concerns to address any harmful impacts towards them caused by our operations or supply chain, in accordance with the UNGPs. These commitments extend to our own operations, joint ventures, subsidiaries and direct and indirect suppliers in our palm oil supply chain.	

Our Programmes/Initiatives

Supplier Anchor Programmes		
Programme Name	Description	Progress in 2023
MPP	A risk-based approach used to identify priority mills for deeper engagement that involves analysing geospatial and non-spatial parameters to identify potential sustainability risks associated with the supplying mills. All of our suppliers are assessed under the MPP. Risk levels are updated monthly based on the parameters of the MPP.	536 supplying mills engaged since launch
PSEP	Assesses our high-risk suppliers, prioritised through the MPP, on their level of compliance with our Sustainability Policy and other industry standards. We engage with our suppliers through desktop and field verification to facilitate their compliance with our Sustainability and Sourcing Policy via various initiatives under our Anchor Programme. To ensure their compliance, we verified the information gathered based on a set of ESG related checklist via the PSEP programme.	<ul style="list-style-type: none"> 6 PSEP conducted in 2023 In total, 59 mills have been engaged since 2015
CARE	As a solution to overcome challenges of travel restrictions during the pandemic, we launched the CARE programme in 2020 as an extension to PSEP to ensure continuous verification of supply chain effectively. Through CARE, compliant information collected from suppliers will be assessed remotely, to determine their compliant level and associated risks in the supply chain. Suppliers compliance level will be verified against Apical's Sustainability Policy, industry standards, and in fulfilment to NDPE IRF requirements.	<ul style="list-style-type: none"> 45 supplying mills engaged in 2023 178 supplier mills have been engaged via CARE since 2020
SVP	Apical has implemented SVP for our suppliers as a broad engagement approach. We provide capacity building to suppliers on a selection of topics that take into account regional issues specific to the location of suppliers. The SVP covers the latest market trends and benefits of international certification schemes such as RSPO and ISCC.	<ul style="list-style-type: none"> 339 suppliers engaged through SVP and e-SVP since 2016 In 2023, we conducted 2 SVP workshops with 89 attendees
TOP	Apical has implemented TOP to provide knowledge and simplified solutions for the suppliers of our refineries on how to collect and manage the traceability data of their FFB suppliers. This programme takes an "outside-in" approach where suppliers are seen as solution providers to make the industry more traceable.	377 active supplying mills engaged through TOP in 2023
New Supplier Screening	Conduct spatial and non-spatial analysis to all potential supplier before approval into our supply chain. This is to reduce the risks of any non-compliant supplier entering into Apical supply chain.	All suppliers engaged upon entry to supply chain

TRANSFORMATIVE PARTNERSHIPS

Our Next Steps

Moving forward, we will continue to work with our suppliers using the abovementioned measures while exploring new avenues for deeper and more meaningful engagement. We have outlined specific targets for 2024 and look forward to diligently collaborating with our suppliers.

Pillar	Inclusive Progress 2030 Targets	2024 targets
Transformative Partnerships	Collaborate with suppliers to achieve a 100% NDPE compliant supply chain by 2025	<ul style="list-style-type: none"> Ensure > 90% NDPE IRF delivery Engage 40% of mills through CARE and PSEP initiatives Continue achieving 100% supply chain satellite monitoring
	Engage 100% suppliers for traceability independent verification by 2025	Verify 90-100% of suppliers
	Collaborate with suppliers to promote clean energy through 20 biogas plants	Target to build 1 biogas plant by 2024

Furthermore, complying with the EUDR will be one of our main focus in 2024 and the years to follow. Our EUDR DFDD Platform is set to go live, and we will conduct shipment trials with our customers.

6B. PROTECTING ENVIRONMENT

MANAGEMENT APPROACH

GRI 3-3

Palm oil is widely used due to its multifunctional benefits and affordability. We recognise the environmental challenges associated with its production and are dedicated to sustainable practices that reduce our ecological footprint. We actively encourage our suppliers to pursue sustainable production methods. None of our operations are located in or contains a portion of protected areas.



WORKING WITH SUPPLIERS ON ENVIRONMENTAL CONSERVATION

GRI 3-3, 304-2, 304-3, 308-1, 308-2

Protecting Forest and Biodiversity

We recognise the risk of deforestation and biodiversity loss within our supply chain. Committed to the conservation of peatlands, HCV and HCS areas, Apical plans to collaborate with suppliers to conserve and/or protect 150,000 ha of forests and peatlands by 2030. This involves aligning our efforts with our suppliers to achieve their goals as well as local/global sustainability standards. It also means we do not knowingly source palm oil from suppliers that deforest in protected areas.



We assess new mills in our supply chain for environmental concerns, including deforestation, through our MPP and spatial analysis. Suppliers must prove compliance with environmental laws. Mills flagged as high-risk undergo further assessments through Apical's PSEP and CARE programmes, with the latter enabling low-risk suppliers to self-assess online. The sustainability team reviews these assessments, helping suppliers develop action plans to meet our NDPE policy.

During PSEP visits, we guide suppliers in identifying and managing high conservation areas using the HCV approach and geospatial analysis. We also support the implementation of the HCS approach, validated through field testing and scientific consultation.

Introduced in 2020, our SFA helps suppliers assess their compliance with our NDPE policy, requiring those in violation to take corrective actions. Failure to adhere could lead to reassessment of our partnership. We also back conservation initiatives targeting biodiversity, HCV areas and riparian zones, in line with Principle 7 of the RSPO P&C 2018.

We commit to protecting species listed under the IUCN Red List and Indonesia's National Law, condemning illegal hunting across our supply chain, with exceptions only for local subsistence hunting that does not significantly impact species populations.

In 2023, Apical has no verified grievances related to deforestation in our supply chain. Since December 2015, the total deforested area by all suspended suppliers reached 65,194 ha.



Apical2030 Target
Partner with suppliers to protect and/or conserve **150,000 ha** of forest and peatland by 2030



Sustainable Living Village (SLV) Programme



TRANSFORMATIVE PARTNERSHIPS



INCLUSIVE PROGRESS



The SLV is our landscape initiative through partnership with local government and community to promote positive human-forest relationships. This SLV programme was initiated at priority landscapes, namely Aceh Singkil. Aceh Singkil plays a crucial role in protecting the Leuser Ecosystem, consisting of 2.6 million ha of tropical forest and home to various Sumatran animal species such as the orang utan, rhinoceros, Sumatra tiger, and the elephant. In Singkil, illegal land conversion to oil palm poses a challenge to this vital ecosystem's sustainability.

Our approach to protecting and conserving forests in Aceh Singkil focuses on enhancing community resilience and livelihood options. We advocate sustainable agricultural practices for 1,000 independent smallholders and protecting the ecosystem's forests by leveraging technology for forest monitoring. Additionally, we have established a response team to protect these forests actively. We are also collaborating with partners to ensure a sustainable and deforestation-free supply chain at the landscape level.

Please refer to page 107 to read further about our SLV programme.

TRANSFORMATIVE PARTNERSHIPS



PROTECTING PEATLAND AREAS AND SOIL

Apical is committed to our no planting on peatlands containing 65% or more organic soil, regardless of depth. We organise workshops for suppliers with existing operations on peatlands, promoting best practices in peatland management. These practices include efficient water management to enhance oil palm productivity and reduce GHG emissions from peat areas. We guide our suppliers in maintaining the water table at an optimal level through effective management and monitoring. For peat areas deemed unsuitable for replanting, we collaborate with experts and stakeholders to consider long-term restoration or alternative uses.

We also engage in practices that preserve soil fertility and prevent erosion and degradation. Suppliers are advised against planting on marginal and fragile soils to prevent soil nutrient imbalances.

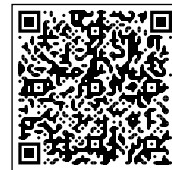
The use of pesticides classified as 1A or 1B by the World Health Organisation or those listed in the Stockholm or Rotterdam Conventions, including paraquat, is banned among our suppliers. Exceptional use of restricted pesticides must undergo a thorough due diligence process. We encourage suppliers to adopt proper practices of chemical usage, including pesticides and fertilisers.

FIRE PREVENTION & MANAGEMENT

The practice of slash-and-burn for clearing agricultural land contributes to transboundary haze and climate change through emissions. We enforce a strict “zero burn” policy across all our suppliers and have published guidelines on our website to aid them in preventing, detecting early and controlling open burning on oil palm plantations. These guidelines highlight the risk of fires spreading to neighbouring plantations during the dry season due to wind or underground burning when the water table is low.

Although larger plantations might adopt alternative land clearing methods, financial limitations make slash-and-burn a favoured option for improving soil fertility and reducing fertiliser need among smallholders. Therefore, incorporating smallholders into our fire prevention and management strategy is essential. We aim to educate smallholders on the zero burning practice and support them in finding sustainable alternatives.

Our published guidance on “Prevention, early detection and control of open-burning in oil palm plantations” on our website outlines instructions on preventing and managing open-burning and minimising safety incidents.



In 2023, we supported our principal supplier, Asian Agri, in executing its Fire-Free Village Programme, targeting 16 villages in Riau and Jambi. Spanning approximately 343,276 ha, the programme focuses on fire prevention and management awareness.



Our Programmes/Initiatives

Programme Name	Description	Progress in 2023
SLV	A stakeholder-inclusive programme that nurtures sustainable livelihood models through working with partners, communities and villagers. In relation to environmental protection, the programme aims to protect approximately 10,000 ha of forest through supply chain monitoring and conservation. Communities, suppliers and NGOs are important actors to generate value for this programme.	6 Villages in Aceh Singkil: Implemented since July 2023 3 Villages in East Kutai: Programme design phase
Fire-Free Village Programme	An engagement programme to raise awareness and support on Asian Agri Fire Safety, fire prevention and management.	16 villages in Riau and Jambi were engaged

Our Next Steps

In 2024, we will focus our efforts to deepen partnerships with our suppliers and relevant stakeholders on initiatives concerning environmental protection. We will also continue to implement activities to establish the SLVs in Aceh Singkil and East Kalimantan. We have outlined specific targets for 2024 below.

Pillar	Inclusive Progress 2030 Targets	2024 targets
Transformative Partnerships	Partner with suppliers to protect and/or conserve 150,000 ha forest and peat areas by 2030	Mobilise programme implementation for SLVs in priority area in East Kalimantan

CLIMATE ACTION

Background

The Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6) synthesis report released in 2023 emphasised that every fraction of a degree of warming will escalate future climate risk rapidly, even limiting global temperature rise to 1.5 °C is not safe for all. The EUDR implementation on 'deforestation free' products also aims to lower GHG emissions and biodiversity loss. Furthermore, with the new ISSB standard incorporating the existing recommendations of the TCFD and the subsequent release of IFRS S1 & S2 standards, companies seeking to apply these standards are required to refine their

climate-related disclosures such as, Scope 1, 2 & 3 emissions.

Thus, with Apical being the second largest vegetable oil processor with a significant global market share, it is important for market leaders like us to ensure sustainable production and processing of palm oil. Hence, we aim to minimise our emissions while the demand for palm oil continues to grow amidst the climate crisis. By developing the Apical2030 Sustainability Roadmap to drive climate-related performance improvements, we are committed to taking urgent action to combat climate change.

Apical2030 Targets And Performance For Climate Action

Pillar	Climate Action Targets	Progress	Status
Climate Action	Reduce 50% GHG emission intensity in our production against 2020 baseline	<ul style="list-style-type: none"> Recorded 14% reduction of Scope 1 and 2 GHG emissions intensity in 2023 from a 2020 baseline 	In progress
	Net-zero by 2050	<ul style="list-style-type: none"> Completed Scopes 1, 2 & 3 GHG Emissions Profiling Template and Training 	In progress

7A. MANAGING OUR ENVIRONMENTAL FOOTPRINT

MANAGEMENT APPROACH

GRI 3-3

Climate change remains the defining crisis of our time. Recognising the role we play in mitigating its impact, the Climate Action pillar serves as a key aspect of our Apical2030 framework. Through this initiative, we strive to reduce the GHG emissions intensity of our production by 50% by 2030, relative to a 2020 baseline and achieve net-zero emissions by 2050.

These ambitious, time-bound goals, outlined within the Apical2030 framework, chart our course for climate action and ensure accountability. We operationalise this vision through various policies and initiatives, one of which being our enhanced Sustainability Policy 2023.



Designed to effectively manage and minimise our environmental impact, Apical is committed to combatting climate change aligned with the 1.5°C global warming target, as set out in the Paris Agreement. The Sustainability Policy specifically addresses GHG emissions.

It requires Apical to:

- Identify all sources of GHG emissions
- Conduct GHG calculations for all our operations based on ISO 14064-1 and GHG Protocol
- Continuously monitor GHG emissions and strive for progressive reductions that are environmentally and economically feasible

Several internal control systems and protocols were also established in accordance with local laws and regulations by the Ministry of Environment and Forestry in the Republic of Indonesia. For example, we adhere to "Peraturan Menteri Negara Lingkungan Hidup Nomor 07 Tahun 2007" for the use of biomass and coal in boilers. In 2023, we had no significant fines or non-monetary sanctions for non-compliance with environmental regulations.

For the potential and actual physical and transition climate risk pose to the business, Apical recognises the recommendations made by the TCFD/ISSB. We are currently in the midst of reporting in line with the best practices recommended by the TCFD/ISSB as of 2024.

To ensure a company-wide collective effort towards Apical2030, all facilities have developed KPIs to achieve the targets which corresponds to projects to be implemented. Since 2023, we have conducted bi-annual progress meetings organised by the Sustainability Department, with the President and Executive Director as co-chairs. All the heads of the business units are expected to provide updates, progress and future plans for their projects related to Apical2030.

CLIMATE ACTION STRATEGY

To achieve these ambitious goals, we intend to:



Substitute the use of coal in our powerplants and boilers with greener alternatives



Replace diesel-forklift with electric-forklift



Implement nature-based solutions

CLIMATE ACTION

GHG EMISSIONS

GRI 305-1, 305-2, 305-4, 305-5



Apical2030 Target

Reduce **50% GHG emission** intensity in our production against 2020 baseline

For Apical's GHG emissions calculation, we adopted the operational control consolidation approach outlined in the 'GHG Protocol Corporate Standards'. Gases included in the calculations are CO₂, CH₄ and N₂O. Global Warming Potential rates utilised were extracted from IPCC AR6 assessment report based on a 100-year timeframe. The main sources of our Scope 1 emissions are from stationary combustion, mobile combustion, refrigerant combustion, fugitive emissions and process emissions from wastewater treatment plants and other chemical reactions. Biogenic emissions were reported separately and not included under Scope 1. The sources of Scope 2 emissions are consumption of electricity from the national grid. Some of the frameworks adopted in our calculations are: ISO 14064-1 and GHG Protocol. Data were first collected directly from gas and electricity meter then logged into our proprietary Sustainability Impact Measurement System (SIMS) by the respective data owners. Our Green Innovation chapter outlines more details on SIMS.

We have selected 2020 as our base year. We observe a positive reduction trend over the last three years for our Scope 1 and 2 emission intensity against 2020 with

23% and 14% reduction in 2022 and 2023 respectively. This means we have progressed well reaching the half-way mark of our goal to reduce 50% GHG emission intensity in our production against 2020 baseline. However, we acknowledge that our emission intensity in 2023 increased by 11% from 2022 due to the commissioning of new facilities. To date, Apical has started utilising and increasing the consumption Palm kernel Shells (PKS) in our overall fuel consumed and have achieved 88 GJ per month of energy generated from renewable source in SDO (Dumai) refinery.

Apical is still in the progress of assessing and procuring suitable technologies that will enable a proper transition to utilising biomass and renewable sources of energy.



Apical2030 Target
Net-zero by **2050**



GHG Emissions Trends (2020 – 2023)

The following emission disclosures are third party verified by Control Union.

Emissions Metrics	2020	2021	2022	2023		
Direct Scope 1 Emissions (tCO ₂ e)	1,193,469	1,146,256	1,471,277	1,845,814		
Indirect Scope 2 Emissions (tCO ₂ e)	69,296	125,357	124,198	124,798		
Total Scope 1 and Scope 2 Emissions (tCO ₂ e)	1,262,765	1,271,613	1,595,475	1,970,612		
Biogenic Emissions (tCO ₂ e)	6,892	12,424	199,295	275,705		
Total Oil Processed (t)	7,863,435	14,685,261	12,788,592	14,214,456		
Emissions Intensity (tCO ₂ e/t of Oil Processed)	0.16	0.09	0.12	0.14		
Percent Change in Emissions Intensity	-	-46% (YOY)	+44% (YOY)	-23% (from baseline)	+11% (YOY)	-14% (from baseline)

Notes:

- The emissions intensity is calculated by dividing the total scope 1 & 2 emissions by the total volume of oils processed by each facility. Biogenic emissions have been reported separately following the GHG Protocol guidelines.
- Emissions data has been revised in line with the latest emission factors from IPCC Sixth Assessment Report (AR6). The emission factors and conversion factors are referenced on page 160.
- The data covers our operations, including AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT, ACO and BOH.
- A revision has been made to the total oil processed in 2022 from 14,685,261 tonnes to 12,788,592 tonnes.

CLIMATE ACTION



The Indonesia PROPER programme (Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup), was launched in 1995 with support from the World Bank and the United States. It aims to encourage environmental transparency and responsible practices across all industries by promoting public disclosure of companies' environmental performance. PROPER incentivises compliance with existing regulations and motivates businesses to go beyond minimum requirements. This initiative, implemented by the Indonesia's Ministry of Environment and Forestry, aligns with our principles of good governance by fostering transparency, fairness, accountability and community involvement in environmental management. The programme assesses companies such as Apical based on two key criteria:

Compliance with regulations

Performance exceeding those requirements

We're thrilled to share that the following refineries have achieved the prestigious PROPER Blue* ranking in Indonesia's PROPER programme:

- | | | |
|-----------|----------------|-------|
| • SDO (M) | • AAJ Tj Balai | • KRN |
| • PRC | • AAJ Marunda | • SDS |

* Blue represents being in "Compliance".

