



Apical

Apical Group

AAA Oils & Fats Pte Ltd

80 Raffles Place, #50-01 UOB Plaza 1
Singapore 048624

Tel: +65 6216 9368
Fax: +65 6538 4668

Apical (Malaysia) Sdn Bhd

Level 6, Tower 2, Avenue 5, Bangsar South City
No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

Tel: +603 2785 7977
Fax: +603 2785 8999

APICAL GROUP

SUSTAINABILITY REPORT 2021

Apical

DELIVERING IMPACT BEYOND COMPLIANCE



2021
SUSTAINABILITY REPORT



DELIVERING IMPACT BEYOND COMPLIANCE

Sustainability is something we see as essential to the way we think, act and run our business. By doing our part to implement responsible practices, both within our operations and our supply chain, we not only ensure the long-term success of our business, we also help to build a more sustainable world for future generations.

At Apical, as we evolve with the global environmental and social challenges, we aim to deliver impact beyond compliance. Together with our sustainability roadmap, Apical2030, we intend to drive transformative changes within the palm oil sector while achieving sustainable growth and value creation for all stakeholders, including the planet.



Scan to view or download our Sustainability Report 2021 here.

WHAT'S INSIDE



<p>Pg. 2 About This Report</p> <p>01</p>	<p>Pg. 4 President's Statement</p> <p>02</p>	<p>Pg. 8 About Apical Group</p> <p>03</p>	<p>Pg. 12 2021 Highlights</p> <p>04</p>
<p>Pg. 14 Our Approach to Sustainability</p> <p>05</p>		<p>Pg. 32 Our Commitments and Progress</p> <p>06</p>	<p>Pg. 36 Working With Suppliers</p> <p>07</p>
<p>Pg. 44 Environmental Management</p> <p>08</p>	<p>Pg. 55 Labour Relations</p> <p>09</p>	<p>Pg. 65 Community Livelihood</p> <p>10</p>	<p>Pg. 72 Our Customers and Consumers</p> <p>11</p>
<p>Pg. 76 Appendix: Materiality and Stakeholder Engagement</p> <p>12</p>	<p>Pg. 87 GRI Content Index</p> <p>13</p>	<p>Pg. 96 Assurance Statement</p> <p>14</p>	<p>Pg. 98 Glossary of Terms</p> <p>15</p>

ABOUT THIS REPORT

102-1, 102-52, 102-54

Apical Group Pte. Limited (Apical) is a leading vegetable oils processor. Our vision is to be a leading integrated processor of sustainable vegetable oil and value-added downstream products.

This Sustainability Report 2021 marks our sixth year of providing a transparent account of our performance, activities and progress in integrating sustainability into our operations and practices. Where relevant, we have also provided links to our web content on specific sustainability topics.

Our sustainability report is published on an annual basis and has been prepared in accordance with the GRI Standards: Core option. For a full list of disclosures referenced in this report, please refer to the GRI Content Index.

Boundary and Scope

102-45, 102-46, 102-49, 102-50

This report contains information for FY2021, unless otherwise stated. It covers our operations across the globe, including eight refineries, four biodiesel plants, two kernel crushing plants and four oleochemical plants. Sustainability-related information is also available on our Sustainability Progress Dashboard, which we regularly update.

Contact

102-53

As part of our commitment to continuously improve and meet stakeholders' needs and expectations, we welcome feedback on any aspect of our approach to sustainability and reporting.

Please contact:

Bremen Yong,
Director of Sustainability for Apical Group

bremen_yong@apicalgroup.com

External Assurance

102-56

Apical has engaged Control Union Certifications to provide independent limited assurance for selected sustainability disclosures in this report.

 Refer to pages 96-97 for the assurance statement and the scope of data assured.



8 Refineries



4 Biodiesel Plants



4 Oleochemical Plants



2 Kernel Crushing Plants

PRESIDENT'S STATEMENT

102-14

Dear Stakeholders,

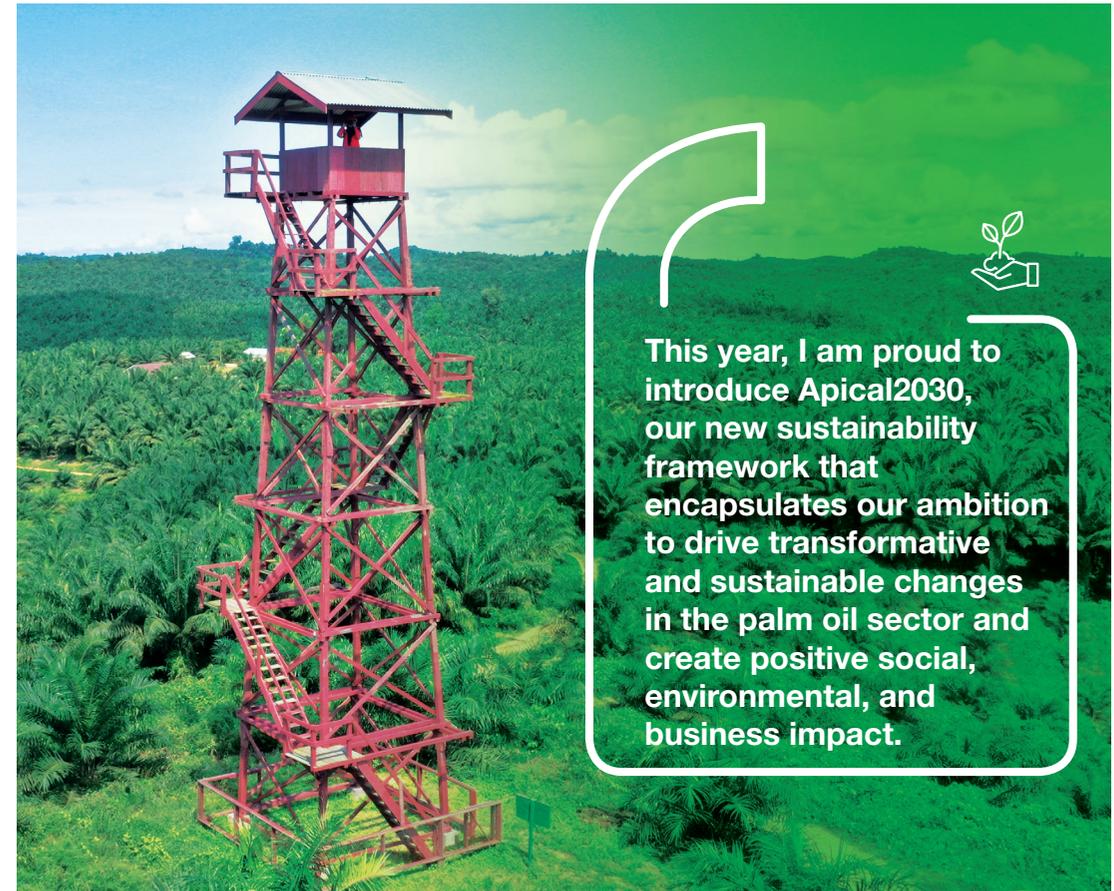
I am pleased to present our 2021 Sustainability Report. As we continue to grow and expand our downstream value-added business, sustainability is deeply rooted and integrated throughout our operations and supply chain. Sustainability remains at the heart of our business and has been key to our performance in 2021 as we navigate the ongoing COVID-19 pandemic.



DATO' YEO HOW
President

Continued support during COVID-19

Since the onset of the Coronavirus outbreak in 2020, we mobilised our Business Continuity Plan across the organisation to safeguard the well-being of our employees. This included introducing measures aligned with the recommendations of local governments where we operate, supporting local communities, and raising awareness of good hygiene practices among our employees. We remain dedicated to easing the impact of COVID-19 by distributing food packages and vitamins to families and health workers, and providing oxygen concentrator units and Personal Protective Equipment (PPE) to communities and local authorities.



This year, I am proud to introduce Apical2030, our new sustainability framework that encapsulates our ambition to drive transformative and sustainable changes in the palm oil sector and create positive social, environmental, and business impact.

We also introduced a new checklist system for our suppliers and business partners to honour our commitment to employee health and safety, offering a COVID-19 guidebook, rapid antigen tests, and health screening sessions to employees and eligible visitors.

APICAL2030

At Apical, we recognise that contributing to sustainable development is our responsibility as a global corporate citizen. This year, I am proud to introduce Apical2030, our new sustainability framework that encapsulates our ambition to drive transformative and sustainable changes in the palm

oil sector and create positive social, environmental, and business impact. Informed by the results of our new materiality assessment and stakeholder engagement exercise, the framework delineates an ambitious set of time-bound targets across four strategic pillars: Transformative Partnerships, Climate Action, Green Innovation, and Inclusive Progress. These targets dovetail with the Group's 5Cs business philosophy, its sustainability goals and the nine United Nations Sustainability Development Goals (UNSDGs) we prioritised.

PRESIDENT'S STATEMENT

Beyond articulating our ambitions, Apical2030 reflects the value we place in strategic partnerships and multistakeholder collaboration. After all, sustainability challenges cannot be solved by any one party. Instead, the establishment and maintenance of a sustainable supply chain requires the cooperation and commitment of all stakeholders – from industry partners and customers to independent smallholders and non-governmental organisations (NGOs). As such, we dedicated one of our pillars to Transformative Partnerships, signifying our eagerness to engage with our suppliers and bring them onboard our sustainability journey. Apical2030 will guide our decision-making and actions throughout this decade, paving the way towards a more sustainable future.



Progress in 2021

The global demand for palm oil has continued to grow. In fact, we achieved a record year with 11.10 million tonnes of palm oil and oil palm products sold in 2021, a 24.16% increase from 2020. To help meet this surging demand, we now operate 11 state-of-the-art processing facilities worldwide¹, having opened our new refinery, PT Sari Dumai Oleo (SDO (D)) in Dumai, Indonesia in March.

We continued to work towards our traceability goals and have set a target to engage all of our suppliers to undergo third-party verification by 2025. To support this target, we partnered with the Consortium of Resource Experts (CORE) to develop a robust set of guidelines in line with internationally recognised standards to verify the traceability data submitted by our suppliers. We also trialed a Risk Calibrated Approach to complement the guidelines. Coupled with these new tools, our existing programmes have helped us to improve our year-on-year traceability progress. Achieving our traceability goals is fundamental to our supplier engagement efforts and the establishment of a supply chain that is fully compliant with our No Deforestation, No Peat and No Exploitation (NDPE) commitments.

Within our own operations, we continued to increase our renewable energy usage and implemented various energy efficiency measures, bringing us closer to our new target of reducing our greenhouse gas emissions intensity by 50% by 2030 and reaching net zero by 2050. We have also implemented performance optimisation systems with the aim of improving our water efficiency and reducing the amount of waste diverted to disposal.

Another key focus area for Apical is ensuring that we continue to improve the livelihoods of the communities where we operate through initiatives that promote income diversification and knowledge sharing. For the communities near our PT Asianagro Agungjaya Marunda site, we collaborated with



We achieved a record year with

11.10

million tonnes of palm oil and oil palm products sold in 2021, a 24.16% increase from 2020



We continued to increase our renewable energy usage and implemented various energy efficiency measures, bringing us closer to our new target of reducing our greenhouse gas emissions intensity by

50%

by 2030 and reaching net zero by 2050

Note:

1. SDS, AAJ Marunda, AAJ Tj Balai, PRC, EFT, KRN, SDO (D), SDO (M), Bio-Oils, AKC and CEP

the Jakarta Department of Labour to conduct entrepreneurship training courses for women to gain new skills and secure work opportunities. We conducted workshops for children to promote healthy lifestyles and supplied them with eggs, milk and supplementary vitamins on a monthly basis.

In the same year, we continued to invest in community infrastructure projects. These include the renovations of two schools in West Balikpapan, which have since been returned to the City Government.

Despite producing approximately 45% of Indonesia's total palm oil production, smallholders lack the financial resources to access critical farming technologies that could boost their yields. Neither are they able to access sustainable palm oil certification schemes, which would allow them to command higher premiums on their products. Launched in 2020, the Smallholder Inclusion for better Livelihood & Empowerment (SMILE) programme seeks to remedy these challenges faced. In 2021, we commenced Phase 1 of our SMILE programme, which saw 600 farmers attending trainings and workshops on sustainable yield improvement techniques. During these workshops, we encouraged and offered guidance to our smallholders on the application of Roundtable on Sustainable Palm Oil (RSPO) certification.



Smallholders from SMILE



In 2021, we secured a **US\$750** million sustainability-linked loan

As we continue to progress in our sustainability journey, it is heartening to see that some of our efforts have already borne fruit. In 2021, we secured a US\$750 million sustainability-linked loan which requires Apical to set and achieve improvement targets for a range of environmental, social and governance metrics. The loan reflects the confidence we have in our sustainability progress and from our stakeholders that we can achieve our ambitions. In the same year, we were also rated as the second most transparent palm oil company based on the Sustainable Palm Oil Transparency Toolkit Assessment (SPOTT) 2021, up from eighth place in the previous year.

Looking to the Future

The demand for sustainable products continues to grow and we will maintain our holistic approach to business expansion by reaffirming our sustainability standards. Awareness of sustainability issues has been higher than ever, so collaboration is key as we expand into new markets and meet the increasing demand for sustainable palm oil products.

We remain optimistic and eager to chart new directions with Apical2030. We believe that active collaboration among all parties – industry partners, customers, palm oil companies, independent smallholders and NGOs among many others – will help to build a more sustainable supply chain. As we continue to progress in our sustainability journey to drive transformative and sustainable change in the palm oil sector, I would like to thank all our partners and stakeholders for your unwavering support.

I wish you all good health and success for the year ahead.

Yours sincerely,

DATO' YEO HOW
President

ABOUT APICAL GROUP

102-4, 102-7

Company Overview

102-2, 102-3, 102-5, 102-10

Apical Group is a leading vegetable oils processor with an expanding global footprint and integrated assets found in strategic locations. Supported by our midstream refining and downstream processing capacities, our vertically integrated business model enables us to fulfil the food, feed and fuel needs across industries. We have also embarked on several joint ventures that expand our presence in strategic and emerging markets.

With sustainability and transparency enshrined within our business philosophy, we remain motivated to play our part in decarbonising the industry and promoting sustainable supply chains. Apical is supported by the managerial services of RGE Pte Ltd, empowering us to deliver quality end products to businesses and consumers on a global scale.

As a growing and value-added business, Apical:

- 01 Operates an extensive and traceable sourcing network in Indonesia
- 02 Manages integrated refinery assets that are strategically located in Indonesia, China and Spain
- 03 Provides efficient logistic channels to deliver quality products
- 04 Drives sustainability throughout our business operations



Incorporated in 2006 and headquartered in Singapore, Apical owns and operates 11 state-of-the-art processing facilities worldwide, including eight refineries, four biodiesel plants, two kernel crushing plants and four oleo chemical plants. In March 2021, we commissioned Sari Dumai Oleo, a new facility located in Dumai, Indonesia. The facility processes sustainably produced palm oil to make palm oil and palm kernel oil derivatives such as cooking oil, biodiesel, and oleochemicals. In addition, our biodiesel plant, Cemerlang Energi Perkasa (CEP), merged with Sari Dumai Sejati (SDS) in September 2021, while Kutai Refinery Nusantara (KRN) has operated under our kernel crushing category since November 2021.

