

Apical

Building Collaborative *Resilience*

Sustainability Report **2024**



BUILDING COLLABORATIVE

Resilience

"Building Collaborative Resilience" is the theme for Apical's 2024 Sustainability Report. Our progress on sustainability hinges on cultivating a supportive network where our employees, stakeholders and communities unite to strengthen our collective capacity to face challenges and push boundaries in our efforts to protect the planet and our people.



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ABOUT THIS REPORT

REPORTING FRAMEWORK

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

At Apical Group (the “Group” or “Apical”), we look to improve our sustainability performance by benchmarking our processes and performance against our peers, industry standards and best practices.

BOUNDARY AND SCOPE OF THIS REPORT

Our sustainability reports are published annually. The reporting period of this report is 1 January 2024 – 31 December 2024, which is aligned with our financial reporting period. Unless otherwise stated, this report contains information for FY2024. This report is published on 26 June 2025.

This report covers the Group’s environmental, social, and governance performance across its operations in Indonesia, China, and Spain, in alignment with the Group’s strategies, commitments, initiatives, and objectives. This includes eight refineries, five biodiesel plants, two kernel crushing plants, and six oleochemical plants. For more details on our sustainability efforts, visit our Sustainability Progress Dashboard hosted on our website.

EXTERNAL ASSURANCE

Apical is dedicated to improving the accuracy and transparency of our non-financial reporting and actively seeks external assurance for our annual sustainability reports. Apical has obtained its annual external assurance on the sustainability data disclosed in this report from the independent assurance provider, Control Union Certifications B.V. Control Union Certifications has confirmed that Apical fulfils the firm’s internal governance benchmark and professional ethics procedures. Control Union Certifications is one of the first certification bodies involved in sustainable Palm oil certification, upholding clause 5.2 of International

Organisation for Standardisation (ISO)/IEC 17021-1:2015 (Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements) and clause 4.2 of ISO/IEC 17065: 2012 (Conformity assessment – Requirements for bodies certifying products, processes and services).

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

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

Refer to pages 126-127 for the full assurance statement and the scope of data assured.

POINT OF CONTACT

We welcome and appreciate any feedback to enhance our sustainability performance. Please direct any questions or comments pertaining to our sustainability report to:

Tor Mooi See,

Head of Sustainability for Apical Group
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Scan here for more information.

This **Sustainability Report** is available at
<https://www.apicalgroup.com/resource-library/sustainability-report-2024/>

PRESIDENT'S STATEMENT



“

To drive real progress, we must also adopt sustainability as a transformative lens - one that fuels innovation, fosters collaboration and enables systemic change.

”

KELVIN TIO
President



For sustainability to be truly viable, it must align with business growth.

As I begin my journey as President for Apical, I am honoured to lead an organisation that has long recognised the importance of strong, resilient collaborations with our supply chain partners, customers, community, and other stakeholders - local governments and civil society organisations. These partnerships are crucial in addressing the environmental, social, and economic challenges we face. Our approach in 2024 is therefore built on the principle of "Building Collaborative Resilience", which guided us in fostering a culture of shared responsibility and accountability. This foundation has better equipped us to adapt, recover, and continue thriving in the face of disruptions as we work together towards a more sustainable future.

The market dynamics in 2024, including fluctuations in palm oil prices, were shaped by reduced Crude Palm Oil (CPO) outputs, increased refining capacity and heightened competition from other oil crops. Additionally, domestic regulatory requirements, including Domestic Market Obligation (DMO) and the B40 biodiesel mandate, played crucial roles in supporting food and energy security while also influencing the industry's landscape in Indonesia. These challenges required adaptation and strategic planning to ensure a stable supply for both domestic and global markets and maintain overall industry stability.

Despite volatility in raw material costs, we remain laser-focused on our customers: expanding our product portfolio and investing in research and development for value-added products to meet customers' evolving needs. At the same time, we continued to strengthen our sustainability efforts, working alongside key suppliers to secure a responsible and stable supply chain, optimise our processes to enhance cost efficiency, improve productivity and maintain profitability.

Apical2030 Progress

We are committed to our sustainability goals outlined in Apical2030 which set time-bound objectives across four strategic pillars namely Transformative Partnership, Climate Action, Green Innovation and Inclusive Progress. I am pleased to announce that we have made steady progress in achieving our Apical2030 targets and will continue to be steadfast in pursuing our sustainability targets.

In the area of Transformative Partnership, we continued to maintain a high 99.81% CPO Traceability to Plantation (TTP) rate and 98.01% for the Delivering Category of No Deforestation for CPO based on the No Deforestation, No Peat and No Exploitation Integrated Reporting Framework (NDPE IRF).

Under the Climate Action Pillar, we have made significant progress in reducing our Scope 1 and Scope 2 emissions by 21% compared to our 2020 baseline. This progress has been driven by programmes focused on enhancing energy efficiency and reducing our carbon footprint at the production level. We had also conducted the Life Cycle Assessments (LCAs) for all major products, providing critical insights into the carbon footprint of the products throughout their entire life cycle. The assessments offer our customers a clear understanding of their Scope 3 emissions, which are essential for meeting sustainability goals and complying with regulatory and market expectations. For Apical, LCAs help identify emissions hotspots within our operations and supply chain, enabling us to develop effective carbon reduction strategies.

In the area of Green Innovation, we are actively reducing reliance on high carbon-intensive fuels like coal by transitioning to renewable alternatives, such as biomass. In 2024, we commissioned a new mini-hydropower plant to generate clean electricity for our operations. Building on this progress, we aim to further increase our share of clean energy

PRESIDENT'S STATEMENT



consumption by working towards greater utilisation of renewable energy sources, ultimately lowering emissions whilst enhancing resilience of our processing facilities.

Lastly, under Inclusive Progress, we have expanded our Sustainable Living Village (SLV) programme, a flagship initiative aimed at promoting forest conservation and protection as well as improving the livelihoods of smallholders through partnerships and certifications. We have made significant progress on our SLV programme in Aceh Singkil and East Kutai, establishing a total of 12 SLVs in these two areas and engaged more than 1,200 smallholders to uplift them by improving livelihoods through initiatives that are suited to the needs of the villagers and communities, while at the same time providing environmental protection. In addition, we are firmly committed to the Smallholder Inclusion for better Livelihood & Empowerment (SMILE) programme, which centres on inclusivity and strong engagement with independent smallholders to establish a better future for them and their communities by supporting sustainable and inclusive practices through Roundtable on Sustainable Palm Oil (RSPO) certification.

Milestones

As one of the largest palm oil processors, Apical is navigating a complex landscape of megatrends shaping our industry. One such trend is the upcoming enforcement of European Union Deforestation Regulation (EUDR) enforcement, which, initially set for 2025 but now delayed to 2026, underscores the need for rigorous readiness and compliance to ensure a deforestation-free supply chain. We are proactively setting up systems and aligning our practices to meet these stringent requirements, ensuring full transparency, traceability and sustainability in our supply chain. Over the past year, our efforts have led to successful trial shipments into the European Union (EU), which were independently verified as meeting the EUDR requirements. To date, we have successfully onboarded two of our facilities to achieve EUDR compliance, with plans to expand compliance across more sites in response to growing demands and in alignment with our operational strategy.

Our raw materials are sourced from plantations that rely on significant manpower, and we remain mindful of the growing scrutiny and expectations surrounding human rights and labour welfare. A key challenge is the growing concern over human rights issues within the palm oil sector, particularly related to worker exploitation, child labour and poor working conditions for the transmigrant workers.

While we have a Human Rights Policy to address these concerns, implementation remains complex due to the intricacies of the supply chain. Addressing these issues requires comprehensive engagement with suppliers on human rights, supported by robust traceability systems and in-depth due diligence at the plantation level to safeguard the welfare of the workers. We have introduced a Human Rights Implementation Framework alongside our existing Human Rights Policy, ensuring a more structured and effective approach to tackling these critical challenges within our supply chain.

As a mid- and down-stream processor, one of our key challenges is reducing indirect GHG emissions (Scope 3) across our value chain, which account for more than 90% of our total emissions. These emissions primarily arise from upstream activities within our suppliers' operations, particularly during oil palm cultivation and milling processes. To address this, we are collecting supplier-specific data to ensure accurate Scope 3 accounting in line with international standards, while setting emission reduction targets aligned with the latest climate science.

To address industry challenge of securing raw materials for Sustainable Aviation Fuel (SAF) production, Apical has commenced construction of southern Europe's largest second-generation (2G) biofuels plant, in partnership with its joint venture partner, Moeve (formerly known as Cepsa). Designed as a digitally native plant, the upcoming 2G biofuels plant in southern Europe incorporates the latest industry advancements in renewable fuels production, artificial intelligence, Internet of Things (IoT) and data analytics to maximise process efficiency, upholding the highest standards of safety and minimal environmental impact. Through a long-term agreement, Apical will supply 2G feedstock (organic waste such as agricultural waste and used cooking oils) to the new plant, directly addressing the key industry challenge of securing sustainable raw materials for SAF production.

With growing stakeholder interest in climate resilience, Apical is concluding the climate risk assessment aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. This process has deepened our understanding of climate-related risks and opportunities, and we are actively exploring various pathways to integrate these considerations into our long-term strategy.

In 2024, Apical successfully met the Sustainability Performance Targets (SPTs) of our US\$1 billion Sustainability-Linked Loan (SLL), underscoring our commitment to responsible practices. Through

stronger supplier engagement for enhanced traceability, a transition towards renewable and clean energy sources, and collaboration with NDPE-compliant suppliers, we continue to drive meaningful progress. Apical remains committed to achieving our future SPTs in 2025 and 2026, reinforcing our dedication to sustainable growth and resilience.

Looking Forward

We launched our Apical2030 goals in 2022, and as we approach the midpoint of our timeline, a thorough review of our progress will help us ensure their relevance and strategic alignment with our overall sustainability vision. This mid-term assessment will identify areas where we have made significant advancements, as well as those requiring greater focus. It will also help us determine where to accelerate efforts or recalibrate certain goals in response to the evolving external landscape.

Sustainability and business are not mutually exclusive; rather, they enrich and enable each other. For sustainability to be truly viable, it must align with business growth – profitability cannot be compromised, nor can solutions be inflationary. To drive real progress, we must also adopt sustainability as a transformative lens - one that fuels innovation, fosters collaboration and enables systemic change. Apical embraces this with measured pragmatism, bridging global imperatives with local realities, and championing inclusive, scalable solutions to help build a resilient, future-ready industry.

As we look ahead, our commitment to sustainability remains unwavering. This report reflects not only our progress to date but also our ongoing advocacy for deeper collaboration with stakeholders. Thank you to all our partners and stakeholders for your continued support; we look forward to **Building Collaborative Resilience** together!

Yours sincerely,
Kelvin Tio

ABOUT APICAL

COMPANY OVERVIEW

Headquartered in Singapore, Apical Group Limited (Apical) is a leading privately-owned vegetable oil processor with a global presence. Apical has 14% global market share in palm and laurics oil. Apical operates a vertically integrated mid-stream refining and value-added downstream processing business, supporting the food, feed, oleochemicals and renewable fuel sectors. With a growing customer base in over 80 countries, the company has assets in strategic locations across Indonesia, China, Spain, Brazil and other regions, including joint ventures in Brazil and India.



VISION AND VALUES

At Apical, our vision is to be the most reliable integrated processor of sustainable vegetable oil and value-added downstream products. This vision is not just a statement; it is a commitment to excellence and sustainability that drives every aspect of our operations.

Our purpose is clear and impactful: to improve lives by developing resources sustainably. We believe that true progress comes from fostering sustainable development in the communities where we operate.

Guiding us in this journey is our 5Cs philosophy, a cornerstone of our business and operations. Only by doing what is good for the Community, Country, Climate and Customer, will it then be good for the Company. Together, these principles form the foundation of our business, guiding us towards a future where sustainability and reliability are not just goals, but realities we achieve every day.



ABOUT APICAL



11.84 million tonnes of
palm oil and oil palm products sold



4,402 employees
as at end 2024



Refineries

PT Sari Dumai Sejati (SDS)

Dumai, Riau; Indonesia

Sustainability Certification: RSPO & ISCC EU

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

Dumai, Riau; Indonesia

Sustainability Certification: RSPO & ISCC EU

PT Asianagro Agungjaya Marunda (AAJ Marunda)

Marunda, Jakarta; Indonesia

Sustainability Certification: RSPO & ISCC EU

PT Asianagro Agungjaya Tanjung Balai (AAJ Tj Balai)

Tanjung Balai, North Sumatra; Indonesia

Sustainability Certification: RSPO & ISCC EU

PT Kutai Refinery Nusantara (KRN)

Balikpapan, East Kalimantan; Indonesia

Sustainability Certification: RSPO, INS & ISCC EU

PT Padang Raya Cakrawala (PRC)

Padang, West Sumatra; Indonesia

Sustainability Certification: RSPO & ISCC EU

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

Nanjing, Jiangsu; China

Sustainability Certification: RSPO

Bio-Oils Huelva (BOH) [JV]

Palos de la Frontera, Huelva; Spain

Sustainability Certification: INS & ISCC EU



Palm Kernel Crushing Plants

PT Sari Dumai Sejati (SDS)

Dumai, Riau; Indonesia

Sustainability Certification: RSPO & ISCC EU

PT Kutai Refinery Nusantara (KRN)

Balikpapan, East Kalimantan; Indonesia

Sustainability Certification: RSPO & ISCC EU



Biodiesel Plants

PT Sari Dumai Sejati (SDS)

Dumai, Riau; Indonesia

Sustainability Certification: ISCC EU

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

Dumai, Riau; Indonesia

Sustainability Certification: ISCC EU

PT Kutai Refinery Nusantara (KRN)

Balikpapan, East Kalimantan; Indonesia

Sustainability Certification: ISCC EU

PT Padang Raya Cakrawala (PRC)

Padang, West Sumatra; Indonesia

Sustainability Certification: ISCC EU

Bio-Oils Huelva (BOH)

Palos de la Frontera, Huelva; Spain

Sustainability Certification: ISCC EU



Oleochemical Plants

PT Apical KAO Chemicals (AKC) [Oleo JV]

Dumai, Riau; Indonesia

Sustainability Certification: RSPO

PT Sari Dumai Sejati (SDS)

Dumai, Riau; Indonesia

Sustainability Certification: RSPO

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

Dumai, Riau; Indonesia

Sustainability Certification: RSPO

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

Marunda, Jakarta; Indonesia

Sustainability Certification: RSPO & ISCC EU

PT Kutai Refinery Nusantara (KRN)

Balikpapan, East Kalimantan; Indonesia

Sustainability Certification: ISCC EU

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

Taizhou, Jiangsu; China

Sustainability Certification: RSPO

We operate the following facilities:

Refining and Fractionation

- CPO
- CPKO

Production of Functional Fats

Chocolate & Confectionery

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

Bakery

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

Convenience Goods

- Frying Fats

Culinary

- Cooking Oil

Production of Oleochemical

- Fatty Acid
- Glycerine
- Animal Nutrition
- Soap Noodles

Production of Biofuels

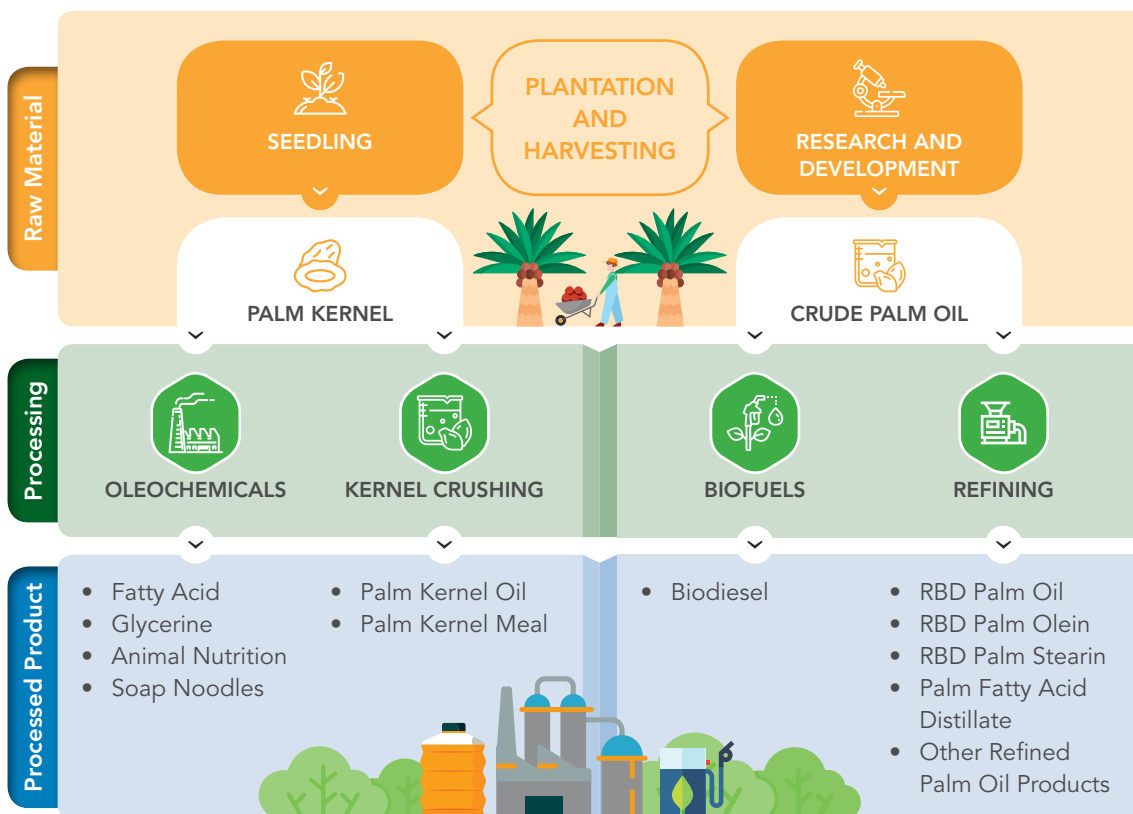
- Biodiesel

Kernel Crushing

- Crushing of Palm Kernels

Merchandising and distribution of CPO and PPO to the global market

- CPO & PPO Distribution



ABOUT APICAL

OUR BUSINESS SEGMENTS

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

1 Bulk Oils

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



2 Oleochemicals



Oleochemicals are versatile ingredients present in many different everyday products such as personal care items, laundry detergent, home care products, cosmetics and engine lubricant, among others. Our range of oleochemicals include fatty acids, refined glycerine and soap noodle. As oleochemicals gain traction due to consumers and brands opt for sustainable, natural and eco-friendly alternatives, we are committed to providing the right solutions to our customers to meet the rising demands across various industries.

3 Functional & Specialty Fats

Apical offers a wide range of sustainable vegetable oils and derivatives. Our high-quality ingredients deliver superior results for bakers, chocolatiers, convenience food producers and chefs alike. As food preferences continue to evolve, we are offering our customers a wide range of products to meet the evolving consumer demands for tasty and environmentally responsible food choices.



4 Renewable Fuel & Sustainable Aviation Fuel (SAF)



Apical is also one of the largest biodiesel producers in Indonesia. In 2023, we entered the SAF market with our joint venture partner Moeve (formerly known as Cepsa) to construct Southern Europe's largest second generation (2G) biofuels plant. Set to commission in 2026, this plant will produce 500,000 tonnes of Sustainable Aviation Fuel (SAF) and renewable diesel. Apical will supply 2G feedstock such as agricultural waste and used cooking oils to this new plant, helping to address the industry's challenge of accessing sustainable derived raw materials for SAF production.

5 Animal Nutrition

Our range of well-formulated animal nutrition for ruminants, monogastric, poultry and others are derived from sustainably sourced palm derivatives. With a highly concentrated source of fats, our range of products for livestock are developed to boost energy, milk yields and ensure consistent productivity.



2024 HIGHLIGHTS

Sustainability Approach and Governance

- › **93.3% SPOTT score**
top 5 position for 4 consecutive years
- › Awarded the prestigious **Subroto Awards 2024** for Safety And Environment from the Ministry of Energy and Mineral Resources of The Republic of Indonesia
- › Secured a total of **US\$1 billion** of **Sustainability-Linked Loan (SLL)**
- › Achieved a B Score from **CDP's Forests** Questionnaire
- › Committed to **Apical2030** framework targets and roadmap across four strategic pillars
- › Published our revised Sourcing Policy



- › Continued commitment to prioritise **9 UN SDGs** that are aligned to our targets:




Supply Chain Management

- › Maintained **100%** traceability to supplying mills since 2015
- › All refineries are **100%** Roundtable on Sustainable Palm Oil (RSPO) certified
- › Second consecutive win in the **'Sustainable Supply Chain Partnership'** category at the ESGBusiness Awards 2024
- › Achieved **99.81%** Crude Palm Oil (CPO) Traceability to Plantations (TTP) for all our refineries in Indonesia
- › Achieved **99.71%** Crude Palm Kernal Oil (CPKO) Traceability to Plantations (TTP) for all our refineries in Indonesia
- › Achieved **98.01%** in the Delivering Category of No Deforestation for CPO based on the No Deforestation, No Peat and No Exploitation Integrated Reporting Framework (NDPE IRF) verified by Control Union

Social and Environment

- › **11.42 hours**
average training per employee

- › Completed planting of **15,000** mangrove trees in AAJ Marunda and **5,600** mangrove trees in Rorotan city forest and Pantai Indah Kapuk, North Jakarta

- › Engaged **3,489** smallholders through our SMILE programme


- › **1,373** ISH RSPO certified under SMILE

- › Trained **108** Posyandu Cadres on Stunting Knowledge and Prevention

- › Progressing towards target to conserve **13,485 ha** of forest in Aceh with plans to conserve **10,000 ha** at East Kalimantan

- › Total of **12** Sustainable Living Villages (SLVs) established in Aceh Singkil and East Kutai



- › Completed **Social Impact Assessment (SIA)** for **2** facilities

- › Completed **Sedex Members Ethical Trade Audit (SMETA)** audit for **5** facilities in Indonesia

- › Engaged a cumulative of **206** and **65** mills through our Collaborative Action Remote Engagement (CARE) programme and Priority Supplier Engagement Programme (PSEP) respectively since 2020

- › Completed **9** Physical Customer Trial shipment + 1 paper trial for EUDR

- › Completed 3rd party EUDR Readiness Compliance Audit successfully with no findings

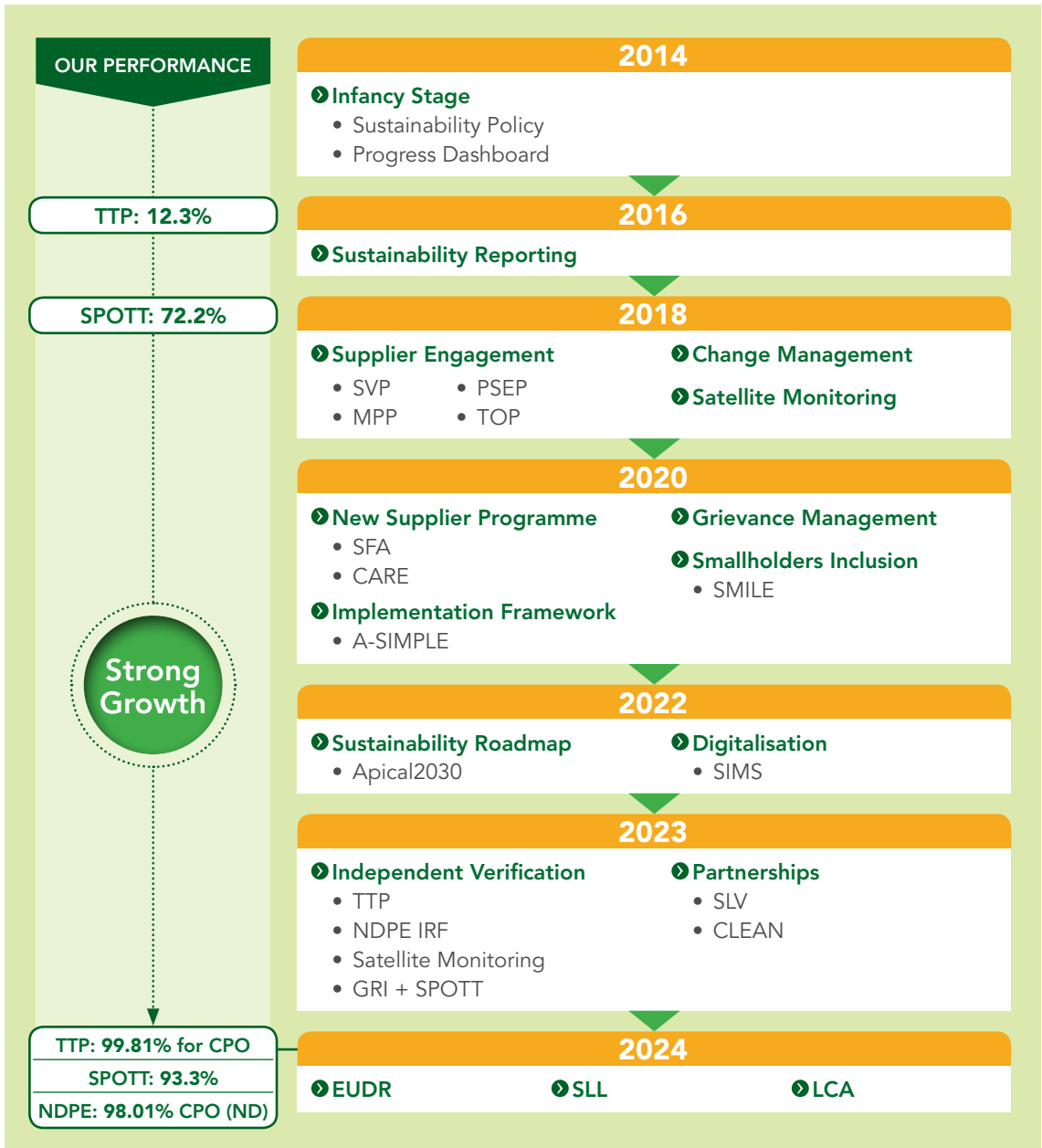
- › Continued the use of remote-sensing technology using platforms such as Global Forest Watch (GFW) Pro, Global Land Analysis & Discovery (GLAD) and Radar for Detecting Deforestation (RADD) to monitor **100%** of our supplier. All our suppliers are also monitored by PT Inovasi Digital - Earthqualizer

- › Executed **awareness of Apical's Human Rights Policy** to suppliers for implementation

OUR APPROACH TO SUSTAINABILITY

APICAL'S SUSTAINABILITY JOURNEY (2014-2024)

Our sustainability efforts are continuously evolving from 2014 to 2024. The timeline highlights significant achievements we have made every year to adapt to a fluid palm oil landscape.



CORPORATE GOVERNANCE

At Apical, we prioritise strong corporate governance as a foundation for achieving our sustainability goals. This commitment entails operating ethically and transparently, adhering to all local regulations and upholding the highest standards of business conduct.

Our Code of Conduct serves as a guiding framework for employees, clearly 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. These principles are also extended to our suppliers through Apical's Code of Procurement Ethics (COPE).

As of 2024, we are proud to report no new or outstanding non-compliances with national laws and regulations in the countries where we operate. Additionally, we recorded zero incidents of corruption or anti-competitive behavior. This track record reflects our unwavering commitment to ethical practices and responsible governance in all aspects of our business.

HUMAN RIGHTS POLICY

In November 2023, Apical reaffirmed its commitment to ethical, sustainable and responsible business practices by publishing a dedicated Human Rights Policy. This policy underscores our dedication to upholding the fundamental human rights of workers and communities involved in our global operations and supply chain. This Human Rights Policy complements our 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.

As we move towards 2025, we are focused on enhancing the initiatives established in 2024, ensuring that our human rights objectives and initiatives are not only clearly defined but are also actively integrated into our business operations and supply chain. By promoting a culture of respect, dignity and inclusivity, we strive to set a high standard for human rights within the palm oil industry, reflecting our continuous efforts to establish a sustainable business model that balances social responsibility with profitability.



Protection of Fundamental Human Rights

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



Indigenous Peoples & Local Communities

Respect the rights of indigenous peoples and local communities



Labour Rights

Committed to respecting rights of all workers



Human Rights Defenders (HRDs)

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

OUR APPROACH TO SUSTAINABILITY

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



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

In 2024, having acknowledged the unique challenges faced by workers and communities that may be disproportionately affected by our operations and supply chain, we embarked on a journey to systematise our efforts in respecting human rights in our operations and supply chain.

As we progressed through 2024, we remain steadfast in our commitment to comply with all applicable national laws and regulations across our operations.