Life Cycle Assessment (LCA)

Background	To drive continuous improvement, Apical has conducted LCAs of our products. This will help us determine emission hotspots across the product lifecycle. By gaining a comprehensive understanding of our environmental footprint, we can implement targeted reduction strategies and also empower customers to make informed choices aligned with their sustainability values.	
	Project 1 (RBDPKO)	Project 2 (SAF)
Product	Refined Bleached Deodorised Palm Kernel Oil (RSPO-certified and non-certified)	SAF made from palm oil and palm oil waste and residues.
Start Date	January 2023	April 2023
End Date	March 2023	November 2023
System Boundaries	Cradle-to-Gate	Cradle-to-Grave
Methodologies	ISO, GHG Protocol, European Commission	

GHG EMISSION REDUCTION INITIATIVES

Our Programmes/Initiatives

Activity type	Location	Description of Activity	Progress
Quantifying GHGs			
Scope 3 assessment	All operations	To determine indirect emissions beyond Apical's operational boundaries and across entire value chain, including suppliers, customers, and product use	<ul style="list-style-type: none"> Completed Scope 3 assessment for 2021 Completed Scopes 1, 2 & 3 GHG Emissions Profiling Template and Training
Methane capture	Dumai, Indonesia	Reduce emissions by capturing methane, purifying it into biomethane to reduce reliance on fossil natural gas	Under construction. To be commissioned in 2025
Carbon management software	All operations	Employ a carbon management software to streamline measurement, management, planning, tracking and reporting of GHG emissions	<ul style="list-style-type: none"> In vendor procurement stage
LCA	Products from all business units	To conduct LCA of all Apical Products	<ul style="list-style-type: none"> To be completed in 2024
Greener Alternatives			
Usage of green alternatives for power plants and boilers	Marunda, Indonesia	<ul style="list-style-type: none"> SDO (M) switched 1 medium pressure boiler, and 2 oil thermal heaters from coal to natural gas AAJ Marunda to switch from coal to natural gas for gas fired boiler by mid-2024 	<ul style="list-style-type: none"> Estimated emission reduction of 40% when using natural gas as compared to using coal for all boilers Target completion in 2024
Transition to electric forklift	<ul style="list-style-type: none"> Marunda, Indonesia Dumai, Indonesia 	Replaced diesel forklift with electric forklift to reduce GHG emissions	<ul style="list-style-type: none"> SDS: Increase to 3 electric forklifts from 1 in 2021 SDO (D): currently has 19 electric forklifts AAJ Marunda: Out of 11 forklifts, 6 have been converted to electric-powered versions with the other 5 slotted to be upgraded to electric by 2024

CLIMATE ACTION

Activity type	Location	Description of Activity	Progress
Nature-Based Solutions			
Afforestation and restoration of mangroves	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia 	The reforestation and afforestation of land around our operational facilities	<ul style="list-style-type: none"> AAJ Marunda: Completed planting of 8,600 Mangroves SDS: Completed planting of 4,000 Mangroves
Forest protection	<ul style="list-style-type: none"> Aceh, Indonesia East Kalimantan, Indonesia 	Launch of SLV to protect and conserve the forests	<ul style="list-style-type: none"> 150,000 ha forest conservation and protection Currently implementing SLV within 6 villages in Aceh slated to be completed in 2026 3 SLVs in East Kalimantan slated to start in 2024
Reporting			
TCFD reporting and capacity building in preparation for future ISSB disclosure	<ul style="list-style-type: none"> All operations 	<ul style="list-style-type: none"> Conduct internal capacity building workshops for relevant business units and Heads of Departments to understand TCFD recommendations Conduct climate change risk assessment to TCFD in terms of Physical & Transition risks, followed by quantifying these risks into a TCFD report 	<ul style="list-style-type: none"> Appointed an external consultant to conduct workshops and conduct climate change risk assessment

Our Next Steps

We will continue to reduce coal consumption by increasing biomass usage in boilers, such as PKS. Furthermore, we will continue our collaboration with Jakarta's Park and Forest Service to support the Indonesian government's mangrove rehabilitation programme with a target of 600,000 ha by 2024. Our commitment to explore other technologically-enabled solutions will be continued in 2024 as we explore partnerships to leverage methane capture technology, and deployment of carbon management software to improve our environmental data accounting and tracking capabilities.

GREEN INNOVATION

Background

On our journey toward a truly sustainable operation, Apical recognises the vital role of technology. By leveraging appropriate solutions, we can accelerate our transformation under the Apical2030 "Green Innovation" pillar. This ensures we meet our established energy and water usage targets, fostering a more sustainable future.

Apical2030 Targets And Performance For Green Innovation

Pillar	Green Innovation Targets	Progress	Status
Green Innovation	38% of total energy consumption to be obtained from renewable and clean energy sources as compared to 2020 baseline	<ul style="list-style-type: none"> 6.65% of total energy consumption obtained from renewable and clean energy sources in 2023 228.44% increase of energy consumed from renewable sources from 2020 	In Progress
	Improve water use intensity by 30% through circular solutions as compared to 2020 baseline	<ul style="list-style-type: none"> Water intensity of our operations were 0.000530 ML/t of oil processed 	In Progress

8A. ENSURING SUSTAINABLE OPERATION

MANAGEMENT APPROACH

GRI 3-3, 306-1, 306-2

To accelerate our transition to a more sustainable operation, we embrace innovation by adopting various technologies. These include:

- **Renewable energy:** Transitioning to renewable energy sources is a key pillar of our strategy.
- **Energy-efficient digital solutions:** We leverage digital tools to optimise energy usage throughout our operations.
- **Circular solutions:** This involves exploring options like biodiesel utilisation and LCA to minimise our environmental footprint.

Furthermore, we are guided by robust internal policies covering biomass sustainability, energy management, and waste handling.

GREEN INNOVATION

We ensure all our waste from all refineries are disposed to legal vendors who have official permits from the government. The waste transported by legal vendors can be monitored to their final destination. Apical monitors our waste disposal through the system to verify that the waste has arrived at its final destination. The operations in Indonesia are required to send report of all environmental compliance data to the Ministry of Environmental and Forestry Republic of Indonesia and Environmental Agency of Jakarta Province with the SIMPEL and WASDAL portal.

AAJ Marunda Kaizen program implemented several successful projects in 2023 to enhance resource efficiency within the refinery. These initiatives focused on reducing overall energy and material usage. Four projects have already achieved their targeted reductions of:

- 18% improvement in electricity consumption (powder fat processing)
- 8% improvement of steam consumption (refinery plant)

- 32% improvement in Nitrogen consumption (hydrogenation plant)
- Achieved 51% improvement in condensate reuse (boiler feed)

An additional project targeting steam consumption reduction in the packed fat plant is slated for completion in 2024.

Apical is constantly exploring innovative solutions to maximise sustainability. A mini-hydro plant is under construction to harness clean energy from discharged seawater that is used for cooling, with the potential to generate up to 2,260 MWh/a.

We are committed to reducing our operational impacts by managing our energy sources, water withdrawal and consumption and waste generation via these technologies. In addition to improving our own direct operations, we also work with our suppliers to help them adopt sustainable production practices.

To achieve these ambitious goals, we intend to:



Repurpose waste as boiler fuel



Improve energy efficiency through measures such as insulating tanks



Recycle wastewater



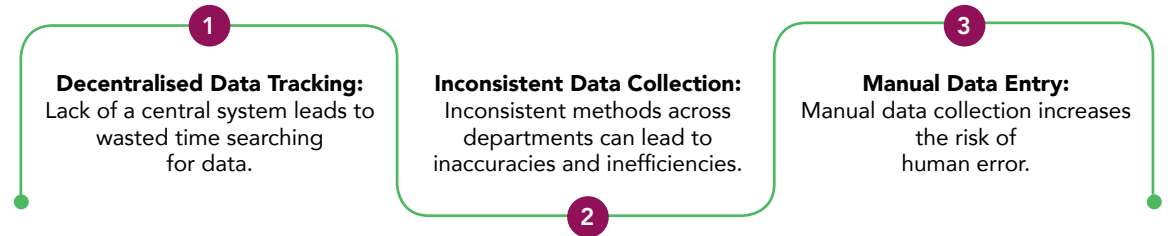
Developing circular products (ie. Biodiesel)

Sustainability Impact Measurement System (SIMS)

Challenges in Monitoring Sustainability Goals

In a significant step forward for Green Innovation in 2022, we have developed and implemented a proprietary internal digital platform known as the SIMS. This innovative system streamlines our approach to sustainability by enabling the collection, consolidation and visualisation of critical data. SIMS empowers us to effectively monitor progress towards our Apical2030 targets and facilitates comprehensive reporting across various sustainability aspects.

Our current system for monitoring progress towards our 10 sustainability targets with KPIs faces challenges:



SIMS Background

Background	Results
<ul style="list-style-type: none"> • Tracking progress on Apical2030 targets and KPIs • Monitoring overall implementation of the Apical2030 strategy • Providing a visual progress dashboard • Facilitating reporting aligned with ESG frameworks, UN SDGs, and Apical2030 KPIs 	<ul style="list-style-type: none"> • Centralised Data Hub • Seamless Integration across departments • Actionable Insights • Enhanced Data Quality • Boosted Productivity

ENERGY MANAGEMENT

GRI 302-1, 302-3, 302-4

Energy consumption

Under Green Innovation, we aim to derive 38% of our total energy use from renewable and clean energy sources. In recent years, we have made progress towards our goal from a mere 0.68% in 2021 to almost 7% of renewable and clean energy sources. In 2023, we have also increased the usage of our renewable energy as compared to 2022. This is due to an increased consumption of biomass sources such as palm kernel shell, wood bark, straw and rice chaff utilised as biofuel. KRN powerplant leverages a combined coal and biomass (woodbark) energy source. For 2023, the specific ratio was 71% of coal and 29% of biomass, translating to an annual energy consumption of 967,705 GJ/year.



We also embarked on several energy efficiency initiatives, including the installation of insulating tanks to reduce steam consumption for heating. Another example would be a workshop in China, whereby the efficiency of the heat exchanger in the refining workshop was deemed to be insufficient and was replaced with a higher efficiency heat exchanger which resulted in a reduction of steam consumption from 40 kg per tonne to 33 kg per tonne while saving natural gas consumption of the high-pressure boiler in the next section, which is expected to save 0.2 m³ of natural gas for each ton of oil processed.

GREEN INNOVATION

	2020	2021	2022	2023
Fuel consumption from non-renewable sources (Gj)	16,863,646	16,319,004 ⁵	20,821,454	28,553,914
Fuel consumption from renewable sources (Gj)	68,137	116,439	1,610,231	2,080,208
Electricity purchased for consumption (Gj)	338,164	590,204 ⁵	590,826	651,529
Total energy consumption (Gj)	17,269,947	17,025,647 ⁵	23,022,511	31,285,651
Percentage of renewable and clean energy sources (%)	0.39	0.71	6.99	6.65

Notes:

- Energy consumption is based on the addition of fuel consumption from non-renewable sources, fuel consumption from renewable sources and electricity purchased for consumption as per GRI 302-1: Energy consumption within the organisation
- Coal makes up 65% of our total fuel consumption from non-renewable sources (85% in 2022; 90% in 2021). The remaining fuel is derived from diesel, liquefied petroleum gas, gasoline/petrol and NG. In 2023, the consumption of natural gas has been increased to 24.86%.
- Fuel consumption from renewable sources include biomass and biodiesel.
- Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EF T, ACO and BOH
- We enhanced our methodology and frameworks used for the 2023 Sustainability Report. As such, the 2022 data was revised based on the latest industry protocol and guidelines.

WATER MANAGEMENT

GRI 303-1, 303-2, 303-3, 303-4, 303-5

Apical recognises water as a shared resource crucial to our operations. It's used in refineries and crushing plants for oil extraction, power generation, and pollutant dilution. Committed to water resilience, we meticulously track usage and implement initiatives to enhance efficiency. Most water comes from the sea, rivers, or municipal sources. To minimise freshwater withdrawal, Apical prioritises water efficiency and actively reuses wastewater whenever possible.



In 2023, our total water consumption increased by 8.9% as compared to 2022. In addition, the water intensity of our operations was 0.000530 ML/t of oil processed. This increase is due to an increasing volume of total oil processed over the years. Apical is also actively mitigating water consumption with the newly installed rainwater harvesting system at PRC, which has led to a reduction in water use. Additionally, WWTP has started recycling water for cooling towers, further reducing water consumption.



Apical2030 Target
Improve water use intensity by **30%** through circular solutions

Water Consumption Intensity from 2020				
Year	2020	2021	2022	2023
Oil processed (t)	7,863,435	14,685,261	12,788,592	14,214,456
Total water consumption (ML)	3,427	5,721	6,922	7,540
Water intensity (ML/t)	0.0004	0.00039	0.000541	0.000530

Notes:

- Data for water consumption are obtained from flowmeters
- Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EF T, ACO and BOH
- Water Intensity for 2022 is restated due to the updated amount of precessed oil

Despite the increase in water consumption, we implemented some technologies for recycling water and water efficiency in PRC featured below:



Reduced water withdrawal by up to 2.3% at PRC by installing Rainwater harvesting system at Refinery

Reduced water consumption through rainwater harvesting system at Refinery. Depending on the quantity of rainwater collected, the rainwater harvesting system would replace 0.7% to 2.3% of water intake in PRC.



GREEN INNOVATION

We evaluate the possibility of water-related impacts as part of our environmental impact assessment prior to the development of our refineries. Going forward, we will continue to explore opportunities to reduce the water consumption intensity of our operations. As a result, we evaluated our water consumption in relation to the water stress of the area and minimised our water withdrawal from areas experiencing water stress.

Water Withdrawal (ML) from 2020								
	2020		2021		2022		2023	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
Total water withdrawal	3,426.9	0	9,965	51	15,100	36	15,388	35

* 2022 Water Withdrawal figure is restatement

Water Withdrawal by Source (ML)				
Water withdrawal by source	All Areas		Areas with water stress	
	2023		2023	
	Freshwater (Total Dissolved Solids ≤1000mg/L)	Other water (Total Dissolved Solids >1000mg/L)	Freshwater (Total Dissolved Solids ≤1000mg/L)	Other water (Total Dissolved Solids >1000mg/L)
Surface water	1,039	0	35	0
Groundwater	1,388	0	0	0
Seawater	0	11,458	0	0
Produced Water	0	0	0	0
Third-party Water	1,503	0	0	0
Total	3,930	11,458	35	0
Compared to 2022	27%	-4%	-3%	-

Notes:

1. Data covers our operations which include SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT, ACO and BOH
2. Our AAJ Tj Balai refinery in North Sumatra, Indonesia draws water from the (river) which has been deemed as water-stressed due to it being shallow

Apical prioritises responsible wastewater management. Three of our refineries (AAJ Tj Balai, KRN, and AAJ Marunda) has achieved zero to minimal wastewater discharge by treating and reusing wastewater for cooling towers, fire hydrants and domestic cleaning. This eliminates the majority of effluent discharge to the external environment, resulting in zero impact on surrounding ecosystems. Additionally, all our operations across Indonesia, China and Spain are monitoring and treating the effluent before discharging to environment.

For other refineries, we employ the activated sludge process, a biological treatment method utilising microorganisms and chemicals like coagulants, flocculants, caustic soda and biocide. This process ensures treated wastewater meets local regulatory

standards before discharge, minimising potential impact on receiving water bodies and in refineries located near rivers, we actively monitor river water quality to safeguard against any operational influence. Additionally, SDO (M), AAJ Marunda, PRC and BOH are using aerobic treatment in their WWTP, which helps in the minimisation of GHG emissions from the wastewater treatment.

Furthermore, SDO (M) refinery has implemented a reverse osmosis system, a significant advancement in wastewater management. This initiative is expected to reduce SDO (M)'s monthly water usage by 30%. This technology allows for even greater water reuse, reducing freshwater withdrawal and promoting environmental sustainability.



GREEN INNOVATION

Water Quality Parameters			
		Biochemical Oxygen Demand (BOD) / mg/L	Chemical Oxygen Demand (COD) / mg/L
2023 (Annual Average Level)			
Indonesia	Dumai	11.123	38.94
	Marunda	7.08	33.79
	Tanjung Balai	0 discharge	
	Padang	30.5	101.76
	Kutai	0 discharge	
China	Nanjing	The samples of effluents been sent to external parties for BOD testing on quarter basic. The results is below 50 mg/L, which is complying the national legal limit	59.91
	Taixing		129.56
Spain		NA as there is no specific PORE in operation	NA as there is no specific PORE in operation

Data 2023	Group Level – 2023		
Water Discharge by Destination (ML)			
Types of Water	Freshwater (Total Dissolved Solids ≤1000mg/L)	Other water (Total Dissolved Solids >1000mg/L)	Total
Surface water	0	0	0
Groundwater	0	0	0
Seawater	298	9,795	10,093
Third-party water sent for use to other organisations	98	0	98
Total	395	9,795	10,190
Water Discharge by All Areas and Water Stress Areas (ML)			
Areas	Freshwater (Total Dissolved Solids ≤1000mg/L)	Other water (Total Dissolved Solids >1000mg/L)	Total
All areas (excluding water stress areas)	395	9,795	10,190
Areas with water stress	0	0	0
Total	395	9,795	10,190

WASTE MANAGEMENT

GRI 301-2, 306-1, 306-2, 306-3, 306-4, 306-5

We utilise a waste management hierarchy that centres on reduction, reuse and recycling. This is achieved through proper handling of all materials and working with our suppliers to promote responsible waste management. Ensuring proper waste handling practices is key as palm oil processing generates both hazardous (spent bleaching earth, ash) and non-hazardous waste (paper, pruning scraps).

As one of the biggest global palm oil processors, we utilise large volumes of natural palm-based materials in our operations across Indonesia, China, and Spain. This process generates significant amounts of by-products, such as flying ash and bleaching earth. Proper handling of these by-products is essential to safeguard the environment, the health of our employees, and the well-being of local communities.

Apical is also exploring innovative ways to reuse our waste for other uses. We are exploring turning our waste outputs into a key source for SAF manufacturing. This is in support of the aviation industry that is exploring carbon abating and mitigation technologies and interventions as part of its decarbonisation commitments.

To ensure the safety of our employees, all hazardous waste is stored at dedicated warehouses, while both hazardous and non-hazardous waste are collected and disposed of by licensed contractors. For our Bio-oils refinery, in Huelva, Spain, we verify environmental authorisations before signing a management contract with the third party contractor. We established dedicated emergency response teams at each our refineries and provide our employees with regular training to prevent and respond to accidental oil spillage. We have maintained our prevailing record of zero accidental spills since 2018.

In 2023, we reduced our waste generation by 10.48% compared to 2022, and disposal by recovery option decreased as compared to 2022. In SDO (M), the new coal to natural gas conversion programme has led to a significant reduction in bottom ash, thus reducing the refinery's total waste generation.



In our goal to unlock new sources of value through circularity, Apical has recently entered into the SAF market through the joint venture with Cepsa to construct the largest second generation (2G) biofuels plant in Southern Europe. Apical will be transforming its waste and residue raw materials into a valuable resource to decarbonise air travel.

GREEN INNOVATION

Waste Types

Quantity of Waste Generated, Diverted from Disposal and Directed to Disposal in 2023 (t)			
Type of Waste	Waste Generated	Waste Diverted from disposal	Waste Directed to disposal
Spent Bleaching Earth	106,019	33,854	72,166
Bottom Ash	20,584	4,372	16,212
Fly Ash	41,187	34,679	6,508
Glycerine Residues	12,952	7,191	5,761
Sludge Cake	3,334	140	3,194
Free Fatty Acids	5,193	5,193	0
Others	12,265	5,183	7,081
Total	198,200	90,473	107,728

Notes:

- Others include spent nickel catalyst, contaminated materials, used lamp, wastewater sludge, electronics, etc
- The quantity of waste is weighed internally by Apical and also provided by third-party contractors who we engage for disposal
- Waste management protocol in Indonesia complies with Government Regulation No 101 in 2014, while our facilities in Spain and China comply with relevant local regulations

Waste Generation and Disposal

Waste Directed to Disposal by Recovery Option in 2023 (t)			
Type of Waste	2021 (Total)	2022 (Total)	2023 (Total)
Hazardous Waste			
Landfill	1,500.8	1,379	1,333
Incineration (with energy recovery)	1.0	8,385	18,431
Incineration (without energy recovery)	3.2	0	235
Other disposal options	129,809.4	152,314	84,893
Non-hazardous Waste			
Landfill	18.8	203	235
Incineration (with energy recovery)	-	50	15
Incineration (without energy recovery)	17.1	0	260
Other disposal options	19,886.6	27,109	2,326
Total	151,236.8	189,440	107,728

Notes:

- The quantity of waste is weighed internally by Apical and provided by third-party contractors who we engage for disposal

Waste Reuse and Recycle

Total Waste Diverted from Disposal by Recovery Option in 2023 (t)			
Type of Waste	2021	2022	2023
Hazardous Waste			
Reuse	16,357.1	0	0
Recycle	14.2	3,565	39
Other recovery options	308.9	217	71,041
Non-hazardous Waste			
Recycle	284	840	7,526
Biological Treatment	5,301.7	0	5,749
Reuse as Fertiliser	4,145.4	0	4,411
Other recovery options	0	17,700	1,706
Total	26,411.3	22,322	90,473

Notes:

- The quantity of waste is weighed internally by Apical and provided by third-party contractors who we engage for disposal

GREEN INNOVATION



Carving out a new circular economy business segment using waste



Apical seeks to utilise the waste we produce as we believe they provide us with opportunities to innovate. Emissions from the aviation sector account for 2-3 percent of global energy-related CO₂ emissions. This number is expected to grow by 300-700% by 2050. To reduce the direct carbon emissions of flying, SAF presents itself as an immediate solution. Produced from 100% renewable waste and residue, this next generation low-carbon fuel works seamlessly with existing aircraft engines and fuelling infrastructure, enabling the reduction of CO₂ emissions by up to 90%, in comparison to traditional fuels. While SAF is set to be the driving force for the decarbonisation of the aviation sector, the key challenge in SAF production is access to available feedstock. The sustainable extraction of waste and residue in a transparent and traceable manner is critical to create a closed-loop ecosystem while ensuring the environmental integrity in production pathways for SAF.