For more information on our products, please refer to the section on Customers and Consumers, and our website.

To fulfil this vision, we are guided by the following set of core values, which is known as TOPICC.



ABOUT APICAL GROUP

102-4, 102-7

8 Refineries

PT Sari Dumai Sejati (SDS)
Sumatera, Indonesia
Sustainability Certification:
RSPO & ISCC EU

PT Asianagro Agungjaya Marunda (AAJ Marunda)
Jakarta, Indonesia
Sustainability Certification:
RSPO & ISCC EU

PT Padang Raya Cakrawala (PRC)
West Sumatra, Indonesia
Sustainability Certification:
RSPO & ISCC EU (WR)

Excelic Food Technology Co Ltd (EFT)
Jiangsu, China
Sustainability Certification:
ISCC EU

PT Kutai Refinery Nusantara (KRN)
East Kalimantan, Indonesia
Sustainability Certification:
RSPO & ISCC EU

PT Sari Dumai Oleo (SDO (D))
Riau, Indonesia

PT Asianagro Agungjaya Tanjung Balai (AAJ Tj Balai)
North Sumatera, Indonesia

Bio-Oils La Rabida
Huelva, Spain
Sustainability Certification:
ISCC EU

4 Biodiesel Plants

Bio-Oils La Rabida
Huelva, Spain
Sustainability Certification:
ISCC EU

PT Cemerlang Energi Perkasa (CEP) – merged with Sari Dumai Sejati (PT SDS)
Riau, Indonesia
Sustainability Certification:
ISCC EU

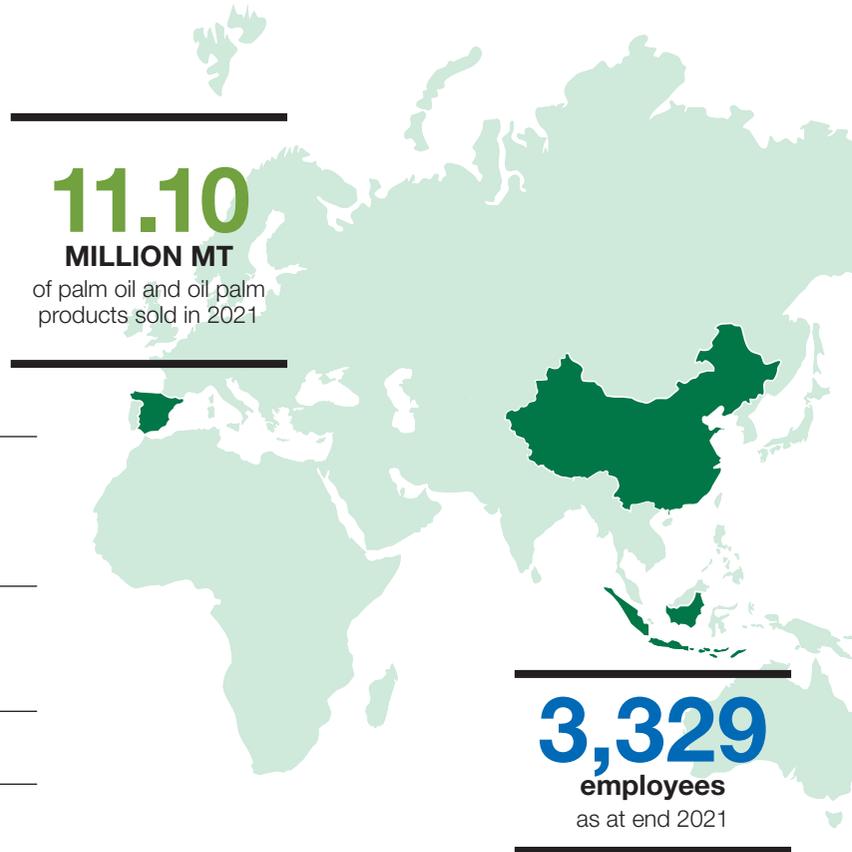
PT Kutai Refinery Nusantara (KRN)
East Kalimantan, Indonesia
Sustainability Certification:
ISCC EU

PT Sari Dumai Oleo (SDO (D))
Riau, Indonesia

PT Sari Dumai Sejati (SDS)
Riau, Indonesia
Sustainability Certification:
ISCC EU

11.10

MILLION MT
of palm oil and oil palm products sold in 2021



2 Kernel Crushing Plants

PT Sari Dumai Sejati (SDS)
Riau, Indonesia
Sustainability Certification:
RSPO & ISCC EU

PT Kutai Refinery Nusantara (KRN)
East Kalimantan, Indonesia

4 Oleochemical Plants

PT Apical KAO Chemicals (AKC) [Oleo Joint Venture]
Riau, Indonesia
Sustainability Certification:
RSPO & ISCC EU

PT Sari Dumai Sejati (SDS)
Riau, Indonesia
Sustainability Certification:
RSPO

PT Sari Dumai Oleo (SDO (D))
Riau, Indonesia

PT Sari Dumai Oleo - Marunda (SDO (M))
Jakarta, Indonesia
Sustainability Certification:
RSPO & ISCC EU

We operate the following facilities:



Refining and Fractionation

- CPO
- CPKO



Production of

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

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

- Frying Fats
- Cooking Oil
- Animal Feed
- Biodiesel
- Crude Glycerine
- Crude Fatty Acids



Production of

- Fractionated Fatty Acids
- Refined Glycerin
- Soap noodles



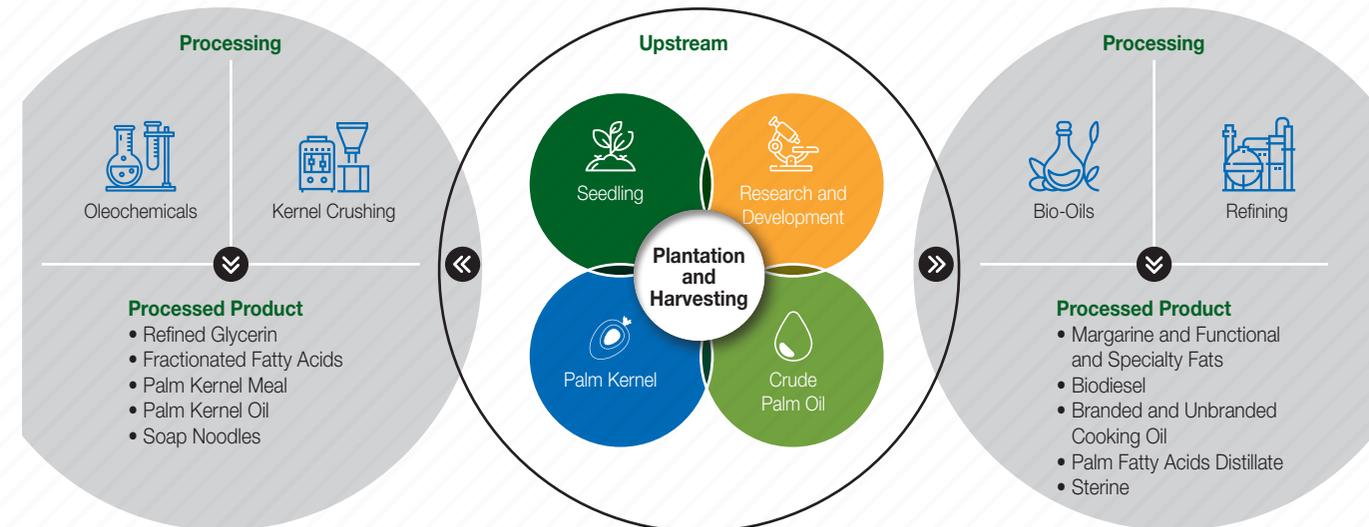
Kernel Crushing

- Crushing of palm kernels



Merchandising and distribution of CPO and PPO to the global market

- CPO & PPO Distribution



2021 HIGHLIGHTS

Sustainability Approach and Governance

- Ranked as the **2nd Most** Transparent Palm Oil Company by SPOTT with a score of 89.4%
- Secured first sustainability-linked loan of **US\$750 Million**
- Achieved a **B Score** from CDP based on the Forests assessment
- Developed the **Apical2030** framework, with 10 ambitious and time-bound targets across four strategic pillars
- Prioritised **9** UNSDGs for their strong alignment with our commitments
 - 1 NO POVERTY
 - 2 ZERO HUNGER
 - 7 AFFORDABLE AND CLEAN ENERGY
 - 8 DECENT WORK AND ECONOMIC GROWTH
 - 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 - 13 CLIMATE ACTION
 - 14 LIFE BELOW WATER
 - 15 LIFE ON LAND
 - 17 PARTNERSHIPS FOR THE GOALS

Supply Chain Management

- Maintained **100%** Traceability to Supplying mills since 2015
- Achieved **99.7%** Traceability to Plantations for all our refineries
- Achieved **96%** Traceability to Plantations for OPKO suppliers
- Achieved **86%** for the Delivering category (volume from third-party suppliers that are deforestation free based on the NDPE IRF)
- Engaged **100%** of suppliers through at least one of our Anchor programmes
- 100%** suppliers monitored through remote-sensing technology Global Forest Watch (GFW) Pro & Global Land Analysis & Discovery (GLAD) third-party assessment using Transform Platform

Social and Environment

- Planted **2,000** mangrove trees with Jakarta's Park and Forest Service
- Received the **Green PROPER** for energy efficiency in our AAJ Marunda refinery
- Engaged **600** smallholders through our SMILE programme
- Distributed over **3,000** oxygen concentrators to healthcare authorities
- Awarded prizes and financial assistance to **234** underprivileged students
- Conducted an entrepreneurship training course for **300 women**

OUR APPROACH TO SUSTAINABILITY

3-3, 102-11



Sustainability is our way of thinking, being and running our business. We are guided by our 5Cs business philosophy of doing what is good for the community, country, climate, customer and only then, will our actions be good for the company.

We regularly review our material sustainability topics to ensure they remain relevant to our business and stakeholders. Details of our materiality assessment and a list of identified material topics are provided in the Appendix.

Owing to its unrivalled versatility and yield efficiency, palm oil remains one of the most widely produced, consumed, and traded vegetable oils in the world. Given the imminent challenge climate change poses to palm oil production, as well as the ever-present need to uphold environmental conservation and community development, we must find new and sustainable ways to produce palm oil. At Apical, we enshrine sustainable development at the core of our business, prompting us to minimise our impacts and develop resources responsibly.

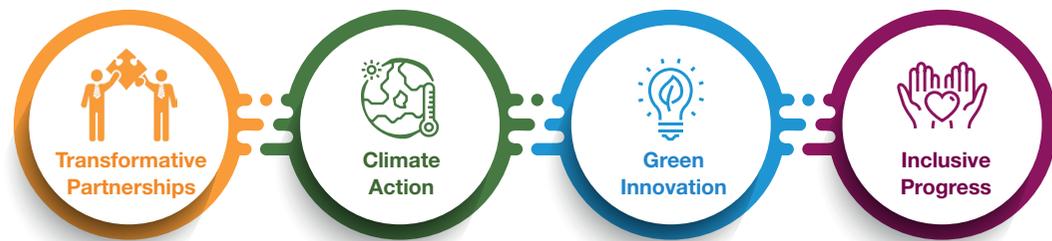
With the many initiatives and programmes in place, we constantly strive to do our part by building a transparent, traceable and sustainable palm oil supply chain. As we expand our business, we will continue to engage our suppliers to commit to our sustainability policy and help them along their sustainability journey. Nevertheless, just as global challenges continue to evolve, so should our sustainability goals and aspirations. Hence, we developed Apical2030 as our roadmap to start a new chapter in our sustainability journey. Centred on creating a positive social, environmental and business impact, Apical2030 accelerates our sustainability commitment by driving transformative changes in the palm oil sector. The roadmap will guide our decisions and actions with the aim of achieving sustainable growth and value creation for all our stakeholders, all while protecting the planet.



Centred on creating a positive social, environmental and business impact, Apical2030 accelerates our sustainability commitment by driving transformative changes in the palm oil sector. The roadmap will guide our decisions and actions with the aim of achieving sustainable growth and value creation for all our stakeholders, all while protecting the planet.

OUR APPROACH TO SUSTAINABILITY

As part of the Apical2030 framework, we have set ten ambitious and time-bound targets across four strategic pillars: Transformative Partnerships, Climate Action, Green Innovation, and Inclusive Progress. The targets set are closely linked to the Group's 5Cs business philosophy, our Environmental, Social and Governance (ESG) targets, and the nine UNSDGs we prioritised. To achieve these targets, we will be working very closely with our partners, suppliers and local communities. Our strategic pillars and targets are detailed below.



Our Apical2030 targets are closely linked to:



Transformative Partnerships

Achieving sustainable development is a collective effort. Collaborating with our stakeholders, especially our suppliers, is crucial if we wish to achieve our sustainability ambitions. Over the years, we have introduced several initiatives to ensure the traceability of our products and help our suppliers adopt sustainable practices. With Apical2030, we aim to deepen our engagement with suppliers by introducing four targets:

- Collaborate with suppliers to achieve a **100% NDPE compliant supply chain by 2025**
- Collaborate with suppliers to promote **clean energy through 20 biogas plants**
- Engage **100% of suppliers for traceability independent verification by 2025**
- Partner with suppliers to **protect and/or conserve 150,000 ha of forest and peatland by 2030**

Climate Action

Urgent and transformative actions are required to prevent the worst impacts of climate change. Apical recognises the role it can play and has set two ambitious targets, one near-term and one long-term target, to reduce the emissions from its operations and value chain. Both targets have been developed with reference to Indonesia's Nationally Determined Contributions (NDC) and the targets set by peers, customers, and other businesses. The two targets are:

- To **reduce 50% GHG emission intensity** in our production against 2020 baseline¹ by 2030
- Achieve net zero** by 2050

Our final target to achieve net zero by 2050 has been developed with reference to requirements stipulated by the Science Based Targets initiative (SBTi).

¹ The baseline year may be changed to a more recent year where necessary

OUR APPROACH TO SUSTAINABILITY



Green Innovation

The establishment of sustainable production and consumption systems is crucial to maintaining the health of our planet. Hence, Apical has implemented a “Kaizen” or continuous improvement approach to how we manage energy, water, and waste. Improving the efficiency of our equipment and processes can also help us to achieve cost savings and reduce waste generation. Under the Green Innovation pillar of Apical2030, we have set two targets that leverage technology and innovation to improve our resource management capabilities. These targets complement our Climate Action initiatives to generate synergies that drive our climate ambitions and sustainability progress. The two Green Innovation targets are:



To derive **38% of total energy** use from renewable and clean energy sources



Improve water use intensity by **30% through circular solutions**



Inclusive Progress

Apical seeks to improve the lives of the communities where we operate through tailored initiatives. Investing in local communities helps us foster positive relationships and provide mutual benefits for both Apical and the community. Apical has set two targets centred on empowering communities and improving livelihoods. They include:



Supporting communities through **30 Sustainable Living Village² by 2030**



Supporting 5,000 independent smallholders to achieve certification by 2030

² SLV: Stakeholder inclusive programme that nurtures sustainable livelihood models through collaboration with partners, communities, and villagers, towards improving community resilience and livelihood sustainability

Apical's Sustainability Policy

Published in September 2014, Apical's Sustainability Policy serves as our roadmap to guide our efforts towards becoming a sustainable global processor and trader of palm oil.