To further demonstrate our unwavering commitment to human rights, we have made significant strides in enhancing our sustainability framework as of 2024. We understand that the path to identifying and remedying human rights risks is challenging, nevertheless we have begun and have committed to incorporating targets, milestones, and activities specifically focused on human rights for our operations and our supply chain. Our implementation plan for the fiscal years 2024 and 2025 outlines specific goals and timelines for achieving these commitments.

By regularly monitoring our progress against these established benchmarks, we aim to foster a culture of continuous improvement and reinforce our responsibility to all stakeholders involved.

Activities	Progress Updates
Policy <ul style="list-style-type: none"> Launch of Apical Group Human Rights Policy 	Completed
Communication & Awareness <ul style="list-style-type: none"> Internally to facilities Externally to suppliers (virtual and physical sessions) 	Completed
Supplier Commitment <ul style="list-style-type: none"> Supplier engagement letters with human rights commitments 	Supplier commitment embedded into revised Sourcing Policy in June 2024
Internal Policy and Standard Operating Procedure Review <ul style="list-style-type: none"> Identification of policies and SOPs for review and development including Grievance Procedures 	Progressing
Governance <ul style="list-style-type: none"> Developing a governance structure for human rights implementation and monitoring 	Currently led by the Head of Sustainability and the Human Rights Manager. A more robust structure for governance will be developed
Identify and Assess Risks and Impacts <ul style="list-style-type: none"> Human Rights Impact Assessment (HRIA) Deployment of Palm Oil Collaboration Group (POCG) Human Rights Due Diligence (HRDD) checklist for refineries Action Plan development based on issues and risks determined 	Apical facilities: <ul style="list-style-type: none"> HRIA – to be initiated at facilities Deployment of HRDD checklist for refineries – to be piloted with 1 facility To be initiated after risks identified
Disclosure and Reporting <ul style="list-style-type: none"> Internal and external reporting on human rights 	Annual progress updated in Sustainability Report 2024
Implementation & Monitoring <ul style="list-style-type: none"> Social Impact Assessments (SIA) for all Indonesian facilities Supplier Ethical Data Exchange (SEDEX) membership and Sedex Members Ethical Trade Audit (SMETA) audits for all facilities Penilaian Resiko Bisnis Dan Ham (PRSIMA or Business Risk Assessment and Human Rights) verification for suppliers Monitoring for Indigenous Peoples & Local Communities' risk using Badan Registrasi Wilayah Adat (BRWA) maps for suppliers Implementation of Human Rights Action Plans developed and gaps for improvement are being monitored 	<ul style="list-style-type: none"> SIA completed for 4 Indonesian facilities All Indonesian facilities has been registered for SEDEX membership and SMETA 4 pillar audits were carried out for 5 Indonesian facilities To be initiated with selected suppliers 9 mills under EUDR compliance are monitored under BRWA To be conducted once human rights risks identified

OUR APPROACH TO SUSTAINABILITY



SUSTAINABILITY FRAMEWORKS

Apical's sustainability approach is guided by four key frameworks, which focuses on our action plans and interactions with suppliers, stakeholders, and communities, while simultaneously safeguarding biodiversity and the environment. At the core of these frameworks are collaboration and transparency, which establish steps to align sustainability priorities with industry and international standards. They also outline the implementation of grievance processes, the creation of monitoring protocols, and the provision of compliance disclosures through sustainability reports.



In 2020, Apical introduced the A-SIMPLE Framework to enhance sustainability management practices across our operations and supply chain. This framework helps our suppliers comply with our No Deforestation, No Peat, No Exploitation (NDPE) commitments, effectively reducing supply chain risks, meeting stakeholder expectations and customer demand for sustainable products. The framework emphasises proactive engagement and collaboration with suppliers to improve their sustainability management practices in their operations and subsequently creating value throughout the supply chain.

As of 2024, we continue to implement the A-SIMPLE Framework in alignment with our updated Sustainability Policy and Human Rights Policy published in 2023. The execution of the framework includes:



Setting Commitments

Aligning with the Apical2030 roadmap and targets, ensuring supplier acknowledgment, and enhancing communication with stakeholders.



Risk Profiling

Conducted thorough supplier screenings and assessments.



Prioritisation

Using a risk-based approach to prioritise supplier engagement.



Supplier Engagement

Implementing broad and deep engagement strategies through our Anchor Programmes, focusing on capacity building on sustainability matters, deforestation-free practices and NDPE compliance.



Remediation

Establishing a grievance mechanism that aligns with UN Guiding Principles for effective resolution.



Transformation

Advancing strategic projects like social impact assessments and community empowerment initiatives, including the Sustainable Living Village (SLV) programme.



Monitoring and Tracking

Ensuring compliance through third-party monitoring and on-site visits for high-risk suppliers.



Disclosure and Reporting

Transparently sharing our sustainability progress via annual reports and a dedicated progress dashboard.

These efforts reflect our ongoing commitment to building a sustainable supply chain that benefits our diverse stakeholders.

SOURCING POLICY

In 2024, we have revised our Palm Oil Sourcing Policy which reinforces our commitment to a transparent, traceable, and ethical palm oil supply chain, aligning with our Sustainability and Human Rights Policies to ensure all sourced palm oil is legal, traceable, and NDPE (No Deforestation, No Peat, No Exploitation) compliant.

We collaborate closely with suppliers to enforce responsible sourcing, ethical business conduct, and the protection of environmental and human rights. This commitment includes implementing traceability systems, supplier screening and grievance mechanisms to ensure supply chain accountability. By fostering collaboration and transparency, Apical drives positive change in the palm oil industry.



For more information, please scan the QR code or visit our [website](#).

OUR APPROACH TO SUSTAINABILITY

DEFORESTATION FREE DUE DILIGENCE FRAMEWORK

Apical is committed to protecting forests, biodiversity and social well-being, ensuring a traceable, sustainable and deforestation-free supply chain. In 2023, we initiated the development of the Deforestation-Free Due Diligence (DFDD) framework, building on our A-SIMPLE Framework. The DFDD framework optimises our processes, ensuring compliance with the EU Deforestation Regulation (EUDR) and maintaining a traceable, sustainable supply chain. We developed and implemented Standard Operating Procedures (SOPs) for systemic EUDR compliance across our operations and supply chain, enhancing our A-SIMPLE Framework and aligning with local and international sustainability regulations. By 2024, this DFDD framework was fully implemented and underwent rigorous third-party assessment and verification.

The framework is structured around seven focus areas:

Governance

A solid governance structure, led by a dedicated management team, has established the necessary frameworks, SOPs and policies to ensure EUDR compliance.

Internal Capacity-Building

Employees are continuously trained on EUDR requirements, ensuring full organisational alignment and commitment from management.

Supplier Profiling & Prioritisation

Suppliers are identified using a risk-calibrated approach, prioritising those who meet compliance standards.

Supplier Due Diligence & Risk Mitigation

We engaged suppliers to promote EUDR understanding, initiating data collection, risk assessments, spatial analysis, supplier field visits, reviewing and approving SOPs for EUDR-compliant suppliers.

Operational Compliance

Facilities are designated for receiving, processing, storage and shipment of products, ensuring these operations align with regulatory requirements.

Digital Platform for Transparency

A DFDD digital platform is built to provide a seamless interface for suppliers and customers to exchange EUDR-compliant information. It offers essential data, including supply chain traceability, deforestation visual analysis and due diligence statements for each shipment.

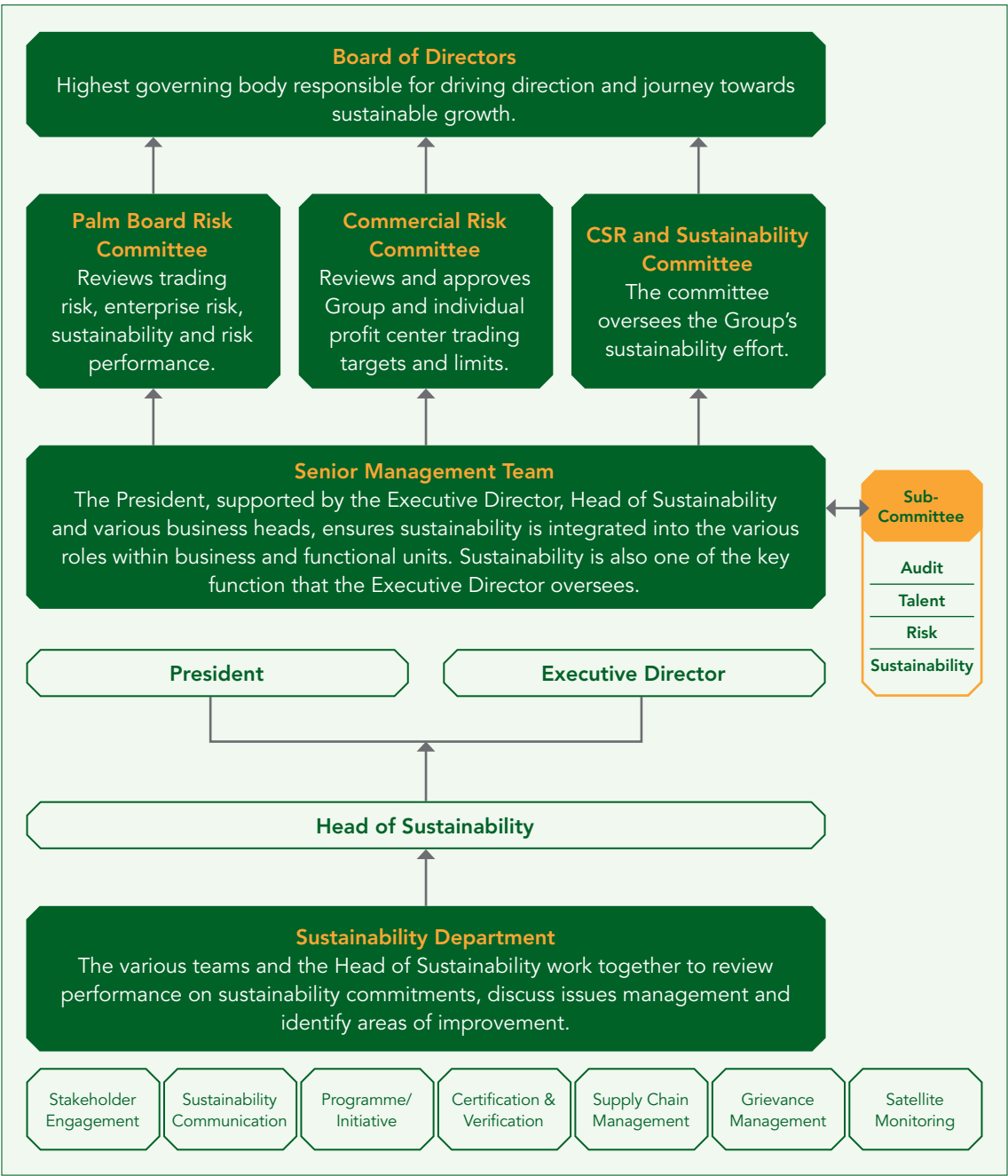
Third-Party Verification

Third-party verifiers assess Apical's EUDR readiness, providing further transparency in processes and assurance to the customers.

This framework's effectiveness was demonstrated in the second half of 2024 through successful EUDR-compliant trial shipments of palm oil and palm kernel oil products.



SUSTAINABILITY GOVERNANCE STRUCTURE



OUR APPROACH TO SUSTAINABILITY










The Apical Board of Directors (BoD), which meets quarterly, holds the highest level of responsibility in leading the company toward sustainable development. The senior management team, which includes the President, Executive Director and the Head of Sustainability, is tasked with reviewing and approving the information presented in Apical's sustainability report. The final approval of the report prior to publication is granted by the President.

Both the BoD and senior management are responsible for strategic and operational management, ensuring that Apical's core values are integrated into key sustainability initiatives. They make informed investment and divestment decisions while managing environmental and social risks. They lead the business in navigating sustainability risks and opportunities effectively to remain competitive and building business resilience. Their oversight is bolstered by discussions on material sustainability topics during quarterly Board meetings.

The senior management team, led by the Executive Director, President and Head of Sustainability, is primarily responsible for embedding sustainability across all business units. Sustainability is a key focus area for the President, while the Head of Sustainability is supported by dedicated teams located in Kuala Lumpur, Pekanbaru, Medan, Jakarta, Balikpapan, and Dumai. These teams are responsible to implement and monitor Apical's sustainability commitments.

To ensure effective performance tracking, monthly meetings are held between the Head of Sustainability and these teams to assess sustainability performance, address issues and identify opportunities for improvement. This structured approach underscores Apical's commitment to achieving its sustainability goals through strong governance and collaboration across all levels of the organisation.

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

 <p>Advising the Board on Apical Group's sustainability strategy, considering material environmental, social and governance (ESG) matters to the Group and our operations</p>	 <p>Ensuring appropriate certification standards across our facilities and products to commit to responsible production and operational practices of the palm oil sector</p>
 <p>Engaging stakeholders to ensure their concerns on ESG are considered and addressed</p>	 <p>Employing third-party verifications for our traceability data</p>
 <p>Monitoring the implementation of Apical2030 and sustainability initiatives</p>	 <p>Keeping abreast with latest developments on international sustainability legislations and customer specific sustainability methodologies which would impact the business</p>
 <p>Managing supply chain transparency by monitoring and keeping abreast to latest technology e.g. satellite monitoring to mitigate supply chain risks</p>	 <p>Conducting specific EUDR due diligence in selected supply chains to comply with the regulation</p>
 <p>Implementing supplier engagement programmes to achieve a traceable, transparent and NDPE compliance supply chain</p>	

Each of our operations is supported by a dedicated General Affair (GA) department, which manages social and licensing matters in alignment with national regulations as well as our Sustainability Policy, Human Rights Policy and Sourcing Policy. This department also oversees our Corporate Social Responsibility (CSR) programmes, which are designed to enhance the livelihoods of local communities. By prioritising these initiatives, we aim to foster positive relationships and prevent conflicts with stakeholders, contributing to the sustainable development of the regions in which we operate.

RISK MANAGEMENT

Apical prioritises environmental responsibility through a robust risk management system aligned with ISO 31000:2018 standards. This framework effectively identifies and mitigates potential risks that could impact our operations and stakeholders, based on their severity and likelihood.

1 Strategic Oversight

A biannual Risk Management Committee (RMC), led by Apical's President, addresses significant risks, including environmental, social and governance (ESG) concerns.

2 Operational Implementation

The Group Risk Management Department (GRMD), along with site representatives, executes our approach to reporting, investigating and resolving non-compliances. They maintain a comprehensive risk register and provide quarterly reports to senior management.

3 Transparent Communication

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

ETHICS AND COMPLIANCE

Apical is dedicated to maintaining integrity in all business dealings, adhering to both legal and ethical standards. Our Code of Conduct mandates that employees comply with all applicable antitrust and competition laws in the countries where we operate. In 2024, we are pleased to report that there were no incidents of anti-competitive behavior or antitrust violations involving Apical.

Both the Board of Directors (BoD) and Apical employees are expected to uphold the Code of Conduct, which provides guidance on behavior aligned with our Core Values, TOPICC. New employees receive the Code of Conduct and an overview of Apical's Core Values during their orientation programme, while current employees participate in periodic training sessions to refresh their understanding.

Our commitment to ethical business practices extends to our suppliers as well. Apical ensures that our suppliers adhere to the Code of Procurement Ethics (COPE), which outlines commitments to ethical conduct and prohibits corruption. We firmly believe that integrating sustainable practices into our operations is essential for long-term success and offers significant benefits to our stakeholders.

ANTI-CORRUPTION AND ANTI-BRIBERY

Apical recognises the critical importance of maintaining integrity in its business conduct. In 2023, we published our Anti-Bribery and Anti-Corruption (ABC) Policy, which 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.

OUR APPROACH TO SUSTAINABILITY



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

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




All employees, as well as individuals providing services on behalf of Apical - such as contractors, suppliers, consultants, agency staff and business partners - are required to comply with this policy. Any instances of non-compliance will be subject to thorough investigations and disciplinary action.

To ensure understanding and adherence, a total of 4,402 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.

In 2024, we are proud to report that there were no breaches of the Code of Conduct, including incidents of corruption, anti-competitive behavior, or violations of antitrust laws. Additionally, we incurred no significant fines or non-monetary sanctions for non-compliance with environmental, social, or economic regulations. This commitment reinforces our dedication to ethical business practices and responsible governance.

GRIEVANCE MANAGEMENT

Apical empowers stakeholders to raise concerns and seek clarification regarding any allegations they may have for potential or actual sustainability issues, in line with the commitments Apical has made in its Sustainability Policy. Stakeholders can report potential or actual negative impacts and request for remediation through various channels, without the threat of any reprisals:

24/7 Online Form: Accessible on our website for easy reporting.	Email: Submit a grievance form anonymously or with contact information.	Third-Party Representation: Stakeholders can choose a representative to voice their concerns.	 <i>Available on the Apical website.</i>
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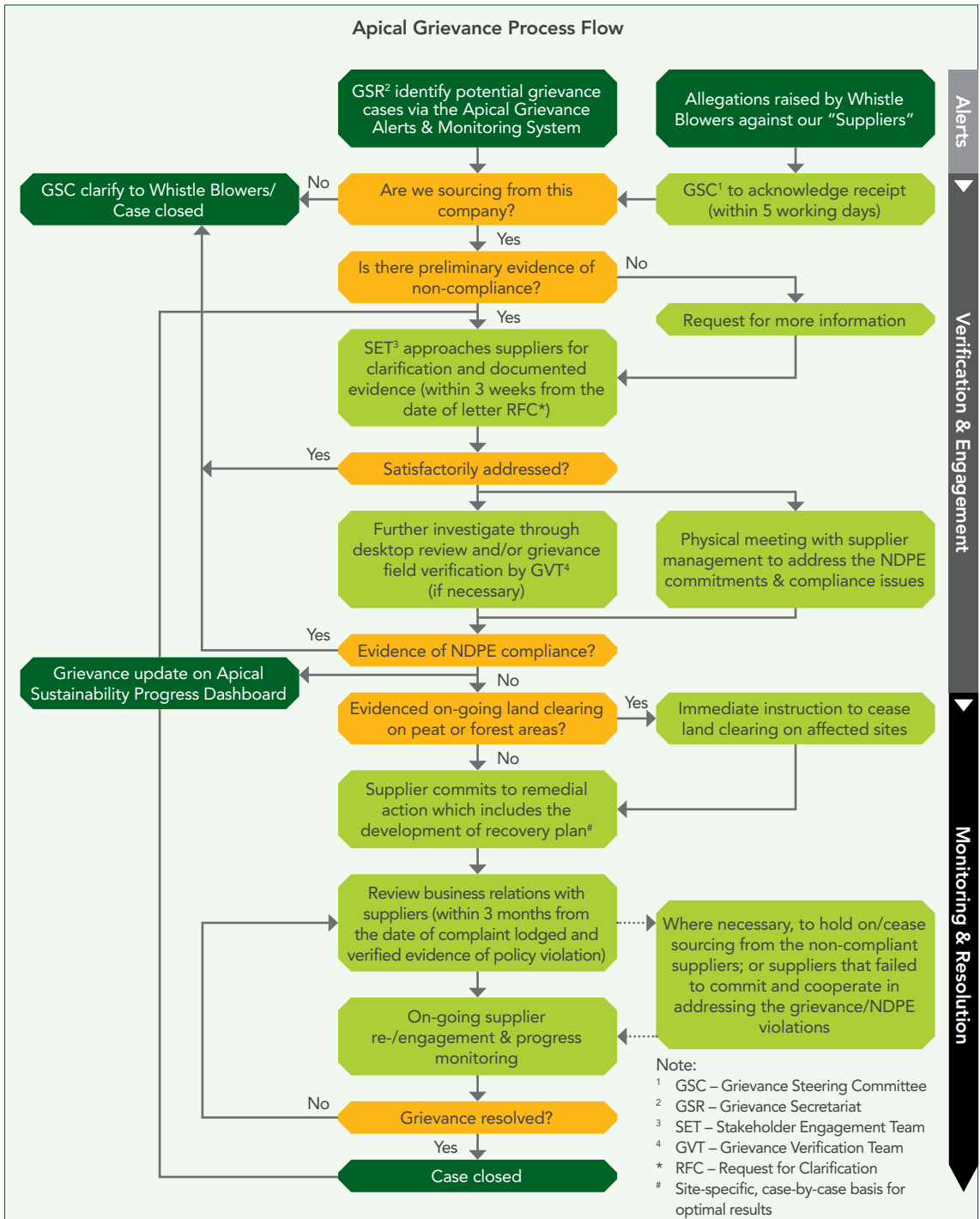
The grievance mechanism at Apical is managed and implemented through several dedicated teams: the Grievance Steering Committee (GSC), the Grievance Secretariat, the Stakeholder Engagement Team (SET), and the Grievance Verification Team (GVT).

The GSC, consists of senior management representatives from Apical and oversees the entire grievance management process. The Head of Sustainability provides monthly updates on grievance reports to senior management during the Financial Reporting Meeting (FRM) and communicates urgent matters to the Board of Directors (BoD) as needed.

Apical's Grievance Process Flow facilitates grievance reporting, investigation and resolution of sustainability concerns within our supply chain. This system enables stakeholders to raise issues of concern and allows Apical to conduct thorough investigations to ensure credibility of the allegations and compliance with our policies and standards. We continuously monitor our supply chain to ensure that all grievances are addressed and communicated promptly.

In addition, we periodically review our grievance management system and processes to identify areas for improvement. We are committed to taking appropriate remedial actions for all verified grievances and complaints, ensuring that stakeholders' concerns are addressed.

OUR APPROACH TO SUSTAINABILITY



Apical also provides a whistleblowing channel on our website, available for both employees and external stakeholders to anonymously report concerns regarding our operations or the practices of our suppliers. This platform is aligned with our grievance process, ensuring that all reports are carefully reviewed by the dedicated grievance teams.

Employees are encouraged to report any violations of the Code of Conduct or company policies through two channels:

- 1) Reporting Manager or HR Representative,
- 2) Online Whistleblowing Form.



For further information regarding the whistleblowing mechanism, visit our [website](#) to view the available reporting channels.

In 2024, there were 3 grievances raised, 0 against Apical and 3 against our suppliers. The grievances were related to allegations of illegal sourcing of Fresh Fruit Bunches (FFB) from a wildlife reserve, sourcing from subsidiaries with active grievances and peatland clearance within a supplier's concession. All cases have been investigated and resolved. About 4.3% our total supplying mills were implicated in grievance issues, as reported in our Grievance Tracker on our website. The total area of illegal/non-compliant deforestation recorded from January 2016 until December 2024 for all our suspended suppliers is 67,196 ha.

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

This is the preferred first point of contact.

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.

This commitment to transparency and accountability reinforces our dedication to maintaining high ethical standards in all aspects of our business.

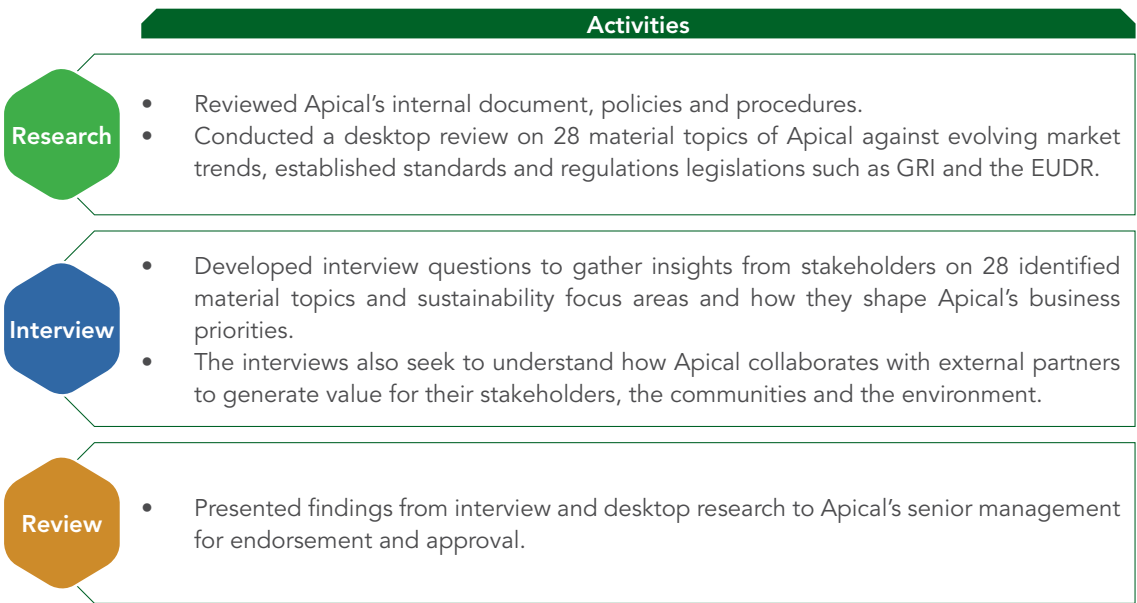


OUR APPROACH TO SUSTAINABILITY

MATERIALITY ASSESSMENT

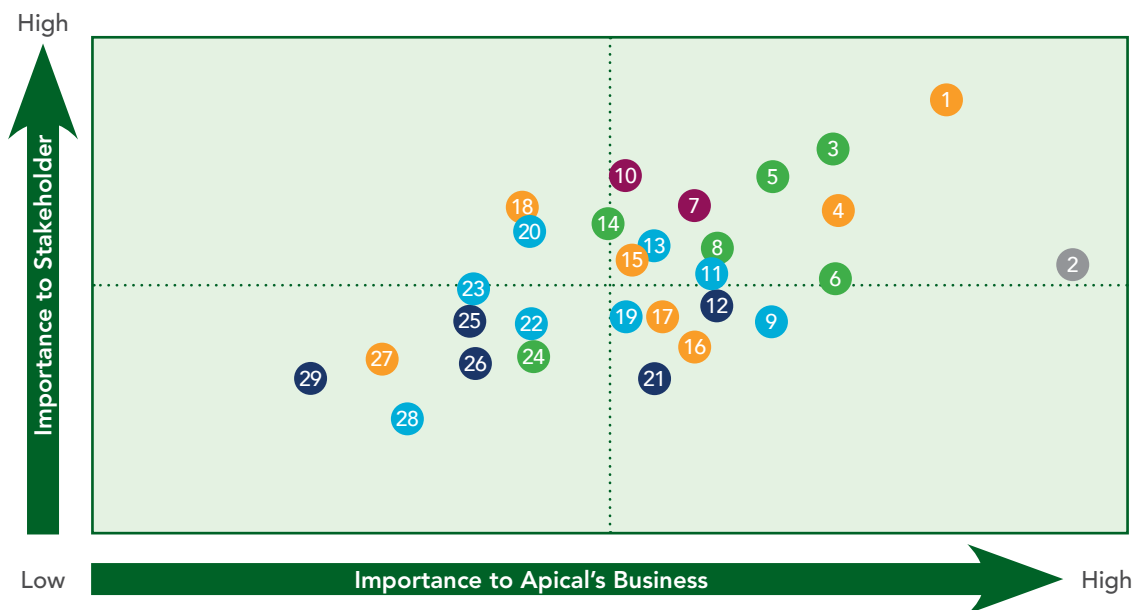
Our material topics guide our sustainability strategy by identifying areas which are important to our stakeholders and Apical's business. The topics are also aligned to Apical2030, across the four pillars of Transformative Partnerships, Climate Action, Green Innovation and Inclusive Progress.

We conduct materiality assessments every 2-3 years to ensure our topics stay relevant to our business and stakeholders. The materiality matrix is reviewed annually to reflect changes in the sustainability landscape. This year, we undertook a high-level review of our material topics with a third-party consultant. The process involved desktop research, reviewing our internal documents and policies, and interviewing internal stakeholders.



From the materiality review, we are seeing calls for greater transparency around governance mechanisms and mitigation measures. Regulations around disclosures such as TCFD, ISSB and EUDR are one way in which companies show how they manage environmental and social impacts in their business. EUDR will be a key focus area in 2025.

Another topic of focus is Human Rights. Apical is working on the implementation of our Human Rights Policy and monitoring human rights aspects across our supply chain. For more information, refer to pages 15-17 and 55.



ENVIRONMENT

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

EMPLOYEES

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

SUPPLY CHAIN

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

PRODUCTS AND SERVICES

- 2 Product Quality and Safety

SOCIETY

- 7 Empowering Communities
- 10 Supporting Human Rights

GOVERNANCE

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

Please refer to pages 98-101 for more information about our material topics.

