

Growing Stronger Together

Apical

SUSTAINABILITY REPORT 2025



Inside This Report

ABOUT THIS REPORT	01	CLIMATE ACTION	60
PRESIDENT'S STATEMENT	02	Climate Strategy	62
2025 SUSTAINABILITY HIGHLIGHTS	06	GHG Emissions	64
ABOUT APICAL	08	Emission Reduction Initiatives	67
Our Facilities	08	Air Emission Control	67
Our Operations	10	GREEN INNOVATION	68
Company Overview	11	Waste Management	71
Vision and Values	11	Waste Reduction and Recovery	72
Quality & Safety Management	13	Energy Management	74
		Water Management	75
APPROACH TO SUSTAINABILITY	16	INCLUSIVE PROGRESS	78
Our APICAL2030 Roadmap and Targets	17	Upholding Human Rights	80
Our Policies	20	Our Workforce	82
Sustainability Frameworks	21	Community Impact	94
Sustainability Certifications, Standards and Assessments	22	APPENDICES	101
Corporate and Sustainability Governance	24	Appendix 1: Stakeholder Engagement Table	101
Grievance Management	30	Appendix 2: Materiality Topics	104
Stakeholder Engagement	34	Appendix 3 - 8: Base data	106
TRANSFORMATIVE PARTNERSHIPS	40	Appendix 9: GRI Index	116
Responsible Sourcing and Supplier Engagement	43	Appendix 10: Assurance Statement	125
Biodiversity, Land, and Forest Management	56	Appendix 11: Glossary of Terms	128



Growing Stronger Together

Our theme for Apical's 2025 Sustainability Report is "Growing Stronger, Together".

It reflects the progress we have made in strengthening collaboration across our value chain, as shared commitments begin to translate into tangible outcomes.

By empowering our people, deepening partnerships and supporting our suppliers and communities, we are building stronger capabilities that enable long-term, inclusive growth. Through continued investment in systems, skills and community development, we aim to ensure that the progress we achieve is shared, enduring and meaningful for both people and the planet.

Cross References

Indicates where additional information can be found within the report



Indicates where additional information can be found online at www.apicalgroup.com



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
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About This Report

REPORTING FRAMEWORK

Ensuring that the sustainability vision remain at the core of Apical Group Limited ("the Group", "Apical Group" or "Apical") activities, we continuously seek to enhance our sustainability performance by benchmarking our practices against peers, industry standards, and recognised best practices.

Our sustainability report is prepared with reference to the Global Reporting Initiative (GRI) Standards Update 2021 and to the corresponding United Nations Sustainability Development Goals (SDGs), where relevant. GRI disclosures are included throughout the report and referenced under headings or sub-headings as GRI XXX-XX.

This report is complemented by the sustainability disclosures on our website.

BOUNDARY AND SCOPE OF THIS REPORT

GRI 2-2, 2-3

Our sustainability reports are published on an annual basis. This report covers the reporting period from 1 January 2025 to 31 December 2025 ("FY2025"), which is aligned with the Group's financial reporting period. Unless otherwise stated, the information presented relates to FY2025.

This report covers the Group's environmental, social and governance (ESG) performance across its operation in Indonesia, China and Spain. This includes eight refineries, five biodiesel plants, two kernel crushing plants, and six oleochemical plants which represent majority of our sales volume. The report also includes human resources (HR) data from our corporate offices in Malaysia and Singapore.

EXTERNAL ASSURANCE

GRI 2-5

Apical is committed to enhancing the accuracy and transparency of its non-financial reporting and actively seeks external assurance for its annual sustainability reports. The sustainability data disclosed in this report has been independently assured by Control Union (Malaysia) Sdn. Bhd.

Control Union (Malaysia) Sdn. Bhd. is an approved Validation and Verification Body (VVB) under the ISO/IEC 17029:2019 (Conformity assessment – General principles and requirements for validation and verification bodies) and is accredited by Standards Malaysia. The organisation operates in accordance with relevant international standards, including ISO/IEC 17021-1:2015 (Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1) and ISO/IEC 17065:2012 (Conformity assessment – Requirements for bodies certifying products, processes and services), ensuring adherence to stringent governance and professional ethics requirements.

To ensure the credibility of the sustainability data, an independent audit was conducted by Control Union (Malaysia) Sdn. Bhd. across Apical's operations in Indonesia, China, and Spain, providing a moderate level of assurance.

The scope and results of the external verification are reported to Leadership Team, including the President, Executive Director, and Sustainability Director, to support transparency. The Sustainability Report is also reviewed and approved by Apical's Leadership Team.

Please refer to [Appendix 10](#) on pages 125 - 127 for the full assurance statement and the scope of data assured.

POINT OF CONTACT

Your feedback matters to us and helps us strengthen our sustainability efforts. For any questions or comments regarding this sustainability report, please reach out to:

Tor Mooi See,
Sustainability Director for Apical Group
Apical_Sustainability@apicalgroup.com



This Sustainability Report is available at <https://www.apicalgroup.com/resource-library/sustainability-report-2025/>

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

President's Statement

GRI 2-22



“ We will continue to grow, but we will do so with greater clarity, stronger systems, and a deeper sense of responsibility. ”

Kelvin Tio
President

The palm oil sector is entering a period of structural transformation. In 2025, regulatory scrutiny intensified, climate volatility continued to disrupt agricultural supply chains, and customers increasingly demanded verified sourcing, traceability and lower-carbon products as standard expectations rather than differentiators. At the same time, geopolitical shifts and evolving trade dynamics added further complexity to global markets.

Against this backdrop, our focus remained clear: strengthening operational resilience, improving supply chain visibility and building long-term capability across our network of suppliers and smallholders.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

President's Statement

At Apical, we believe sustainable progress depends on disciplined execution, strong governance and practical collaboration across the industry. Smallholders, producers, customers, governments, financiers, and communities all play an important role in building a more resilient and inclusive industry.

Driving Change Through Partnerships

No single company can transform the palm oil sector alone. Progress depends on coordinated action across the value chain. Smallholders and producer communities remain fundamental to the sector's long-term sustainability progress. Their success ultimately determines the resilience, inclusiveness and credibility of the industry.

We recognise the structural challenges they face, including certification costs, technical gaps, evolving compliance requirements, and limited market access. Our role is not simply to impose expectations, but to build capability, strengthen participation and create pathways for long-term inclusion.

Through structured engagement programmes, field-level training, and long-term partnerships, we continue to strengthen agricultural practices, improve traceability, and support certification readiness. We believe constructive engagement often delivers more meaningful and lasting outcomes while safeguarding livelihoods.

A key challenge for the sector moving forward will be ensuring that smallholders are not left behind as traceability and regulatory requirements become more complex. When producers and smallholders succeed, the broader supply chain becomes stronger and more sustainable. That is where real value is created.

From Commitment to Execution

Our sustainability journey has evolved into three distinct phases: commitment, capability building and execution discipline. In earlier years, we focused on establishing strong foundations through No Deforestation, Peat and Exploitation (NDPE) commitments, traceability ambitions, governance structures and smallholder inclusion strategies.

Today, the emphasis is on operationalisation. Sustainability is embedded into Apical's procurement processes, investment decisions, governance oversight and broader business strategy. Performance is reviewed at the highest levels of management and the Board, while our data systems have become increasingly granular, enabling supplier-level insights and stronger risk segmentation.

Our consistent approach, measurable outcomes, and transparency in disclosure have contributed to Apical maintaining a SPOTT (Sustainability Policy Transparency Toolkit) score of more than 90% for the fifth consecutive year.

Progress Towards a Sustainable Industry

Performance is no longer defined by intent. It is defined by outcomes.

In 2025, we continued to make measurable progress under our Apical2030 roadmap.

In the area of Transformative Partnerships, **we continued to maintain a high 99.98% Traceability to Plantation (TTP) rate for crude palm oil (CPO), as well as a 100% TTP rate for crude palm kernel oil (CPKO) and palm kernel (PK).** We also continued assessing our sourced CPO volumes using the NDPE IRF tool, while piloting version 6.0 for both CPO and PK.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
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President’s Statement



Expanded Sustainable Living Village Programme to

15 villages

We achieved a 16% reduction in Scope 1 and Scope 2 emissions intensity compared to our 2020 baseline, driven by operational efficiency improvements and early progress under our energy transition initiatives. More importantly, **we completed our full Scope 3 assessment, establishing a comprehensive baseline across our value chain.** For a sector where upstream activities account for the majority of emissions, this level of visibility is essential towards a credible decarbonisation initiative.

We also strengthened data quality. **Life Cycle Assessments now cover more than 50% of our suppliers, allowing us to strengthen supplier-level emissions analysis and improve data accuracy.**

Smallholder inclusion continued to advance meaningfully through our SMILE (Smallholder Inclusion for Better Livelihood & Empowerment) programme. **In 2025, the number of RSPO-certified independent smallholders more than doubled from approximately 1,370 in 2024 to over 2,830. This reflects sustained investment in field-level training, capacity building, and improved access to markets.**

We also expanded our Sustainable Living Village programme from 12 to 15 villages, supporting community resilience through alternative livelihoods such as honeybee cultivation and cacao farming, while strengthening certification readiness and forest protection efforts.

These efforts contributed to Apical receiving the RSPO Shared Responsibility Award and the ESGBusiness Sustainable Supply Chain Partnership Award, recognising our progress in advancing sustainable supply chains and operational outcomes.

More importantly, these outcomes reflect how sustainability at Apical is becoming increasingly system-driven, measurable and embedded into operational execution. While external recognition is encouraging, our primary measure of success remains performance against Apical2030 targets, including traceability, supplier compliance, emissions reduction and smallholder certification. These indicators are integrated into management and Board oversight processes to ensure accountability and alignment with business performance.

Navigating Risk, Enabling Growth

Regulatory developments around deforestation, supply chain traceability and enhanced due diligence requirements continue to raise expectations across global markets. At the same time, Indonesia’s downstreaming agenda and renewable energy ambitions are accelerating investments into value-added products and renewable fuels. These developments are reshaping competitive advantage within the sector. Increasingly, market access will depend on the ability to demonstrate verified sourcing, credible emissions data, and consistent operational standards.

In response, we have focused on three priorities:

- 1 Strengthening traceability and deforestation risk management
- 2 Advancing climate transition readiness through improved emissions visibility and data systems
- 3 Building supplier capability and supporting smallholder participation

Our investments in traceability, emissions data and supply chain transparency serve both as risk management tools and long-term growth enablers. At the same time, opportunities are emerging through downstream value creation and renewable fuels, including sustainable aviation fuel (SAF), as demand for traceable and lower-carbon feedstocks continues to grow.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

President’s Statement

Human Rights and Social Responsibility

Across global agricultural supply chains, expectations on labour standards and human rights due diligence continue to rise. Increasingly, these expectations are becoming embedded into market access requirements, customer procurement standards and financing decisions.

We view this as a necessary and positive development for the industry.

Our focus remains on implementation. Throughout the year we continued to strengthen due diligence processes, supplier engagement, grievance mechanisms and remediation pathways. We recognise that the absence of reported issues does not necessarily indicate strong performance. What matters is whether concerns can be raised safely, addressed transparently and resolved effectively. Progress is therefore assessed through response time, stakeholder engagement and remediation outcomes. Ultimately, success must be measured through real-world improvements in working conditions, stronger supplier practices and more inclusive participation across the value chain.

Looking Ahead

The operating environment in 2026 will remain demanding. The anticipated implementation of the European Union Deforestation Regulation (EUDR), alongside broader due diligence and disclosure requirements, will continue to raise expectations around compliance, traceability and supply chain transparency. At the same time, customers and financial institutions are placing greater emphasis on verified sourcing and transition readiness.

For the palm oil sector, source verification will further differentiate supply chains that can demonstrate transparency, compliance, and operational credibility from those that are not able to do so.

In 2026, our focus will be on deeper implementation. We will continue to strengthen regulatory preparedness, enhance carbon accounting capabilities, improve supply chain visibility and support suppliers and smallholders in meeting evolving requirements.

We remain confident in the long-term role of palm oil in the global food and energy systems. We will continue to grow, but we will do so with greater clarity, stronger operational discipline, and a deeper sense of responsibility.

This year’s theme, ***Growing Stronger, Together,*** reflects our belief that long-term progress can only be achieved through practical collaboration and shared accountability across the industry.

Kelvin Tio
President

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

2025 Sustainability Highlights

Sustainable Supply Chain & Market Readiness

➤ Maintained **100% traceability** to mill (TTM)

➤ Achieved **99.98% TTP** for CPO; **100% TTP** for CPKO & PK

➤ **96%** of our total CPO volumes sourced from suppliers are “Delivering” on their No Deforestation commitments (NDPE IRF v5.8)

➤ **10 suppliers** approved under EUDR-aligned supply chains

➤ **9 customer** shipment trials completed since 2024

➤ **81%** of the total CPO volumes sourced from suppliers are “Delivering” on their No Deforestation and Peat commitments (NDPE IRF v6.0)

Note:
Assessments were conducted using the No Deforestation, No Peat, No Exploitation (NDPE) Implementation Reporting Framework (IRF), with results reported under both version 5.8 (No Deforestation) and version 6.0 (No Deforestation and No Peat)

Climate Action

➤ Total Scope 1 & 2 emission is **1.9 million tCO₂e** (2025)

➤ Scope 3 emissions assessed at **43.66 million tCO₂e** (2025)

Forest Conservation & Landscape Protection

➤ **27,758 hectares** conserved across SLV Aceh Singkil and SLV Kutai Timur

Community & Smallholder Development

➤ **15 Sustainable Living Villages (SLVs)** established across Aceh Singkil and Kutai Timur (including 3 new SLVs in 2025)

➤ **2,834 independent smallholders (ISH)** RSP0-certified under SMILE

smile Smallholder Inclusion for better Livelihood and Empowerment

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
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2025 Sustainability Highlights

Human Rights & Responsible Operations

➤ **6 facilities** audited under SMETA (Indonesia)

➤ **2 Social Impact Assessments (SIA)** completed in 2025 - SDOM and AAJM

ESG Performance & Transparency

➤ **SPOTT Score: 95%**

➤ **RSP0 Shared Responsibility:** **10/10**

➤ Ranked **7th** globally

➤ **CDP Score:**

Forest **B**

Water **B**

Climate **D**

Certifications & Standards

➤ **100%** of our refineries are RSP0 certified

➤ **7** of our refineries are ISCC certified

Sustainable Finance

➤ Successfully met all **3 KPIs** under Sustainability-Linked Loan (SLL) for 2025

Awards & Recognition

➤ **Winner, RSP0 Excellence Awards 2025** – Shared Responsibility

➤ **Winner, ESGBusiness Awards (2023, 2024 and 2025)** – Sustainable Supply Chain Partnership

➤ **Winner, Sawit Indonesia Award 2025** for the implementation of Sustainable Living Village (SLV) Programme

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
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About Apical

OUR FACILITIES*

- 1

PT Asianagro Agungjaya Tanjung Balai (AAJTBJ)
Tanjung Balai, North Sumatra; Indonesia
Sustainability Certification: RSP0
- 2

PT Sari Dumai Oleo (Dumai) (SDOD)
Dumai, Riau; Indonesia
Sustainability Certification: RSP0 & ISCC EU
- 3

PT SDSR (SDSR)
Dumai, Riau; Indonesia
Sustainability Certification: RSP0, INS & ISCC EU
- 4

PT Apical KAO Chemicals (AKC)**
Dumai, Riau; Indonesia
Sustainability Certification: RSP0
- 5

PT PRCR (PRCR)
Padang, West Sumatra; Indonesia
Sustainability Certification: RSP0 & ISCC EU
- 6

PT KRNR (KRNR)
Balikpapan, East Kalimantan; Indonesia
Sustainability Certification: RSP0, INS & ISCC EU
- 7

PT Sari Dumai Oleo (Marunda) (SDOM)
Marunda, Jakarta; Indonesia
Sustainability Certification: RSP0 & ISCC EU

11,219,459 million tonnes
of palm oil and oil palm product sold in 2025

Apical has a total of
4,430 employees as at end FY2025



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
-----------------------------	----------------	------------------	--------------------	------------

About Apical

- 8

PT Asianagro Agungjaya Marunda (AAJM)
Marunda, Jakarta; Indonesia
Sustainability Certification: RSP0 & ISCC EU
- 9

Apical Oleochemicals (Taixing) Co., Ltd (ACO)
Taizhou, Jiangsu; China
Sustainability Certification: RSP0
- 10

Excelic Foods Technology (Nanjing) Co., Ltd (EFT)
Nanjing, Jiangsu; China
Sustainability Certification: RSP0
- 11

Bio-Oils Huelva (BOH)**
Palos de la Frontera, Huelva; Spain
Sustainability* Certification: INS & ISCC EU

- Refineries
- Palm Kernel Crushing Plants
- Biodiesel Plants
- Oleochemical Plants

Notes:
* Facilities within the scope of reporting
** Joint Venture (JV) facility

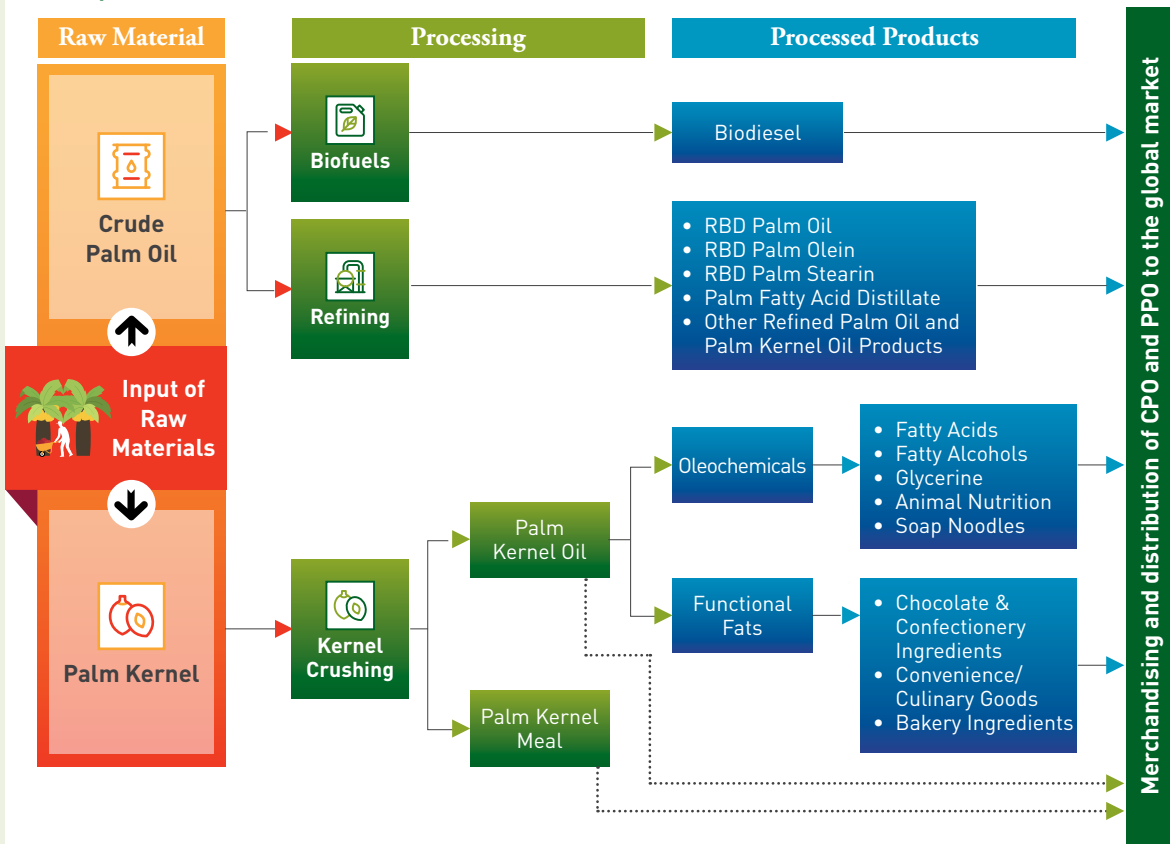
ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

About Apical

We operate the following facilities:

Refining and Fractionation - Crude Palm Oil (CPO) - Crude Palm Kernel Oil (CPKO)	Production of Biofuels Biodiesel	Kernel Crushing Crushing of Palm Kernels
Production of Oleochemical - Fatty Acids - Fatty Alcohols - Glycerine - Animal Nutrition - Soap Noodles	Production of Functional Fats <i>Chocolate & Confectionery Ingredients</i> - Cocoa Butter Substitute - Cocoa Butter Replacer - Dairy Fat Replacer - Spread Fats and Filling Fats - Hardener Fats <i>Bakery Ingredients</i> - Margarine - Butter Oil Substitute - Shortening and Filling Fats - Pan Release Agent	
Merchandising and distribution of CPO and Processed Palm Oil (PPO) to the global market	<i>Convenience/Culinary Goods</i> - Frying Fats - Cooking oil	

Our Operations



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

About Apical

COMPANY OVERVIEW

Headquartered in Singapore, Apical Group Limited (the “Group” or “Apical”) is a privately-owned leading vegetable oil processor with a growing global footprint. Apical holds an estimated 14% global market share in palm and lauric oils. Our vertically integrated operations span midstream refining and value-added downstream processing, making Apical an integral supplier to a wide range of industries, including food, animal nutrition, oleochemicals, and renewable fuels. This integrated approach allows us to serve a broad range of customer needs while maintaining operational efficiency, product quality, and supply chain reliability.



For more information on our business segments, visit our website. <https://www.apicalgroup.com/about/overview/>

Our integrated network of refineries and processing facilities span across Indonesia, China, and Spain, employing a total of 4,430 people. Through joint ventures and strategic partnerships, the Group also has processing and distribution operations in Brazil, India, Pakistan, the Philippines, the Middle East, Africa, the United States, and Vietnam.

VISION AND VALUES

Apical’s vision is to be the most reliable integrated processor of sustainable vegetable oil and value-added downstream products. Our purpose is clear and impactful: to improve lives by developing resources sustainably.

Apical operates in accordance with a set of core values, known as **TOPICC (Complementary Team, Ownership, People, Integrity, Customers, and Continuous Improvement)**, which reflect our commitment to sustainable growth and our role as responsible corporate citizens.

We believe that true progress comes from fostering sustainable development in the communities where we operate. To realise this, 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.

Anchoring this philosophy is **Apical2030**, our long-term sustainability roadmap that translates our vision and purpose into clear, measurable action. Structured around four strategic pillars: Transformative Partnerships, Climate Action, Green Innovation, and Inclusive Progress, Apical2030 sets time-bound targets to drive responsible growth, strengthen our supply chain, and deliver positive environmental and social outcomes. It provides a coherent framework that aligns our business strategy with our sustainability commitments, ensuring that value creation is both inclusive and enduring.

COMPLEMENTARY TEAM

We are aligned by our common purpose and work together as a complementary team

OWNERSHIP

We take ownership to achieve outstanding results and seek value at all times

PEOPLE

We develop our people to grow with us

INTEGRITY

We act with integrity at all times

CUSTOMER

We understand our customers and deliver best value to them

CONTINUOUS IMPROVEMENT

We act with zero complacency and always strive for continuous improvement

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

About Apical

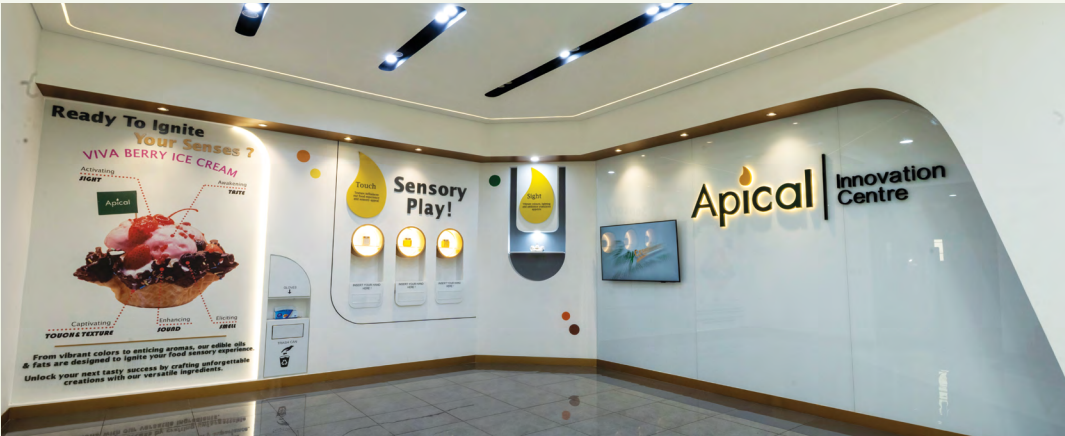
Apical Innovation Centre: Turning Ideas into Real-World Solutions

In 2025, Apical launched the Apical Innovation Centre (AIC) in Jakarta, which is its global hub for developing practical, sustainable solutions in oils, fats, and food applications. Designed as a collaborative space, the AIC brings together food scientists, technical experts, and customers to turn ideas into products that are ready for real-world use.

At the heart of AIC are two specialised facilities: a Research & Development Lab, where formulations are created and refined, and an Application Lab, where these innovations are tested in actual food applications. This integrated approach allows Apical to move quickly from concept to commercialisation, helping partners improve product performance, efficiency and sustainability.

The centre also reflects Apical’s commitment to advancing innovative and resilient food solutions beyond sustainability alone. Developments such as plant-based alternatives, cocoa butter alternatives and milk fat replacers are designed not only to reduce environmental impact, but also to provide practical solutions for consumers with dairy limitations and to support the industry in navigating cocoa price volatility. These palm based and alternative fat system are engineered to deliver consistent functionality, performance and cost efficiency across a wide range of culinary and food applications.

Beyond product development, the AIC serves as a platform for co-creation and knowledge sharing, enabling closer collaboration with customers, Small and Medium-sized Enterprises (SMEs) and industry partners. By combining technical expertise with hands-on engagement, Apical supports businesses in addressing evolving market needs while maintaining high standards of quality and sustainability.



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

About Apical

QUALITY & SAFETY MANAGEMENT

GRI 3-3, 416-2

Apical is committed to delivering safe, high-quality and responsibly produced palm oil products across all markets where we operate. Product quality is ensured not only through refinery controls, but also through close collaboration with suppliers to verify that raw materials meet food safety, traceability, certification, regulatory, and sustainability requirements.

Our two-fold approach ensures product quality and safety are embedded into our operational controls, governance structures and supply chain management system that strengthens product integrity from plantation to refinery.

Apical's two-fold approach to product safety and quality



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 with local and international best practices and complying to pertinent quality certification schemes.

All production facilities operate under structured quality control procedures. These include:

- Defined process controls at critical control points
- Routine internal audits and third-party certification audits
- Segregation and documentation protocols for certified products
- Ongoing monitoring through our Plant Information Management System (PIMS)

Additionally, the Risk Management Committee (RMC) reviews actual and potential product quality risks on a quarterly basis. Product safety incidents, audit findings and regulatory updates are reported through established governance channels to ensure oversight and accountability.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

About Apical

Tasty Creations: Co-Creating with Customers

AIC's Tasty Creations programme brings customers and partners into the innovation process through hands-on workshops and collaborative product development sessions. Participants work directly with Apical's technical teams to refine formulations, test applications, and better understand how products perform at scale.

The programme not only accelerates product development but also builds confidence, helping partners align their production capabilities with market needs and identify new opportunities for growth.



CERTIFICATIONS AND COMPLIANCE

We tailor our certifications to meet local regulatory requirements and market expectations. Our facilities maintain relevant certifications such as Halal, Kosher and applicable national food safety approvals¹. We comply with applicable national and international food safety regulations and maintain recognised certifications, including:

- Food Safety System Certification (FSSC 22000)
- ISO 9001 Quality Management System
- Good Manufacturing Practice (GMP)
- Hazard Analysis and Critical Control Points (HACCP)
- ISO 17025 for Laboratory Testing & Calibration

In Indonesia, 100% of our refineries hold both Halal and Kosher certifications, reflecting our commitment to meeting religious dietary needs and adhering to local regulations, e.g. *Badan Pengawas Obat dan Makanan* (BPOM), *Standar Nasional*

Indonesia (SNI). In 2025, we continued to maintain full RSPO certification across all refineries and expanded the proportion of certified raw materials processed. New facilities are required to obtain relevant certification (RSPO and/or ISCC, where applicable) within three years of commencing operations. To stay informed about evolving regulations and industry best practices, we leverage our membership in organisations like the Palm Oil Refiners Association of Malaysia (PORAM).



Compliance inspection at EFT (China) facility by local authorities

¹ For the full list of our relevant certification and applicable national food safety regulations, please refer to <https://www.apicalgroup.com/about/overview/standards-certifications/>.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

About Apical

PROTECTING CONSUMER HEALTH

GRI 416

Consumer health protection is a core priority in our refining operations. Palm oil refining may present risks of physical, chemical and microbiological contaminants if not properly controlled. To mitigate these risks, we maintain a structured contaminant management framework.

Our approach includes:

- Preventive facility design and process safeguards
- Hazard identification and risk-based controls under HACCP
- Chemical contaminant testing using Gas Chromatography (GC) and Inductively Coupled Plasma (ICP)
- Microbiological testing to verify product hygiene
- Continuous investment in laboratory capability and analytical instruments



BOH (Spain) employees conducting laboratory testing

Our laboratories operate under ISO 17025 certification and are supported by a Laboratory Integrated Management System to strengthen data accuracy, traceability and reporting integrity.