Apical's Sustainability Policy

We aim to build a traceable and transparent palm oil supply chain that is committed to:

- 01 The protection of High Conservation Value (HCV) areas and High Carbon Stock (HCS) areas
- 02 The protection of peat regardless of depth
- 03 Driving positive socio-economic impact for people and communities



Our policy commitments extend to all Apical's subsidiaries, and to the refineries that we own and manage. These commitments require us to work with our suppliers to adopt sustainable practices and ensure that our palm oil is sourced responsibly. Developed in 2015, our Sourcing Policy details our commitment to sourcing from suppliers who agreed to comply with our Sustainability Policy.

Please refer to our website for more information on our policy commitments and sourcing strategy

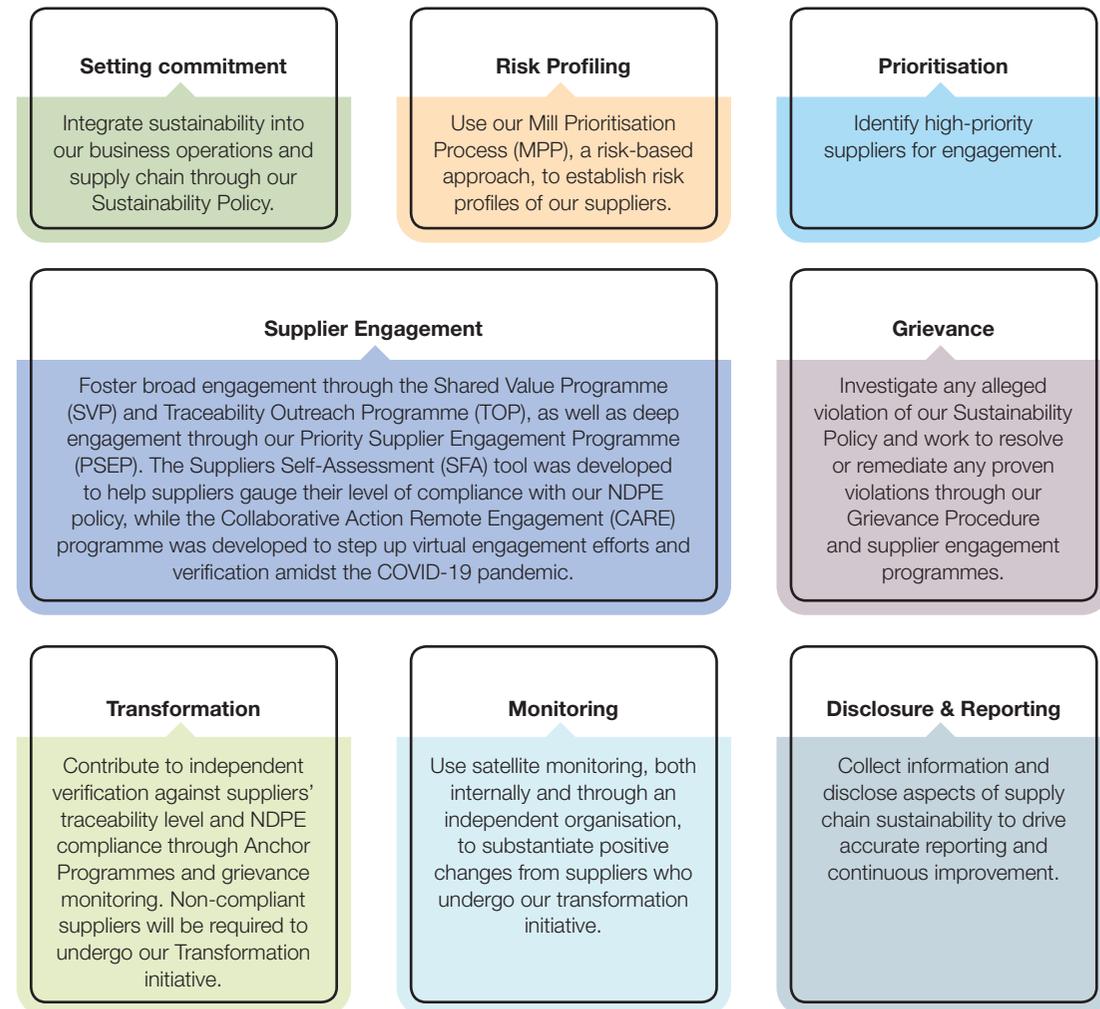
We are in the process of revising our Sustainability Policy to ensure it remains relevant.

OUR APPROACH TO SUSTAINABILITY

Apical Sustainability IMPLEMENTation Framework (A-SIMPLE Framework)

Transformative change can only be realised with the cooperation and collaboration of all industry players. As such, we launched the A-SIMPLE Framework in 2020 to effectively implement our Sustainability Policy and embed sustainable practices across our operations and supply chain. In helping our suppliers achieve compliance against the NDPE commitments, we can not only reduce supply chain risks, but also earn the confidence of our customers and meet the demand for sustainable products.

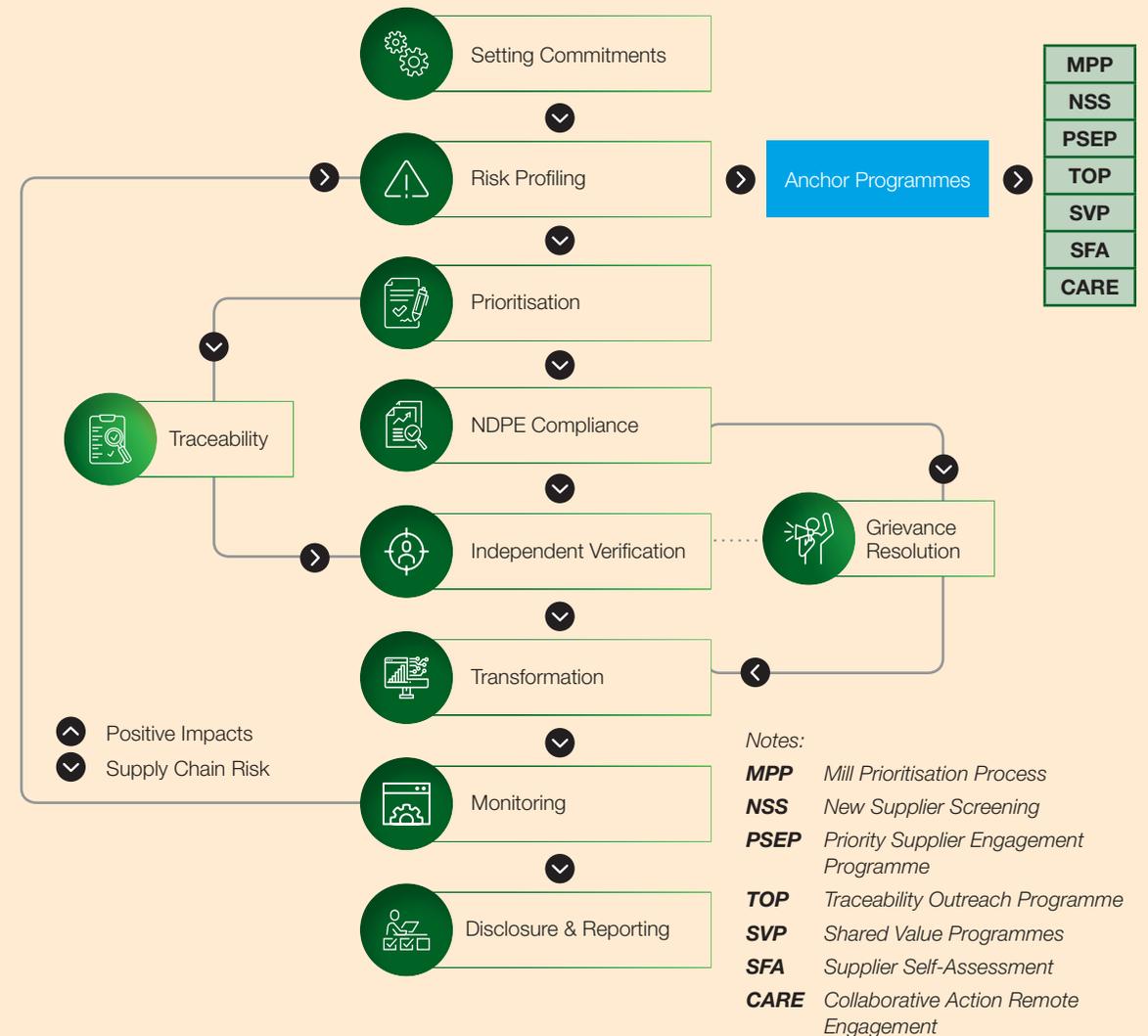
The A-SIMPLE Framework includes the following components:



A-SIMPLE Framework

Goals

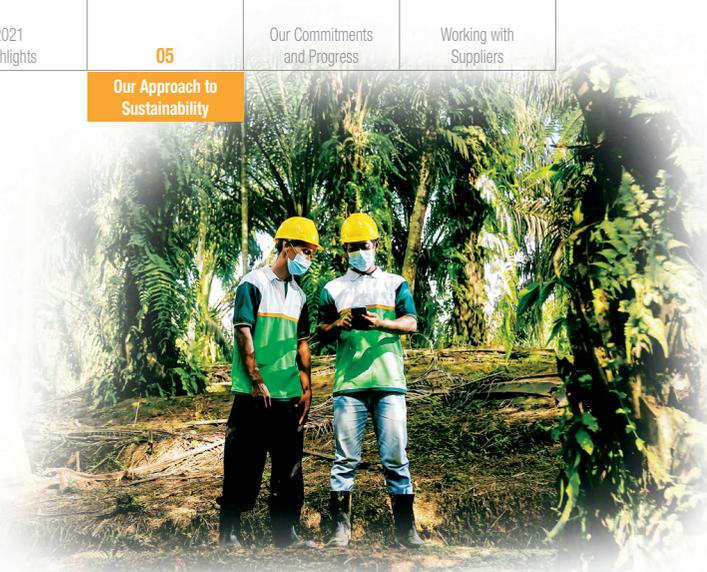
- Sustainable business growth
- Sustainable sourcing (mt)
- Supply chain risk profile



OUR APPROACH TO SUSTAINABILITY

Traceability Verification Guidance

Having achieved a high Traceability to Plantation (TTP) score, it is important to demonstrate the credibility of our data. In 2021, we partnered with CORE to develop a robust set of guidelines that verifies the traceability data submitted by our direct and upstream suppliers. The traceability verification guidance is designed in alignment with other verification protocols and standards such as the NDPE Implementation Reporting Framework (NDPE IRF), ISO 14001 and ISO 9001 standards. More information is provided in the *Working with Suppliers* chapter.



No Deforestation, No Expansion on Peat and No Exploitation Implementation Reporting Framework

Apical is cognisant of its responsibility to support sustainable palm oil. We ensure that all materials are sourced from suppliers, traders, and mills that comply with legal requirements and our policies.

As part of our commitment to build a traceable and transparent supply chain, Apical participated as a member of the Active Working Group (AWG) for the NDPE IRF. NDPE IRF allows Apical to understand what is required to deliver on our NDPE commitments, monitor progress, identify gaps within our supply chain and implement action plans to close identified gaps.

We will continue to responsibly manage natural resources and mitigate the environmental impact of our operations in compliance with our NDPE commitments. Our NDPE IRF results is verified by a third-party on an annual basis. More information is provided in the *Working with Suppliers* chapter.

Corporate Governance

102-18, 102-19, 102-20, 102-21, 3-3

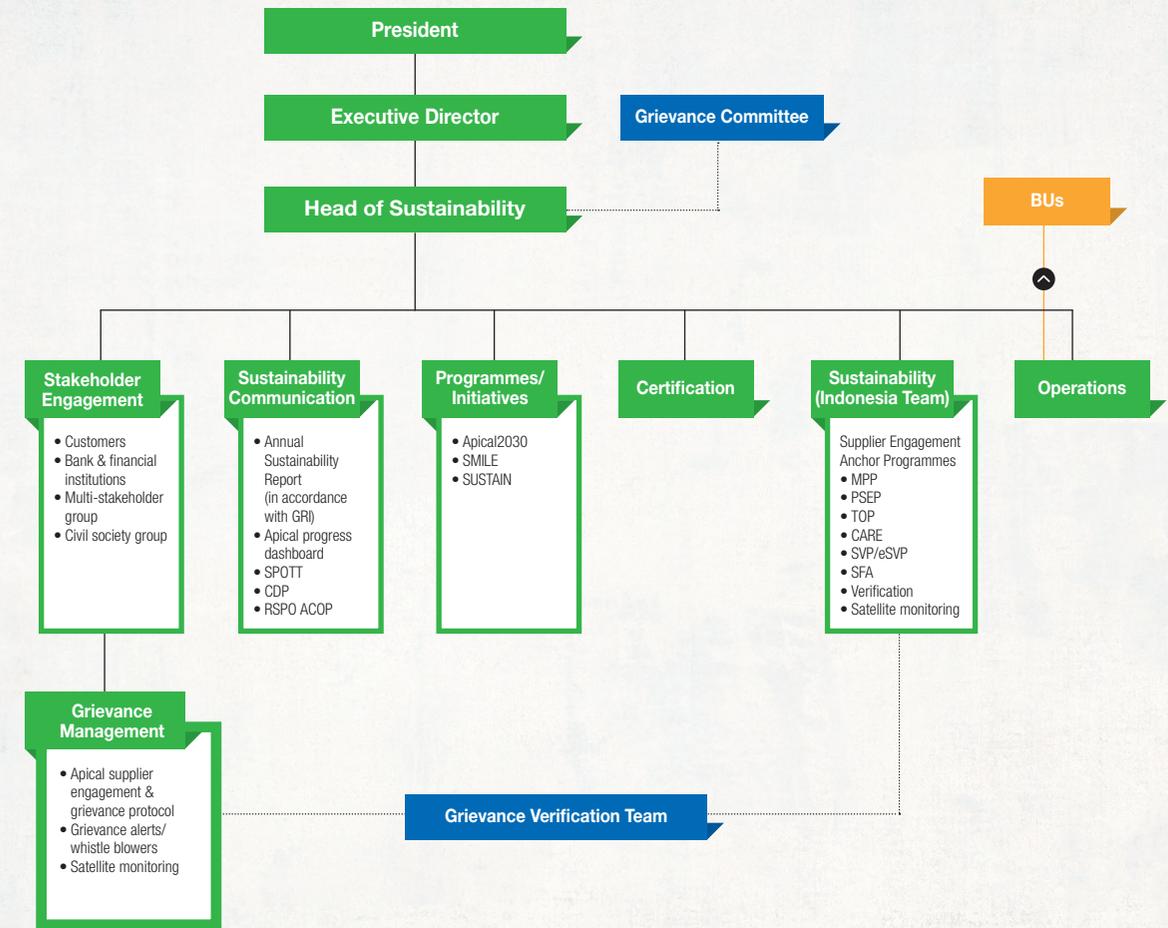
The Apical Board of Directors (BoD) is the highest governing body responsible for driving our direction and journey towards sustainable growth. The BoD and President, supported by the senior management team, are tasked with strategic and operational implementation; embedding the company's core values to drive key initiatives; making investment and divestment decisions; and managing risks.