As Apical continues to expand its global footprint and capacities, the availability of waste and residue is set to grow in tandem, enabling value-added partnerships to be forged for its waste stream and providing significant value for various industries. The new 2G biofuels plant joint-venture between Apical and Cepsa which is scheduled to begin operation in first half of 2026, will produce up to 500,000 tonnes of SAF annually.

Our Programme/Initiatives

Activity type	Location	Description of Activity	Outcomes
Energy Management			
Tank Insulation	Dumai, Indonesia	Insulation to reduce energy required to keep the tanks at the optimal temperature	108 tanks insulated
Increase renewable energy sources	<ul style="list-style-type: none"> Balikpapan, Indonesia Dumai, Indonesia Marunda, Indonesia Tanjung Balai, Indonesia 	Increase in use of palm kernel shell, wood bark, straw, rice chaff and biodiesel	6.65% of energy source is from palm kernel shell, wood bark, rice chaff and biodiesel
Replace Heat Exchanger	Nanjing, China	A new heat exchanger in the refining workshop cut steam use by 7 kg/t and is estimated to save 0.2 m ³ of natural gas per tonne of oil processed, boosting overall efficiency	Expected to save approximately 116,200 m ³ of natural gas
Water Management			
Water Management	Huelva, Spain	Installed a system to recover a steam condensate line from 293E1 (reboiler of Methanol Distillation Column) to feed 291E1 (Reaction Heat Exchanger)	Reduction in steam consumption by 250 kg/h steam consumption i.e.involves a reduction of 6-8% of the initial consumption
	Marunda, Indonesia	Conducting feasibility study of minimising steam lost and recovery steam condensate, leading to reduction of water consumption and energy conservation	Feasibility study has been completed and work is in progress
	Padang, Indonesia	Reduce water consumption with Rain water harvesting system at Refinery	Approximately 698 m ³ of rainwater have been harvested in Q4 2023
	Marunda, Indonesia	WWTP recycling and RO water as boiler feed water	In progress. To be completed in 2024

GREEN INNOVATION

Activity type	Location	Description of Activity	Outcomes
Waste Management			
Waste Management	Dumai, Indonesia	100% compliance to environmental government regulation. Programs include: <ol style="list-style-type: none"> Provision of an oil skimmer and emergency response procedures and drills (regular implemented base on schedule) Ensure all the waste (B3 and Non-B3) dispose to legal vendors Achieve and Maintain PROPER Certification Cooperation with OSCT (Oil Spill Combat Team) in the prevention, handling and control of oil spills at sea (SDS and SDO(D)) 	0 oil spills at sea incidents
	All refineries	Ensure that all waste diverted from disposal and handled by third party contractors arrives at the intended destination	
	All operations in Indonesia	Submit online reports with environmental data to Local Government (quarterly basis) with SIMPEL and WASDAL	
	<ul style="list-style-type: none"> SDO (M), Indonesia AAJ Tg Balai, Indonesia KRN, Indonesia PRC, Indonesia AAJ Marunda, Indonesia SDS, Indonesia 	These refineries have achieved the prestigious PROPER Blue ranking in Indonesia's PROPER programme	
	Marunda, Indonesia	Operationalise plans to build a hazardous waste and non-hazardous waste storage building	
	Marunda, Indonesia	<ol style="list-style-type: none"> Recycle of reject/damage jerry can Sell non-hazardous waste such as plastic bottle, outer box, and others with economic value to third party Send hazardous waste to third party for treatment hazardous waste Reduce coal consumption in Medium Pressure Boiler 	

Our Next Steps

Apical's sustainability focus for the next 3-5 years centers on four key areas:

- **SAF:** We are committed to exploring and adopting SAF solutions to reduce our environmental footprint.
- **Waste and residue extraction:** We will enhance the efficiency and sustainability of waste and residue extraction processes.
- **Energy source management:** We will diligently manage our energy sources to ensure cost-effectiveness and minimise carbon intensity with a focus on future refineries and plants.

- **Sustainable supply chain:** We are working towards a more sustainable supply chain, encompassing both Apical's operations and those of our third-party partners. A crucial aspect of this strategy is integrating smallholders, who play a significant role in palm oil production, into our sustainability journey.

Apical's commitment to renewable energy is unwavering. We exclusively utilise renewable sources, with plans to incorporate green hydrogen and solar electricity, particularly in sun-abundant regions like Southern Spain. This approach aligns perfectly with our sustainability goals and offers the potential for premium benefits.

8B. DELIVERING BEST QUALITY PRODUCTS

MANAGEMENT APPROACH

Apical aims to provide our customers with safe, high-quality, traceable and sustainably-sourced palm oil. We manufacture our products in compliance with the food safety regulations that are applicable to the palm oil industry in the markets where we conduct our operations.

Our production processes undergo strict quality control procedures, complying with international quality and food safety standards such as the Food Safety System Certification (FSSC 22000) in 63.63% of our plants. We strive to continually improve the number of our plants that are certified as our operational facilities grow. Other local and international certifications that Apical's products adhere to are elaborated in this chapter.

The importance of product quality in our business is made apparent with our RMC Board's commitment to review the potential and actual risks identified relating to product quality on a quarterly basis during board meetings.

Our approach to ensuring our product safety and quality is two-fold:

Investing in technologies to detect contamination in our products and improve product traceability including the cultivation processes e.g. pesticides usage.

Improve the management and supply chain of our palm oil production aligned to local and international best practices and complying to pertinent quality certification schemes.

GREEN INNOVATION



ENSURING PRODUCT QUALITY AND SAFETY

Apical registers our products for certification under widely recognisable quality assurance standards to build trust and credibility with our customers, regulators, and other stakeholders. Such quality certifications are testament to the safety and effectiveness of our products, which safeguards the health and well-being of consumers and prevent costly recalls. We engage reputable third-party certification bodies, such as Intertek (SAI Group), TUV Nord Indonesia, CQC, Sucafindo and Bureau Veritas to verify our adherence to ISO 9001. This continual verification process helps us maintain and improve our quality management systems in accordance with ISO 9001 standards.

Our palm oil products are voluntarily certified under the Good Manufacturing Practice (GMP) certification scheme and/or the Hazard Analysis Critical Control Point (HACCP) certification. GMP is a system that ensures products in several industries including food industries are manufactured according to controlled quality and safety standards. HACCP is a systematic approach to identifying, evaluating and controlling food safety hazards. Its design to prevent, eliminate or reduce risks related to the biological, chemical or physical hazards in food production processes. It covers the entire process from the procurement and handling of raw materials to manufacturing, distribution and consumption of the finished product.

Apical tailors its palm oil product certification to meet the specific regulations and dietary requirements of each market we operate in. This ensures our products comply with national standards and cater to consumer preferences.

In Indonesia, for instance, 100% of our refineries hold both Halal and Kosher certifications, reflecting our commitment to meeting the religious dietary needs of our customers and adhering to Indonesian quality standards.

To stay informed about evolving regulations and industry best practices, Apical leverages its membership in organisations like the Palm Oil Refiners Association of Malaysia. This allows for knowledge exchange and collaboration with other industry players.

For continuous improvement, Apical utilises a Plant Information Management System (PIMS) across most of its processing facilities. This digital tool helps monitor production processes and identify areas for optimisation.



PROTECTING CONSUMER HEALTH

Apical is dedicated to providing safe, high-quality palm oil products directly to consumers. This commitment to quality extends to minimising unhealthy co-contaminants, which can arise during palm oil refining. Co-contaminants are a concern for many consumers and regulatory bodies like the European Union (EU) and the European Food Standards Authority (EFSA). These organisations set strict limits on contaminant levels to ensure food safety.

Apical addresses this concern by leveraging cutting-edge analytical technology. This digital solution utilises advanced tools throughout production, from raw materials to finished products. Tools like gas chromatography and inductively coupled plasma atomic emission spectroscopy allow us to detect trace elements and measure oil and fat content, ensuring compliance with EU and EFSA requirements.

Our commitment goes beyond compliance. We continuously invest in R&D, with ongoing projects exploring innovative methods to minimise contaminants.

For example, we're investigating the use of double deodorant towers to lower deodorisation temperatures and further reduce Glycidyl Esters (GE) levels.

Complementing these efforts is our Laboratory Integrated Management System, which prevents cross-contamination during storage. This multi-pronged approach ensures the integrity and safety of our palm oil products throughout the entire supply chain. Our commitment to excellence is reflected in our safety record. In 2023, we achieved zero incidents of non-compliance concerning product health and safety regulations. This achievement is a testament to our rigorous quality control measures and unwavering focus on consumer safety.

GREEN INNOVATION

CERTIFYING SUSTAINABLE PALM OIL

We believe that offering sustainable palm oil products to our customers is not only a matter of accountability but also an assurance on our commitment to responsible production practices.

Apical places great importance on certifying our operations under applicable national schemes and international certifications – such as the RSPO and ISCC. By doing so, we can demonstrate our commitment to provide sustainable products while supporting the broader industry efforts in improving the sustainability practices of the palm oil sector.



Apical has been an active member of **RSPO** since 2011, and we have consistently reported on our sustainability efforts through the RSPO Annual Communications of Progress (ACOP) since 2014



Our target is to achieve RSPO or ISCC certification for all of our processing facilities where feasible, based on the certifications which is applicable to the operational facility. As of December 2023, 100% of our existing refineries have been RSPO Certified. We aim for all our new refineries to obtain the RSPO or ISCC certification within three years from the start of their operations.

100% of our refinery has been RSPO certified, as of 2023



10.13% of our palm oil and palm products processed are certified by either RSPO and/or ISCC, as of 2023

21.23% increase in volume of RSPO-certified raw materials sourced, compared to 2022

As of 2023, 4.20% and 5.93% of our palm oil and oil palm products sourced are RSPO and ISCC certified respectively.

Certification Type	Raw Material	Volume (t)		
		2021	2022	2023
RSPO	CPO, PKO	320,898	400,267	485,225
ISCC	CPO	533,159	613,019	684,911
Non-certified	CPO, PKO	9,268,432	9,977,207	10,384,245
Total certified (%)	CPO, PKO	8%	9%	10%

Apical places great emphasis on the importance of certification schemes for our suppliers and we support them in achieving relevant certificates especially for RSPO. Apical had established a dedicated Supplier Engagement Team that focuses on accelerating the progress of our FFB traceability and certification initiatives by providing suppliers with a series of resources, including formulated guidelines and implementation manuals, and technical support to kickstart their certification journeys. Refer to our Working with Suppliers chapter for more information on our collaborative efforts with our suppliers.

Our Programme/Initiatives

Activity type	Location	Description of Activity	Outcomes
Quality Assurance Standards			
Good Manufacturing Practice (GMP) Certification	All palm oil products from all operations	Registered palm oil products for GMP certification	• 45% of our palm oil products are GMP certified
Hazard Analysis Critical Control Point (HACCP) certification	All palm oil products from all operations	Registered palm oil products for HACCP certification	• 45% of our palm oil products are HACCP certified
Food Safety System Certification 22000 (FSSC 22000) v5.1	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia Nanjing, China 	Ensured all products are certified with Ensure products are certified with FSSC 22000 v5.1	• 100% of palm oil products from AAJ Marunda, SDS, SDO (D), SDO (M) and EFT are FSSC 22000 v5.1 certified

GREEN INNOVATION

Activity type	Location	Description of Activity	Outcomes
ISO 17025: Testing and calibration laboratories	Marunda, Indonesia	Certified the laboratories in refinery	<ul style="list-style-type: none"> AAJ Marunda has been certified with the ISO 17025 certification in 2023
Halal Certification	Indonesia and China	Ensure operational facilities are Halal certified	<ul style="list-style-type: none"> 100% of our refineries are Halal certified in Indonesia 100% of our refineries are Halal certified in China
Kosher Certification	Indonesia and China	Ensure operational facilities are Kosher certified	<ul style="list-style-type: none"> 100% of our refineries are Kosher certified in Indonesia 100% of our refineries are Kosher certified in China
Certification Schemes			
RSPO Certified Products	Indonesia	Register our palm oil products (CPO and PKO) to be RSPO-certified. Target to reach 100% certified by 2025	<ul style="list-style-type: none"> 485,225 t of RSPO-certified palm oil raw materials 21.23% increase from 2022
RSPO Supply Chain Certification	Indonesia	Registered our refineries to the RSPO Supply Chain Certification	<ul style="list-style-type: none"> 100% of refineries obtained the RSPO Supply Chain certification.
ISCC Certified Product	All operations	Registered palm oil and palm oil products (CPO) to be ISCC certified	<ul style="list-style-type: none"> 684,911 t of our palm oil and oil palm products processed are ISCC certified 11.73% increase from 2022
ISCC Facility Certification	Indonesia and Spain	Registered our facilities to be ISCC certified	<ul style="list-style-type: none"> 100% of facilities are certified by ISCC 80% of our biodiesel facilities are ISCC certified

Our Next Steps

Apical is dedicated to maintaining certifications for our refineries and plants while expanding our range of certified palm oil products through RSPO, ISCC and other international schemes. We invest in innovative technologies to enhance production processes and product quality by minimising co-contaminants. Looking ahead, we plan to improve supply chain traceability by digitising data on suppliers' performance and other relevant metrics. We also value ongoing collaboration with stakeholders: palm oil trade associations, key customers and all actors across our supply chain. Through this inclusive approach, we aim to jointly find solutions that address product safety, quality standards and sustainability challenges.

INCLUSIVE PROGRESS



Background

Apical2030's "Inclusive Progress" pillar exemplifies our commitment to uplifting communities, especially those around our mills and plantations. Recognising the intricate web of stakeholders in the palm oil value chain – from independent farmers and smallholders to large aggregators – this pillar ensures local communities and smallholders share the value created.

Through "Inclusive Progress", we empower communities within our sphere of influence through tailored initiatives. These village-level programmes directly support independent smallholders, enabling them to increase their incomes through certification and sustainable practices.

Apical2030 Targets And Performance For Inclusive Progress

Pillar	Inclusive Progress Targets	Progress	Status
Inclusive Progress	Support 30 villages through SLV by 2030	<p>SLV at Aceh:</p> <ul style="list-style-type: none"> SLV launch in Aceh Singkil on 18 January 2023 Conducted MoU signing between Apical and IDH Initiated honey cultivation training <p>SLV at East Kalimantan</p> <ul style="list-style-type: none"> Partnering with Solidaridad Conducted Focus Group Discussion (FGD) District Level in East Kalimantan Identified 3 villages 	In Progress
	Support 5,000 ISH to achieve certification by 2030	<ul style="list-style-type: none"> Engaged and audited 1,162 farmers in phase 1 Engaged 1,921 farmers in phase 2 Certified 839 ISH under RSPO 	In Progress

INCLUSIVE PROGRESS

9A. IMPROVING COMMUNITY AND SMALLHOLDER LIVES

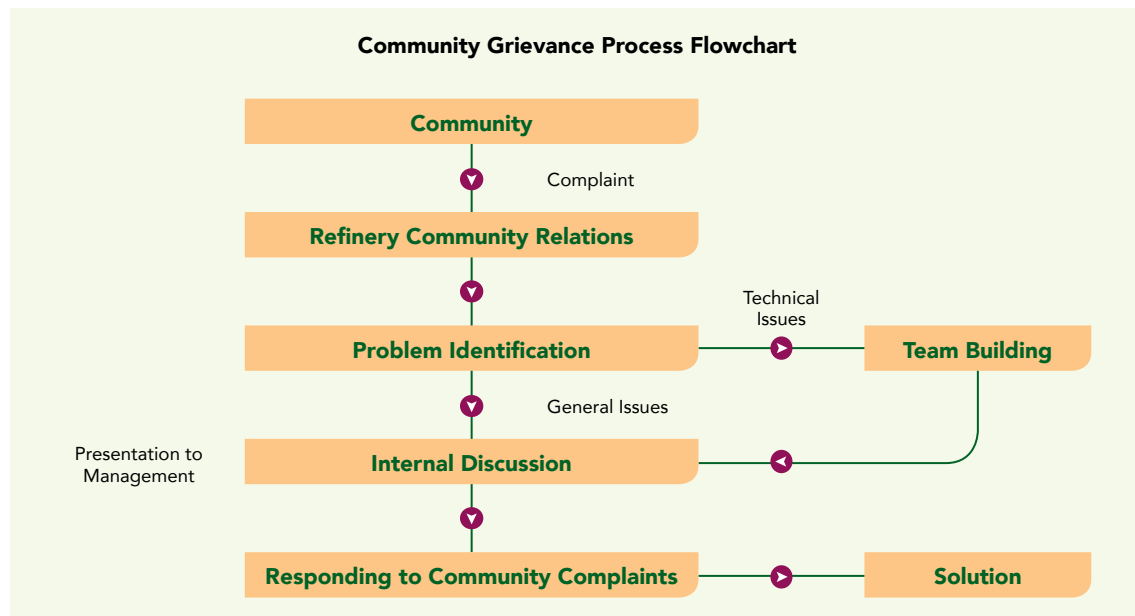
MANAGEMENT APPROACH

GRI 3-3, 2-24

At Apical, our management approach is based on the belief that thriving communities are essential for a sustainable future. We actively work to improve the lives of our communities near the vicinity of our operations collaborating closely with suppliers, stakeholders, NGOs and communities themselves. This collaboration strengthens mutual understanding and allows us to proactively identify and address community needs, ultimately leading to a more sustainable and equitable palm oil industry.

This collaboration is also important in resolving some of the key issues faced by communities in relation to the palm oil industry, such as land disputes that arise due to conflicting ownership claims over land plots between smallholders, state-owned agencies and industry actors. Our refreshed Sustainability Policy and inaugural Human Rights Policy strengthens our commitment to protect the well-being of indigenous communities.

The flowchart below outlines a dedicated Grievance Process for addressing and resolving community complaints. Most of these complaints are issues with rural infrastructure and air pollution. We welcome community members to share details of their concerns through face-to-face meetings, telephone calls or WhatsApp. This Grievance Process is designed to offer a transparent and equitable mechanism for resolving disputes and addressing the worries of the community.



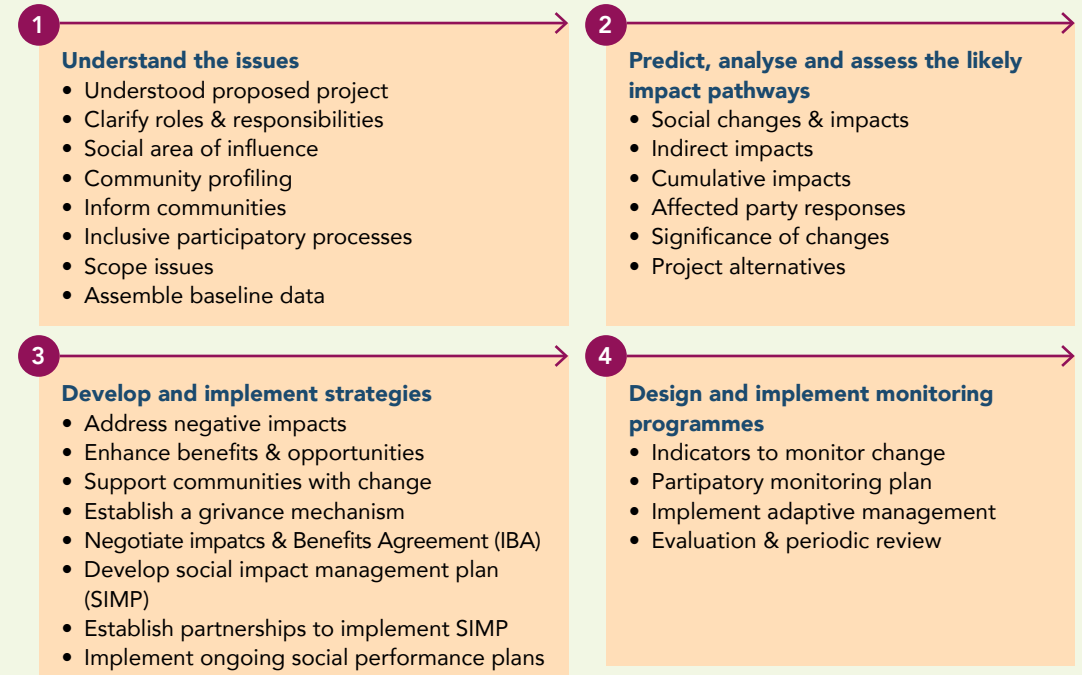
Social Impact Assessment (SIA)

We conducted a SIA for PRC in Padang and KRN in Balikpapan starting in July 2023. We engaged with two distinct external professional assessors for the assessment, partnering with Ecotrop for PRC and Remark Asia for KRN.