In 2025, we recorded zero incidents of non-compliance relating to product health and safety regulations. While palm oil continues to be subjected to broader public health discussions regarding nutritional profiles, this reflects an industry-wide perception issue rather than a product safety concern specific to the Group.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

Palm oil touches billions of lives — as food, fuel, and is the backbone of countless industries. Yet producing it responsibly remains one of the defining sustainability challenges of our time, where growing investor scrutiny and shifting consumer expectations are fundamentally reshaping what responsible operations look like. For Apical, this is not a challenge to manage but a mandate to lead.

Our response is anchored in our commitment to No Deforestation, No Peat, and No Exploitation (NDPE), which guides responsible production and sourcing across our operations and supply chain. This commitment is underpinned by Sukanto Tanoto's 5C philosophy—Community, Country, Climate, Customer, and Company—which shapes our approach to value creation, stakeholder engagement, and long-term sustainability. Together, these principles inform our Apical2030 targets and our role as a responsible business operator.



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

Our APICAL2030 Roadmap and Targets

The Apical2030 roadmap drives transformative change within the Group, which is centred on creating a positive social, environmental, and business impact. Our sustainability targets set are closely linked to the Group's 5Cs business philosophy on Environmental, Social and Governance (ESG), and the nine prioritised United Nations Sustainable Development Goals (UNSDGs). The Apical2030 framework has ten time-bound targets across four strategic pillars as follows:



TRANSFORMATIVE PARTNERSHIPS

CLIMATE ACTION

GREEN INNOVATION

INCLUSIVE PROGRESS

Our Apical2030 targets are closely linked to:

5Cs Business Philosophy

- COMMUNITY**
- COUNTRY**
- CLIMATE**
- CUSTOMER**
- COMPANY**

ESG

- ENVIRONMENTAL**
- SOCIAL**
- GOVERNANCE**

Prioritised UN SDGs

1 NO POVERTY

2 ZERO HUNGER

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

17 PARTNERSHIPS FOR THE GOALS

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
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Approach to Sustainability

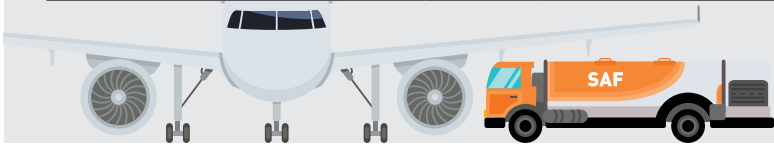
APICAL2030 PERFORMANCE SUMMARY

TRANSFORMATIVE PARTNERSHIPS

Target	Status	2025 Progress
100% NDPE compliant by 2025	●	96% of our total CPO volumes sourced from suppliers are “Delivering” on their No Deforestation commitments (NDPE IRF v5.8) 81% of the total CPO volumes sourced from suppliers are “Delivering” on their No Deforestation and Peat commitments (NDPE IRF v6.0)
100% traceability (TTP) verification by 2025	●	100% of TTP data verified by independent third-party
Protect 150,000 ha of forest and/or peatland by 2030	●	Forest Protected Aceh: 17,758 ha Kutai Timur: 10,000 ha Total: 27,758 ha
Partner with suppliers on 20 biogas plants	●	Total accumulated: 1 biogas plant 2024–2025: Supplier Engagement Activities

CLIMATE ACTION

Target	Status	2025 Progress
Reduce 50% Scope 1 & 2 GHG emission intensity vs 2020 baseline by 2030	●	16.03% reduction of Scope 1 & 2 GHG emission intensity in 2025 vs baseline (2020) 6.51% increase in Scope 1 & 2 GHG emission intensity vs 2024
Net zero by 2050	●	Conducted Life Cycle Assessment of >50% supply base for Scope 3 Assessment Performed Scope 3 Assessment for years 2024 and 2025



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

GREEN INNOVATION

Target	Status	2025 Progress
38% of energy from renewable sources by 2030	●	3.10% increase in renewable energy (RE) usage in 2025 vs baseline (2020)
Improve water use intensity by 30% by 2030	●	21.10% increase in water use intensity in 2025 vs baseline 8.18% decrease in water use intensity vs 2024

INCLUSIVE PROGRESS

Target	Status	2025 Progress
Establish 30 Sustainable Living Villages (SLV) by 2030	●	15 villages established Aceh Singkil: 12 Kutai Timur: 3
Support 5,000 independent smallholders to achieve certification by 2030	●	2,834 Independent Smallholders (ISH) certified by RSPO

- Key**
- On track as per target
 - In development, no target set
 - Behind target, requires intervention



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

OUR POLICIES

GRI 2-23, 2-24, 417

Our policies ensure our sustainability commitments and strategies are clear and can be effectively enacted through standard procedures at the operational level. They are aligned with internationally recognised principles and regulatory frameworks, and are regularly reviewed to remain relevant, reflect evolving conditions and best practices.

Sustainability Policy

Our Sustainability Policy is the foundation of our sustainability commitments. The policy guides our ambition to be a leading integrated processor of sustainable vegetable oil and value-added products. It is underpinned by a traceable, deforestation-free supply chain aligned with No Deforestation, No Peat, and No Exploitation (NDPE) principles, and supported by commitments to climate action, biodiversity conservation, human rights, and smallholder inclusion. This policy applies across all Group operations, joint ventures, subsidiaries, and direct and indirect suppliers.



For more information on Apical's Sustainability Policy, please scan the QR code or visit our website.



Socialisation of Apical Sustainability Policies at the Responsible Sourcing Workshop on 25 June 2025

Human Rights Policy

Introduced in 2023, the Apical Human Rights Policy reinforces our commitment to respect the rights of workers and communities across our operations and supply chain. It is aligned with internationally recognised standards, including the International Bill of Human Rights, ILO Declaration, UN Guiding Principles on Business and Human Rights, OECD Guidelines, and the UN Global Compact.



Further details are provided in the [Upholding Human Rights](#) section (see pages 80 - 81).



For more information on Apical's Human Rights Policy, please scan the QR code or visit our website.

Palm Oil Sourcing Policy

Our Palm Oil Sourcing Policy complements our Group Sustainability Policy and Human Rights Policy and reinforces our commitment to a transparent, traceable, and responsible supply chain. This Sourcing Policy is aimed at ensuring that Apical responsibly procures palm oil from its suppliers of raw materials by engaging with stakeholders, making appropriate choices, and upholding Apical's ethical, legal and business principles. This Policy covers all the internal and external operations within the Apical supply chain including refineries, palm oil mills, kernel crushing plants, plantations and smallholders.



For more information on Apical's Palm Oil Sourcing Policy, please scan the QR code or visit our website.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

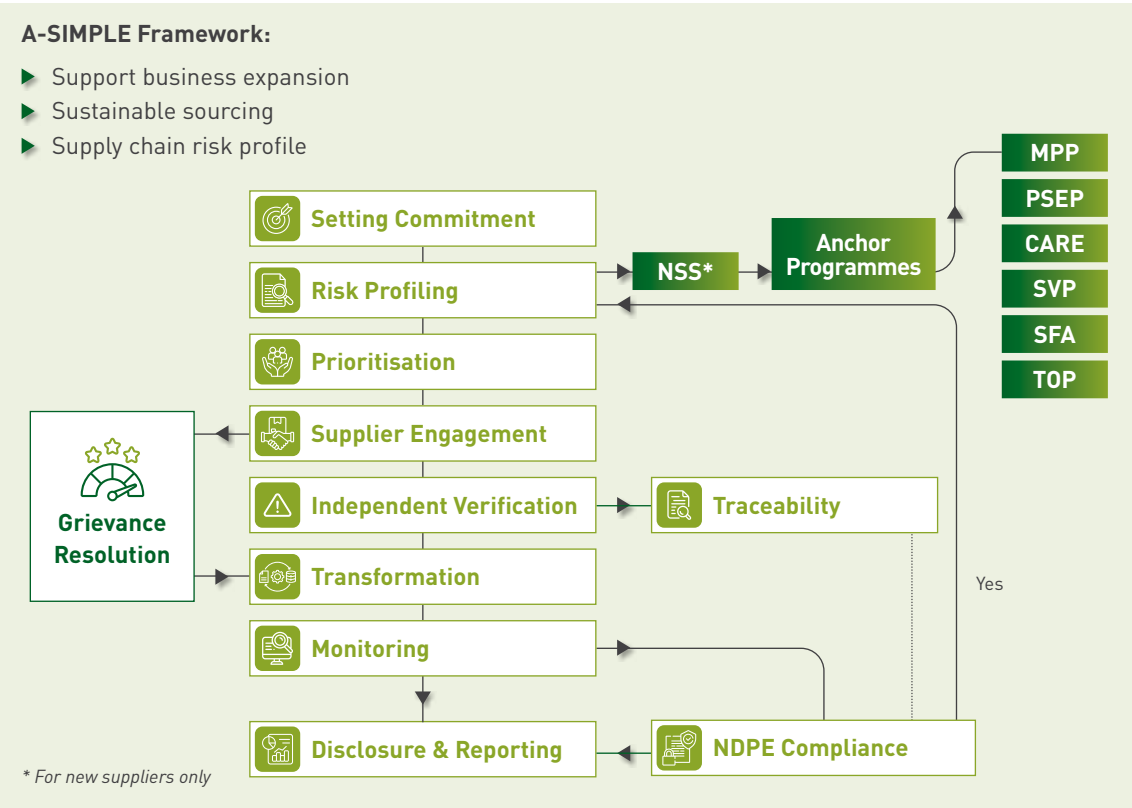
Approach to Sustainability

Apical Sustainability IMPLementation Framework (A-SIMPLE Framework)

To provide a robust structure to our sustainability commitments, Apical has developed and adopted the A-SIMPLE Framework as our core operational system. This unified framework serves as the backbone of how we approach our sustainability priorities and meet sustainability commitments.

The A-SIMPLE Framework provides a structured, risk-based approach to operationalise NDPE commitments across the supply chain, covering supplier onboarding, risk profiling, monitoring, and continuous engagement. It also integrates key elements such as traceability verification, deforestation-free due diligence, and implementation reporting into a single, cohesive system.

Through this framework, Apical drives action plans and engagement with stakeholders, including suppliers and communities. It establishes clear processes for collaboration and transparency, aligning our sustainability priorities with industry and international standards. The framework also incorporates grievance mechanisms, monitoring protocols, and compliance disclosures to strengthen accountability and drive continuous improvement across our operations.



The implementation of A-SIMPLE Framework is presented in detail in [Chapter 2: Transformative Partnerships](#) (pages 44 - 47).

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

SUSTAINABILITY CERTIFICATIONS, STANDARDS AND ASSESSMENTS

Certification schemes such as the Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability and Carbon Certification (ISCC) translate our policies into verifiable requirements across operations and supply chains, covering traceability, environmental management, and social compliance while meeting market demand and upholding responsible sourcing.

As of Dec 2025:



Suppliers are supported through technical guidance and structured engagement to progress towards certification. By strengthening supplier capability, we reduce quality risks upstream and improve the integrity of products processed downstream. We actively report our sustainability performance through recognised platforms, including RSPO Annual Communications of Progress (ACOP), and maintain alignment with evolving regulatory requirements in our export markets.

Table 1: Certified and Non-Certified Raw Material Volumes

Certification Type	Raw Material	Volume (t)		
		2023	2024	2025
RSPO	CPO, PKO	485,225	588,036	705,186
ISCC	CPO	684,911	553,814	438,325
Total certified and non-certified	CPO, PKO	10,384,245	7,339,759	9,081,729
Total certified	CPO, PKO	10%	13%	13%



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

Advancing Accountability Through RSPO Shared Responsibility

In 2025, Apical achieved a full score of 10/10 on the Roundtable on Sustainable Palm Oil (RSPO) Shared Responsibility Scorecard, improving from 8.3 in 2024. This milestone was further marked by Apical receiving the Shared Responsibility Award at the RSPO Annual Conference 2025, held in Kuala Lumpur in November 2025. The award recognises companies that demonstrate leadership in advancing sustainability across the palm oil value chain, including environmental protection, community development, and responsible business conduct.

The RSPO Shared Responsibility Scorecard is designed to ensure that sustainability commitments are implemented across the entire palm oil value chain, particularly by downstream actors such as refiners and traders. It assesses performance across four core pillars; transparency and legality, social responsibility, environmental stewardship, and responsible sourcing—requiring measurable progress in areas such as traceability, certified sourcing, human rights due diligence, and supplier engagement.



Since 2019, Apical has participated in the annual public assessments conducted by the Sustainable Palm Oil Transparency Toolkit (SPOTT). In 2025, we improved our SPOTT score from 93.3% to 95%.

We have also submitted responses to the CDP Forest Questionnaire since 2020. In 2025, we achieved a B score for both the Forests and Water categories, and a D score for the Climate category.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

CORPORATE AND SUSTAINABILITY GOVERNANCE

GRI 2-9, 2-11, 2-12, 2-13, 2-14

Good corporate governance underpins Apical's organisational culture and decision-making. Sustainability governance is embedded within this framework, ensuring accountability, oversight, and integration of sustainability considerations across the Group.

Apical's governance structure operates across three tiers:

Strategic oversight
by the Agri Business Board (the "Board")

Executive leadership
by the Leadership Team

Operational implementation
through dedicated functions across our operations

The Board, supported by the Leadership Team, is responsible for setting strategic direction, overseeing material risks and opportunities, guiding investment and divestment decisions, and ensuring sustainability considerations are integrated into business strategy. Final approval of the sustainability report is granted by the President.



Further information on Apical's leadership is available on our website. <https://www.apicalgroup.com/about/leadership/>

As the highest governing body, the Board provides oversight of material ESG matters, including climate-related risks and opportunities, human rights, NDPE commitments, and supply chain performance. These are reviewed at quarterly Board meetings and embedded into decision-making processes across the Group.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

SUSTAINABILITY GOVERNANCE STRUCTURE



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

Ethics and Compliance

GRI 2-23, GRI 2-24

Apical is dedicated to maintaining integrity in all business dealings, adhering to both legal and ethical standards. As a member of RGE Group, all BoD members and Apical employees must adhere to the RGE Global Code of Conduct which provides guidance on behaviour aligned with our Core Values (TOPICC).

The RGE Global Code of Conduct serves as a guiding framework for all employees, outlining expected standards in areas such as anti- corruption, fair competition and environmental responsibility. It promotes sustainable practices, safeguards workers’ rights and enforces a zero- tolerance policy for social injustices.

The Code of Conduct is disseminated as part of our new hire orientation programme to all employees and board members. Our commitments to ethical business practices are also extended to all our suppliers through the Group’s Code of Procurement Ethics (COPE), which outlines commitments to ethical conduct and prohibits corruption. All suppliers are required to acknowledge and comply with the COPE prior to engagement.

In 2025, there were no breaches of the Code of Conduct, including incidents of corruption, anti-competitive behaviour, or violations of antitrust laws. Additionally, we incurred no significant fines or non-monetary sanctions for non-compliance with environmental, social, or economic regulations.



Our Indonesian employees undergoing RGE Code of Conduct training

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

Anti-Corruption and Anti-Bribery

GRI 205-2, GRI 2-26, GRI 205-3

Apical recognises the critical importance of maintaining integrity in its business conduct. Our Anti-Bribery and Anti-Corruption (ABC) Policy mandates that all employees comply with applicable ABC laws. This policy requires strict adherence to relevant laws and regulations regarding bribery and corruption in all countries where Apical operates, including the guidelines outlined in the United Nations Convention Against Corruption.

The ABC policy extends to all employees and non-employees alike, including individuals providing services on behalf of Apical such as contractors, suppliers, consultants, agency staff, and business partners—who are required to comply with this policy. Instances of non-compliance will be subject to thorough investigations and disciplinary action.



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

To ensure understanding and adherence, all employees across our operations receive training on the ABC Policy. Mandatory training is included in the employee onboarding process through our internal employee portal, while existing employees receive regular reminders via internal memos and are provided refresher trainings periodically.

As of December 2025, a total of 4,430 or 100% of our employees were trained on the ABC Policy and are encouraged to report any concerns regarding suspected misconduct or malpractice to their department heads or in accordance with our Whistleblowing Policy.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

Risk Management

GRI 2-12, GRI 2-16, GRI 2-25, GRI 2-27

Apical has adopted an ISO 31000:2018-compliant Enterprise Risk Management (ERM) framework, which includes an escalation mechanism that promptly communicates risks and their severity to our executive team. Our comprehensive risk register allows us to assess risks, classify their severity, and assign qualified individuals to manage them effectively. It is reviewed and updated every six months to anticipate and address potential issues as they arise. Sustainability risk including climate-related risks are integrated into this framework, ensuring structured escalation and review of material climate risks alongside other enterprise-level risks.



Strategic Oversight

A biannual Risk Management Committee (RMC), led by Apical's President, supports effective risk oversight for the Palm business by ensuring that material risks are identified, assessed, monitored, and managed in a structured and consistent manner. The RMC provides governance over the ERM framework and promotes a strong risk-aware culture, including the integration of ESG considerations into business decision-making.



Operational Implementation

The Group Risk Management Department (GRMD), along with site representatives, executes our approach to reporting, investigating, and resolving non-compliance matters. They maintain a comprehensive risk register and provide half-yearly reports to the Leadership Team.



Transparent Communication

The GRMD actively communicates goals, policies, and procedures to the RMC and employees through various channels.

Sustainability-Linked Loans

GRI 201-2

As for sustainable financing, we leverage Sustainability-Linked Loans (SLLs) as a tool to align internal teams to deliver their sustainability goals. SLLs are financial loans that incorporate pre-agreed sustainability targets in the loan agreement and failure to achieve all of those indicated targets will result in a higher interest rate on the loan.

In 2024, Apical secured up to US\$800 mil of SLL. The SLL was structured in accordance with the Sustainability-Linked Loan Principles (SLLPs), with the SPTs agreed jointly with participating banks. As of the end of 2025, an independent third-party annual surveillance audit was conducted to assess performance against the SPTs.

The results of the audit confirmed and verified that Apical has successfully met the above interim annual SPTs. Apical will continue to conduct the third-party verification for the SPTs in 2026.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

Cybersecurity and Data Governance

GRI 2-13, GRI 2-26, GRI 2-27

At Apical, we recognise that effective management of information systems not only strengthens operational efficiency but also safeguards the integrity of our sustainability commitments. Cybersecurity oversight is embedded at the governance level, with key cybersecurity indicators reviewed by the Risk Management Committee. Critical risks are escalated to Apical's Leadership Team through monthly updates, ensuring timely visibility and response at the highest levels of the organisation.

In 2025, we strengthened employee awareness through regular security communications, including targeted emails on phishing awareness and the use of phishing simulation tools. These initiatives help ensure that staff remain vigilant and informed about evolving cyber threats. Employees are also provided with clear channels to report cybersecurity

concerns, including direct reporting to the vendor responsible for cybersecurity or by contacting the Information Technology (IT) team directly. In 2025, no cybersecurity breaches or incidents were reported.

Additionally, Security Risk Assessments are conducted as part of any Digital Project, IT or Operational Technology (OT) engagement. A comprehensive Risk Assessment was performed on our existing supply chain applications in 2025 which was reviewed, completed, and signed off by the IT team to ensure compliance with internal standards and industry best practices.

We also leveraged digital monitoring tools to strengthen accountability and transparency across our operations and supply chain, including grievance dashboards, satellite monitoring and supplier compliance tracking. These initiatives are further detailed in our [Stakeholder Engagement](#) (page 34) and Transformative Partnerships chapter of this report.



Cybersecurity Framework

We have implemented a comprehensive cybersecurity framework designed to protect sensitive sustainability and operational data. In designing our cybersecurity processes and controls, Apical references internationally recognised frameworks, including the US Government's National Institute of Standards and Technology (NIST) Cybersecurity Standard and IEC62243 for OT and Center for Internet Security (CIS) for Cloud Standard. In 2023, we updated our Security Incident Management Process (Version 3.3) to establish well-defined and systematic procedures for expedited responses to information security incidents. This framework enables timely detection, escalation, and resolution of potential threats, reinforcing our resilience against cyber risks.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

GRIEVANCE MANAGEMENT

GRI 2-16, 2-25, 2-26, 3-1

To ensure adherence to our policies, Apical has set up a robust grievance management system for any stakeholder to raise concerns related to our business or suppliers. All Apical stakeholders have access to a transparent and accountable grievance mechanism that is available to file complaints related to Apical's operations and/or our suppliers about potential breaches of our policy commitments and certification requirements. In addition, we ensure any grievances raised against Apical through external platforms, are addressed and resolved promptly through established procedures.

Stakeholders may choose to report potential or actual negative impacts related to Apical's operations and/or supply chain and request remediation through various channel **without the threat of reprisal**:

Email

Postal mail

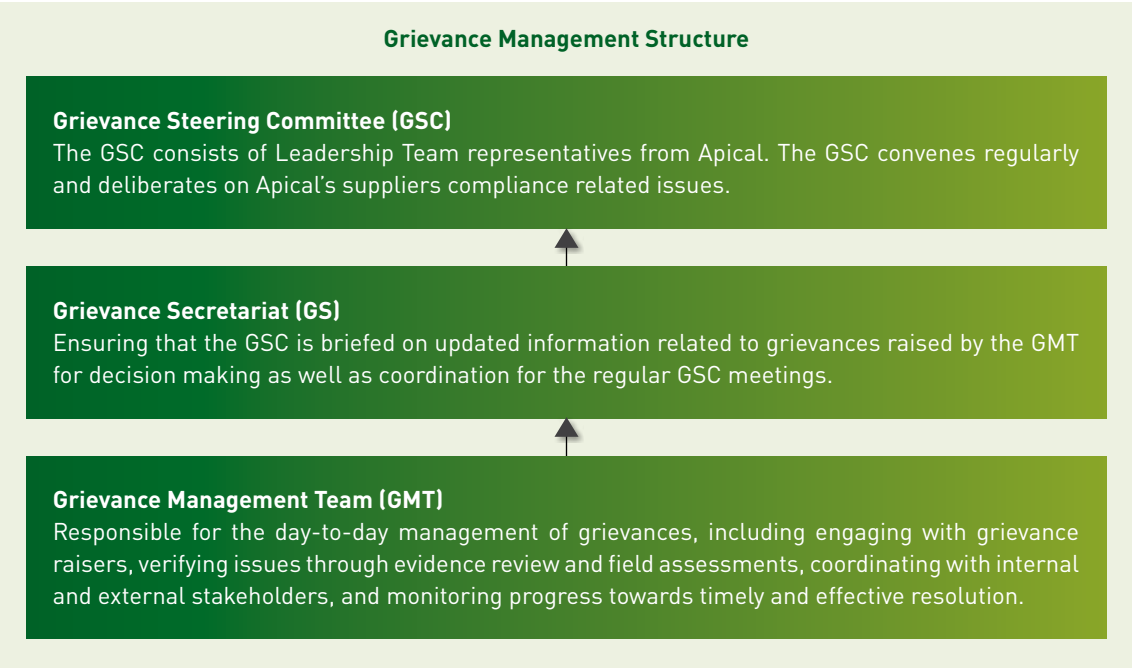
Fax

The grievance mechanism is governed, managed and implemented by our Grievance Steering Committee (GSC), Grievance Secretariat (GS), and Grievance Management Team (GMT) in line with our Grievance Management Procedure.

In 2025, Apical made meaningful structural improvements to strengthen the governance and operational capacity of our grievance management processes. In line with our grievance Standard Operating Procedure (SOP), the positions of the Grievance Communications Officer and the Grievance Administrative Officer were formally filled, reinforcing the dedicated resourcing behind the function. Towards the end of 2025, preparatory work was undertaken to formalise and increase the frequency of Grievance Steering Committee meetings, with clearer agenda-setting and improved alignment of collective positions across the Sourcing, Sustainability, and Trading teams.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

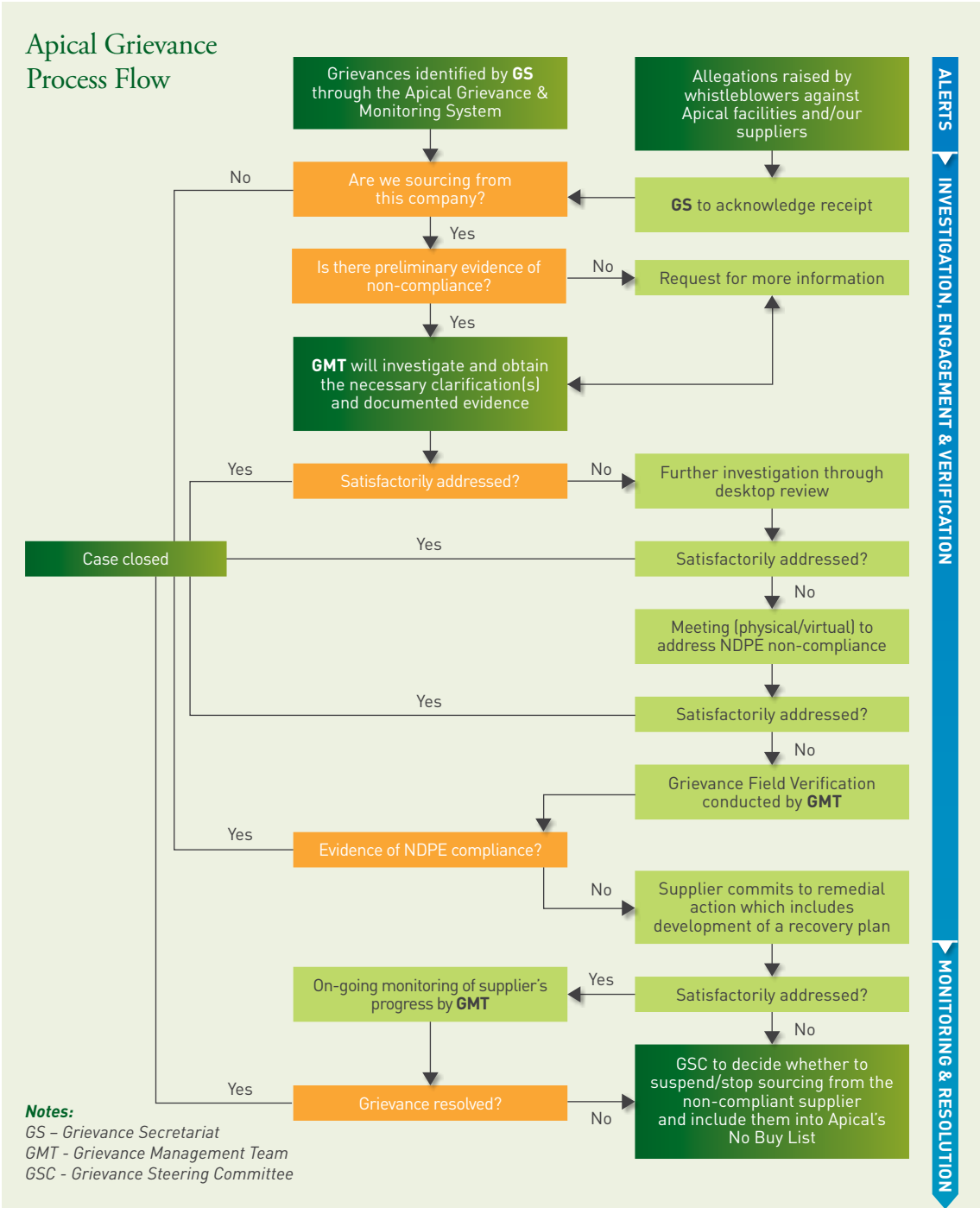


Apical's Grievance Process Flow illustrates our internal process of grievance reporting, investigation and resolution of sustainability concerns within our supply chain. The grievance process highlights three key stages which are Alerts, Verification & Engagement and Monitoring & Resolution. This structured flow of addressing grievances ensures standardisation in system, while allowing the flexibility to review the various types of grievances that may be received. Apical continuously monitors its supply chain to ensure that any issues raised are investigated, addressed and communicated to the relevant stakeholders.

While an existing system is in place, Apical is also open to continuous improvement. As such, we periodically review our grievance management system and processes to identify areas for improvement. This is based on any areas that are identified internally as well as feedback received externally. In the event our suppliers are found to have violated the Apical's Sustainability Policy, Sourcing Policy, or Human Rights policy, measures will be taken against the non-compliant supplier in line with the Grievance Management Procedure, which includes suspension, stop sourcing and/or inclusion to the Apical No Buy List.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

In 2025, there were six grievances recorded, involving suppliers. The grievances were related to allegations of large-scale deforestation within supplier concessions, sourcing from entities linked to deforestation, and peat clearance. Of the six cases, four have been resolved and two remains under monitoring. In 2025, from the six cases reported, three suppliers were suspended due to non-compliance of Apical sustainability requirements. The total area of illegal/non-compliant deforestation recorded from January 2016 until December 2025 for all suspended suppliers is approximately 70,617 hectares.

Table 2:
Supplier Grievances and Resolution Status

	2025	Cumulative from 2015
Number of grievances recorded	6	70
Number of grievances closed/resolved	4	67
Active grievances	2	3

Apical prioritises engagement with stakeholders as a tool to collaborate and resolve issues related to deforestation, social and land conflicts, among other topics.