Sustainability topics are discussed at Board meetings, which are held twice a year. The President, supported by the Executive Director, Head of Sustainability and various business heads, ensures sustainability is integrated into the various roles within business and functional units. Sustainability is also one of the key function that the Executive Director oversees.

We also have dedicated Sustainability teams based in Kuala Lumpur, Pekanbaru, Medan, Jakarta, Balikpapan and Dumai, who are responsible for implementing and monitoring our commitments.

A dedicated Social, Security and Licensing (SSL) department has also been established at each of our refineries to handle social and licensing matters, according to national regulations and our Group's Sustainability Policy. It also looks after Corporate Social Responsibility (CSR) programmes that aim to improve livelihoods in local communities. The various teams and the Head of Sustainability meet at least once a month to review performance on sustainability commitments and identify areas of improvement.

Governance Structure



Legend:
■ Sustainability Functions
■ Special-/Cross-functional
■ Other BUs/DEPT

OUR APPROACH TO SUSTAINABILITY

Risk Management

3-3

Having a robust risk management system helps a company to adequately identify and deal with potential risks. Apical has implemented a risk management framework that references the ISO 31000:2009, the risk management standard set by the International Organisation for Standardisation. The framework outlines a series of protocols to identify and assess risks based on their impact severity and likelihood of occurrence, allowing Apical to mitigate and monitor risks that may impact its operations or stakeholders. Highly consequential risks, including ESG concerns, will be conveyed to the Risk Management Committee (RMC) for follow-up action. The RMC is headed by Apical's President and meets on a bi-annual basis to manage key strategic risks.

In addition, Apical has established a Group Risk Management Department (GRMD) comprising the Health and Safety Executive manager and Finance person-in-charge of each site. The Risk Management Department is responsible for the implementation of our Group-wide approach to report, investigate and follow-up on non-compliances, and is also tasked with maintaining a risk register. The GRMD will review the risk register on a quarterly basis and report relevant risks to the Chief Financial Officer, President and RMC. The Group constantly communicates its goals, targets, policies and procedures to the Board and employees through various platforms such as the corporate website, training sessions and induction programmes.

Ethics and Compliance

3-3, 102-16, 102-17, 205-3, 307-1, 419-1

Apical is committed to conducting all business activities with integrity and in accordance with strict legal and ethical standards. All BoD members and Apical employees must adhere to the Code of Conduct, which provides guidance on how employees should behave in line with our Core Values. Denoted by the acronym TOPICC, our core values include Team, Ownership, People, Integrity, Customers and Continuous Improvement. Copies of our both our Code of Conduct and Core Values are disseminated as part of our new hire orientation programme.

All Apical employees have a responsibility to report illegal, irregular, dangerous or unethical activities that breach the Code of Conduct and related policies. We ensure that they can do so without the risk of reprisal. Employees should communicate issues to their reporting manager or a Human Resource representative as a first point of contact. For more severe cases, employees are encouraged to contact the Internal Audit Confidential Hotline. For suppliers, Apical ensures that they abide with the Code of Procurement Ethics (COPE), which details commitments to ethical conduct and the prohibition of corruption.

Apical complies with the various tax systems that it operates in, including Indonesia, Singapore, Malaysia, Spain and China. The Group conducts monthly tax reviews to ensure all key tax positions, such as transfer pricing, cross border transactions, tax compliance and tax-planning decisions are taken. Key decision making for tax matters are undertaken collectively between Apical and the corporate office tax team to ensure checks and balances. It has a tax team for local jurisdictions, and also engages with tax consulting firms for annual review and ad-hoc tax opinions. The Group is deeply committed to ensuring its business operations integrate sustainability practices as we believe they will lead to our long-term success and benefit stakeholders.

In 2021, there were no breaches of the Code of Conduct, including corruption. There were also no significant fines and non-monetary sanctions for non-compliance with laws and regulations in the environmental, social and economic area.

In 2021, there were **no cases** where Code of Conduct was breached, including corruption



OUR APPROACH TO SUSTAINABILITY

Apical is committed to fostering a culture of zero tolerance towards bad conduct.

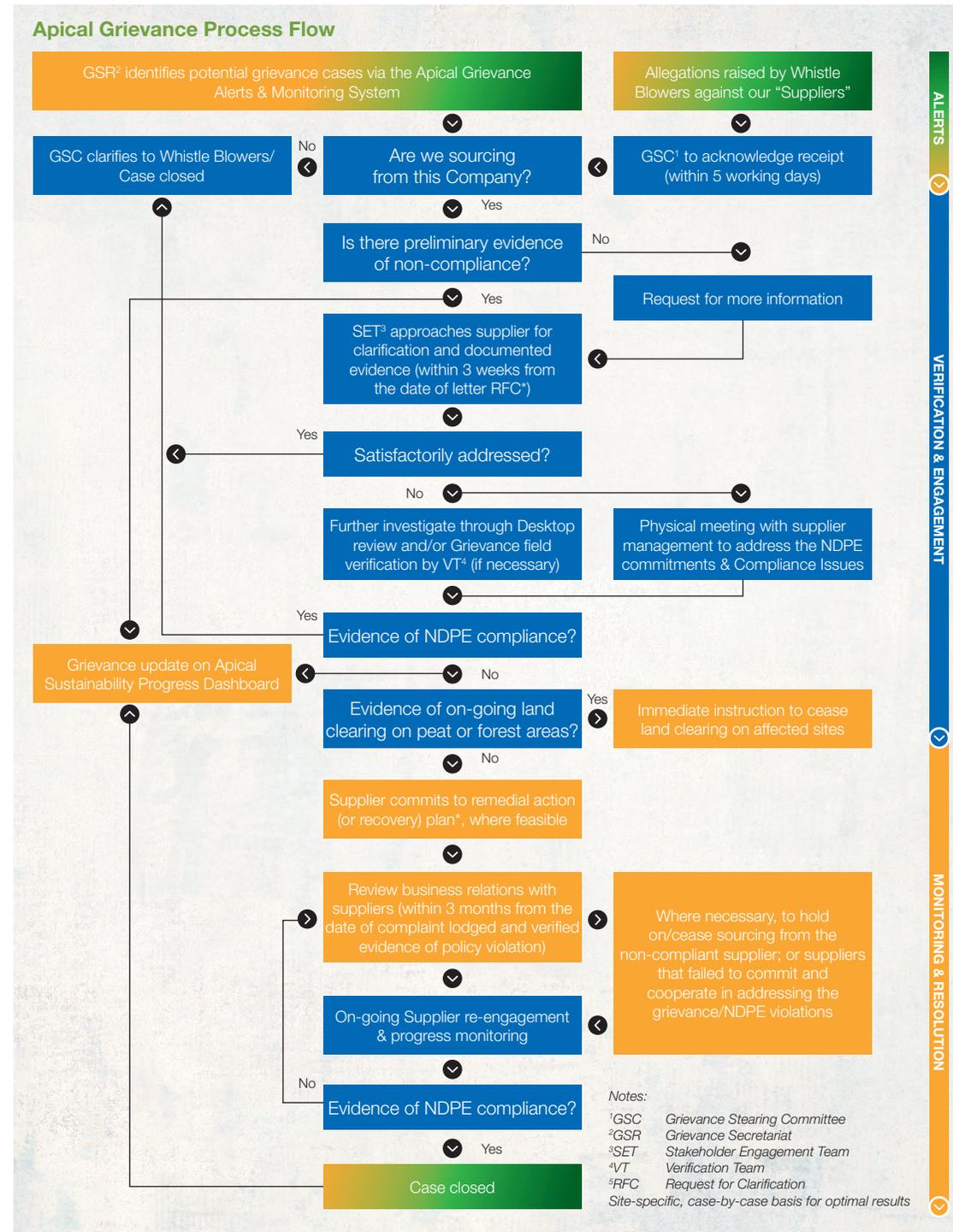
Grievance Procedure

3-3, 102-17, 205-3

We have set up a robust grievance handling process for all stakeholders to raise concerns related to our business or our suppliers' practices. This helps us to ensure that our policy standards are adhered to. All grievances raised are dealt with in a transparent and accountable manner. The grievance process is managed and implemented by our Grievance Steering Committee (GSC), Grievance Secretariat, Stakeholder Engagement Team and Verification Team.

The Apical Grievance Procedure covers all activities related to the management of stakeholders' concerns. It includes a whistleblowing channel and a Grievance Alert System that delivers prompt notifications on matters raised against Apical or our suppliers. Our process of dealing with a grievance is illustrated in the diagram on the following page, with further details available online.

In 2021, there were six grievances raised against our suppliers. These grievances related to two allegations on forest clearing and four allegations of deforestation. We continue to monitor each grievance. In addition to grievances tracked at a group level, each refinery also has their own grievance management process. Grievances handled at the operational level are not covered in this report.



Notes:
¹GSC Grievance Steering Committee
²GSR Grievance Secretariat
³SET Stakeholder Engagement Team
⁴VT Verification Team
⁵RFC Request for Clarification
 Site-specific, case-by-case basis for optimal results

OUR APPROACH TO SUSTAINABILITY

Partnerships, Memberships and Certifications

102-12, 102-13

Sustainability issues within the palm oil sector are complex and cannot be solved by one company alone. To help achieve our sustainability goals, we need to collaborate with our supply chain partners and other stakeholder groups.

External initiatives

- NDPE IRF
- Sustainability Assurance and Innovation Alliance (SUSTAIN)
- RSPO Principle and Criteria
- Indonesian Sustainable Palm Oil (ISPO) Principle and Criteria in downstream sector
- RSPO Supply Chain Standard
- Southeast Asia Open Innovation Challenge (SEA OIC)

Membership of associations

- The Tropical Forest Alliance (TFA)
- Singapore Agri-Food Innovation Lab (SAIL)
- RSPO
- International Sustainability and Carbon Certification (ISCC)
- ISPO

Supporting the UNSDGs

The ongoing COVID-19 pandemic has further emphasised the need for sustainable development. Introduced in 2015, the UNSDGs provide a shared blueprint for governments, businesses and society to tackle the world's most pressing challenges by 2030. With the development of Apical2030, we have also identified and prioritised nine goals for their strong alignment with our sustainability commitments. The table below summarises how we are contributing to each of our priority goals. Further details can be found in the respective chapters.



Relevant SDG Targets

- 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
- 1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

- Providing job opportunities to the local community, with wages that at least meet or are above the minimum requirements
- Working with communities to help them develop new skills such as vegetable growing, goat farming, and cake making, allowing them to diversify their source of income
- Contributing to infrastructure improvement projects such as school building refurbishment
- Launched the SMILE programme in 2020 to help independent oil palm smallholders in Indonesia secure sales premiums from selling certified palm oil

For more information on the relevant initiatives, refer to chapters on Labour Relations and Community Livelihood



Relevant SDG Targets

- 1.2 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round
- 2.3 By 2030, double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets, and opportunities for value addition and non-farm employment

- Introduced chilli growing and goat farming programmes as a food source and alternative livelihood to local communities
- Launched the SMILE programme in 2020 to help independent oil palm smallholders in Indonesia to improve their livelihoods and obtain certification

For more information on the relevant initiatives, refer to chapters on Labour Relations and Community Livelihood

OUR APPROACH TO SUSTAINABILITY



Relevant SDG Targets

7.2 Increase substantially the share of renewable energy in the global energy mix by 2030

7.3 Double the global rate of improvement in energy efficiency by 2030

- Increased production capacity of biodiesel
- Embarked on a journey to become a leading second-generation biofuel feedstock provider through the collection of used cooking oil and other waste/residues as an alternative to crop-based feedstock.
- Developed targets as part of Apical2030, which includes improving energy efficiency and working with suppliers to promote the adoption of clean energy use
- Continuing to collaborate with the government on the B30 mandate (fuel blend with a bio-content of 30%)
- Conducted a Life Cycle Assessment (LCA) for cooking oil products for our AAJ Marunda refinery

For more information on the relevant initiatives, refer to chapter on Environmental Management



Relevant SDG Targets

8.7 Take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour, eradicate forced labour, and by 2025 end child labour in all its forms including recruitment and use of child soldiers

8.8 Protect labour rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment

- Continuing to provide decent work opportunities, respecting human and labour rights, and maintaining a safe work environment
- Working closely with our suppliers through our Anchor Programmes to ensure fair labour practices within our supply chain are employed
- Supporting our employees and the local communities to navigate the COVID-19 pandemic

For more information on the relevant initiatives, refer to chapters on Working with Suppliers, Labour Relations and Community Livelihood



Relevant SDG Targets

12.2 By 2030, achieve sustainable management and efficient use of natural resources

12.4 By 2020, achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance their release to air, water and soil to minimise their adverse impacts on human health and the environment

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

- Implementing continuous improvement or "Kaizen" projects internally to reduce the amount of waste generated, reuse wastewater and waste, as well as other efficiency projects
- Engaging with suppliers through our Anchor Programmes to ensure compliance, promote traceability and facilitate the adoption of more sustainable practices

For more information on the relevant initiatives, refer to chapters on Working with Suppliers and Environmental Management



Relevant SDG Targets

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

- Partnering with our suppliers to protect and/or conserve forest and peat areas
- Implementing various emission reduction initiatives to achieve our climate target

For more information on the relevant initiatives, refer to chapters on Working with Suppliers and Environmental Management

OUR APPROACH TO SUSTAINABILITY



Relevant SDG Targets

- 14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular, from land-based activities, including marine debris and nutrient pollution
- 14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and acting on their restoration in order to achieve healthy and productive oceans

- Implementing various programmes to conserve coastal ecosystems such as mangroves
- Implementing policies to manage wastewater discharge in compliance with local regulations



Relevant SDG Targets

- 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests, and increase afforestation and reforestation globally

- Continuing to engage with our suppliers through our Anchor programmes and A-SIMPLE framework to ensure compliance with our NDPE commitments and to protect forest areas with HCS and areas with HCV
- Partnering with our suppliers to protect and/or conserve forest and peat areas



Relevant SDG Targets

- 17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

- Continuing to collaborate with suppliers, local authorities and NGOs to achieve our sustainability goals



Collaboration with stakeholders on various programmes are detailed throughout the report

OUR COMMITMENTS AND PROGRESS

3-3

This section summarises our key targets and commitments to drive progress and realise our sustainability ambitions.