The SIA was carried out in a participatory manner, involving local community representatives to identify the impacts of our company's operations. This involvement, through consultation activities, is grounded in the principles of transparency and encourages community representatives to identify their own priorities and needs. The assessment results will provide insights into how we can manage the risks and opportunities of our activities concerning the surrounding communities.

SIA findings in PRC

The SIA in PRC followed the methodology outlined by the International Association for Impact Assessment (IAIA), as follows:



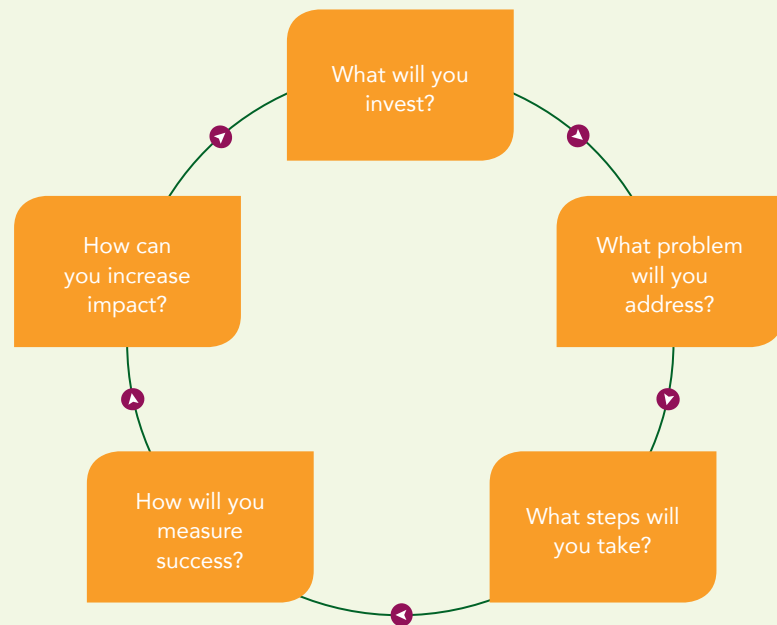
Source: SIA Guidance by IAIA

INCLUSIVE PROGRESS

The study's findings validate that our operations in PRC are creating job opportunities for the community, generating a multiplier effect at the local level and fostering a positive public perception of the company. The findings also indicate high expectations of the company, potential for social envy and concerns about decreasing environmental quality. We are using these findings to develop an impact management strategy, which includes a social management plan covering communication, employment, economic aspects and public relations.

SIA findings in KRN

The SIA in KRN provided us with insights into the social impact and social issues analysis. In preparing the social management plan, we conducted exercises based on the "Measuring and Improving Social Impacts" guideline, responding to questions in the Social Impact Creation Cycle, as illustrated below. Following this, we developed a plan to manage social risks and capitalise on the opportunities.



These SIA exercises have enhanced our understanding of the perceptions and feedback from local communities regarding our operations. We plan to extend the SIA to other refineries in 2024, covering AAJ Tj Balai, AAJ Marunda and SDS.

RESPECTING THE RIGHTS OF INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

GRI 3-3, 2-23, 411-1, 413-2

Apical commits to respecting the rights of Indigenous Peoples and Local Communities as protected in national laws and international standards and guidelines as follows:

UNGPs

International bill of Human Rights

ILO Fundamental Principles and Rights at Work

Universal Declaration of Human Rights

10 UN Global Compact Principles

Our enhanced Sustainability Policy and inaugural Human Rights Policy mandates that our suppliers acknowledge and respect the rights of indigenous and local communities. These policies requires our suppliers to conduct assessments in their operations for potential negative impacts to surrounding communities. Our suppliers are expected to adhere to national laws requiring the protection of indigenous peoples' and local community rights and obtain the Free, Prior and Informed Consent (FPIC) of indigenous peoples or local communities in which they operate. We provide the FPIC guideline on our website to assist suppliers with implementing this essential framework. We also encourage the use of the RSPO FPIC Guidance and HCSA Social Requirements and Implementation Guidance for our suppliers to implement FPIC in their operations.

Although our facilities are situated in designated industrial areas, for any new development or expansion projects with potential environmental or social impacts, we engage professional consultants and governmental bodies to carry out environmental impact assessments, known as Analisis Mengenai Dampak Lingkungan (AMDAL) and SIA.

FREE: Consent should be given or withheld without coercion, intimidation or manipulation, and may be communicated through communities' freely chosen representatives

PRIOR: Consent should be sought sufficiently in advance of any authorisation or commencement of activities and respecting the time requirements of consultation and customary decision-making processes of Indigenous Peoples, Local Communities, and other users

INFORMED: Communities must have access to and be provided with comprehensive and impartial information on the project prior to providing their consent

CONSENT: The rights to say 'yes' or 'no' to any project affecting their lands, livelihoods and environment



INCLUSIVE PROGRESS

EMPOWERING COMMUNITIES

GRI 203-1, 203-2, 413-1, 413-2

Apical is dedicated to community development surrounding our operations and beyond. In alignment with the UN SDGs, our community development programmes aim to nurture local potential, enhance livelihoods and promote sustainable growth. We evaluate the needs of the community and ensure our programmes align with regional objectives. Our collaborative efforts include partnerships with local governments, NGOs and community groups to implement our initiatives. Many of our programmes span multiple years, designed to provide long-term support and cultivate independent local champions.



Community Livelihood Empowerment & Action (CLEAN) programme

Apical launched a women's empowerment initiative under the CLEAN programme.

Building Resilience, Enhancing Lives

Overview
Livelihood empowerment initiative aimed at fostering sustainable livelihoods and economic prospects, for both male and females, within local groups in surrounding communities by building entrepreneur capacity through training and development

Objective
To empower communities by establishing sustainable livelihood opportunities and enhancing their socioeconomic standing with various entrepreneurial possibilities.

Inclusion

Empowerment

Entrepreneurship

Gender Equality

Community Brands

Target Social Groups

- Local communities surrounding Apical's refineries or supplier mills
- Local communities in Apical's priority landscape
- Female family member, especially the wives of refineries or mills' workers

Programme Scope

Technical Training

Business Skill Training

By the end of 2023, we successfully trained 64 women in the production of culturally inspired handmade soap, leading up to its commercialisation and selling up to 1,000 handmade soaps. CLEAN programme activities in 2023 were as follows:

First workshop	Second workshop	Third workshop
Held at Dumai in July 2023	Held at Dumai in October 2023	Held at Balikpapan in October 2023
11 participants from workers' wives	27 new participants joined the workshop	26 new participants joined the workshop

Empowering Women Entrepreneurs

We believe that empowering women is crucial in overcoming their business challenges, advancing gender equality and enhancing family livelihoods. Our support for female entrepreneurship has notably benefited 'Nurul Fatiha' chilli-flavoured cassava chips production, a small enterprise we assisted in Dumai. Her business experienced significant growth with our provision of cooking oil support at 150 kg per month and assistance in securing microfinance loans from a bank. From an initial cassava chips production of just 50 kg per day in 2014, it surged to over 100 kg daily

in 2023, a more than tenfold increase. This expansion enabled the owner to improve her standard of living, evidenced by her ability to build a house and purchase a car. The owner has plans to open a store and employ additional people. Indirectly, her increased demand for raw materials also positively affects cassava farmers and suppliers.

Her intention to pass the business on to her children underscores the lasting impact of women's empowerment, serving not only as a legacy but also as an educational opportunity for the next generation.



INCLUSIVE PROGRESS



Contributing to Stunting Prevention

Stunting refers to a situation where children undergo hindered growth and development resulting from malnutrition, leading to consequences that persist into adulthood. In 2022, Indonesia reported a significant prevalence of stunting at 21.6%, making the reduction of stunting rates a top priority for the nation.

Apical has been actively involved in stunting prevention programmes around our refineries in Marunda, Dumai and Balikpapan. Our approach includes selecting several women from the community to serve as health cadres. We engage them in various training sessions and workshops organised by local health centres, empowering them to coordinate healthcare programmes targeting pregnant women and children under the age of 2. These cadres also disseminate knowledge to mothers and families about nutritious meals, enhancing awareness and education on maintaining a healthy diet.

The topics covered to empower the health cadres in promoting stunting prevention include:

- Understanding stunting: what it is, its causes and prevention strategies;
- Guidance for health cadres: identifying common health issues in women and children, monitoring children's growth and using health centre equipment, such as baby scales;
- Nutritious food for children, highlighting the importance of a balanced diet for early development.

We trained 117 health care centres (posyandu) cadres, educated 33 pregnant women on stunting knowledge, and reduced stunting by 20% among children in 2023.

COMMUNITY INVESTMENT

GRI 203-1, 203-2, 413-1, 413-2

Apical invests in various initiatives designed to enhance the quality of life and overall well-being of communities within our business areas. These programmes aim to improve access to vital services such as healthcare and education, along with the provision of basic infrastructure.

Sustainable Living Village (SLV) Programme



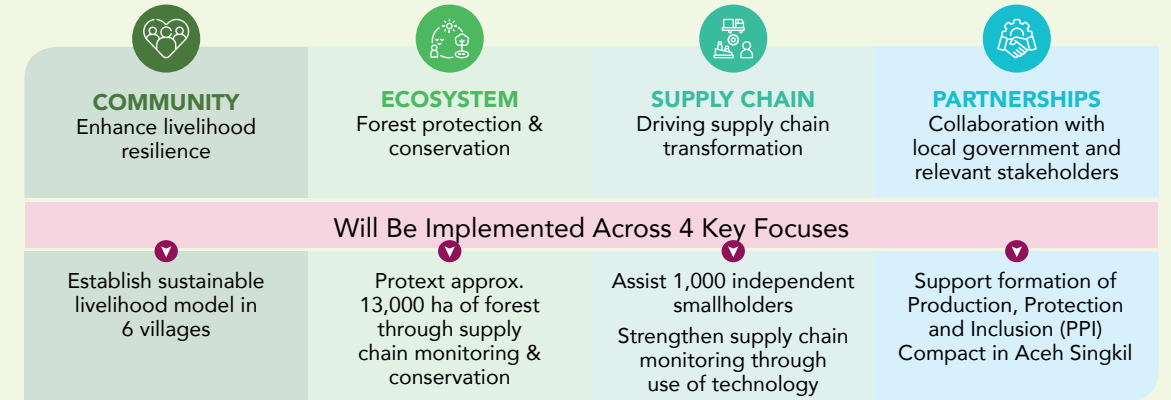
The SLV Programme aims to improve community resilience and livelihood sustainability at the village and landscape levels. The SLV programme intends to uplift and nurture communities and alleviate poverty by fostering inclusion and improving livelihoods while providing environmental protection.

Aligned under Transformative Partnerships and Inclusive Progress pillars, this programme is part of Apical2030 to support 30 villages through SLV by 2030. Apical will be collaborating with local partners to implement customised initiatives that are suited to the needs of villagers and communities.

The SLV Programme was launched in January 2023, in partnership with local partners namely, Yayasan Inisiatif Dagang Hijau (IDH), Yayasan Ekosistem Lestari (YEL), Forum Konservasi Leuser (FKL) as well as Provincial and District Government. The signing of the MoU between Apical and IDH marks the beginning of a three-year partnership for the SLV Programme.



The key 4 priorities of the SLV in Aceh Singkil are:



SLV programme was initiated at priority landscapes, namely Aceh Singkil. Aceh Singkil plays a crucial role in protecting the Leuser Ecosystem, consisting of 2.6 million ha of tropical forest and home to various Sumatran animal species such as the orang utan, rhinoceros, Sumatra tiger and the elephant. In Singkil, rapid illegal land conversion for oil palm plantations poses a challenge to this vital ecosystem's sustainability.

Our SLV programme at Aceh Singkil implemented a honey cultivation initiative that recorded 44 registered farmers, of which 16 were female farmers. This initiative involved providing training and setting up honeycombs in five villages. A smallholder support

programme has also been established, whereby 252 farmers from three villages will receive training, while another 116 farmers attended STDB registration and another 49 farmers were educated on Good Agricultural Practices (GAP) training.

Our SLV programme at East Kalimantan completed a scoping study by Solidaridad to develop baseline demographic data in villages. The findings of the study will be utilised to create a Final Workplan that will include programmes for farmers such as cacao cultivation in three villages in East Kutai, the workplan is being finalised and we target to implement the activities by 2024.

INCLUSIVE PROGRESS

SUPPORTING SMALLHOLDERS

A significant portion of Indonesia's palm oil production is attributed to smallholder farmers, who are key to the industry. Smallholders face considerable challenges in boosting production while adhering to strict sustainability criteria.



Smallholder Inclusion for better Livelihood & Empowerment Programme

The 'Smallholder Inclusion for better Livelihood & Empowerment Programme' (SMILE) was launched in 2020 by Apical Group, KAO Corporation, and Asian Agri to support Indonesian Smallholders (ISH). This 10-year initiative aims to enhance smallholders' livelihoods by improving their productivity through sustainable farming practices and by fostering environmental stewardship in line with sustainable palm oil standards.

The SMILE programme has assembled a team of experts in agronomy and plantation management to train 5,000 ISH overseeing around 18,000 ha of plantations across North Sumatra, Riau and Jambi. The programme has introduced specific strategies to achieve its goals, including:

- Educating farmers on increasing yields using sustainable management practices and the significance of adhering to NDPE policies;
- Assisting smallholders in obtaining RSPO certification by 2030;
- Providing training on safety practices and the use of safety equipment like fire extinguishers, helmets, and gloves.



SMILE Programme

The second phase of the SMILE Programme is to maintain engagement with smallholders, applying insights from the first phase and conducting gap analyses.

The Programme aims targets smallholders in North Sumatra, while continuing efforts in Riau and Jambi.

SMILE has positively improved 3,083 smallholders.

We ensure that every aspect of the SMILE programme adheres to the RSPO framework and aligns with the UN SDGs. Central to this commitment is our focus on empowering community-driven initiatives.

Apical Group, KAO Corporation and Asian Agri consistently interact with community leaders and NGOs to offer training and pinpoint potential areas for enhancing engagement effectiveness.

Khairul Anam, Head of KTTPS: The first cooperative within the SMILE programme to have earned RSPO certification.

The Koperasi Konsumen Tebing Tinggi Pangkatan Sejahtera (KTTPS), an independent smallholders' cooperative located in Labuhanbatu, North Sumatra, was established in 2021. Initially comprising 239 members who managed 685 ha, the association secured RSPO certification in March 2022, becoming the first in our SMILE programme to achieve this milestone in sustainable palm oil certification.

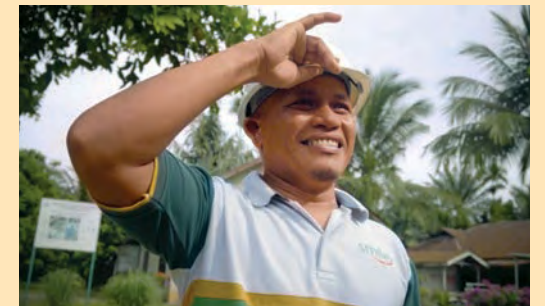
Khairul Anam mentioned that the SMILE programme has educated them in best agricultural practices that benefit the environment, such as the correct use of fertilisers and pesticides, water conservation and resource minimisation. Sustainability has opened new horizons for the farmers.

Before joining the SMILE Programme, he harvested about 1 tonne per hectare. Applying the knowledge gained from the programme, his yield increased to 2.5 tonnes per hectare – a 2.5-fold increase. Moreover, the KTTPS

Cooperative's RSPO recognition means their fruit commands a higher-than-average price, boosting income.

The improvements Anam experienced have resonated with other farmers, drawing more smallholders to the programme after witnessing its benefits. The cooperative has grown to 580 members and has constructed a new office to accommodate the expanding membership.

With the success of the SMILE programme, Anam shared his story and the collective achievements of the smallholders at the Japan Sustainable Palm Oil Network Conference (JaSPON) in Tokyo in October 2023.



Sabki Saputra (Independent Smallholder participating in SMILE programme)

All this time, we were essentially untrained smallholders, lacking in expertise. It was only through SMILE that we received support and learnt from the experts – we were no longer isolated. Whenever we encountered an obstacle, we could simply consult the experts, making full use of the SMILE Programme.

Thanks to the premium pricing from our RSPO certification, we can improve our road conditions, enabling us to transport our FFB day or night. We can also make donations and extend the benefits to the local communities. As an elder, I hope the SMILE Programme continues to improve the livelihoods of smallholders, ensuring our children and grandchildren do not have to endure the same hardships we did.



INCLUSIVE PROGRESS

Our Programme/Initiatives

Activity type	Location	Description of Activity	Outcomes
Local Economic Development			
Chilli Farming	Dumai, Indonesia	Continued supporting chilli farmers as an additional source of income for farmers	<ul style="list-style-type: none"> Supported 20 farmers 400 chilli trees grown IDR 10 million is the estimated value from chilli farming
Goat Farming	Dumai, Indonesia	Continued supporting goat farming as an additional source of income for farmers	<ul style="list-style-type: none"> Supported 27 farmers 145 goats reared since 2019 Provision of 980 kg palm kernel expeller to farmers every 1.5 months
Chicken Cultivation	<ul style="list-style-type: none"> Dumai, Indonesia Balikpapan, Indonesia 	Trained women from the goat cultivation farmers on chicken rearing as another source of income	Trained 14 participants
Entrepreneurship/SMEs			
Barbershop	Dumai, Indonesia	Supported youths to establish and operate a barbershop	<ul style="list-style-type: none"> Apical subsidised rent and promotion Customers increased from 10 to 20 per day
Cassava Chips	Dumai, Indonesia	Created a support plan for Nurul Fatiha with the Spicy Cassava Chips Trade Association to improve productivity and enhance operations	<ul style="list-style-type: none"> Provide 150 litres of Apical's cooking oil/month 1.95 mil IDR savings/month Production increased from 50 kg to 100-150 kg/month
Micro Traders	Marunda, Indonesia	Supported traders during the fasting month at the "Takjil Bazaar"	Tables, tents, cooking oil provided to 16 microtraders
Bakso Trader	Marunda, Indonesia	Supported equipment improvement	Assisted in modification of motorcycle
Education			
Educational Materials	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia Padang, Indonesia 	Donated books, developed reading corner	<ul style="list-style-type: none"> Donated a total of 877 reading books to 950 impacted students Developed 6 reading corners

Activity type	Location	Description of Activity	Outcomes
After-School Enrichment Classes	Balikpapan, Indonesia	Provided after-school programme for students from the community	<ul style="list-style-type: none"> 120 students from elementary school 25 students from Junior High School
Training for Teachers	Marunda, Indonesia	Collaborated with Tanoto Foundation for teacher training	Trained 33 teachers
Infrastructure			
Road Maintenance and Rehabilitation	<ul style="list-style-type: none"> Dumai, Indonesia Balikpapan, Indonesia Marunda, Indonesia 	Provide equipment and road building material such as gravel to improve road conditions	7.1 km of roads improved
Clean water supply	Dumai, Indonesia	Provided clean water supply to communities	<ul style="list-style-type: none"> 240 t of water provided 2 mosques with access to clean water
Social			
Stunting Prevention	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia Balikpapan, Indonesia 	Coordinated outreach sessions for pregnant women, stunted children and Posyandu cadres	<ul style="list-style-type: none"> Trained 117 posyandu cadres 33 pregnant women being educated on stunting knowledge Reduce stunting by 20% among children in 2023
Eid initiatives	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia Balikpapan, Indonesia 	<ul style="list-style-type: none"> Hosted a break fast meal at Kampung Pitung Distributed Ramadan packages to underprivileged families 	<ul style="list-style-type: none"> 20 Orphans 667 packages distributed for 667 families Distributed 9 goats
Cooking oil Donations	Marunda, Indonesia	Provided cooking oil for various communities	7,200 L of cooking oil provided
Environment			
Mangrove Planting	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia 	Planted Mangrove trees as part of environmental restoration and community development efforts	12,600 mangrove trees planted

INCLUSIVE PROGRESS

Apical's case study on goat husbandry

- Lina was able to establish her goat husbandry business with Apical's support such as technical training, business plan formulation and animal feed ingredients such as PKE. As a result, Lina now has 12 goats with plans to acquire up to 25 goats. On average she sells 5 goats per year at IDR 1.5 million each. Her flourishing goat husbandry business has enabled her to strengthen her financial security as her goats are assets she can sell for liquidity.
- Purwono initially has 2 goats and after receiving Apical's support, he acquired 12 goats and sells an average of 3 per year. Like Lina, Purwono is able to improve his financial security using his goats as assets. He and other group members use goat droppings as organic fertiliser, enabling them to also cultivate vegetables and fruits using organic farming methods.