For any emerging complaints, we remain in continuous and open dialogue with suppliers to seek clarification and evidence as well as our customers and concerned stakeholders to address the concerns raised and achieve a resolution.

For further information regarding the conflict engagement and resolution with our stakeholders, visit the Grievance Tracker on our website. <https://www.apicalgroup.com/sustainability/grievance/grievance-tracker/>

WHISTLEBLOWING

Apical provides a whistleblowing channel accessible through our website, allowing both employees and external stakeholders to anonymously report concerns regarding our operations or the practices of our suppliers. This platform is integrated with our grievance process and ensures that all complaints are received and addressed by the company.

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

- 1 Reporting Manager or HR Representative
- 2 Online Whistleblowing Form

Available on the Apical website with clear submission instructions.

For further information regarding the whistleblowing mechanism, visit our website to view the available reporting channels. <https://www.apicalgroup.com/sustainability/grievances/>

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

STAKEHOLDER ENGAGEMENT

Stakeholder Mapping, Engagement Channels and Feedback

GRI 2-29, 3-1, 3-3

We value the perspectives of our stakeholders and are committed to proactive, constructive engagement through open two-way dialogue. This process combines both formal and informal approaches, ensuring that we actively seek feedback while providing regular updates on our sustainability programmes, initiatives, and grievance mechanisms.

Stakeholder Engagement Channels

Feedback Mechanisms

We maintain clear and accessible channels for stakeholders to raise concerns, ask questions, and provide feedback. Our grievance mechanism enables stakeholders to report potential or actual adverse impacts linked to Apical’s operations or those of our suppliers. In addition, we operate a dedicated whistleblowing mechanism that allows stakeholders to confidentially raise concerns or seek clarification regarding our business practices and those of our supply chain partners. These mechanisms are integral to ensuring transparency, accountability, and continuous improvement in our sustainability performance.

Regular Engagement

We regularly engage with stakeholders such as customers, suppliers, civil society groups and NGOs through multi-stakeholder forums, face-to-face meetings, and virtual calls, ensuring that geographical distance does not hinder meaningful dialogue on sustainability matters.

EU Deforestation Regulation (EUDR) Communication Channel

We have continued to strengthen our communication channels by maintaining a dedicated email contact point, eudr.contact@apicalgroup.com, for all EUDR related inquiries and clarifications. This channel supports transparent and effective engagement with both suppliers and customers, facilitating dialogue on compliance requirements and ensuring alignment with evolving regulatory expectations.

 An overview of our stakeholder engagement activities undertaken in 2025 is included in [Appendix 1](#), pages 101 - 103 of this report.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

Partnerships, Memberships and Industry Collaborations

GRI 2-28

Apical demonstrates commitment to sustainable palm oil through memberships in national and international organisations, collaborating with global players on specific sustainability initiatives. We believe that collective effort amongst stakeholders is essential to advance towards sustainable production.

Apical actively participates in the Palm Oil Collaboration Group’s (POCG) Active Working Group (AWG) for matters related to the NDPE implementation. Apical’s involvement in this framework is instrumental in supporting sustainable palm oil production and enhancing cooperation with suppliers in our supply chain to ensure adherence to our policies and standards. The NDPE IRF helps in ensuring compliance with Apical’s NDPE commitments, offering a structure for monitoring progress, identifying supply chain gaps and devising strategies to address these issues.

We are also a signatory to the New York Declaration on Forests, which aims to halt deforestation and restore forest landscapes.

Membership Associations		
Indonesia Oleochemical Manufacturers Association	International Sustainability and Carbon Certification (ISCC)	The Tropical Forest Alliance (TFA)
Indonesia Biofuel Production Association	Palm Oil Refiners Association of Malaysia (PORAM)	Palm Oil Collaboration Group (POCG)
Indonesia Vegetable Oil Industry Association	Roundtable on Sustainable Palm Oil (RSPO)	Earthworm Foundation

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

Advancing Sustainable Palm Oil in Aceh Through Collective Action

In 2025, Apical partnered with industry leaders and Indonesia-based *Yayasan Inisiatif Dagang Hijau* (YIDH) to establish the Aceh Sustainable Palm Oil Working Group, a multi-stakeholder platform to advance responsible palm oil production across Aceh, Indonesia.

The initiative supports the Aceh Government’s Sustainable Palm Oil Roadmap, with focus on smallholder inclusion and long-term capacity building. By strengthening certification support, improving traceability, and fostering responsible practices at the grassroots level, the working group embedded sustainability processes and efforts across the entire value chain.

The working group brings together leading producers, global consumer brands and local partners to drive alignment on deforestation-free, traceable and inclusive supply chain. Apical plays an active role in supporting this collaboration and aligning efforts with regional sustainability priorities.

The participation of multinational companies in the working group reflects a growing momentum for green investment and downstream development in Aceh. Regional leadership has called for greater private sector participation to strengthen local refining capacity and unlock economic opportunities, while maintaining strong environmental and social safeguards.

Smallholder empowerment is central to this approach. We recognise its importance in sustaining long-term compliance and improving livelihoods. Through ongoing support and collaboration, the working group aims to enhance smallholder resilience while ensuring continued alignment with sustainability standards.

Materiality

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

Our material topics guide our sustainability strategy by identifying and prioritising areas that are most relevant and important to Apical’s business and its stakeholders. We used GRI 3: Material Topics processes to ensure consistency with global best practices and stakeholder expectations, while also aligning the topics with Apical2030 framework.

We strive to conduct materiality assessments every three (3) years, while reviewing the topics for relevance on an annual basis. In 2026, we undertook a high-level review of our material topics with an external consultant. The material topics were consolidated from 29 topics in 2024 to 10 core material topics (refer to [Appendix 2](#) for the list and definition of 10 core material topics). The consolidated 10 core material topics fully captures the substance of the original 29 topics. This refined set provides a clearer and more structured foundation for Apical’s sustainability strategy.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

Materiality Assessment Process

Activities

Research & Benchmarking



- Reviewed Apical’s internal documents, policies and procedures.
- Desktop review covering the following:
 - A peer and sector review across the industry.
 - Focused survey sample with a stronger representation from internal stakeholders and complemented by selected external stakeholders.

Stakeholder Interviews



- Developed interview questions to gather qualitative insights from external stakeholders on the 10 material topics identified. We also solicited feedback on sustainability focus areas and how they shape Apical’s business priorities.
- The interviews sought to understand how Apical collaborates with external partners to generate value for their stakeholders, the communities and the environment.
- The survey addressed each material topic through a two-tiered approach, capturing stakeholders’ views on both the importance of the topic to them and its impact across Apical’s value chain.
- We surveyed a total of 22 respondents, with a majority representation from internal stakeholders. We supplemented the survey through in-depth interviews with four (4) key business stakeholders, including customers and a financial institution.

Management Review & Validation

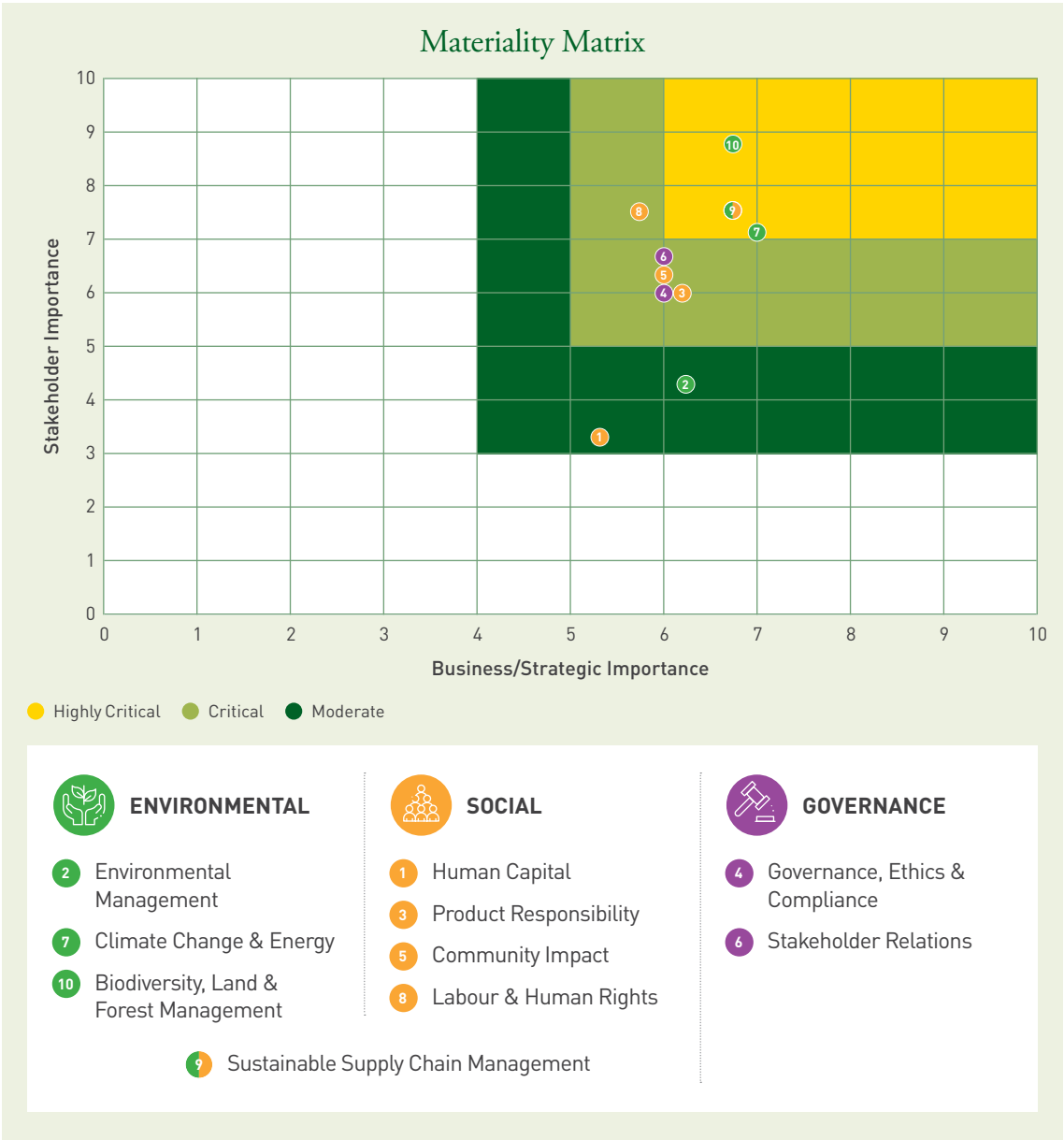


- Senior management reviewed and updated the materiality prioritisation to reflect Apical’s current strategic focus and long-term priorities, while continuous customer engagement informed adjustments such as the emphasis on product quality.
- Presented findings for the research and interview to Apical’s Leadership Team for endorsement and approval.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Approach to Sustainability

Based on the data collected, a materiality matrix was prepared based on two perspectives - Significance to stakeholders and significance to Apical's business. Significance to Apical here reflects strategic and business relevance only (e.g. strategy, operations, risk and resilience).



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Approach to Sustainability

These 10 material topics were then classified into the following three categories which are:

HIGHLY CRITICAL
highest priority, strongly influencing both stakeholders and business strategy

CRITICAL
significant importance, requiring active management and disclosure

MODERATE
moderate importance, monitored but less central to immediate strategy

This classification was a result of inputs considered from key themes from stakeholder interviews, taking into consideration Apical's business strategy and Apical2030 framework. We also obtained feedback from the Group's sustainability and senior management team before finalising the topic classification as below.

Highly Critical Business/Strategic Importance & Stakeholder Importance

Biodiversity, Land & Forest Management
Deforestation prevention, forest conservation

Climate Change & Energy
GHG emissions, climate risks, energy efficiency

Sustainable Supply Chain Management
Traceability, NDPE, supplier due diligence

Critical Business/Strategic Importance & Stakeholder Importance

Community Impact
Community wellbeing, FPIC, social investments

Governance, Ethics & Compliance
Anti-corruption, transparency, privacy, cybersecurity

Labour & Human Rights
Ethical recruitment, fair wages, worker rights

Moderate Business/Strategic Importance & Stakeholder Importance

Human Capital
Diversity, Equity, and Inclusion (DEI), health, safety, wellbeing, training

Environmental Management
Water, waste, circularity, pollution

Stakeholder Relations
Stakeholder dialogue, transparency, grievance mechanisms

Product Responsibility
Quality, safety, certifications

TRANSFORMATIVE PARTNERSHIPS

- 43 Responsible Sourcing and Supplier Engagement
- 56 Biodiversity, Land, and Forest Management



96% of our total CPO volumes sourced from suppliers are “Delivering” on their No Deforestation commitments (NDPE IRF v5.8)

81% of the total CPO volumes sourced from suppliers are “Delivering” on their No Deforestation and Peat commitments (NDPE IRF v6.0)

100% of TTP data verified by independent third-party

Forest Protected: **27,758 ha**
Aceh: **17,758 ha**
Kutai Timur: **10,000 ha**

Total accumulated:
1 biogas plant

CORE SDG GOAL:



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Transformative Partnerships

Operating within a complex and global supply network, we recognise that achieving meaningful progress requires close collaboration with suppliers, customers, governments, industry platforms, and civil society organisations.

Guided by our Apical2030 roadmap, the Transformative Partnerships pillar focuses on strengthening traceability, advancing NDPE compliance, and supporting conservation outcomes across our supply chain. This approach reflects our belief that sustainability is a shared responsibility. It depends on building trust, aligning expectations and working collectively to address systemic challenges within the palm oil sector.

We engage our suppliers not only to meet compliance requirements, but also to build long-term capabilities and resilience (see [Inclusive Progress](#) on pages 94 - 97). Through structured engagement, clear policy frameworks, and the use of advanced monitoring and verification tools, we seek to improve transparency, manage risks, and enable more responsible sourcing practices at scale.

Apical Wins ESGBusiness Award for Sustainable Supply Chain Partnership

In September 2025, Apical received the Sustainable Supply Chain Partnership Award at the ESGBusiness Awards 2025, marking the third consecutive year the Group has been recognised for its sustainability efforts. The award recognises Apical’s leadership in advancing a responsible, deforestation-free and fully traceable palm oil supply chain that creates shared value across its operations, partners and communities.

The award also reflects Apical’s continued focus on community and smallholder empowerment. Through the SMILE (Smallholder Inclusion for Better Livelihood & Empowerment) programme, implemented in collaboration with Kao Corporation and Asian Agri, the Group has supported independent smallholders through

training on sustainable agricultural practices and reduced herbicide use. In parallel, Apical’s Sustainable Living Village initiatives promote alternative livelihoods, including honey and cacao cultivation, alongside forest conservation efforts.



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Transformative Partnerships

RESPONSIBLE SOURCING AND SUPPLIER ENGAGEMENT

GRI 2-23, 2-24, 308-1, 414-1

Apical’s responsible sourcing approach is anchored in the Group’s Sustainability Policy, Sourcing Policy, Human Rights Policy, Code of Conduct and Code of Procurement Ethics. These policies establish clear expectations for suppliers to adhere to applicable laws and regulations, and uphold internationally recognised standards for environmental protection, ethical conduct and NDPE compliance. Together, they form the governance foundation for how Apical manages sourcing across its operations and supply chain.

To operationalise these commitments, we apply a structured, risk-based system that integrates:

- Supplier screening and risk profiling
- Traceability and verification
- Continuous monitoring and grievance management
- Supplier engagement and capability building
- Public disclosure and reporting

Our Supply Chain

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



CPO supplying mills

361 mills



CPKO suppliers

152
Kernel Crushing
Plants (KCPs)

PK suppliers

164
mills

Total suppliers engaged (PK and CPO):

445 mills

Total suppliers engaged (CPKO):

152 KCPs

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.
- Some of our direct CPO supplying mills also supply PK to Apical.
- The above figures only cover our facilities in Indonesia. External suppliers from our operations in China and Spain are excluded.

CPO, PK and CPKO are derived from the processing of fresh fruit bunches (FFB). Mills source FFB from their own estates, third-party plantations, smallholder schemes, independent growers and dealers. Apical also sources CPO and PK through traders.

5.19%

of the total volume
of CPO sourced comes
from traders

4.13%

of the total volume
of PK sourced comes
from traders

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Transformative Partnerships

SUPPLIER MANAGEMENT AND ENGAGEMENT: APICAL SUSTAINABILITY IMPLEMENTATION FRAMEWORK (A-SIMPLE FRAMEWORK)

GRI 2-29, 308, 414

The A-SIMPLE Framework is Apical’s core system for managing supplier sustainability performance. It provides a structured, risk-based approach to operationalise No Deforestation, No Peat, No Exploitation (NDPE) commitments across the supply chain—covering supplier onboarding, risk profiling, monitoring, and continuous engagement.

It integrates:



Supplier onboarding and screening
New Supplier Screening



Risk profiling and prioritisation
Mill Prioritisation Process

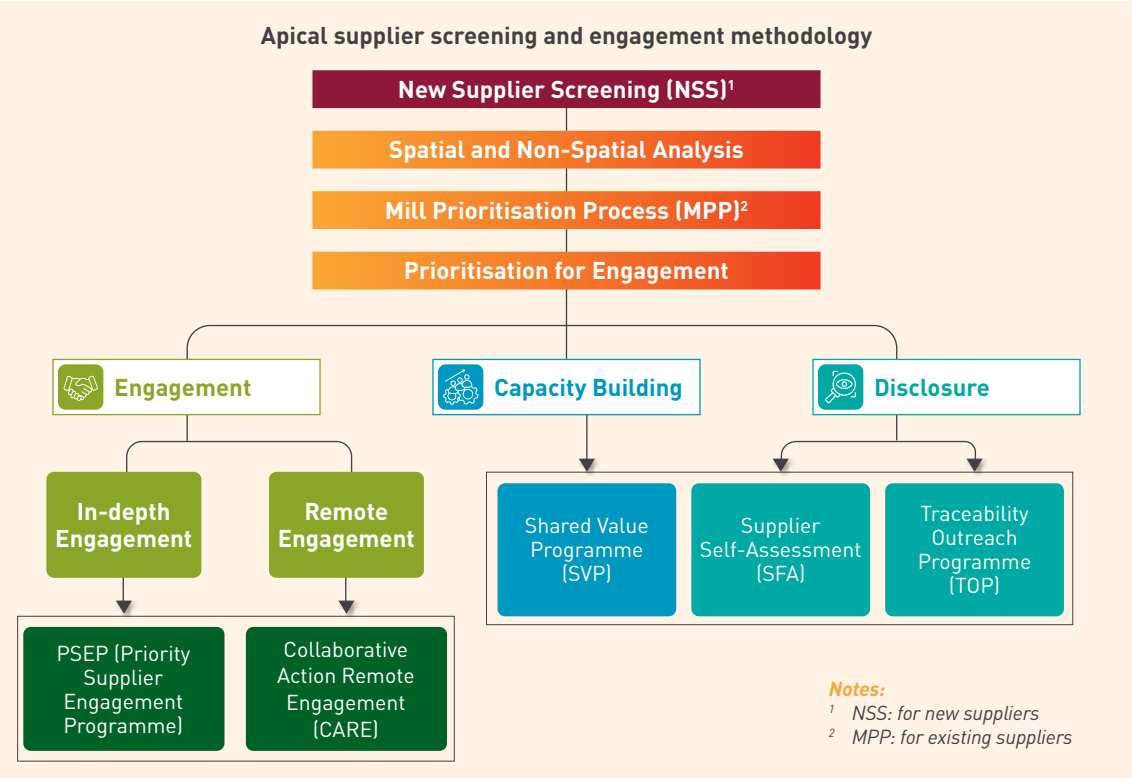


Monitoring, assessment and verification
Traceability, satellite tools, grievance system



Supplier engagement programmes
Anchor Programmes

The diagram below outlines our supplier screening and engagement process.



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Transformative Partnerships

New Supplier Screening (NSS)

As part of our onboarding process, all of our suppliers are required to formally declare their adherence to our Sourcing Policy in writing. Before integrating any palm oil supplier in Indonesia into our supply chain, we conduct thorough due diligence, employing our NSS process.

The NSS process ensures that potential suppliers are evaluated based on a full review of their company profile and their ability to present official licenses and/or permits that meet legal requirements. All new suppliers must provide information of their sustainability practices as well as the level of traceability within their operations.

Risk Profiling: Mill Prioritisation Process (MPP)

Once a supplier is declared eligible through the NSS process, the MPP is used to identify and assess potential risks. The resulting risk profile enables us to prioritise suppliers for further engagement through our Anchor Programmes. Suppliers identified as high risk based on our risk assessment criteria are prioritised for engagement. Suppliers inactive for more than one year are re-screened, with a focus on updated non-spatial data.

The objectives of the MPP include:

- Identifying mills that require targeted engagement.
- Enhancing engagement with high-risk mills to drive improvements and implement mitigation plans.
- Determining whether a detailed engagement strategy is necessary.

Risk levels are reviewed using spatial and non-spatial indicators. Geospatial parameters assess land use within a 50-kilometre radius of a mill to identify potential environmental risks; meanwhile, non-spatial parameters review qualitative information, including relationships with surrounding communities and smallholders.

All suppliers undergo MPP evaluation, with high-risk mills that have longstanding business relationships with Apical being prioritised for PSEP (Priority Supplier Engagement Programme).

We conduct ongoing monitoring of our suppliers, updating their risk status monthly. In 2025, we identified 42 mills (9.2%) with significant actual and potential social and environmental risks, including:

- Labour exploitation
- Illegal burning
- Deforestation
- Peatland development
- FFB sourcing from protected areas
- Social conflicts

Of the 42 mills, eight were selected for priority engagement under PSEP to effectively mitigate these risks.

Mills engaged via MPP in 2025

361

CPO mills engaged

369

PK mills engaged

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Transformative Partnerships

Supplier Engagement: Anchor Programmes

Suppliers are enrolled into targeted Anchor Programmes based on MPP risk levels:

Priority Supplier Engagement Programme (PSEP)

The PSEP is a follow-up to the MPP. The programme is based on six principles:

- Ensuring legal compliance
- Safeguarding critical conservation areas such as HCV (High Conservation Value) and HCS (High Carbon Stock), and peatland
- Managing environmental impact, including handling of waste and chemical
- Upholding respect for individuals and communities, which encompasses labour and human rights
- Creation of shared value
- Enhancing traceability

Field visits are conducted by the supplier engagement and compliance team to assess site-level practices and identify areas for improvement. During these visits, we offer comprehensive guidance on standard operating procedures (SOPs) and sustainability frameworks.

Where gaps are identified, corrective action plans are agreed by both parties, implemented by suppliers and then monitored by the compliance team to ensure alignment with NDPE policy requirements. **Since its launch in 2015, 71 mills have been engaged under PSEP. In 2025 alone, we engaged with eight mills under PSEP.**



Apical Responsible Sourcing Workshop - 25 June 2025

Collaborative Action Remote Engagement (CARE)

Initiated as an extension to PSEP during the COVID-19 in 2020, this initiative has been subsequently modified in 2022 as a yearly virtual engagement with our low-risk suppliers where they complete an online self-assessment to identify potential environmental and social risks.

Apical's sustainability team reviews the responses and engages suppliers where clarification or improvement is required. Corrective action plans are developed and monitored where gaps are identified. Supplier performance is assessed against Apical's Sustainability Policy, industry standards and NDPE IRF requirements.

Since its launch in 2020, a total of 266 suppliers has participated in Collaborative Action Remote Engagement (CARE). In 2025, a total of 60 supplying mills were engaged through the programme.

Shared Value Programme (SVP)

The Shared Value Programme (SVP) consists of workshops and knowledge-sharing sessions to strengthen supplier capacity. External experts facilitate these sessions to support practical implementation and encourage collaboration across the supply chain.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Transformative Partnerships

Topics include:

- Emissions reduction
- Labour and employment standards
- Apical2030 targets
- Certification schemes such as RSPO and ISPO
- Emerging regulations, including the EU Regulation on Deforestation-Free Products

Apical aims to hold these sessions twice a year with a diverse group of industry professionals.

Supplier Self-Assessment (SFA)

The Supplier Self-Assessment (SFA) tool enables suppliers to evaluate compliance with Apical's NDPE policy and identify potential supply chain risks, including governance-related risks such as corruption and fraud. The self-administered questionnaire supports early risk identification and preventive action, proving a useful asset during the global pandemic.

Traceability Outreach Programme (TOP)

Launched in 2017, the Traceability Outreach Programme (TOP) offers Apical supplying mills with information on best practices for traceability data management. TOP embodies Apical's "outside-in" approach to supplier engagement, where suppliers are regarded as co-creators in their journey to improve the traceability of the palm oil industry. **All 445 of our supplier mills are involved in the programme.**

Supplier Anchor Programmes - 2025 Highlights

PSEP	CARE	SVP	TOP
8 PSEP visits in 2025	60 supplying mills engaged in 2025	554 suppliers engaged since 2016	445 active supplying mills engaged
71 mills visited since 2015	266 suppliers engaged via CARE since 2020	2 workshops conducted in 2025 with 178 attendees	
New Supplier Screening - All suppliers have undergone screening before engagement 55 of new suppliers screened in 2025 (100%)		Supplier Self-Assessment Tool 445 mills evaluated using SFA in 2025 (100%)	

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Transformative Partnerships

MANAGING SUPPLY CHAIN RISK
THROUGH TECHNOLOGY

GRI 2-26, 308-2

To support the effective implementation of its responsible sourcing commitments, Apical adopts a risk-based approach to monitoring its supply chain. This is enabled through a combination of digital tools, spatial analysis, and structured verification processes that provide near real-time visibility of supplier activities.

Supply Chain Mapping



We use Geographic Information System (GIS) technology to monitor our palm oil supply chain and assess supplier risks. This helps us identify non-compliant suppliers, who must follow corrective procedures outlined in our Anchor Programmes. We also publish a quarterly list of supplying mills with their GPS coordinates on our website for transparency.

Satellite Imagery Analysis



Apical utilises satellite technology to monitor land use changes and detect deforestation across its supply chain. Through the Global Forest Watch Pro (GFW Pro) platform and real-time alert systems like Global Land Analysis and Discovery (GLAD) and Radar for Detecting Deforestation (RADD), we ensure compliance with sustainability commitments and enhance supplier oversight. This includes verifying the imagery by comparing changes in forest cover imagery to improve the accuracy of the analysis results. These tools enable near real-time tracking, allowing swift detection of deforestation and immediate supplier engagement for land clearing over one hectare.

In addition to satellite monitoring, the Group maintains a structured grievance mechanism to manage reported or detected non-compliances. This includes desk-based verification supported by geospatial analysis, as well as follow-up engagement with suppliers to investigate and resolve issues.

These tools and processes are aligned with industry frameworks such as the NDPE Implementation Reporting Framework (NDPE IRF), supporting consistent monitoring, reporting, and verification across the sector. Together, they enable Apical to move beyond periodic assessments towards continuous, data-driven oversight of its supply chain.

TRACEABILITY ACROSS OUR SUPPLY CHAIN

Our responsible sourcing approach is firmly embedded within the Group's processes, with traceability as a core enabler. Traceability provides greater visibility required to implement and verify compliance with NDPE commitments across the supply chain. By linking suppliers to sourcing origins, traceability strengthens risk assessment, monitoring, and assurance processes, enabling a more targeted and data-driven approach to managing environmental and social risks.

Traceability to Mill
GRI 2-6, 2-24, 308

Since 2015, we have achieved 100% Traceability to Mill (TTM), providing full visibility of the mills within its supply chain. These mills are primarily located across key palm oil-producing regions in Indonesia, including Riau, North Sumatra, South Sumatra, West Sumatra, Jambi, East Kalimantan, and Central Kalimantan.

In 2025, 94.81% and 95.87% of CPO and PK volumes respectively were sourced directly from these mills, with the remaining volumes procured through trading companies.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Transformative Partnerships

TTM also supports efforts to identify the origins of FFB. However, this can be complex due to indirect sourcing. Apical sources crude palm oil (CPO) and crude palm kernel oil (CPKO) from traders who may aggregate supply from multiple plantations. As FFB must be processed within 24 hours of harvesting to maintain quality, plantations are typically located within close proximity to mills. Leveraging this supply chain characteristic, Apical has developed methodologies to trace FFB supplier locations and strengthen upstream visibility.

As of December 2025, 100% of Apical's supply is traceable to mills and Kernel Crushing Plants (KCP), including full traceability to mill for all KCP suppliers.