Category	Key Targets/Commitments	Progress in 2021
Environment	Greenhouse Gas (GHG) Emissions <ul style="list-style-type: none"> Reduce GHG emissions intensity by 50% by 2030 from a 2020 baseline¹ Net-zero by 2050 38% of total energy consumption to be obtained from renewable and clean energy sources by 2030 	<ul style="list-style-type: none"> Established 2020 baseline emissions based on the GHG Protocol Used spent bleaching earth as a substitute for coal at AAJ Marunda refinery Trialled the use palm kernel shells as part of our fuel mix to run the boiler at our KRN and AAJ Marunda refineries Continued to switch incandescent light bulbs with LED light bulbs/solar-cell lighting in our operations Utilised biomass including empty fruit bunch and spent bleaching earth as fuel for our Energy Generation Facility Replaced diesel forklifts with electric versions at our SDO (D) and AAJ Marunda refineries Conducted an LCA for cooking oil products in our AAJ Marunda refinery
	Deforestation <ul style="list-style-type: none"> Work with our suppliers to achieve a 100% NDPE compliant supply chain Partner with suppliers to protect and/or conserve 150,000 ha of forest and peatland within Apical's sourcing areas by 2030 	<ul style="list-style-type: none"> Identified priority landscapes and suppliers for projects to conserve forests Assessed the risk profile of new suppliers, including potential grievance issues, fire risk and their level of fire preparedness Engaged all suppliers through at least one of our Anchor Programmes Continued to monitor the operations of our smallholders with remote sensing technology
	Water Use <ul style="list-style-type: none"> Improve water use intensity by 30% through circular solutions 	<ul style="list-style-type: none"> Continued to recycle wastewater generated during operational phase

Category	Key Targets/Commitments	Progress in 2021
Employees	Employee Health, Safety and Well-being <ul style="list-style-type: none"> Maintain zero work-related fatalities 	<ul style="list-style-type: none"> Five fatalities (one employee and four contractors) Developed the Opportunity for Improvement programme at our SDS plant to promote innovation in both product quality and operational safety
Governance	Business Ethics <ul style="list-style-type: none"> Maintain zero cases of breach of the Code of Conduct 	<ul style="list-style-type: none"> Zero cases of breach
	Transparency <ul style="list-style-type: none"> Continue to disclose information in accordance with applicable regulations and prevailing industry practices 	<ul style="list-style-type: none"> Rated 2nd most transparent palm oil company in the SPOTT assessment 2021 (up from 8th place in the previous year)
Products and Services	Product Quality and Safety <ul style="list-style-type: none"> Maintain zero incidences of non-compliance with regulations concerning the health and safety of our products 	<ul style="list-style-type: none"> No incidences of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products
Society	Empowering Communities <ul style="list-style-type: none"> Support communities through the development of 30 Sustainable Living Villages by 2030 	<ul style="list-style-type: none"> Continued to conduct skills training programmes to help community members gain new skills and diversify their income Invested in infrastructure projects
Supply Chain	Responsible Procurement Practices <ul style="list-style-type: none"> Collaborate with suppliers to achieve 100% NDPE compliant supply chain by 2025 Conduct NDPE IRF verification annually with third-party assurance 	<ul style="list-style-type: none"> Verified the risk profiles of our suppliers for the year 2020 using the NDPE IRF 86% for the Delivering category (volume from third-party suppliers that are deforestation free based on the NDPE IRF)
	Supply Chain Traceability and Transparency <ul style="list-style-type: none"> Engage all of our suppliers for independent verification of traceability by 2025 	<ul style="list-style-type: none"> Developed Traceability Verification Guidance with CORE for Palm Oil Supply Chains in 2021 Achieved highest traceable palm oil supply chain amongst processors at 99.7% TTP and maintained 100% traceability to palm oil supplying mills
	Serving Smallholder Farmers <ul style="list-style-type: none"> Support 5,000 independent smallholders to achieve certification by 2030 	<ul style="list-style-type: none"> Engaged 600 smallholders via our SMILE programme

¹ To be updated to more recent base year where necessary

WORKING WITH SUPPLIERS

102-9, 204-1

We actively engage with our suppliers to build strong relationships that are founded on trust and mutual benefit. Through these partnerships, we can augment the transparency and resilience of our supply chain, and enable our suppliers to access global markets.

Our Supply Chain Profile

As a midstream processor, exporter and trader, Apical does not own any plantations or mills. As such, we procure Crude Palm Oil (CPO), Crude Palm Kernel Oil (CPKO) and Palm Kernel (PK) from third-party mills as the feedstock for our refineries.



In Indonesia, we have



Notes:

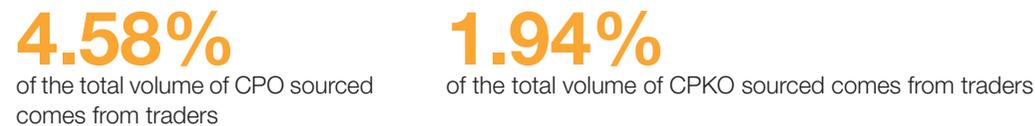
- i. CPKO suppliers differ from CPO supplying mills in that the former supplies us with palm kernel oil which is extracted from palm kernel after further processing in the kernel crushing plant, whereas the latter supplies us with palm oil, which can be directly processed by our refineries
- ii. The above figures only cover our facilities in Indonesia. External suppliers for our facilities in Spain and China are excluded from the figures
- iii. Some of our direct CPO supplying mills also supply PK



Note:

Local suppliers are defined as those based in the same region

Fresh fruit bunches (FFB), the raw material used to produce CPO and PK, is sourced from third-party commercial estates, and independent and associated smallholder farmers. We also purchase FFB from dealers who buy their FFB stocks from various sources.



Apical's Sourcing Policy

308-1, 414-1

As a complement to our Sustainability Policy, our Sourcing Policy was developed in 2015 to enhance the traceability and transparency of our supply chain. It entails the following policy tenets:

No deforestation of HCV lands and HCS areas	Protection of peat areas, regardless of depth	Drive positive socio-economy impact for people and local communities
---	---	--

Our Grievance Secretariat will investigate any grievance alerts or whistle-blower complaints to ensure supplier compliance. Suppliers who are found in violation of our Sourcing Policy will be disciplined in accordance with our grievance procedures. Our Grievance Steering Committee will be notified and consulted if a decision must be made on the suspension of a supplier.



A-SIMPLE Framework

In 2020, we launched the A-SIMPLE Framework to effectively implement our Sustainability Policy and help our suppliers achieve compliance against their NDPE commitments. This is key to Apical's sustainability journey as we can drive transformative change in the palm oil sector, reduce supply chain risks, gain the confidence of our customers, and meet the demand for sustainable products. More information is provided in the *Our Approach to Sustainability* chapter.

WORKING WITH SUPPLIERS

Traceability of Our Palm Oil

3-3

The palm oil supply chain is exceedingly complex, involving a myriad of upstream and downstream actors. Achieving traceability throughout the supply chain is integral to our sustainability ambitions as it ensures compliance with our Sustainability Policy. While we strive to engage with high-risk suppliers to support and help them improve their practices, we will terminate our contract with non-compliant parties.

Traceability to Mill

The majority of our supplying mills, including that of our long-term supplier Asian Agri, are located within the provinces of Riau, North Sumatra, Jambi and Kalimantan. Approximately 95.41% of our palm oil products are directly procured from supplying mills, while the remainder is sourced from a few trading companies.

Maintained **100%** traceability to supplying mills since 2015

As part of our traceability reporting requirements, supplying mills must provide accurate information on their Global Positioning System (GPS) coordinates, legal company name and specific address to be recorded in a unique Traceability Declaration Document (TDD). TDDs are updated quarterly and are accessible on our website. We engaged two independent organisations, Proforest and Daemeter, which are constituent organisations of CORE, to verify the given details against a master database. The GPS data enclosed in the TDD is also validated with satellite imagery to derive a unique universal identification code under Universal Mill List (UML), which was jointly developed by the World Resources Institute, Rainforest Alliance as well as Proforest and Daemeter to serve as a common dataset for the palm oil industry.



To maximise yields and ensure the quality of extracted oil, FFB need to be processed within 24 hours of harvest. As such, given that plantations need to be within 24 hours reach of a mill, achieving traceability to mills will also help us to approximate the locations of FFB suppliers.

FFB Sources

38.6%

of the total volume of FFB from the supplying mills are sourced from their own estates

61.4%

of the total volume of FFB from the supplying mills are sourced from third-party plantations

CPO Mill

60.6%

of our supplying mills sourced FFB from their own estates

39.4%

of our supplying mills sourced FFB from third-party plantations

PK Mill

53.7%

of our supplying mills sourced FFB from their own estates

46.3%

of our supplying mills sourced FFB from third-party plantations



Traceability to Plantation

Mapping the origin of our feedstock to the plantation level remains challenging as some of our supplying mills purchase their FFB from aggregators. However, we remain committed to our goal of achieving a traceable supply chain.

FFB Sources	Estimated percentage of palm oil supplied to our refineries*
Estate (<25 ha and ≥25 ha)	60.88%
Cooperatives/Schemed/Smallholder Groups	11.62%
Dealers (sourced from independent smallholders)	27.50%

To help us achieve TTP, we have developed a methodology and initiated our Traceability Outreach Programme (TOP), targeting all suppliers, especially those in Riau, Jambi, North Sumatra, Aceh and Kalimantan. More information can be found in the Engagement Through Our Anchor Programmes section of this report. Through these initiatives, we are proud to have achieved year-on-year improvement on our traceability to plantation targets.

TTP Progress

FFB Sources		2020	2021
CPO Suppliers	Existing suppliers	99.3% for three refineries and/or facilities	99.7% for four refineries and/or facilities
	New suppliers	98.8% for four refineries and/or facilities	99.3% for five refineries and/or facilities
CPKO suppliers		92.5% for four refineries	96.0% for four refineries
PK suppliers		95.1% achieved for one kernel crushing plant	96.1% achieved for two 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 Sustainability Policy, while new suppliers abide by a time-bound commitment

WORKING WITH SUPPLIERS

Verifying Traceability

Given that traceability data is often self-reported by our direct and upstream suppliers, a robust verification process is necessary to ensure data accuracy. As an extension of our commitment towards building a transparent supply chain, we partnered with CORE to develop a robust set of guidelines to validate our plantation traceability data.

The Traceability Verification Guidance was designed in alignment with existing protocols such as the NDPE IRF, and the ISO 14001 & 9001 standards. The Traceability Verification Guidance facilitates data verification by standardising protocols across our operations, thereby ensuring data accuracy and completeness.

In 2022, we aim to verify 25% of our TTP data via a third-party verification body. We also earmarked PT Delima Makmur in Aceh and PT. Bangun Tenera Riau in Riau for verification under separate pilot projects.

We also introduced the Risk Calibrated Approach (RCA) as a complement to our Traceability Verification Guidance. In 2021, the RCA protocol was trialled as a pilot project for our SDS operations, covering seven supplying mills in Riau and two supplying mills in Aceh. The pilot project incorporated valuable feedback from the TOP Programme and served as a supplement to existing TTP processes. Following the pilot project, we will distil our observations into lessons, design recommendations for data validation and risk attribution, and determine potential areas for engagement at the village level.

NDPE IRF

Ensuring NDPE compliance across the supply chain is an onerous undertaking for any palm oil company. Hence, Apical collaborated with relevant industry stakeholders to develop the NDPE IRF, a reporting tool that allows companies to systematically analyse and track their progress in delivering their NDPE commitments. In employing the NDPE reporting framework, we hope to provide our customers with comprehensive updates on our sustainability progress and our suppliers' risk profile. The risk profiles for 2020 have been verified. Going forward, we aim to conduct annual verifications.

Apical2030 Target

Engage **100%** of our suppliers for independent verification of traceability data by 2025

Apical2030 Target

Collaborate with suppliers to achieve **100%** NDPE compliant supply chain by 2025

Engagement Through Our Anchor Programmes

3-3, 308-1, 308-2, 409-1, 414-1, 414-2

Beyond traceability, establishing long-standing rapport with our suppliers is crucial to the development of a transparent and sustainable supply chain. To this end, we implemented a series of initiatives to engage with our suppliers and facilitate their compliance with our Sustainability Policy. Also known as our Anchor Programmes, these initiatives include the Priority Supplier Engagement Programme (PSEP); Traceability Outreach Programme (TOP); Shared Value Programme (SVP); and Suppliers Self-Assessment (SFA). In light of the COVID-19 pandemic, we also introduced the Collaborative Action Remote Engagement (CARE) programme to engage with our suppliers in a virtual setting. Recognising the need to keep our suppliers abreast of key sustainability developments, Apical is currently developing a new initiative in conjunction with Proforest and Daemeter. The initiative aims to promote a knowledge sharing culture and raise awareness of sustainability developments among suppliers. Based on our revised material topics, we will also be looking into initiatives or programmes to support supplier diversity and inclusiveness as well as integrate traditionally under represented groups within our supply chain.

As part of our on-boarding process, we require that all suppliers declare their compliance with our Sourcing Policy in writing. We screen 100% of our Indonesian palm oil suppliers prior to their inclusion into our supply chain. Suppliers who have been classified as high-risk under our risk assessment will be prioritised for engagement.

As of end-2021, we engaged

100% of our suppliers for at least one of our Anchor programmes (SFA, CARE, etc)



Mill Prioritisation Process (MPP)

The MPP is a risk-based supplier assessment to identify priority mills. It allows us to:

-  Identify which mills to engage
-  Reform high-risk mills through engagement and socialisation
-  Determine whether a deep or broad engagement strategy is required

Under the MPP, we analyse a series of factors to quantify risk. These factors include geospatial parameters, which survey the land-use within a 50-kilometer radius of a supplying mill, as well as non-spatial parameters, which review qualitative information on a mill's relationship with surrounding communities and smallholders. All our suppliers are assessed under the MPP, and high-risk mills with long-term business relations with us are prioritised for engagement through the PSEP.

We routinely monitor our suppliers and update their risk levels monthly. As of end-2021, we identified 68 of our total suppliers as posing a significant environmental and social risk to our operations. Among others, these risks include the potential of deforestation, peatland development, FFB sourcing from protected areas, human rights violations, illegal burning and worker exploitation. Of the suppliers identified, 13% were prioritised for engagement.



WORKING WITH SUPPLIERS

Priority Supplier Engagement Programme (PSEP)

As a follow-up to the MPP, the PSEP is designed to assess our high-risk suppliers based on their level of compliance with our Sustainability Policy, as well as any relevant industry standards.

The PSEP assessment focuses on six guiding principles:

-  Monitoring legal compliance
-  Protection for key conservation areas: HCV, HCS and peatland
-  Environmental impact management, including waste and chemical management
-  Respect for people and communities, including labour and human rights
-  Creation of shared value
-  Traceability

Apical conducts field visits for suppliers identified under the PSEP to build rapport and identify gaps for improvement. As part of these visits, we offer detailed guidance to help our suppliers develop robust Standard Operating Procedures (SOPs) and sustainability management systems. We follow-up with our suppliers to ensure the implementation of recommended action plans and advise on other social and environmental matters where necessary. Since the introduction of PSEP in 2015, our sustainability team has visited 45 mills.

However, due to COVID-19 movement restrictions, we introduced the CARE programme in lieu of the PSEP.