Our Next Steps

As we move forward, our commitment to local community investment will continue with a strong focus on initiatives that bolster local economic development, health and well-being, education and infrastructure. Apical pledges ongoing support through donations and sponsorships to assist the underprivileged, in line with our objectives for community empowerment. The specific goals we aim to achieve by 2024 are outlined in the table below.

In addition to financial assistance, our efforts will extend to forming partnerships with local entities and community leaders, implementing innovative methods to support community and smallholder advancement. Our strategy involves understanding the unique needs of those we serve and providing tailored support, emphasising our dedication to inclusivity. Our goal is to enable every community segment to actively contribute to crafting a sustainable future.

Activity type	Targets	Goals in 2024
Education	Increase reading level from a baseline of 59.5% to 70% by 2030, targeting Grade 5 students in partner schools	<ul style="list-style-type: none"> Conduct training for 25 teachers via ePINTAR Provide reading books and learning materials for 300 students Aim to support 4 schools in total
Health	Reduce stunting cases by 50% from the baseline in recipient villages by 2030	<ul style="list-style-type: none"> Conduct Behaviour, Change and Communication (BCC) training to 40 posyandu cadres Aim to provide outreach trainings on stunting for 4 villages Provide nutritional foods to reduce stunting incidences for 15 infants
Empowerment	Increase the sales of beneficiaries by 30% (average) from baseline levels by 2030	<ul style="list-style-type: none"> Aim to support 5 groups/individuals of farmers, women and microenterprises, 4 villages and 40 people through capacity building, and providing assistance on improving their business plans
SLV	Support 30 villages through SLV by 2030	<ul style="list-style-type: none"> Support three more villages in Paser, East Kalimantan in 2024 Support 10 villages by 2026
Social	Improve the livelihoods of villagers living near refineries	Provide support to 1,500 households and 6,000 villagers living near refineries on religious, cultural and social events
Supporting Smallholders	Support 5,000 independent smallholders to achieve certification	To conduct audit with participation from approximately 1,105 smallholders in North Sumatra, Riau and Jambi for RSPO certification

9B. LOOKING AFTER OUR PEOPLE

MANAGEMENT APPROACH

GRI 3-3

At Apical, we are committed to unlocking the potential of our employees, recognising that they are fundamental to our long-term achievements. We focus on respecting their rights, recognising their talents and facilitating their professional growth. Our aim is to create a conducive work environment that not only ensures their physical safety but also fosters personal learning and development and offers attractive benefits and compensation. This environment nurtures a diverse and talented workforce, committed to innovation and creativity.



We emphasise inclusivity and fairness, ensuring that our policies and the Apical Code of Conduct champion the values and human rights of our employees. By offering competitive remuneration compliant with the relevant laws, we safeguard their welfare and aspire to enhance their well-being and inventive contributions to our company.

INCLUSIVE PROGRESS

Our vision extends beyond our immediate team; we expect our suppliers to adhere to equitable employment practices, mirroring the high standards we set for ourselves. Through these practices, we aim to cultivate an innovative culture within our workforce, building long-term, mutually beneficial relationships with both our employees and suppliers.

<p>RECRUITMENT</p> <p>We practice fair and non-discriminatory hiring strategies and recognise the dynamic nature of skill functions across the organisation</p>	<p>PERFORMANCE MANAGEMENT</p> <p>We conduct an annual performance review for all employees and provide tools for employees to develop their talent and skills</p>
<p>WORKING CONDITIONS</p> <p>We provide safe, secure and fair working conditions that enable individuals to thrive</p>	<p>COMPENSATION AND BENEFITS</p> <p>We provide equitable and competitive remuneration packages that are aligned to local and provincial regulations, and adequate for full-time employees to support their well-being</p>

In upholding human rights among our people, we work closely with key customers, such as Bunge, Cargill, Kao Corporation, Nestle and Unilever for harmonising social standards across our organisations. Among various frameworks and standards, our facilities are progressing towards Sedex membership, the Supplier Ethical Data Exchange. It is an online system enabling Apical to document and share data on ethical and responsible practices with their customers. We undertake SMETA audits to assess the risks, including but not limited to forced labour, workers' rights, fair treatment and working conditions.

The SMETA indicators are as follows:

- Universal Rights Covering UNGPs
- Management System and Code implementation



1. Freely chosen employment	8. Regular employment is provided
2. Freedom of association and right to collective bargaining are respected	8A. Subcontracting and homeworking
3. Working conditions are safe and hygienic	9. No harsh or inhuman treatment is allowed
4. Child labour shall not be used	10A. Entitlement to work and immigration
5. Living wages are paid	10B. Environment 4 – Pillar
6. Working hours are not excessive	10C. Business ethics 4 – Pillars
7. No discrimination is practiced	11. Customer requirements

Sedex Members Ethical Trade Audit (SMETA)

In 2023, Apical began implementing SMETA across its refineries. SMETA represents a leading online platform offered by a membership organisation to aid companies in managing and improving working conditions within the global supply chain.

The objectives of the SMETA audits include ensuring that all Apical facilities adhere to ethical labour practices, safeguard workers' rights, and promote fair treatment and working conditions for all employees in the supply chain, aligned to Apical's Sustainability Policy and Human Rights Policy, as well as complying with importing

countries' legislations. Additionally, these audits provide credible verification of human rights compliance, responding to requests from key customers.

The SMETA audit encompasses 4 Pillars, covering Labour Standards, Health and Safety, Environmental Assessment (extended) and Business Ethics, conducted by certification bodies approved by our customers. In 2023, our 2 refineries; PRC and AAJ Marunda, participated in the SMETA audits. SDS and SDO (M) completed their audits in the first quarter of 2024. An additional seven refineries are scheduled for SMETA audits in 2024 and 2025.

EMPLOYEE PROFILE

GRI 2-7, 401-1, 405-1

By the end of 2023, Apical's workforce globally, including our offices, refineries and other plants reached 4,257 full-time employees. A significant portion of our staff, about 78%, holds permanent positions, while the remaining 22% are on temporary contracts. The majority of our permanent workforce, accounting for 82%, is based in Indonesia, reflecting the dominant location of our operational sites.

Our workforce in 2023 increased by 26% compared to 2022, due to our business and production capacity expansion. Our employee turnover rate improved in 2023 to 4.8% as against to 23% in 2022.

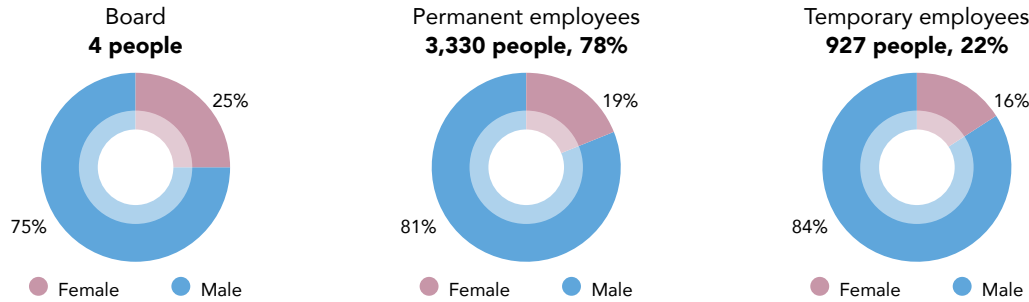
Apical does not employ part-time workers or employees, due to the nature of our business.

Job categories in Apical in this report are disclosed as below:

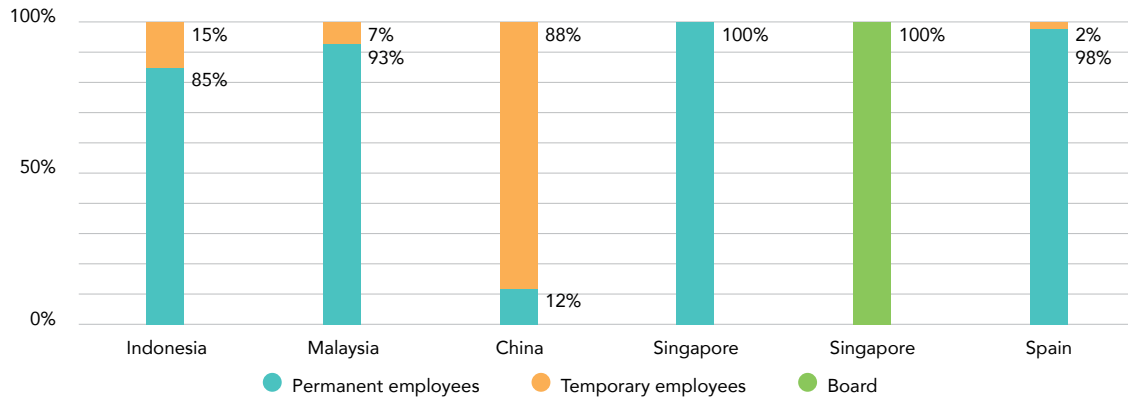
Employee Category	Non-executive	Junior Management	Middle Management	Senior Management	BoD
Employee Designation	a. Non staff b. Supervisor/ Officer	Superintendent/ Assistant Manager (AM)	Manager (M)	a. Senior Manager (SM) b. General Manager (GM) c. Director	Board Member

INCLUSIVE PROGRESS

Full-time employees by employment contract and gender

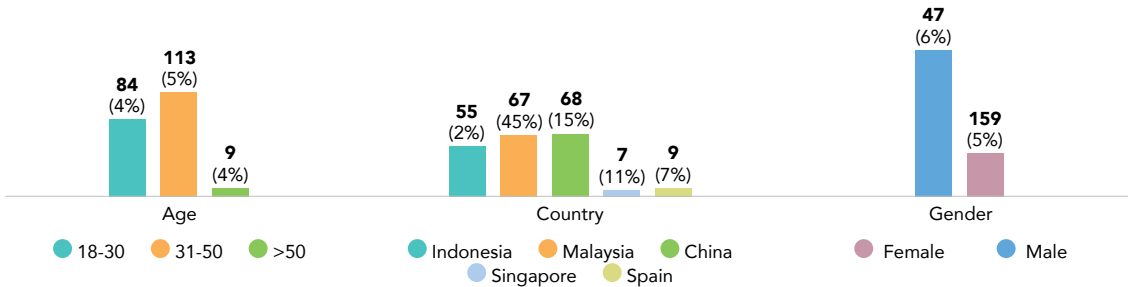


Full-time employees in Apical by operational country



Total Employee Turnover

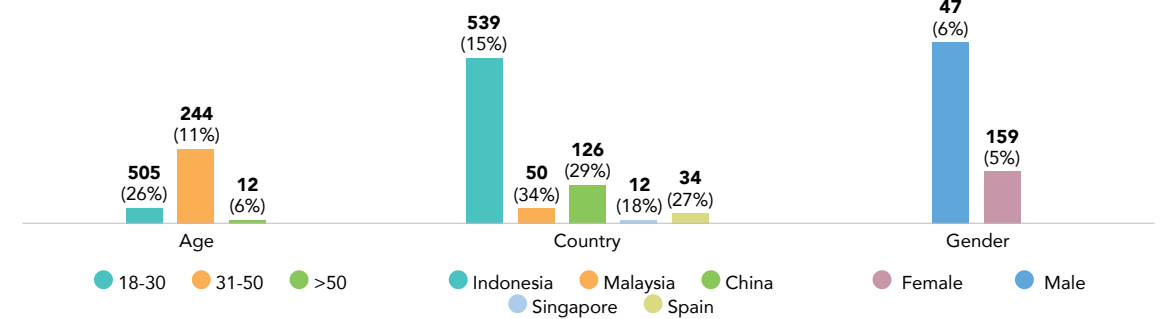
Total employee turnover in 2023 = **206 people** Turnover rate in 2023 = **4.8%**



- Notes:
- The numbers include involuntary turnover from the company
 - Employee turnover data in percentage is calculated using the total number of employees within each age, country and gender group category

Total New Employee Hire

Total new hires in 2023 = **761 people** New hire rate in 2023 = **17.8%**



- Notes:
- Employee new hired data in percentage is calculated using the total number of employees in each age, country, and gender group

FAIR WAGES AND EMPLOYEE BENEFITS

GRI 202-1, 202-2, 401-2, 401-3, 405-2

Apical is committed to ensuring that our employees' salaries exceed the minimum wage requirements set by local and provincial regulations. We conduct annual reviews of our compensation packages to ensure they are competitive and in line with the cost of living, national labour regulations in the countries we operate and the compensation levels of our industry peers. Employees in Balikpapan, Dumai, Tanjung Balai, Marunda and Padang are compensated with a decent living wage, ensuring they can maintain a respectable quality of life for themselves and their families. Our aim is to maintain internal equity in compensation, considering factors such as workload, responsibility scope, job complexity and work level.

Performance evaluations at Apical are based on a balance scorecard that includes metrics such as quality, productivity, cost-effectiveness, adherence to core values, sustainability efforts and contribution to long-term growth. We uphold gender pay parity across our operations. Differences in base pay among employees are attributed to variables like educational qualifications, skill sets, job nature and professional experience.



INCLUSIVE PROGRESS

Ratios of Lowest Monthly Wages in Each Region by Gender, Compared to Local Minimum Wage⁶

Region / Country	Currency	Monthly Legal Minimum Wage	Lowest Monthly Wage		Ratio ⁷	
			Male	Female	Male	Female
Dumai, Indonesia	IDR	3,723,278	3,723,500	3,723,500	1:1	1:1
Marunda, Indonesia	IDR	4,901,798	4,901,798	4,901,798	1:1	1:1
Tanjung Balai, Indonesia	IDR	3,028,945	3,029,000	3,029,000	1:1	1:1
Padang, Indonesia	IDR	2,742,587	2,743,000	2,743,000	1:1	1:1
Medan, Indonesia	IDR	2,710,493	3,630,000	3,630,000	1:1.34	1:1.34
Balikpapan, Indonesia	IDR	3,324,273	3,325,000	3,325,000	1:1	1:1
Spain	EUR	1,260	1,629	1,629	1:1.29	1:1.29
Malaysia	MYR	1,500	3,000	3,000	1:2	1:2
Singapore	SGD	-	4,000	4,000	Nil	Nil
Nanjing, China	RMB	2,280	2,640	2,700	1:1.16	1:1.18
Taixing, China	RMB	2,070	2,070	2,070	1:1	1:1

Ratio of the Basic Salary and Remuneration of Female to Male for Each Employee Category, by Significant Locations of Operation

Locations of Operation	Currency	Employee Category	Ratio of Women to Men based on Average Basic Salary (%)	Ratio of Women to Men based on Average Annual Remuneration (%)
Indonesia	IDR	Non-executive	95.01	75.73
		Junior management	71.98	77.79
		Middle management	114.43	120.25
		Senior management	169.12	154.58
		Board of Directors	N/A*	N/A*
Malaysia	MYR	Non-executive	77.61	74.77
		Junior management	103.93	107.78
		Middle management	70.9	48.84
		Senior management	65.13	66.67
		Board of Directors	N/A*	N/A*
China	RMB	Non-executive	106.71	91.56
		Junior management	58.66	58.31
		Middle management	106.36	117.37
		Senior management	49.29	41.76
		Board of Directors	N/A*	N/A*
Singapore	SGD	Non-executive	120.99	123.79
		Junior management	113.68	99.41
		Middle management	122.61	97.05
		Senior management	109.14	120.77
		Board of Directors	N/A**	N/A**
Spain	EUR	Non-executive	100.1	89.17
		Junior management	86.64	73.24
		Middle management	93.37	89.51
		Senior management	N/A**	N/A**
		Board of Directors	N/A*	N/A*

Note:

* Absent of BoD category

** This category consists of only male employee

⁶ Regulations in Singapore do not stipulate a monthly legal minimum wage, thus we did not provide the comparison for Singapore

⁷ The ratio is calculated by following formula:

Ratio = Monthly legal minimum wage / Apical's lowest month wage (male or female)

INCLUSIVE PROGRESS

Percentage of senior management⁸ at significant locations of operations that are hired from local community

Locations of Operation	Total number of senior management hired from the local community	Total members of senior management	Share
Group Level	86	124	69%
Indonesia	31	48	65%
Malaysia	23	26	88%
China	14	14	100%
Singapore	17	35	49%
Spain	1	1	100%

Apical has proactively provided a range of valued benefits to our temporary and permanent employees. Our benefits programme undergoes an annual evaluation, with adjustments made as necessary. Our benefits encompass:

- PARENTAL LEAVE**
Permanent and temporary employees
- MEDICAL INSURANCE**
Permanent and temporary employees
- DENTAL AND OPTICAL CARE**
Permanent and temporary employees
- HOUSING ALLOWANCE**
Employee's contracted position in Indonesia only
- TRANSPORT ALLOWANCE**
Permanent employees in Indonesia only
- MEAL ALLOWANCE**
Permanent and temporary employees
- RETIREMENT PROVISION**
 - Permanent and temporary employees that are non-expatriates, below the age of 60 in Malaysia
 - Permanent and temporary employees that are non-expatriates in Singapore
- ATTENDANCE RECOGNITION**
Permanent and temporary employees

⁸ Senior management hired from the local community includes those individuals either born or who have the legal right to reside indefinitely (such as naturalised citizens or permanent visa holders) in the same geographic market as the operation. The geographical definition of 'local' can include the community surrounding operations, a region within a country, or a country.

Parental Leave

Apical is committed to providing a family-friendly workplace and support all parents on their parenting journey with necessary resources such as providing parental leave. To increase retention, we plan to review Apical's employee benefits regularly to ensure employee welfare is addressed, provide training to develop and upskill our employees and review our compensation and benefits including reward systems for top-performing staff.

In 2023, the return-to-work rate was recorded at 84.6%, while the retention rate following parental leave stood at 9.1%. We acknowledge the challenges mothers face when returning to work. To address this, we continuously facilitate a women's support group where we hold sessions for female workers to share and discuss strategies for overcoming workplace challenges.

Parental leave

	Male	Female	Total
Parental Leave (Maternity & Paternity)			
Total number of employees that were entitled to parental leave	3,457	800	4,257
Total number of employees that took parental leave	5	34	39
Returned to Work			
Total number of employees that returned to work in the reporting period after parental leave ended	4	29	33
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	2	1	3
Rate			
Return to work rate	80.0%	85.3%	84.6%
Retention rate	50.0%	3.4%	9.1%

Note:

- The parental leave data covers our employees in Indonesia, Malaysia, China, Singapore, and Spain
- Temporary workers are also entitled to parental leaves

Allowance

In Indonesia, we offer housing facilities to employees residing far from their workplaces. Additionally, we provide transportation allowances through two distinct programmes: a Motorcycle Ownership Programme for permanent employees, facilitating motorcycle purchases with subsidised loans and a Car Ownership Programme designed to assist managers in offsetting car purchase costs.