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 Global Positioning System (GPS) data through:



Database
Checks

Verification against a master database ensures consistency



Unique
Identification

Once validated, each mill receives a unique ID logged in the UML



Satellite
Imagery Analysis

Satellite images confirm the physical location of the mills



Universal
Mill List (UML)

A shared resource developed by World Resources Institute (WRI) and Rainforest Alliance

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Transformative Partnerships

Traceability to Plantation

GRI 2-24, 308, 414

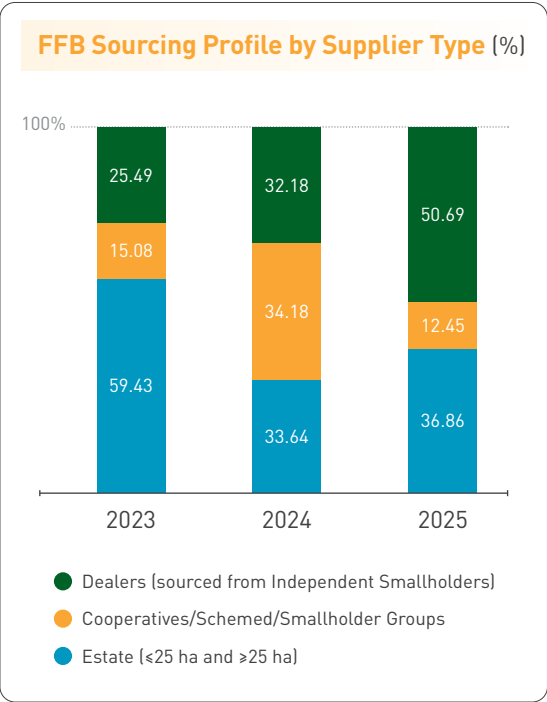
Traceability to Plantation (TTP) strengthens upstream visibility by identifying the origin of FFB. This enables Apical to more effectively assess deforestation risks, human rights exposure, and overall compliance with NDPE commitments. **In 2025, we achieved 99.98% TTP for CPO. We are also proud to report that we achieved 100% TTP for CPKO, an improvement from 99.7% in 2024.**

Apical recognises that achieving plantation-level traceability can be complex. Many supplying mills source FFB through intermediaries or dealers, making it more challenging to directly link supply to individual plantations. Rather than treating TTP as a fixed endpoint, the Group prioritises supplier engagement, structured remediation, and independent verification to progressively strengthen supply chain visibility.

To further advance plantation-level traceability, Apical implements a structured methodology under its Traceability Outreach Programme (TOP), which serves as a key platform for supplier engagement and capability-building. The TOP initiative supports suppliers through:

- Structured data collection and validation processes
- Implementation of Apical's TTP protocols
- Capacity-building and technical guidance
- Field engagement, where required

For new suppliers, TTP implementation involves close collaboration to build understanding of traceability requirements, data standards, and reporting expectations. For suppliers progressing towards full compliance, targeted action plans are developed to address identified gaps, including enhanced documentation, mapping support, and structured monitoring.



2025 TTP progress

99.98% TTP for CPO

100% TTP for CPKO & PK

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Transformative Partnerships

Verifying Traceability

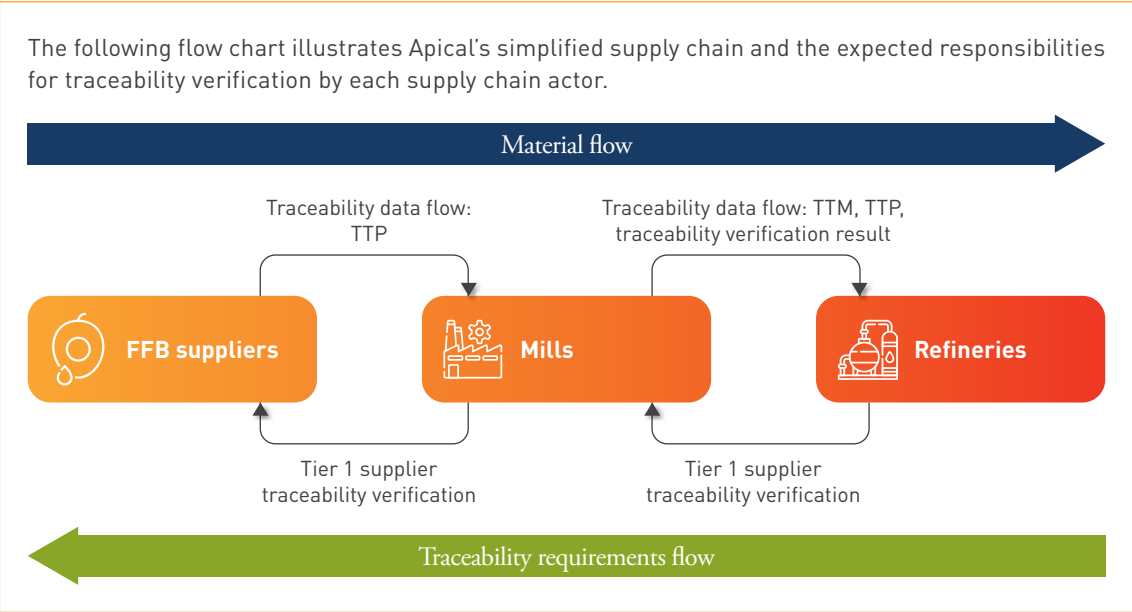
We ensure data accuracy and completeness including third-party verification of traceability data, where applicable through:

- Traceability Declaration Document (TDD)**
- NDPE IRF:**
Verified by independent third-party
- TTP:**
Verified by independent third-party
- GRI Sustainability Reporting:**
Verified by independent third-party assurance provider

Our Traceability Verification Guidance (TVG) provides a comprehensive methodology for data verification, establishing a standardised approach to protocol implementation across our operations. This guidance ensures consistency throughout our supply chain by setting uniform criteria and expectations for verifying the traceability of Tier 1 suppliers. By adopting the guidance, we aim to encourage all entities within our supply chain to actively promote its implementation among their Tier 1 suppliers, further strengthening their commitment to traceability.

The development of this guidance aligns with established protocols, including the NDPE IRF and internationally recognised standards such as ISO 14001 and ISO 9001.

In 2025, 100% of our TTP data has been independently verified by an external verification body.



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Transformative Partnerships

NDPE IMPLEMENTATION REPORTING
FRAMEWORK (NDPE IRF)

In line with Apical's commitment to upholding NDPE principles across our operations, we collaborated with industry partners to develop the NDPE Implementation Reporting Framework (IRF) - a monitoring tool that enables companies to assess and track their progress toward NDPE commitments.

The framework is embedded within Apical's assurance processes, integrating traceability data, satellite monitoring, and grievance mechanisms to validate supplier compliance and strengthen transparency across our supply base.

Transition to NDPE IRF Version 6.0

Version 6.0, introduced for reporting on 2025 volumes, represents a significant evolution of the framework, strengthening consistency, traceability integration, and data verification requirements across the sector.

Key Enhancements in NDPE IRF 6.0



Standardised verification approach
Clearer guidance on assessing and verifying non-compliances



Stronger traceability integration
Enhanced linkage between TTM/TTP data and monitoring systems



Improved grievance management
More structured tracking, resolution, and reporting of cases



Enhanced transparency and disclosure
Refined reporting requirements for improved comparability

The update reflects increasing expectations for:

More granular traceability, including improved definitions and requirements for TTP

Enhanced smallholder coverage, including methodologies to account for independent smallholder sourcing

Stronger verification protocols, with clearer guidance on data validation and assurance processes

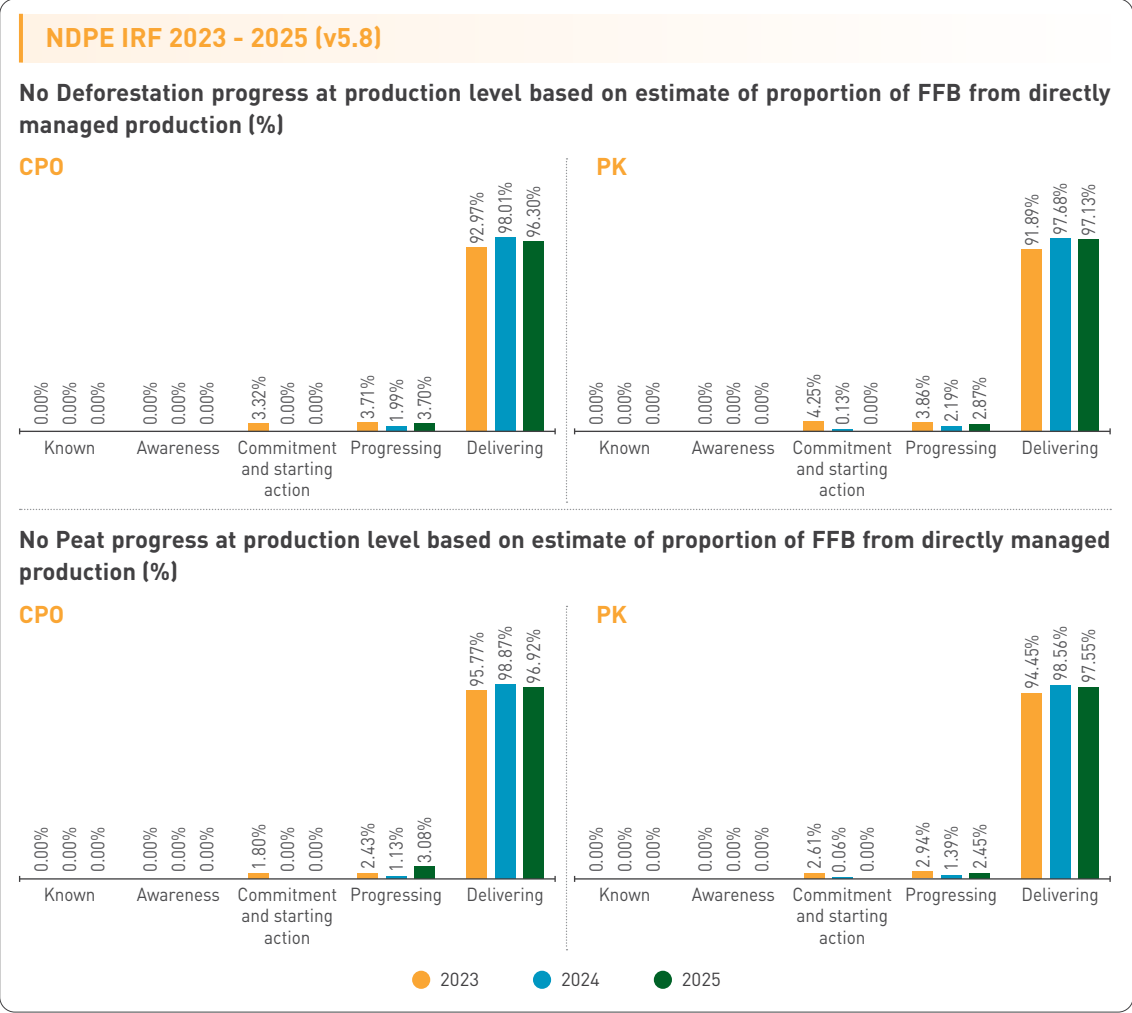
Improved alignment between traceability, monitoring, and reporting, enabling a more robust linkage between risk detection and performance disclosure

These enhancements support a more rigorous and standardised approach to NDPE implementation, improving comparability across companies and strengthening sector-wide accountability.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

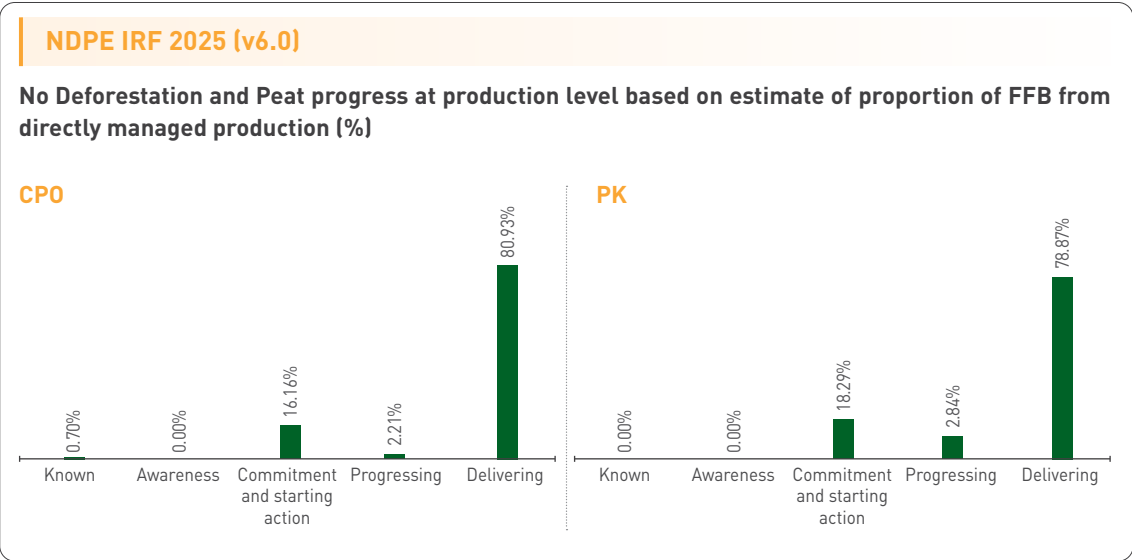
Transformative Partnerships

In 2025, Apical assessed its performance against both NDPE IRF version 5.8 and version 6.0, reflecting the transition to the latest framework:



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
-------------------	-----------------------	--------------------------------	--------------	----------------------------

Transformative Partnerships



In 2025, 96.30% of our total sourced CPO volumes from suppliers are assessed as “Delivering” on their No Deforestation commitments (NDPE IRF v5.8), and 80.93% assessed as “Delivering” on their No Deforestation and Peat commitments (NDPE IRF v6.0). This result was independently verified by Control Union, an accredited third-party assurance provider, reinforcing the credibility of our reporting and verification processes.

Through alignment with the NDPE IRF, Apical strengthens the robustness of its monitoring and assurance systems and supports greater consistency in how NDPE commitments are implemented and verified across the palm oil sector. We actively participate in NDPE IRF working groups to align verification methodologies, improve consistency in assessing non-compliances, and strengthen sector-wide accountability.

EUDR READINESS: DEFORESTATION-FREE DUE DILIGENCE FRAMEWORK

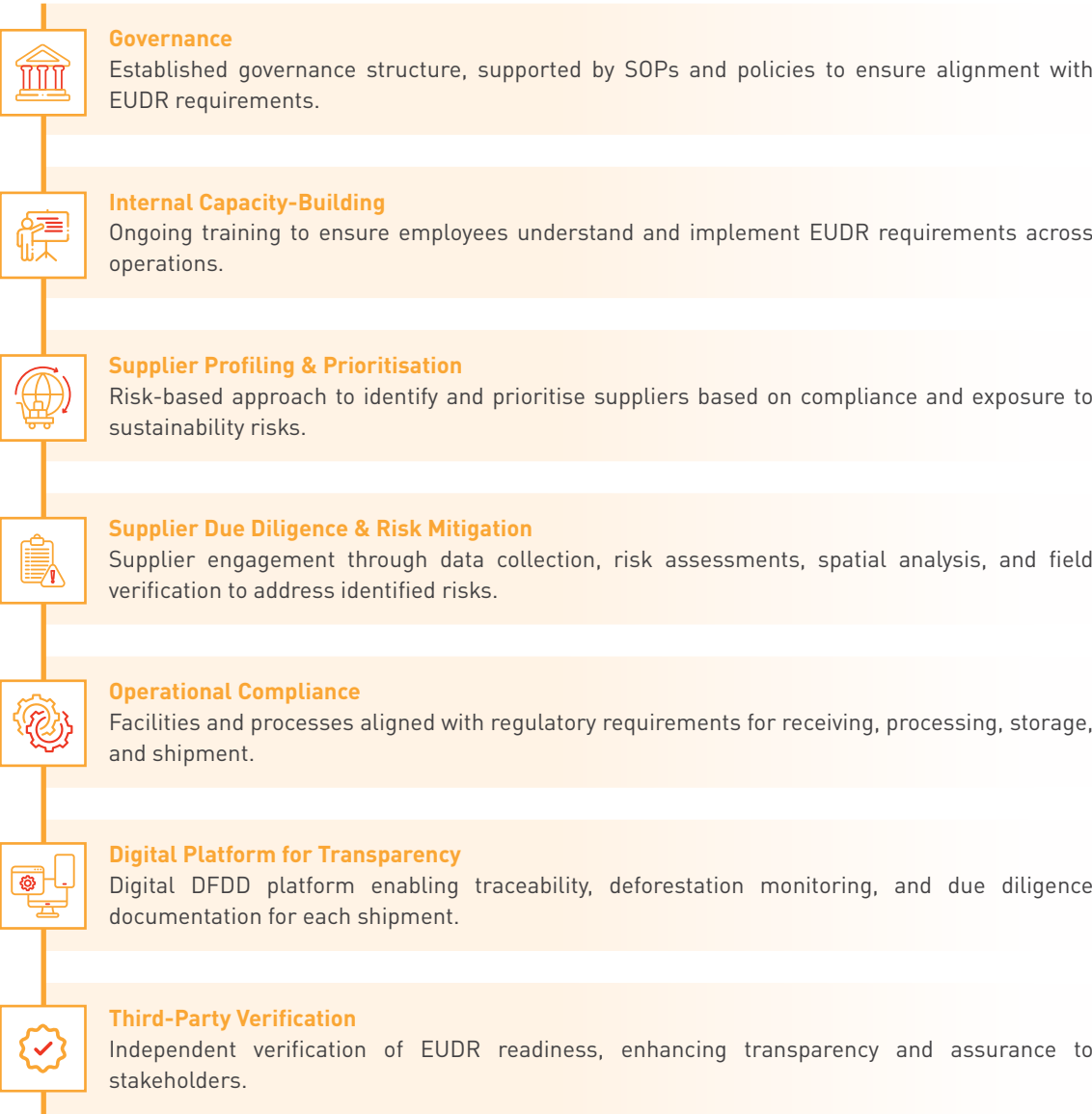
GRI 2-25, 2-26, 308-2, 414-2

Apical has established a structured due diligence approach through our Deforestation-Free Due Diligence (DFDD) framework. Introduced to strengthen compliance with evolving regulatory requirements, including the EUDR, the DFDD framework provides a systematic process for identifying, assessing, and mitigating environmental and social risks within the supply chain. While the European Union has postponed the enforcement of the EUDR to December 2026, Apical has taken a proactive approach in aligning our due diligence processes.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
-----------------------------	----------------	------------------	--------------------	------------

Transformative Partnerships

DFDD Framework and Focus Areas



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Transformative Partnerships

The DFDD framework integrates key elements such as supplier data collection, traceability verification, geolocation mapping, and risk assessment. This enables Apical to evaluate supplier compliance against NDPE requirements and regulatory expectations. The framework is supported by standardised procedures and ongoing monitoring to ensure that risks are identified early and addressed in a timely manner.

Apical is progressively strengthening its systems to support EUDR compliance, while reinforcing transparency, accountability, and responsible sourcing across its supply chain. The Group has conducted targeted due diligence assessments within selected supply chains to test and strengthen its readiness. This includes collaboration with suppliers to improve data quality, enhance traceability to plantations, and align reporting practices with regulatory requirements.

 Refer to pages 53 and 54 of our 2024 Sustainability Report for more details on Apical's EUDR readiness.

BIODIVERSITY, LAND, AND FOREST MANAGEMENT GRI 3-3, 304-1, 304-2, 304-3

Protecting forests, peatlands and biodiversity remain a core priority under Apical's Sustainability Policy and Apical2030 roadmap. As a midstream processor sourcing entirely from third-party suppliers, Apical focuses on managing upstream biodiversity risks through responsible sourcing, supplier engagement, and landscape-level partnerships. Biodiversity protection is not treated as a standalone initiative, but as a direct outcome of strengthening traceability, accountability, and partnerships across the supply chain.

These efforts are anchored in Apical's NDPE commitments, which include the protection of High Conservation Value (HCV) and High Carbon Stock (HCS) areas in alignment with the 2024 Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria.

Partnership in Conservation

Beyond supply chain controls, Apical advances biodiversity outcomes through landscape-level initiatives. Under Apical2030, the Group has committed to supporting the protection and conservation of 150,000 hectares of forest and peatland by 2030. Through the SLV programme, Apical works with local communities, government agencies and partners including IDH, *Yayasan Ekosistem Lestari* (YEL), and *Forum Konservasi Leuser* (FKL) to strengthen forest protection, support alternative livelihoods, and promote sustainable land management. **As of December 2025, 27,758 hectares have been identified for protection across Aceh Singkil and Kutai Timur, Indonesia.**

In Aceh Singkil, Aceh, conservation efforts are closely linked to the protection of the Leuser Ecosystem, a critical biodiversity landscape. **As of 2025, the programme spans 12 villages, contributing to the protection of 17,758 hectares of forest**, with additional restoration efforts underway. The programme has also supported community-based monitoring efforts and the establishment of a district-level deforestation monitoring task force (*Tim Pemantau Deforestasi Daerah*), strengthening local capacity for forest protection. Other key initiatives include alternative livelihood programmes such as Trigona honeybee cultivation, alongside smallholder training on Good Agricultural Practices (GAP) and Best Management Practices (BMP) to improve productivity while reducing environmental impact (see [SLV](#) on pages 96 - 97).

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Transformative Partnerships

In Kutai Timur, East Kalimantan, conservation initiatives are implemented across three villages within an area of 10,000 hectares identified for protection under Apical's landscape programme. These efforts focus on strengthening community-led land management while supporting sustainable livelihoods and long-term forest protection.

Our conservation efforts include tree-planting initiatives involving 33,175 trees to support restoration and enhance ecosystem resilience. Participatory land-use planning has been conducted in two villages, enabling communities to map land use, identify conservation areas, and align development activities with sustainable practices.

Apical also supports the development of social forestry initiatives, with 127 hectares approved under the social forestry scheme by KPH Bengalon. This includes technical verification and engagement with local stakeholders to formalise land use rights and promote sustainable management of forest resources.

Moving forward, Apical will continue to expand its landscape programmes and supplier partnerships to scale conservation outcomes and support long-term ecosystem resilience. We plan to collaborate with suppliers to carry out protection activities within their plantation concessions by offering partnerships in areas such as smallholder partnerships, alternative livelihoods, and carbon projects. However, the partnership model will ultimately depend on the specific needs of each supplier.



Tree planting activity under the SLV programme at Desa Tepian Makmur, East Kalimantan, Indonesia

Table 3: Land area protected and restored under SLV programme

Landscape	Villages Engaged	Forest Protection & Restoration
Aceh Singkil, Indonesia	12	17,758 ha of forest protected 2,000 trees planted at restoration area 88 ha under restoration
Kutai Timur, East Kalimantan	3	10,000 ha protected 33,175 trees planted 127 ha approved under social forestry

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Transformative Partnerships

Sustainable Living Village Programme Honoured at Sawit Indonesia Award 2025

Apical Group’s Sustainable Living Village (SLV) Programme was recognised at the fourth Sawit Indonesia Award 2025, reflecting its contribution to advancing sustainable practices and community development within palm oil sourcing landscapes.

Presented in Jakarta in December 2025, the award acknowledges initiatives that demonstrate progress in promoting sustainable palm oil practices. The recognition highlights the role of the SLV Programme in supporting independent smallholders and rural communities through capacity building, improved agricultural practices, and the development of alternative livelihoods.

The recognition also serves as an additional impetus for continued progress, highlighting the importance of sustained commitment to responsible supply chain practices aligned with global standards, while underscoring the role of village-level engagement in advancing sustainable palm oil production and inclusive development outcomes.



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Transformative Partnerships

ENVIRONMENTAL SAFEGUARDS IN THE SUPPLY CHAIN

GRI 304-2, 308-2

We complement our biodiversity and conservation efforts by promoting responsible land management practices across our supply chain. These measures are embedded within sourcing expectations and supplier engagement processes, supporting the protection of ecosystems while minimising environmental impact.

To protect peatland areas, **Apical does not support new developments on peatlands with 65% or more organic content, regardless of depth.** For existing plantations on peat, the Group promotes best management practice (BMP), including water table monitoring to reduce greenhouse gas emissions and maintain soil integrity. In areas unsuitable for replanting, Apical works with suppliers and local stakeholders to explore restoration or alternative land use options.

We also promote responsible agricultural practices to protect soil health and prevent land degradation. Suppliers are encouraged to adopt GAP and BMP, including measures to minimise soil erosion and avoid cultivation on marginal or fragile land. **We enforce a strict zero-burning policy across all our suppliers and provided a guidance document² for our suppliers on fire prevention and management.** Hotspots are monitored in our suppliers’ concessions alongside deforestation monitoring to reduce risk of forest fire, particularly during dry season.

To safeguard the environment and human health, Apical prohibits the use of pesticides classified as Class 1A or 1B by the World Health Organization (WHO), as well as those listed under the Stockholm and Rotterdam Conventions, including paraquat.

Any exceptional use of restricted substances is subject to strict due diligence controls. Appropriate usage of pesticides and fertilisers aligned with sustainability best practices by suppliers is encouraged.



SMILE programme smallholders installing chemical-use prohibition signs along riverbanks

The Group prohibits illegal or inappropriate hunting across its operations and supply chain, particularly involving species listed under the IUCN Red List and Indonesia’s national protected species regulations. Limited subsistence hunting by local communities may be permitted where it does not result in significant impacts on wildlife populations.

² <https://www.apicalgroup.com/resource-library/prevention-early-detection-and-control-of-open-burning-in-oil-palm-plantations/>

CLIMATE ACTION

62	Climate Strategy
64	GHG Emissions
67	Emission Reduction Initiatives
67	Air Emission Control



16.03% reduction of Scope 1 & 2 GHG emission intensity in 2025 vs baseline (2020)

6.51% increase in Scope 1 & 2 GHG emission intensity vs 2024

Conducted Life Cycle Assessment of **>50%** supply base for Scope 3 Assessment

Performed Scope 3 Assessment for years 2024 and 2025

CORE SDG GOAL:



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Climate Action

CLIMATE STRATEGY

GRI 2-9, 3-3, 201-2

As a leading vegetable oil processor, the Group is impacted by climate change both directly and indirectly, making it a material topic for us. Our long-term climate ambition supports efforts to reduce global temperature rise in line with the goals of the Paris Agreement.

All climate-related risks and opportunities are overseen by the Board and Leadership Team as part of Apical's sustainability governance processes. Material sustainability topics are discussed regularly at board meetings.

Operational oversight on Climate Action is led by the Sustainability Director and implemented by the Sustainability Department, with regular meetings conducted to monitor progress against climate-related commitments.

Under Apical2030, Climate Action is one of four strategic pillars and comprises two targets aimed at taking urgent action to combat climate change and its impacts:



Reducing Scope 1 and Scope 2 GHG emission intensity in production by 50% against the 2020 baseline by 2030



Achieving net zero emissions by 2050

Under the Green Innovation pillar of Apical2030, the Group targets deriving 38% of total energy use from renewable and clean energy sources, supporting its decarbonisation pathway.

These targets guide the Group's decarbonisation efforts in all its operations, investment planning and supplier engagement strategy. Apical leverages SLLs as a tool to align internal teams to deliver on its sustainability goals (for more details, please refer to page 28).

CLIMATE GOVERNANCE, STRATEGY AND RISK MANAGEMENT

Climate change presents a range of risks and opportunities that may affect Apical's operations, supply chain, and long-term business resilience. Given the Group's reliance on climate-sensitive raw materials, energy-intensive processing activities, and geographically diverse operating footprint, climate considerations are integrated into Apical2030, the Group's sustainability roadmap, with a focus on strengthening resilience, managing transition impacts, and reducing environmental footprint over time.

In 2025, we continued to advance our understanding of climate-related risks and opportunities, in keeping with growing popularity of International Sustainability Standards Board (ISSB).

Towards this end, in 2024, we conducted a climate scenario analysis of physical and transition risks and opportunities.

We applied two climate scenarios to analyse physical risks. The first scenario reflects a low-emissions pathway with projected global temperature increases of approximately 1.5°C to 1.8°C by 2100, while the second represents a high-emissions pathway with temperature increases exceeding 4°C by 2100³. In 2024, we further refined our assessment of transition themes that included policy and legal risks, technologies, and market, in alignment with Task Force on Climate-related Financial Disclosures (TCFD) recommendations⁴.

³ **SSP1-2.6 around 1.5°C:** The IPCC's 'next best' or low emissions scenario (1.8°C by 2100) envisions a world achieving net-zero global CO₂ emissions around 2050.

SSP5-8.5 above 4°C: The IPCC's 'Fossil fuelled development' (4.4°C by 2100) depicts the worst-case scenario that involves the doubling of current CO₂ emissions by 2050.

⁴ TCFD recommendations have now been absorbed under the International Financial Reporting Standards (IFRS) S2 for identifying, measuring and disclosing information about climate-related risks and opportunities.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Climate Action

Governance

Oversight of climate-related risks, opportunities, and mitigation actions is embedded within Apical's existing sustainability and enterprise risk governance structures. The Board provides oversight of climate-related matters as part of its broader role in long-term value creation and risk management. Climate considerations, including physical and transition-related risks as well as progress on mitigation initiatives, are a regular meeting agenda during Board deliberations.

The Leadership Team is responsible for implementing climate-related strategies and actions, led by the Executive Director, supported by the Sustainability Director and the Sustainability Department, with assistance from a dedicated sustainability and operational teams across key geographies supporting execution and monitoring.

 See pages 24 - 25.

Physical Climate Risks and Mitigation

An evaluation of physical climate risk drivers indicates that, under baseline conditions, most of Apical's assets are exposed to low to moderate risk levels that are generally manageable. However, the assessment identified several physical climate risks that could have a material impact on operations over the medium-term (2030) and long-term (2050) horizons. These risks include extreme heat, flooding, wildfires, and water stress and drought. To strengthen the Group's resilience, site-level assessments were conducted across refineries, production facilities and offices to better understand potential impacts and to inform appropriate mitigation measures.