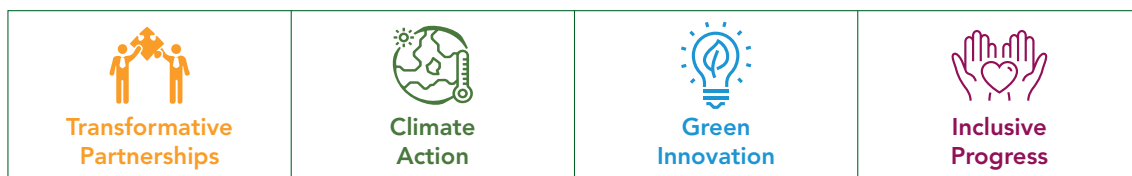
OUR APPROACH TO SUSTAINABILITY

APICAL2030 STRATEGIC SUSTAINABILITY ROADMAP



The Apical2030 long-term sustainability roadmap was launched in 2022 to drive transformative change in the palm oil industry, with a focus on generating positive social, environmental and business outcomes. This roadmap guides our decisions and actions toward achieving sustainable growth and creating value for both Apical and our diverse stakeholders.

Apical2030 ensures a balance between business, environmental and social development. Our goal is to foster extensive collaboration with partners, suppliers and local communities through ten ambitious, time-bound targets across four strategic pillars:



These targets are aligned with the Group's 5Cs business philosophy, our Environmental, Social and Governance (ESG) principles, and nine United Nations Sustainable Development Goals (UN SDGs) prioritised by Apical.



SUSTAINABILITY-LINKED LOANS

Apical leverages Sustainability-Linked Loans (SLLs) as a tool to align internal teams to deliver on its sustainability goals. SLLs are financial loans that incorporate pre-agreed sustainability targets in the loan agreement and failure to achieve these targets will result in a higher interest rate on the loan.

In 2023, Apical secured a three-year USD 1 billion SLL, structured in accordance to the Sustainability-Linked Loan Principles (SLLPs) toward the selection and calibration of the Sustainability Performance Targets (SPTs), reporting of progress achieved against these targets, and backed by an annual audit. Apical has also ensured that the SPTs are derived from the business' 2030 strategic long-term targets, in order to meaningfully contribute to its broader and longer-term sustainability commitments.

As of end 2024, the SLL third party annual surveillance audit has been conducted on the SLL's three SPTs as follows:

1. Increase the number of NDPE-compliant suppliers to 100% by 2025
2. Increase the number of suppliers carrying out independent traceability verification to 100% by 2025
3. Increase the utilisation of energy derived from renewable and clean energy sources to 12% by 2025

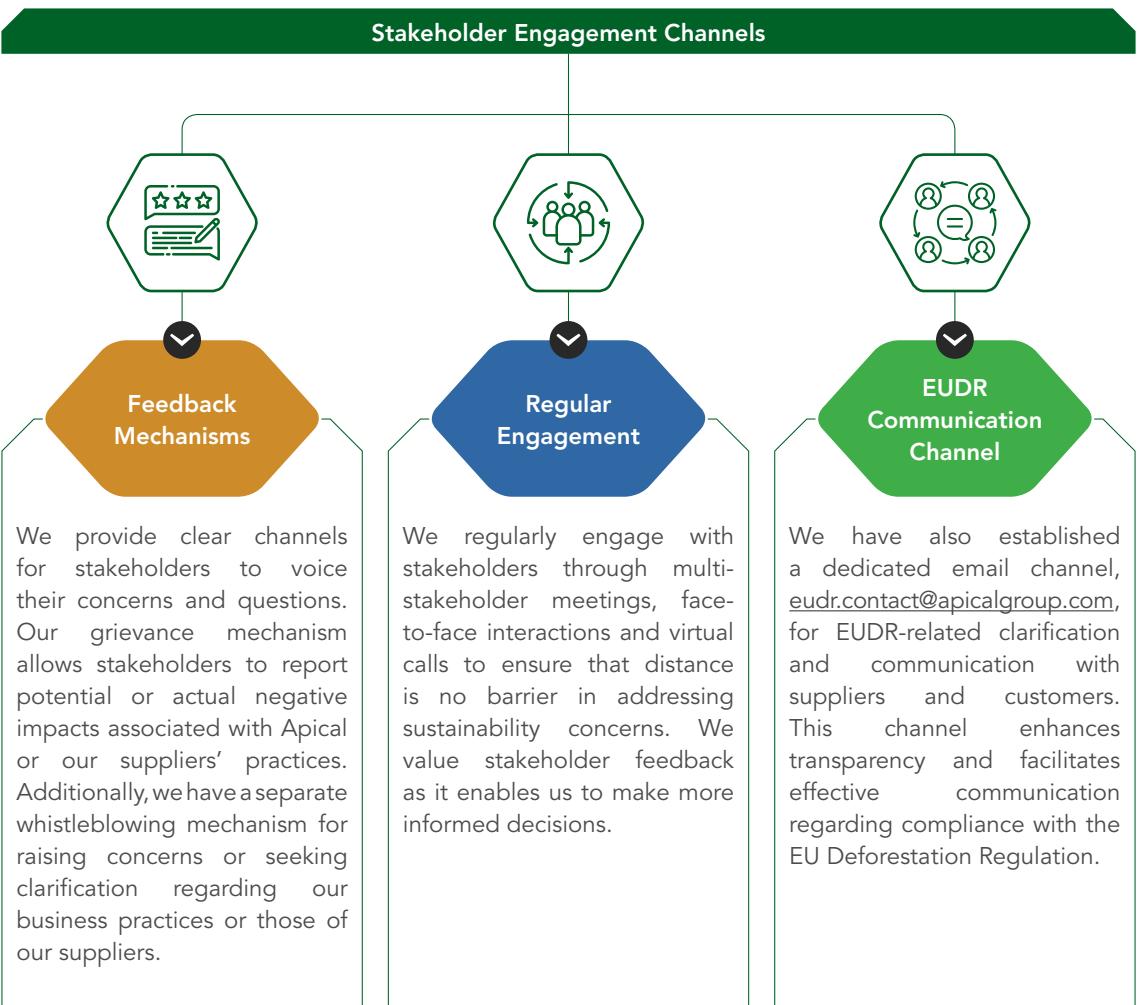
The results of the audit confirmed and verified that Apical has successfully met the above interim annual SPTs. Apical will continue to conduct the third-party verification for the three SPTs in 2025 and 2026.



OUR APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

Apical recognises the importance of diverse stakeholder perspectives in shaping critical sustainability issues. We value their insights and are committed to proactive and constructive engagement through a two-way dialogue. This involves actively seeking feedback and sharing updates on our sustainability programmes, initiatives and grievance processes. Open communication is essential and we welcome input from our key stakeholders while also proactively reaching out to them.





Below outlines our engagement with stakeholders in 2024:



CUSTOMERS & CONSUMERS

Engagement Method & Frequency

- Conference calls (regularly)
- One-on-one communication (regularly)
- Sustainability Report (annually)
- Presentations and meetings (ad hoc)
- Apical Website (ad hoc)
- Apical Sustainability Dashboard (ad hoc)
- Survey (periodically)
- Materiality Assessment (every 2-3 years)
- Membership meeting such as POC, RSPO RT and POCG (annually)

Topics & Concerns Raised

- Apical's sustainability commitments, Apical2030, initiatives and progress to achieve policy commitments
- Updates on traceability and customer data requirement
- Grievances on Apical's operations and/or suppliers
- Partnerships and collaborations on joint community/conservation projects
- Service improvements for customers

Apical's Response

- Engaged with customers for sustainability related questions and alignment of Apical's requirements toward customer's sustainability framework. This includes but not limited to requests for traceability information, inquiries on grievance matters related to our supply chain and information on our sustainability activities such that customers have a clearer understanding of our sustainability progress, challenges and targets
- Supporting customer audit of refineries based on commercial requirements
- Meetings and discussions on EUDR alignment
- Involved with multi-stakeholder initiatives such as the POCG to collaborate on sustainability efforts and addressing challenges
- Apical's product carbon footprint
- Sustainability presentation in Apical's Southern Africa Edible Oil Forum 2024 in Durban, South Africa

OUR APPROACH TO SUSTAINABILITY



BANKS & FINANCIAL INSTITUTIONS

Engagement Method & Frequency

- E-mail updates (regularly)
- One-on-one meetings (periodically)
- Survey (periodically)
- Sustainability Report (annually)
- Apical Website (ad hoc)
- Apical Sustainability Dashboard (ad hoc)
- Bankers roadshow (ad hoc)
- Site visits (ad hoc)
- Materiality assessment (every 2-3 years)

Topics & Concerns Raised

- Apical's sustainability commitments, Apical2030, initiatives and progress to achieve policy commitments

- Apical's financial performance
- Grievances
- SLL

Apical's Response

- Provided information on our sustainability policy and commitments, programmes and progress on our targets
- Provided update on past and ongoing grievance cases and clarity on cases based on information published online
- Provided update on SLL framework progress
- Apical sustainability presentation during bankers forum



CIVIL SOCIETY GROUPS

Engagement Method & Frequency

- One-on-one meetings (regularly)
- Multi-stakeholder forums (regularly)
- Sustainability Report (annually)
- Training Forum (annually)
- Survey (periodically)
- Apical Website (ad hoc)
- Apical Sustainability Dashboard (ad hoc)
- Site visits (ad hoc)
- Materiality Assessment (every 2-3 years)

Topics & Concerns Raised

- Apical's sustainability commitments, Apical2030, initiatives and progress to achieve policy commitments
- Update on NDPE commitments (especially 'No exploitation')

- Improvements in transparency
- Traceability updates
- Grievances on Apical's operations and/or suppliers
- Partnerships and collaborations on joint community/conservation projects

Apical's Response

- Engaged with NGOs on the resolution of grievance cases
- Collaborated with Earthworm Foundation for SLV programme in Kutai Timur
- Collaborated with YEL, FKL and IDH for SLV programme in Aceh Singkil
- Through SLV, we provided Good Agricultural Practices (GAP) training to farmers to increase their production and develop forest protection and response protocol at district level



INDUSTRY GROUPS, TRADE ASSOCIATIONS AND CERTIFICATION BODIES

Engagement Method & Frequency

- One-on-one meetings (regularly)
- Multi-stakeholder forums and events (regularly)
- Sustainability Report (annually)
- Survey (periodically)
- Apical Website (ad hoc)
- Apical Sustainability Dashboard (ad hoc)
- Materiality Assessment (every 2-3 years)

Topics & Concerns Raised

- Opportunities for collaboration on landscape level initiatives
- Palm oil certification
- Traceability verification

Apical's Response

- Participated in RSPO, ISPO and ISCC certification updates and new requirements
- RSPO Membership since 12 August 2011 and participation in RSPO Annual Roundtable event as a voting member
- Active participation and contribution in the POCG under several work streams such as AWG, PPBC WG, Social Issues Working Group, Independent Verification Working Group since 2020
- Participated as a speaker in the Neste's sustainability workshop
- Participated in buyer workshop in preventing illegal FFB from Tesso Nilo
- Conducted SMETA audit for 5 refineries in 2024



EMPLOYEES

Engagement Method & Frequency

- Annual appraisals and People Review Programme (PRP)
- Townhall meetings (annually)
- Major festival celebrations (annually)
- HR training programmes (ongoing)
- Apical Website (ad hoc)
- Apical Sustainability Dashboard (ad hoc)
- Materiality Assessment (every 2-3 years)

Topics & Concerns Raised

- Workplace Health and Safety procedures
- Training and development opportunities
- Communication of policies and initiatives in responsible palm oil
- Strategic direction of the business
- Awareness of company policies, including the Code of Conduct and TOPICC core values

Apical's Response

- Continued to communicate our Sustainability Policy to employees internally through presentations
- Provided training and career development programmes as well as recreational activities
- Facilitated dialogues with labour union representatives
- Provision of health insurance and retirement fund
- Conducted sharing session related to Human Rights Policy
- Awareness briefing on EUDR

OUR APPROACH TO SUSTAINABILITY



LOCAL COMMUNITY

Engagement Method & Frequency

- Apical's grievance mechanism to understand and address community concerns including FPIC and environmental conservation (ongoing)
- Dialogue with community groups and representatives facilitated by our General Affair (GA) Team (regularly)
- Outreach programmes to improve livelihood (annually)
- Complaint handling, grievance procedures and conflict resolution engagement (ad hoc)
- Surveys (periodically)

Topics & Concerns Raised

- Address community concerns including FPIC
- Ensure the local community reaps the benefits that palm oil brings such as better infrastructure, access to employment opportunities, etc
- Fire prevention

Apical's Response

- Prioritised employment opportunities to local communities
- Increase in community investments and programmes to improve well-being, infrastructure and basic needs



GOVERNMENTS AND REGULATORY BODIES

Engagement Method & Frequency

- Multi-stakeholder forums and events (regularly)
- Consultations (regularly)
- Field visits (regularly)
- Apical Website (ad hoc)
- Apical Sustainability Dashboard (ad hoc)
- One-on-one meetings (ad hoc)
- Materiality Assessment (every 2-3 years)
- Survey (periodically)

- Alignment of Apical's initiatives with government policies, especially in HCV/HCS areas and smallholder development

Apical's Response

Topics & Concerns Raised

- Compliance with government policies and regulations
- Communications around Apical's policies and actions in responsible palm oil

- Provision of updated documents on compliance of Apical and our suppliers
- Participation in Indonesia's Programme for Pollution Control, Evaluation and Rating (PROPER) programme
- Submission of regular monitoring reports
- Collaboration with regional and local governments to conduct programmes such as SLV



SUPPLIERS INCLUDING SMALLHOLDERS

Engagement Method & Frequency

- Anchor Programmes (regularly)
- Sustainability Report (annually)
- One-on-one communication (ad hoc)
- Apical Website (ad hoc)
- Apical Sustainability Dashboard (ad hoc)
- Materiality Assessment (every 2-3 years)
- Supplier Self-Assessment (SFA) (periodically)

Topics & Concerns Raised

- Information on compliance with Apical's Sustainability Policy and standards including traceability requirements
- Apical's sustainability commitments, Apical2030, initiatives and progress to achieve policy commitments
- Clarification on grievances lodged on supplier's operations
- Risk assessments of supply chains
- Gaps in traceability data collection
- Supplier screening and monitoring

Apical's Response

- Capacity building to ensure suppliers use best practices when it comes to sustainability in their operations and ensure responsible production, aligned with Apical's Sustainability Policy
- Continued collaboration with Asian Agri to develop biogas plants
- Continued supplier engagement through our Anchor Programmes
- Engaged with 3,489 smallholders through our SMILE Programme
- Socialisation with suppliers on EUDR requirements and how it affects the business operations
- Provide support and assistance for the supplier to be able to comply with EUDR requirements such as conducting due diligence to identify compliance and etc



MEDIA

Engagement Method & Frequency

- Apical Website (ad hoc)
- Apical Sustainability Dashboard (ad hoc)
- Events (periodically)

Topics & Concerns Raised

- Updates on Apical's sustainability initiatives e.g. SMILE, Apical2030, SLV

Apical's Response

- Highlighted benefits of sustainable palm oil
- Annual Break Fast Events
- Continued engagement on updates of Apical's sustainability initiatives

OUR APPROACH TO SUSTAINABILITY

PARTNERSHIPS, MEMBERSHIPS, AND CERTIFICATIONS

Apical demonstrates our commitment towards 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 required to advance towards sustainable production.

Apical has undergone annual public assessments by the Sustainable Palm Oil Transparency Toolkit (SPOTT) since 2019 and submitted responses to the CDP's Forest Questionnaire since 2020. We are also a signatory to the New York Declaration on Forests that aims to protect and restore forest.

Membership Associations		
<ul style="list-style-type: none">➤ Indonesia Oleochemical Manufacturers Association➤ Indonesia Biofuel Production Association➤ Indonesia Vegetable Oil Industry Association	<ul style="list-style-type: none">➤ International Sustainability and Carbon Certification (ISCC)➤ Palm Oil Refiners Association of Malaysia (PORAM)➤ Roundtable on Sustainable Palm Oil (RSPO)	<ul style="list-style-type: none">➤ The Tropical Forest Alliance (TFA)➤ Palm Oil Collaboration Group (POCG)➤ Earthworm Foundation

Apical recognises that sustainable palm oil production is critical and a key factor in driving business success. Certification through schemes like Roundtable on Sustainable Palm Oil (RSPO) and International Sustainability and Carbon Certification (ISCC) opens up market opportunities for further growth.

Certification

<p>The International Sustainability & Carbon Certificate (ISCC)</p>	<p>An international certification system established as the first certification system to ensure sustainable production of bio-based feedstocks and renewables in global supply chains</p> <ul style="list-style-type: none">• 7 out of 11 of facilities are certified by ISCC• All of our biodiesel facilities are certified by ISCC
<p>The Roundtable on Sustainable Palm Oil (RSPO)</p>	<p>A global multi-stakeholder initiative aimed to promote sustainable palm oil production and trade</p> <ul style="list-style-type: none">• Certified RSPO Supply Chain Certification since 2012• All of our refineries and oleochemicals are certified by RSPO

ISO 9001



ISO certification in ensuring quality management systems requirements

- 10 out of 11 facilities obtained ISO 9001 certification

ISO 14001



Certification by ISO that specifies requirements for effective environmental management system in efficient use of resources, energy, and waste reduction

- 3 out of 11 facilities obtained ISO 14001 certification

Sedex Members Ethical Trade Audit (SMETA)



SEDEX is a leading ethical trade service provider, seeking to improve global supply chains. SMETA is an audit methodology assessing responsible business practice, covering SEDEX's four pillars of Labour, Health and Safety, Environment, and Business Ethics

- 5 out of 11 facilities participated in the SMETA audits

Halal Certification



Depending on the operational location, different entities were engaged to certify Apical's production facilities as "Halal" certified. The scope of certification differs in each plant. Example of certification bodies are The Indonesian Council of Ulama (Majelis Ulama Indonesia) and Lembaga Pengkajian Pangan, Obat-obatan dan Kosmetika MUI (LPPOM MUI or Assessment Institute for Food, Drugs, and Cosmetics - Indonesian Council of Ulama) from Indonesia

- All 11 of our facilities are halal certified

Kosher Certification



Depending on the operational location – different entities were engaged to certify Apical's production facilities as "kosher" certified. The scope of certification differs in each plant

Examples of certification bodies are Rabbi Mordechai Abergel, Orthodox Union, and Singapore Kashruth Services Pte Ltd

- All 11 of our facilities are kosher certified



Further information on our participation in these certifications are available on our [website](#).

TRANSFORMATIVE PARTNERSHIPS

At Apical, we prioritise a responsible and sustainable supply chain through close collaboration with our suppliers and stakeholders. Since we do not own plantations or mills, we are committed to transforming and empowering our suppliers to drive positive change. This includes upholding stringent environmental standards, such as maintain zero oil spillage and adhering to the RSPO Supply Chain Certification Standard and the implementation of sustainability and traceability. We also monitor human rights within our supply chain to ensure ethical sourcing and fair labour practices.



Our Transformative Partnerships pillar ensures full traceability and sustainable practices, focusing on No Deforestation, No Peat, No Exploitation (NDPE) compliance, conservation efforts and responsible operations. These initiatives are supported by frameworks such as the A-SIMPLE Framework to align with sustainable business practices throughout our operations and the supply chain.

APICAL2030 TARGETS AND PERFORMANCE FOR TRANSFORMATIVE PARTNERSHIPS

Transformative Partnerships Targets	Progress	Apical2030 Status
Collaborate with suppliers to achieve a 100% NDPE compliant supply chain by 2025	<ul style="list-style-type: none"> Achieved 98.01% in the Delivering Category of No Deforestation for CPO based on NDPE IRF Engaged a cumulative of 206 and 65 mills through CARE and PSEP respectively since 2020 	In Progress
Engage 100% suppliers for traceability independent verification by 2025	<ul style="list-style-type: none"> Achieved 100% of suppliers of Apical refineries for traceability independent verification in 2024 	Completed
Partner with suppliers to protect and/or conserve 150,000 ha forest and peat areas by 2030	<p>SLV at Aceh:</p> <ul style="list-style-type: none"> Identified 13,485 ha of forest to be protected in 9 Villages in Aceh Singkil <p>SLV at East Kalimantan:</p> <ul style="list-style-type: none"> Identified 10,000 ha of forest in 3 Villages 	In Progress
Collaborate with suppliers to promote clean energy through 20 biogas plants	<ul style="list-style-type: none"> Actively promoted the environmental and economic benefits of biogas plants to our suppliers 	In Progress

WORKING WITH SUPPLIERS

MANAGEMENT APPROACH

GRI 3-3

Apical is dedicated to creating a sustainable palm oil supply chain through several key commitments:



These commitments apply globally to all Apical operations, subsidiaries and suppliers in the palm oil supply chain. Apical enforces this policy through its A-SIMPLE Framework and Supplier Anchor Programmes. Suppliers found in violation of the Sourcing Policy are subjected to the Grievance Mechanism. Additionally, Apical has received the Sustainable Supply Chain Partnership Award category of the ESGBusiness Awards for the second consecutive year in 2024, highlighting our dedication to a responsible and sustainable supply chain.

TRANSFORMATIVE PARTNERSHIPS

INCLUSIVITY IN PARTNERSHIPS

GRI 3-3

Apical recognises that building a traceable, deforestation-free palm oil supply chain requires collaboration across the value chain, from farmers to consumers. Our strategy for managing its value chain through close collaboration with suppliers is based on two foundational frameworks: the A-SIMPLE Framework and the NDPE Implementation Reporting Framework (IRF). These frameworks underscore our dedication to fostering inclusive partnerships with our suppliers to align efforts toward shared sustainability goals and advancements.

A-SIMPLE Framework

Launched in 2020, the A-SIMPLE Framework embeds sustainability practices and policies across Apical's operations and supply chain. This framework assists suppliers in meeting NDPE commitments, thereby minimising risks in the supply chain and helping to meet stakeholder expectations and customer demands for sustainably produced products.

NDPE Implementation Reporting Framework

Apical actively participates in the NDPE IRF, supporting sustainable palm oil production and enhancing cooperation with suppliers, traders and mills to ensure adherence to its policies and standards. The NDPE IRF offers a structure for monitoring progress, identifying supply chain discrepancies and devising strategies to address these issues, ensuring compliance with NDPE obligations. Apical's adherence to the NDPE IRF is validated annually by an independent third party, demonstrating its ongoing commitment to responsible natural resource management and reducing the environmental impact of its operations. For NDPE IRF, Apical has achieved a 98.01% in the Crude Palm Oil (CPO) Delivering category for No Deforestation in its Indonesian palm oil supply chain.



Apical managed to secure its second consecutive win in the Sustainable Supply Chain Partnership category at the ESGBusiness Awards 2024. This award recognises initiatives that collaborate closely with suppliers to enhance social and environmental performance, promote responsible sourcing practices, improve transparency and support long-term sustainability across the supply chain. Apical's strategy centers on close collaboration with stakeholders such as suppliers, reinforced by robust governance practices, proactive engagement, compliance with regulatory standards, policies and a commitment to smallholder inclusivity. Apical's triumph at the ESGBusiness Awards 2024 highlights its commitment to sustainable palm oil practices. This achievement reinforces the company's vision of being a trusted processor of sustainable vegetable oil, in line with its 5Cs business philosophy: prioritising the community, country, climate and customers, all of which contribute to the company's success.



OUR SUPPLY CHAIN PROFILE

GRI 2-6, 204-1

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

Our Supply Chain Profile in Indonesia



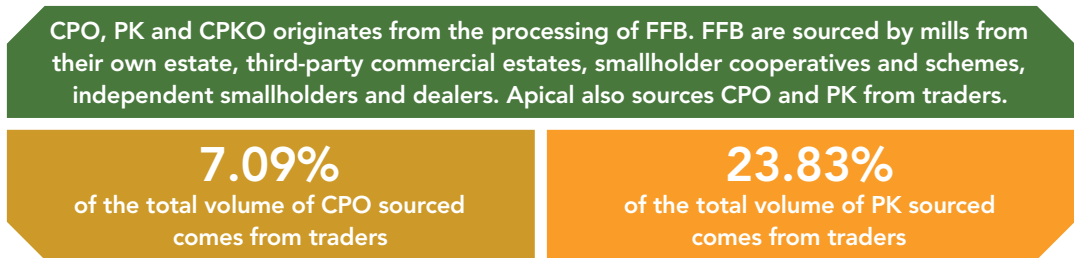
Notes:

- 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.



Notes:

- Local suppliers are defined as those based in the same region.
- The figures refer exclusively to palm oil volume. Apical is working towards aligning and disclosing the percentage of all local spending across all procurement categories within Apical in the future report.



TRANSFORMATIVE PARTNERSHIPS

TRACEABILITY OF OUR PALM OIL

GRI 3-3

Given the complexity of the palm oil industry, achieving full traceability within our supply chain is a vital part of our sustainability commitment. To this end, we work closely with all our suppliers to enhance traceability across our palm oil supply chain.

Traceability to Mill (TTM)

Apical's supply base is largely concentrated in major Indonesian provinces of Riau, North Sumatra, Jambi, Sulawesi, East Kalimantan and Central Kalimantan. A substantial 92.63% of our palm oil is directly sourced from mills in these areas, while the remaining portion is procured through trading companies.

Traceability to Mill (TTM) Methodology

Our TTM efforts also extend to identifying the origins of FFB. However, tracing FFB origins can be challenging, particularly because Apical sources CPO and CPKO from traders who, in turn, procure from multiple suppliers.

Despite these challenges, FFB must be processed within 24 hours of harvesting to maintain oil quality, meaning plantations must be located within a day's journey to a mill. Leveraging this insight, we have developed a method to trace FFB supplier locations, as illustrated in the infographic below.

Unveiling Our Supply Chain: Transparency for Sustainability



Mandatory Traceability Declaration Document (TDD)



Updated quarterly
on Apical's website

Detailed information from mill

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

We confirm the accuracy of 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

In 2015, we began gathering and verifying information about mills supplying to our refineries and achieved 100% traceability to mill in the same year. We have maintained full traceability to mill since then.

The total percentage of supply traceable to mill and traceable to Kernel Crusher Plant (KCP) is 100% as of December 2024. We have also achieved 100% KCP suppliers traceability to mill as of December 2024.



Traceability to Plantation (TTP)

To achieve our TTP objectives, we launched the Traceability Outreach Programme (TOP), targeting suppliers across Riau, Sumatra, Aceh, Kalimantan, Sulawesi and Bangka Belitung.

Recognising the dynamic and complex nature of our supply chain, we actively collaborate with suppliers to implement our TTP protocol. For new suppliers, this involves intensive engagement to strengthen their understanding of TTP requirements. Additionally, we provide tailored support to suppliers who are in the process of advancing their TTP efforts by developing specific action plans to guide them toward full compliance.

Further insights into this initiative can be found on pages 56-57. As part of our ongoing commitment to transparency and accountability, we continuously strive to enhance our traceability efforts each year.

FFB Sources	Estimated percentage of palm oil supplied to our refineries
Estate (≤ 25 ha and > 25 ha)	33.64%
Cooperatives/Schemed/Smallholder Groups	34.18%
Dealers (sourced from Independent Smallholders)	32.18%

TRANSFORMATIVE PARTNERSHIPS

TTP Progress

FFB Sources	2021	2022	2023	2024
CPO Suppliers - Existing Suppliers	99.7% for 4 refineries and/or facilities	99.9% for 5 refineries and/or facilities	99.8% for 5 refineries and/or facilities	99.8% for 6 refineries and/or facilities
CPO Suppliers - New Suppliers	99.3% for 5 refineries and/or facilities	99.7% for 5 refineries and/or facilities	100% for 5 refineries and/or facilities	100% for 6 refineries and/or facilities
CPKO Suppliers	96.0% for 4 refineries	98.4% for 5 refineries	99.7% for 5 refineries	99.7% for 5 refineries
PK Suppliers	96.1% achieved for 2 kernel crushing plants	97.0% achieved for 2 kernel crushing plants	99.7% achieved for 2 kernel crushing plants	99.7% achieved for 2 kernel crushing plants

Note:

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

Verifying Traceability

We ensure data accuracy and completeness including third-party verification¹ of traceability data, where applicable.



