

## PRESS RELEASE

### **Apical Advances Its Sustainability Commitment with Apical2030**

- *Targets include collaborating with suppliers to achieve a 100% NDPE compliant supply chain by 2025*
- *Reducing 50% GHG emission intensity against its 2020 baseline by 2030*
- *Deriving 38% of total energy use from renewable and clean energy sources*
- *Supporting communities through 30 Sustainable Living Villages by 2030*



**Jakarta, 25 February 2022** – Apical Group, a leading global palm oil processor, today launched Apical2030, a strategic sustainability initiative. Comprising of 10 time-bound commitments across four strategic pillars – Transformative Partnerships, Climate Action, Green Innovation and Inclusive Progress, the targets set are closely linked to the Group’s 5Cs business philosophy, ESG goals and nine prioritized United Nations Sustainable Development Goals (UNSDG).

With its inclusive approach and sequential roadmap for greater accountability and impact, Apical2030 is set to fuel the Group’s effort in building a more sustainable and responsible supply chain, while addressing ESG challenges of today.

“Centered on creating a positive social, environmental and business impact, Apical2030 accelerates our sustainability commitment. With aspiring sustainability-focused targets, we are committed to living up to our business philosophy of doing what’s right for the community, country, climate and customers – only then will it be good for our company,” said Dato’ Yeo How, President of Apical Group.

Apical2030's 10 time-bound targets across four strategic pillars include:

- **Transformative Partnerships:** Four targets aimed at collaborating with stakeholders along the supply chain to spur positive changes relating to No Deforestation, No Peat and No Exploitation (NDPE) compliance, traceability and conservation.
  - I. Collaborate with suppliers to achieve 100% NDPE compliant supply chain by 2025
  - II. Engage 100% suppliers for traceability independent verification by 2025
  - III. Collaborate with suppliers to promote clean energy through 20 biogas plants
  - IV. Partner with suppliers to protect and/or conserve 150,000 ha forest and peatland within the landscape of Apical Sourcing Areas by 2030
- **Climate Action:** Two targets aimed at taking urgent action to combat climate change and its impacts.
  - I. Reduce 50% GHG emission intensity in our production against 2020 baseline<sup>1</sup> by 2030
  - II. Achieve net zero by 2050
- **Green Innovation:** Two targets aimed at leveraging on innovation for an increasingly sustainable operations.
  - I. 38 % of total energy use derived from renewable and clean energy sources
  - II. Improve water use intensity by 30% through circular solutions
- **Inclusive progress:** Two targets aimed at empowering communities and improving livelihoods through tailored initiatives.
  - I. Support communities through 30 Sustainable Living Villages (SLV)<sup>2</sup> by 2030
  - II. Support 5,000 independent smallholders to achieve certification by 2030

“Building a more sustainable and responsible supply chain requires the commitment and collective effort of all parties including industry partners, palm oil companies, independent smallholders and NGOs among many others,” added Dato’ Yeo How.

To date, Apical has rolled out various initiatives to drive greater traceability, NDPE compliance, smallholder inclusion and certification. Among the many programmes include the Traceability Outreach Programme (TOP) to provide suppliers with simplified traceability solutions; Smallholder Inclusion for Better Livelihood & Empowerment (SMILE) Programme to help independent smallholders in Indonesia

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<sup>1</sup> To be updated to more recent base year where necessary

<sup>2</sup> SLV: Initiative to improve lives for the communities within the landscape of Apical's operations and value chain. Efforts include planning, building, or modifying recent programmes to promote sustainable living. SLV will focus on commitments that covers human, social, economic and environmental known as the four pillars of sustainability. SLV will contribute to Apical's SDGs.



improve their yields, acquire international certification, and secure sales premiums; and Sustainability Assurance & Innovation Alliance (SUSTAIN), a palm oil alliance blockchain solution formed to improve traceability to palm oil production areas and accelerate the implementation of NDPE policies across complex supply chains, among others.

Apical2030 builds on all these existing efforts while adding ambitious sustainability targets for a transformative and sustainable change in the palm oil sector.

Elaborating on the journey to Apical2030, Pratheepan Karunagaran, Executive Director of Apical Group said “We recognise the imminent challenges on climate, environment and communities. As a business with a global footprint, we understand our contribution and the important role we play in the markets we operate in – as such, our efforts and sustainability targets are also intended to support national ESG agendas.”

Apical began taking a comprehensive approach to build a transparent, traceable and sustainable palm oil supply chain with the development and release of its Sustainability Policy in 2014, the annual publication of its Sustainability Report since 2016 and the roll-out of the Apical Sustainability Implementation (A-SIMPLE) Framework in 2020, a mechanism to ensure the effective implementation of its Sustainability Policy.

For more details on Apical2030, please visit <https://www.apicalgroup.com/sustainability/apical2030/>.

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#### **About Apical Group**

Apical Group is a leading global palm oil processor. It owns a broad spectrum of the palm oil business value chain including downstream processing into oleochemicals, functional fats, and biodiesel among others for domestic use and international export. Its operations are located in Indonesia, China and Spain, and include six refineries, four biodiesel plants, four oleochemical plants and two kernel crushing plants. Through its joint ventures, Apical also has processing and distribution operations in India, Pakistan, Philippines, Vietnam, Myanmar, Brazil and USA.

Apical's business is built on an extensive sourcing network in Indonesia with integrated refinery assets in strategic locations. This is reinforced by efficient logistics channels supported by Apical's own infrastructure to deliver to local and international industrial clients comprising of food, feed and fuel brands among others. With its unique business model, Apical has been able to control product quality and address sustainability and food safety concerns, while running highly efficient operations in integrated world-class refineries and downstream processes.

For more information, please visit [www.apicalgroup.com](http://www.apicalgroup.com)

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