Extreme heat may result in higher cooling demand, power supply disruptions, and increased health and safety risks to workers, while flooding could damage infrastructure, disrupt operations and increase repair requirements. Wildfires pose risks to physical assets and continuity of utilities and logistics, and water stress may lead to operational interruptions, increased costs and reputational impacts.

To mitigate these risks, Apical is implementing a range of adaptive measures, including heat vulnerability assessments, upgrades to cooling and electrical systems, enhanced fire prevention and emergency response planning, flood risk assessments and infrastructure upgrades, early warning systems, and strengthened business continuity arrangements. Water-related mitigation measures include improving water security through alternative storage and treatment options, enhancing water efficiency, and increasing water reuse and recycling across operations.

Transition Risk and Opportunities

Transition-related risks arise from the global shift toward a lower-carbon economy and include evolving climate-related regulations, changes in market and customer expectations, advances in technology, and reputational considerations linked to environmental performance and responsible sourcing. Apical's mitigation approach focuses on improving energy efficiency across operations, increasing the adoption of renewable and cleaner energy sources where feasible, strengthening engagement with suppliers to support emissions reduction, and enhancing transparency in sustainability practices. These actions support regulatory preparedness, market access, and the management of reputational and operational risks.

In parallel, the transition toward a lower-carbon economy presents opportunities for Apical to enhance long-term competitiveness and resilience.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Climate Action

Initiatives under Apical2030 are designed not only to reduce climate-related risks but also to capture opportunities through operational efficiency improvements, process optimisation, innovation in energy and resource use, and collaboration with suppliers and partners to build more resilient value chains.

Strategy and Risk Management

To support strategic planning and resilience building, Apical undertook forward-looking analysis of climate-related risks and opportunities across short, medium, and long-term horizons, with consideration of the period to 2030 and beyond. This exercise considered a range of plausible future climate and transition conditions to test the robustness of Apical’s operations and mitigation measures.

Apical’s climate strategy focuses on strengthening business resilience while supporting the transition toward a more sustainable and lower-carbon operating model. Climate considerations are integrated into strategic planning and decision-making across operations and the value chain, recognising both the physical impacts of climate change and the implications of the global transition toward a lower-carbon economy.

Through Apical2030, the Group prioritises actions that reduce exposure to climate-related risks while enabling operational efficiency, innovation, and long-term value creation. This includes embedding climate resilience into asset planning, improving energy and resource efficiency, increasing the adoption of renewable and cleaner energy where feasible, working with suppliers and partners to enhance resilience and emissions performance across the value chain. Forward-looking assessments, including scenario-based analysis over medium- and long-term horizons, are used to inform strategic decisions and ensure that Apical’s

business model remains robust under a range of future climate and transition conditions.

Metrics and Targets

Apical monitors climate-related metrics to track the effectiveness of its mitigation and transition efforts. These metrics include greenhouse gas emissions across relevant scopes, energy consumption, energy mix, water use and efficiency indicators. Using Apical2030 roadmap, we have articulated climate-related ambitions that guide its transition pathway and mitigation strategy. This involves reducing greenhouse gas emissions intensity, increasing the use of renewable and cleaner energy, improving water efficiency through circular solutions, and progressing toward a longer-term net-zero ambition by mid-century. Progress against these commitments and mitigation measures is reviewed regularly and disclosed through Apical’s sustainability reporting.

GHG EMISSIONS

GRI 305-1, 305-2, 305-3, 305-4, 305-5

Greenhouse gas (GHG) emissions remain a core focus of Apical’s Climate Action efforts, providing a quantitative basis for tracking performance and guiding emissions reduction initiatives across operations and the value chain. Scope 1 emissions primarily arise from the combustion of fuels for energy generation and transportation. Scope 2 emissions are calculated based on the latest grid emission factors.

Biogenic emissions associated with biomass combustion are disclosed separately within Apical’s operational emissions inventory in line with GHG Protocol guidance. Biogenic Scope 3 emissions are also reported separately. Apical’s GHG inventory is prepared in alignment with the GHG Protocol Corporate Accounting and Reporting Standard, using operational control as consolidation approach. Emissions coverage includes carbon dioxide (CO₂),

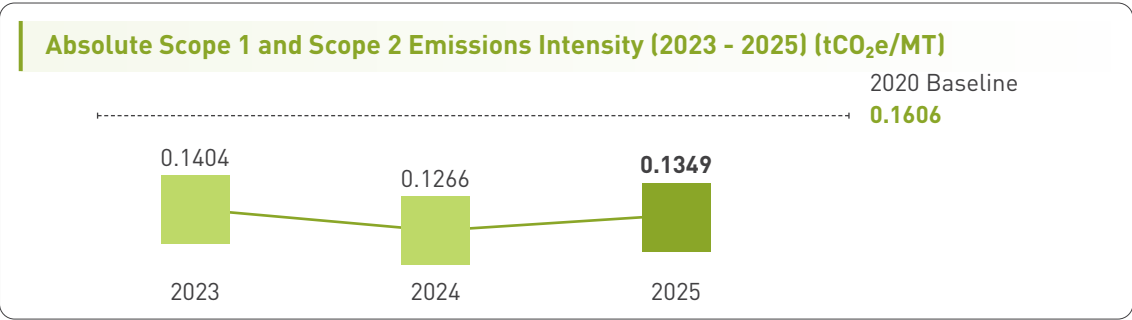
TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Climate Action

methane (CH₄) and nitrous oxide (N₂O), with Global Warming Potential (GWP) values based on the IPCC Sixth Assessment Report (AR6). Emissions data is reported in accordance with ISO 14064-1.

Absolute Scope 1 and 2 Emissions

In 2025, Scope 1 and Scope 2 emission intensity remained 16.03% below the 2020 baseline. However, this represents a 6.51% increase in emission intensity compared to 2024, primarily due to a reduction in biomass consumption arising from insufficient biomass supply and difficulties in sourcing biomass and alternative fuels. The reduction in biomass utilisation also contributed to the decline in operational biogenic emissions recorded in 2025. Detailed GHG emissions data is provided in [Appendix 3](#), page 106.



Scope 3 Emissions

In 2025, Apical completed a comprehensive Scope 3 GHG assessment. Scope 3 emissions (excluding biogenic emissions) totalled 43.66 million tCO₂e, while biogenic Scope 3 emissions amounted to 4.10 million tCO₂e.

The Scope 3 emissions estimate disclosed for 2023 in the 2024 Sustainability Report (approximately 51 million tCO₂e) was derived using product carbon footprint (PCF) data and did not include biogenic emissions. From 2024 onwards, Scope 3 emissions are calculated using the GHG Protocol Corporate Value Chain (Scope 3) Standard. As a result, the 2024 and 2025 Scope 3 emissions figures are not directly comparable with the previously disclosed 2023 estimate.

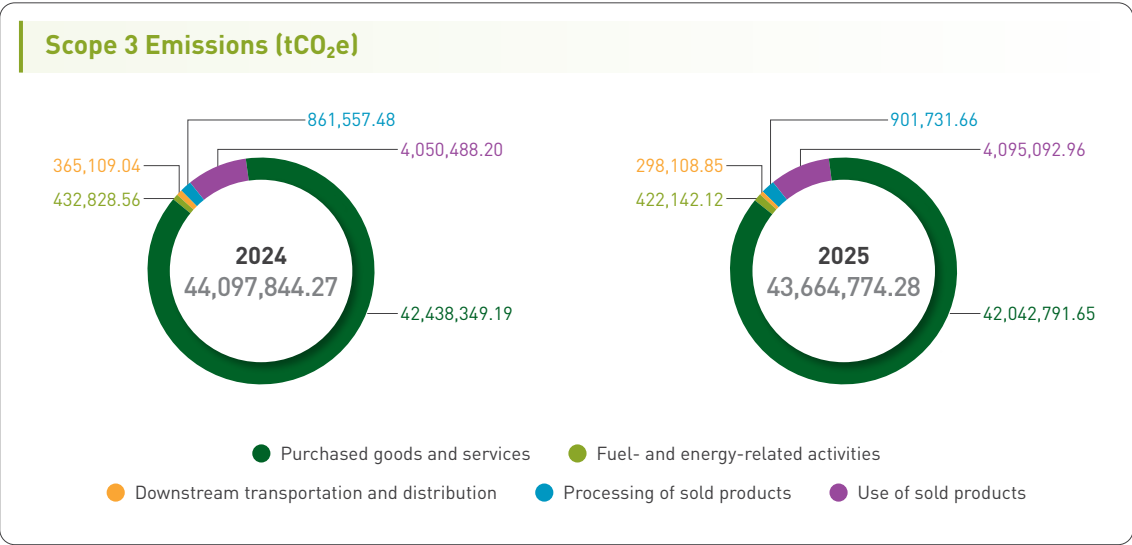
The assessment covered key categories under the GHG Protocol Corporate Value Chain (Scope 3) Standard, including:

Category 1	Purchased goods and services
Category 3	Fuel- and energy-related activities
Category 9	Downstream transportation and distribution
Category 10	Processing of sold products
Category 11	Use of sold products

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Climate Action

Categories 6 (business travel) and 7 (employee commuting) were excluded as they represent less than 2% of overall Scope 3 emissions.



Notes:

1. This Scope 3 inventory was developed in line with the GHG Protocol Corporate Value Chain (Scope 3) Standard. Where complete primary data were not available, proxy data and extrapolation techniques were applied in accordance with section 7.3 ("Guidance for selecting data") and section 7.5 ("Guidance for collecting secondary data and filling data gaps")*.

2. Biogenic emissions are excluded from total scope 3 figures and reported separately in line with Chapter 3 ("Summary of Steps and Requirements")#.

* https://ghgprotocol.org/sites/default/files/standards/Scope3_Calculation_Guidance_0.pdf

https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf

Scope 3 calculations incorporated supplier-specific emission factors derived by conducting life cycle assessments using PACT v2.0 methodology. LCAs were performed for more than 50% of suppliers by volume to derive supplier-specific emission factors, supporting the Scope 3 assessment.

To further ensure consistency in value chain estimation, Apical leverages the methodology and assumptions of the RSPO PalmGHG v4.0 tool. This approach supports the accurate computation of upstream emissions by aligning supplier-specific data with industry-validated accounting standards.

Findings from the LCAs indicate that approximately 96% of the product carbon footprint originates from upstream supplier activities, primarily peatland drainage, palm oil mill effluent (POME) treatment, land-use change and nitrogen fertiliser application. Approximately 4% arises from Apical's direct operations, predominantly from fuel combustion in boilers.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Climate Action

EMISSION REDUCTION INITIATIVES

Apical is implementing and exploring technologies to enhance operational efficiency and reduce GHG emissions. Current initiatives include renewable energy solutions such as biomass, as well as the deployment of high-efficiency chillers and air compressors in selected facilities. In support of its longer-term decarbonisation pathway, further technological advancements — including boilers, thermal heaters and methane capture systems — are being evaluated. Feasibility studies for opportunities such as waste heat recovery are also being evaluated in selected assets.

At AAJM, the transition from coal to natural gas as an alternative fuel source remains in operation. This shift forms part of the Group's fuel optimisation strategy and contributes to lower direct combustion-related greenhouse gas emissions associated with energy generation at the facility.

Biomass utilisation in boilers, implemented since 2022, continues to support partial substitution of fossil fuels across relevant facilities, although biomass consumption in 2025 declined due to supply constraints. Additionally, construction and operation of mini-hydro power plants at KRNR initiated in 2024 contribute to renewable electricity generation within selected operations.

Apical continues to evaluate opportunities to enhance energy performance and emissions management across its facilities, considering site-specific technical, regulatory and supply considerations.

These efforts are supported by ongoing monitoring of energy consumption and emissions performance, enabling progress to be tracked against established baselines and long-term climate targets.

Energy efficiency programmes form part of Apical's approach to reducing energy consumption and supporting emissions reduction across its operations. These programmes focus on improving operational efficiency within existing facilities, contributing to improved energy performance. Further details on energy efficiency initiatives are provided in the [Green Innovation](#) chapter (page 74). Data for energy consumption and renewable energy is also available in [Appendix 4](#), on page 107.

AIR EMISSION CONTROL

Apical manages air emissions through the use of appropriate control technologies and operational practices. Where applicable, air emission sources are monitored to ensure compliance with local regulatory limits. Apical utilises a Continuous Emissions Monitoring System (CeMS) to monitor the quality of air emissions, which are assessed biannually by government agencies to ensure ongoing regulatory compliance. Improvements in process efficiency and the use of cleaner energy sources also contribute to reducing pollution intensity over time.

We continue to adhere to local environmental regulations such as 'Peraturan Menteri Negara Lingkungan Hidup Nomor 07 Tahun 2007' that governs the use of biomass and coal in boilers. **In 2025, we maintained compliance with no significant fines or sanctions.**

GREEN INNOVATION

- 71 Waste Management
- 72 Waste Reduction and Recovery
- 74 Energy Management
- 75 Water Management



3.10% increase in renewable energy (RE) usage in 2025 vs baseline (2020)

21.10% increase in water use intensity in 2025 vs baseline

8.18% decrease in water use intensity vs 2024

CORE SDG GOAL:



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Green Innovation

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

Apical relies on innovation to drive real progress towards sustainability. We progressively replace conventional solutions with more efficient, lower-impact alternatives to meet our energy and water targets.

Our focus areas include:



Renewable Energy

Transitioning to renewable energy sources.



Energy Efficiency Digital Solutions

Leveraging digital tools to optimise energy usage throughout our operations.



Circular Solutions

Exploring options like biomass for energy generation and repurposing waste to minimise our footprint.

We maintain comprehensive internal policies covering energy management, waste handling, and pollution control. As part of our commitment to resource efficiency and circularity, we explore opportunities to minimise our environmental footprint, including the use of biomass for energy generation. For example, we use wood bark biomass sourced from external suppliers as a fuel source to generate energy for our refineries.

All waste generated at our refineries is handled by licensed vendors holding valid government permits, and we actively monitor waste movements through to final waste disposal.

Environmental performance related to pollution control is monitored at site level and reported to relevant authorities in accordance with local regulatory requirements. Apical continues to review and strengthen pollution management practices through operational improvements, technology adoption, and employee awareness programmes.

In Indonesia, our operations provide mandatory environmental compliance data to the Ministry of Environment, and Ministry of Forestry of the Republic of Indonesia and the Environmental Agency of the Jakarta Province through the Electronic Environmental Reporting Information System (SIMPEL) and the Supervision and Control (WASDAL) portal, in accordance with regulatory requirements.

We advance Green Innovation by embedding sustainability into operational decision-making, technology adoption and process design. Our focus is on improving resource efficiency, reducing environmental impact and supporting the transition towards more circular and lower-carbon operations. Please see [Appendix 4](#) on page 107 for details on energy consumption and renewable energy.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Green Innovation

Apical's Sustainable Palm Wax Revolution in Laweyan



In Kampung Batik Laweyan, Surakarta, Indonesia, a collaboration between Apical and *Forum Pengembangan Kampoeng Batik Laweyan* (FKBL) has helped introduce a more sustainable alternative to traditional petroleum-based paraffin wax used in batik production. Recognised as one of the oldest and largest batik districts in Indonesia, Kampung Batik Laweyan is known for its rich history and deeply rooted batik craftsmanship. While Apical does not have direct operations in Surakarta, the partnership provided an opportunity to support established

batik communities by integrating sustainable innovations into traditional practices. Through the partnership, certified sustainable palm oil derivatives were developed into “*Batik Sawit*”, supporting the preservation of traditional craftsmanship while reducing environmental impact.

Working together with the Roundtable on Sustainable Palm Oil (RSPO), Apical supplied hydrogenated palm stearin to artisans in Laweyan, enabling the replacement of non-renewable materials with sustainable palm-based alternatives. Following years of research by the Laweyan community, artisans successfully developed a batik wax formula containing 55% palm oil derivatives.

Today, around 40 batik entrepreneurs are using the innovation, which has improved production efficiency by reducing melting time and cutting LPG gas consumption by half. The palm-based wax also produces sharper and more vibrant colours, enhancing the quality and value of the finished batik products.

WASTE MANAGEMENT

GRI 303-3, 306-3, 306-4

Apical adopts a circular approach to resource management to minimise waste, optimise material use, and reduce environmental impacts across our operations. Guided by the Green Innovation pillar of Apical2030, we focus on improving efficiency, recovering value from by-products, and reducing reliance on virgin resources where feasible.

Across our refining, oleochemical, and renewable fuel operations, circularity is embedded through process optimisation, responsible waste handling, and the reuse or recovery of materials.

These efforts support operational efficiency while contributing to our longer-term targets on resource intensity and environmental stewardship.



Hazardous waste being labelled by an employee

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Green Innovation

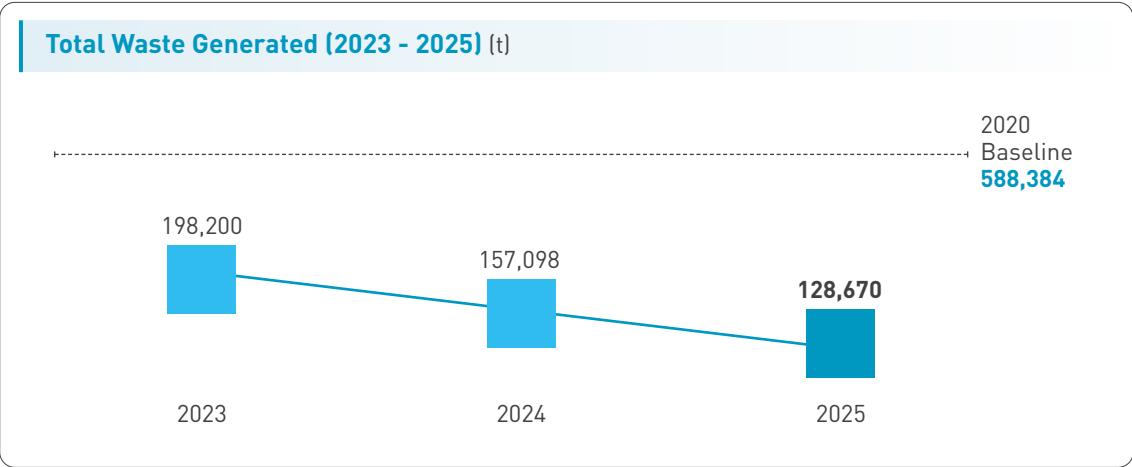
WASTE REDUCTION AND RECOVERY

GRI 306-3, 306-4, 306-5

We focus on minimising waste generation at source through proper material handling and by working with suppliers and service providers to promote responsible waste practices throughout the value chain.

Our operations generate both hazardous wastes, such as spent bleaching earth (SBE) and ash, and non-hazardous waste, including scrap and organic residues. Hazardous waste is stored in designated facilities that meet safety and regulatory requirements. Both hazardous and non-hazardous waste is collected and managed by licensed contractors. We maintain operational controls and monitoring processes to ensure waste is handled responsibly through to final disposal or recovery. For our Bio-Oils refinery in Huelva, Spain, environmental authorisations are verified prior to entering into waste management contracts with third-party service providers, ensuring alignment with local regulatory requirements. Quantitative waste data is currently tracked at the site level and reported to the relevant authorities.

Managing these waste streams responsibly is essential to protecting the environment, safeguarding employee health and safety, and supporting the well-being of surrounding communities. **In 2025, we reduced our waste generation by 18.10% compared to 2024.** Compared to the 2020 baseline of 588,384 tonnes, we have reduced our waste generation by 78.1%.



Please see [Appendix 5A-5C](#), pages 107 - 108, for the breakdown of waste generated, diverted from disposal and directed to disposal.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Green Innovation

Spill Prevention and Emergency Preparedness

Dedicated emergency response teams are established at each refinery, supported by regular training and emergency drills to strengthen spill prevention and response capabilities. In SDSR and SDOD, we cooperate with the Oil Spill Combat Team (OSCT), a major international oil spill response organization, in the prevention, handling and control of oil spills at sea. These measures enhance preparedness and ensure a timely response in the event of an incident.

The Group has successfully maintained a record of zero accidental spills since 2018.



Fire drill at SDSR facility, Indonesia

Sustainable Aviation Fuel (SAF)

Transforming waste into value-added products is central to Apical's circular economy approach and Green Innovation pillar. As part of its Green Innovation pillar, Apical is advancing solutions that convert waste and residues collected across its entire value chain into valuable products, enabling lower-carbon operations across industries. One key area of focus is the development of SAF, which represents one of the most practical and scalable pathways in the transition towards a more sustainable aviation sector⁵.

SAF is produced from waste and residue feedstocks, allowing materials that would otherwise be discarded to be repurposed into high-value biofuel. This supports a more circular approach to bio-resource use while reducing emissions in the aviation sector, which remains one of the most challenging industries to decarbonise.

In 2024, Apical entered the SAF market through a joint venture with Spain's Moeve S.A. to develop the largest second-generation biofuel facility in Southern Europe. Scheduled for commissioning in early 2027, the biorefinery is projected to produce up to 500,000 tonnes of SAF and renewable diesel annually using waste-based feedstock.

This initiative reflects Apical's broader approach to Green Innovation, leveraging its expertise in waste feedstock collection, refining, and supply across regions to deliver solutions that are both commercially viable and environmentally responsible. By converting waste streams into renewable fuels, Apical contributes to the advancement of circular resource management while supporting the decarbonisation of hard-to-abate sectors.

Beyond emissions reduction, SAF development strengthens Apical's capacity to deliver innovative, value-added products that meet evolving market and regulatory expectations. It also opens new pathways for cross-sector collaboration, particularly in sourcing, processing and verifying sustainable feedstocks at scale.

⁵ According to the International Air Transport Association (IATA), SAF can reduce lifecycle CO₂ emissions by up to 80%, depending on the feedstock and production pathway.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
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Green Innovation

ENERGY MANAGEMENT

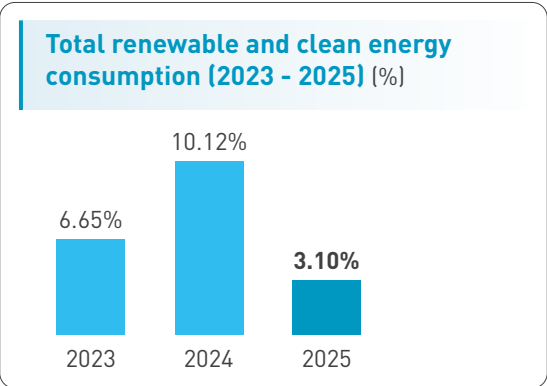
GRI 302-1, 302-3

We actively manage energy use across our operations to improve efficiency, reduce environmental impact, and support our transition towards cleaner energy sources. Through a combination of internal policies, operational controls, and targeted investments, we optimise energy performance while maintaining operational reliability.

Our approach prioritises efficiency improvements, increased use of renewable and clean energy, and the responsible management of biomass and fuel sources. We utilise biomass, electricity generated from mini-hydro plants, and optimised production processes. Our KRNR power plant uses a combined coal and biomass (wood bark) energy source.

These efforts support our Apical2030 target to derive 38% of total energy use from renewable and clean energy sources, while strengthening long-term operational resilience.

Green Innovation Initiatives 2025	
Enhancing condensate recovery, reducing steam consumption and regular maintenance from steam systems	Adopt electrical efficiency measures such as scheduled electrical switching systems and optimising lighting systems and layout
Enhancing boiler and combustion efficiency in furnace while reducing coal and fuel usage in boiler operations	Strengthening energy management through energy audits and analysis
Optimising refinery and process of heat exchange system through recovering of waste heat	Improve equipment efficiency of air system, motors, pumps and utility systems



For the 2025 reporting period, Apical's total energy consumption was 21,181,507 GJ.

In 2025, we decreased our renewable energy usage to **3.10%**, from 10.12% in 2024. A total of 56,065 MT of wood bark was utilised by our KRNR power plant compared to 120,000 MT in 2024.

The availability of wood bark is dependent on upstream supply conditions, which were constrained during the year, resulting in lower utilisation of biomass-based energy. While this is a temporary setback, we continue to prioritise the use of renewable and lower-carbon energy where operationally feasible. To further improve our reliance on energy from the grid, we are also exploring opportunities to increase the use of various biomass feedstocks to replace coal consumption for our power generation in the near future.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
-----------------------------	----------------	------------------	--------------------	------------

Green Innovation

WATER MANAGEMENT

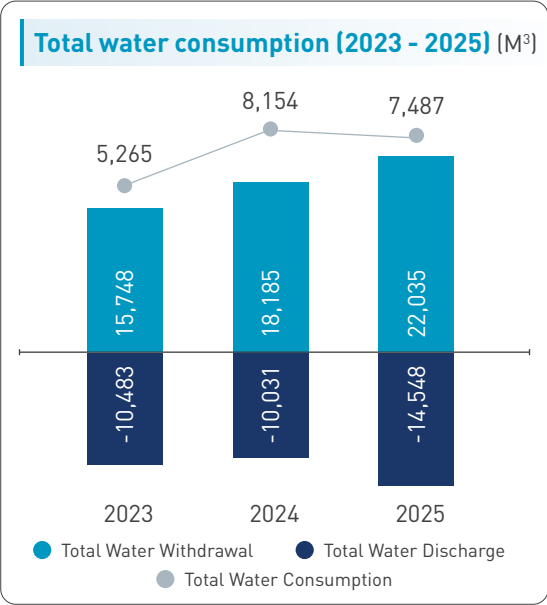
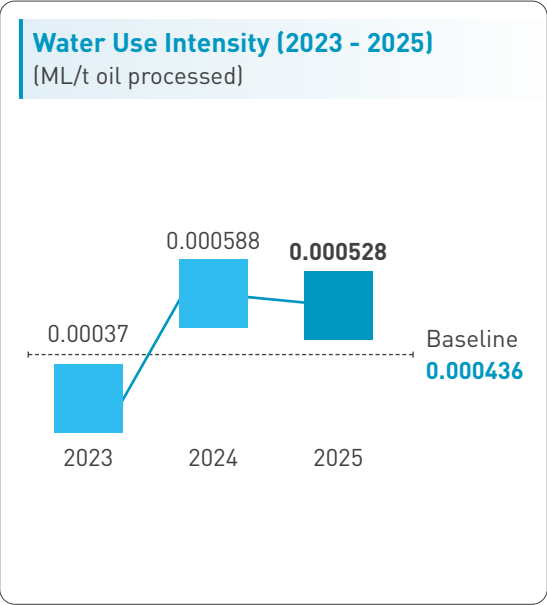
GRI 303-1, 303-2, 303-3, 303-4, 303-5

Water is crucial to our operations, which is used in refineries and crushing plants for oil extraction, power generation, and pollutant dilution. Water-related impacts are assessed during the development of our refineries, with measures in place to minimise withdrawal, particularly in areas facing water stress.

Our approach combines operational controls, internal guidelines, and continuous monitoring to support responsible water use and reliable operations. Rather than increasing water reuse, these efforts aim to optimise processes so that less water is required to achieve the same outcomes. In 2025, total water withdrawal increased in line with higher production volumes. However, withdrawal from water-stressed areas remained minimal and declined further to below 0.1%, indicating improved site planning and water sourcing decisions. Despite the increase in withdrawal, total water consumption decreased by 8.18% compared to 2024, while water use intensity improved by 10.2%, from 0.000588 ML/t to 0.000528 ML/t of oil processed.

Table 4: Total water withdrawal (2023 - 2025)

Year	Total Withdrawal (ML)	Withdrawal in Water-Stressed	
		Areas (ML)	% in Water-Stressed Areas
2023	15,748	35	0.2
2024	18,185	11	0.1
2025	22,035	4	<0.1



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Green Innovation

These improvements were driven by water reduction initiatives implemented across our facilities, including efficiency enhancements and process optimisation measures. We continue to prioritise water efficiency and circular solutions where feasible, supporting our Apical2030 target to improve water use intensity by 30% (see [Water Circularity](#) on page 77) while strengthening environmental management initiatives across our operations.

Water reduction initiatives by site:

- KRNR**
 - Reduced reliance on freshwater by maximising the use of seawater as feedwater
 - Reused treated wastewater from the wastewater treatment plants for non-potable applications, including hydrant systems
- BOH**
 - Implemented a new pumping and drainage system at the wastewater treatment plant to improve grease removal efficiency (currently under optimisation)
- SDOM**
 - Utilises a reverse osmosis system to reduce monthly water usage by 30%

Managing Effluents

We are committed to responsible wastewater management by ensuring that all palm oil refinery effluent (PORE) from our refineries and oleochemical facilities is thoroughly treated, tested and externally verified. Our treatment processes are designed to ensure that key quality parameters such as biological oxygen demand (BOD) and chemical oxygen demand (COD), consistently remain within regulatory thresholds prior to discharge.

Across our operations in Indonesia, China, and Spain, all effluent is treated in compliance with applicable regulations, primarily using activated sludge processes. Discharge is managed through a combination of treatment, reuse, and monitoring to minimise impacts on surrounding ecosystems. Where feasible, treated wastewater is reused for operational purposes such as cooling, hydrants, and cleaning.

In refineries located near sensitive water bodies, water quality monitoring is conducted to safeguard against potential operational impacts. Selected facilities such as SDOM, AAJM, PRCR and BOH, also apply aerobic treatment to enhance efficiency and minimise greenhouse gas emissions. These controls and treatments support responsible water management and pollution prevention.