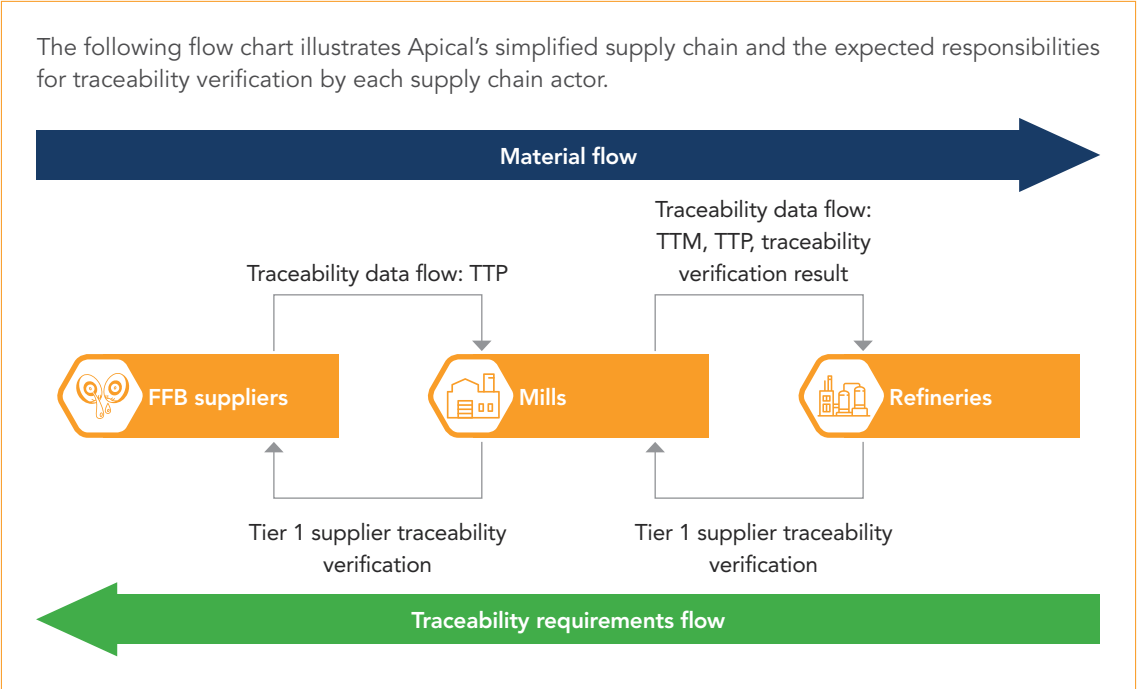
We have implemented robust procedures to verify the accuracy of traceability information reported by both direct and upstream suppliers, reinforcing our commitment to a transparent supply chain. In partnership with the Consortium of Resource Experts, we have developed a standardised protocol to assess the reliability of supplier-reported data, ensuring consistency and accountability across our operations.

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.

¹ The verification scope covered the Traceability Declaration Document methodology

By adopting this framework, 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 Implementation Reporting Framework (IRF) and internationally recognised standards such as ISO 14001 and ISO 9001.



We are proud to announce that Apical has successfully independently verified 100% of our TTP data by an external verification body, marking a significant milestone in our commitment to transparency and sustainability. This achievement reflects our dedication to responsible sourcing, made possible through strategic engagement, continuous improvement and strong collaboration with our suppliers.

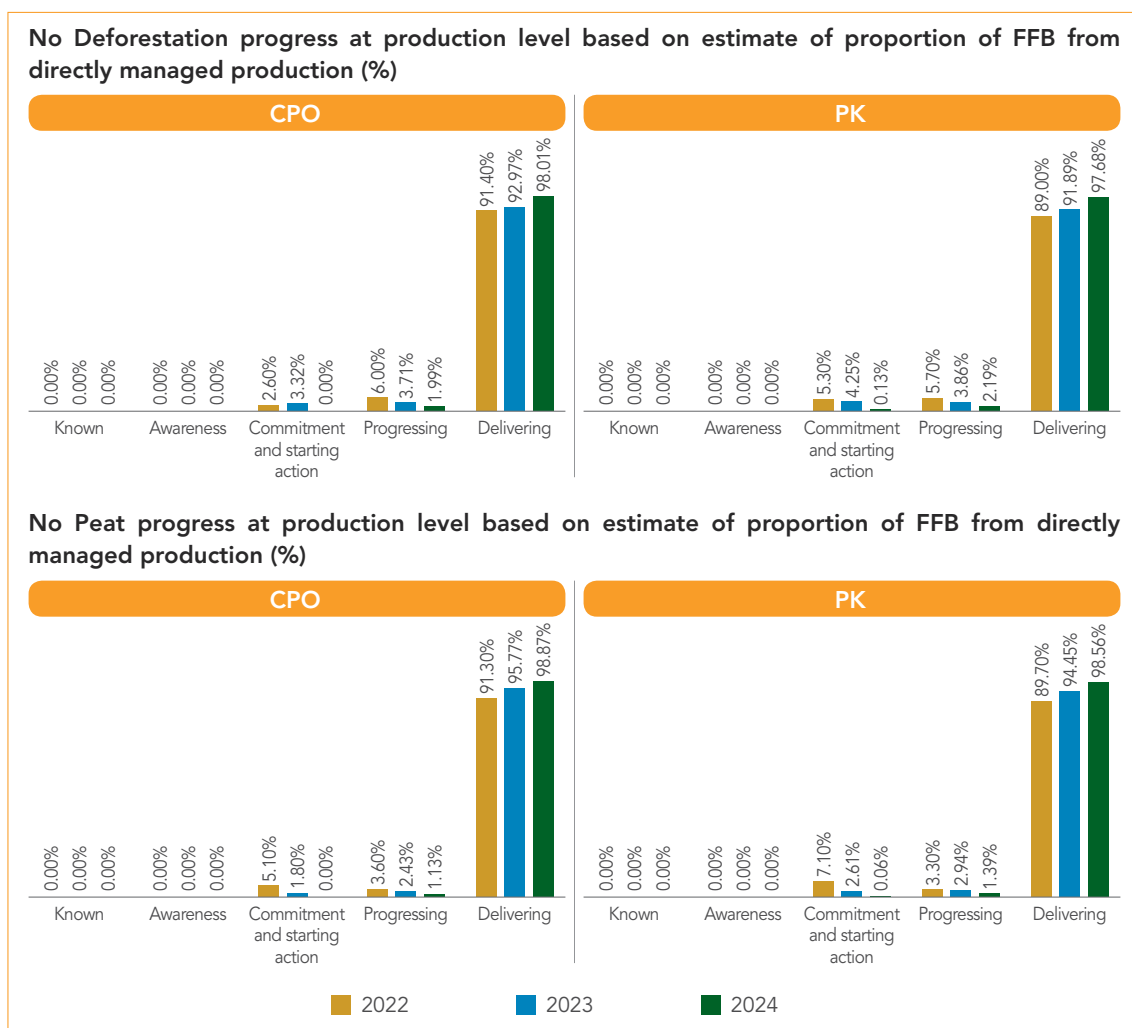
As we continue to expand in regions like Kalimantan and beyond, we remain steadfast in upholding traceability, accountability and ethical business practices across our supply chain. This accomplishment is a testament to our ongoing efforts to drive positive change in the palm oil industry and build a more sustainable future.

TRANSFORMATIVE PARTNERSHIPS

No Deforestation, No Peat, No Exploitation (NDPE) Implementation Reporting Framework (IRF)

In line with Apical's commitment to upholding No Deforestation, No Peat, No Exploitation (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.

In 2024, we achieved a 98.01% in the Delivering Category for No Deforestation for the Crude Palm Oil (CPO) within our suppliers' risk profile, a milestone reflected in our annual data verification process. This NDPE IRF score was independently verified by Control Union, a globally recognised third-party organisation appointed to ensure the accuracy and credibility of our verification process.



MANAGING SUPPLY CHAIN RISK THROUGH TECHNOLOGY

GRI 3-3, 308-2

Digital transformation and innovation are crucial for enhancing Apical's supply chain transparency and commitment to NDPE principles. By leveraging technology, we improve supplier data verification and environmental impact assessments. Given our resource-intensive operations, managing environmental impacts is a priority. We use various technologies to ensure responsible supply chain practices.

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

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. Since 2019, this technology has strengthened transparency, improved decision-making and provided key insights for stakeholders committed to ethical palm oil sourcing.

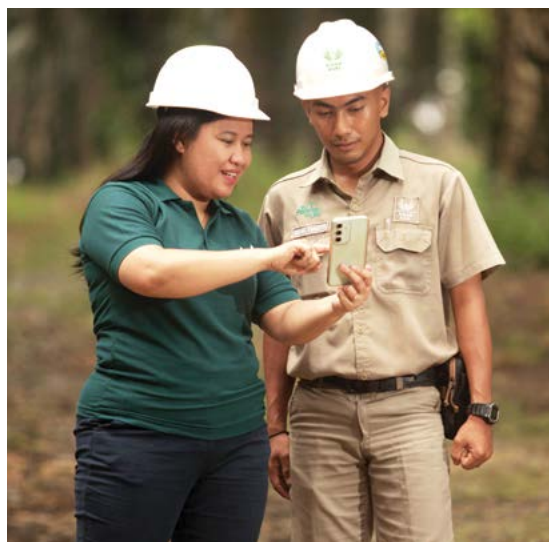
ENGAGEMENT THROUGH OUR ANCHOR PROGRAMMES

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

Strong supplier relationships are essential to Apical's vision of a transparent and sustainable palm oil supply chain. Through collaborative initiatives like PSEP, SVP, TOP and SFA, we empower our suppliers to implement responsible practices, fostering a collective commitment to a more sustainable future.

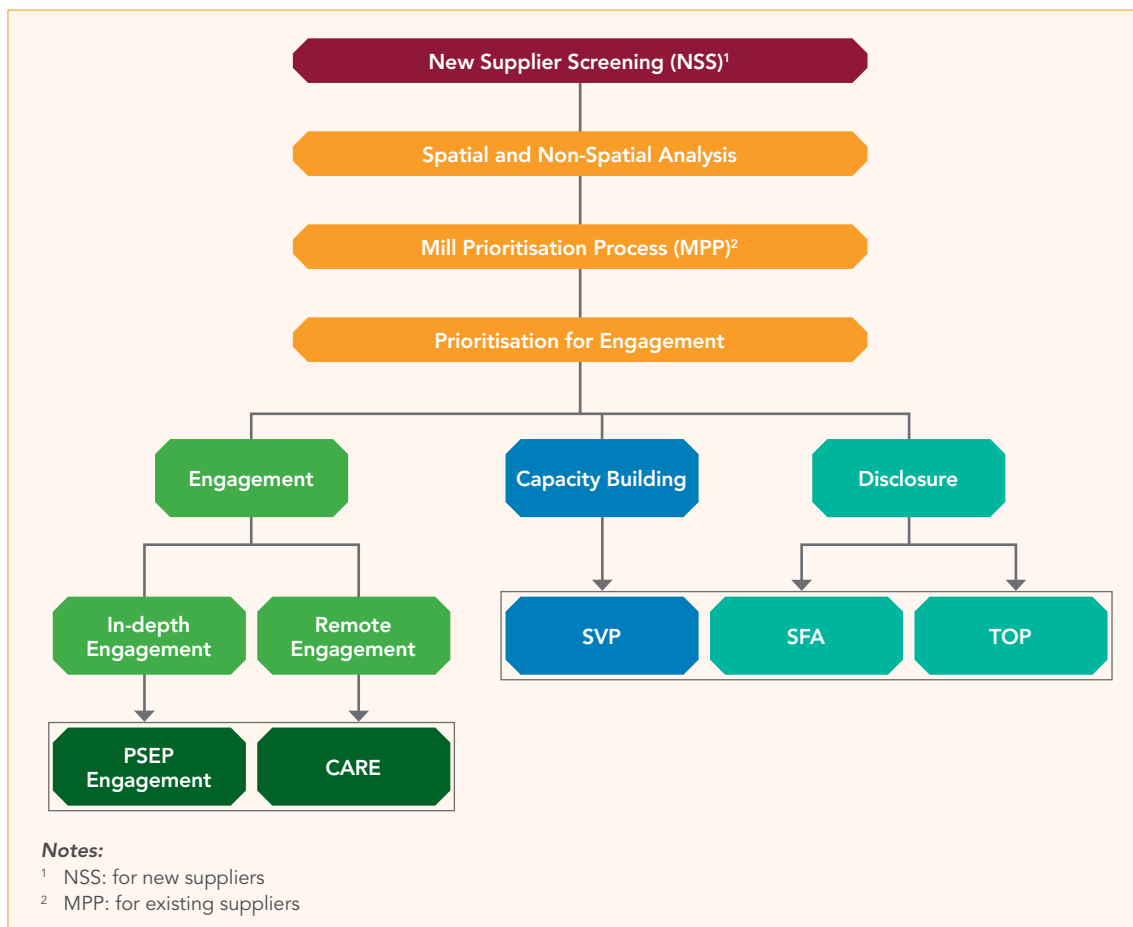
Supplier Onboarding Process

As part of our onboarding process, all 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 Mill Prioritisation Process (MPP) and New Supplier Screening (NSS) processes. Once a supplier is declared eligible, we use the Mill Prioritisation Process (MPP) to identify risks and changes. In this process, the supplier's risk will be determined which will be prioritised for further engagement through our Anchor Programmes. Suppliers identified as high risk based on our risk assessment criteria are prioritised for engagement.



TRANSFORMATIVE PARTNERSHIPS

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



Mill Prioritisation Process (MPP)

The MPP is a risk-based evaluation framework designed to assess our suppliers, with a particular focus on mills to determine their priority level for engagement.

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.

To assess risk, the MPP evaluates multiple factors, including land use analysis within a 50-km radius around a mill, mill traceability data as well as non-spatial factors such as qualitative assessments of a mill's interactions with local communities and small-scale farmers.

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 2024, we identified 54 mills with significant actual and potential social and environmental risks, including:

- Labor exploitation
- Illegal burning
- Deforestation
- Peatland development
- FBB sourcing from protected areas
- Social conflicts

Of these 54 mills, 33.33% were selected for priority engagement under PSEP to address and mitigate these risks effectively.

Priority Supplier Engagement Programme (PSEP)

As a follow-up to the MPP, we launched PSEP in 2015 to assess our high-risk suppliers. This initiative is designed to evaluate their commitment to sustainability and ensure compliance with our Sustainability Policy and industry best practices.

The PSEP is built on six core principles:

- Ensuring legal compliance across all operations.
- Protecting critical conservation areas, including High Conservation Value (HCV) forests, High Carbon Stock (HCS) forests and peatlands.
- Managing environmental impacts, particularly in waste and chemical handling.
- Upholding human and labour rights, ensuring respect for individuals and communities.
- Creating shared value by fostering long-term, sustainable partnerships.
- Enhancing traceability to strengthen supply chain transparency.

Through the PSEP, Apical conducts field visits to priority suppliers to assess their practices, provide recommendations for improvement and build strong partnerships. During these visits, we offer comprehensive guidance to help suppliers develop robust Standard Operating Procedures (SOPs) and sustainability frameworks.

We maintain regular engagement with our suppliers, closely monitoring their progress and verifying the implementation of recommended action plans to ensure continuous improvement.



TRANSFORMATIVE PARTNERSHIPS

Collaborative Action Remote Engagement (CARE)

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

Traceability Outreach Programme (TOP)

Launched in 2017, the TOP provides supplying mills with a comprehensive suite of resources, including guidance on best practices for managing traceability information.

TOP embodies our “outside-in” approach to supplier engagement, viewing suppliers as key partners in strengthening traceability across the palm oil industry. Through this initiative, we aim to develop an interactive mapping platform by integrating collected data. This platform will empower suppliers to address landscape-level challenges by analysing the origins of their FBB, fostering greater accountability and sustainability within the supply chain.

Shared Value Programme (SVP)

Launched in 2015 in collaboration with the Earthworm Foundation, Proforest and Daemeter, Apical’s SVP provides suppliers with exclusive market insights, industry best practices and sustainability guidance through dedicated workshops.

Since its inception, we have invited a diverse group of industry experts to foster knowledge-sharing and meaningful discussions. These sessions also emphasise the importance of global certification schemes such as the Roundtable on Sustainable Palm Oil (RSPO) and keep suppliers informed about the latest environmental regulations.

The workshops cover a wide range of topics, including:

- Global market trends and customer requirements
- Apical’s Sustainability Policies
- NDPE management practices
- Greenhouse Gas (GHG) emission reduction strategies
- Employee and labor standards
- Apical2030 sustainability commitments
- EU Deforestation Regulation (EUDR) requirements on traceability and deforestation-free supply chains

To reinforce supplier engagement and continuous learning, we plan to host these workshops biannually, ensuring suppliers remain up to date with evolving industry standards and sustainability expectations. In 2024, SVP was conducted twice in two cities, Medan (August 7-8, 2024) and Jakarta (November 6-7, 2024).

Suppliers Self-Assessment (SFA)

Introduced in 2020, the SFA tool allows suppliers to self-evaluate their alignment with our NDPE (No Deforestation, No Peat, No Exploitation) policy and identify supply chain risks. High-risk suppliers are encouraged to join programmes like the Priority Supplier Engagement Programme (PSEP), CARE and SVP to implement corrective measures.

The SFA tool has been crucial for maintaining supplier engagement, especially during COVID-19 restrictions, and remains actively used.

In 2024, Apical introduced the Supplier Self-Assessment Tool, an online portal to enhance transparency and data sharing. Suppliers can submit key information through a structured questionnaire on a centralised dashboard. This tool streamlines data collection and assessment, providing Apical with deeper insights into supplier practices, monitoring compliance and driving continuous improvement. Currently, approximately 500 suppliers are completing the assessment. This demonstrates their commitment to Apical's Sustainability Policy and ensures traceability of FFB supplied to Apical Group's facilities.

APICAL'S PROGRESS ON EUDR COMPLIANCE

As a global vegetable oil processor, Apical manages its supply chain efficiently and sustainably, ensuring transparency and traceability. Our commitment to sustainability helps us tackle global challenges and comply with evolving ESG standards, including EUDR.

The EUDR, passed in June 2023, aims to reduce deforestation, GHG emissions and biodiversity loss by screening six key commodities: wood, cattle, oil palm, soy, coffee and cocoa. Although initially set for enforcement from 30 December 2024, there has been a delay with the latest effective enforcement date set to be 30 December 2025 as approved by the European Union (EU). By complying to EUDR, we aim to protect forests, biodiversity and social well-being, ensuring our supply chain is traceable, sustainable and deforestation-free. To prepare, we conducted due diligence on our suppliers based on:

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

We engage in internal discussions and briefings, communicate our strategies to customers, and collaborate with external consultants to conduct deforestation due diligence and digitalise our traceability efforts.

To further strengthen our commitment to deforestation-free palm oil, we have developed a new Deforestation-Free Due Diligence (DFDD) Implementation Framework. This framework builds upon our existing A-SIMPLE Framework, ensuring seamless integration of DFDD practices into our entire supply chain and operations. We also implemented Standard Operating Procedures (SOPs) aligned with sustainability regulations, providing clear guidelines for mitigating non-compliance risks.

TRANSFORMATIVE PARTNERSHIPS



In 2023, we rolled out a digital platform to streamline due diligence processes, ensuring supplier compliance with deforestation-free standards and delivering critical compliance information to customers. Key functions include:

1	2	3
Sustainability Management	Shipment Arrangement	Customer Dashboard
Facilitates data input and upload, supplier due diligence, dashboard visualisation, report generation, due diligence statement creation and sustainability declaration management. It also maintains an audit trail for third-party verification and incorporates workflow and validation rules.	Shipment allocation feature which consists of contractual arrangements and the ability to allocate the supplies and products by shipment for customer based on requirements such as EUDR compliance.	Provides detailed shipment information, aggregated supplier profiles, traceability data, NDPE IRF scores, deforestation-free status, certifications, grievance information and verification status. It includes a supplies map, trade flow visualisation, due diligence statements and sustainability declarations.

This platform serves as a central hub for managing, monitoring and reporting on sustainability and compliance throughout the supply chain, enabling informed decision-making and promoting transparency.

HUMAN RIGHTS AND OUR SUPPLY CHAIN

GRI 408-1, 409-1

With global attention and awareness on human rights protection within supply chains intensifies, Apical ensures that its facilities and suppliers are identifying any potential human rights issues and are taking action to uphold workers' rights and ensure a safe, fair workplace. To create a positive socio-economic impact, we have implemented key initiatives aimed at strengthening human rights protections across our operations and supply chains. This aligns with our Human Rights Policy, published in November 2023, reinforcing our commitment to safeguarding workers' and communities' rights while mitigating human rights risks and promoting ethical business practices.

Below are the four (4) focus areas for Apical's scope for human rights protection:

			
Protection of Fundamental Human Rights: Committed to respecting all internationally recognised human rights across our global operations and supply chains, ensuring ethical and responsible business conduct	Labour Rights: Committed to respecting rights of all workers	Indigenous Peoples & Local Communities: Respect the rights of indigenous peoples and local communities	Human Rights Defenders (HRDs): Respect the rights of HRDs to raise concerns and pledge to address any harmful impacts towards them caused by our operations or supply chain, in accordance with the UNGPs

We are committed to the following guidelines and regulations:

<ul style="list-style-type: none">➤ International Bill of Human Rights➤ International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work➤ United Nations Guiding Principles on Business and Human Rights (UNGPs)➤ Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises➤ UN Global Compact Principles	<ul style="list-style-type: none">➤ Convention on the Elimination of All Forms of Discrimination Against Women➤ United Nations Declaration on the Rights of Indigenous Peoples➤ Indigenous and Tribal Peoples Convention➤ United Nations Declaration on Human Rights Defenders➤ United Nations Convention on the Rights of a Child
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TRANSFORMATIVE PARTNERSHIPS

OUR PROGRAMMES/INITIATIVES

Supplier Anchor Programmes		
Programme Name	Description	Progress in 2024
MPP	A risk-based approach used to identify priority mills for deeper engagement that involves analysing geospatial and non-spatial parameters. This is to identify potential sustainability risks associated with the supplying mills. All of our suppliers are assessed under the MPP and the risk levels are updated monthly based on the parameters of the MPP.	459 supplying mills engaged since launch
PSEP	Assesses our high-risk suppliers, prioritised through the MPP, on their level of compliance with our Sustainability Policy and other industry standards. We engage with our suppliers through desktop and field verification to facilitate their compliance with our Sustainability Policy and Sourcing Policy via various initiatives under our Anchor Programme. To ensure their compliance, we verified the information gathered based on a set of ESG related checklist via the PSEP programme.	<ul style="list-style-type: none"> • 6 PSEP visits conducted in 2024 • In total, 65 mills have been visited since 2015
CARE	As a solution to overcome challenges of travel restrictions during the pandemic, we launched the CARE programme in 2020 as an extension to PSEP to ensure continuous verification of supply chain effectively. Through CARE, compliant information collected from suppliers will be assessed remotely, to determine their compliant level and associated risks in the supply chain. Suppliers compliance level will be verified against Apical's Sustainability Policy, industry standards and in fulfilment to NDPE IRF requirements.	<ul style="list-style-type: none"> • 35 supplying mills engaged in 2024 • 206 supplier mills have been engaged via CARE since 2020
SVP	Apical has implemented SVP for our suppliers as a broad engagement approach. We provide capacity building to suppliers on a selection of topics that take into account regional issues specific to the location of suppliers. The SVP covers the latest market trends and benefits of international certification schemes such as RSPO and ISCC.	<ul style="list-style-type: none"> • 541 suppliers engaged through SVP (physically and/or virtually) since 2016 • In 2024, we conducted 2 SVP workshops with 89 attendees

Supplier Anchor Programmes		
Programme Name	Description	Progress in 2024
TOP	Apical has implemented TOP to provide knowledge and simplified solutions for the suppliers of our refineries on how to collect and manage the traceability data of their FFB suppliers. This programme takes an “outside-in” approach where suppliers are seen as co-contributors of solutions to make the industry more traceable.	459 active supplying mills engaged through TOP in 2024
New Supplier Screening	Conduct spatial and non-spatial analysis to all the potential supplier before entering into our supply chain. This is to reduce the risks of any non-compliant supplier entering into Apical supply chain.	<ul style="list-style-type: none"> • All suppliers engaged before entry to supply chain • In 2024, there were new supplier screening requests for 49 mills
Supplier Self-Assessment Tool	An interactive online portal designed to enhance transparency and data sharing between Apical and its suppliers. Through this platform, suppliers can submit key information by responding to a structured set of questions on a centralised dashboard. This tool streamlines data collection and assessment, enabling Apical to gain deeper insights into supplier practices, monitor compliance and drive continuous improvement across the supply chain.	459 suppliers have been registered and integrated into the system since inception

OUR NEXT STEPS

Looking ahead, we will continue working closely with our suppliers, implementing the existing measures while exploring new opportunities for deeper and more meaningful engagement. With clear targets set for 2025, we remain committed in building a strong and resilient partnerships with our supply chain, community and with other stakeholders for EUDR readiness.

Transformative Partnerships 2030 Targets	2025 targets
Collaborate with suppliers to achieve a 100% NDPE compliant supply chain by 2025	<ul style="list-style-type: none"> • Ensure at least 96% NDPE IRF delivery • Continue achieving 100% supply chain satellite monitoring
Engage 100% suppliers for traceability independent verification by 2025	Verified 100% of suppliers
Collaborate with suppliers to promote clean energy through 20 biogas plants	Identify and engage key suppliers with biogas potential to drive mutual environmental benefits

TRANSFORMATIVE PARTNERSHIPS

PROTECTING ENVIRONMENT

MANAGEMENT APPROACH

GRI 3-3

Palm oil remains a widely used commodity due to its versatility and affordability. However, we acknowledge the environmental challenges associated with its production and are committed to adopting sustainable practices to minimise our ecological impact.

As part of our commitment, we actively engage with suppliers to promote responsible and sustainable production methods. Additionally, we ensure that none of our operations are located within, or encroach upon, protected areas.

With the introduction of GRI 101: Biodiversity 2024, which replaces GRI 304: Biodiversity 2016, Apical will need to enhance its supply chain transparency by requiring upstream organisations to disclose biodiversity impacts. This includes implementing location-specific reporting and addressing drivers of biodiversity loss, such as land use changes and pollution. We are currently working to align with these new standards through our conservation efforts.

WORKING WITH SUPPLIERS ON ENVIRONMENTAL CONSERVATION

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

Protecting Forest and Biodiversity

At Apical, we recognise the risk of deforestation and biodiversity loss within our supply chain. In line with our Sustainability Policy and commitments, we stand dedicated to the conservation of peatlands, High Conservation Value (HCV) areas and High Carbon Stock (HCS) areas within our supply chain. Apical targets to collaborate with suppliers to conserve and protect 150,000 hectares of forests and peatlands by 2030. This involves aligning our

efforts with those of our suppliers to meet both local and global sustainability standards. In addition, we do not knowingly source palm oil from suppliers that deforest protected areas.

As part of our procedures, we conduct assessment for new mills who wish to actively supply to Apical. These sustainability assessments screen for environmental risks, which include deforestation and sourcing from illegal areas. Suppliers must demonstrate compliance with environmental laws and requirements as stated in our Sourcing Policy. Mills flagged as high-risk undergo further assessment through Apical's Priority Supplier Engagement Programme (PSEP) and Collaborative Action Remote Engagement (CARE) programmes. The CARE programme allows low-risk suppliers to self-assess online. Our sustainability team reviews these assessments and helps suppliers develop action plans to meet our NDPE policy.

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

Introduced in 2020, our Supplier Self-Assessment (SFA) helps suppliers assess their compliance with our NDPE requirements. Non-compliant suppliers are required to take corrective actions if they wish to remain within Apical's supply chain. We also support conservation initiatives targeting biodiversity, HCV areas, and riparian zones, and are currently in the process of including several new standards in line with RSPO 2024 into our checklists.

We are committed to protecting species listed under the International Union for Conservation of Nature's (IUCN) Red List and Indonesia's National Law, and we condemn illegal hunting across our supply chain, except for local subsistence hunting that does not significantly impact species populations.

Since December 2015, the total deforested area by all suspended suppliers has reached 67,196 hectares. In 2024, all three reported cases against our suppliers regarding allegations of deforestation have been investigated and necessary actions have been taken by Apical which include suspension of suppliers. All three cases have been closed on our Grievance Tracker.



The SLV programme is a stakeholder-inclusive initiative designed to foster sustainable livelihoods through collaboration with partners, communities and villagers. It focuses on creating positive environmental impacts, bridging critical knowledge gaps and reducing inequality through four key initiatives: improving livelihoods, protecting forests, transforming supply chains and fostering stakeholder collaborations.

First launched in February 2023 in Aceh Singkil, the SLV Programme encompasses four key initiatives: enhancing livelihoods, protecting forests, driving supply chain transformation and supporting landscape collaboration through the Production, Protection and Inclusion (PPI) Compact. Tailored initiatives are developed to meet the needs of

communities, with the goal of building capacity and empowering local populations in partnership with organisations such as Yayasan Ekosistem Lestari (YEL) and Forum Konservasi Leuser (FKL).

In 2024, we launched SLV in East Kutai, Kalimantan, marking a significant milestone in the collaborative efforts between Apical, Earthworm Foundation (a non-profit organisation) and the East Kutai District Government. This partnership is set to drive positive environmental and social change in the East Kutai region, with the targets of protecting 10,000 hectares of land and planting 90,000 trees for forest conservation and restoration, while also delivering significant benefits to local smallholders by the end of the SLV programme.