Collaborative Action Remote Engagement (CARE)

Under CARE, high-risk suppliers are required to perform a self-assessment hosted on an online platform to identify potential compliance risks in their supply chain. Our sustainability team verifies all assessment results via desktop analysis, before remotely engaging with suppliers to better understand their circumstances. Apical subsequently develops action plans to remedy identified gaps and enhance compliance with our NDPE policy.

Traceability Outreach Programme (TOP)

Launched in 2017, TOP offers our supplying mills with a wealth of resources such as information on best practices for traceability data management. TOP embodies our “outside-in” approach to supplier engagement, where suppliers are regarded as co-creators in our journey to improve the traceability of the palm oil industry. As part of TOP, we aim to consolidate the data we collect into an interactive mapping platform, allowing suppliers to manage landscape-level issues based on the location of their FFB source.



Suppliers Self-Assessment (SFA)

Launched in 2019, the SFA tool comprises a self-administered questionnaire that helps our suppliers assess their compliance with our NDPE policy and identify latent supply chain risks, which include the potential for corruption and fraud.

The development of the SFA tool proved timely during the COVID-19 pandemic as we could continue our engagement activities despite the prevailing travel restrictions. High-risk suppliers identified under the SFA will be referred to PSEP, CARE and SVP/e-SVP to undertake corrective action. For our BOH refinery in Spain, all suppliers are required to provide sustainability certifications or comply with ISCC and/or other accompanying certification requirements e.g. Redcert, 2Bsvs etc.

Managing Supply Chain Risk through Technology

Supply chain transparency lies at the heart of our business. To gain the confidence and trust of our consumers, we leveraged several digital technologies to improve oversight of our supply chain risks.

Supply Chain Mapping

Our sustainability team routinely employs Geographic Information System (GIS) technology to map and monitor the movement of palm oil through our supply network. These routine inspections help us identify suppliers who have contravened our Sustainability and/or Sourcing Policies, facilitating the prioritisation and formulation of follow-up actions via our Anchor Programmes. We strive to uphold full transparency on our GIS efforts by publishing quarterly updates on our website. Some of the metrics we publish include the list of supplying mills and the GPS coordinates of mills locations.

Shared Value Programme (SVP)

Designed in partnership with Earthworm Foundation, Proforest, and Daemeter, Apical's Shared Value Programme comprises a series of workshops that furnish our suppliers with exclusive market insights and industry best practices. Since the programme's launch in 2015, we invited a diverse range of industry experts to facilitate knowledge sharing and active discussion among participants. During these sessions, we underscore the benefits of international certification schemes such as the RSPO and update our suppliers on the latest environmental legislation.

Due to prevailing COVID-19 social gathering restrictions, our 2021 workshops were conducted virtually as e-SVP sessions. Held in July 2021, the first workshop catered to kernel crushing plant operators and covered topics such as global sustainability requirements and achieving traceability to plantations. The second workshop was held in December 2021 to inform our refinery operators about fair employment practices and HCV & HCS management. A total of 109 participants attended the December 2021 session.

WORKING WITH SUPPLIERS

Satellite Imagery

Aided by the global earth observation satellite, organisations are now able to detect deforestation with relative ease. To track deforestation in priority areas, Apical uses the GFW Pro, a forest monitoring tool developed by the World Resources Institute.

The GFW Pro allows for the locations of all mills, which our suppliers are required to provide, to be inserted into the system. It also includes several alert systems to identify forest clearings in real time. Of these systems, Apical employs the GLAD alerts as they are regularly updated every eight days and compare recent satellite images to historical data.

Apical has been using the GLAD alerts and GFW Pro since 2019, allowing us to make smarter decisions and improve transparency within our supply chain. Having accessed the alternatives, we believe that these existing systems are most appropriate for our purposes.

Our satellite imagery systems will play an important role in our upcoming landscape project plan in Aceh, Indonesia. Slated for 2022, this project aims to monitor and protect the remaining forest in sourcing areas near the critically important Leuser Ecosystem. It also seeks to ensure NDPE compliance, contribute to the economic development of smallholders, and strengthen our sustainability practices. As part of this project, we will be working with NGOs in another priority sourcing area, Nagan Raya District, and collaborate with multi-stakeholders such as the local government.

Independent Assessment & monitoring

We believe that the establishment of sustainable supply chain requires buy-in from all stakeholders. As such, Apical is a pioneer member of SUSTAIN, which aims to:

-  Improve data collection and communication NDPE progress
-  Work towards greater smallholder inclusion in the sustainable palm oil supply chain
-  Avoid duplication of efforts and resources through an integrated collaborative system built on blockchain

Members and partners of SUSTAIN include palm oil producers, technical service organisations, palm product buyers, systems and technology providers and other interested parties. In 2019, SUSTAIN conducted a pilot traceability programme with one of our suppliers located in the Batanghari Regency of Jambi, Indonesia. This pilot project was conducted to ascertain user acceptance for better change management, and involved data collection using an application which is still in development.

To further drive innovation and transformative change, Apical volunteered its experience by serving as a corporate partner to the Singapore Agri-Food Innovation Lab (SAIL). Jointly established by Nanyang Technological University (NTU), Singapore and Enterprise Singapore in 2021, SAIL serves as a collaborative platform to promote knowledge-sharing, establish intra-sectoral partnerships, and solve industry-wide challenges by identifying new avenues of research.

Through this strategic partnership, Apical hopes to leverage NTU's strong research capabilities and work with platform partners to address landscape-level concerns across the supply chain. In particular, Apical will be working with NTU researchers and academics to integrate fintech with SUSTAIN's blockchain capabilities. Breakthroughs in this line of research will not only optimise existing financial and traceability reporting procedures, but also unlock more green financing opportunities for the palm oil industry.

Handling Grievances Against Suppliers

3-3, 308-2

The maintenance of a transparent and sustainable supply chain depends on the commitment and cooperation of all stakeholders. As such, we encourage our stakeholders to raise their concerns via the Apical Grievance Procedure as outlined in Our Approach to Sustainability. Suspended suppliers must submit clear evidence of their compliance with our NDPE commitments in addition to a grievance resolution proposal. We will review our transactions with suppliers who have committed deforestation and discipline them according to the nature and significance of impacts. In 2021, we recorded six grievances raised against our suppliers related to the clearing of forests and peatland. About 13% of our total supplying mills were implicated in grievance issues, as reported in our Grievance Tracker on our website. The full list of grievances, along with their status, can be found on our website.

ENVIRONMENTAL MANAGEMENT

307-1

Palm oil owes its ever-rising popularity to its versatility and cost efficiency. While the demand for palm oil continues to surge, the looming climate crisis means that urgent actions have to be taken to ensure sustainable production. To meet consumer demands amidst a changing climate, Apical has pledged to do its part by building a fully traceable, transparent and sustainable palm oil supply chain. For this end, we devised the Apical2030 Sustainable Roadmap to drive performance improvements. We also designed a Sustainability Policy to effectively manage and minimise our environmental impact.

Apical's environmental impact primarily stems from the operation of its palm oil processing facilities. We are therefore committed to reducing our operational impacts by managing our GHG emissions, water withdrawal and consumption, and waste generation. This entailed the establishment of several control systems and protocols in line with local laws and regulations. In 2021, we had no significant fines or non-monetary sanctions for non-compliance with environmental regulations. Apart from our own direct operations, we also work with our suppliers to help them adopt sustainable production practices.

Managing Our Environmental Footprint

Energy Management and GHG Emissions 3-3

Climate change remains the defining crisis of the century. Recognising the role we play in its mitigation, we designated Climate Action and Green Innovation as two pillars of our newly developed Apical2030 framework. Under the pillar of Climate Action, we aim to reduce the GHG emissions intensity of our production by 50% by 2030 from a 2020 baseline, and reach net zero by 2050. Under Green Innovation, we also aim to derive 38% of our total energy use from renewable and clean energy sources.

Apical2030 Target

38% of total energy consumption to be obtained from renewable and clean energy sources

50% reduction in Scope 1 and Scope 2 GHG emissions intensity by 2030 from a 2020 baseline

Net-zero by 2050

To achieve these ambitious goals, we intend to:

-  Substitute the use of coal in our powerplants and boilers with greener alternatives
-  Repurpose waste as boiler fuel
-  Improve energy efficiency through measures such as insulating tanks
-  Install solar panels at our facilities
-  Recycle wastewater

In 2021, we replaced a portion of the fuel used to power our medium pressure boiler with palm kernel shells at our SDO (D) refinery.

In the same year, we also embarked on a number of energy efficiency initiatives, including the installation of insulating tanks to reduce steam consumption for heating. We also switched conventional incandescent light bulbs to LED lights at our KRN, PRC, AAJ Marunda and SDO (D) refineries, and introduced solar-cell lighting at our SDO (M) sites. We replaced diesel forklifts at our AAJ Marunda and SDO (M) sites with electric versions. Together with an energy audit, these initiatives have earned our AAJ Marunda refinery the Green PROPER Trophy for energy efficiency in 2021. In the same year, our AAJ Marunda refinery has also completed its first LCA for cooking oil products, allowing us to analyse and manage GHG emissions released during production and identify opportunities for reduction.

To track our progress and ensure that our data is comparable and in line with best practice, we will be calculating our emissions based on the GHG Protocol, the most widely used GHG accounting standard. In 2021, approximately 1% of our energy consumption was obtained from renewable sources.



ENVIRONMENTAL MANAGEMENT



Energy Consumption Within The Organisation (Gigajoules)

302-1, 102-48

	2020	2021
Fuel Consumption from Non-Renewable Sources	16,863,646	15,817,373
Fuel Consumption from Renewable Sources	68,137	116,439
Electricity Purchased for Consumption	338,164	633,977
Total Energy Consumption	17,269,947	16,567,789

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 90% of our total fuel consumption from non-renewable sources. The remaining fuel is derived from diesel, liquefied petroleum gas, gasoline/petrol and natural gas
- Fuel consumption from renewable sources include biomass
- Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT and BOH
- We enhanced our methodology and frameworks used for the 2021 Sustainability Report. As such, the 2020 data was revised based on the latest industry protocol and guidelines

GHG Emissions and Emissions Intensity

305-1, 305-2, 305-4

	2020	2021
Direct Scope 1 Emissions (tCO ₂ e)	1,193,469	1,127,584
Indirect Scope 2 Emissions (tCO ₂ e)	69,296	125,724
Biogenic Emissions (tCO ₂ e)	6,892	12,424
Total Oil Processed (MT)	7,863,435	14,685,261
Emissions Intensity (tCO ₂ e/MT of oil processed)	0.16	0.09

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 2020 data is revised and re-calculated based on ISO 14064-1 and GHG Protocol (Corporate Reporting Standard), similar for 2021 data
- Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT and BOH

Environmental Management



Saving Mangroves in Jakarta to Combat Climate Change

Beyond serving as a critical habitat for marine biodiversity, mangrove forests support the livelihoods of local communities, regulate the climate by capturing carbon dioxide, and act as a buffer against coastal erosion. Given their significance, integrated ecosystems management policies and more scientific data are required to strengthen mangrove rehabilitation and conservation efforts.

As such, Apical collaborated with Jakarta's Park and Forest Service in 2021 to support the government's mangrove rehabilitation programme, which aims to recover more than 600,000 hectares of mangrove wetland by 2024. Under the project's first phase, 2,000 mangrove seeds will be planted in an 80 hectare conservation area in Pantai Muara Karang, North Jakarta. Besides this area, Apical plans

to support another three mangrove conservation areas: Muara Angke, Muara Gembong, and Muara Cisadane. Apical will also engage with local communities to bring them onboard planting activities and educate them on the importance of mangrove conservation.

This programme is Apical's first initiative to rehabilitate and conserve mangrove forests in North Jakarta. It aims to restore degraded ecosystems and create sustainable livelihood opportunities for local communities.

"Our mangrove forest rehabilitation programme aims to reduce carbon emissions by between 107.3 and 455.2 million tonnes of CO₂/ha per year, through support from companies and participation from communities. We are pleased to have the support of Apical through PT Asianagro Agungjaya Marunda on this important and meaningful initiative." - Suzi Marsitawati, Head of Jakarta's Parks and Forest Service.

ENVIRONMENTAL MANAGEMENT

Water Management

3-3, 303-1, 303-2

At Apical, we believe that water is a shared resource that must be conserved and protected. As such, we consistently monitor our water usage and implement various initiatives to enhance our water resilience. The water used in our processing facilities is primarily withdrawn from sources including the sea, river and municipal suppliers. To minimise freshwater withdrawal, Apical is committed to using water efficiently and reusing wastewater where possible. In 2020 and 2021, the water intensity of our operations were 0.0004 and 0.012 megalitres/MT of oil processed, respectively. We evaluate the possibility of water-related impacts as part of our environmental impact assessment prior to the development of our refineries.

Going forward, we will continue to explore opportunities to reduce the water consumption intensity of our operations.

Water Consumption (Megalitres)

303-5

	2020		2021	
	All Areas	Areas with Water Stress	All Areas	Areas with Water Stress
Total Water Consumption	3,426.9	0	6,225.38	50.9

Notes:

1. Data for water consumption are obtained from flowmeters
2. Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT and BOH

Our Apical2030 Target

Improve water use intensity
by **30%** through circular solutions

Water Withdrawal by Source (Megalitres)

303-3

	All Areas		Areas with Water Stress	
	2021		2021	
	Freshwater (<1000mg/L Total Dissolved Solids)	Other Water (>1000mg/L Total Dissolved Solids)	Freshwater (<1000mg/L Total Dissolved Solids)	Other Water (>1000mg/L Total Dissolved Solids)
Surface Water	1,241.5	0	50.9	0
Groundwater	527.5	0	0	0
Seawater	0	6,722.6	0	0
Produced Water	13,108.0	0	0	0
Third-party Water	37,870.9	0	0	0
Total	52,747.9	6,722.6	50.9	0

Notes:

1. Data covers our operations which include AKC, SDS, SDO (D), AAJ Marunda, SDO (M), AAJ Tj Balai, KRN, PRC, EFT and BOH
2. Our AAJ Tj Balai refinery in Sumatra, Indonesia draws water from the (river) which has been deemed as water-stressed due to it being shallow

We practise zero wastewater discharge at three of our refineries: AAJ Tj Balai, KRN and AAJ Marunda. Wastewater at these sites is treated and reused in our cooling towers, fire hydrants or for domestic purposes, such as cleaning. Our refineries use the activated sludge process to treat effluent water. This process employs the use of microorganisms and chemicals, such as coagulants, flocculants, caustic soda and bioxide.

If insufficiently treated, the discharge of wastewater can undermine the water quality of the receiving waterbody. Where discharge is necessary, we ensure that the quality of the effluent water meets the local regulatory standard. Where our refineries are located next to rivers, we also monitor water quality from the rivers to ensure that there is no negative impact from our operations.