At our BIO-OILS Huelva plant in Spain, COD limits are defined in the Integrated Environmental Permit (Autorización Ambiental Integrada⁶, with a monthly limit of 300 mgO₂/L. This permit, issued by the Regional Ministry for Sustainable Development in Huelva⁷, establishes environmental requirements, including discharge standards.

While no specific BOD limit is stipulated in the permit, monthly monitoring is required. We apply a reference value of 200 mgO₂/L, in line with regional regulatory guidance⁸.

⁶ Resolution of the Regional Office for Sustainable Development in Huelva declaring the modification of the industrial facilities linked to the Integrated Environmental Authorisation of the biodiesel “La Rábida”, located in the municipality of Palos de la Frontera (Huelva), owned by BIO-OILS Huelva, S.L.U.

⁷ Regional Ministry of Agriculture, Livestock, Fisheries and Sustainable Development, Regional Office for Sustainable Development in Huelva (Spain).

⁸ Decree 109/2015 of 17 March, approving the Regulations on Discharges into the Public Water Domain and the Public Maritime-Terrestrial Domain of Andalusia.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Green Innovation

The permit also authorises the regulator to conduct inspections on ad hoc basis, to verify discharge characteristics and compliance with permit conditions.

In China, wastewater management is regulated by the Ministry of Ecology and Environment. In Indonesia, our operations comply with standards set by the Ministry of Environment and Forestry and are subjected to regular audits by the relevant authorities.



Employees monitoring environmental data

Table 5: Water Quality Parameters (2025 Annual Average Level)

	Biochemical Oxygen Demand (BOD) / mg/L	Chemical Oxygen Demand (COD) / mg/L
Indonesia		
National limit	100	350
Dumai	13.88	38.30
Marunda	8.57	45.71
Tanjung Balai	0 Discharge	0 Discharge
Padang	26.00	96.00
Kutai	0 Discharge	0 Discharge
China		
National limit	150	500
Nanjing	3.43	76.28
Taixing	29.11	79.37
Spain		
National limit	200	300
Huelva	9.48	99.92

WATER CIRCULARITY

Water circularity focuses on reducing reliance on freshwater by extending the use of water within our operations. This includes exploring opportunities for water reuse, recycling, and closed-loop systems where technically and operationally feasible.

Apical advances water circularity by treating and reusing wastewater to minimise freshwater withdrawal and reduce effluent discharge by reusing treated water for cooling towers, fire hydrants and domestic cleaning. All effluent discharge from our facilities across Indonesia, China and Spain is within the national allowable limit as it is closely monitored and treated before discharging them into the environment.

Since 2024, our SDOM refinery has utilised a reverse osmosis system within its waste water treatment plant to recycle water for use in the cooling tower, saving approximately 30 m³ per day through increased water reuse. At AAJM, treated effluent is also recycled for cooling tower operations, with approximately 300 m³ per day reused. Our refinery in Padang utilises a rainwater harvesting system as an alternative water source, reducing freshwater withdrawal and harvesting approximately 4,109 m³ of rainwater in 2025. These initiatives reduce reliance on freshwater sources while limiting discharge to the external environment.

INCLUSIVE PROGRESS

- 80 Upholding Human Rights
- 82 Our Workforce
- 94 Community Impact



Established total of 15
Sustainable Living Villages
Aceh Singkil: **12**
Kutai Timur: **3**

2,834
independent smallholders
obtained RSP0 certification

CORE SDG GOAL:



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Inclusive Progress

We recognise the broader social context in which we operate and strive to effect positive social change for our employees and neighbouring communities. Stakeholders in the palm oil value chain range from independent farmers and smallholders to large aggregators. We aim to share the value created with local communities and smallholders.

This pillar highlights our commitment to uplifting communities through tailored initiatives, particularly those near our supply chain. Our village-level programmes provide direct support to independent smallholders, helping them boost their incomes through certification and sustainable practices.

UPHOLDING HUMAN RIGHTS

GRI 2-23, 2-24, 3-3, 407-1, 408-1, 409-1

Apical is committed to respecting internationally recognised human rights across its operations, business relationships, and global supply chain. This commitment is anchored in our Human Rights Policy, which is aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), the International Bill of Human Rights, and International Labour Organisation (ILO) conventions.

Our Human Rights Policy complements the Apical Group Sustainability Policy, reinforcing our dedication to ethical and responsible business practices throughout our entire organisation, including joint ventures, subsidiaries, and both direct and indirect suppliers within our palm oil supply chain. Together, these policies reflect our ongoing commitment to fostering a socially sustainable and equitable environment for all stakeholders involved.



TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Inclusive Progress

We uphold the principles of Free, Prior, and Informed Consent (FPIC) to protect the land and cultural rights of local communities and require the same of our suppliers. We currently monitor progress through regular follow-ups, annual tracking of Social Impact Assessment (SIA) recommendations, and public reporting via our website and annual Sustainability Reports.

In 2025, Apical continued to strengthen its human rights approach through the review of its Human Rights implementation strategy, aimed at developing a pragmatic approach based on the OECD Human Rights Due Diligence (HRDD) methodology of identifying and mitigating human rights risk within Apical operations and its supply chain.

During the year, Apical also reviewed its HRDD gaps and customised the POCG HRDD checklist to prepare for pilots at selected facilities in 2026. This will be conducted to support the identification of potential human rights risks at the refinery level in terms of management systems and to explore opportunities for improvement.

In line with the OECD methodology for HRDD, our process to cease, prevent and mitigate adverse impacts is operationalised through a

grievance mechanism that is available to external stakeholders, including the supply chain. This allows for the implementation of our Sustainability and Sourcing Policies, moving beyond the concept of “No Exploitation” and into active mitigation.

To strengthen internal awareness and capacity building, Apical participated in several externally organised human rights and social programmes during the year, including

- United Nations Global Compact Business and Human Rights Accelerator Programme
- Social Compliance Systems workshop organised by MY Voice and Social Accountability International
- Fair Impact Programme by CNV International
- HRDD Indigenous Peoples and Local Communities (IPLC) workshop conducted by CRU and organised by the POCG Social Issues Working Group (SIWG)
- SMETA Basic Internal Auditor training

In addition, to upskill our suppliers, external human rights experts were invited to conduct trainings on selected human rights topics during our Shared Value Programme (SVP).

Sedex Members Ethical Trade Audit (SMETA) Assessments

Apical utilises the Sedex Members Ethical Trade Audit (SMETA) assessments to verify compliance against international benchmarks such as the Ethical Trading Initiative (ETI) Base Code. **In 2025, we completed third-party SMETA audits for six facilities in Indonesia, involving site tours and confidential worker interviews in native languages.** When non-conformities are identified, we adopt a corrective action-oriented approach, prioritising supplier engagement and capacity building through Corrective Action Plans (CAPs). As a result of targeted interventions by Apical, 100% of identified NCs have been successfully remedied.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Inclusive Progress

OUR WORKFORCE

GRI 401-1, 405-1

In 2025, Apical employed 4,430 full-time employees across our operations, which include offices, refineries and other plants. A significant portion of our staff holds permanent positions (87.83%) while the remaining are on temporary contracts (12.17%). About 81% of our permanent workforce is based in Indonesia, reflecting the dominant location of our operational sites.

Although women amount to 18.17% mainly due to the nature of jobs in the palm oil industry, we actively foster gender diversity and inclusion to create a balanced and inclusive workplace. In addition to adhering to local employment law, Apical is committed to treat all employees equitably across hiring, evaluation, working conditions and rewards, without bias towards race, origin, religion, disability, gender, age, sexual orientation, union affiliation, or political view.

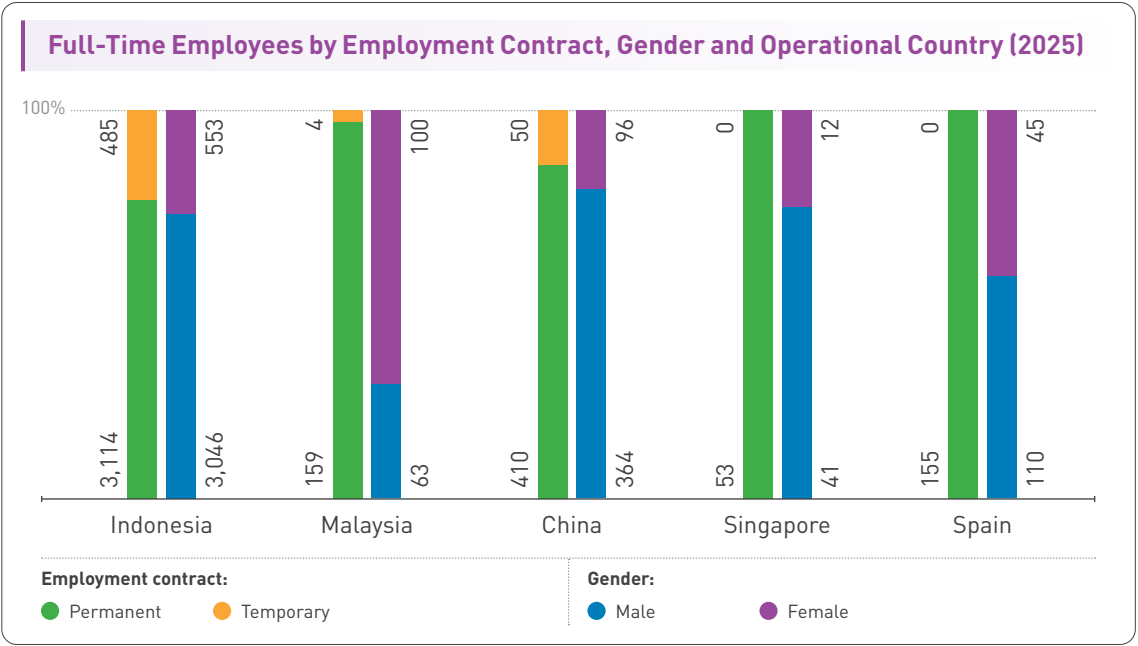
 Detailed workforce details are in [Appendix 7A](#) page 110.



Employees across all our operations

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Inclusive Progress



Ethical Recruitment

GRI 401, 408, 409

Apical commits to an effective implementation of ethical recruitment practices which includes no payment of recruitment fees, no retention of personal documents, or deceptive recruitment practices. We prioritise direct hiring models to reduce reliance on intermediaries. All recruitment agents must meet our strict ethical standards through rigorous due diligence and contractual obligations. Compliance is monitored through internal audits, SMETA assessments, and worker interviews. Through these due diligence and recruitment efforts, Apical promotes fair, transparent, and responsible practices within its operation.

Apical maintains a zero-tolerance policy regarding child and forced labour across its global operations and supply chain. This commitment is operationalised through our Human Rights Policy

commitments, our standard operating procedures on labour, health and safety and adherence to local labour regulations. We require that all employees are at least 18 years of age with strict age verification protocols integrated into the hiring process. We hold our suppliers to these same standards through engagement, contractual obligations, and annual awareness sessions. Additionally, we stand firm against any form of harassment or violence, ensuring safe environment for everyone.

Fair Wages and Employee Benefits

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

Apical remains committed to providing fair, competitive, and equitable remuneration, ensuring all employees are remunerated to meet or exceed statutory minimum wage requirements. **In 2025, the Group maintained 100% compliance, with no employee paid below the legal minimum.**

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Inclusive Progress

In key markets such as Malaysia and Spain, entry-level wages significantly exceed statutory thresholds, with Malaysia at RM3,000 (1.76 times the minimum wage) and Spain at €1,911 (1.38 times the minimum).

In Indonesia, wages are taken into consideration with the living wage of the locality and fully aligned with statutory requirements. Slight premiums were observed in locations such as Padang and Medan. In China, Taixing and Nanjing operations offered higher wage ratios, reflecting local market conditions and

talent needs. Apical conducts annual reviews of its compensation framework to ensure alignment with regulatory requirements, cost of living, and industry benchmarks, while maintaining internal equity based on role, performance, and experience.

The Group also upholds gender pay parity across its operations, with a consistent 1:1 pay ratio between male and female employees at entry-level positions.

 For more details on the basic salary ratio, please see [Appendix 7D](#) in page 112.

On 11 December 2025, Apical signed the Zero Tolerance for Gender-Based Violence and Harassment Pledge, supported by the International Labour Organization (ILO) and the Indonesia Business Coalition for Women’s Empowerment (IBCWE), in Jakarta. This demonstrates Apical’s commitment to building safe and dignified workplaces free from all forms of violence and harassment, including gender-based violence.

TABLE 6: RATIOS OF APICAL LOWEST MONTHLY WAGES¹ IN EACH REGION BY GENDER, COMPARED TO LOCAL LEGAL MINIMUM WAGE (2025)

Country/Region	Currency	Local Monthly Minimum Wage	Apical’s Lowest Monthly Wage		Ratio ²	
			Male	Female	Male	Female
Dumai	IDR	4,118,669	4,119,000	4,119,000	1:1	1:1
Marunda	IDR	5,407,555	5,407,555	5,407,555	1:1	1:1
Tg Balai	IDR	3,244,606	3,246,000	3,246,000	1:1	1:1
Padang	IDR	3,024,193	3,040,000	3,040,000	1:1.01	1:1.01
Medan	IDR	4,014,072	4,109,000	4,025,000	1:1.02	1:1
Balikpapan	IDR	3,701,508	3,701,508	3,701,508	1:1	1:1
Spain	EUR	1,381	1,911	1,911	1:1.38	1:1.38
Malaysia	MYR	1,700	3,000	3,000	1:1.76	1:1.76
Singapore ³	SGD	-	4,000	4,000	-	-
China - Nanjing	RMB	2,490	3,290	3,350	1:1.32	1:1.35
China - Taixing	RMB	2,260	5,130	4,200	1:2.27	1:1.86

Notes:

¹ Apical’s lowest monthly wage takes into account the monthly legal minimum wage requirements set by local and provincial regulations, and the calculated monthly living wage within the locality.

² The ratio is calculated by the following formula: Ratio = Monthly legal minimum wage/Apical’s lowest monthly wage (male or female).

³ Regulations in Singapore do not stipulate a monthly legal minimum wage, thus we did not provide the comparison for Singapore.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Inclusive Progress

Apical provides a comprehensive range of employee benefits for both permanent and temporary employees, designed to support overall well-being. These include healthcare coverage, social security contributions, and other location-specific benefits in line with local regulations. The benefits programme is reviewed annually to ensure continued relevance and competitiveness. Our benefits include:

**Parental Leave**
Permanent and temporary employees

**Dental and Optical Care**
Permanent and temporary employees

**Transport Allowance**
Permanent employees in Indonesia only, supported through Motorcycle Ownership Programme (facilitating motorcycle purchases with subsidised loans for all permanent employees) and Car Ownership Programme (assists managers in offsetting car purchase costs)

**Medical Insurance***
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

**Housing Allowance**
Employee’s contracted position in Indonesia only

**Meal Allowance**
Permanent and temporary employees in Indonesia only

**Attendance Recognition**
Permanent and temporary employees in Indonesia only

* This include life insurance as well as disability and invalidity coverage according to the policy of each country of operation.

Apical is committed to fostering a family-friendly workplace by ensuring all employees are entitled to parental leave, regardless of location or contract type. All employees are eligible for maternity and paternity leave. In 2025, out of 4,430 employees, 504 employees utilised this benefit. The Group continues to demonstrate strong employee reintegration outcomes, achieving a 100% Return to Work (RTW) rate, while the Retention rates also remained high, achieving 91.85%.

 Please refer to [Appendix 7H](#) in page 114 for more detailed data.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Inclusive Progress

In terms of 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 Employment Social Security Administration (*Badan Penyelenggara Jaminan Sosial Ketenagakerjaan*) on a monthly basis.

In Malaysia, our practices align with the Employees' Social Security (Amendment) Bill 2022 and the Employment Insurance System (Amendment) Bill 2022. Our Singapore office provides 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. In China, we participate in the government's endowment scheme providing retirement provision in accordance with the national regulation.

Freedom of Association, Trade Union Membership and Collective Bargaining
GRI 2-30

Apical recognises the right to freedom of association and collective bargaining as fundamental to a fair and transparent workplace, which is affirmed by our Human Right Policy and it is communicated and supported through training. Furthermore, it is also mandated in country such as Indonesia through Law No. 21 of 2000 on Trade Union/Labour Union, which is in line with international requirements from the ILO's Convention No. 98.

In 2025, 38% or 1,589 employees across refinery operations were covered by collective bargaining agreements.

Employee Retention and Development
GRI 404-1, 404-2a, 404-3

Our workforce increased by 0.63% compared to 2024, while our employee turnover and hiring rate in 2025 were 22.44% and 23.18% respectively. Gender trends indicate aligned turnover rates between male and female employees, with a higher hiring rate for female talent, reflecting efforts to strengthen diversity across operations.

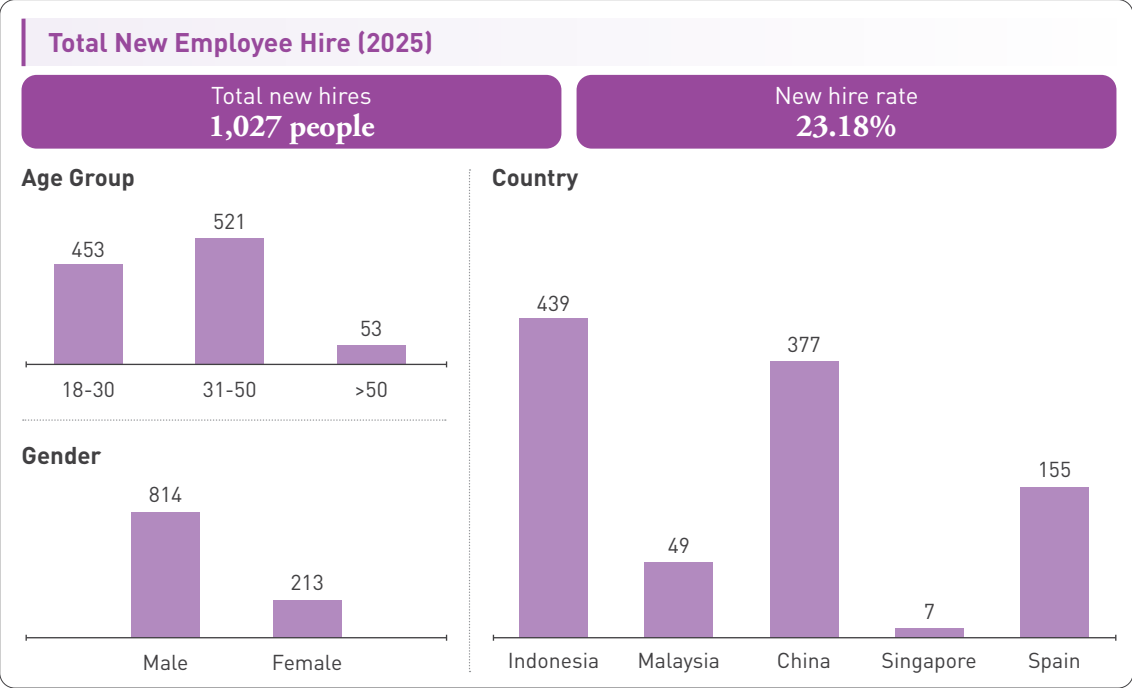
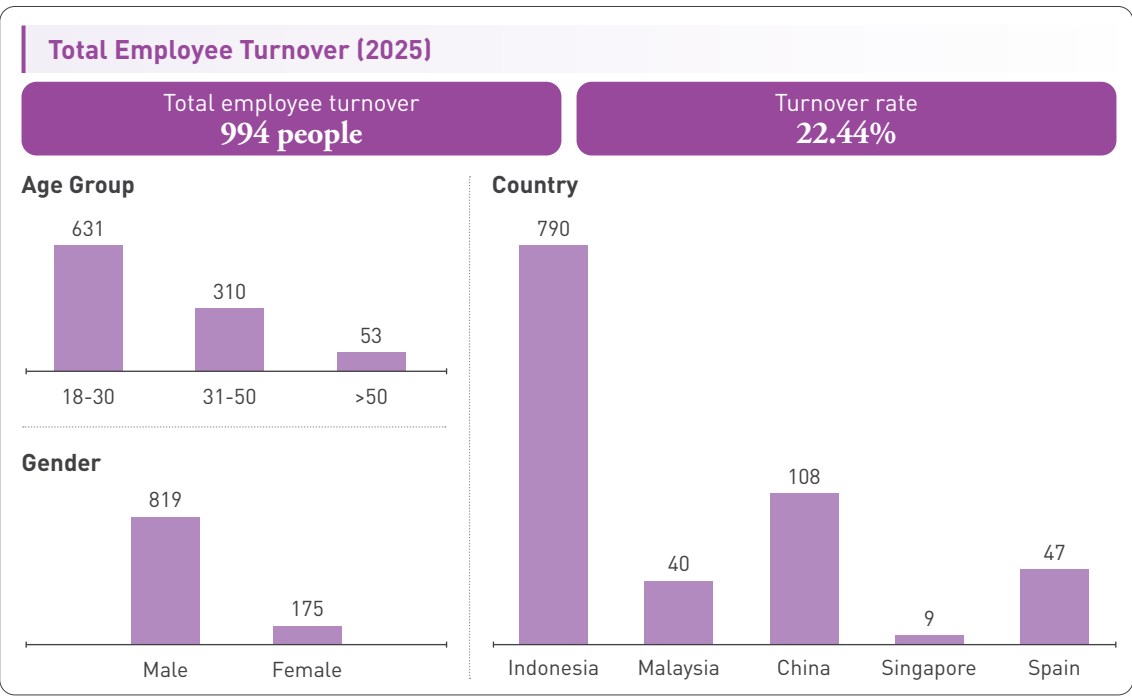
Talent strategies focused on targeted recruitment to support operational continuity and meet production and sustainability goals. The Group continues to adopt a balanced workforce model, combining early-career talent to drive innovation with experienced employees who provide stability and institutional knowledge.



Employees attending in-house career development programmes in Apical Malaysia office

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Inclusive Progress



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
-------------------	-----------------------	--------------------------------	--------------	----------------------------

Inclusive Progress

Our training and talent development approach focuses on strengthening job-specific technical and operational competencies and developing leadership capabilities. Training initiatives are aligned with evolving operational requirements, post-certification needs, and targeted development plans guided by each employee's Individual Development Plan (IDP).

All new employees undergo structured onboarding programmes covering Apical's core values, Code of Conduct, and role-specific technical requirements, including areas such as first aid, food safety, and regulatory standards. Where relevant, specialised trainings such as International Ship and Port Facility Security Code certification and driving-related qualifications are provided.

Our Assessment Centre provides structured career development through customised upskilling plans based on individual competency profiles. Employees have access to Workday Learning, a comprehensive platform for skill enhancement, course participation and refresher training. These insights are integrated into IDPs, enabling targeted training interventions for both high-potential employees and those requiring further capability development.



Manager Training Programme (MTP)

Apical has implemented the MTP since 2019 as a global initiative to develop new and emerging managers, ensuring consistent leadership capabilities across regions. The programme covers both technical competencies, such as operations and commercial acumen, and behavioural skills, including leadership, communication, and people management. The latest iteration, MTP3, introduced in 2023, incorporates modules on sustainability and digital transformation.

In 2025, employees across Apical achieved an average of 14.86 training hours at the Group level, an increase from 11.42 hours in 2024. This growth reflects a deliberate expansion of training intensity, particularly for middle and junior management, as the Group transitions from foundational programme rollout to targeted capability building and leadership pipeline development.

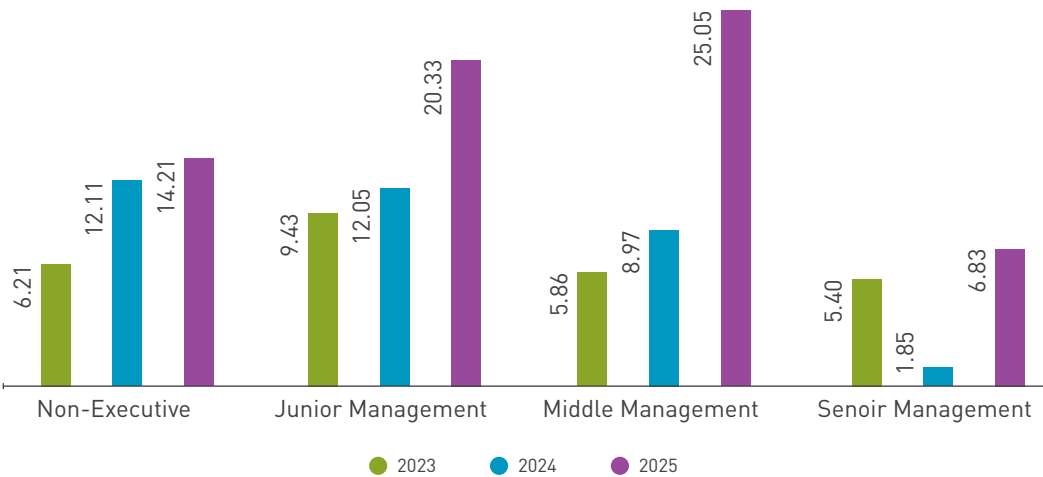


Employees attending training programmes across our operations (left to right: Indonesia, Spain, China)

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
-----------------------------	----------------	------------------	--------------------	------------

Inclusive Progress

Average training hours provided to employees at Group level (2023 - 2025)



Employees also undergo annual performance and career development reviews, assessed against established KPIs covering quality, productivity, cost-effectiveness, adherence to core values, sustainability efforts, and contribution to long-term growth. Review outcomes feed directly into IDP planning, compensation decisions, and succession planning. In 2025, we achieved 102% coverage at the Group level, reflecting our commitment to onboarding and reviewing staff effectively.

Detailed training and performance data are in [Appendix 7F](#), page 113.

HEALTH, SAFETY, AND WELL-BEING
GRI 403

Apical recognises that the safety and well-being of its workforce are fundamental to sustaining operational reliability and protecting lives across all its global operations. Workplace Health and Safety (H&S) is embedded within the Group's operational framework through the Occupational Health and

Safety Management System (OSHMS), to prevent incidents, improve workplace conditions, and safeguard employee welfare. This system is applied consistently across all business activities, covering employees, contractors, vendors, and all operational locations.

The Group's H&S framework is aligned with applicable national regulations in each jurisdiction of operation. In Indonesia, this includes compliance with key occupational safety and labour laws and regulations governing workplace safety and OSH management systems. Similarly, operations in China and Spain adhere to respective local legal requirements, aligned with standards such as ISO 45001:2018. Given the nature of Apical's activities across refineries, logistics, and downstream operations, where exposure to mechanical, chemical, and thermal risks is inherent, the Group maintains a strong emphasis on preventive controls and continuous improvement, guided by its long-term aspiration of achieving zero fatalities.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Inclusive Progress

H&S Governance and Management
GRI 403-1, 403-2, 403-3, 403-7, 403-8

Our OSH management system helps with hazard identification, risk assessment, and risk control. Across all operational sites in Indonesia, hazard Identification, risk assessment and risk control (HIRARC) processes are implemented to identify hazards associated with all activities. The assessments are conducted by trained and certified personnel, who are certified through a nationally accredited OHS Expert Training programme. It is reviewed periodically when operational changes occur.

Incident reporting and investigation protocols are in place to ensure that all incidents are systematically recorded, analysed, and addressed through root cause analysis. Emergency preparedness and response plans are also established and regularly tested to maintain a high level of site readiness.

To minimise workplace hazards, only certified and medically fit personnel are authorised to operate machinery and handle hazardous substances. Employees are required to undergo safety briefings and specialised training covering areas such as first aid, hazardous material handling, and firefighting. Refineries conduct regular fire prevention training and routine inspection of fire safety equipment to ensure operational readiness.

In line with its HSE Strategic Plan roadmap, the Group is progressing towards broader certification of its Occupational Health and Safety Management Systems (SMK4) across its Indonesian operations. Following the certification of one facility (SDSR) in 2024, five additional sites were certified in 2025 (KRNr, AKC, AAJM, SDOD and SDOM) to further enhance standardisation and regulatory compliance across operations.



An employee conducting routine inspection of fire safety equipment

Employee Participation, Training and PPE
GRI 403-4, 403-5, 403-6

Worker participation is a central component of Apical's safety culture. Employees and contractors are encouraged to report unsafe conditions, hazards, and incidents. All reports are investigated and addressed without potential reprisal. Workers are also empowered to exercise “stop work” authority in situations where there are concerns about safety or health risks, reinforcing a proactive and preventive approach to risk management.

Health and Safety Committees are established across all refinery operations to oversee the implementation of OSH programmes. These committees consist of representatives from operational units, safety experts, and Leadership Team. They meet regularly to review workplace safety issues, discuss feedback from employees, and monitor the effectiveness of safety initiatives. Outcomes from these discussions are communicated to employees for feedback and reported to relevant authorities in accordance with regulatory requirements.

Employee engagement on health and safety is further supported through continuous communication and awareness, including toolbox meetings, safety briefings, newsletters, contractor safety meetings, inspection activities, and Gemba Walks. These platforms facilitate the sharing of safety information, collection of feedback, and reinforcement of safe work practices across all operational levels.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Inclusive Progress

Apical continues to strengthen proactive safety practices through programmes such as the Hazard Observation Programme and Behaviour-Based Safety (BBS) initiatives. Personal Protective Equipment (PPE) is provided to all employees as a fundamental control measure across all operations. This includes equipment such as helmets, safety goggles, and respiratory protection, supported by training to ensure proper usage and maintenance. All contractors and suppliers are required to undergo safety induction and adhere to PPE requirements. Compliance is verified through established procedures, and ongoing engagement ensures that third parties meet Apical's Occupational Health and Safety expectations.