INCLUSIVE PROGRESS

Retirement Provision Scheme

We adhere to local regulations and social security best practices for retirement allowances in our operating countries. In Indonesia, we contribute to *BPJS Ketenagakerjaan*⁹ monthly. In Malaysia, our practices align with the Employees' Social Security (Amendment) Bill 2022 and the Employment Insurance System (Amendment) Bill 2022. Singapore sees joint monthly retirement contributions from employees and employers, varying by age category. In Spain, we comply with the government's mandatory retirement contribution requirements for permanent employees, while in China, we provide retirement provision in accordance with the national regulation.

DIVERSITY AND EQUAL OPPORTUNITY

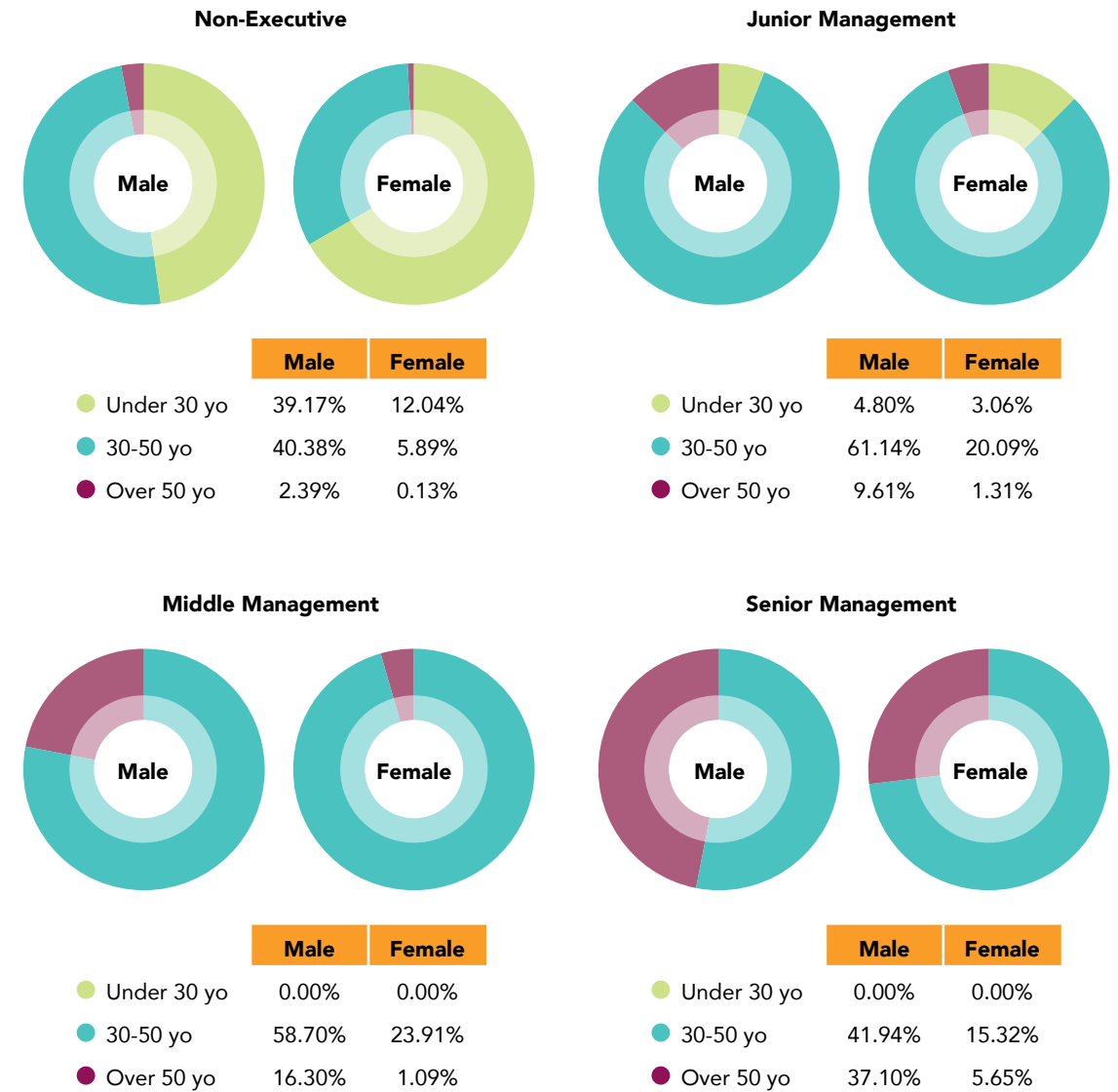
GRI 2-30, 405-1, 407-1, 408-1, 409-1

Apical's commitment to a diverse workforce brings new insights essential for achieving our business goals, underscoring the importance of diversity, inclusivity and equal opportunities. Our first Human Rights Policy, published in 2023, emphasises our commitment to treat all employees fairly across hiring, evaluation, working conditions and rewards, without bias towards their race, origin, religion, disability, gender, age, sexual orientation, union affiliation or political views. We rigorously comply with local employment laws, including the strict prohibition of child labour, in every country we operate.

We have a firm stance against any form of harassment or violence, ensuring a safe environment for everyone. Actively fostering gender diversity and inclusion, women represent 19% of our workforce, illustrating our ongoing efforts to create a balanced and inclusive workplace.



Employees by Age and Gender According to Employee Categories at the Group level



⁹ Badan Penyelenggara Jaminan Sosial (BPJS) Ketenagakerjaan or Indonesia's National Social Security Agency for Employment

INCLUSIVE PROGRESS

Employee Ethnicity Across Apical in 2023 (%)



- Javanese 22%
- Batak 14%
- Chinese 14%
- Minang 10%
- Han 10%
- Malay 9%
- Others 21%

Freedom of Association and Trade Union Membership

Our employees are free to form or join labour unions to exercise their freedom of association and to bargain collectively. Our Human Rights Policy affirms the abovementioned commitment.

This is also a requirement of the Indonesian Law No. 21 of 2000 on Trade Union/Labour Union, in line with the international requirement of the International Labour Organisation's Convention No. 98, which requires the respect for the freedom of organisation and collective bargaining rights of employees. As of 2023, 51% of our staff have participated in collective bargaining agreements. Furthermore, our Human Resources department maintains regular communication with employees and their union representatives.

Child Labour

As outlined in our Human Rights Policy and local employment regulations, we have a strict 'no child labour' requirement in all our operations. All employees are at least 18 years old, with age verification required upon hiring. We ensure our suppliers adhere to our 'no child labour' policy through rigorous engagement, assessments and require strict adherence.

TRAINING AND DEVELOPMENT

GRI 404-1, 404-2a, 404-3

At Apical, our commitment extends from caring for our employees to fostering their professional development. We prioritise upskilling and equipping our staff with crucial skills to enhance their future employability, alongside acknowledging their contributions and supporting their career progression.

Average number of training hours provided to employees at Group level

Employee Category	Average number of training hours provided to employees		
	Male	Female	Total
Gender			
Total	6.49	5.72	6.34
Non-executive	6.44	5.17	6.21
Junior management	8.46	12.43	9.43
Middle management	5.97	5.52	5.86
Senior management	5.29	5.81	5.40

Employee training and development are crucial for talent retention, engagement and improving the employee experience. We offer on-the-job training and courses tailored to individual levels of experience and expertise, enhancing engagement and productivity. New hires undergo an orientation programme to align with our core values and code of conduct, including technical training in first aid, food safety, certification and industry standards, among others. Specific programmes like the Driving License Process and International Ship and Port Facility Security Code training are provided to specialised teams for excellence in their roles.

We chart Individual Development Plans (IDP) annually, fostering a culture of self-improvement and guided development, with performance assessments conducted yearly to evaluate progress against set KPIs. In 2023, 93% of employees received regular performance and career development reviews.



INCLUSIVE PROGRESS

Percentage of employees receiving regular performance and career development reviews at the Group level

Employee Category	Percentage of employees receiving regular performance and career development reviews ¹⁰		
	Male	Female	Total
Gender			
Total	93%	94%	93%
Non-executive	93%	94%	93%
Junior management	94%	111%	98%
Middle management	101%	87%	97%
Senior management	83%	88%	84%

Our Assessment Centre further supports career development, creating upskilling plans. Investment in employee growth continues with access to Workday Learning, offering a comprehensive platform for skill enhancement and course participation. We also provide a global manager training programme for new and upcoming managers, covering essential topics to equip them for success in their roles.



Promoting Excellent Talent Through Pacu Bakat

The Pacu Bakat Programme, launched in January 2022, acts as a panel evaluation process. Its purpose is to identify talent suitable for promotion opportunities across all refineries. This ongoing programme assesses participants according to their targeted level, conducted biannually in October and April. Currently, the focus is on Assistant Manager and Manager positions.

Candidates who successfully complete the assessment and project presentation embark on a six-month acting period. Following this, they are promoted if their performance is satisfactory. The programme registered 33 participants in the 2023 cycle. Of these, 90% successfully completed the programme and received promotions. The remaining 10% were advised to refine their presentations.

Manager Training Programme (MTP)

We have been conducting the MTP since 2019. The MTP has already rolled out two batches. In 2023, we launched the third MTP, covering Operational Excellence, Sustainability, Digital Transformation and People Manager Mastery. The programme in 2023 targeted managers at the level and above. Its purpose is to:

- Equip managers with the knowledge and skills to be effective in their roles.
- Offer a global programme for consistency in content and delivery.
- Cover RGE's processes/ways of doing things (hard skills) and focus on leadership (soft skills).



¹⁰ The percentage is calculated by comparing the number of employees who received regular reviews with the total number of employees as of 31 December 2023. Some employees who received reviews but left the company before 31 December 2023 are included in the calculation. Thus, the percentage may exceed 100%.

INCLUSIVE PROGRESS

HEALTH, SAFETY, AND WELL-BEING

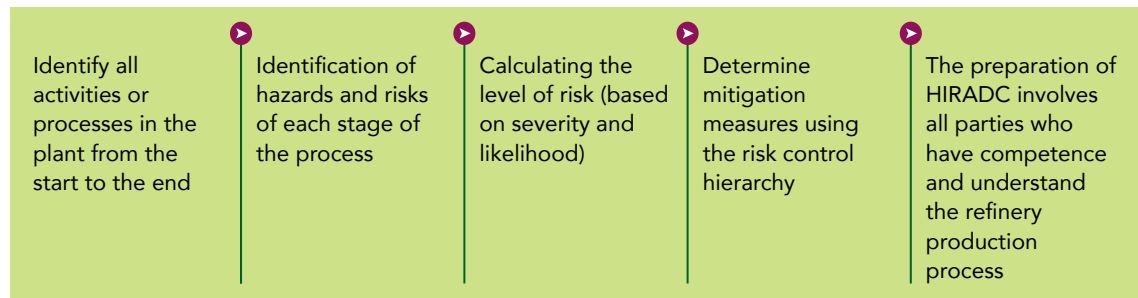
GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10

At Apical, the welfare and safety of our staff are paramount. We have established an Occupational Health and Safety Management System (OSHMS) to bolster work safety, prevent accidents, enhance the work setting and preserve employee well-being. This system adheres to Indonesia's national regulations, including Law No. 1/1970 on Occupational Health and Safety, Law No. 13/2003 on Employment, Government Regulation No. 50/2012 on Occupational Health and Management System and Regulation of the Minister of Manpower No. 05/2018 on Work Health and Safety Environment. It encompasses all employees, operations, and work locations. Our Occupational Health and Safety (OHS) frameworks in China and Spain are similarly aligned with local statutes, such as the Law of the People's Republic of China on Occupational Disease Prevention and the ISO 45001:2018 standard, respectively.



Hazard Identification and Management

To identify and manage risks, we designate qualified Apical staff in our operations to conduct Hazard Identification, Risk Assessment and Risk Control (HIRARC) procedures yearly and as needed. These individuals are certified through a nationally accredited OHS Expert Training programme. The HIRARC method involves identifying all plant activities or processes, pinpointing hazards and risks at each step, assessing risk levels based on severity and likelihood and deciding on mitigation strategies via a risk control hierarchy. This comprehensive approach engages all relevant parties, ensuring a deep understanding of refinery operations.



To minimise workplace hazards, only certified, physically fit personnel are permitted to operate machinery and handle dangerous chemicals. All employees must attend safety briefings and OHS training sessions on topics like first aid, hazardous material management and firefighting. Our refineries enforce regular fire prevention training and routine fire equipment inspections. Notably, in 2023, we reported no fire incidents and achieved full compliance with Hot Work Permit requirements.

Workers at Apical are free to report any work-related hazards and hazardous situations. These issues will be investigated and resolved with no action taken against the reporter. Additionally, workers have the right to "stop work" if they have any safety or health concerns in their working environment.

We supply essential Personal Protective Equipment (PPE), including helmets, safety goggles and full mask respirators, to reduce injury risks. Health and safety updates are regularly communicated to our workforce via safety talks, bulletin boards and digital platforms like WhatsApp. Each of our refineries conducts daily safety patrols and inspections, empowering workers to halt operations if safety concerns arise.

Health and Safety Committee

All our refineries has a Health & Safety (H&S) Committee to oversee our OHS management system. These committees, consisting of diverse operational unit representatives, meet monthly to review workplace health and safety conditions, gather employee feedback, and share the latest H&S news. Their insights help refine our OHS approach and employees are urged to report hazards to their H&S committee representatives. We ensure protection against retaliation for those reporting concerns, with strict disciplinary measures for any reprisals.

Supplier and Contractor Engagement

We mandate all suppliers and business partners to adhere to our labour and safety standards, verified through a checklist before their initial site visit. This includes a safety induction and mandatory PPE provision for business partners upon entering our premises. Our engagement extends to ensuring suppliers meet our OHS criteria.

Health Promotion

Our occupational health and safety management system extends to all employees, including contractors, across our facilities. We address common work-related health issues, offering access to healthcare services through employee medical insurance. In Indonesia, employees benefit from the BPJS Kesehatan¹¹ Insurance Scheme, with similar medical coverage available in Spain and China. All employees undergo health screenings upon hiring and annually thereafter.

Health awareness initiatives, physical activity encouragement through sports centres, health campaigns and seminars on occupational health are part of our effort to promote a healthy workforce. Additionally, we have hosted events to bolster corporate culture and recognise employee contributions, including breakfast days, gala dinners and Health Day events with basic health check-ups.

This comprehensive approach underscores our commitment to ensuring a safe, healthy work environment across all our operations, in line with local and international standards. Measures to mitigate risks include proper PPE use, process improvements, routine maintenance, air quality monitoring and health risk assessments.



¹¹ Badan Penyelenggara Jaminan Sosial (BPJS) Kesehatan or Indonesia's National Social Security Agency for Health

INCLUSIVE PROGRESS

Health and Safety Performance

Injury and Rate

Year	2023		2022		2021 ¹²	
Type of Workers	Employees	Contractors	Employees	Contractors	Employees	Contractors
1) Recordable Work-Related Injuries						
Recordable: Work-Related Injuries						
Number	9	13	9	11	7	2
Rate per 1 million hours worked	0.92	1.07	1.69	1.07	1.18	0.24
2) Fatalities As A Result Of Work-Related Injuries						
Fatalities: Work-Related Injuries						
Number	0	1	0	1	1	4
Rate per 1 million hours worked	0	0.08	0	0.10	0.17	0.48
3) High-Consequences Work-Related Injuries (Excluding Fatalities)						
High-Consequences: Work-Related Injuries (excluding fatalities)						
Number	0	0	1	1	2	3
Rate per 1 million hours worked	0	0	0.19	0.10	0.34	0.36
4) Loss Day						
Loss Day: Work-Related Injuries						
Total Number of Loss Day ¹³	45	53	176	106	N/A	N/A
5) Near Misses						
Total Number of Near Misses	1,048		331		N/A	
6) Total Number of Hours Worked	9,738,799	12,154,481	5,336,232	10,243,165	5,946,251	8,412,157

¹² N/A in 2021 means that the data were not disclosed in the Sustainability Report 2021

¹³ The total lost day number is the total number of days of hospitalisation and rehabilitation

Ill Health and Rate

Year	2023		2022		2021 ¹²	
Type of Workers	Employees	Contractors	Employees	Contractors	Employees	Contractors
1) Recordable Work-Related Ill Health						
Number	0	0	2	0	N/A	N/A
Rate per 1 million hours worked	0	0	0.37	0	N/A	N/A
2) Fatalities As A Result Of Work-Related Ill Health						
Number	0	0	0	0	N/A	N/A
Rate per 1 million hours worked	0	0	0	0	N/A	N/A

We regret to report that there was one fatality case involving our contractor due to a fall from height. We have implemented corrective actions to prevent a similar case from occurring. These actions include the installation of additional safety lines on each floor, strengthening the inspection of the proper use of Full Body Harnesses, providing extra safety personnel to monitor work at height, familiarising contractors with working at height SOP and familiarising them with our Occupational Safety and Health guidelines.

We also observed an increase in near misses concurrent with the rise in working hours. Meanwhile, working hours in 2023 aligned to our local labour laws as most of our operations were fully operational compared to 2022, and this was further influenced by the inclusion of working hours from our new site in Taixing, China.

¹² N/A in 2021 means that the data were not disclosed in the Sustainability Report 2021

INCLUSIVE PROGRESS

Our Programme/Initiatives

Employee-related activity	Location	Description of Activity	Outcome
Training and Awareness	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia Padang, Indonesia Nanjing, China Taixing, China 	Conducted safety awareness training, including oil spill mock drills, first aid, use of personal protective equipment (PPE), general manufacturing practices (GMP) awareness, food/feed safety awareness and machinery safety	1,254 people trained
Fire Safety Management & Awareness	<ul style="list-style-type: none"> Dumai, Indonesia Balikpapan, Indonesia Tanjung Balai, Indonesia Padang, Indonesia 	Provided basic knowledge on fire prevention, suppression and firefighting techniques	1,422 people trained
Emergency Drills	Dumai, Indonesia	Provided emergency preparedness training and drills for fire, oil spills and food poisoning	86 people trained
Health talks & training	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia 	Improved knowledge about health through in-house training or seminar provided by public hospital. Morning exercise also been encouraged to all employees	2,565 people attended
Competency certification	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia 	Provided safety competency certification for operators and preparation for ISO14001:2015 and other aspect of certification	35 people involved
Blood Donation	Dumai, Indonesia	Engaged employees in blood donations, in collaboration with the Indonesian Red Cross (PMI)	539 people donated
Environmental Protection	Dumai, Indonesia	Planting Mangrove trees at Purnama Beach	2,000 Mangrove trees planted

Our Next Steps

In 2024, we will continue to secure benefits and the health, safety, and well-being of our people as they are key to our successful business and smooth operations. We will continue to target zero fatalities, occupational illness and work-related injuries in the future, which entails regularly training our employees and reviewing our OHS framework to update our protocols and guidelines.

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

GRI 3-2

List And Definition Of Material Topics

<p>Governance</p> <p>Board and Executive Compensation, Independence and Diversity Compensation, accountability, independence and gender diversity of the company's board and senior management in addition to sustainability governance and incentives.</p> <p>Business Ethics Organisational standards governing the actions and behaviour of individuals (e.g. prevention of anti-competitive practices, working against corruption, extortion, money-laundering and bribery) to ensure that business principles and integrity are upheld.</p> <p>Compliance Compliance is either a state of being in accordance with established laws, regulations, standards and ethical practices that apply to the organisation or the process of becoming so.</p> <p>Anti-Corruption Commitment to avoid or eliminate corruption, extortion and bribery, including requiring high compliance standards, within the company's global operations and supply chain.</p> <p>Zero-tolerance Conduct / Grievance Mechanisms Culture of zero tolerance towards bad conduct (internally or externally) and that employees feel free to speak up without fear or retaliation, including setting up formal channels (e.g. whistle-blower channels) for employees, contractors and third-parties to report on issues.</p> <p>Access to Remedy Ability to take appropriate steps to ensure that if a human rights abuse occurs in the supply chain, victims have access to effective grievance mechanisms (mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on dialogue and engagement).</p> <p>Systemic Risk Management Assessing and managing financial and business risk throughout the entire company system to prevent major disruptions that may harm economies and societies at large (e.g. financial crisis).</p> <p>Transparency Disclosure of information regarding labour, health and safety, environmental practices, business activities, structure, financial situation and performance, in accordance with applicable regulations and prevailing industry practices.</p>

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Environment

GHG Emissions

The emission into the earth's atmosphere of various gases (water vapour, carbon dioxide, methane, nitrous oxide and ozone) that contribute to the greenhouse effect. Any targets, programmes, or resources dedicated towards decarbonisation and carbon neutrality also fall into this category, in addition to air pollution control.