TRANSFORMATIVE PARTNERSHIPS

PROTECTING PEATLAND AREAS AND SOIL

Apical is committed to a no planting policy on peatlands containing 65% or more organic soil, regardless of depth. To support sustainable peatland management, we organise workshops for suppliers operating in these areas, promoting best practices that enhance oil palm productivity while reducing GHG emissions.

Key focus areas include:

- Efficient water management to maintain optimal water table levels through effective monitoring and control.
- Guidance on sustainable replanting and, for peatlands deemed unsuitable, collaboration with experts and stakeholders to explore long-term restoration or alternative land uses.

Beyond peatlands, we promote soil conservation by encouraging suppliers to preserve soil fertility and prevent erosion. Suppliers are advised against planting on marginal and fragile soils to maintain soil nutrient balance and prevent long-term land degradation.

To ensure environmental and human health protection, we ban the use of pesticides classified as 1A or 1B by the World Health Organisation (WHO) or those listed under the Stockholm or Rotterdam Conventions, including paraquat. Any exceptional use of restricted pesticides must undergo a rigorous due diligence process.

We encourage suppliers to adopt responsible chemical management practices, ensuring the safe and efficient use of pesticides and fertilisers in line with sustainability best practices.



FIRE PREVENTION & MANAGEMENT

The use of slash-and-burn for agricultural land clearing contributes to transboundary haze and climate change through carbon emissions. To combat this, we enforce a strict zero-burning policy across all our suppliers and provide detailed fire prevention guidelines on our website. These guidelines help suppliers prevent, detect and control open burning on oil palm plantations, emphasising the risks of fires spreading during dry seasons. We also monitor hotspots in our suppliers' concessions alongside deforestation monitoring.

While larger plantations can adopt alternative land-clearing methods, financial constraints often make slash-and-burn a common practice among smallholders. Recognising this challenge, we integrate smallholders into our fire prevention strategy, providing education and support to help them transition to sustainable land-clearing alternatives. Our guidance document, "Prevention, Early Detection, and Control of Open Burning in Oil Palm Plantations" outlines practical steps to prevent and manage fires and is publicly available on our website.

OUR PROGRAMME/INITIATIVES

Programme Name	Description	Progress in 2024
SLV	A stakeholder-inclusive programme that nurtures sustainable livelihood models through working with partners, communities and villagers. In relation to environmental protection, the programme aims to protect approximately 10,000 ha of forest through supply chain monitoring and conservation. Communities, suppliers and NGOs are important actors to generate value for this programme.	<ul style="list-style-type: none"> • 9 Villages in Aceh Singkil: Implemented since July 2023 and slated to be completed in 2026 • 3 Villages in Kalimantan: Implemented since 2024

OUR NEXT STEPS

In 2025, we will focus our efforts to deepen partnerships with our suppliers and relevant stakeholders on initiatives concerning environmental protection. We have outlined specific targets for 2025 below.

Transformative Partnerships 2030 Targets	2025 targets
Partner with suppliers to protect and/or conserve 150,000 ha forest and peat areas by 2030	Implementing the SLV programme in collaboration with specific suppliers while continuing the existing landscape programme



CLIMATE ACTION

Building on our commitment to climate resilience, Apical has taken significant steps to reduce emissions and enhance sustainability. In 2024, we commissioned a new mini-hydropower plant, providing clean electricity to power our operations and reinforcing our efforts to minimise our carbon footprint.

Our actions align with the IPCC's Sixth Assessment Report (AR6), which highlights the critical urgency of climate action, warning that even a 1.5°C temperature rise poses significant global risks. Additionally, the EUDR's deforestation-free regulations and the introduction of IFRS S1 & S2 climate disclosure standards reinforce the growing need for greater transparency in Scope 1, 2, and 3 emissions reporting.

As one of the largest vegetable oil processor, Apical recognises the responsibility to ensure sustainable palm oil production amid growing demand and climate challenges. Through the Apical2030 Sustainability Roadmap, we remain committed to minimising emissions, improving climate-related performance and driving industry-wide sustainability transformation.

APICAL2030 TARGETS AND PERFORMANCE FOR CLIMATE ACTION

Climate Action Targets	Progress	Apical2030 Status
Reduce 50% GHG emission intensity in our production against 2020 baseline	Achieved 21% reduction of Scope 1 and 2 GHG emissions intensity in 2024 against 2020 baseline	In progress
Net-zero by 2050	Completed Life Cycle Assessments (LCAs) of all Apical major products	In progress

ENSURING SUSTAINABLE OPERATION

MANAGEMENT APPROACH

GRI 3-3

Building on last year's commitments, climate change remains a pressing global issue. Our Climate Action pillar within the Apical2030 framework continues to drive our efforts to mitigate its impacts. We are committed to reducing our Scope 1 and Scope 2 GHG emissions intensity by 50% by 2030 (from a 2020 baseline) and achieving net-zero emissions by 2050.

These ambitious goals are supported by our enhanced Sustainability Policy 2023, which operationalises our vision for climate action and ensures accountability. We remain dedicated to

implementing policies and initiatives that align with our climate objectives and contribute to a sustainable future.

Building on last year's efforts, we continue to adhere to local environmental regulations, including "Peraturan Menteri Negara Lingkungan Hidup Nomor 07 Tahun 2007," governing the use of biomass and coal in boilers. In 2024, we maintained compliance with no significant fines or sanctions.

To drive progress towards our Apical2030 goals, all facilities have established Key Performance Indicators (KPIs) and project plans. Bi-annual progress meetings, led by the Sustainability Department and co-chaired by the President, ensure a company-wide commitment to achieving these targets.



CLIMATE ACTION STRATEGY

Apical is dedicated to transparency and sustainability and is progressively aligning its operations with emerging climate-related best practices as part of its Apical2030 strategy. Recognising the strategic importance of climate-related risks and opportunities, we are adopting a proactive approach to identifying, assessing and mitigating potential impacts, while supporting sustainable growth initiatives.

Apical acknowledges the recommendations made by the TCFD/ISSB and is currently in the process of concluding a climate risk assessment report. This includes scenario analyses covering short-, medium-, and long-term horizons. These efforts aim to strengthen our understanding of climate-related risks and ensure that relevant considerations are integrated into our strategic planning and operational practices.

GHG EMISSIONS

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

We continue to use the operational control consolidation approach and the GHG Protocol Corporate Standard for our GHG emissions accounting. This includes CO₂, CH₄, and N₂O, with Global Warming Potential values based on the IPCC AR6 assessment report.

We adhere to frameworks like ISO 14064-1 and the GHG Protocol, with data collected via our Sustainability Impact Measurement System (SIMS). Our Scope 1 emissions primarily come from the combustion of fossil fuels for energy production and transportation. Scope 2 emissions are calculated based on the latest grid emission factors. Biogenic emissions from biomass combustion are also accounted for.

CLIMATE ACTION

Since adopting 2020 as our base year, we have maintained a positive reduction trend in Scope 1 and 2 emission intensity. In 2024, we achieved a 21% reduction in Scope 1 and 2 emissions intensity compared to 2020, marking steady progress towards our goal of reducing GHG emission intensity by 50% by 2030.

Our 2023 Scope 3 GHG emissions was at approximately 51 million tCO₂e based on product-specific data from our LCAs. Moving forward, we plan to comprehensively assess all significant Scope 3 emissions categories in accordance with the GHG Protocol's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and "Technical Guidance for Calculating Scope 3 Emissions", utilising supplier-specific data to enhance the accuracy, and leveraging industry-specific tools such as RSPO PalmGHG Tool.

Apical has also uses Continuous Emissions Monitoring System (CEMS) to monitor the quality of air emissions which are assessed bi-annually by government agencies.

Notably, we have successfully transitioned to using Natural Gas as an alternative fuel source to coal at our AAJM refinery. We continue to explore and procure technologies that will enable a broader transition to clean and renewable energy sources.

GHG Emission Trends (2021-2024)

The following emission disclosures are third party verified by Control Union and can be found be in Appendix 1 under Table 3.

Indonesia's Programme for Pollution Control, Evaluation and Rating (PROPER)

The Indonesia's Programme for Pollution Control, Evaluation and Rating (PROPER), launched in 1995 with World Bank support, promotes environmental transparency and responsible practices through public disclosure of companies' environmental performance. Implemented by the Ministry of Environment and Forestry, PROPER encourages compliance with regulations and motivates businesses to exceed minimum standards. It aligns with good governance principles by fostering transparency, fairness, accountability and community involvement. The programme assesses companies like Apical based on two main criteria: compliance with regulations and performance beyond those requirements.

We are pleased to share that most of our refineries in Indonesia have achieved and maintained the PROPER Blue ranking under the national environmental performance evaluation programme. While there is still room for growth, this recognition reflects our ongoing efforts to uphold environmental management standards and our commitment to greater transparency and sustainability.

SDO (M)	PRC
AAJ Tj Balai	AAJ Marunda
KRN	SDS

Life Cycle Assessment

In 2024, we successfully completed the Life Cycle Assessment (LCA) of all Apical's products across Indonesia, China and Spain. This was done through engagement with LCA consultants, with the scope of it covering Apical's Palm Kernel Crushers, Refineries, Fractionation, Biodiesel, Oleo-chemicals and Functional Fats processing facilities.

GHG EMISSION REDUCTION INITIATIVES

OUR PROGRAMMES AND INITIATIVES

Activity type	Location	Description of Activity	Progress
Quantifying GHGs			
Scope 3 Measurement	All operations	Evaluate our Scope 3 emissions, identify emission hotspots in our supply chain and reduce them to achieve net zero by 2050	<ul style="list-style-type: none"> Completed estimation of Scope 3 GHG Emissions based on product LCAs Report on Scope 3 GHG Emission categories in accordance to GHG Protocol Scope 3 Standard from 2025 onwards
Methane capture	Dumai, Indonesia	Reduce emissions by capturing methane, purifying it into biomethane to reduce reliance on fossil natural gas	Actively engage with key suppliers to promote environmental and economic benefits of biogas technology
Carbon management software	All operations	Employ a carbon management software to improve measurement, management, planning and reporting of GHG emissions	To deploy RSPO PalmGHG tool to evaluate upstream emissions using supplier-specific data
Life Cycle Assessment (LCA)	All operations	To conduct LCA of all Apical Products	Successfully completed in 2024
Greener Alternatives			
Usage of green alternatives for powerplants and boilers	<ul style="list-style-type: none"> Jakarta, Indonesia Balikpapan, Indonesia 	<ul style="list-style-type: none"> AAJ Marunda to switch from coal to natural gas for gas fired boiler by mid-2024 KRN to commission a new mini-hydropower plant to generate clean electricity for KRN's operations 	Both have been completed in 2024
Transition to electric forklift	<ul style="list-style-type: none"> Marunda, Indonesia Dumai, Indonesia 	Replace diesel forklift with electric forklift to reduce GHG emissions	AAJ Marunda: Out of 11 forklifts, 8 have been converted to electric-powered versions

CLIMATE ACTION

Activity type	Location	Description of Activity	Progress
Nature-Based Solutions			
Afforestation and restoration of mangroves	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia 	The reforestation and afforestation of land around our operational facilities	<ul style="list-style-type: none"> AAJ Marunda: Completed planting of 15,000 Mangroves SDS: Completed planting of 4,000 Mangroves SDO (M): Planted 5600 mangrove at Rorotan city forest and Pantai Indah Kapuk, North Jakarta
Forest protection	<ul style="list-style-type: none"> Aceh, Indonesia East Kalimantan, Indonesia 	Launch of SLV to protect and conserve the forests	<ul style="list-style-type: none"> 23,485 ha forest conservation and protection in Aceh Singkil and East Kutai Currently implementing SLV within 6 villages in Aceh slated to be completed in 2026 3 SLVs in East Kutai launched in 2024
Reporting			
TCFD reporting and capacity building in preparation for future ISSB (IFRS) disclosure	All operations	<ul style="list-style-type: none"> Conduct internal capacity building workshops for relevant business units and Heads of Departments to understand TCFD recommendations Conduct climate change risk assessment to TCFD in terms of Physical & Transition risks, followed by quantifying these risks into a TCFD report 	<ul style="list-style-type: none"> Appointed an external consultant to prepare TCFD-aligned disclosures Conducted workshops to educate senior executives and management on TCFD recommendations, fostering strategic understanding for effective disclosure Concluding the climate risk assessment

OUR NEXT STEPS

We will continue to reduce coal consumption by increasing biomass usage in boilers. Furthermore, we will continue our mangrove rehabilitation programme with a target of 1,750 seedlings in 2025. Our commitment to explore other technologically-enabled solutions will be continued in 2025 as we explore partnerships to leverage methane capture technology, and deployment of carbon management software to improve our environmental data accounting and tracking capabilities.

GREEN INNOVATION

BACKGROUND

Apical recognises the value of technology in our journey towards a more sustainable future. In order to meet our energy and water usage targets, we have to replace existing solutions with more sustainable ones. This is where innovation plays a key role in allowing us to come up with new solutions.

APICAL2030 TARGETS AND PERFORMANCE FOR GREEN INNOVATION

Green Innovation Targets	Progress	Apical2030 Status
38% of total energy consumption to be obtained from renewable and clean energy sources as compared to 2020 baseline	10.12% of total energy consumption derived from renewable and clean energy sources in 2024	In progress
Improve water use intensity by 30% through circular solutions as compared to 2020 baseline	Implemented water efficiency projects such as rainwater harvesting systems and steam condensate recovery	In progress

ENSURING SUSTAINABLE OPERATION

MANAGEMENT APPROACH

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

We are continually seeking out technologies that can accelerate our transition to more sustainable operations. Our focus areas include:



Renewable energy

Transitioning to renewable energy sources is a key pillar of our strategy.



Energy efficiency digital solutions

We leverage digital tools to optimise energy usage throughout our operations.



Circular solutions

This involves exploring options like biomass for energy generation and repurposing of waste to minimise our footprint.

We have comprehensive internal policies covering biomass energy, energy management and waste handling. All waste from our refineries is disposed of by legal vendors with official government permits. Apical monitors the waste transported by these vendors to their final destination. Furthermore, all operations in Indonesia are required to send reports of environmental compliance data to the Ministry of Environmental and Forestry Republic of Indonesia and Environmental Agency of Jakarta Province via the Electronic Environmental Reporting Information System/Sistem Informasi Pelaporan Elektronik Lingkungan Hidup (SIMPEL) and Supervision and Control/Pengawasan dan Pengendalian (WASDAL) portal.

GREEN INNOVATION



Apical is constantly exploring innovative solutions to maximise sustainability. Two mini-hydro plants at KRN with a combined capacity of 217 kW were completed in July 2024.

We are committed to reducing our operational impacts by managing our energy sources, water withdrawal and consumption, and waste generation via new technologies. We also engaged our suppliers to help them adopt sustainable production practices.

ENERGY MANAGEMENT

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

Under Green Innovation, we aim to derive 38% of our total energy use from renewable and clean energy sources. In 2024, we increased our renewable energy usage to 10.12%, up from 6.65% in 2023. This improvement is due to the increased consumption of biomass, clean electricity generation from mini-hydro plants, and optimised resource usage during processing. The KRN power plant leverages a combined coal and biomass (wood bark) energy source, utilizing approximately 120,000 MT of wood bark biomass in 2024.

In 2024, we invested in a ship to shore electric crane to minimise our use of diesel. This investment offers several benefits such as:



Reduced Emissions

By using electric power instead of diesel, these cranes help reduce greenhouse gas emissions and air pollution in port areas. This is particularly important for improving air quality in port cities.



Increased Efficiency

Ship-to-shore cranes are designed to swiftly and accurately transfer containers from ships to the shore and vice versa. This enhances the overall efficiency of port operations, reducing turnaround times for ships.

Additionally, we are conducting pilots on several energy efficiency initiatives, including the installation of insulating tanks to reduce heat energy losses.



WATER MANAGEMENT

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

Water is crucial to our operations, used in refineries and crushing plants for oil extraction, power generation, and pollutant dilution. We meticulously track usage and implement initiatives to enhance efficiency, sourcing most water from the sea, rivers, or municipal sources. To minimise freshwater withdrawal, Apical prioritises water efficiency and actively reuses wastewater whenever possible.

In 2024, our total water consumption increased by 11.5% compared to 2023. The water intensity of our operations was 0.000599 ML/t of oil processed due to business expansion and increase in business activities. Apical is actively reducing freshwater consumption with our rainwater harvesting system at PRC, which could reduce up to 2.3% of water withdrawal.

We account for water-related impacts as part of our environmental impact assessment before developing our refineries, minimising water withdrawal from areas experiencing water stress. Moving forward, we will continue to explore opportunities to reduce freshwater consumption and water intensity of our operations.

Apical prioritises responsible wastewater management. Three of our refineries (AAJ Tj Balai, KRN and AAJ Marunda) has achieved zero to minimal wastewater discharge by treating and reusing wastewater for cooling towers, fire hydrants and domestic cleaning. This eliminates most of the effluent discharge to the external environment, resulting in little to no impact on surrounding ecosystems. Additionally, all our operations across Indonesia, China and Spain monitor and treat effluent before discharging them to the environment.

For other refineries, we employ the activated sludge process, a biological treatment method utilising microorganisms and chemicals like coagulants, flocculants, caustic soda and biocide. This ensures treated wastewater meets local regulatory standards before discharge, minimising potential impact on receiving water bodies. In refineries near rivers, we actively monitor river water quality to safeguard against operational influence. Additionally, SDO (M), AAJ Marunda, PRC and BOH are using aerobic treatment in their WWTP, which helps in the minimisation of GHG emissions from the wastewater treatment.

SDO (M) refinery has implemented a reverse osmosis system, expected to reduce monthly water usage by 30%. This allows for more water to be reused, reducing freshwater withdrawal.

GREEN INNOVATION

WASTE MANAGEMENT

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

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

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

All hazardous waste is stored in dedicated warehouses to ensure the safety of our employees. Both hazardous and non-hazardous wastes are collected and disposed of by licensed contractors. We have established dedicated emergency response teams at each of our refineries and provide regular training to our employees to prevent and respond to accidental oil spills. We have maintained a record of zero accidental spills since 2018.

For our Bio-oils refinery in Huelva, Spain, we verify environmental authorisations before signing a management contract with the third-party contractor.

In 2024, we reduced our waste generation by 25.8% compared to 2023.



Apical is also exploring innovative ways to repurpose our waste for other uses. Emissions from the aviation sector account for 2-3% of global energy-related CO₂ emissions. In 2023, we entered the SAF market through a joint venture with Moeva to construct the largest second generation (2G) biofuel plant in Southern Europe. This plant is scheduled to begin operation in H1 2026, and will produce up to 500,000 tons of SAF annually.

SAF is produced from waste and residue, allowing us to repurpose our waste while supporting the aviation industry in their decarbonisation commitments. This low-carbon fuel enables the reduction of CO₂ emissions by up to 90 percent, as compared to traditional fuels. One key challenge in SAF production is the availability of feedstock. The extraction of waste in a transparent and traceable manner is essential to create a circular system in the production pathways for SAF. As Apical expands our capacities and operations, we expect waste and residue to grow accordingly. This increase will facilitate the creation of value-added partnerships with various industries, such as the aviation sector.

OUR PROGRAMME/INITIATIVES

Activity type	Location	Description of Activity	Outcomes
Energy Management			
Increase renewable energy sources	Balikpapan, Indonesia	Power plant operates with a mix of coal and biomass (wood bark)	~ 120,000 MT of wood bark utilised in 2024
Switching to renewable alternative	Balikpapan, Indonesia	Convert old coal boiler to use 100% biomass	Saved approximately 7,243 tCO ₂ e per annum
Water Management			
Rainwater harvesting system	Padang, Indonesia	Reduce water consumption with rainwater harvesting system at refinery	Approximately 14,732 m ³ of rainwater harvested in 2024
Water Management	Marunda, Indonesia	WWTP recycling and RO water as boiler feed water	<ul style="list-style-type: none"> • SDO (M) – Completed • AAJ Marunda – In progress
Waste Management			
Waste Management	Dumai, Indonesia	<p>100% compliance to environmental government regulation</p> <p>Programmes include:</p> <ol style="list-style-type: none"> 1. Provision of an oil skimmer and emergency response procedures and drills (regularly implemented based on schedule) 2. Ensure all the waste (B3 and Non-B3) dispose to legal vendors 3. Achieve and maintain Indonesia's Programme for Pollution Control, Evaluation and Rating (PROPER) Certification 4. Cooperation with OSCT (Oil Spill Combat Team) in the prevention, handling and control of oil spills at sea (SDS and SDO(D)) 	<ul style="list-style-type: none"> • 0 oil spills at sea incidents

GREEN INNOVATION

Activity type	Location	Description of Activity	Outcomes
Waste Management			
Waste Management	All refineries	Ensure that all waste diverted from disposal and handled by 3 rd party contractors arrives at the intended destination	
	All operation in Indonesia	Submit online reports with environmental data to Local Government (quarterly basis) with SIMPEL and WASDAL	
	<ul style="list-style-type: none"> • SDO (M), Indonesia • AAJ Tg Balai, Indonesia • KRN, Indonesia • PRC, Indonesia • AAJ Marunda, Indonesia • SDS, Indonesia 	These refineries have achieved PROPER Blue ranking in Indonesia's PROPER programme	
	Marunda, Indonesia	Operationalise plans to build a hazardous waste and non-hazardous waste storage buildings	Completed
	Marunda, Indonesia	<ol style="list-style-type: none"> 1. Recycle of reject/damage jerry can. Send used/contaminated jerry can to third party for disposal 2. Sell non-hazardous wastes such as plastic bottle, outter box and others with economic value to third party 3. Send hazardous wastes to third party for treatment 4. Reduce coal consumption in Medium Pressure Boiler 	

OUR NEXT STEPS

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

SAF

We are actively exploring and adopting SAF solutions to reduce our carbon footprint and contribute to the decarbonisation of the aviation industry.

Waste and residue extraction

Our goal is to enhance the efficiency of our waste and residue extraction processes to maximise resource utilisation and minimise our environmental impact.

Energy source management

We will manage our energy sources responsibly to ensure cost efficiency while reducing carbon intensity, particularly for future refineries and plants.

Sustainable supply chain

We are working towards a more sustainable supply chain, from our own operations to those of our third-party partners. A key aspect of this effort is the integration of smallholders, who play a vital role in palm oil production, into our responsible sourcing framework.



DELIVERING BEST QUALITY PRODUCTS

MANAGEMENT APPROACH

To ensure that our products are manufactured in accordance with the relevant food safety regulations in the markets where we operate, our production processes undergo strict quality control procedures, complying with international food safety and quality standards such as the Food Safety System Certification (FSSC 22000) and Quality Management System (ISO 9001). We are committed to comply with Food Safety and Quality requirement by certifying all factories as we expand our operational facilities.

The RMC Board reviews the actual and potential risks identified relating to product quality on a quarterly basis during board meetings.



ENSURING PRODUCT QUALITY AND SAFETY

Apical seeks certification under widely recognised quality assurance standards to build trust with customers, regulators and stakeholders. These certifications attest to the safety and effectiveness of our products while safeguarding consumer health. We engage reputable third-party bodies to verify our adherence to FSC 22000 and ISO 9001, maintaining and improving our Food Safety & Quality management systems.

We voluntarily obtained Good Manufacturing Practice (GMP) and Hazard Analysis and Critical Control Points (HACCP) by having FSSC certifications for our palm oil products. GMP ensures products are manufactured according to Food Hygiene System standards, maintaining controlled quality and safety throughout the production process, while HACCP focuses on identifying, evaluating,

and controlling potentials food safety hazards at critical points. Apical tailors its certifications to meet specific regulations and dietary requirements in each market, ensuring compliance with national standards and addressing consumer preferences.

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

For continuous improvement, Apical utilises a Plant Information Management System (PIMS) across most processing facilities to monitor production processes and identify areas for optimisation.

PROTECTING CONSUMER HEALTH

Apical is committed to providing safe, high-quality palm oil products for our consumers. This commitment extends to mitigate unhealthy co-contaminants (e.g. physical chemical and microbiological), which can arise during palm oil refining. Co-contaminants are a concern for many consumers, and regulatory bodies like the European Food Standards Authority (EFSA) and International Food Standards CODEX Alimentarius set strict limits on contaminant levels to ensure food safety.

To address this concern, we are investing in facilities and designed to prevent contamination and established a procedural system to ensure safety. We are also investing in reliable analytical instruments to detect potential contaminants. To monitor chemical contamination, we use Gas Chromatography (GC) and Inductively Coupled Plasma (ICP) to detect transfat and heavy metal content. Additionally, we test microbiological content to ensure product hygiene. We are committed to continuously investing in and exploring the best instrument to detect contaminants that could compromise product safety. We continuously invest in QC and R&D, with ongoing projects exploring innovative methods to minimise contaminants.

Complementing these efforts, our laboratories have been certified ISO 17025 and there is the Laboratory Integrated Management System to improve data quality and accuracy.

Our commitment to excellence is reflected in our safety record. In 2024, we achieved zero incidents of non-compliance concerning product health and safety regulations. This achievement is a testament to our rigorous quality control measures and unwavering focus on consumer safety.

CERTIFYING SUSTAINABLE PALM OIL

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



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

- **100%** of our refinery has been RSPO certified, as of 2024
- **13.46%** of our palm oil and palm products processed are certified by either RSPO and/or ISCC, as of 2024
- **21.19%** increase in volume of RSPO-certified raw materials sourced, compared to 2023

Our target is to achieve RSPO or ISCC certification for all our processing facilities where feasible, based on the certifications which are applicable to the facility. As of December 2024, all of our existing refineries have been RSPO Certified. We aim for all new refineries to obtain either the RSPO or ISCC certification within three years from the start of their operations.

As of 2024, 6.93% and 6.53% of our palm oil and oil palm products sourced are RSPO and ISCC certified respectively.

GREEN INNOVATION

Certification Type	Raw Material	Volume (t)			
		2021	2022	2023	2024
RSPO	CPO, PKO	320,898	400,267	485,225	588,036
ISCC	CPO	533,159	613,019	684,911	553,814
Non-certified	CPO, PKO	9,268,432	9,977,207	10,384,245	7,339,759
Total certified	CPO, PKO	8%	9%	10%	13%

Apical places great emphasis on certification schemes for our suppliers and we actively support them in obtaining relevant certifications, particularly for RSPO. We have a dedicated Stakeholder Engagement Team to accelerate progress on our FFB traceability and certification initiatives. This team provides suppliers with a range of resources, including formulated guidelines, implementation manuals and technical support to kickstart their certification journey. Refer to our Working with Suppliers chapter for more information on our collaborative efforts with our suppliers.

OUR PROGRAMME/INITIATIVES

Activity type	Location	Description of Activity	Outcome
Quality Assurance Standards			
Good Manufacturing Practice (GMP) Certification	All palm oil products from all operations	Register palm oil products for GMP certification	7 facilities in Indonesia and China are GMP certified
Hazard Analysis Critical Control Point (HACCP) Certification	All palm oil products from all operations	Register palm oil products for HACCP certification	5 facilities In Indonesia and China are HACCP certified
Food Safety System Certification 22000 (FSSC 22000)	<ul style="list-style-type: none"> Dumai, Indonesia Marunda, Indonesia Nanjing, China 	Ensure all products are FSSC 22000 certified	7 facilities in Indonesia and China are FSSC 22000 certified
ISO 17025: Testing and calibration laboratories	Marunda, Indonesia	Certify the laboratories of the AAJ Marunda refinery	AAJ Marunda is the only refinery that has been certified ISO 17025 since 2023
Halal Certification	Indonesia and China	Ensure operational facilities are Halal certified	10 Facilities in Indonesia and China are Halal certified
Kosher Certification	Indonesia and China	Ensure operational facilities are Kosher certified	10 Facilities in Indonesia and China are KOSHER certified

Activity type	Location	Description of Activity	Outcome
Certification Schemes			
RSPO Certified Products	Indonesia	Register our palm oil products (CPO and PKO) to be RSPO-certified. Target to reach 100% certified by 2025	<ul style="list-style-type: none"> • 588,036 MT of RSPO-certified palm oil raw materials • 21.19% increase from 2023
RSPO Supply Chain Certification	Indonesia	Register our refineries to the RSPO Supply Chain Certification	100% of refineries obtained the RSPO Supply Chain certification
ISCC Certified Product	All operations	Register palm oil and palm oil products (CPO) to be ISCC certified	<ul style="list-style-type: none"> • 553,814 MT of our palm oil and oil palm products processed are ISCC certified • 19% decrease from 2023
ISCC Facility Certification	Indonesia and Spain	Register our facilities to be ISCC certified	<ul style="list-style-type: none"> • 7 out of 11 of facilities are certified by ISCC • 100% of our biodiesel facilities are ISCC certified

OUR NEXT STEPS

Apical will maintain certifications for our refineries and plants while increasing the number of palm oil products certified through RSPO, ISCC and other international schemes. We conduct pilots with new technologies to enhance production processes and product quality while minimising co-contaminants. We also value ongoing collaboration with stakeholders to jointly find solutions that address product safety, quality standards and sustainability challenges.