Conducting routine check on expiry dates of fire extinguishers at BOH, Spain

Accident Reporting
GRI 403

Apical has made some significant positive strides in 2025 by improving our safety track record and maintaining zero fatalities. Total recordable work-related injuries declined to 11 cases from 25 cases in 2024, a reduction of 56%. Employee cases decreased from 21 to 10, while cases involving contractors fell from four to one. **Due to improved initiatives regarding health and safety, the Group maintained zero fatalities since 2024 and no cases of work-related ill health were reported in 2025 for either employees or contractors.**

This improvement shows our commitment towards employee safety and dedication to overcome lapses in safety by continuous strengthening of processes, critical risk controls and site-level safety management systems.

We recognise there are areas requiring continued attention, particularly the rise in high-consequence injuries and associated lost workdays. In 2025, high-consequence incidents increased to eight cases from three cases in 2024, with a corresponding rise in total lost workdays to 362 days, reflecting the severity of injuries sustained.

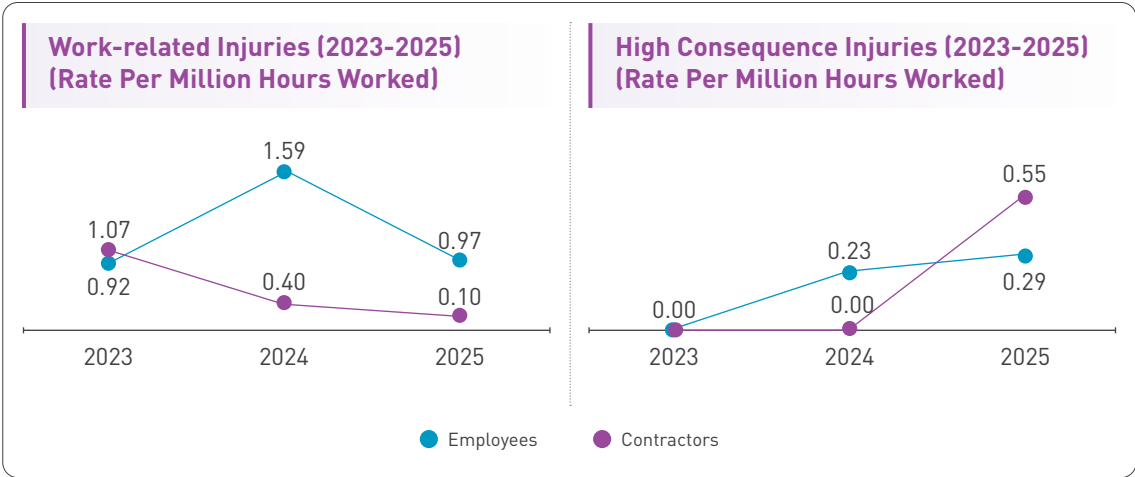
The eight cases included a serious foot injury at SDOD involving restricted-area access during crane operations. The remaining seven cases at SDSR involved various incidents across operational areas, primarily related to high-temperature processes, mechanical hazards, and movement within active work zones.

While near-miss reporting remained relatively stable at 25 cases, the increase in serious incidents indicates that exposure to high-risk operational environments remains a key challenge. These highlight the need for sustained focus on preventing severe injuries through tighter internal controls. We will continue to prioritise the health, safety and well-being of our people, as they are essential to our business success and smooth operations. We strive for zero fatalities, occupational illnesses and work-related injuries in the future. This goal involves regularly training our employees and continuously reviewing our OHS framework to update our protocols and guidelines.

 Detailed safety data are in [Appendix 8A & 8B](#), page 115.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Inclusive Progress



Health Promotion and Occupational Health Management
GRI 403-3, 403-6

Apical’s OSH management system also addresses work-related health and overall employee well-being. Employees are provided with access to healthcare through company-supported health insurance schemes, including the BPJS Health Insurance Scheme in Indonesia and equivalent coverage in other operating regions. Medical assessments are conducted at the point of employment and annually to monitor employee health.

The Group promotes a healthy workforce through various initiatives, including health awareness programmes, physical activity facilities, and campaigns focused on occupational health. We organise health screenings, seminars, and wellness events to encourage preventive healthcare. All examination results are kept confidential by the health examination facility in accordance with applicable regulations and can only be accessed by the labour health examination doctor and the employees themselves.



Health screening at Indonesian refinery

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Inclusive Progress

Health and Safety Programmes and Initiatives

HSE related training and awareness
4,959 people trained

Fire Safety Management & Awareness
985 people trained

Emergency drills for fire, oil spills and food poisoning
319 people trained

Health Talks & Training
202 people trained

Competency Certification for ISO and other aspect of certification
184 people trained



HSE related activities across our operations (clockwise from top left: Spain, China, Malaysia and Indonesia)

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Inclusive Progress

COMMUNITY IMPACT
GRI 413

Strengthening Communities Through
Inclusive Development

Apical remains committed to delivering long-term value to the communities where it operates by advancing inclusive development, strengthening livelihoods, and supporting environmental sustainability. Through a structured and integrated approach, the Group implements community programmes that address local socio-economic needs while contributing to broader sustainability priorities.

In 2025, we continued to upscale our community impact initiatives, focusing on economic empowerment, education, health, and environmental conservation. These programmes are designed not only to provide immediate support but also to build long-term resilience by equipping communities with the capabilities and resources required for sustainable growth.

Our approach for community impact initiatives is anchored in three primary, mutually reinforcing platforms: the SMILE (Smallholder Inclusion for Livelihood & Empowerment) Programme, which serves as our vehicle for supply chain excellence, the Sustainable Living Villages (SLVs), a landscape initiative involving local farmers, and our comprehensive Social Impact and Community Development initiatives, which drives local prosperity at the grassroots level for further details, please see [Social Impact](#) on pages 97 - 99.



Social Impact Assessments
GRI 413-1

Our commitment to communities extends far beyond our immediate supply chain into the very heart of our operational footprints. We utilise rigorous Social Impact Assessments (SIA) to guide our investments, ensuring they are responsive to community needs and expectations. In 2025, we conducted SIA studies for AAJM and SDOM, bringing our total to six assessments across our operational units. These studies identify the multiplier effect of our presence, from job creation and infrastructure development to local business opportunities, while proactively addressing community concerns.

SMILE PROGRAMME
GRI 413-1

Our collaborative 10-year strategic partnership between Kao Corporation and Asian Agri, the SMILE programme is dedicated to transforming the agricultural landscape for independent smallholders (ISH) in Indonesia. By aligning small-scale farming with global sustainability standards, SMILE bridges the gap between traditional practices and international market requirements.

The initiative leverages a specialised team of agronomy and plantation management experts to provide technical oversight and capacity building for 5,000 smallholders, managing about 18,000 hectares of plantations across North Sumatra, Riau, and Jambi.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Inclusive Progress

To realise its long-term vision of social and environmental resilience, the programme operates through three core strategic pillars:



Sustainable Productivity & NDPE Compliance

We educate farmers on optimising crop yields through modern management techniques. Central to this is a strict adherence to NDPE policies, alongside a commitment to zero-burning practices.



Pathways to RSPO Certification

A primary goal of the initiative is to provide the necessary administrative and technical assistance to ensure all participating smallholders achieve RSPO certification by 2030, securing their place in the sustainable global value chain.



Operational Safety & Welfare

Beyond the field, SMILE prioritises the physical well-being of the workforce. This includes comprehensive safety training and the provision of essential Personal Protective Equipment (PPE), such as helmets and gloves, as well as emergency response tools like fire extinguishers.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
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Inclusive Progress

In 2025, SMILE initiatives continued to strengthen local economies through targeted livelihood programmes. To date, our efforts through the SMILE Programme have achieved the following milestones for smallholders in North Sumatra, Riau and Jambi:

- 4,698 independent smallholders engaged to date, with 2,834 farmers certified under RSPO spanning 6,574 hectares, securing their access to global sustainable markets and premium pricing (1,461 independent smallholders received RSPO certification in 2025).
- 4,342 smallholders were equipped with comprehensive Good Agricultural Practices (GAP) training, enabling them to enhance productivity on existing land.
- 4,241 smallholders received crucial training on RSPO Principles and Criteria (P&C), while an identical number were educated on the critical concepts of High Conservation Value (HCV) and High Carbon Stock (HCS), ensuring their long-term commitment to sustainable land management and biodiversity conservation.

SUSTAINABLE LIVING VILLAGES
GRI 413-1

The Sustainable Living Villages (SLV) programme is Apical’s flagship initiative for delivering long-term, landscape-level impact. Launched in 2023, it adopts a holistic approach that integrates community development with environmental conservation, supporting Apical’s 2030 target to uplift 30 villages. The programme focuses on strengthening livelihoods while safeguarding critical ecosystems, particularly in high-risk areas such as Aceh Singkil, which forms part of the ecologically significant Leuser Ecosystem (for further details, please see [Conservation Initiatives](#) on pages 56 - 57).

Implemented in collaboration with local communities and partners, SLV also delivers tailored interventions aligned with local socio-economic needs. In 2025, the programme expanded to 15 villages across Aceh Singkil, Aceh and Kutai Timur, East Kalimantan with the following achievements.



A local participant attending to a cacao plant during a cacao cultivation training under the SLV programme in Kutai Timur

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
-----------------------------	----------------	------------------	--------------------	------------

Inclusive Progress

Aceh Singkil

A total of 951 smallholders were trained in Good Agricultural Practices (GAP) and Best Management Practices (BMP), two cooperatives were established, 61 farmers assisted in honeybee cultivation and 693 smallholders obtained *Surat Tanda Daftar Budidaya* (STDB) certification.



Kutai Timur

A total of 459 smallholders was trained in Good Agricultural Practices (GAP) and Best Management Practices (BMP), supported 38 farmers in cacao cultivation and 168 smallholders obtained *Surat Tanda Daftar Budidaya* (STDB) certification.



SOCIAL IMPACT AND CORPORATE SOCIAL RESPONSIBILITY
GRI 413-1

Our community investment approach is guided by four key pillars—health, education, livelihoods, and environmental stewardship—focused on delivering meaningful and sustained impact in communities surrounding our operations. In 2025, priority was placed on strengthening maternal and child health systems to address stunting, alongside support for early childhood development to improve long-term well-being. Education initiatives focused on enhancing teaching quality and access to learning resources, reinforcing foundational literacy and supporting stronger learning outcomes. These efforts are designed to build human capital and improve the quality of life at the community level.

Under the livelihoods pillar, Apical supports income generation and economic resilience through farmer development, entrepreneurship, and small business empowerment. A core focus is the development of Micro, Small, and Medium Enterprises (MSMEs), where targeted support is provided across areas such as marketing strategy, financial management, packaging improvements, and digital capabilities to strengthen business performance and market access. These initiatives are complemented by investments in community infrastructure and environmental programmes, including mangrove restoration, which contribute to local resilience, ecosystem protection, and long-term sustainable development.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
-------------------	-----------------------	--------------------------------	--------------	----------------------------

Inclusive Progress

Four Key Pillars of Apical Community Programmes

Health

Education

Environmental Stewardship

Livelihood

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
-----------------------------	----------------	------------------	--------------------	------------

Inclusive Progress

Apical CSR Activities & Impacts in 2025

Community Health

55% reduction in stunting cases

45 Posyandu facilities upgraded

105 healthcare cadres trained

Outreach & Nutrition

2,880 community participants reached

81 children received nutritional support

Education Enhancement

75 teachers trained (ePINTAR Programme)

1,600 books distributed

Economic Empowerment

62 micro-entrepreneurs supported with suitable marketing materials

92 micro-entrepreneurs trained

Infrastructure

Key Infrastructure Improvements

Road 4 km

Drainage Works 500 m

Environment

Environmental Initiatives

500 mangrove trees planted

99

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Inclusive Progress

Success Story: Warung Sarapan Mbak Eti



Rubiyati, owner of *Warung Sarapan Mbak Eti*, reported that her daily net income increased from IDR 250,000 to over IDR 300,000 following CSR interventions. With Apical’s support in packaging, digital marketing, and the provision of Camar cooking oil for production efficiency, she shared: “It has helped increase sales volume. I am increasingly motivated and enthusiastic about running and developing this business.”

Success Story: Rahma Street Food



“ I’m Rahma, owner of Rahma Street Food. Being selected as one of Apical’s assisted MSMEs has been a turning point for my business. Through Apical’s support, I received valuable guidance in improving my marketing strategies and managing business records more systematically.

In 2025, I also had the opportunity to join digital marketing training, which helped me better promote my products and reach more customers online. Apical further supported my business through packaging upgrades, making my products more attractive and professional.

From Dec 2025, Apical has also provided Camar cooking oil for our production needs, helping us operate more efficiently while maintaining product quality.

With this continuous support, I feel more motivated and confident to grow Rahma Street Food further. I am truly grateful to Apical for empowering small businesses like mine to continue thriving and moving forward.

 ”

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

APPENDIX 1: STAKEHOLDER ENGAGEMENT TABLE

Overview of our stakeholder engagement activities undertaken in 2025

Stakeholder Groups	Engagement Method	Frequency	Areas of Discussion
 Customers	Conference calls	Regularly	• Sustainability commitments, targets and performance • APICAL2030 commitments and progress updates • Customers’ sustainability policies, methodologies and requirements/ audits • Various grievances regarding operations and supply chain • Life cycle assessment (LCA), product carbon and climate actions progress • Human rights commitments, progress and third-party assessment (e.g. SMETA, EcoVadis) • EUDR readiness and compliance • DFDD platform • Partnerships and collaborations
	In-person meetings	Regularly	
	Customer surveys/ questionnaires/ assessments	Periodically	
	Sustainability Events (e.g. POC, RSPO RT and POCG)	Annually	
	E-mail updates	Regularly	
	Apical forums	Ad-hoc	
	Press releases and statements	Ad-hoc	
	Apical Website	Ongoing	
 Suppliers including smallholders	Supplier Anchor Programmes	Regularly	• Awareness, capacity building and information gathering on compliance to Apical’s Sustainability Policy, standards and commitments, including traceability requirements • APICAL2030, initiatives and progress to achieve policy commitments • Grievances • EUDR requirements and how it affects the business operations • Collaboration and partnership programmes (e.g. SLV, SMILE)
	Supplier Self-Assessment (SFA)	Periodically	
	In-person communication	Regularly	
	Emails	Regularly	
	Supplier screening and monitoring	Ongoing	

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

Stakeholder Groups	Engagement Method	Frequency	Areas of Discussion
 Government agencies and regulatory bodies	Multi-stakeholder forums and events	Regularly	• Compliance with government policies/ regulations and verification • Communications around Group policies including sustainability commitments and updates • Alignment to sustainability initiatives with government policies, especially in HCV/HCS areas and smallholder development • Participation in PROPER programme • Collaboration and discussion with regional and local governments to conduct programmes such as SLV • Indonesian Sustainable Palm Oil (ISPO)
	Consultations	Regularly	
	Field visits	Regularly	
	In-person meetings	Ad-hoc	
	Inspection/audit	Periodically	
 Civil Society Groups/ Non-Governmental Organisation (NGO)	Regular monitoring reports	Regularly	• Sustainability commitments and performance • APICAL2030 commitments and progress updates • Updates regarding grievances of the Group's operations and supply chain • Human rights commitments and progress • Partnerships and collaborations (e.g. SLV) • Survey
	Email enquiries	Regularly	
	In-person meetings	Periodically	
	Multi-stakeholder forums	Periodically	
	Training Forum	Ad-hoc	
	Survey	Ad-hoc	
	Press releases and statements	When required	
	Sustainability Report	Annually	
 Industry groups, trade associations and certification bodies	Apical website	Ongoing	
	Email communication	Regularly	• Active participation and contribution in the POCG work streams, such as NDPE IRF, AWG, PPBC WG, Social Issues Working Group, and Independent Verification Working Group • Discussion on membership and certification (e.g. RSPO, ISPO and ISCC) • RSPO PRISMA platform • Opportunities for collaboration on landscape-level initiatives (e.g. Aceh Sustainable Palm Oil Working Group in Aceh Province) • Scope of verification and assurance with certification bodies
	Conference calls	Regularly	
	In-person meetings	Periodically	
	Multi-stakeholder forums and events	Periodically	
	Apical Website	Ongoing	

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

Stakeholder Groups	Engagement Method	Frequency	Areas of Discussion
 Local Community	Dialogue with community groups and representatives	Regularly	• Engage and address community concerns • Community investments and programmes to improve well-being, infrastructure, capacity building and basic needs • Employment opportunities
	CSR programmes to improve livelihood	Annually	
	Community issues management	Ad-hoc	
	Social Impact Assessment (SIA)	Every 3 - 5 years	
 Banks and Financial Institutions	E-mail enquiries	Ad-hoc	• Sustainability commitments and performance • APICAL2030 commitments and progress updates • Various grievances on the Group's operations and supply chain • Sustainability-linked loans (KPIs, verification and outcomes)
	Conference Call	Periodically	
	In-person meetings	Periodically	
	Bankers' roadshow	Ad-hoc	
 Employees	Apical Website	Ongoing	• Company's performance and strategy • Workplace Health and Safety procedures • Training and development opportunities • Induction and onboarding of new employees, including introduction to Sustainability commitments and Apical 2030 targets and initiatives • Awareness of company policies, including the Code of Conduct and TOPICC core values • Dialogues with labour union representatives • Employee benefits
	Annual appraisals and PRP	Annually	
	Townhall meetings	Annually	
	Major festival celebrations	Annually	
	Recreational activities	Regularly	
	HR training programmes	Regularly	
	Apical social media	Regularly	
	Apical website	Ongoing	
	Apical internal employee portal	Ongoing	
 Media	Apical Website	Ongoing	• Updates on the Group's sustainability initiatives (e.g. SMILE, APICAL2030, SLV) • Responses on sustainability-related matters around operations
	Apical social media	Regularly	
	Press releases	Ad-hoc	
	Events	Periodically	
	Field visits	Ad-hoc	

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

APPENDIX 2: MATERIALITY TOPICS

List and Definition of Material Topics

1	BIODIVERSITY, LAND & FOREST MANAGEMENT Deforestation prevention, forest conservation
Management practices to avoid deforestation across the company's value chain, including the commitment to removing commodity-driven deforestation from its supply chains, in addition to remediation, recovery and/or restoration of forest loss. We considered activities with regard to company operations that may have adverse impacts on local ecosystems through consumption of raw materials and land use. This includes operations sited in biologically sensitive areas where Apical can undertake conservation efforts to monitor biodiversity loss and promote reforestation.	
2	CLIMATE CHANGE & ENERGY GHG emissions, climate risks, energy efficiency
The emission into the earth's atmosphere of any of various gases (water vapour, carbon dioxide, methane, nitrous oxide and ozone) that contribute to the greenhouse effect. This includes efforts to develop strategies to mitigate and adapt to climate change (e.g., renewable energy procurement), manage climate risks, and improve energy efficiency across the company's value chain, as well as any targets, programmes or resources dedicated towards decarbonisation and carbon neutrality.	
3	SUSTAINABLE SUPPLY CHAIN MANAGEMENT Traceability, NDPE, supplier due diligence
Processes for sourcing external supplies, including supplier relationships and evaluation of suppliers' environmental and social practices, as well as protocols on conducting supply chain risk assessments and supplier due diligence. Traceability refers to the 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, including NDPE commitments.	
4	COMMUNITY IMPACT Community wellbeing, FPIC, social investments
Process of diversification and enhancement of economic and social activity on a local scale in a territory where the company is operating or sourcing, with the aim of improving resilience and enhancing livelihoods. This includes community wellbeing, Free, Prior and Informed Consent (FPIC) from affected communities, and social investments that support local development.	
5	GOVERNANCE, ETHICS & COMPLIANCE Anti-corruption, transparency, privacy, cybersecurity
Organisational standards governing the actions and behaviour of employees (e.g., prevention of anti-competitive practices; working against corruption, extortion, money-laundering and bribery) to ensure that business principles and integrity are upheld. This covers compliance with established laws, regulations, standards and ethical practices that apply to the organisation, and the disclosure of information regarding business activities, financial situation and performance in accordance with applicable regulations, including privacy and cybersecurity practices.	

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

6	LABOUR & HUMAN RIGHTS Ethical recruitment, fair wages, worker rights
Approaches, policies and due diligence processes to avoid harm to human rights and to maximise the potential in fulfilling human rights across the company's operations and supply chain. This includes ethical recruitment, fair wages, worker rights (e.g., freedom of association and collective bargaining), efforts to eliminate forced and child labour. We focus on ensuring that policies are followed and that employees and workers in the supply chain are treated with dignity and fairness, without discrimination based on gender, ethnicity, religion, nationality and sexual orientation.	
7	STAKEHOLDER RELATIONS Stakeholder dialogue, transparency, grievance mechanisms
Maintenance of ongoing stakeholder dialogue and transparency in disclosing information regarding the company's sustainability performance, business activities and impacts. This includes formal engagement channels, grievance mechanisms that are legitimate, accessible and rights-compatible, and the ability for employees, contractors and third parties to report on issues without fear or reprisal.	
8	PRODUCT RESPONSIBILITY Quality, safety, certifications
Products should be safe for consumers consumption. The manufacturing process should meet appropriate quality assurance standards, suitable certifications and applicable regulations.	
9	HUMAN CAPITAL Diversity, Equity, and Inclusion (DEI), health, safety, wellbeing, training
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. This covers efforts to provide employees with training and development opportunities for advancement, as well as DEI practices and fair compensation and benefits.	
10	ENVIRONMENTAL MANAGEMENT Water, waste, circularity, pollution
Implementation of a systematic approach to conserve and reduce water use, and to identify, manage, reduce and responsibly dispose of or recycle waste in company operations and supply chain. This covers 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 — as well as measures to prevent and control pollution.	

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

APPENDIX 3: GHG EMISSIONS AND OPERATIONAL PERFORMANCE

Indicator	2020 Baseline	2023	2024	2025
Direct Scope 1 Emissions (tCO ₂ e)	1,193,469	1,845,814	1,643,367	1,787,993
Indirect Scope 2 Emissions (tCO ₂ e)	69,296	124,798	120,833	124,448
Absolute Scope 1 and Scope 2 Emissions (tCO ₂ e)	1,262,765	1,970,612	1,764,200	1,912,441
Operational biogenic emissions (tCO ₂ e)	6,892	275,705	232,015	114,831
Total Oil Processed (MT)	7,863,435	14,214,456	13,933,733	14,181,725
Emissions Intensity (tCO ₂ e/MT of oil processed)	0.1606	0.1404	0.1266	0.1349
Scope 1 + 2 Intensity (YOY change)	-	+12.53%	-9.81%	+6.51%
Scope 1 + 2 Intensity vs 2020 baseline	-	-12.58%	-21.16%	-16.03%
Biogenic Scope 3 emissions (tCO ₂ e)	-	-	4.05 million	4.10 million
Scope 3 (excluding biogenic) (tCO ₂ e)	-	-	44.10 million	43.66 million

- Notes:**
- 1. Emissions intensity is calculated by dividing absolute Scope 1 & 2 emissions by the total volume of oils processed by each facility. Biogenic emissions are disclosed separately from Scope 1, 2 and 3 in accordance with GHG Protocol reporting guidance. Operational biogenic emissions arise from biodiesel usage and biomass consumption.
 - 2. Data for 2023–2025 covers operations at AKC, SDSR, SDOD, AAJM, SDOM, AAJTB, KRNR, PRCR, EFT, ACO and BOH. The 2020 baseline reflects the reporting boundary at that time and does not include ACO.
 - 3. Please find the source of emission factors and conversion factors utilised on page 129.
 - 4. The 2023 Scope 3 emissions estimate disclosed in the 2024 Sustainability Report was derived using product carbon footprint (PCF) data and did not include biogenic emissions. From 2024 onwards, Scope 3 emissions are calculated using the GHG Protocol Corporate Value Chain (Scope 3) Standard. As a result, the 2024 Scope 3 emissions figure is not directly comparable with the previously disclosed 2023 estimate.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

APPENDIX 4: ENERGY CONSUMPTION (2023-2025)

	2023	2024	2025
Fuel consumption from non-renewable sources (Gj)	28,553,914	17,884,703	20,524,892
Fuel consumption from renewable sources (Gj)	2,080,208	2,083,202	656,615
Electricity purchased for consumption (Gj)	651,529	619,877	650,573
Total energy consumption (Gj)	31,285,651	20,587,782	21,181,507
Percentage of renewable and clean energy sources (%)	6.65	10.12	3.10

- Notes:**
- 1. 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.
 - 2. Coal makes up 82% of our total fuel consumption from non-renewable sources (65% in 2023; 79% in 2024). The remaining fuel is derived from diesel, gasoline/ petrol, and natural gas.
 - 3. Fuel consumption from renewable sources includes biomass and biodiesel.
 - 4. Data covers our operations which include AKC, SDSR, SDOD, AAJM, SDOM, AAJTB, KRNR, PRCR, EFT, ACO and BOH.

APPENDIX 5A: WASTE GENERATED, DIVERTED FROM DISPOSAL AND DIRECTED TO DISPOSAL (2025)

Waste Type	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Spent Bleaching Earth (t)	85,007	3,388	81,619
Bottom Ash (t)	10,633	0	10,633
Fly Ash (t)	13,347	2	13,345
Glycerine Residues (t)	7,200	4,727	2,473
Free Fatty Acids (t)	1,192	1,192	0
Others (t)	11,291	7,338	3,953
Total (t)	128,670	16,647	112,023

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

APPENDIX 5B: WASTE DIRECTED TO DISPOSAL BY RECOVERY OPTION (2025)

	2023	2024	2025
Hazardous Waste			
Landfill (t)	1,333	1,052	18
Incineration (with energy recovery) (t)	18,431	14,453	15
Incineration (without energy recovery) (t)	235	3	2,984
Chemical-physical Treatment	0	27	0
Other disposal options (t)	84,893	69,774	108,838
Non-Hazardous Waste			
Landfill (t)	235	242	166
Incineration (with energy recovery) (t)	15	0	0
Incineration (without energy recovery) (t)	260	0	0
Other disposal options (t)	2,326	71	2
Total (t)	107,728	85,623	112,023

Note:

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

APPENDIX 5C: WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPTION (2025)

	2023	2024	2025
Hazardous Waste			
Chemical-physical Treatment (t)	0	0	169
Recycle (t)	39	24	13
Other recovery options (t)	71,041	54,853	199
Non-Hazardous Waste			
Reuse (t)	0	37	11
Recycle (t)	7,526	2,444	2,980
Biological Treatment (t)	5,749	7,026	4,726
Reuse as Fertiliser (t)	4,411	4,414	5,383
Other recovery options (t)	1,706	2,675	3,166
Total (t)	90,473	71,475	16,647

Note:

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

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

APPENDIX 6A: WATER CONSUMPTION (2023-2025)

	2023	2024	2025
Oil processed (t)	14,214,456	13,867,125	14,181,725
Total water consumption (ML)	5,265	8,154	7,487
Water intensity (ML/t)	0.00037	0.000588	0.000528

Notes:

1. FY2023 and FY2024 water consumption data is restated due to a revision in data collection methods.
2. Data covers our operations, which include AKC, SDSR, SDOD, AAJM, SDOM, AAJTB, KRNR, PRCR, EFT, ACO, and BOH.
3. Our refinery AAJTB operates in a water stress area with the total water consumption of 4 ML, which is included in the overall total water consumption.

