

PRESS RELEASE

Apical publishes its first Sustainability Report

Kuala Lumpur, 14 November 2017 – Apical Group, one of the largest exporters of palm oil in Indonesia, has published its inaugural <u>Sustainability Report 2016</u>. This is the company's first sustainability report that is aligned with the Global Reporting Initiative (GRI) Standards – the first global standards for sustainability reporting.

By intentionally referencing an international standard for reporting on a range of economic, environmental and social impacts, Apical steps up its commitment to disclosure and accountability.

"Sustainability is a long-term commitment for Apical," said Dato' Yeo How, President of Apical Group. "This report presents our continued commitment and seeks to transparently disclose our sustainability performance and achievements, the challenges we still face and our ongoing efforts to address them."

Guided by its vision to be a leading, sustainable and global integrated edible oils player, Apical seeks to drive positive social and economic impact for all stakeholders, especially smallholders and communities. The report seeks to demonstrate the company's progress and performance of its sustainability journey against its own stated commitments.

Key areas highlighted include improvements in traceability, a strengthening of the grievance management framework, an increased compliance for international standards, as well as continued protection of environment and human rights.

Several achievements in 2016 include:

- Continued to maintain 100% traceability to palm oil mills in its supply chain
- Conducted 21 Priority Supplier Engagement Programme (PSEP) visits to suppliers in Sumatra and Kalimantan for constructive engagement and capacity building on key areas ensuring policy compliance and the application of best practices
- Conducted Shared Value Programme through workshops in Pekanbaru, Medan, and Jakarta to actively cascade the Apical Sustainability Policy and promote sustainable palm oil production.
- Engaged regularly with relevant stakeholders and civil society groups for constructive dialogues on policy implementation and progress updates.

- Strengthened the Apical Grievance Procedure to provide clearer guidelines for transparent and accountable handling of grievances within the supply chain as part of our commitment to ensure responsible sourcing
- Revamped the Apical Sustainability Dashboard to keep stakeholders updated of key issues and updates, and published a practical guide on "prevention, early detection and control of open-burning in oil palm plantations"

As Apical continues to monitor adherence to its sustainability policy across its supply chain, it remains steadfast in its commitment towards enabling a progressive and sustainable future for all.

About Apical

Apical Group Ltd is one of the largest exporters of palm oil in Indonesia, owning and controlling an extensive spectrum of the palm oil business value chain from sourcing to distribution. It is also engaged in the refining, processing and trading of palm oil for both domestic use and international export. Its operations are located in Indonesia and China, and include four refineries, one biodiesel plant, one fatty acid splitting plant and a kernel crushing plant.

Apical's business is built on a reliable and broad sourcing network in Indonesia, while integrating refinery assets at strategic locations in Indonesia and China. These are bolstered by efficient logistic channels supported by Apical's own infrastructure to deliver to a wide range of clients from international trade houses to local industrial buyers.

With its unique business model, Apical has been able to control quality, address sustainability and food safety issues, while running highly efficient operations at its world-class refineries and integrated storage and bulking facilities.

Apical is a founding member of the Business Council for Sustainable Development Singapore since 2012. It is also a member of the Roundtable on Sustainable Palm Oil (RSPO) and the International Sustainability and Carbon Certification (ISCC). In 2014, Apical Group became a signatory to the Sustainable Palm Oil Manifesto and established a sustainable Palm Oil Policy Statement in which Apical is committed to building a traceable and transparent palm oil supply chain. Apical is also a signatory to the New York Declaration on Forests.

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