INCLUSIVE PROGRESS

BACKGROUND

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.

APICAL2030 TARGETS AND PERFORMANCE FOR INCLUSIVE PROGRESS

Inclusive Progress Targets	Progress	Apical2030 Status
Support 30 villages through SLV by 2030	<p>SLV at Aceh:</p> <ul style="list-style-type: none">• Provided honeybee cultivation training to 60 farmers across 6 villages• Distributed 200 beehives to farmers <p>SLV at East Kutai, Kalimantan:</p> <ul style="list-style-type: none">• Partnered with Earthworm Foundation and East Kutai District Government to support smallholders in Good Agricultural Practices (GAP) and Best Management Practices (BMP)• Programme will be rolled out across 3 villages	In Progress
Support 5,000 ISH to achieve certification by 2030	<ul style="list-style-type: none">• Trained 3,489 smallholders on RSPO, HCV/HCS and GAP• Certified 1,373 ISH under RSPO	In Progress



IMPROVING COMMUNITY AND SMALLHOLDER LIVES

MANAGEMENT APPROACH

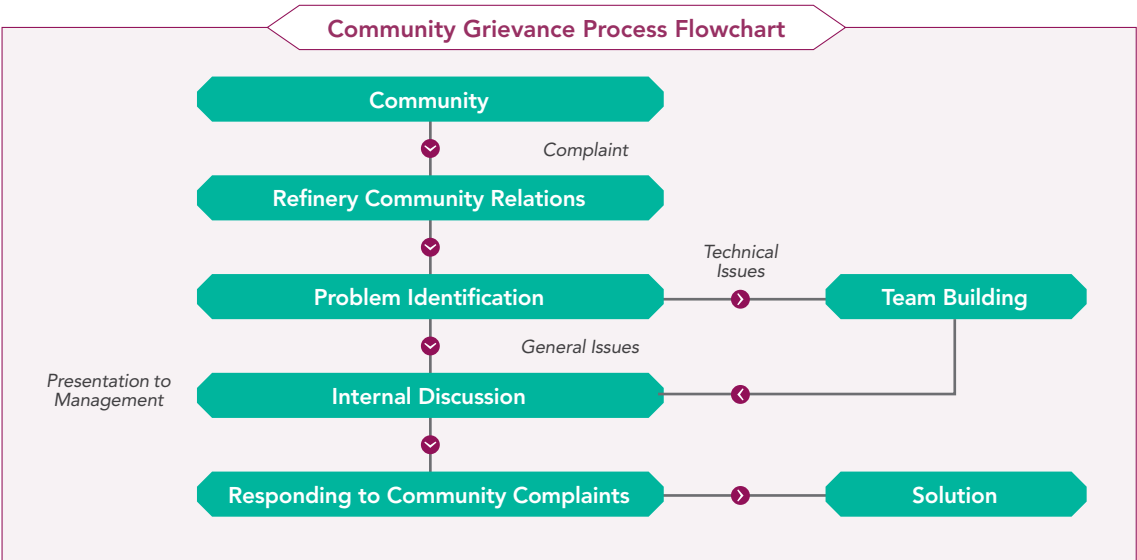
GRI 3-3, 2-24

We believe that thriving communities are essential for a sustainable future. To improve the lives of our communities near the vicinity of our operations, we collaborate closely with suppliers, stakeholders, NGOs and local communities.

This collaboration allows us to proactively identify and address community needs, leading to a more

sustainable and equitable palm oil industry. It also helps us in resolving some of the key issues faced by communities, such as land disputes that arise due to conflicting ownership claims over land plots between smallholders, state-owned agencies and industry actors. Apical's Sustainability Policy and Human Rights Policy guide our commitment to protect the well-being of indigenous communities.

The flowchart below outlines a dedicated Grievance Process for addressing and resolving community complaints. We welcome community members to share details of their concerns through face-to-face meetings, telephone calls or WhatsApp.



SOCIAL IMPACT ASSESSMENT (SIA)

We conducted a Social Impact Assessment (SIA) for SDS and SDO (D) in 2024, in addition to SIAs conducted for PRC in Padang and KRN in Balikpapan in 2023. We engaged with external professional assessors for the assessment to ensure the integrity of the process. This includes stakeholder mapping to devise a holistic stakeholder engagement plans for our SIA.

The SIA was carried out in a participatory manner, involving local community representatives to identify the impacts of our company's operations. This involvement, through consultation activities, is grounded in the principles of transparency and encourages community representatives to identify their own priorities and needs. The assessment results will provide insights into how we can manage the risks and opportunities of our activities concerning the surrounding communities. We plan to extend the SIA to another 2 facilities in 2025.

INCLUSIVE PROGRESS

SIA Findings

The study's findings found that both operations are supported by the community where they operate and help improve the economy, welfare and progress of the region. Public perception is generally positive, with very few negative views. The study also highlighted issues that need to be addressed by Apical, such as improvement of community welfare through appropriate CSR programme, maintaining the cleanliness of the residential environment and improving transportation facilities. We are using these findings to develop an impact management strategy that addresses the identified issues.

RESPECTING THE RIGHTS OF INDIGENOUS PEOPLES AND LOCAL COMMUNITIES

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

Apical respects the rights of Indigenous Peoples and Local Communities as protected in national and international law. We ensure that both our operations and our suppliers follow key guidelines and standards, including:

UNGPs

International
Bill of Human
Rights

ILO
Fundamental
Principles
and Rights
at Work

Universal
Declaration
of Human
Rights

10 United
Nations
Global
Compact
Principles



peoples' and local communities' rights and to obtain the Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities where they operate. We encourage the use of the RSPO FPIC Guidance and HCSA Social Requirements and Implementation Guidance for our suppliers to implement FPIC in their operations.

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

Our Sustainability Policy and Human Rights Policy require our suppliers to conduct assessments in their operations for potential negative impacts to surrounding communities. Our suppliers are expected to adhere to national laws regarding the protection of indigenous



FREE

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



PRIOR

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



INFORMED

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



CONSENT

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

EMPOWERING COMMUNITIES

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

Apical is dedicated to community development for our operations and beyond. Aligned with the UN SDGs, our community development programmes aim to nurture local potential, enhance livelihoods and promote sustainable growth. To ensure our programmes align with regional objectives, we regularly evaluate the needs of the community. We work with local governments, NGOs and community groups to implement our initiatives. Many of our programmes span multiple years, designed to provide long-term support and cultivate independent local champions.

Empowering Women Entrepreneurs

We believe that empowering women is crucial in helping them overcome their business challenges, advancing gender equality and enhancing family livelihoods.



One of the microbusinesses that Apical supported in 2024 was Ayam Papang Oo Chicken in Marunda, North Jakarta. Apical provided business operations training, supplementing quality ingredients to help with product development, and even marketing to expand reach through online sales. As a result, productivity increased from 4 chickens to 7 chickens per day.

"Apical invited me to a gathering at the Ministry of Cooperatives and SMEs. This showed me Apical's consistent support, that they really want us to progress."

Lina Herlina, owner of Ayam Papang Oo Chicken

INCLUSIVE PROGRESS

Contributing to Stunting Prevention

Stunting refers to a situation where children experience hindered growth and development due to malnutrition, leading to consequences that persist into adulthood. In 2023, Indonesia reported a significant prevalence of stunting at 21.5%, making the reduction of stunting rates a top priority for the nation.

Apical has been actively involved in stunting prevention programmes around our refineries in Marunda, Dumai, Padang and Balikpapan. Our approach includes selecting several women from the community to serve as health cadres. We engaged them in various training sessions and workshops organised by local health centres, equipping them with the skills to coordinate healthcare programmes targeting pregnant women and children under the

age of 2. These cadres also disseminate knowledge to families about nutritious meals, enhancing awareness on maintaining a healthy diet.

In 2024, we targeted nutritional improvement for mothers and children through supplemental feed programme such as distributing eggs to the community. We aim to reduce stunting by 50% in target villages by 2030, starting with a monthly programme to support 18 children with nutritious food and conduct stunting prevention promotion to 20 pregnant women and 20 young families. We upgraded 7 existing *posyandu* (health care) facilities by including weighing scales and educational materials for mothers to support regular stunting prevention activities.



We joined local health authorities Ikatan Dokter Indonesia in Balikpapan, Indonesia to help combat stunting through a capacity building programme for doctors. We sponsored 30 doctors and healthcare workers from each of the 15 clinic districts in Karingau to attend workshops on complementary feeding and holistic approach to childhood nutrition.

We trained 108 *posyandu* cadres, educated 157 pregnant women and 70 young mothers on stunting knowledge, and managed to reduce stunting by 25.5% among children in 2024.

COMMUNITY INVESTMENT

Apical invests in various initiatives designed to enhance the quality of life and overall well-being of communities in which we operate. These programmes are targeted at improving access to vital services such as healthcare and education, along with the provision of basic infrastructure.



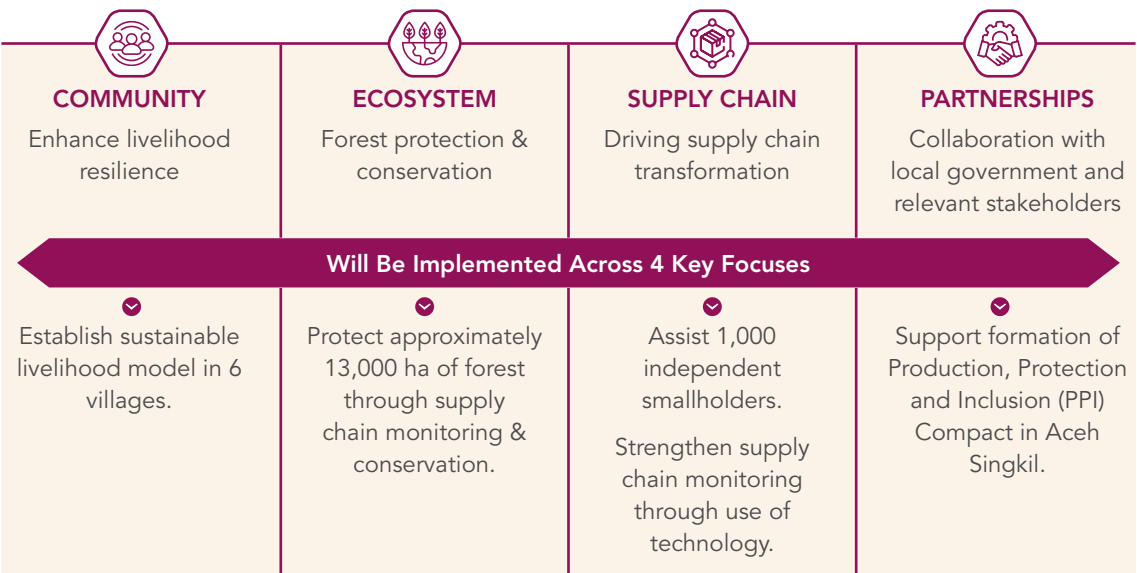
Sustainable Living Village (SLV) Programme

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

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

The SLV Programme was launched in January 2023, in partnership with local partners namely, Yayasan Inisiatif Dagang Hijau (IDH), Yayasan Ekosistem Lestari (YEL), Forum Konservasi Leuser (FKL) as well as Provincial and District Government.

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



INCLUSIVE PROGRESS

SLV programme was initiated at Aceh Singkil as Aceh Singkil plays a crucial role in protecting the Leuser Ecosystem, consisting of 2.6 million ha of tropical forest and home to various Sumatran animal species such as the orangutan, rhinoceros, Sumatra tiger and the elephant. In Singkil, rapid illegal land conversion for palm oil plantations poses a challenge to this vital ecosystem's sustainability. A total of 6 villages were involved in 2023 and the programme was extended to another 3 villages in 2024.

In 2024, our honeybee cultivation initiative at Aceh Singkil involved 60 farmers at 6 villages. This initiative involved providing training and setting up honeycombs in the villages. We distributed a total of 200 honeybee hives to the farmers. A smallholder support programme has also been established, whereby 852 farmers were identified, 268 farmers attended Surat Tanda Daftar Budidaya (STDB) registration and 507 farmers were educated on GAP training.

We partnered with Earthworm Foundation, an impact-driven non-profit organisation and the East Kutai District Government to launch our SLV programme in East Kutai, Kalimantan. The programme will run across five years, and will be rolled out across three villages in East Kutai; Tepian Indah, Tepian Langsat and Tepian Makmur that have over 16,200 community members. A key component of the programme is empowering smallholders to adopt GAP and BMP for sustainable oil palm cultivation, and to obtain the Cultivation Registration Certificate (i.e. STDB). We will establish a demonstration plot for cacao farming to help diversify smallholders' income streams. In addition to providing GAP training for cacao farming, the programme will facilitate market access for smallholders.

In 2024, we supported 32 farmers for cacao farming and 232 farmers in adopting GAP and BMP.

SUPPORTING SMALLHOLDERS

Smallholder farmers account for a substantial share of Indonesia's palm oil production, yet they face considerable challenges in boosting production while adhering to strict sustainability criteria.

Smallholder Inclusion for Better Livelihood & Empowerment Programme (SMILE)

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

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

- Educating farmers on increasing yields using sustainable management practices and the significance of adhering to no deforestation, no burning and no exploitation policies.
- Assisting smallholders in obtaining RSPO certification by 2030.
- Providing training on safety practices and the use of safety equipment like fire extinguishers, helmets and gloves.

SMILE Programme

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

The SMILE Programme targets independent smallholders in North Sumatra, Riau and Jambi.

SMILE has engaged
3,489 smallholders.

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

Apical, KAO Corporation and Asian Agri consistently engage with community leaders and NGOs to offer training and identify areas for enhancing engagement effectiveness.

OUR PROGRAMME/INITIATIVES

Activity type	Location	Description of Activity	Outcome
Local Economic Development			
Goat Farming	Dumai, Indonesia	Continue support of goat farming as an additional source of income for farmers	<ul style="list-style-type: none"> Supported 26 farmers Provision of 6,870 kg palm kernel expeller to farmers as food assistance for goats
Chicken Cultivation	Balikpapan, Indonesia	<ul style="list-style-type: none"> Support chicken coop to improve chicken capacity and competency among farmers Provide fermented food for chicken cultivation 	Supported 6 farmers
Entrepreneurship/SMEs			
Capacity Building	Marunda, Indonesia	Conduct entrepreneurship training to micro traders at Cilincing sub district, Marunda	Trained 30 micro traders
Optical	Riau, Indonesia	Ensure healthy vision is accessible to the people in Kec. Dumai Barat, Riau	Provided over 50 elementary school students with free glasses and eye checks in December 2023

INCLUSIVE PROGRESS

Activity type	Location	Description of Activity	Outcome
Education			
Educational Goods	<ul style="list-style-type: none"> Dumai, Indonesia Padang, Indonesia 	Donate books, develop reading corner	<ul style="list-style-type: none"> Distributed a total of 529 reading books Developed 7 reading corners
Training for Teachers	<ul style="list-style-type: none"> Marunda, Indonesia Balikpapan, Indonesia 	Collaborate with Tanoto Foundation for teacher training	Trained 48 teachers
Education Fund	Dumai, Indonesia	Provide education fund to selected students	Supported 18 students
Increase Literacy	Marunda, Indonesia	Support literacy event where students created their own story and compiled them into a book	Printed 150 storybooks



Activity type	Location	Description of Activity	Outcome
Infrastructure			
Road Maintenance and Rehabilitation	Dumai, Indonesia	Provide equipment and road building material such as gravel to improve road conditions	2 km of roads improved
Social			
Stunting Prevention	<ul style="list-style-type: none"> Dumai, Indonesia Jakarta, Indonesia Balikpapan, Indonesia 	Coordinate outreach sessions for pregnant women, stunted children and Posyandu cadres	<ul style="list-style-type: none"> Trained 108 Posyandu cadres 157 pregnant women being educated on stunting knowledge Reduce stunting by 25.5% among children in 2024
Eid Initiative	Balikpapan, Marunda, Dumai, Padang, Indonesia	<ul style="list-style-type: none"> Supply affordable cooking oil at the market bazaar Donate cows and goats to the community to celebrate Idul Adha 	<ul style="list-style-type: none"> Supplied cooking oil to 1,500 household Donated 5 cows and 14 goats
Cooking Oil Donations	Padang, Indonesia	Provide cooking oil for communities affected by flash floods and landslides in West Sumatra	6,000 L of cooking oil provided
Food Distribution	<ul style="list-style-type: none"> Dumai, Indonesia Padang, Indonesia 	<ul style="list-style-type: none"> Distribute nutritious food to students of SLB Wati Purnama Distribute food to vulnerable community surrounding refinery in Dumai Distribute food to the community surrounding PT PRC refinery in Padang 	Distributed 1,358 packets of food in total
Medical Check	Balikpapan, Indonesia	Carry out medical checks for community surrounding KRN in Jenebora, Penajam Paser Utara	78 people underwent medical checks

INCLUSIVE PROGRESS

Activity type	Location	Description of Activity	Outcome
Environment			
Mangrove Planting	Marunda, Indonesia	Plant mangrove trees as part of environmental restoration and community development efforts in areas such as Kawasan Ekowisata Mangrove PIK, Hutan Kota Rorotan, Hutan Kota Cilincing and Hutan Kota Rawa Malang	4,100 mangrove trees planted
Tree Planting	East Kalimantan, Indonesia	<ul style="list-style-type: none"> Plant tree seedlings at the side of Wain river and natural reservoir near PT KRN refinery, Balikpapan Plant trees as part of the Nusantara Green Pesantren programme 	<ul style="list-style-type: none"> Planted 127 tree seedlings Planted 10,000 trees



OUR NEXT STEPS

As we move forward, we will continue to invest in local communities, with a strong focus on initiatives that enhance local economic development, health and wellbeing, education, and infrastructure. Apical will continue assisting the underprivileged through donations and sponsorships, in line with our objectives for community empowerment. We met all the goals set out in 2024. The specific goals we aim to achieve by 2025 are outlined in the following table.

Alongside providing financial assistance, we collaborate with local entities and community leaders to explore innovative ways to support community and smallholder development. Our strategy focuses on understanding the unique needs of those we serve and offering tailored support, underscoring our commitment to inclusivity. We aim to empower every community segment to actively participate in creating a sustainable future.

Activity type	Targets	Goals in 2025
Education	Increase reading level from a baseline of 59.5% to 70% by 2030, targeting Grade 5 students in partner schools	<ul style="list-style-type: none"> • Conduct training for 25 teachers via ePINTAR • Provide reading books and learning materials for 300 students • Aim to support 4 schools in total
Health	Reduce stunting cases by 50% from the baseline in recipient villages by 2030	<ul style="list-style-type: none"> • Conduct Behaviour Change Communication (BCC) training to 40 posyandu cadres • Aim to provide outreach trainings on stunting for 4 villages • Provide nutritional foods to reduce stunting incidences for 15 infants
Empowerment	Increase the sales of beneficiaries by 30% (average) from baseline levels by 2030	<ul style="list-style-type: none"> • Aim to support 5 groups/individuals of farmers, women and microenterprises, 4 villages, and 40 people through capacity building, and providing assistance on improving their business plans
SLV	Support 30 villages through SLV by 2030	<ul style="list-style-type: none"> • Support 3 more villages in Paser, Kalimantan Timur by 2025, totalling to 6 villages in Kalimantan • Support 15 villages by 2026 accumulatively
Social	Improve the livelihoods of villagers living near refineries	<ul style="list-style-type: none"> • Provide support to 1,500 households and 6,000 villagers living near refineries on religious, cultural and social events
Supporting Smallholders	Support 5,000 independent smallholders to achieve certification	<ul style="list-style-type: none"> • To conduct audit with participation from approximately 1,105 smallholders in North Sumatra, Riau and Jambi for RSPO certification

LOOKING AFTER OUR PEOPLE

MANAGEMENT APPROACH




GRI 3-3

At Apical, we are dedicated to unlocking the potential of our employees, acknowledging that they are essential to our long-term success. Our approach focuses on prioritising their rights, recognising their talents and supporting their professional growth.

We emphasise inclusivity and fairness, ensuring that our policies and the Apical Code of Conduct champion the values and human rights of our employees. By providing competitive remuneration in compliance with relevant laws, we protect their welfare while enhancing their well-being and innovative contributions to our company.

We expect our suppliers to adhere to equitable employment practices, mirroring the high standards we set for ourselves. Through these practices, we aim to establish a supportive work environment that guarantees safety, promotes personal growth and provides attractive benefits and compensation.

INCLUSIVE PROGRESS

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

We work closely with key customers to uphold human rights and harmonise social standards across our organisations. Our facilities are progressing towards SEDEX membership, which is an online system that enables Apical to document and share data on ethical and responsible practices with our customers.

Sedex Members Ethical Trade Audit (SMETA)

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

The objectives of the SMETA audits include ensuring that all Apical facilities adhere to ethical labour practices, safeguard workers' rights and promote fair treatment and working conditions for all employees in the supply chain. Additionally, these audits provide credible verification of human rights compliance, responding to requests from key customers.

In 2024, we have completed SMETA audits for 5 facilities in Indonesia.

EMPLOYEE PROFILE

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

By the end of 2024, Apical's workforce globally, including our offices, refineries and other plants reached 4,402 full-time employees. A significant portion of our staff, about 77.55%, holds permanent positions, while the remaining 22.45% are on temporary contracts. The majority of our permanent workforce is based in Indonesia, reflecting the dominant location of our operational sites.

Our workforce in 2024 increased by 3.29% compared to 2023, while our employee turnover rate in 2024 was 18.26%.



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

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

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

FAIR WAGES AND EMPLOYEE BENEFITS

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

Apical is committed to fair wages for our employees, ensuring our employees' salaries exceed the minimum wage requirements set by local and provincial regulations, and is above the calculated living wage within the locality. We conduct annual reviews of our compensation packages to ensure they remain competitive, align with the cost of living, comply with national labour regulations in the countries where we operate, and match the compensation levels of our industry peers. Our aim is to maintain internal equity in compensation, considering factors such as workload, responsibility scope, job complexity and work level.

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

Apical provides a range of benefits to our temporary and permanent employees. Our benefits programme is reviewed annually, with adjustments made as needed. Our benefits encompass:



PARENTAL LEAVE

Permanent and temporary employees



DENTAL AND OPTICAL CARE

Permanent and temporary employees



TRANSPORT ALLOWANCE

Permanent employees in Indonesia only



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



MEDICAL INSURANCE*

Permanent and temporary employees



HOUSING ALLOWANCE

Employee's contracted position in Indonesia only



MEAL ALLOWANCE

Permanent and temporary employees



ATTENDANCE RECOGNITION

Permanent and temporary employees

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

INCLUSIVE PROGRESS

Parental Leave

Apical is dedicated to creating a family-friendly workplace and supporting all parents on their parenting journey by offering essential resources, including parental leave. To boost retention, we regularly review Apical's employee benefits, provide training for employee development and upskilling, and evaluate our compensation systems for staff.

We are proud to announce that the return-to-work rate was 100% in 2024, while the retention rate following parental leave stood at 74.94%. We acknowledge the challenges mothers face when returning to work. To address this, we facilitate a women's support group where female workers can share strategies for overcoming workplace challenges and find a support system.

Allowance

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

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 monthly. In Malaysia, our practices align with the Employees' Social Security (Amendment) Bill 2022 and the Employment Insurance System (Amendment) Bill 2022. Singapore sees joint monthly retirement contributions from employees and employers, varying by age category. In Spain,

we comply with the government's mandatory retirement contribution requirements for permanent employees. In China, we participate in the government's endowment scheme providing retirement provision in accordance with the national regulation.

DIVERSITY AND EQUAL OPPORTUNITY

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

A diverse workforce is crucial for bringing new insights that are essential for achieving our business goals. Our first Human Rights Policy, published in 2023, underscores our commitment to treat all employees equitably across hiring, evaluation, working conditions and rewards, without bias towards their race, origin, religion, disability, gender, age, sexual orientation, union affiliation, or political views. We strictly adhere to local employment laws, including the prohibition of forced/compulsory or child labour, in every country where we operate.

We have a firm stance against any form of harassment or violence to ensure a safe environment for everyone. Women represent 18.20% of our workforce, illustrating our ongoing efforts to create a balanced and inclusive workplace.

Freedom of Association and Trade Union Membership

Our employees are free to form or join labour unions, as affirmed by our Human Rights Policy and it is communicated and supported through training.

This is also a requirement by the Indonesian Law No. 21 of 2000 on Trade Union/Labour Union, in line with international requirements from the International Labour Organisation's Convention No. 98. As of 2024, 91.03% of our staff are covered by collective bargaining agreements. Furthermore, our Human Resource department maintains regular communication with employees and their union representatives.

Child Labour

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

TRAINING AND DEVELOPMENT

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

At Apical, we are dedicated to both caring for our employees and fostering their professional growth. We focus on upskilling our staff to enhance their future employability, while also recognising their contributions and supporting their career advancement.

We offer on-the-job training and courses tailored to individual levels of experience and expertise. New hires undergo an orientation programme to align with our core values and Code of Conduct, including technical training in first aid, food safety, certification and industry standards, among others. Specific programmes like the Driving License Process and International Ship and Port Facility Security Code training are provided to specific teams who require it in their roles.

We chart Individual Development Plans (IDP) and conduct performance assessments annually to evaluate progress against established KPIs. In 2024, 99.80% of employees received regular performance and career development reviews.



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

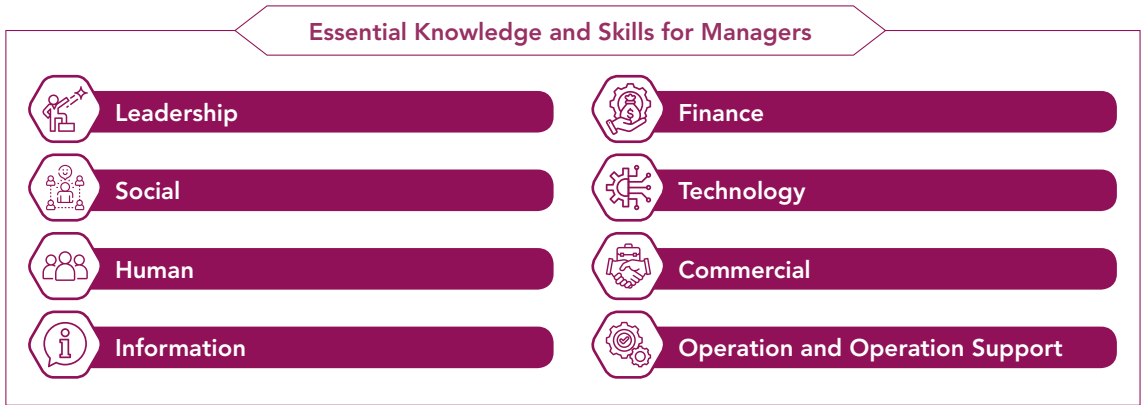
Manager Training Programme (MTP)

We have been conducting the MTP since 2019. Its purpose is to:

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

Over the years, we have continually improved the MTP programme to better reflect business needs. We have introduced new modules under the MTP3 programme, launched in 2023. These include modules on sustainability and digital transformation.

INCLUSIVE PROGRESS



SAFETY, HEALTH, AND WELL-BEING

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

At Apical, the well-being and safety of our staff are paramount. We have an established Occupational Health and Safety Management System (OSHMS) to enhance work safety, prevent accidents, improve the work environment and safeguard employee welfare. This system adheres to Indonesia's national regulations, including Law No. 1/1970 on Occupational Health and Safety, Law No. 13/2003 on Manpower, Government Regulation No. 50/2012 on Occupational Safety and Health and Management System, and Minister of Manpower No. 05/2018 on Work Health and Safety Environment. The work safety programme is applied to all company employees including contactors, vendors, all locations and every stage of company activities. Our Occupational Health and Safety (OHS) frameworks in China and Spain are aligned with local laws, such as the Law

of the People's Republic of China on the Prevention of Occupational Disease and the ISO 45001:2018 standard.

Hazard Identification and Management

To identify and manage risks, we assign qualified Apical staff in Indonesia to carry out Hazard Identification, Risk Assessment, and Risk Control (HIRARC) procedures. HIRARC is evaluated annually or as needed. These individuals are certified through a nationally accredited OHS Expert Training programme and risk management training from consultants. The HIRARC method involves recognising hazards and risks at each step of routine activities or processes, assessing the level of risk based on severity and likelihood, and deciding on mitigation strategies through the risk control hierarchy. This comprehensive approach involves all relevant stakeholders, ensuring a thorough understanding of refinery operations.



