



For Immediate Release

Apical Supplier Commits to Strengthen No Deforestation, No Peat and No Exploitation (NDPE) Within Supply Chain

Kuala Lumpur, 24 September 2020 – We refer to the information shared by Rainforest Action Network (RAN) via Leuser Watch on 21 September 2020 that one of our supplying mills, PT Syaukath Sejahtera (PT SS) sourced crude palm oil (CPO) from PT Tualang Raya (PT TR), that is allegedly engaged in deforestation activities.

At the advice of Apical, PT Syaukath Sejahtera (PT SS) has halted sourcing of crude palm oil from PT Tualang Raya (PT TR) with immediate effect until the matter has been clarified or resolved.

Apical takes such allegations seriously. We acted immediately and in accordance with our grievance protocol. While Apical does not source directly from PT TR, we have engaged with our supplier, PT SS, to take immediate action to prevent illegal palm oil from entering Apical's supply chain. Investigations will be carried out and reported in the 'Grievance' section of our website in due course.

Further, PT SS has agreed to develop and implement an NDPE policy, and to work with Apical and conduct further risk assessments to ensure it eliminates any sources that could potentially be linked to deforestation.

Apical's Sustainability Commitments and Supply Chain Management

Apical's Sustainability Policy commits us to NDPE ("No deforestation, no peat, and no exploitation") and responsible sourcing of palm oil. We work closely with our suppliers and a range of stakeholders to ensure adherence to local, international and our own sustainability standards for the protection of forest and peatland areas; in addition to promoting the production of sustainable palm oil in accordance with the principles and criteria set by the RSPO and ISCC.

Our progress has been the result of our policy deployment to suppliers through supply chain transformation and engagement programmes in collaboration with strategic partners and consultants such as Earthworm Foundation, Proforest and Daemeter. We use a risk-based approach to prioritise supplier engagement activities, supported by both geospatial and non-spatial analysis. Our efforts also include compliance assessments, traceability, verification visits, and capacity building for suppliers.

In 2019, we adopted the Global Forest Watch (GFW) Pro and Global Land Analysis Discovery (GLAD) deforestation alerts for risk assessment and monitoring within our supply chain, in addition to hiring in-house GIS specialists to strengthen supply chain monitoring capacity using remote sensing technology. From September 2020, we are



subscribed to the Earth Equalizer's Transform Platform, a third-party supplier monitoring platform for deforestation alerts.

We will cease doing business with any supplier that commits serious and repeated violation against our NDPE commitments.

End



About Apical

Apical Group Ltd is one of the largest exporters of palm oil in Indonesia, owning and controlling an extensive spectrum of the palm oil business value chain from sourcing to distribution. It also engages in the refining, processing and trading of palm oil for both domestic use and international export. Its operations are located in Indonesia, China and Spain, and include five refineries, three biodiesel plants, an oleochemical plant and a kernel crushing plant. Apical's business is built on a broad sourcing network in Indonesia with integrated refinery assets at strategic locations. These are strengthened by efficient logistic channels supported by Apical's own infrastructure to deliver to a wide range of clients from international trade houses to local industrial buyers. With its unique business model, Apical has been able to control product quality and address sustainability and food safety issues, while running highly efficient operations at its world-class refineries and integrated storage and bulking facilities.

About Apical's Sustainability

Since launching the Apical Sustainability Policy in 2014, Apical has made great strides in its transformation journey by adopting global standards and best practices within its operations, subsidiaries and in partnership with suppliers. Its refineries have been certified by the International Sustainability and Carbon Certification (ISCC) since 2010 and it has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2011. It achieved full traceability to mills in 2015 and has targeted full traceability to plantations by 2020. The Group promotes the protection of high conservation value (HCV) and high carbon stock (HCS) areas, peatland and towards positive socio-economic development. Its sustainability partners include The Forest Trust, Proforest and Daemeter to ensure responsible sourcing, integration and continuous improvement to its supply chain transformation. Apical is committed to sustainable operations as the fundamental principle of its business to deliver high value products for today's global market demands.

For more information, please visit Apical's [website](#).

For enquiries, please contact:

Sazarina Shahrin, Stakeholder Engagement, Apical Group
Email : sazarina_shahrin@apicalgroup.com
Tel : +(60)3 2785 8995

Apical