APPENDIX 6B: WATER WITHDRAWAL BY SOURCE (2025)

	All areas		Areas with water stress	
	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 (ML)	2,086	0	4	0
Groundwater (ML)	0	0	0	0
Seawater (ML)	0	17,581	0	0
Produced Water (ML)	0	0	0	0
Third-party Water (ML)	2,364	0	0	0
Total (ML)	4,450	17,581	4	0

Notes:

1. Data covers our operations which include SDSR, SDOD, AAJM, SDOM, AAJTB, KRNR, PRCR, EFT, ACO and BOH.
2. Our AAJTB refinery in North Sumatra, Indonesia draws water from the Asahan River which has been deemed as water-stressed due to it being shallow caused by sedimentation.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

APPENDIX 6C: WATER DISCHARGE BY DESTINATION (2025)

	All areas		Areas with water stress	
	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 (ML)	174	0	0	0
Groundwater (ML)	0	0	0	0
Seawater (ML)	3,352	10,487	0	0
Third-party Water (ML)	86	449	0	0
Total (ML)	3,612	10,936	0	0

APPENDIX 7A: GROUP EMPLOYEES BY AGE AND GENDER (2025)

Employment Category	Non-Executive		Junior Management		Middle Management		Senior Management		Total by Age and Gender (%)	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Age Group										
Under 30 yrs	1411	394	6	3	0	0	0	0	32.0	9.0
30-50 yrs	1681	269	163	59	111	42	54	13	45.3	8.6
Over 50 yrs	84	9	39	4	31	5	45	7	4.5	0.6

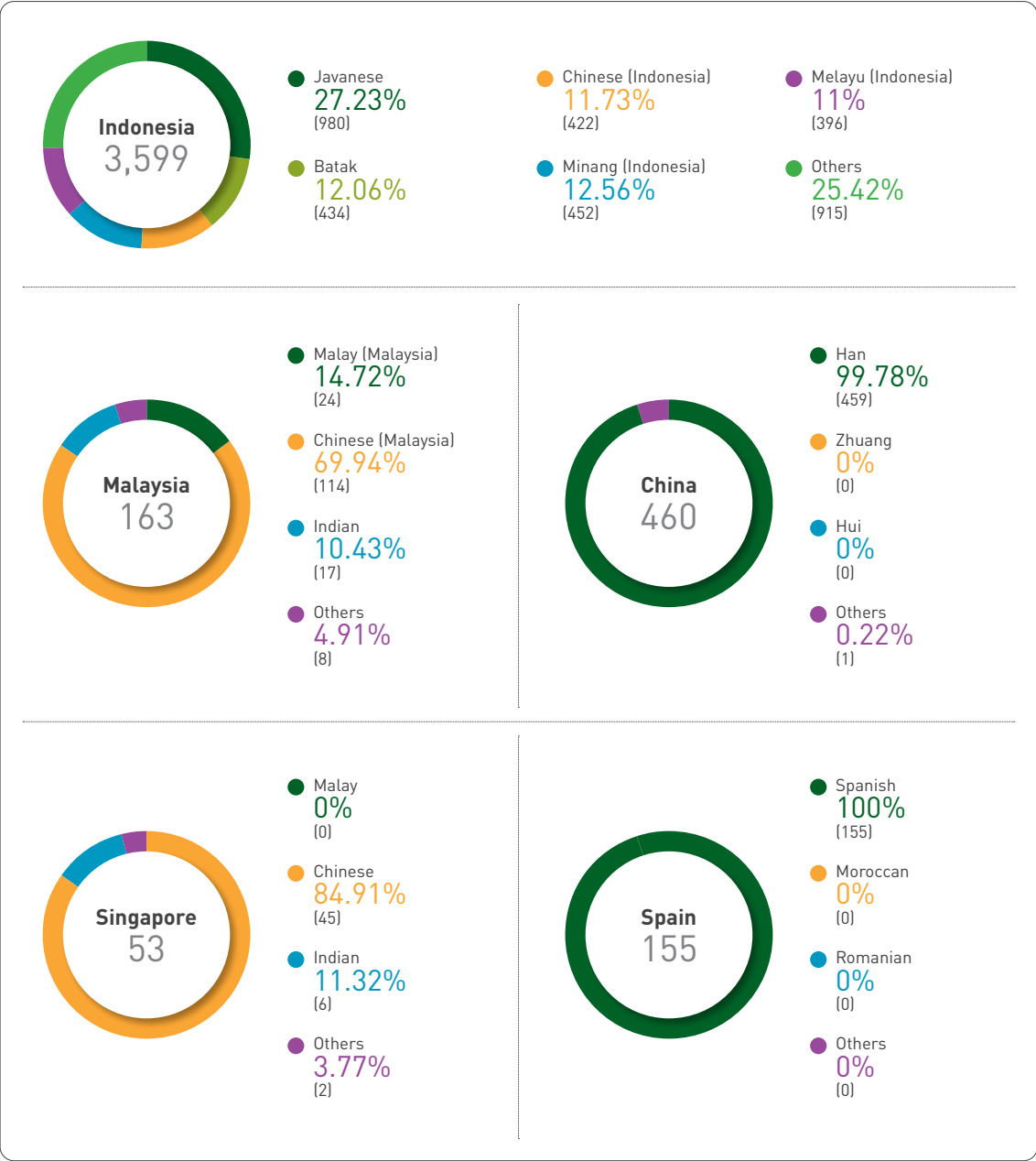
APPENDIX 7B: BOARD OF DIRECTORS BY AGE AND GENDER (2025)

Age Group	Male	Female	Total by Age & Gender (%)	
			Male	Female
Under 30 yrs	0	0	0	0
30-50 yrs	0	1	0	33.3
Over 50 yrs	2	0	66.7	0

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

APPENDIX 7C: EMPLOYEE ETHNICITY ACROSS APICAL (2025)



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

APPENDIX 7D: COMPENSATION PACKAGE OF FEMALE TO MALE BY EMPLOYEE CATEGORY (2025)

Location of Operation	Employee Category	Average Annual Basic Salary Ratio (Female to Male %)	Average Annual Remuneration Ratio (Female to Male %)
Indonesia	Non-executive	95.88	83.23
	Junior management	88.29	87.38
	Middle management	106.61	110.61
	Senior management	138.74	129.93
Malaysia	Non-executive	109	109
	Junior management	109	102
	Middle management	113	111
	Senior management	82	80
China	Non-executive	113	98
	Junior management	82	144
	Middle management	71	72
	Senior management	112	109
Singapore	Non-executive	44	44
	Junior management	102	102
	Middle management	98	98
	Senior management	93	95
Spain	Non-executive	99.02	95.89
	Junior management	71.44	69.03
	Middle management	83.8	83.09
	Senior management	NA*	NA*

* This category consists of only male employees

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

APPENDIX 7E: SENIOR MANAGEMENT¹ PERSONNEL HIRED FROM LOCAL COMMUNITY AT SELECTED LOCATIONS (2025)

Locations of Operation	Total number of senior management hired from the local community	Total members of senior management	Share (%)
Group Level	111	119	93.28
Indonesia	50	50	100.00
Malaysia	26	26	100.00
China	4	12	33.33
Singapore	30	30	100.00
Spain	1	1	100.00

Note:
Senior management hired from the local community includes those individuals either born or who have the legal right to reside indefinitely (such as naturalized 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.

APPENDIX 7F: AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES AT GROUP LEVEL (2025)

Employee Category	Male	Female	Total
Non-executive	14.43	13.21	14.21
Junior management	20.50	19.79	20.33
Middle management	26.70	20.05	25.05
Senior management	6.97	6.15	6.83
Total	15.05	13.97	14.86

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

APPENDIX 7G: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS AT GROUP LEVEL (2025)

Employee Category	Male	Female	Total
Total	102%	103%	102%
Non-executive	103%	106%	103%
Junior management	88%	76%	85%
Middle management	99%	104%	100%
Senior management	101%	105%	102%

Note:
The percentage is calculated by comparing the number of employees who received regular reviews with the total number of employees as of 31 December 2025. Some employees who received reviews but left the company before 31 December 2025 are included in the calculation. Thus, the percentage may exceed 100%.

APPENDIX 7H: PARENTAL LEAVE (MATERNITY & PATERNITY) (2025)

	Male	Female	Total
Total number of employees that were entitled to parental leave	3,624	806	4,430
Total number of employees that took parental leave	431	73	504
Returned to Work			
Total number of employees that returned to work in the reporting period after parental leave ended	431	72	503
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	400	62	462
Rate			
Return to work rate (%)	100	99	100
Retention rate (%)	93	86	91.85

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

APPENDIX 8A: HEALTH AND SAFETY – INJURY RATE (2023 - 2025)

Year	2023		2024		2025	
Type of Workers	Employees	Contractors	Employees	Contractors	Employees	Contractors
RECORDABLE: WORK-RELATED INJURIES						
Number	9	13	21	4	10	1
Rate per 1 million hours worked	0.92	1.07	1.59	0.4	0.97	0.1
FATALITIES AS A RESULT OF WORK-RELATED INJURIES						
Number	0	1	0	0	0	0
Rate per 1 million hours worked	0	0.08	0	0	0	0
HIGH-CONSEQUENCE WORK-RELATED INJURIES (EXCLUDING FATALITIES)						
Number	0	0	3	0	3	5
Rate per 1 million hours worked	0	0	0.23	0	0.29	0.55
LOSS DAY						
Total Number of Loss Day	45	53	234	37	325	37
NEAR MISSES						
Total Number	23		24		25	
TOTAL NUMBER OF HOURS WORKED						
Hours Worked	9738799	12154481	13167057	10053562	10266899	9118236

APPENDIX 8B: HEALTH AND SAFETY – WORK-RELATED ILL HEALTH (2023 - 2025)

Year	2023		2024		2025	
Type of Workers	Employees	Contractors	Employees	Contractors	Employees	Contractors
RECORDABLE: WORK-RELATED INJURIES						
Number	0	0	0	0	0	0
Rate per 1 million hours worked	0	0	0	0	0	0
FATALITIES AS A RESULT OF WORK-RELATED ILL HEALTH						
Number	0	0	0	0	0	0
Rate per 1 million hours worked	0	0	0	0	0	0

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

APPENDIX 9: GRI INDEX

Statement of use	Apical Group Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	Pages
GRI 2: General Disclosures 2021	2-1	Organizational details	About Apical 8 - 11
	2-2	Entities included in the organization's sustainability reporting	About This Report – Boundary and Scope of This Report 1
	2-3	Reporting period, frequency and contact point	About This Report – Boundary and Scope of This Report 1
	2-4	Restatements of information	Appendix 6A: Water Consumption (2023 - 2025) 109
	2-5	External assurance	About This Report – External Assurance Appendix 10: Assurance Statement 1 125 - 127
	2-6	Activities, value chain and other business relationships	About Apical – Company Overview Chapter 2: Transformative Partnerships 7 42 - 59
	2-7	Employees	About Apical – Company Overview Chapter 5: Our Workforce Appendix 7A: Group Employees by Age and Gender (2025) Appendix 7B: Board of Directors by Age and Gender (2025) Appendix 7C: Employee Ethnicity Across Apical (2025) 11 82 110 110 111
	2-9	Governance structure and composition	Chapter 1: Corporate and Sustainability Governance Chapter 3: Climate Governance, Strategy and Risk Management - Governance 24 - 25 63
	2-11	Chair of the highest governance body	Chapter 1: Corporate and Sustainability Governance 24 - 25
	2-12	Role of the highest governance body in overseeing the management of impacts	Chapter 1: Corporate and Sustainability Governance Chapter 1: Risk Management 24 - 25 28

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

GRI Standard	Disclosure	Location	Pages
GRI 2: General Disclosures 2021 (continued)	2-13	Delegation of responsibility for managing impacts	Chapter 1: Corporate and Sustainability Governance Chapter 1: Cybersecurity and Data Governance 24 - 25 29
	2-14	Role of the highest governance body in sustainability reporting	Chapter 1: Corporate and Sustainability Governance 24 - 25
	2-16	Communication of critical concerns	Chapter 1: Risk Management Chapter 1: Grievance Management 28 30 - 33
	2-22	Statement on sustainable development strategy	President's Statement 2 - 5
	2-23	Policy commitments	Chapter 1: Our Apical2030 Roadmap Chapter 1: Our Policies Chapter 1: Ethics and Compliance Chapter 2: Responsible Sourcing and Supplier Engagement Chapter 5: Upholding Human Rights 17 20 26 43 80 - 81
	2-24	Embedding policy commitments	Chapter 1: Our Policies Chapter 1: Ethics and Compliance Chapter 2: Responsible Sourcing and Supplier Engagement Chapter 2: Traceability to Mill Chapter 2: Traceability to Plantation Chapter 5: Upholding Human Rights 20 26 43 48 - 49 50 80 - 81
	2-25	Processes to remediate negative impacts	Chapter 1: Risk Management Chapter 1: Grievance Management Chapter 2: EUDR Readiness – Deforestation-Free Due Diligence Framework 28 30 - 33 54 - 56
	2-26	Mechanisms for seeking advice and raising concerns	Chapter 1: Anti-Corruption and Anti-Bribery Chapter 1: Cybersecurity and Data Governance Chapter 1: Grievance Management Chapter 2: Managing Supply Chain Risk Through Technology Chapter 2: EUDR Readiness – Deforestation-Free Due Diligence Framework 27 29 28 48 54 - 56

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

GRI Standard	Disclosure		Location	Pages
GRI 2: General Disclosures 2021 (continued)	2-27	Compliance with laws and regulations	Chapter 1: Risk Management Chapter 1: Cybersecurity and Data Governance	28 29
	2-28	Membership associations	Chapter 1: Partnerships, Memberships and Industrial Collaborations	35
	2-29	Approach to stakeholder engagement	Chapter 1: Stakeholder Mapping, Engagement Channels and Feedback Chapter 2: A-SIMPLE Framework – Supplier Management and Engagement Appendix 1: Stakeholder Engagement Table	34 44 - 47 101 - 103
	2-30	Collective bargaining agreements	Chapter 5: Our Workforce – Freedom of association, trade union membership and collective bargaining	86
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Chapter 1: Grievance Management Chapter 1: Stakeholder Mapping, Engagement Channels and Feedback Chapter 1: Materiality	30 - 33 34 36 - 39
	3-2	List of material topics	Chapter 1: Materiality Appendix 2: Material Topics	36 - 39 104 - 105
	3-3	Management of material topics	Chapter 1: Quality & Safety Management Chapter 1: Stakeholder Mapping, Engagement Channels and Feedback Chapter 1: Materiality Chapter 2: Biodiversity, Land, and Forest Management Chapter 3: Climate Strategy Chapter 4: Green Innovation Chapter 5: Upholding Human Rights	13 34 36 - 39 56 - 57 42 70 80
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Chapter 1: Sustainability-Linked Loans Chapter 3: Climate Governance, Strategy and Risk Management	28 62 - 64

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

GRI Standard	Disclosure		Location	Pages
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Chapter 5: Our Workforce – Fair Wages and Employee Benefits	84
	202-2	Proportion of senior management hired from local community	Appendix 7E: Senior Management Personnel Hired from Local Community at Selected Locations	113
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Chapter 1: Anti-Corruption and Anti-Bribery	27
	205-3	Confirmed incidents of corruption and actions taken	Chapter 1: Anti-Corruption and Anti-Bribery	27
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Chapter 4: Green Innovation – Energy Management Appendix 4: Energy Consumption (2023 - 2025)	74 107
	302-3	Energy intensity	Chapter 4: Green Innovation – Energy Management Appendix 4: Energy Consumption (2023 - 2025)	74 107
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Chapter 4: Green Innovation – Water Management	75 - 77
	303-2	Management of water discharge-related impacts	Chapter 4: Green Innovation – Water Management	75 - 77
	303-3	Water withdrawal	Chapter 4: Green Innovation – Water Management Appendix 6B: Water Withdrawal by Source (2025)	75 - 77 109
	303-4	Water discharge	Chapter 4: Green Innovation – Water Management Appendix 6C: Water Discharge by Destination (2025)	75 - 77 110
	303-5	Water consumption	Chapter 4: Green Innovation – Water Management Appendix 6A: Water Consumption (2023 - 2025)	75 - 77 109

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

GRI Standard	Disclosure		Location	Pages
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Chapter 3: GHG Emissions Appendix 3: GHG Emissions and Operational Performance	64 - 66 106
	305-2	Energy indirect (Scope 2) GHG emissions	Chapter 3: GHG Emissions Appendix 3: GHG Emissions and Operational Performance	64 - 66 106
	305-3	Other indirect (Scope 3) GHG emissions	Chapter 3: GHG Emissions Appendix 3: GHG Emissions and Operational Performance	64 - 66 106
	305-4	GHG emissions intensity	Chapter 3: GHG Emissions Appendix 3: GHG Emissions and Operational Performance	64 - 66 106
	305-5	Reduction of GHG emissions	Chapter 3: GHG Emissions Appendix 3: GHG Emissions and Operational Performance	64 - 66 106
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Chapter 4: Green Innovation	70
	306-2	Management of significant waste-related impacts	Chapter 4: Green Innovation	70
	306-3	Waste generated	Chapter 4: Green Innovation - Waste Management	71
			Chapter 4: Green Innovation – Waste Reduction and Recovery Appendix 5A: Waste Generated, Diverted from Disposal and Directed to Disposal (2025)	72 - 73 107
	306-4	Waste diverted from disposal	Chapter 4: Green Innovation - Waste Management	71
			Chapter 4: Green Innovation – Waste Reduction and Recovery Appendix 5C: Waste Diverted to Disposal by Recovery Options (2025)	72 - 73 108
	306-5	Waste directed to disposal	Chapter 4: Green Innovation – Waste Reduction and Recovery Appendix 5B: Waste Directed to Disposal by Recovery Options (2025)	72 - 73 108

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

GRI Standard	Disclosure		Location	Pages
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Chapter 2: Responsible Sourcing and Supplier Engagement	43
	308-2	Negative environmental impacts in the supply chain and actions taken	Chapter 2: Managing Supply Chain Risk Through Technology Chapter 2: EUDR Readiness – Deforestation-Free Due Diligence Framework Chapter 2: Environmental Safeguards in the Supply Chain	48 54 - 56 59
GRI 308: Supplier Environmental Assessment 2016 (continued)	401-1	New employee hires and employee turnover	Chapter 5: Our Workforce – Ethical Recruitment Chapter 5: Our Workforce - Employee Retention and Development	83 86
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 5: Our Workforce – Fair Wages and Employee Benefits	83 - 86
	401-3	Parental leave	Chapter 5: Our Workforce – Fair Wages and Employee Benefits Appendix 7H: Parental Leave (2025)	83 - 86 114
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Chapter 5: Health, Safety, and Well-being – H&S Governance and Management	90
	403-2	Hazard identification, risk assessment, and incident investigation	Chapter 5: Health, Safety, and Well-being – H&S Governance and Management	90
	403-3	Occupational health services	Chapter 5: Health, Safety, and Well-being – H&S Governance and Management Chapter 5: Health, Safety, and Well-being – Health Promotion and Occupational Health Management	90 92

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

GRI Standard	Disclosure		Location	Pages
GRI 403: Occupational Health and Safety 2018 (continued)	403-4	Worker participation, consultation, and communication on occupational health and safety	Chapter 5: Health, Safety, and Well-being – Employee Participation, Training and PPE	90 - 91
	403-5	Worker training on occupational health and safety	Chapter 5: Health, Safety, and Well-being – Employee Participation, Training and PPE	90 - 91
	403-6	Promotion of worker health	Chapter 5: Health, Safety, and Well-being – Employee Participation, Training and PPE	90 - 91
			Chapter 5: Health, Safety, and Well-being – Health Promotion and Occupational Health Management	90
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 5: Health, Safety, and Well-being – Health Promotion and Occupational Health Management	92
	403-8	Workers covered by an occupational health and safety management system	Chapter 5: Health, Safety, and Well-being – H&S Governance and Management	90
			Chapter 5: Health, Safety, and Well-being – Health Promotion and Occupational Health Management	92
	403-9	Work-related injuries	Chapter 5: Health, Safety, and Well-being – Accident Reporting Appendix 8A: Health and Safety - Injury Rate (2023 - 2025)	91 - 92 115
	403-10	Work-related ill health	Chapter 5: Health, Safety, and Well-being – Accident Reporting Appendix 8B: Health and Safety - Work-Related Ill Health (2023 - 2025)	91 - 92 115

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	-------------------

Appendices

GRI Standard	Disclosure		Location	Pages
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Chapter 5: Our Workforce – Employee Retention and Development Appendix 7F: Group-Level Training Hours (2025)	86 - 87 113
	404-2	Programs for upgrading employee skills and transition assistance programs	Chapter 5: Our Workforce – Employee Retention and Development	86 - 87
	404-3	Percentage of employees receiving regular performance and career development reviews	Chapter 5: Our Workforce – Employee Retention and Development Appendix 7G: Employee Performance Review at Group Level (2025)	86 - 87 114
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Chapter 5: Our Workforce Appendix 7A: Group Employees by Age and Gender (2025) Appendix 7B: Board of Directors by Age and Gender (2025) Appendix 7C: Employee Ethnicity Across Apical (2025)	82 - 83 110 110 111
	405-2	Ratio of basic salary and remuneration of women to men	Chapter 5: Our Workforce – Fair Wages and Employee Benefits Appendix 7D: Compensation Package of Female to Male by Employee Category (2025)	83 - 84 112
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	Chapter 5: Upholding Human Rights	80 - 81
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Chapter 5: Upholding Human Rights Chapter 5: Our Workforce – Ethical Recruitment	80 - 81 83

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

GRI Standard	Disclosure		Location	Pages
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Chapter 5: Upholding Human Rights Chapter 5: Our Workforce – Ethical Recruitment	80 - 81 83
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Chapter 5: Community Impact Chapter 5: Community Impact – SMILE Programme Chapter 5: Community Impact – Sustainable Living Villages Chapter 5: Community Impact – Social Impact and Corporate Social Responsibility	94 94 - 96 96 - 97 97 -99
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Chapter 2: Responsible Sourcing and Supplier Engagement Chapter 2: A-SIMPLE Framework – Supplier Management and Engagement	43 44 - 47
	414-2	Negative social impacts in the supply chain and actions taken	Chapter 2: Traceability to Plantation Chapter 2: EUDR Readiness – Deforestation-Free Due Diligence Framework	50 54 - 56

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

APPENDIX 10: ASSURANCE STATEMENT



INDEPENDENT ASSURANCE STATEMENT



INDEPENDENT ASSURANCE STATEMENT

Control Union (Malaysia) Sdn. Bhd. (hereinafter referred to as “Control Union”) was commissioned by Apical Group Limited (hereinafter referred to as “Apical”) to undertake an independent assurance on Apical’s Sustainability Report over Global Reporting Initiative Framework for the reporting period from 1 January 2025 to 31 December 2025. This Independent Assurance Statement applies to the selected disclosures described in the Scope of Assurance section below, as presented in Apical’s Sustainability Report 2025.

Scope of Assurance

Apical’s Sustainability Report was developed with reference to the Global Reporting Initiative (GRI) General Standards (GRI1: Foundation, GRI 2: General Disclosures, GRI 3: Material Topics). 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 2025. The results of maintaining open stakeholder dialogues and through multiple platforms and programmes allow Apical to better understand the 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 were identified and prioritised through a comprehensive process involving collaboration with a sustainability reporting consultant, employee surveys, and engagement with Apical’s external stakeholders. These topics were determined through the consolidation and analysis of stakeholder feedback, and subsequently prioritised based on their societal impact and relevance to Apical’s operations and strategic objectives.

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 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.

ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices



INDEPENDENT ASSURANCE STATEMENT

Through such engagements, notable results are obtained for example, formed partnerships, receiving sustainability-linked loan and programmes such as Sustainable Living Village (SLV) programme.

Impact:

Monitoring, measurement and providing accountability for how the actions of the organization affect the economy, the environment, society, stakeholders or the organization itself

The Sustainability Report, presents the information and data regarding Apical's strategies, opportunities, performances and specific goals to address environmental and social challenges, enhance employee experiences, uphold integrity in leadership, and promote a sustainable value chain.

Responsibilities

Apical is responsible for the collection, analysis, preparation, and fair presentation of the information contained in the Apical's Sustainability Report 2025.

Control Union is responsible for verifying the information and providing a Moderate Assurance conclusion on the information included in the Apical's Sustainability Report, within the defined scope of assurance. The engagement is conducted on the basis that the information provided by Apical has been prepared in good faith and is reliable, for the purpose of informing Apical's stakeholders and other intended users. Control Union was not involved in the preparation of the Sustainability Statement, other than the issuance of this Independent Assurance Statement.

Methodology

Our verification of Apical's Sustainability Report was conducted using an assurance methodology that included, among others, a review of the statement narrative (pre-assurance procedures), examination of relevant internal and external documentary evidence, and the collection and validation of data at the Group level. Specifically, our procedures comprised the following:

- Reviewing the overall reporting framework and pre-assurance preparation of the Apical Sustainability Report 2025, including the definitions, boundaries, assumptions, and methodologies applied to the selected disclosures;
- Reviewing internal and external documentary evidence provided by Apical to substantiate the reported information;
- Assessing data collection processes at the company level, including performing sample-based testing to evaluate the traceability of selected disclosures to underlying records;
- Auditing the data presented in the Sustainability Report 2025, including a review of selected samples and internal performance documents;
- Conducting remote verification procedures, including sampling of selected operational units;
- Performing interviews with relevant personnel at operational units, as well as individuals responsible for preparing the report at the head office.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices



INDEPENDENT ASSURANCE STATEMENT

Reporting Criteria and Level of Assurance

This engagement was conducted in accordance with the requirements of the AA1000 Assurance Standard (Type 2 Moderate Assurance). A Type 2 assurance engagement under AA1000AS includes not only the evaluation of adherence to the AccountAbility Principles which include Inclusivity, Materiality, Responsiveness, and Impact as well the verification of the reliability and quality of specified sustainability performance information. The independent verification was planned and performed to identify potential material misstatements, omissions, or errors, and to assess both the application of the AccountAbility Principles and the accuracy of selected performance data, in accordance with the requirements of a Type 2 Moderate Assurance engagement under AA1000AS

Independence and Quality Control

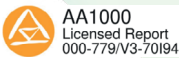
Control Union is an accredited certification and assurance body operating in more than 80 countries. These accreditations and recognitions require the maintenance of a comprehensive system of quality control, including documented policies and procedures addressing compliance with ethical and legal requirements, as well as independence and objectivity.

The personnel involved in this engagement were selected based on appropriate qualifications, training, and relevant experience. The engagement is also subject to internal review processes to ensure that it is conducted in accordance with applicable assurance standards and established quality control procedures.

Conclusion

Based on our moderate assurance procedures, nothing has come to our attention that causes us to believe that the scope of work (subject matter) as detailed above and presented in Apical's Sustainability Report is not fairly presented in accordance with the stated criteria. Accordingly, our work supports that the information included in Apical's Sustainability Report is reliable, objective, and presented in a clear and understandable manner.

Zulkarnain Ishak
Head of Assurance Services
COE Sustainability Assurance Asia
21st of May 2026



ABOUT THIS REPORT	PRESIDENT'S STATEMENT	2025 SUSTAINABILITY HIGHLIGHTS	ABOUT APICAL	APPROACH TO SUSTAINABILITY
----------------------	--------------------------	-----------------------------------	-----------------	-------------------------------

Appendices

APPENDIX 11: GLOSSARY OF TERMS

Carbon dioxide equivalents (CO₂e) – A standard measure of global warming potential expressed in metric tonnes and used to evaluate and compare the impact of releasing or avoiding the release of different greenhouse gases.

CDP – Formerly the Carbon Disclosure Project, a non-profit organisation that operates a global disclosure system allowing companies and governments to report their environmental performance.

Crude palm kernel oil (CPKO) – An edible plant oil derived from the kernel of the oil palm.

Crude palm oil (CPO) – An edible plant oil extracted from the pulp of the oil palm fruit.

Free, Prior and Informed Consent (FPIC) – The principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy, or use.

Fresh fruit bunch (FFB) – The raw material for palm oil mills, harvested from oil palms.

GHG Protocol – A globally recognised standard framework used by companies to measure and report their GHG emissions.

Global Reporting Initiative (GRI) – A multi-stakeholder standard for sustainability reporting that guides and determines report content and indicators.

Greenhouse gas (GHG) – Atmospheric gas that absorbs and emits radiation within the thermal infrared range. The primary GHGs in the Earth’s atmosphere are water vapour, carbon dioxide, methane, nitrous oxide, and ozone.

International Standards Organization (ISO) – An independent, non-governmental organisation that develops voluntary, consensus-based international standards. ISO certification helps organisations demonstrate that they meet customer and stakeholder needs.

International Sustainability & Carbon Certification (ISCC) – a globally recognised standard for sustainable biomass and bioenergy production that applies to companies selling products in European markets.

No Deforestation, No Peat and No Exploitation (NDPE) – Commitments that were adopted by the private sector (downstream companies, traders, mills and growers) palm oil production organisations. These companies have adopted and supported practices to mitigate deforestation, encourage sustainable land development, avoid peatlands and protect workers, communities and smallholders.

NDPE Implementation Reporting Framework (NDPE IRF) – A reporting tool that provides a shared and consistent view of progress towards NDPE commitments across the full supply base of companies throughout the supply chain.

TRANSFORMATIVE PARTNERSHIPS	CLIMATE ACTION	GREEN INNOVATION	INCLUSIVE PROGRESS	APPENDICES
--------------------------------	-------------------	---------------------	-----------------------	------------

Appendices

Palm Oil Innovation Group (POIG) – A multistakeholder initiative that promotes the adoption of responsible palm oil production practices by key players in the supply chain by developing and sharing a credible and verifiable benchmark that builds upon the RSPO Principles and Criteria, creating and promoting innovation.

PROPER Awards – An assessment initiative by the Ministry of Environment of the Indonesia Government, which aims to improve environmental compliance and encourage business excellence throughout the country.

Roundtable on Sustainable Palm Oil (RSPO) – A globally recognised sustainable palm oil certification scheme.

Sustainable Supply Chain Certification (SCCS) – An RSPO standard with auditable requirements designed for organisations in the palm oil supply chain to demonstrate implemented systems to control RSPO-certified palm oil products.

Task Force on Climate-Related Financial Disclosure (TCFD) – TCFD was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.

Traceability – The ability to chronologically interrelate uniquely identifiable entities in a verifiable way. Traceability in palm oil helps establish a link between producers of sustainable products and end users of these products.

Universal Mill List (UML) – A global database of palm oil mill locations, compiled from data provided by processors, traders, consumer goods manufacturers, and the RSPO.

United Nations Sustainable Development Goals (SDGs) – Also known as Global Goals, the SDGs were adopted by all United Nations member states in 2015 as part of a universal call to action to end poverty, protect the planet, and ensure that all humanity enjoys peace and prosperity by 2030.

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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