Water Discharge by Destination (Megalitres)

303-4

Destination	2021	
	All Areas	Areas with Water Stress
Fresh Water	0	15,685.00
Surface Water	0	0
Groundwater	0	0
Seawater	239,887.03	0
Produced Water	13,166.09	0
Third-party Water Sent for Use by Other Organisations	0	0
Total	253,053.12	15,685.00

Notes:

1. Data coverage for 2021 covers our operations which include AKC, SDS, SDO (D), AAJM, SDO (M), AAJTB, KRN, PRC, EFT and BOH
2. Data coverage for 2020 includes all our operations except for PRC

ENVIRONMENTAL MANAGEMENT

Waste Management

3-3, 306-1, 306-2

To create a thriving economy that operates within planetary boundaries, we must move away from a traditional take-make-waste system to a circular mode of consumption. Apical aims to reduce, reuse and recycle the waste we generate whenever possible and ensure that all materials are responsibly handled throughout their lifecycle. We also engage with our suppliers to encourage them to adopt best practices in relation to waste management. As Apical's core business involves the processing of CPO and PK, we generate a range of hazardous and non-hazardous waste products. Our hazardous waste includes substances such as spent bleaching earth, fly ash and used batteries, whereas our non-hazardous waste ranges from paperboards to pruning scraps. For more information on the effluents we generate, see the section on *Water Management*.

To ensure the safety of our employees, all hazardous waste is stored at dedicated warehouses, while both hazardous and non-hazardous waste are collected and disposed of by licensed contractors. For our Bio-oils refinery, we will verify environmental authorisations before signing a management contract with the third-party contractor.

We assembled dedicated emergency response teams at each our refineries and provided our employees with regular training to prevent and respond to accidental oil spillage. We have maintained our prevailing record of zero accidental spills since 2018.

Quantity of Waste Generated, Diverted from Disposal and Directed to Disposal in 2021 (MT)

306-3

	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
Spent Bleaching Earth	85,519.7	15,237.7	70,282.0
Bottom Ash	35,359.1	24.8	35,334.3
Fly Ash	39,394.9	3,540.7	35,854.2
Others	17,374.4	7,608.1	9,766.3
Total	177,648.1	26,411.3	151,236.8

Notes:

- Others include spent nickel catalyst, contaminated materials, used lamp, wastewater sludge, electronics, etc
- The amount of waste diverted from and to disposal includes waste that is stored on site that may not have been generated in 2021
- 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 in 2014, while our facilities in Spain and China comply with relevant local regulations

Waste Diverted from Disposal by Recovery Option in 2021 (MT)

306-4

Type of waste	Total
Hazardous waste	
Reuse	16,357.1
Recycle	14.2
Other Recovery Operations	308.9
Non-hazardous waste	
Recycle	284.0
Biological Treatment	5,301.7
Reuse as Fertiliser	4,145.4
Total	26,411.3

Notes:

- The amount of waste diverted from and to disposal includes waste that is stored on site that may not have been generated in 2021
- The quantity of waste is weighed internally by Apical and also provided by third-party contractors who we engage for disposal

Waste Directed to Disposal by Recovery Option in 2021 (MT)

306-5

Type of waste	Total
Hazardous waste	
Landfill	1,500.8
Incineration (with energy recovery)	1.0
Incineration (without energy recovery)	3.2
Other Disposal Options	129,809.4
Non-hazardous waste	
Landfill	18.8
Incineration (without energy recovery)	17.1
Other Disposal Options	19,886.6
Total	151,236.8

Notes:

- The amount of waste diverted from and to disposal includes waste that is stored on site that may not have been generated in 2021
- The quantity of waste is weighed internally by Apical and also provided by third-party contractors who we engage for disposal

ENVIRONMENTAL MANAGEMENT



Working With Suppliers on Environmental Conservation

Protecting Forests and Biodiversity

3-3, 304-2

While we do not own any plantations, we recognise that deforestation and biodiversity loss can occur in our upstream supply chain if we neglect to implement the requisite monitoring and control mechanisms. At Apical, we are committed to protecting peatlands as well as HCV and HCS areas. Under the Transformative Partnerships pillar of Apical2030, we aim to partner with our suppliers to protect or conserve 150,000 hectares of forest and peatlands by 2030. Additionally, we will engage with them to meet local, international and our own sustainability standards. We do not knowingly source from suppliers who deforest protected areas.

Apical2030 target

Partner with suppliers to protect and/or conserve **150,000** ha of forest and peat areas by 2030

Through our MPP and spatial analysis, we assess all new mills that are introduced into our supply chain for potential risks, including deforestation and encroachment. These suppliers will be required to provide relevant environmental legal documents. We then prioritise mills which are identified as high-risk for further ground assessments through our PSEP programme. In response to movement restrictions associated with the COVID-19 pandemic, we introduced the CARE programme in lieu of the PSEP. Under the CARE programme, suppliers are required to perform a self-assessment hosted on an online platform. Based on the results which are verified by our sustainability team, Apical will engage with suppliers to develop action plans to remedy identified gaps and enhance compliance with our NDPE policy.

During our PSEP visits, we work with suppliers to identify, manage and monitor significant biological, ecological, social or cultural values through the HCV Approach and geospatial analysis. We also work with them to adopt a credible HCS identification procedure by subscribing to the HCS Approach based on field trials and scientists' recommendations.

Introduced in 2019, our SFA helps suppliers assess their own operations' compliance with our prevailing NDPE policy. We will work with suppliers found in breach of our policy by implementing corrective action plans. Should these suppliers fail to comply or implement corrective action plans, we will take additional measures, and if necessary, review our business relationship.

For more information on our supplier engagement programmes, see the section on Working with Suppliers

Where applicable, we support conservation efforts related to biodiversity, riparian zones (defined as areas bordering rivers and other bodies of surface water) and HCV areas. This aligns with RSPO Principles and Criteria 5.2 and 7.3.

We are committed to the elimination of any illegal or inappropriate hunting activities across all our operations, especially if they involve the endangered species listed under the IUCN Red List and Indonesia's National Law of Protected Species. These requirements also apply to our suppliers. Local communities are the sole exemption to this rule insofar as they hunt for subsistence purposes and do not cause substantial declines to a species' population.

In 2021, there were two cases of deforestation recorded in our supplier operations, with the affected area totalling 494 hectares. Upon further investigations, we suspended both these suppliers for non-compliance. The total area of deforestation recorded after December 2015 until December 2021 for all our suspended suppliers is approximately 60,494 hectares.

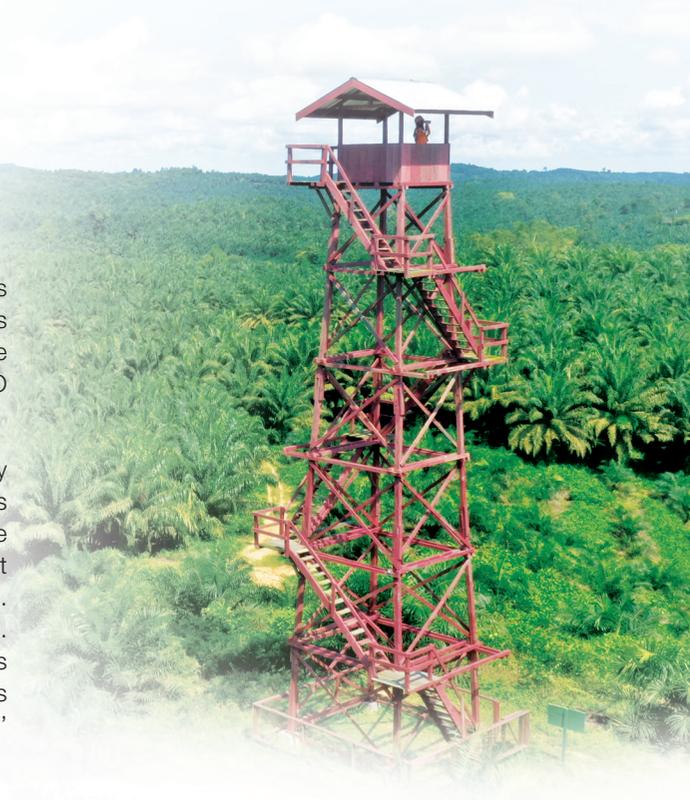
Protecting Peatland Areas and Soil

Apical does not contribute to new developments on peatland areas with 65% or more organic soil, regardless of their depth. For suppliers with pre-existing plantations on peatland, we conduct regular workshops to ensure they adopt best peatland management practices. These include effective water management strategies that maximise oil palm yield while minimising GHG emissions in existing peat estates. We also provide guidance on proper water management and monitoring plans, ensuring that the water table is maintained at an appropriate depth. In areas where existing peat is unsuitable for replanting,

we collaborate with stakeholders and community experts to explore options for long-term restoration or alternative use. As part of our Apical2030 roadmap, we will partner with suppliers to protect and/or conserve 150,000 hectares of forests and peats areas by 2030.

Our supplier engagement efforts promote good practices that enhance soil fertility while minimising soil erosion and degradation. We also recommend the avoidance of extensive planting on marginal and fragile soils.

The usage of pesticides that are classified as 1A or 1B by the World Health Organisation, or are listed in the Stockholm or Rotterdam Conventions, including paraquat, are prohibited for all our suppliers. Its use in exceptional circumstances must be validated by a due diligence process, or when authorised by government authorities in response to pest outbreaks. Our commitment to minimise the usage of chemicals, including pesticides and chemical fertilisers, applies to all suppliers.



ENVIRONMENTAL MANAGEMENT

Fire Prevention and Management 3-3

Clearing land for agricultural purposes through slash-and-burn practices releases GHGs, which create transboundary haze and contribute to climate change. As such, we are committed to the strict enforcement of a “zero burn policy”, which applies to all our suppliers.

However, while larger plantations can use alternative methods of land clearing for their new plantings and replanting, smallholders are often unable to do the same due to financial constraints. Smallholders also regard open burning as a viable way to improve soil fertility and reduce the need for fertilisers. Given these realities, it is vital to raise awareness among smallholders on the practice of zero burning and offer assistance for smallholders to access alternatives.

For this end, we published guidance on our website to support our suppliers on prevention, early detection and control of open burning in oil palm plantations. In these guidelines, we underscored how fires that start during dry season can spread to adjacent plantations by wind or underground burning when the water table is low. Within our own refineries, we require health and safety managers to organise regular fire prevention trainings.



Firefighting training

In 2021, we continued to support our key supplier Asian Agri in the implementation of its Fire-Free Village Programme (FFVP) to engage with 16 villages. Covering about 300,000 hectares in Riau and Jambi, the programme aims to raise awareness on fire prevention and management. Our strategic collaboration with Asian Agri contributes to our goal of achieving 20 Deforestation Free Villages as part of the Transformative Partnerships pillar of our Apical2030 roadmap.

Apical2030 target

20 Deforestation Free Villages (part of our main target to protect and/or conserve 150,000 ha of forest and peat areas by 2030)



Labour Relations

LABOUR RELATIONS

We will continue to identify opportunities to collaborate with suppliers, neighbouring companies, relevant governmental bodies and local communities on fire prevention.

Our people are the key to our long-term growth and success. We strive to unlock their potential by respecting their rights, affirming their talents, and by offering them a multitude of opportunities for growth and development. We believe that these efforts will help us to attract the best talent as well as nurture a dedicated and innovative workforce that is diverse and driven. We also ensure that fair employment practices are maintained by our suppliers.

Our internal policies, standards and the Code of Conduct guide our actions in the following domains:

Recruitment
We practice fair and non-discriminatory hiring strategies and recognise the dynamic nature of skill functions across the organisation

Working conditions
We provide safe, secure and fair working conditions that enable individuals to thrive

Performance Management
We conduct an annual performance review for all employees and provide tools for employees to develop their talent and skills

Compensation and Benefits
We provide equitable and competitive remuneration packages that are aligned to local and provincial regulations, and adequate provisions for full-time employees to support their well-being

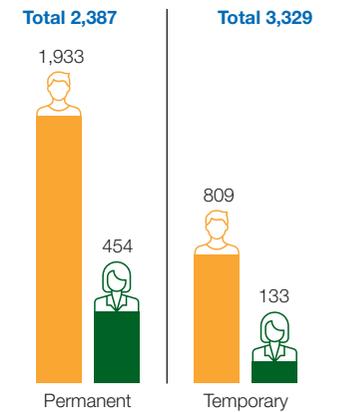


Apical employees at SDS

Employee Profile 102-7, 102-8

At the end of 2021, we had a total of 3,329 employees across our offices, refineries and plants. Approximately 72% are permanent employees, of which 87% are based in Indonesia where most of our plants are located.

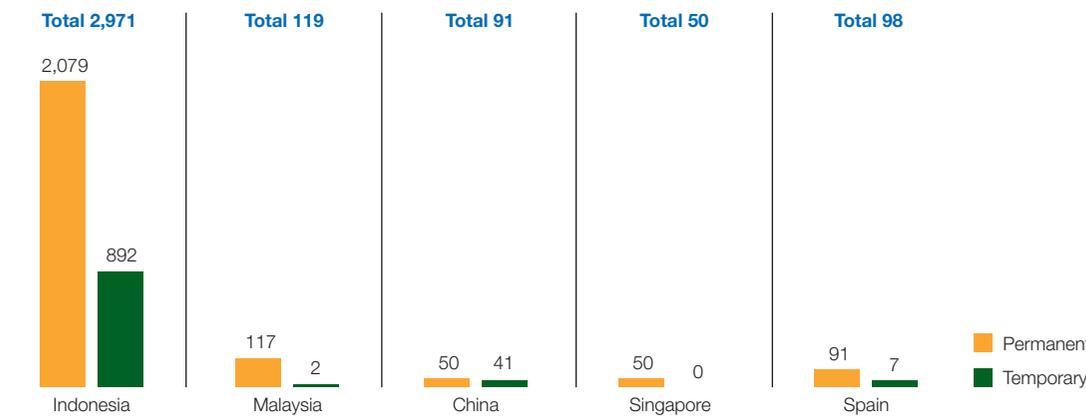
Number of Employees by Employment Contract and Gender



Note:
Data coverage includes our offices, refineries and plants in Singapore, Malaysia, Indonesia, China and Spain

LABOUR RELATIONS

Number of Employees by Employment Contract and Region



Note:
Apical does not have any part-time employees and there are no significant variations in the numbers reported above

Labour and Human Rights

Apical is committed to upholding all Fundamental or Core conventions by the International Labour Organisation (ILO). These conventions cover four key areas:

01

Freedom of association and the effective recognition of the right to collective bargaining

02

The elimination of all forms of forced or compulsory labour

03

The effective abolition of child labour

04

The elimination of discrimination in respect of employment and occupation

Fair wages and benefits

3-3, 401-2

All Apical employees receive wages that meet or exceed the minimum level defined by local and provincial regulations. Minimum wages are set according to the cost of living, which considers the price of local goods and services in addition to general living expenses.

We offer both permanent and temporary employees a range of benefits, including a meal allowance, life and medical insurance as well as optical and dental care. We also provide monthly rewards in the form of daily groceries, such as cooking oil, to employees who have maintained a good attendance record.

In Indonesia, housing facilities are provided for out-of-town employees in various locations where we operate. We also have a Motorcycle Ownership Programme (MOP) that offers subsidised loans for selected permanent employees to purchase a motorcycle, the typical mode of transport in the country. Selected managers are similarly offered subsidies via our Car Ownership Programme (COP) to offset the cost of purchasing a car.