To minimise workplace hazards, only certified, physically fit employees are allowed to operate machinery and handle dangerous chemicals. All employees must attend safety briefings and OHS training on topics such as first aid, hazardous material management and firefighting. Our refineries conduct regular fire prevention training and regular fire equipment inspections.

Workers at Apical are encouraged to report any work-related hazards and dangerous/hazardous situations. These issues will be investigated and resolved without any action taken against the reporter. Additionally, workers have the right to “stop work” if they have safety or health concerns in their work environment.

We supply essential Personal Protective Equipment (PPE), including helmets, safety goggles and full mask respirators to reduce risk of injury. Health and safety updates are regularly communicated

to our workforce through safety talks, notice boards and digital platforms such as WhatsApp. Each of our refineries conducts daily safety patrols and inspections, empowering workers to stop operations if there are safety concerns arise.

Health and Safety Committee

All our refineries have a Health & Safety (H&S) Committee with the task of overseeing and implementing OHS programmes. These committees are established by regulation and consist of representatives from various operational units, an H&S expert as secretary and the company's top management as chairman. The committees meet monthly to consult and discuss issues from workers that may affect the safety and health of the workforce. The results of the meeting are communicated to employees for feedback and reported to the government every quarterly.



INCLUSIVE PROGRESS

OHS participation and communication to employees are also carried out through OHS newsletters, OHS tool box activities, contractor OHS meetings, OHS monthly activities, accident investigations, HIRARC development, inspection activities, Gemba Walk and others. The company collects feedback from employees, and shares the latest OHS news. Their insights contribute to refining our overall OHS strategy.

In accordance with the HSE strategic plan road map, all Indonesian business units will be certified with Occupational Health & Safety Management System (e.g., OHS-MS or SMK3) based on Indonesian government regulations. In 2024, 1 facility was certified SMK3 (SDS) and we planned to certify 4 more facilities in 2025 (SDO (M), KRN, AKC, SDO (D)).



In 2023, our Indonesian facilities have initiated a Hazard Observation Programme to systematically identify all potential hazards in order to better mitigate hazards and prevent accidents. To translate the result into actionable improvement, we launched the BBS (Behavior-Based Safety) programme in 2024 to encourage a change of risky behavior to safe behavior in employees to reduce unsafe actions and working conditions. The BBS is a proactive approach to workplace safety, focuses on analyzing and modifying employee behavior to prevent accidents and improve safety performance.

Supplier and Contractor Engagement

We mandate all suppliers and business partners to adhere to our labour and safety standards, verified through a checklist before their initial site visit.

This includes a safety induction and mandatory PPE provision for business partners upon entering our premises. Our engagement extends to ensuring suppliers meet our OHS criteria.

Health Promotion

Our OHS management system addresses work-related health issues by offering access to healthcare through employee health insurance. In Indonesia, employees benefit from the BPJS Health Insurance Scheme, with similar health coverage available in Spain and China. All employees undergo medical check-ups at the time of recruitment and annually thereafter.

Our efforts to promote a healthy workforce include health awareness initiatives, encouraging physical activity through sports centres, and organising health campaigns and seminars on occupational health. Additionally, we organise various activities to strengthen our corporate culture and recognise employee contributions, including breakfast days, gala dinners and Health Day events with basic health checks. All examination results are kept confidential by the health examination facility in accordance with applicable regulations, and can only be accessed by the labor health examination doctor and the employees themselves.

As indicated in our OSH policy, we are committed to ensuring a safe and healthy work environment throughout our operations by conducting standardized work environment inspection. This is to ensure factors and dangerous situation that may affect the safety and health of the workforce are mitigated as early as possible.

In addition to the OHS Policy, the company also has a policy that contains a commitment to strengthen the prevention of drug abuse and drugs, tuberculosis and AIDS.

OUR PROGRAMME/INITIATIVES

Employee-related activity	Location	Description of Activity	Outcome
Training and Awareness	<ul style="list-style-type: none"> • Dumai, Indonesia • Marunda, Indonesia • Padang, Indonesia • Balikpapan, Indonesia • Nanjing, China • Taixing, China • Spain 	Conduct OSH awareness and training, including Standard Operating Procedures (SOPs), first aid, use of Personal Protective Equipment (PPE), Behavior-Based Safety (BBS) training, Good Manufacturing Practice (GMP) awareness, food/feed safety awareness and machinery safety	3,137 people trained
Fire Safety Management & Awareness	<ul style="list-style-type: none"> • Dumai, Indonesia • Balikpapan, Indonesia • Tanjung Balai, Indonesia • Padang, Indonesia • Marunda, Indonesia • Nanjing, China • Taixing, China • Spain 	Provide basic knowledge on fire prevention, suppression and firefighting techniques	1,362 people trained
Emergency Drills	<ul style="list-style-type: none"> • Dumai, Indonesia • Marunda, Indonesia • Balikpapan, Indonesia • Nanjing, China • Taixing, China • Spain 	Provide emergency preparedness training and drills for fire, oil spills and food poisoning	486 people trained
Health Talks & Training	<ul style="list-style-type: none"> • Dumai, Indonesia • Taixing, China 	Improve knowledge about health through in-house training or seminar provided by public hospital. Morning exercise also been encouraged to all employees	459 people attended
Competency Certification	<ul style="list-style-type: none"> • Dumai, Indonesia • Balikpapan, Indonesia • Marunda, Indonesia 	Provide safety competency certification for operators and preparation for ISO 14001:2015 and other aspects of certification	120 people involved

OUR NEXT STEPS

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.

MATERIALITY TOPICS

MATERIALITY TOPICS

GRI 3-2

LIST AND DEFINITION OF MATERIAL TOPICS

GOVERNANCE

Board and Executive Compensation, Independence and Diversity

Compensation, accountability, independence and gender diversity of the company's board and senior management in addition to sustainability governance and incentives.

Business Ethics

Organisational standards governing the actions and behaviour of individuals (e.g., prevention of anti-competitive practices; working against corruption; extortion, money-laundering and bribery) to ensure that business principles and integrity are upheld.

Compliance

Compliance is either a state of being in accordance with established laws, regulations, standards and ethical practices that apply to the organisation, or the process of becoming so.

Anti-Corruption

Commitment to avoid or eliminate corruption, extortion and bribery, including requiring high compliance standards, within the company's global operations and supply chain.

Zero-tolerance Conduct/Grievance Mechanisms

Culture of zero tolerance towards bad conduct (internally or externally) and that employees feel free to speak up without fear or retaliation, including setting up formal channels (e.g., whistle-blower channels) for employees, contractors and third-partied to report on issues.

Access to Remedy

Ability to take appropriate steps to ensure that if a human rights abuse occurs in the supply chain, victims have access to effective grievance mechanisms (mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on dialogue and engagement).

Systemic Risk Management

Assessing and managing financial and business risk throughout the entire company system to prevent major disruptions that may harm economies and societies at large (e.g., financial crisis).

Transparency

Disclosure of information regarding labour, health and safety, environmental practices, business activities, structure, financial situation and performance, in accordance with applicable regulations and prevailing industry practices.

ENVIRONMENT

GHG Emissions

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. Any targets, programmes, or resources dedicated towards decarbonisation and carbon neutrality also fall into this category, in addition to air pollution control.

Climate Change Strategy

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

Deforestation

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

Water Use

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

Waste

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

Biodiversity

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

EMPLOYEES

Diversity and Inclusion

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

Employee Health, Safety and Well-being

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

Training and Development

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

Compensation and Benefits

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

Freedom of Association

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

Empowering Communities

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

Supporting Human Rights

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

SUPPLY CHAIN

Responsible Procurement Practices

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

Sustainable Agriculture

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

Labour Standards in the Supply Chain

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

Supply Chain Traceability and Transparency

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

Supplier Diversity & Inclusiveness

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

Serving Smallholder Farmers

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

PRODUCTS AND SERVICES

Product Quality and Safety

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

APPENDIX 1: DATA TABLE

TABLE 1: SUMMARY OF GHG EMISSIONS (2021-2024)

	2021	2022	2023	2024
Direct Scope 1 emissions (tCO ₂ e)	1,146,256	1,471,277	1,845,814	1,643,367
Indirect Scope 2 emissions (tCO ₂ e)	125,357	124,198	124,798	120,833
Total Scope 1 and Scope 2 Emissions (tCO ₂ e)	1,271,613	1,595,475	1,970,612	1,764,200
Biogenic Emissions	12,424	199,295	275,705	232,015
Total Oil Processed (MT)	14,685,261	12,788,592	14,214,456	13,933,733
Emissions Intensity (tCO ₂ e/ MT of oil processed)	0.09	0.12	0.14	0.13
Percentage decrease/ increase in Scope 1 & 2 emission intensity	-46% (YOY)	+44% (YOY)	-22% (baseline)	+11% (YOY)
			-14% (baseline)	-10% (YOY)
				-21% (baseline)

Notes:

- The emissions intensity is calculated by dividing the total scope 1 & 2 emissions by the total volume of oils processed by each facility. The Biogenic emission has been reported separately.
- Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT, ACO and BOH.
- Please find the source of emission factors and conversion factors utilised on Page 130.
- Baseline Emissions (2020):
Direct Scope 1 Emissions (tCO₂e) – 1,193,469
Indirect Scope 2 Emissions (tCO₂e) – 69,296
Total Scope 1 and 2 Emissions (tCO₂e) – 1,262,765

TABLE 2: ENERGY CONSUMPTION (2021–2024)

	2021	2022	2023	2024
Fuel consumption from non-renewable sources (Gj)	16,319,004	20,821,454	28,553,914	17,884,703
Fuel consumption from renewable sources (Gj)	116,439	1,610,231	2,080,208	2,083,202
Electricity purchased for consumption (Gj)	590,204	590,826	651,529	619,877
Total energy consumption (Gj)	17,025,647	23,022,511	31,285,651	20,587,782
Percentage of renewable and clean energy sources (%)	0.68	6.99	6.65	10.12

Notes:

- Energy consumption is based on the addition of fuel consumption from non-renewable sources, fuel consumption from renewable sources and electricity purchased for consumption as per GRI 302-1: Energy consumption within the organisation.
- Coal makes up 52% of our total fuel consumption from non-renewable sources (65% in 2023; 85% in 2022). The remaining fuel is derived from diesel, liquefied petroleum gas, gasoline/petrol and natural gas.
- Fuel consumption from renewable sources include biomass and biodiesel.
- Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT, ACO and BOH.
- Energy consumption calculations use fuel calorific values from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. In 2024, the methodology was refined to apply calorific values specific to fuel quality such as lignite, sub-bituminous coal, and other bituminous coal.

TABLE 3: WATER CONSUMPTION (2021–2024)

	2021	2022	2023	2024
Oil processed (t)	14,685,261	12,788,592	14,214,456	13,933,733
Total water consumption (ML)	5,721	6,922	7,540	8,303
Water intensity (ML/t)	0.00039	0.000541	0.000530	0.000599

Notes:

1. Data for 2024 was obtained from subtracting total water discharge from total water withdrawal.
2. Data for water consumption from 2021-2023 were obtained from flowmeters.
3. Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT, ACO and BOH.

TABLE 4: WATER WITHDRAWAL (2021–2024)

	2021		2022		2023		2024	
	All Areas	Areas with Water Stress	All Areas	Areas with Water Stress	All Areas	Areas with Water Stress	All Areas	Areas with Water Stress
Total water withdrawal (ML)	9,964	51	15,100	36	15,388	35	18,040	11

TABLE 5: WATER WITHDRAWAL BY SOURCE (2024)

	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)	1,191	0	11	0
Groundwater (ML)	1,448	0	0	0
Seawater (ML)	0	13,423	0	0
Produced water (ML)	0	0	0	0
Third-party water (ML)	1,967	0	0	0
Total (ML)	4,606	13,423	11	0
Compared to 2023	17%	17%	-69%	-

APPENDIX 1: DATA TABLE

TABLE 6: WATER QUALITY PARAMETERS (2024 ANNUAL AVERAGE LEVEL)

		Biochemical Oxygen Demand (BOD) / mg/L	Chemical Oxygen Demand (COD) / mg/L
Indonesia	National limit	100	350
	Dumai	18.62	48.65
	Marunda	8.45	41.20
	Tanjung Balai	0 Discharge	0 Discharge
	Padang	12.42	96.00
	Kutai	0 Discharge	0 Discharge
China	National limit	150	500
	Nanjing	5.43	79.50
	Taixing	25.18	80.17
Spain	National limit	220	413
	Huelva	39.19	49.27

TABLE 7: WATER DISCHARGE BY DESTINATION (2024)

	Freshwater (Total dissolved solids ≤1000mg/L)	Other Water (Total dissolved solids >1000mg/L)	Total
Surface water (ML)	54	0	54
Groundwater (ML)	0	0	0
Seawater (ML)	242	8,967	9,209
Third-party water sent for use to other organisations (ML)	84	389	84
Total (ML)	380	9,356	9,736

TABLE 8: WATER DISCHARGE BY ALL AREAS AND WATER STRESS AREAS (2024)

	Freshwater (Total dissolved solids ≤1000mg/L)	Other Water (Total dissolved solids >1000mg/L)	Total
All areas, excluding water stress areas (ML)	380	9,356	9,736
Areas with water stress (ML)	0	0	0
Total (ML)	380	9,356	9,736

TABLE 9: WASTE GENERATED, DIVERTED FROM DISPOSAL AND DIRECTED TO DISPOSAL (2024)

Waste Type	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Spent Bleaching Earth (t)	94,486	30,366	64,120
Bottom Ash (t)	21,804	18,334	3,471
Fly Ash (t)	18,128	5,289	12,839
Glycerine Residues (t)	9,759	7,310	2,449
Free Fatty Acids (t)	803	803	0
Others (t)	12,118	9,374	2,744
Total (t)	157,098	71,475	85,623

Notes:

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

TABLE 10: WASTE DIRECTED TO DISPOSAL BY RECOVERY OPTION (2021-2024)

	2021	2022	2023	2024
Hazardous Waste				
Landfill (t)	1,500.8	1,379	1,333	1,052
Incineration (with energy recovery) (t)	1.0	8,385	18,431	14,453
Incineration (without energy recovery) (t)	3.2	0	235	3
Chemical-physical Treatment (t)	-	-	-	27
Other disposal options (t)	129,809.4	152,314	84,893	69,774
Non-hazardous Waste				
Landfill (t)	18.8	203	235	242
Incineration (with energy recovery) (t)	-	50	15	0
Incineration (without energy recovery) (t)	17.1	0	260	0
Other disposal options (t)	19,886.6	27,109	2,326	71
Total (t)	151,236.8	189,440	107,728	85,623

Note:

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

APPENDIX 1: DATA TABLE

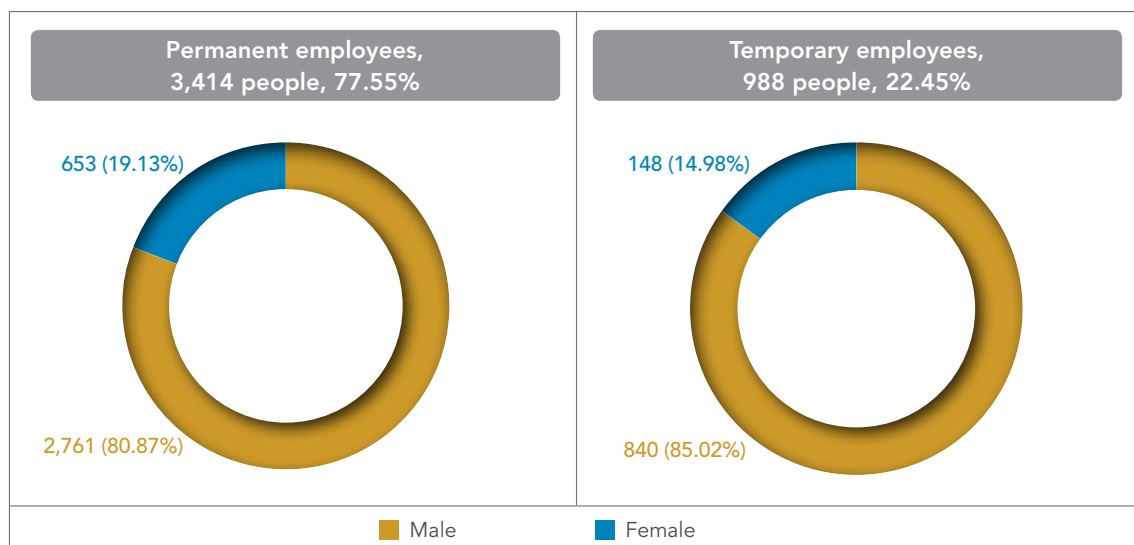
TABLE 11: WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPTION (2021-2024)

	2021	2022	2023	2024
Hazardous Waste				
Reuse (t)	16,357.1	0	0	0
Recycle (t)	14.2	3,565	39	24
Other recovery options (t)	308.9	217	71,041	54,853
Non-hazardous Waste				
Reuse (t)	-	-	-	37
Recycle (t)	284	840	7,526	2,444
Biological Treatment (t)	5,301.7	0	5,749	7,026
Reuse as Fertiliser (t)	4,145.4	0	4,411	4,414
Other recovery options (t)	0	17,700	1,706	2,675
Total (t)	26,411.3	22,322	90,473	71,475

Note:

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

FULL-TIME EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER (2024)



FULL-TIME EMPLOYEES IN APICAL BY EMPLOYMENT CONTRACT, GENDER AND OPERATIONAL COUNTRY (2024)

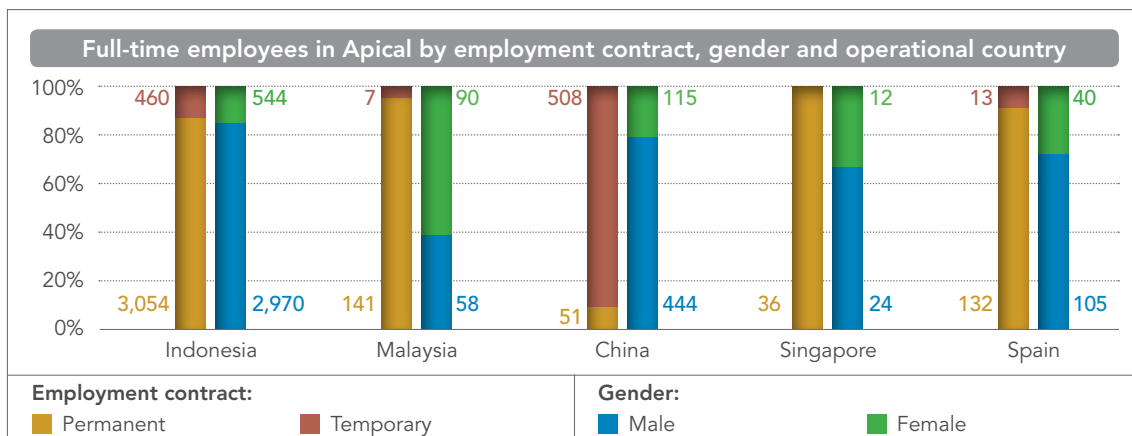
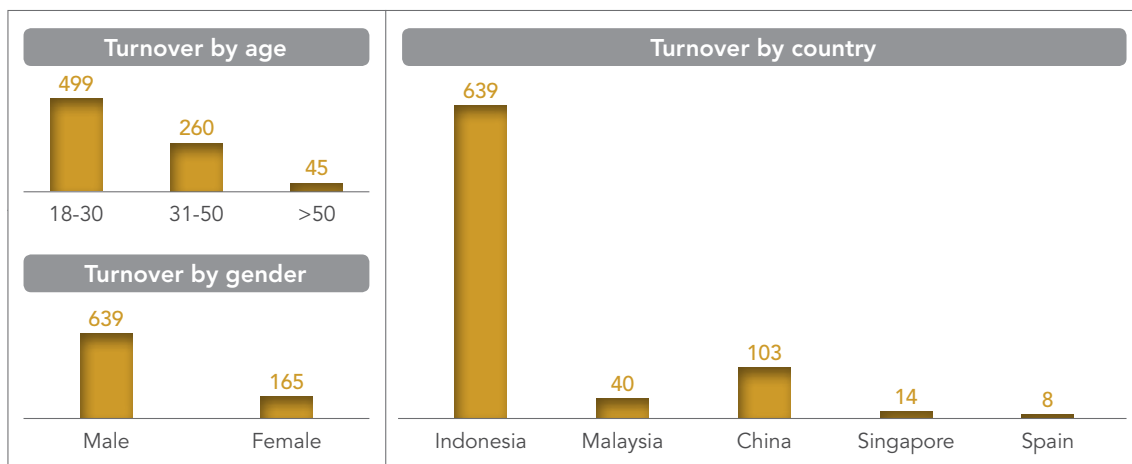


TABLE 12: NUMBER OF BOARD MEMBER AS PER AGE GROUP AND GENDER (2024)

Age Group	Male	Female
Under 30 yo	0	0
30-50 yo	1	0
Over 50 yo	2	0

TOTAL EMPLOYEE TURNOVER (2024)

Total employee turnover in 2024 804 people	Turnover rate in 2024 18.26%
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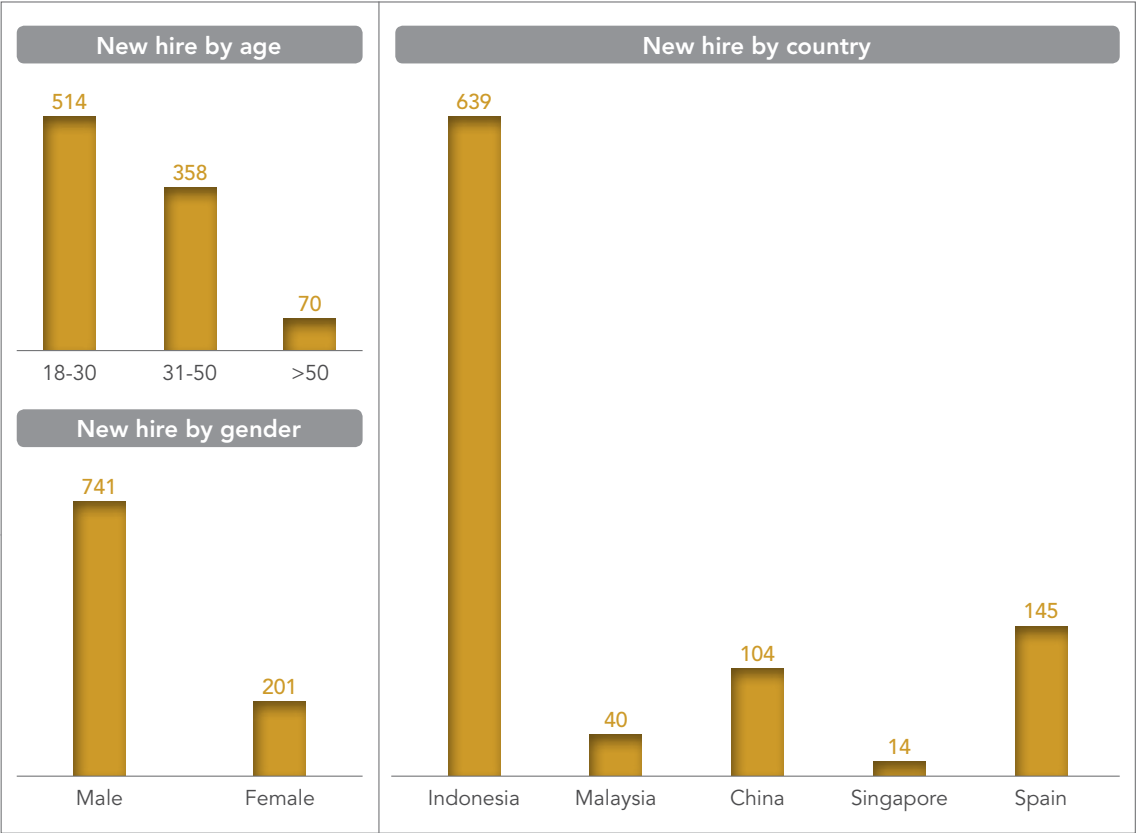
Notes:

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

APPENDIX 1: DATA TABLE

TOTAL NEW EMPLOYEE HIRE (2024)

Total new hires in 2024 942 people	New hire rate in 2024 21.42%
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Note:
1. New employee hire data in percentage is calculated using the total number of employees in each age, country and gender group.

TABLE 13: RATIOS OF APICAL LOWEST MONTHLY WAGES¹ IN EACH REGION BY GENDER, COMPARED TO LOCAL LEGAL MINIMUM WAGE² (2024)

Region/Country	Currency	Monthly Legal Minimum Wage	Apical's Lowest Monthly Wage		Ratio ³	
			Male	Female	Male	Female
Dumai, Indonesia	IDR	3,867,295	3,868,000	3,868,000	1:1	1:1
Marunda, Indonesia	IDR	5,067,381	5,135,000	5,135,000	1:01	1:01
Tanjung Balai, Indonesia	IDR	3,046,579	3,060,000	3,106,000	1:1	1:1.02
Padang, Indonesia	IDR	2,811,449	2,812,000	2,840,000	1:1	1:1.01
Medan, Indonesia	IDR	3,769,082	3,795,000	3,906,000	1:1.01	1:1.04
Balikpapan, Indonesia	IDR	3,475,595	3,476,000	3,530,000	1:1	1:1.02
Spain	EUR	1,323	2,489	2,203	1:1.88	1:1.67
Malaysia	MYR	1,500	3,000	3,000	1:2	1:2
Singapore	SGD	-	4,000	4,000	Nil	Nil
Nanjing, China	RMB	2,490	3,250	3,160	1:1.31	1:1.27
Taixing, China	RMB	2,260	4,800	5,080	1:2.12	1:2.25

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

³ The ratio is calculated by the following formula: Ratio = Monthly legal minimum wage/Apical's lowest monthly wage (male or female).

APPENDIX 1: DATA TABLE

TABLE 14: RATIO OF THE BASIC SALARY AND REMUNERATION OF FEMALE TO MALE FOR EACH EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION (2024)

Locations of Operation	Currency	Employee Category	Average Annual Basic Salary	Average Annual Remuneration
			Ratio of Women to Men (%)	Ratio of Women to Men (%)
Indonesia	IDR	Non-executive	97.07	78.63
		Junior management	83.87	54.27
		Middle management	83.65	90.56
		Senior management	109.42	144.79
		Board of Directors	N/A*	N/A*
Malaysia	MYR	Non-executive	127.16	135.52
		Junior management	120.96	122.44
		Middle management	98.31	102.17
		Senior management	64.19	71.35
		Board of Directors	N/A*	N/A*
China	RMB	Non-executive	116	93.61
		Junior management	77.28	76.41
		Middle management	94.14	87.1
		Senior management	81.19	95.05
		Board of Directors	N/A*	N/A*
Singapore	SGD	Non-executive	91.37	91.46
		Junior management	103.98	104.42
		Middle management	90.2	90.71
		Senior management	95.74	106.85
		Board of Directors	N/A**	N/A**
Spain	EUR	Non-executive	99.02	95.89
		Junior management	71.44	69.03
		Middle management	83.8	83.09
		Senior management	N/A**	N/A**
		Board of Directors	N/A*	N/A*

Notes:

* Absent of BoD category.

** This category consists of only male employee.

TABLE 15: PERCENTAGE OF SENIOR MANAGEMENT⁴ AT SIGNIFICANT LOCATIONS OF OPERATIONS THAT ARE HIRED FROM LOCAL COMMUNITY (2024)

Locations of Operation	Total Number of Senior Management Hired from the Local Community	Total Members of Senior Management	Share
Group Level	93	111	84%
Indonesia	33	50	66%
Malaysia	24	26	92%
China	18	18	100%
Singapore	16	16	100%
Spain	1	1	100%

TABLE 16: PARENTAL LEAVE (2024)

	Male	Female	Total
Parental Leave (Maternity & Paternity)			
Total number of employees that were entitled to parental leave	3,601	801	4,402
Total number of employees that took parental leave	404	39	443
Returned to Work			
Total number of employees that returned to work in the reporting period after parental leave ended	404	39	443
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	303	29	332
Rate			
Return to work rate (%)	100	100	100
Retention rate (%)	75	74	75

Notes:

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

⁴ Senior management hired from the local community includes those individuals either born or who have the legal right to reside indefinitely (such as naturalised citizens or permanent visa holders) in the same geographic market as the operation. The geographical definition of 'local' can include the community surrounding operations, a region within a country, or a country.