Climate Change Strategy

Efforts to develop strategies to mitigate and adapt to climate change (e.g. renewable energy procurement); as well as efforts to manage the impacts of climate change across the company's value chain. This would also cover the efficient use of natural resources.

Deforestation

Encouraging management practices to avoid deforestation across company's value chain. This includes company's commitment to removing commodity-driven deforestation from its supply chains, in addition to remediation, recovery and/or restoration of forest loss.

Water Use

Implementation of a systematic approach conserve, reduce use of and reuse water in company operations and supply chain and to stimulate water conservation within its sphere of influence.

Waste

Implementation of a systematic approach to identify, manage, reduce and responsibly dispose of or recycle waste. This also refers to the management of materials and waste throughout the product lifecycle – extracting maximum value whilst in use and recovering and regenerating materials at the end of each service life in order to realise the full business and environmental value of material inputs.

Biodiversity

Company operations can have adverse impacts on local ecosystems (e.g. forests) through consumption of raw materials and land use, especially where operations are sited in biologically sensitive areas. Companies can also undertake conservation efforts to monitor biodiversity loss, promote reforestation, etc.

Employees

Diversity and Inclusion

A workplace where all employees are treated with dignity and fairness, without discrimination in employment based on gender, ethnicity, religion, nationality and sexual orientation.

Employee Health, Safety and Well-being

Managing the risk of employees and workers' safety and improving their health and wellness, including relevant trainings, insurance programmes and initiatives to improve work-life balance.

Training and Development

Efforts to provide employees with training and practices on innovative business systems to allow for promotion within the company and/or advancement externally.

Compensation and Benefits

Payment an employee receives for services renders and extra incentives offered by the company to its employees, including legally required benefits.

Freedom of Association

The right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly, as well as respect the right of workers to refrain from such activities.

Empowering Communities

Process of diversification and enhancement of economic and social activity on a local scale in a territory where the company is operating / sourcing, with the aim of improving resilience and enhancing livelihoods.

Supporting Human Rights

Approaches, policies and due diligence processes that enable directing finance to avoid harm to human rights at a minimum and to maximise the potential in fulfilling human rights.

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Supply chain

Responsible Procurement Practices

Processes for sourcing external supplies, including supplier relationships and evaluation of suppliers' environmental and social practices. This would also include protocols on conducting supply chain risk assessments.

Sustainable Agriculture

Maintaining sustainable agriculture practices with regard to the company's direct suppliers, contract animal producers and feed grain growers. This involves understanding the impact of agricultural operations on the environment and local communities, and making conscious efforts to mitigate potential negative impacts. This category also entails efforts to develop innovative technologies and products that mitigate and adapt to climate change.

Labour Standards in the Supply Chain

Efforts to eliminate of all forms of forced and compulsory labour, such as child labour and human trafficking; affirm employees' right of freedom of association and recognition of the right to collective bargaining; ensuring occupational health & safety of workers and the humane treatment of workers in the supply chain.

Supply Chain Traceability and Transparency

Traceability refers to a company's ability to track the movement of products along its supply chain, while transparency refers to the disclosure of clear traceability information to consumers and stakeholders. Companies can leverage technological monitoring approaches (e.g. remote sensing, satellite imagery, etc.) to identify risk hotspots and achieve traceability and transparency.

Supplier Diversity and Inclusiveness

Efforts to diversify company procurement relationships and integrate traditionally underrepresented groups, such as women-owned businesses or local community businesses.

Serving Smallholder Farmers

Collaborative efforts to overcome challenges and effectively serve smallholder farmers, with the aim of improving their livelihoods.

Products and Services

Product Quality and Safety

Products should be safe for consumers and manufactured in a way that meets appropriate quality assurance standards, suitable certifications, and applicable regulations.

Stakeholder Engagement

GRI 2-29


We work closely with different stakeholder groups to enable Apical to systematically identify, analyse, plan and implement our sustainability commitments. Our stakeholders are vital in ensuring the needs of key business partners, civil groups, NGOs, communities and our customers are met. Our method of stakeholder engagement emphasises inclusivity as we maintain to involve our stakeholders regularly on relevant topics. We value the feedback from our stakeholders as we believe their opinions are key to generating sustainable value that benefits everyone in the value chain.

Below outlines our engagement with stakeholders in 2023:

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's Response
Customers & Consumers	<ul style="list-style-type: none"> Conference calls (regularly) One-on-one communication (regularly) Sustainability Report (annually) Presentations and meetings (ad-hoc) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Survey (periodically) Materiality Assessment (every 2-3 years) 	<ul style="list-style-type: none"> Apical's sustainability commitments, Apical2030, initiatives and progress to achieve policy commitments Updates to traceability and customer data requirement Grievances on Apical's operations and/or suppliers Partnerships and collaborations on joint community/conservation projects Service improvements for customers 	<ul style="list-style-type: none"> Engaged with customers for Sustainability related questions and alignment of Apical towards Customer's sustainability framework. This includes but not limited to requests for traceability information, inquiries on grievance matters related to our supply chain and information on our sustainability activities such that customers have a clearer understanding of our sustainability progress, challenges and targets Supporting customer audit of refineries based on commercial requirements Meetings and discussions on EUDR alignment Involved with multi-stakeholder initiatives such as the POCG to collaborate on sustainability efforts and addressing challenges Apical's product carbon footprint Conducted SMETA audit for PRC and AAJ Marunda in 2023. Scheduling to have SMETA audits for other refineries scheduled in 2024-2025

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's Response
Banks & Financial Institutions	<ul style="list-style-type: none"> E-mail updates (regularly) One-on-one meetings (periodically) Survey (periodically) Sustainability Report (annually) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Bankers roadshow (ad hoc) Site visits (ad-hoc) Materiality assessment (every 2-3 years) 	<ul style="list-style-type: none"> Apical's sustainability commitments, Apical2030, initiatives and progress to achieve policy commitments Apical's financial performance Grievances SLL 	<ul style="list-style-type: none"> Provided information on our sustainability policy and commitments, programmes and progress on our targets Provided update on past and ongoing grievance cases and clarity on cases based on information published online Provided update on SLL framework progress
Civil Society Groups	<ul style="list-style-type: none"> One-on-one meetings (regularly) Multi-stakeholder forums (regularly) Sustainability Report (annually) Survey (periodically) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Site visits (ad-hoc) Materiality Assessment (every 2-3 years) 	<ul style="list-style-type: none"> Apical's sustainability commitments, Apical2030, initiatives and progress to achieve policy commitments Update on NDPE commitments (especially 'No exploitation') Improvements in transparency Traceability updates Grievances on Apical's operations and/or suppliers Partnerships and collaborations on joint community/conservation projects 	<ul style="list-style-type: none"> Engaged with NGOs on the resolution of grievance cases Collaborated with Yayasan Inisiatif Dagang Hijau (IDH), Yayasan Ekosistem Lestari (YEL), Forum Konservasi Leuser (FKL) for SLV programme in Aceh Singkil

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's Response
Industry groups, trade associations and certification bodies	<ul style="list-style-type: none"> One-on-one meetings (regularly) Multi-stakeholder forums and events (regularly) Sustainability Report (annually) Survey (periodically) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Materiality Assessment (every 2-3 years) 	<ul style="list-style-type: none"> Opportunities for collaboration on landscape level initiatives Palm oil certification Traceability verification 	<ul style="list-style-type: none"> Participated in RSPO, ISPO and ISCC certification updates and new requirements RSPO Membership since 12 August 2011 and Participation in RSPO Annual Roundtable event as a voting member Active participation and contribution in the POCG under several work streams such as AWG, PPBC WG, Social Issues Working Group, Independent Verification Working Group since 2020 Participated as a speaker in the smallholder workshop during RSPO Round Table Conference 2023 
Employees	<ul style="list-style-type: none"> Annual appraisals and PRP Townhall meetings (annually) Major festival celebrations (annually) HR training programmes (ongoing) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Materiality Assessment (every 2-3 years) 	<ul style="list-style-type: none"> Workplace Health and Safety procedures Training and development opportunities Communication of policies and initiatives in responsible palm oil Strategic direction of the business Awareness of company policies, including the Code of Conduct and TOPICC core values 	<ul style="list-style-type: none"> Continued to communicate our Sustainability Policy to employees internally through presentations Provided training and career development programmes as well as recreational activities Facilitated dialogues with labour union representatives Provision of health insurance and retirement fund Conducted sharing session related to Science-based targets and the NPC Impact Assessment Framework Conducted sharing session on TCFD/ISSB disclosures Awareness briefing on EUDR

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's Response
Local Community	<ul style="list-style-type: none"> Apical's grievance mechanism to understand and address community concerns including FPIC and environmental conservation (ongoing) Dialogue with community groups and representatives facilitated by our SSL Team (regularly) Outreach programmes to improve livelihood (annually) Complaint handling, grievance procedures and conflict resolution engagement (ad hoc) Surveys (periodically) 	<ul style="list-style-type: none"> Address community concerns including FPIC Ensure the local community reaps the benefits that palm oil brings such as better infrastructure, access to employment opportunities Fire prevention 	<ul style="list-style-type: none"> Prioritised employment opportunities to local communities Increased in community investments and programmes to improve well-being, infrastructure and basic needs Prevention of fire outbreak with Free Fire Village Programmes Conducted CLEAN workshops to empower on alternative livelihood options
Governments and regulatory bodies	<ul style="list-style-type: none"> Multi-stakeholder forums and events (regularly) Consultations (regularly) Field visits (regularly) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) One-on-one meetings (ad-hoc) Materiality Assessment (every 2-3 years) Survey (periodically) 	<ul style="list-style-type: none"> Compliance with government policies and regulations Communications around Apical's policies and actions in responsible palm oil Alignment of Apical's initiatives with government policies, especially in HCV/HCS areas and smallholder development 	<ul style="list-style-type: none"> Provision of updated documents on compliance of Apical and our suppliers Participation in PROPER programme Submission of regular monitoring reports Collaboration with regional and local governments to conduct programmes such as SLV

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's Response
Suppliers including smallholders	<ul style="list-style-type: none"> Anchor Programmes (regularly) Sustainability Report (annually) One-on-one communication (ad-hoc) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Materiality Assessment (every 2-3 years) Survey (periodically) 	<ul style="list-style-type: none"> Information on compliance with Apical's Sustainability Policy and standards including traceability requirements Apical's sustainability commitments, Apical2030, initiatives and progress to achieve policy commitments Clarification on grievances lodged on supplier's operations Risk assessments of supply chains Gaps in traceability data collection Supplier screening and monitoring 	<ul style="list-style-type: none"> Capacity building to ensure suppliers use best practices when it comes to sustainability in their operations and ensure responsible production, aligned with Apical's Sustainability Policy Enhances fire prevention measures by cooperating with Asian Agri on its Fire Free Village Programme Continued collaboration with Asian Agri to develop biogas plants Continued supplier engagement through our Anchor Programmes Engaged with 3,083 smallholders through our SMILE Programme Socialisation with suppliers on EUDR requirements and how it affects the business operations
Media	<ul style="list-style-type: none"> Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Events (periodically) 	<ul style="list-style-type: none"> Updates on Apical's sustainability initiatives e.g. SMILE, Apical2030, SLV Discussion with employees 	<ul style="list-style-type: none"> Highlighted benefits of sustainable palm oil Annual Break Fast Continued engagement for updates to Apical's sustainability initiatives

APPENDIX 1: GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Universal Standards (GRI 1: Foundation, GRI 2: General Disclosures, GRI 3: Material Topics) and GRI 13: Agriculture, Aquaculture, and Fishing Sector Standards. Several topics in GRI 13 are not relevant to Apical's operations as a palm oil refinery company hence, not all standards in GRI 13 are reflected below. Where we were not able to meet the GRI Standards reporting requirements, we have included reasons for omission in the table.

Statement of use	Apical has reported in accordance with the GRI Standards for the period of January 1 to December 31, 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 13: Agriculture, Aquaculture, and Fishing Sector Standards

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
General Disclosures				
GRI 2: General Disclosures 2021	Organisation profile			
	2-1	Organisation Details	About Apical	2-3, 8-13
	2-2	Entities included in the organisation's sustainability reporting	Reporting Framework About Apical 2-2b to 2-2c: Not applicable	2 10
	2-3	Reporting period, frequency and contact point	Reporting Framework; Point of Contact	2-3
	2-4	Restatements of information	Climate Action - GHG Emission Green Innovation - Water Management	75 83
	2-5	External assurance	External Assurance	2-3
	Activities and Workers			
	2-6	Activities, value chain and other business relationships	About Apical Transformative Partnerships - Our Supply Chain Profile	8-13 54
	2-7	Employees	About Apical Inclusive Progress - Employee Profile	10 115-117

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
GRI 2: General Disclosures 2021 (continued)	2-8	Workers who are not employees	Not applicable as Apical does not have workers who are not employees	
	Governance			
	2-9	Governance structure and composition	Our Approach to Sustainability - Sustainability Governance 2-9c: We do not report as we are not a public-listed company	34-35
	2-10	Nomination and selection of the highest governance body	We do not report as we are not a public-listed company	
	2-11	Chair of the highest governance body	Our Approach to Sustainability - Sustainability Governance 2-11b: We do not report as we are not a public-listed company	34-35
	2-12	Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability - Sustainability Governance Materiality Assessment and Stakeholder Engagement - Stakeholder Engagement	34-35 137-141
	2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability - Sustainability Governance Climate Action - Managing our Environmental Footprint	34-35 72-73
	2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability - Sustainability Governance	34-35
	2-15	Conflicts of interest	We do not report as we are not a publicly listed company	
	2-16	Communication of critical concerns	Our Approach to Sustainability - Feedback Channels for Stakeholders	37-40

APPENDIX 1: GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page	
GRI 2: General Disclosures 2021 (continued)	2-17	Collective knowledge of the highest governance body	Inclusive Progress – Training and Development	125	
	2-18	Evaluation of the performance of the highest governance body	We do not report as we are not a public-listed company		
	2-19	Remuneration policies	We do not report as we are not a public-listed company		
	2-20	Process to determine remuneration	We do not report as we are not a public-listed company		
	2-21	Annual total compensation ratio	We do not report as we are not a public-listed company		
	Strategy, policies, and practices				
	2-22	Statement on sustainable development strategy	President's Statement Our Approach to Sustainability – Apical2030	4-7 23-25	
	2-23	Policy commitments	Our Approach to Sustainability	26-29	
			Inclusive Progress – Respecting The Rights of Indigenous Peoples and Local Communities Materiality Assessment and Stakeholder Engagement – Stakeholder Engagement	103 137-141	
	2-24	Embedding policy commitments	Our Approach to Sustainability Transformative Partnership – Engagement through Our Anchor Programmes Inclusive Progress – Improving Community and Smallholder Lives	26-29 60-67 100, 104-113	

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page	
GRI 2: General Disclosures 2021 (continued)	2-25	Processes to remediate negative impacts	Our Approach to Sustainability – Feedback Channels for our Stakeholders	37	
			Our Approach to Sustainability – Grievance Mechanism	38-40	
			Materiality Assessment and Stakeholder Engagement – Stakeholder Engagement	137-141	
	2-26	Mechanisms for seeking advice and raising concerns	Our Approach to Sustainability – Feedback Channels for our Stakeholders	37-40	
			Our Approach to Sustainability – Whistleblowing	40	
	2-27	Compliance with laws and regulations	Our Approach to Sustainability – Ethics and Compliance	36	
			Our Approach to Sustainability – Anti-Corruption and Anti-Bribery	36-37	
	2-28	Membership associations	Our Approach to Sustainability – Partnerships, Memberships, and Certifications	41-43	
	Stakeholder Engagement				
	2-29	Approach to stakeholder engagement	Our Approach to Sustainability – Materiality Assessment	20-22	
Materiality Assessment and Stakeholder Engagement – Stakeholder Engagement			137-141		
2-30	Collective bargaining agreements	Inclusive Progress – Diversity and Equal Opportunity	122-124		

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Approach to Sustainability – Materiality Assessment	20-22
	3-2	List of material topics	Our Approach to Sustainability – Materiality Assessment Materiality Assessment and Stakeholder Engagement – Materiality Assessment	21 133-136
Governance				
Board and Executive Compensation, Independence and Diversity				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Apical2030 Highlights	16-17
			Our Approach to Sustainability – Sustainability Governance	34-35
			Our Approach to Sustainability – Grievance Management	38
			Inclusive Progress – Training and Development	125-127
			Materiality Assessment and Stakeholder Engagement	137-141
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Inclusive Progress – Employee Profile	115-117
			Inclusive Progress – Diversity and Equal Opportunities 405-1a: We do not report as we are not a public-listed company	122-124
Business Ethics				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Ethics and Compliance	36
			Materiality Assessment and Stakeholder Engagement	137-141

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Our Approach to Sustainability – Corporate Governance	33
			Our Approach to Sustainability – Ethics and Compliance	36
			Our Approach to Sustainability – Anti-Corruption and Anti-Bribery	36-37
Compliance				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Ethics and Compliance	36
GRI 207: Tax 2019	207-1	Approach to tax	Our Approach to Sustainability – Tax Management	37
	207-2	Governance, control and risk management	Our Approach to Sustainability – Risk Management	36
Anti-Corruption				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Corporate Governance	33-37
			Our Approach to Sustainability – Ethics and Compliance	36
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Our Approach to Sustainability – Anti-Corruption and Anti-Bribery 205-2a to 2025-2e: Not Applicable as Apical does not have this	36-37
	205-3	Confirmed incidents of corruption and actions taken	Our Approach to Sustainability – Anti-Corruption and Anti-Bribery	37

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
Zero-tolerance Conduct/Grievance Mechanism				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – A-SIMPLE Framework	30-32
			Our Approach to Sustainability – Feedback Channels for Stakeholders	37-39
			Transformative Partnerships – Management Approach	51-53
Access to Remedy				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – A-SIMPLE Framework	30-32
			Our Approach to Sustainability – Feedback Channels for Stakeholders	37-39
			Transformative Partnerships – Management Approach	51-53
Systemic Risk Management				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Materiality Assessment	20-22
			Our Approach to Sustainability – Corporate Governance	33-35
			Materiality Assessment and Stakeholder Engagement	137-141
Transparency				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Materiality Assessment	20-22
			Our Approach to Sustainability – Corporate Governance	33-35
			Materiality Assessment and Stakeholder Engagement	137-141

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
Environment				
GHG Emissions				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Climate Action	72-74
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Climate Action – GHG Emissions	75
	305-2	Energy indirect (Scope 2) GHG emissions	Climate Action – GHG Emissions	75
	305-3	Other indirect (Scope 3) GHG emissions	Not disclosed as Apical is currently in the process of quantifying Scope 3 emissions.	
	305-4	GHG emissions intensity	Climate Action – GHG Emissions	75
	305-5	Reduction of GHG emissions	Climate Action – GHG Emissions	74-75
	305-6	Emissions of ozone-depleting substances (ODS)	Information unavailable, we currently have not collected this data	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Information unavailable, we currently have not collected this data	
Climate Change Strategy				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Climate Action – Managing our Environmental Footprint	72-74
			Green Innovation – Climate Action Strategy	79-80
GRI 302: Energy 2016	302-1	Energy Consumption within the organisation	Green Innovation – Energy Management	81-82
	302-2	Energy consumption outside of the organisation	Information unavailable, we currently have not collected this data	
	302-3	Energy intensity	Green Innovation – Energy Management	81-82
	302-4	Reduction of energy consumption	Green Innovation – Energy Management	81-82

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
Deforestation				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Apical2030 Highlights	16-17
			Our Approach to Sustainability	18-23
			Our Approach to Sustainability – Apical Sustainability Policy	26-27
			Partnerships, Memberships and Certifications	41-42
			Supporting the UN SDGs	44-50
Transformative Partnerships	51-71			
Water Use				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Green Innovation – Ensuring Sustainable Operations	79-80
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Green Innovation – Water Management	82-85
	303-2	Management of water discharge related impacts	Green Innovation – Water Management	82-86
	303-3	Water withdrawal	Green Innovation – Water Management	84
	303-4	Water discharge	Green Innovation – Water Management	85-86
	303-5	Water consumption	Green Innovation – Water Management	82-83
Waste				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Green Innovation – Management Approach, Waste Management	79-80
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Green Innovation – Waste Management	87
	306-2	Management of significant waste-related impacts	Green Innovation – Waste Management	87

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
GRI 306: Waste 2020 (continued)	306-3	Waste generated	Green Innovation – Waste Management	88
	306-4	Waste diverted from disposal	Green Innovation – Waste Management	89
	306-5	Waste directed to disposal	Green Innovation – Waste Management	88
Biodiversity				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability	18
			Transformative Partnerships – Working with Suppliers on Environmental Conservation	68-71
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	Transformative Partnerships – Working with Suppliers on Environmental Conservation	68-71
	304-3	Habitats protected or restored	Apical2030 Highlights Transformative Partnerships – Working with Suppliers on Environmental Conservation Inclusive Progress – Community Investment	16 68-71 106-107
Employees				
Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Looking After our People	114-115
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Inclusive Progress – Employee Profile	116-117
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Inclusive Progress – Employee Profile	122-123
Employee Health, Safety and Well-being				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Safety, Health and Well-being	128-129

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Inclusive Progress – Safety, Health and Well-being	128-131
	403-2	Hazard identification, risk assessment and incident investigation	Inclusive Progress – Safety, Health and Well-being	128-131
	403-3	Occupational Health Services	Inclusive Progress – Safety, Health and Well-being	128-131
	403-4	Worker participation, consultation and communication on occupational health and safety	Inclusive Progress – Safety, Health and Well-being	128-131
	403-5	Worker training on occupational health and safety	Inclusive Progress – Safety, Health and Well-being	128-131
	403-6	Promotion of worker health	Inclusive Progress – Safety, Health and Well-being	129-132
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Inclusive Progress – Safety, Health and Well-being	128-131
	403-8	Workers covered by an occupational health and safety management system	Inclusive Progress – Safety, Health and Well-being	129
	403-9	Work-related injuries	Inclusive Progress – Safety, Health and Well-being	130
	403-10	Work-related ill health	Inclusive Progress – Safety, Health and Well-being	131
Training and development				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Training and Development	113-114
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Inclusive Progress – Training and Development	125
	404-2a	Programmes for upgrading employee skills and transition assistance programmes	Inclusive Progress – Training and Development	125-127

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
GRI 404: Training and Education 2016 (continued)	404-2b	Programmes for continued employability and the management of career endings from retirement or termination of employment	Not applicable as Apical does not have this	
	404-3	Percentage of employees receiving regular performance and career development reviews	Inclusive Progress – Training and Development	126
Compensation and Benefits				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Looking After our People	113-114
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our Approach to Sustainability – Corporate Governance Inclusive Progress – Employee Profile Inclusive Progress – Fair wages and employee benefits	33-35 115-117 117-119
	202-2	Proportion of senior management hired from the local community	Inclusive Progress – Fair wages and employee benefits	120
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Inclusive Progress – Fair wages and employee benefits	120-122
	401-3	Parental leave	Inclusive Progress – Fair wages and employee benefits	120-121
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	Inclusive Progress – Fair wages and employee benefits	117-119
Freedom of Association				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Looking After our People	113-114

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Inclusive Progress – Diversity and Equal Opportunity	124
Society				
Empowering Communities				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Empowering Communities Inclusive Progress – Community Investment	99-106 106-113
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Inclusive Progress – Respecting the Rights of Indigenous Peoples and Local Communities	99-103
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Inclusive Progress – Empowering Communities Inclusive Progress – Community Investment	99-108 106-113
	413-2	Operations with significant actual and potential negative impacts on local communities	Inclusive Progress – Empowering Communities Inclusive Progress – Community Investment	99-108 106-112
Supporting Human Rights				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Apical Sustainability Policy	26-29
			Transformative Partnerships – Engagement Through our Anchor Programmes	60-64, 67
			Transformative Partnerships – Human Rights and our Supply Chain	65-66
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Not disclosed	
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Transformative Partnerships – Human Rights and our Supply Chain	65-66
			Inclusive Progress – Diversity and Equal Opportunity	124

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/Reasons for Omission	Page
Supply Chain				
Responsible Procurement Practices				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships Green Innovation – Certifying Palm Oil to be Sustainable	51-52 96-97
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Transformative Partnerships - Engagement Through our Anchor Programmes Transformative Partnerships - Working With Suppliers on Environmental Conservation	60-64 68-70
	308-2	Negative environmental impacts in the supply chain and actions taken	Our Approach to Sustainability – Grievance Management Managing Supply Chain Risk through Technology Engagement Through our Anchor Programmes Working With Suppliers on Environmental Conservation	38-40 60 60-64 68-70
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Engagement Through our Anchor Programmes	60-64
	414-2	Negative social impacts in the supply chain and actions taken	Engagement Through our Anchor Programmes Working With Suppliers on Environmental Conservation	60-64 68-70
Sustainable Agriculture				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability Transformative Partnerships Certifying Palm Oil to be Sustainable	18-22 51-71 96-98
Labour Standards in the Supply Chain				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships	51-52

APPENDIX 1: GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Transformative Partnerships – Human Rights and our Supply Chain	65-66
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Transformative Partnerships – Human Rights and our Supply Chain Inclusive Progress – Sedex Members Ethical Trade Audit (SMETA)	65-66 114-115
Supply Chain Traceability and Transparency				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships Transformative Partnerships – Traceability of Our Palm Oil Transformative Partnerships – Managing Supply Chain Risk through Technology Transformative Partnerships – Managing With Suppliers on Environmental Conservation Green Innovation - Certifying Palm Oil to be Sustainable	51-52 54-57 60 68-70 96-98
Supplier Diversity & Inclusiveness				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships	51-52
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Transformative Partnerships – Our Supply Chain Profile	54
Serving Smallholder Farmers				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships Inclusive Progress	51-52 107-109
Products				
Product Quality and Safety				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Green Innovation – Delivering Best Quality Products Green Innovation – Certifying Palm Oil to be Sustainable	93-95 96-98

APPENDIX 2: ASSURANCE STATEMENT



INDEPENDENT ASSURANCE STATEMENT

Control Union (Malaysia) Sdn Bhd (hereinafter referred to as “Control Union”) was commissioned by Apical Group (PTE.) Limited (hereinafter referred to as “Apical”) to undertake an independent assurance of Sustainability Report 2023.

Apical is responsible for the collection, analysis and preparation of the information in the Sustainability Report. Control Union was not involved in the preparation of any material included in the report, except for the issuance of this Independent Assurance Statement.

The responsibility of Control Union is to express an opinion concerning the information included in the Sustainability Report within the assurance scope mentioned below, with the purpose to inform all the Interested Parties.

Control Union’s assurance engagement is based on the assumption that all data and information provided is reliable and in good faith.

[Scope of Assurance](#)

Apical’s Sustainability Report was developed using Global Reporting Initiative (GRI) standards. Thus, assurance has been planned and performed for applicable sustainability performance disclosures presented by Apical in the Sustainability Report. Control Union multi-disciplinary verification team performed the assurance process that involves verification of the following aspects:

Inclusivity:

Engagement with stakeholders in the report development process and their involvement in organizational decision making

Apical has continuously engaged with various groups of stakeholders, which resulted in several notable engagements related to environmental, social and governance for the period of 2023. The results of maintaining open stakeholder dialogue and through multiple platforms and programmes allow Apical to better understand critical issues that are of importance to and affect each stakeholder group. The outcome from the stakeholder engagements has served as inputs for several sustainability focused initiatives launched by Apical.

Materiality:

Identification of issues in the report that are relevant and significant to the organization’s stakeholders, the presence of and the extent to which these material issues are disclosed in the report

The ESG-related material topics are identified and prioritised through comprehensive review with sustainability reporting consultant, survey with employees and engagement with Apical’s external stakeholders. These material topics have been identified through consolidation data from stakeholder feedback. These topics have also been prioritized according to their societal impact and relevance to Apical as an organization.

Responsiveness:

Acting on stakeholder issues and provision of feedback through decisions, actions, performance and communication

Apical addresses stakeholder concerns through their grievance handling procedure. The outcomes of the grievance handling mechanism include among others set targets, short and long-term commitments. These outcomes, their respective status and progress are publicly communicated by Apical in their annual

APPENDIX 2: ASSURANCE STATEMENT



sustainability report and published on their website. Apical also engages with their stakeholders through various channels (including but not limited to surveys, engagement, collaboration and outreach programmes, group meetings, remote meetings) and this ensures a two-way dialogue between both parties. Through such engagements, notable results are obtained for example, formed partnerships, receiving sustainability-linked loan and programmes such as Sustainable Living Village (SLV) programme.

Level of Assurance

The level of Assurance is used to determine the depth of detail that an assurance provider uses to identify if there are material errors, omissions or misstatements. The level of assurance for this report is **Moderate**.

Methodology

- Review of the text of the report (pre-assurance research)
- Review of internal and external documentary evidence presented by Apical
- Review of data collection at company level
- Audit of data presented in the Report including a review of sample data
- Review of a selection of internal performance documents
- Remote visits to the head office and sampled operational units
- Interviews of personnel with relevant divisions at operational units and person in charge of producing the report at the head office

Independence and quality control

Control Union is an accredited Certifications and Assurance body operating in more than 80 countries. These accreditations and recognitions includes the need to maintain a comprehensive system of quality control including documented policies and procedures on compliance to ethical and legal requirements as well as objectivity throughout our operations. The verifiers performing the data check were selected appropriately based on our internal qualifications requirements, training and experience. It is also reviewed by management to ensure that the applied approach and assurance are strictly followed and operated transparently.

Conclusion

Based on our moderate assurance process, nothing has come to our attention that causes us to believe that the scope (subject matter) as detailed above and presented in the report is not presented fairly in accordance with the criteria. Hence, our work confirms that the information included in the sustainability report is reliable and objective and is presented clearly and understandably.

For and on behalf of Control Union (Malaysia) Sdn Bhd,	
Signed: Ebnu Holdoon Shawal Date : 10 th May 2024 Lead Verifier	Signed: Supun Nigamuni Date : 10 th May 2024 Managing Director

APPENDIX 3: GLOSSARY OF TERMS

2G	Second Generation	DMO	Domestic Mandatory Obligation
3-MCPD	3-monochloropropane-1, 2-diol or 3-chloropropane-1, 2-diol	EFSA	European Food Standards Authority
AAJ Marunda	PT Asianagro Agungjaya Marunda	EFT	Excelic Food Technology Co., Ltd
AAJ Tj Balai	PT Asianagro Agungjaya Tanjung Balai	ESG	Environmental, Social and Governance
ABC	Anti-Bribery and Corruption	EU	European Union
ACO	Apical Oleochemicals (Taixing) Co., Ltd	EUDR	European Union Deforestation Regulation
ACOP	Annual Communications of Progress	EUR	Euro
AKC	PT Apical KAO Chemicals	FFB	Fresh Fruit Bunches
AMDAL	Analisis Mengenai Dampak Lingkungan	FGD	Focus Group Discussion
AR6	Sixth Assessment Report	FKL	Forum Konservassi Leuser
A-SIMPLE Framework	Apical Sustainability Implementation Framework	FPIC	Free, Prior and Informed Consent
ASRA	Asia Sustainability Reporting Awards	FSSC	Food Safety System Certification
AWG	Active Working Group	FY	Financial Year
B3 Waste	Hazardous and Toxic Waste	GAP	Good Agricultural Practices
BCC	Behavior Change Communication	GE	Glycidyl Esters
BoD	Board of Directors	GFW	Global Forest Watch
BOH	Bio-Oils Huelva	GHG	Greenhouse Gas
BPJS	Badan Penyelenggara Jaminan Sosial	GIS	Geographic Information System
CARE	Collaborative Action Remote Engagement	GLAD	Global Land Analysis & Discovery
CLEAN	Community Livelihood Empowerment & Action	GMP	Good Manufacturing Practice
COPE	Code of Procurement Ethics	GPS	Global Positioning System
CPKO	Crude Palm Kernel Oil	GRI	Global Reporting Initiative
CPO	Crude Palm Oil	GRMD	Group Risk Management Department
CSR	Corporate Social Responsibility	GSC	Grievance Steering Committee
DFDD	Deforestation-Free Due Diligence	GVT	Grievance Verification Team
DLP	Driving License Process	H&S	Health & Safety
		HACCP	Hazard Analysis Critical Control Point
		HCS	High Carbon Stock
		HCV	High Conservation Value

APPENDIX 3: GLOSSARY OF TERMS

HIRARC	Hazard Identification, Risk Assessment and Risk Control
HP	High Pressure
IDH	Yayasan Inisiatif Dagang Hijau
IDP	Individual Development Plan
IDR	Indonesian Rupiah
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IDH	Yayasan Inisiatif Dagang Hijau
IPCC	Intergovernmental Panel on Climate Change
ISCC	International Sustainability and Carbon Certification
ISH	Independent Smallholders
ISO	International Organisation for Standardisation
ISPO	Indonesian Sustainable Palm Oil
ISPS	International Ship and Port Facility Security
ISSB	International Sustainability Standards Board
KPIs	Key Performance Indicators
KRN	PT Kutai Refinery Nusantara
LCA	Life Cycle Assessment
ML	Mega Litres
MOU	Memorandum of Understanding
MPP	Mill Prioritisation Process
MSME	Micro, Small, and Medium Enterprises
MYR	Malaysian Ringgit
NDPE	No Deforestation, No Peat and No Exploitation
NDPE IRF	No Deforestation, No Peat and No Exploitation Implementation Reporting Framework

NGOs	Non-governmental Organisations
NPOs	Non-profit Organisations
OFI	Opportunity for Improvement
OHS	Occupational Health and Safety
PK	Palm Kernel
POCG	Palm Oil Collaboration Group
PORAM	Palm Oil Refiners Association of Malaysia
PPBC WG	Production and Protection Beyond Concession Working Group
PPO	Processed Palm Oil
PPE	Personal Protective Equipment
PRC	PT Padang Raya Cakrawala
PROPER	Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup
PSEP	Priority Supplier Engagement Programme
QOFI	Quality Opportunity for Improvement
RADD	Radar for Detecting Deforestation
RBD	Refined Bleached Deodorised
RMB	Renminbi
RMC	Risk Management Committee
RSPO	Roundtable on Sustainable Palm Oil
RSPO P&C	Roundtable on Sustainable Palm Oil Principles and Criteria
SAF	Sustainable Aviation Fuel
SAIL	Singapore Agri-Food Innovation Lab
SBA	Sustainable Business Awards
SDO (D)	PT Sari Dumai Oleo – Dumai
SDO (M)	PT Sari Dumai Oleo – Marunda
SDS	PT Sari Dumai Sejati

SET	Supplier Engagement Team
SFA	Suppliers Self-Assessment
SGD	Singapore Dollar
SIA	Social Impact Assessment
SIMP	Social Impact Management Plan
SIMS	Sustainability Impact Measurement System
SLL	Sustainability-Linked Loan
SLV	Sustainable Living Villages
SMETA	Sedex Members Ethical Trade Audit
SMILE	Smallholder Inclusion for better Livelihood & Empowerment
SOFI	Safety Opportunity for Improvement
SOPs	Standard Operating Procedures
SPOTT	Sustainability Policy Transparency Toolkit
SSL	Social, Security and Licensing
SVP	Shared Value Programme
TCFD	Task Force on Climate-related Financial Disclosure
TDD	Traceability Declaration Document
TOP	Traceability Outreach Programme
TPH	Tonnes Per Hour
TTM	Traceability to Mill
TTP	Traceability to Plantation
TVG	Traceability Verification Guidance
UDHR	Universal Declaration of Human Rights
UML	Universal Mill List
UNGPs	United Nations Guiding Principles on Business and Human Rights
UN SDGs	United Nations Sustainable Development Goals
YEL	Yayasan Ekosistem Lestari

Notes:

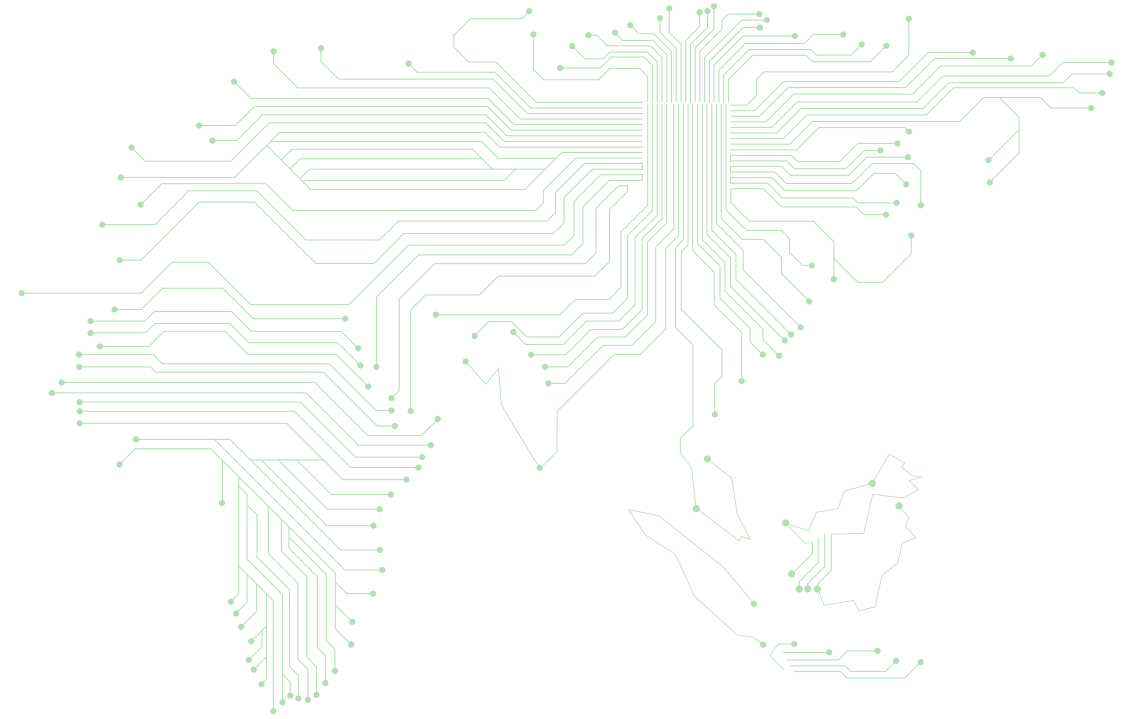
1. List of Conversion Factors

Conversion factors used to calculate energy consumption were derived from:

- ISCC Emission 205 methodology
- CDP Technical Note: Conversion of fuel data to MWh
- Elgas (2021), LPG (propane) Gas Unit Conversions: Gas in kg, Litres, MJ, kWh & m³

Conversion factors used to calculate emissions intensity were derived from:

- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) blend composition
- JEC Well to tank report V5, 2020 EU- 205 ISCC
- Energy Market Authority (2020), 2019 Electricity Grid Emission Factor and Upstream Fugitive Methane Emission Factor
- National Environment Agency, (2018) Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines
- Ministry of Ecology and Environment of the People's Republic of China (2019), Greenhouse Gas Emissions Report Supplementary Data Sheet
- International Energy Agency (2005), Energy Statistics Manual
- Intergovernmental Panel on Climate Change, (2023) Sixth Assessment Report
- PLN (Perusahaan Listrik Negara) (2020) Sustainability Report 2020
- UK Government conversion factors for company reporting of greenhouse gas emissions



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