APPENDIX 1: DATA TABLE

TABLE 17: EMPLOYEES BY AGE AND GENDER ACCORDING TO EMPLOYEE CATEGORIES AT THE GROUP LEVEL (2024)

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
Under 30 yo	1438	421	7	2	0	0	0	0	32.83	9.61
30-50 yo	1686	249	128	48	103	41	56	13	44.82	7.97
Over 50 yo	94	5	30	3	32	4	34	8	4.32	0.45

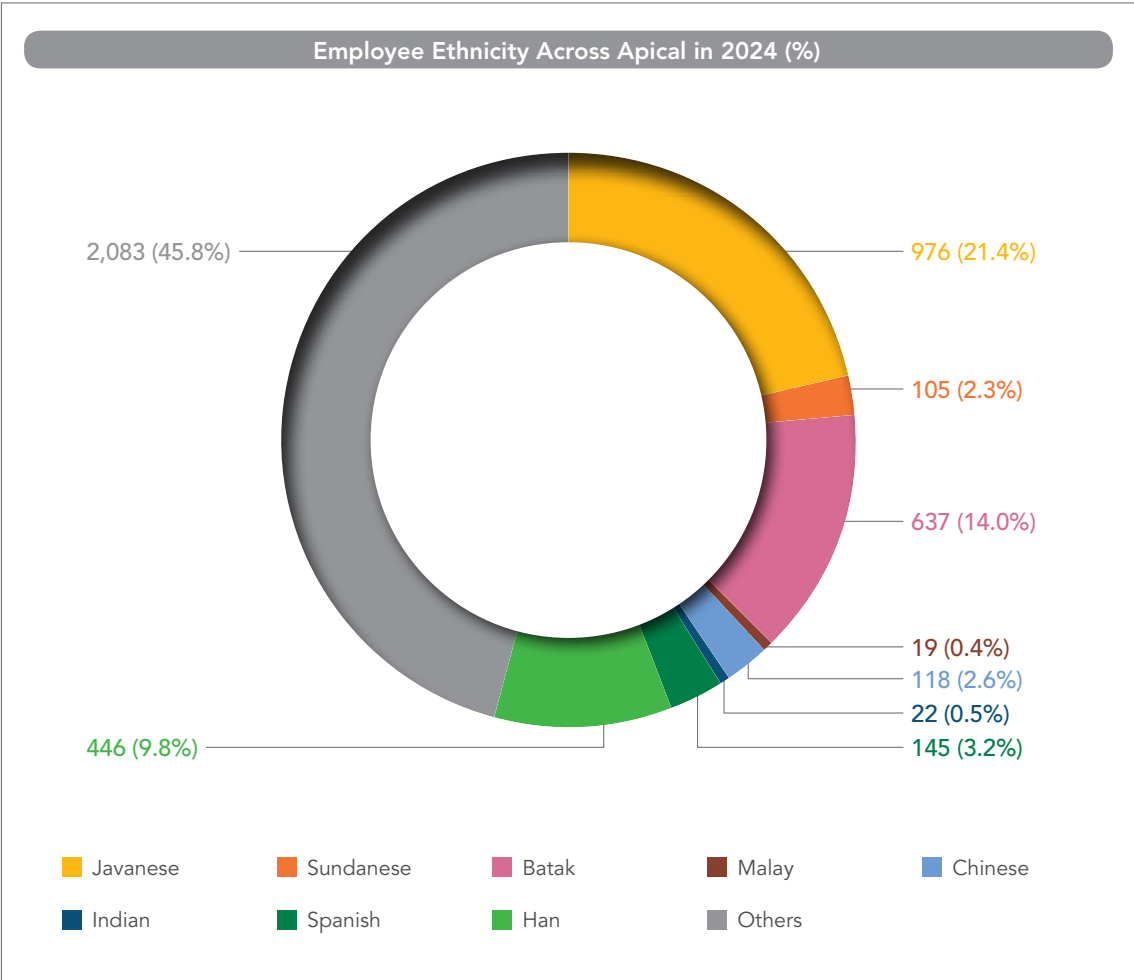


TABLE 18: AVERAGE NUMBER OF TRAINING HOURS PROVIDED TO EMPLOYEES AT GROUP LEVEL (2024)

Employment Category	Average number of training hours provided to employees		
	Male	Female	Total
Total	11.06	13.23	11.42
Non-executive	11.88	13.27	12.11
Junior management	10.87	13.93	12.05
Middle management	7.86	14.07	8.97
Senior management	0.55	10.01	1.85

TABLE 19: PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS AT THE GROUP LEVEL (2024)

Employment Category	Percentage of employees receiving regular performance and career development reviews ⁵		
	Male	Female	Total
Total	100%	101%	100%
Non-executive	100%	99%	100%
Junior management	95%	119%	100%
Middle management	100%	98%	99%
Senior management	100%	100%	100%

⁵ The percentage is calculated by comparing the number of employees who received regular reviews with the total number of employees as of 31 December 2024. Some employees who received reviews but left the company before 31 December 2024 are included in the calculation. Thus, the percentage may exceed 100%.

APPENDIX 1: DATA TABLE

HEALTH AND SAFETY PERFORMANCE

TABLE 20: INJURY AND RATE

Year	2024		2023		2022	
Type of Workers	Employees	Contractors	Employees	Contractors	Employees	Contractors
1) RECORDABLE: WORK-RELATED INJURIES						
Number	21	4	9	13	9	11
Rate per 1 million hours worked	1.59	0.40	0.92	1.07	1.69	1.07
2) FATALITIES AS A RESULT OF WORK-RELATED INJURIES						
Number	0	0	0	1	0	1
Rate per 1 million hours worked	0	0	0	0.08	0	0.10
3) HIGH-CONSEQUENCES WORK-RELATED INJURIES (EXCLUDING FATALITIES)						
Number	3	0	0	0	1	1
Rate per 1 million hours worked	0.23	0	0	0	0.19	0.10
4) LOSS DAY⁶						
Total Number of Loss Day	234	37	45	53	176	106
5) NEAR MISSES						
Total Number of Near Misses	24		23		331	
6) TOTAL NUMBER OF HOURS WORKED	13,167,057	10,053,562	9,738,799	12,154,481	5,336,232	10,243,165

Note:

1. 2023 values for near misses have been restated due to better differentiation of Indonesian cases between near miss and unsafe conditions in accordance to ILO definition. Previously, we reported 1,048 number of near misses.

TABLE 21: WORK RELATED ILL HEALTH

Year	2024		2023		2022	
Type of Workers	Employees	Contractors	Employees	Contractors	Employees	Contractors
1) RECORDABLE WORK-RELATED ILL HEALTH						
Number	0	0	0	0	2	0
Rate per 1 million hours worked	0	0	0	0	0.37	0
2) 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

⁶ The total lost day number is the total number of days of hospitalisation and rehabilitation.

APPENDIX 2: GRI CONTENT INDEX

This report has been prepared with reference to the GRI Universal Standards (GRI 1: Foundation, GRI 2: General Disclosures, GRI 3: Material Topics) and GRI 13: Agriculture, Aquaculture, and Fishing Sector Standards. Several topics in GRI 13 are not relevant to Apical's operations as a palm oil refinery company hence, not all standards in GRI 13 are reflected below.

Statement of use	Apical has reported with reference to the GRI Standards for the period of January 1 to December 31, 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 13: Agriculture, Aquaculture, and Fishing Sector Standards

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
General Disclosures				
GRI 2: General Disclosures 2021	Organisation Profile			
	2-1	Organisation Details	About Apical Group	6-11
	2-2	Entities included in the organisation's sustainability reporting	Reporting Framework	1
			About Apical Group	8
			2-2b to 2-2c: Not applicable	
	2-3	Reporting period, frequency and contact point	Reporting Framework; Point of Contact	1
	2-4	Restatements of information	Appendix 1: Data Table – Table 21: Injury and Rate	114
	2-5	External assurance	External Assurance	1
	Activities and Workers			
	2-6	Activities, value chain and other business relationships	About Apical Group	6-11
			Transformative Partnerships – Our Supply Chain Profile	43
	2-7	Employees	Inclusive Progress – Employee Profile	90-91
			Appendix 1: Data Table	106-108
	Governance			
2-9	Governance structure and composition	Our Approach to Sustainability – Corporate Governance - Sustainability Governance Structure	21-23	
		2-9c: Confidentiality constraint, given that Apical is a group of private companies		

APPENDIX 2: GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
GRI 2: General Disclosures 2021 (continued)	2-11	Chair of the highest governance body	Our Approach to Sustainability – Corporate Governance - Sustainability Governance Structure 2-11b: Confidentiality constraint, given that Apical is a group of private companies	21-23
	2-12	Role of the highest governance body in overseeing the management of impacts	Our Approach to Sustainability – Corporate Governance - Sustainability Governance Structure	21-23
	2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability – Corporate Governance - Sustainability Governance Structure	21-23
	2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability – Corporate Governance - Sustainability Governance Structure	21-23
	2-16	Communication of critical concerns	Our Approach to Sustainability – Corporate Governance - Grievance Management	25-27
	Strategy, Policies, and Practices			
	2-22	Statement on sustainable development strategy	President's Statement	2-5
	2-23	Policy commitments	Our Approach to Sustainability – Corporate Governance – Human Rights Policy, Sustainability Frameworks, Sourcing Policy, Deforestation Free Due Diligence Framework, Anti-Corruption and Anti-Bribery	15-24
			Inclusive Progress – Respecting The Rights of Indigenous People and Local Communities	80-81
	2-24	Embedding policy commitments	Our Approach to Sustainability – Corporate Governance - Sustainability Governance Structure	21-23
			Transformative Partnership – Engagement through Our Anchor Programmes	49-53
			Inclusive Progress – Management Approach	79
	2-25	Processes to remediate negative impacts	Our Approach to Sustainability – Corporate Governance - Grievance Management	25-27

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
GRI 2: General Disclosures 2021 (continued)	2-26	Mechanisms for seeking advice and raising concerns	Our Approach to Sustainability – Corporate Governance - Whistleblowing	27
	2-27	Compliance with laws and regulations	Our Approach to Sustainability – Corporate Governance – Ethics and Compliance, Anti-Corruption and Anti-Bribery	23-24
	2-28	Membership associations	Our Approach to Sustainability – Partnerships, Memberships, and Certifications	38-39
	Stakeholder Engagement			
	2-29	Approach to stakeholder engagement	Our Approach to Sustainability – Stakeholder Engagement	32-37
	2-30	Collective bargaining agreements	Inclusive Progress – Diversity and Equal Opportunity	92
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our Approach to Sustainability – Materiality Assessment	28-29
	3-2	List of material topics	Our Approach to Sustainability – Materiality Assessment Material Topics – List and Definition of Material Topics	28-29 98-101
Governance				
Board and Executive Compensation, Independence and Diversity				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Corporate Governance	21-23
			Our Approach to Sustainability – Materiality Assessment	28-29
			Our Approach to Sustainability – Stakeholder Engagement	32-37
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Inclusive Progress – Employee Profile	90-91
			Appendix 1: Data Table	106-108
Business Ethics				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Ethics and Compliance	15
			Our Approach to Sustainability – Materiality Assessment	28-29
			Our Approach to Sustainability – Stakeholder Engagement	32-37

APPENDIX 2: GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Our Approach to Sustainability – Corporate Governance - Ethics and Compliance, Anti-Corruption and Anti-Bribery	23-24
Compliance				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Corporate Governance - Ethics and Compliance, Anti-Corruption and Anti-Bribery	23-24
Anti-Corruption				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Corporate Governance - Anti-Corruption and Anti-Bribery	23-24
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Our Approach to Sustainability – Corporate Governance - Anti-Corruption and Anti-Bribery	23-24
	205-3	Confirmed incidents of corruption and actions taken	Our Approach to Sustainability – Corporate Governance - Anti-Corruption and Anti-Bribery	23-24
Zero-tolerance Conduct/Grievance Mechanism				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Corporate Governance - Grievance Management	25-27
Access to Remedy				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Sustainability Frameworks	18-19
			Our Approach to Sustainability – Stakeholder Engagement	32-37
			Transformative Partnerships – Working with Suppliers	41-42
			Transformative Partnerships – Management Approach	41
Systemic Risk Management				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Corporate Governance	15
			Our Approach to Sustainability – Materiality Assessment	28-29
			Our Approach to Sustainability – Stakeholder Engagement	32-37

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
Transparency				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Corporate Governance	15
			Our Approach to Sustainability – Materiality Assessment	28-29
			Our Approach to Sustainability – Stakeholder Engagement	32-37
Environment				
GHG Emissions				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Climate Action	62
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Climate Action – GHG Emissions	63-64
			Appendix 1: Data Table	102
	305-2	Energy indirect (Scope 2) GHG emissions	Climate Action – GHG Emissions	63-64
			Appendix 1: Data Table	102
	305-3	Other indirect (Scope 3) GHG emissions	Not disclosed as Apical is currently in the process of quantifying Scope 3 emissions	-
	305-4	GHG emissions intensity	Climate Action – GHG Emissions	63-64
		Appendix 1: Data Table	102	
	305-5	Reduction of GHG emissions	Climate Action – GHG Emissions	63-64
			Appendix 1: Data Table	102
Climate Change Strategy				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Climate Action – Management Approach	62
			Climate Action – Climate Action Strategy	63
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Climate Action – Climate Action Strategy	63
GRI 302: Energy 2016	302-1	Energy Consumption within the organisation	Green Innovation – Energy Management	68
			Appendix 1: Data Table	102
	302-3	Energy Intensity	Green Innovation – Energy Management	68
	302-4	Reduction of energy consumption	Green Innovation – Energy Management	68

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
Deforestation				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Corporate Governance	15
			Our Approach to Sustainability – Partnerships, Memberships and Certifications	38-39
			Transformative Partnerships	40
			Climate Action	62
Water Use				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Green Innovation – Ensuring Sustainable Operations	67
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Green Innovation – Water Management	69
	303-2	Management of water discharge related impacts	Green Innovation – Water Management	69
	303-3	Water withdrawal	Green Innovation – Water Management	69
			Appendix 1: Data Table	103
	303-4	Water discharge	Green Innovation – Water Management	69
			Appendix 1: Data Table	104
303-5	Water consumption	Green Innovation – Water Management	69	
		Appendix 1: Data Table	103	
Waste				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Green Innovation – Management Approach, Waste Management	67-68, 70
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Green Innovation – Waste Management	70
	306-2	Management of significant waste-related impacts	Green Innovation – Waste Management	70
	306-3	Waste generated	Green Innovation – Waste Management	70
			Appendix 1: Data Table	105

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
GRI 306: Waste 2020 (continued)	306-4	Waste diverted from disposal	Green Innovation – Waste Management	70
			Appendix 1: Data Table	105-106
	306-5	Waste directed to disposal	Green Innovation – Waste Management	70
			Appendix 1: Data Table	105
Employees				
Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Looking After our People	89-90
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Inclusive Progress – Employee Profile	90-91
			Appendix 1: Data Table	107-108
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Inclusive Progress – Employee Profile	90-91
			Inclusive Progress – Diversity and Equal Opportunity	92
			Appendix 1: Data Table	106-108
Employee Health, Safety and Well-being				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Safety, Health and Well-being	94-97
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Inclusive Progress – Safety, Health and Well-being	94-97
	403-2	Hazard identification, risk assessment, and incident investigation	Inclusive Progress – Safety, Health and Well-being	94-97
	403-3	Occupational Health Services	Inclusive Progress – Safety, Health and Well-being	94-97
	403-4	Worker participation, consultation, and communication on occupational health and safety	Inclusive Progress – Safety, Health and Well-being	94-97
	403-5	Worker training on occupational health and safety	Inclusive Progress – Safety, Health and Well-being	94-97
	403-6	Promotion of worker health	Inclusive Progress – Safety, Health and Well-being	96-97
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Inclusive Progress – Safety, Health and Well-being	94-97

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
GRI 403: Occupational Health and Safety 2018 (continued)	403-8	Workers covered by an occupational health and safety management system	Inclusive Progress – Safety, Health and Well-being	94-97
	403-9	Work-related injuries	Appendix 1: Data Table	114
	403-10	Work-related ill health	Appendix 1: Data Table	114
Training and Development				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Training and Development	93
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Inclusive Progress – Training and Development	93
			Appendix 1: Data Table	113
	404-2a	Programmes for upgrading employee skills and transition assistance programmes	Inclusive Progress – Training and Development	93
	404-3	Percentage of employees receiving regular performance and career development reviews	Inclusive Progress – Training and Development	93
			Appendix 1: Data Table	113
Compensation and Benefits				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Looking After our People	89-90
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Inclusive Progress – Fair wages and employee benefits	91-92
			Appendix 1: Data Table	109
	202-2	Proportion of senior management hired from the local community	Inclusive Progress – Fair wages and employee benefits	91-92
			Appendix 1: Data Table	111
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Inclusive Progress – Fair wages and employee benefits	91-92
	401-3	Parental leave	Inclusive Progress – Fair wages and employee benefits	91-92
			Appendix 1: Data Table	111
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	Inclusive Progress – Fair wages and employee benefits	91-92
			Appendix 1: Data Table	110

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
Freedom of Association				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Looking After our People	89
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Inclusive Progress – Diversity and Equal Opportunity	92
Society				
Empowering Communities				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Inclusive Progress – Empowering Communities	81
			Inclusive Progress – Community Investment	83
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Inclusive Progress – Respecting the Rights of Indigenous People and Local Communities	80-81
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Inclusive Progress – Social Impact Assessment	79-80
			Inclusive Progress – Empowering Communities	81
			Inclusive Progress – Community Investment	83
			Inclusive Progress – Supporting Smallholders	84-85
	413-2	Operations with significant actual and potential negative impacts on local communities	Inclusive Progress – Respecting the Rights of Indigenous People and Local Communities	80-81
			Inclusive Progress – Empowering Communities	81
			Inclusive Progress – Community Investment	83
			Inclusive Progress – Supporting Smallholders	84-85

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GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
Supporting Human Rights				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability – Human Rights Policy	15-17
			Transformative Partnerships – Engagement Through our Anchor Programmes	49-53
			Transformative Partnerships – Human Rights and our Supply Chain	55
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Inclusive Progress – Diversity and Equal Opportunity	92-93
Supply Chain				
Responsible Procurement Practices				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships – Working with Suppliers	41
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Transformative Partnerships – Engagement Through our Anchor Programmes	49-53
			Transformative Partnerships – Working With Suppliers on Environmental Conservation	58-59
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	Transformative Partnerships – Managing Supply Chain Risk through Technology, Engagement Through our Anchor Programmes, Working With Suppliers on Environmental Conservation	49, 49-53, 58-59
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Transformative Partnerships – Engagement Through our Anchor Programmes	49-53
	414-2	Negative social impacts in the supply chain and actions taken	Transformative Partnerships – Engagement Through our Anchor Programmes, Working With Suppliers on Environmental Conservation	58-59
Sustainable Agriculture				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Our Approach to Sustainability	41
			Transformative Partnerships – Traceability of our Palm Oil	44-48

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Section References/ Reasons for Omission	Page
Labour Standards in the Supply Chain				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships	40
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Transformative Partnerships – Human Rights and our Supply Chain Inclusive Progress – Diversity and Equal Opportunity	55 92-93
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Inclusive Progress – Diversity and Equal Opportunity	92-93
Supply Chain Traceability and Transparency				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships – Working With Suppliers	41
Supplier Diversity & Inclusiveness				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships	40
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Transformative Partnerships – Our Supply Chain Profile	43
Serving Smallholder Farmers				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Transformative Partnerships Inclusive Progress	40 78
Products				
Product Quality and Safety				
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Green Innovation – Ensuring Product Quality and Safety Green Innovation – Protecting Consumer Health & Certifying Palm Oil to be Sustainable	74 75

APPENDIX 3: 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 of its Sustainability Report 2024.

Apical is responsible for the collection, analysis and preparation of the information in the Sustainability Report 2024. Control Union was not involved in the preparation of any material included in the report, except for the issuance of this Independent Assurance Statement.

The responsibility of Control Union is to express an opinion concerning the information included in the Sustainability Report 2024 within the assurance scope mentioned below, with the purpose to inform all the Interested Parties.

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

Scope of Assurance

Apical’s Sustainability Report was developed with reference to the Global Reporting Initiative (GRI) General Standards (GRI1: Foundation, GRI 2: General Disclosures, GRI 3: Material Topics) and GRI 13: Agriculture, Aquaculture, and Fishing Sector Standards. Thus, assurance has been planned and performed for applicable sustainability performance disclosures presented by Apical in the Sustainability Report. Control Union multi-disciplinary verification team performed the assurance process that involves verification of the following aspects:

Inclusivity:

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

Apical has continuously engaged with various groups of stakeholders, which resulted in several notable engagements related to environmental, social and governance for the period of 2024. 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 are identified and prioritised through comprehensive review with sustainability reporting consultant, survey with employees and engagement with Apical’s external stakeholders. These material topics have been identified through consolidation data from stakeholder feedback. These topics have also been prioritized according to their societal impact and relevance to Apical as an organization.

Responsiveness:

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



Apical addresses stakeholder concerns through their grievance handling procedure. The outcomes of the grievance handling mechanism include among others set targets, short and long-term commitments. These outcomes, their respective status and progress are publicly communicated by Apical in their annual sustainability report and published on their website. Apical also engages with their stakeholders through various channels (including but not limited to surveys, engagement, collaboration and outreach programmes, group meetings, remote meetings) and this ensures a two-way dialogue between both parties. Through such engagements, notable results are obtained for example, formed partnerships, receiving sustainability-linked loan and programmes such as Sustainable Living Village (SLV) programme.

Level of Assurance

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

Methodology



- Review of the framework of the report (pre-assurance preparation)
- Review of internal and external documentary evidence presented by Apical
- Review of data collection at company level
- Audit of data presented in the Sustainability Report 2024 including a review of sample data
- Review of a selection of internal performance documents
- Remote verifications and sampling of operational units
- Interviews of personnel with relevant divisions at operational units and person in charge of producing the report at the head office

Independence and quality control

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

Conclusion

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

For and on behalf of Control Union (Malaysia) Sdn Bhd,	
Signed: Ebnu Holdoon Shawal  Date : 11 th June 2025 Lead Verifier	Signed: Supun Nigamuni  Date : 11 th June 2025 Managing Director

APPENDIX 4: GLOSSARY OF TERMS

2G	2G Second Generation
AAJ Marunda	PT Asianagro Agungjaya Marunda
AAJ Tj Balai	PT Asianagro Agungjaya Tanjung Balai
ABC	Anti-Bribery and Corruption
ACOP	Annual Communications of Progress
AKC	PT Apical KAO Chemicals
AMDAL	Analisis Mengenai Dampak Lingkungan
APS	Announced Pledges Scenario
AR6	Sixth Assessment Report
A-SIMPLE Framework	Apical Sustainability Implementation Framework
AWG	Active Working Group
B3 Waste	Hazardous and Toxic Waste
BBS	Behavior-Based Safety
BCC	Behaviour Change Communication
BMP	Best Management Practices
BoD	Board of Directors
BOH	Bio-Oils La Rabida Huelva
BPJS	Badan Penyelenggara Jaminan Sosial
BPOM	Badan Pengawas Obat dan Makanan
BRWA	Badan Registrasi Wilayah Adat
CARE	Collaborative Action Remote Engagement
CEMS	Continuous Emissions Monitoring System
CLEAN	Community Livelihood Empowerment & Action
COP	Car Ownership Programme
COPE	Code of Procurement Ethics
CPKO	Crude Palm Kernel Oil
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DFDD	Deforestation-Free Due Diligence
DMO	Domestic Market Obligation
EFSA	European Food Standards Authority
EFT	Excelic Food Technology Co Ltd
ESG	Environmental, Social and Governance
EU	European Union
EUDR	European Union Deforestation Regulation
EUR	Euro
FFB	Fresh Fruit Bunches
FGD	Focus Group Discussion
FKL	Forum Konservasi Leuser
FPIC	Free, Prior and Informed Consent
FRM	Financial Reporting Meeting

FSSC	Food Safety System Certification
FY	Financial Year
GA	General Affair
GAP	Good Agricultural Practices
GC	Gas Chromatography
GE	Glycidyl Esters
GFW	Global Forest Watch
GHG	Greenhouse Gas
GIS	Geographic Information System
GLAD	Global Land Analysis & Discovery
GMP	Good Manufacturing Practice
GPS	Global Positioning System
GRI	Global Reporting Initiative
GRMD	Group Risk Management Department
GSC	Grievance Steering Committee
GVT	Grievance Verification Team
H&S	Health & Safety
HACCP	Hazard Analysis Critical Control Point
HCS	High Carbon Stock
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
HR	Human Resources
HRDD	Human Rights Due Diligence
HRIA	Human Rights Impact Assessment
ICP	Inductively Coupled Plasma
IDH	Yayasan Inisiatif Dagang Hijau
IDP	Individual Development Plan
IDR	Indonesian Rupiah
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IoT	Internet of Things
IPCC	Intergovernmental Panel on Climate Change
IRF	Implementation Reporting Framework
ISCC	International Sustainability and Carbon Certification
ISH	Independent Smallholders
ISO	International Organisation for Standardisation
ISPO	Indonesian Sustainable Palm Oil
ISSB	International Sustainability Standards Board

JV	Joint Venture
KPIs	Key Performance Indicators
KRN	PT Kutai Refinery Nusantara
LCAs	Life Cycle Assessments
ML	Mega Litres
MPP	Mill Prioritisation Process
MT	Metric Tonnes
MTP	Manager Training Programme
MYR	Malaysian Ringgit
NDPE	No Deforestation, No Peat and No Exploitation
NGOs	Non-governmental Organisations
NPOs	Non-profit Organisations
NSS	New Supplier Screening
OHS	Occupational Health and Safety
OSCT	Oil Spill Combat Team
OSHMS	Occupational Health and Safety Management System
PIMS	Plant Information Management System
PK	Palm Kernel
POCG	Palm Oil Collaboration Group
PORAM	Palm Oil Refiners Association of Malaysia
PPBC WG	Production and Protection Beyond Concession Working Group
PPE	Personal Protective Equipment
PPI	Production, Protection and Inclusion
PPO	Processed Palm Oil
PRC	PT Padang Raya Cakrawala
PRISMA	Penilaian Risiko Bisnis dan Hak Asasi Manusia
PROPER	Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup/Programme for Pollution Control, Evaluation and Rating
PRP	People Review Programme
PSEP	Priority Supplier Engagement Programme
RADD	Radar for Detecting Deforestation
RBD	Refined Bleached Deodorized
RFC	Request for Clarification
RMB	Renminbi
RMC	Risk Management Committee
RSPO	Roundtable on Sustainable Palm Oil
RSPO P&C	Roundtable on Sustainable Palm Oil Principles and Criteria
SAF	Sustainable Aviation Fuel
SAIL	Singapore Agri-Food Innovation Lab

SDO (D)	PT Sari Dumai Oleo - Dumai
SDO (M)	PT Sari Dumai Oleo - Marunda
SDS	PT Sari Dumai Sejati
SEDEX	Supplier Ethical Data Exchange
SET	Stakeholder Engagement Team
SFA	Suppliers Self-Assessment
SGD	Singapore Dollar
SIA	Social Impact Assessment
SIMPEL	Sistem Informasi Pelaporan Elektronik Lingkungan Hidup/Electronic Environmental Reporting Information System
SIMS	Sustainability Impact Measurement System
SLL	Sustainability-Linked Loan
SLLPs	Sustainability-Linked Loan Principles
SLV	Sustainable Living Village
SMEs	Small and Medium-sized Enterprises
SMETA	Sedex Members Ethical Trade Audit
SMILE	Smallholder Inclusion for better Livelihood & Empowerment
SNI	Standar Nasional Indonesia
SOPs	Standard Operating Procedures
SPOTT	Sustainability Policy Transparency Toolkit
SPTs	Sustainability Performance Targets
SSP	Shared Socioeconomic Pathways
STBD	Surat Tanda Daftar Budidaya
STEPS	Stated Policies Scenario
SVP	Shared Value Programme
TCFD	Task Force on Climate-related Financial Disclosure
TDD	Traceability Declaration Document
TOP	Traceability Outreach Programme
TTP	Traceability to Plantation
TVG	Traceability Verification Guidance
UML	Universal Mill List
UNCRC	United Nations Convention on the Rights of the Child
UNGPs	United Nations Guiding Principles on Business and Human Rights
UN SDGs	United Nations Sustainable Development Goals
VT	Verification Team
WHO	World Health Organisation
WRI	World Resources Institute
WWTP	Wastewater Treatment Plant
YEL	Yayasan Ekosistem Lestari

Notes:

1. List of Conversion Factors

Conversion factors used to calculate energy consumption were derived from:

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

Conversion factors used to calculate emissions intensity were derived from:

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



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