Ratios of Lowest Monthly Wages in Each Region by Gender Compared to Local Minimum Wage

102-8, 202-1

Region	Currency	Monthly legal minimum wage	Apical's lowest monthly wage - Male	Apical's lowest monthly wage - Female	Ratio (Legal minimum wage: Lowest male wage)	Ratio (Legal minimum wage: Lowest female wage)
Dumai, Indonesia	IDR	3,383,834	3,383,834	3,383,834	1:1.00	1:1.00
Marunda, Indonesia	IDR	4,416,186	4,490,168	4,490,168	1:1.02	1:1.02
Tg Balai, Indonesia	IDR	2,822,425	2,825,000	2,860,500	1:1.00	1:1.01
Bagendang, Indonesia	IDR	2,991,946	2,991,946	3,030,146	1:1.00	1:1.01
Padang, Indonesia	IDR	2,484,041	2,507,500	2,510,000	1:1.01	1:1.01
Medan, Indonesia	IDR	3,222,556	3,335,057	3,372,557	1:1.03	1:1.05
Baikpapan, Indonesia	IDR	3,069,316	3,069,316	3,082,713	1:1.00	1:1.00
Nanjing, China	RMB	2,280	2,500	2,500	1:1.10	1:1.10
Singapore	SGD	-	3,100	3,700	-	-
Huelva, Spain	EUR	1,126	1,778	1,778	1:1.58	1:1.58
Kuala Lumpur, Malaysia	MYR	1,200	2,300	2,800	1:1.92	1:2.33

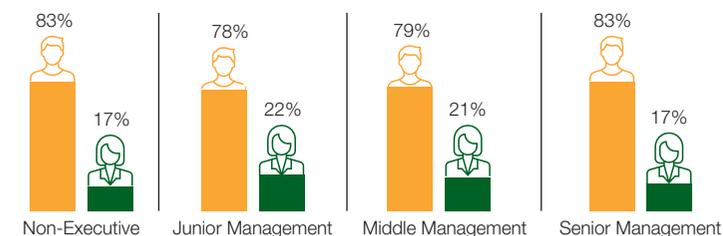
Notes:
1. Ratios
2. Singapore does not have minimum wage laws/requirements

Diversity and Equal Opportunity

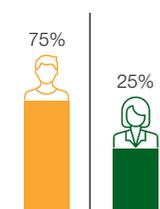
3-3, 102-8, 405-1, 406-1

Apical aims to promote and support an inclusive and diverse workplace that is free from harassment and discrimination based on gender identity, age, race, sexual orientation, religion, family or marital status. We hire and reward employees based on meritocratic principles. In 2021, there were no reports of discrimination.

Percentage of Employees by Employee Category, by Gender

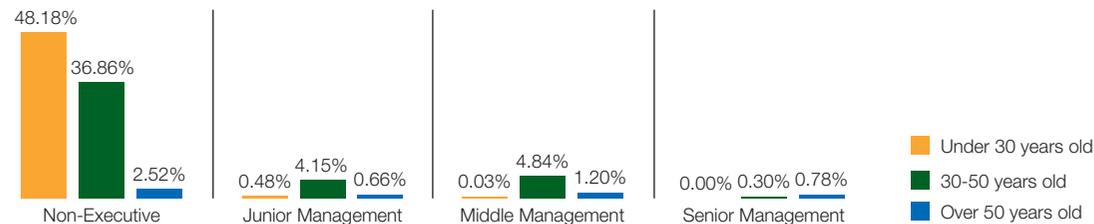


Percentage of BoD by Gender



LABOUR RELATIONS

Percentage of Employees by Employee Category, by Age Group



Note:
Apical does not disclose Board member breakdown as the company is not publicly listed

Freedom of Association and Trade Union Membership 102-41, 407-1

Our employees have the right to exercise their freedom of association and collective bargaining by forming or becoming members of labour unions. In Indonesia, this is mandated by Law No. 21 of 2000 Concerning Trade Union/Labour Union, which is aligned with the International Labour Organisation Convention No. 98 on the freedom of organisation and collective bargaining. In 2021, 64% of our employees were covered by collective bargaining agreements. In addition, our employees and union representatives regularly engage with our Human Resources department.

Child Labour 408-1

We adhere to local employment regulations and strictly forbid any form of child labour in our operations. All our employees are at least 18 years of age and new candidates must verify their age before joining our workforce. We recognise that there is a risk of children assisting family members at plantation sites. To mitigate this risk within our supply chain, we require that our direct suppliers undergo our engagement and assessment process, ensuring that they abide by Apical's policy against child labour. For more details, see the section on *Working with Suppliers*.

Training and Development 404-1, 404-2

The training and development of our employees is key to our talent strategy. We provide on-the-job training and courses catered to employees' level of experience and functional expertise. Through these trainings, we believe employees will be more engaged and productive.

All new hires are required to complete an on-boarding and orientation programme on our core values and code of conduct. We also provide general technical training programmes on topics such as first aid, food safety, certification, and industry standards. Of these technical training programmes, the Driving License Process (DLP) provides our operations and maintenance teams with the knowledge and experience to perform their jobs at a world-class level. For our jetty personnel, we organised programmes such as the International Ship and Port Facility Security (ISPS) Code training course to provide them with an understanding on meeting the standards.



At a number of our sites, we also offer International Maritime Organisation training to upskill employees to respond to oil spillages; Occupational Health and Safety of Forklifts for forklift operators; and General and Chemical Occupational Health and Safety to help staff manage and act on potential hazards in the workplace.

Set up in 2019, our Assessment Centre helps our employees assess their soft skills and competencies to chart their career development and progression. Each employee will have their own Individual Development Plan (IDP) tailored to improve his or her abilities.

Due to the COVID-19 pandemic, we were largely unable to resume our face-to-face training sessions. Nevertheless, we continued to invest in our employees' development by subscribing to the Workday Learning platform. As an all-in-one talent management platform, Workday allows our employees to profile their strengths, master new skillsets and attend informative courses. We supplemented the resources available on the Workday platform by uploading courses tailored to our business needs. In 2021, we uploaded two webinar recordings to bring our employees up to speed with our latest business developments. Titled "VUCA Norm-alised" and "New Market Frontier - OLEO", they detail the importance of adaptability in the face of volatility and uncertainty, as well as the Apical's new operations in the oleochemical industry.

Training the Managers of Tomorrow

With the transition to remote work amidst the COVID-19 pandemic, the ability to foster and maintain strong workplace relationships has never been more important. As such, Apical doubled down on its Managers Training Programme in 2021, offering a series of modules to equip managers with essential people management skills. Stretched over two working weeks, the programme also covered other critical domains within the business such as finance, supply chain management and procurement. While the programme was designed for our managerial staff, we encouraged employees above the designation of associate to attend the modules. In 2021, approximately 850 employees attended the Managers Training Programme.

Recognising the importance of employee relations in boosting productivity, we are also developing the People Manager Mastery programme as a follow-up course to the Managers Training Programme. Scheduled for 2022, the programme offers intensive role-playing exercises to refine the social skills of selected managerial staff.



Management Trainee Programme

LABOUR RELATIONS

Average Hours of Training, per Year, per Employee, by Gender and Employee Category

404-1

Gender	Non-Executive	Junior Management	Middle Management	Senior Management
Facilities in Indonesia				
Male	8.50	4.25	4.50	4.00
Female	6.00	3.50	2.00	1.00
Excelic refinery (China)				
Male	0.00	3.20	3.20	0.00
Female	0.63	0.00	3.20	0.00
Singapore				
Male	7.00	0.00	6.50	0.50
Female	3.00	5.00	8.25	11.50
Facilities in Spain				
Male	9.45	13.94	10.28	1.00
Female	4.50	7.21	9.42	0.00
Kuala Lumpur Office (Malaysia)				
Male	0.83	0.74	0.50	0.56
Female	0.35	0.82	0.34	0.00

Recognising our Employees' Contribution

Ensuring the happiness and welfare of our employees is indispensable to their professional development. As such, we arranged care packages and gifts such as ergonomic lumbar pillows for all our employees to show our appreciation for their dedication. We also handed out long-service awards for employees who have been with the company for five or ten years.

In 2021, we established the Staff Recognition Programme to foster a positive work environment where outstanding contributions are recognised and affirmed. Under the Staff Recognition Programme, employees can nominate their colleagues to receive awards by submitting their details to the organising committee. The scoring criteria include business impact, team collaboration and innovation. A total of seven employees were presented with the recognition award under this programme.

Beyond recognising their achievements, Apical strives to create a fun-filled work environment through various initiatives. In 2021, we organised a week-long trivia competition where employees can win attractive vouchers for answering quiz questions.



Dato' Yeo, President of Apical with the employees who were awarded the Staff Recognition Award 2021

Fostering a Culture of Continuous Improvement

Innovation is a key driver of our "Kaizen" approach, enabling excellence in both product quality and operational safety. To foster and foreground a culture of innovation among employees, our SDS plant developed the Opportunity for Improvement (OFI) programme, allowing employees to pitch ideas that enhance product quality or operational safety.

Ideas or recommendations that improve product quality are considered as a Quality Opportunity for Improvement (QOFI), while recommendations that enhance operational safety are considered as a Safety Opportunity for Improvement (SOFI). Both QOFI and SOFI recommendations are evaluated against our modified impact-effort matrix, which assesses employee submissions based on their potential impact, cost of implementation and probability of success.

Following a review by our top management, employees who submitted the best QOFI and SOFI for the month will be awarded IDR 500,000. In 2021, we gave out a total of 12 best SOFI/QOFI awards since the programme's launch in January the same year.



Health, Safety and Well-being

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

At Apical, we are committed to protecting the health and safety of our employees. As such, we established an Occupational Health and Safety (OHS) management system to minimise risks and create a safe and healthy workplace. In Indonesia, the system has been rolled out in accordance with its national regulation No 50 Year (2012) and covers all our workers, activities and workplaces. Similarly, the OHS systems of our facilities in Spain and China have been implemented in accordance with local regulations.



We have appointed licensed personnel in Indonesia to carry out hazard identification, risk assessment and risk control (HIRARC) for all operations on both an annual and ad hoc basis. These licensed personnel have completed the nationally-recognised OHS Expert Training course. The results of HIRARC procedures are used to identify measures that reduce workplace hazards.

We also provide appropriate PPE to minimise the risk of injury among employees. Only authorised personnel who are certified as physically fit are allowed to operate machinery and harmful chemicals within our facilities. Employees in Indonesia are also required to undergo safety briefings and OHS trainings, including first aid and firefighting.

LABOUR RELATIONS

Health and safety information is communicated to workers through regular safety talks, notice board bulletins and messaging platforms like WhatsApp. At our SDS refinery, daily safety patrols and inspections are conducted.

In addition, we have set up a Health & Safety (H&S) Committee in every refinery in Indonesia to oversee the implementation of our OHS management system. The committees comprise representatives from different operating units and are made up of managerial and non-managerial staff. They meet once a month and are responsible for reviewing the status of workplace H&S, gathering employee feedback, and disseminating the latest H&S information. The regular feedback provided by committees helps us refine our OHS system.

Employees are also encouraged to report any work-related hazards and hazardous situations to their respective unit representative in the H&S committee. These reports are discussed among H&S committee members, who will then decide on an appropriate action. All work-related incidents will be investigated by a dedicated H&S Officer, who is responsible for ensuring the implementation of OHS procedures and the overall regulatory compliance of the facility.

Depending on the severity of the incident, the H&S Officer may call for a meeting with the committee within 24 hours, before developing measures to mitigate and prevent recurrences. Workers are also given the authority to stop work should they feel unsafe.

We also implemented a new checklist system that all our suppliers and business partners will need to complete prior to their first visit to our sites. The checklist system helps our suppliers and business partners to ensure their compliance with our labour and safety rules, in addition to prevailing COVID-19 regulations. Apart from managing the contractors who work on our sites, we also regularly engage with our suppliers to ensure that they meet our OHS standards. For more information, see the section on Working with Suppliers.

Through our risk assessment, we identified faulty equipment and tripping as hazards that may cause a high-consequence injury. A high-consequence injury is defined as an injury from which a worker cannot fully recover within six months. Regrettably, there were several incidents that were reported in 2021. These incidents involve exposure to hot oil spray, tank explosion, electrocution, and burns.

We are deeply saddened to report that there were five fatalities in 2021. This incident was caused by a fire explosion at a tank in our SDO (D) refinery. An investigation was carried out and enhanced safety measures have been implemented to prevent any future occurrences.

Fatalities

403-9

	2019		2020		2021	
	Number	Rate per 1 mil hours worked	Number	Rate per 1 mil hours worked	Number	Rate per 1 mil hours worked
Employees	0	0	0	0	1	0.17
Contractors	0	0	0	0	4	0.48

Note:

Data covers our operations which include AKC, SDS, SDO (D), AAJM, SDO (M), AAJTB, KRN, PRC, EFT and BOH. Total number of hours worked in 2021 is 5,946,251 for employees and 8,412,157 for contractors

High-Consequence Work-Related Injuries

	2019		2020		2021	
	Number	Rate per 1 mil hours worked	Number	Rate per 1 mil hours worked	Number	Rate per 1 mil hours worked
Employees	4	1.00	1	0.10	2	0.34
Contractors	1	0.46	0	0.00	3	0.36

Note:

Data covers our operations which include AKC, SDS, SDO (D), AAJM, SDO (M), AAJTB, KRN, PRC, EFT and BOH. Total number of hours worked in 2021 is 5,946,251 for employees and 8,412,157 for contractors. As per GRI 403-9: High-consequence work-related injuries exclude fatalities

Recordable Work-Related Injuries

	2019		2020		2021	
	Number	Rate per 1 mil hours worked	Number	Rate per 1 mil hours worked	Number	Rate per 1 mil hours worked
Employees	7	1.75	8	0.81	7	1.18
Contractors	12	5.48	6	1.01	2	0.24

Note:

Data covers our operations which include AKC, SDS, SDO (D), AAJM, SDO (M), AAJTB, KRN, PRC, EFT and BOH. Total number of hours worked in 2021 is 5,946,251 for employees and 8,412,157 for contractors

Our employees have access to healthcare services through their employee medical insurance. In Indonesia, employees can visit clinics covered under the Badan Penyelenggara Jaminan Sosial (BPJS) Insurance Scheme, a mandatory scheme by law. These clinics are located near our operations and can be accessed by our employees during and after working hours. Employees in Spain and China are entitled to similar medical coverage. All our employees are offered a health screening prior to joining Apical, and annually thereafter.

LABOUR RELATIONS

Our SDS refinery regularly disseminates health awareness information, covering topics such as healthy lifestyles and the consequences of smoking. Our SDS refinery, as well as our CEP and SDO sites, also provides a sports centre to encourage physical activity, organises a monthly health campaign, and provides a health consultation room led by a medical team who can advise on dietary health. At BOH, we also run an annual Health Medical Examination based on risk assessments, and facilitate access to the vaccination programmes for COVID-19, which has been developed by the Health Authority via company programmes.



New ways of working during COVID-19

The COVID-19 pandemic has fundamentally altered the way we work at Apical. To curb viral transmission and comply with strict OHS standards, we enforced mandatory social distancing, conducted regular temperature checks, and developed a COVID-19 prevention guidebook for distribution at selected workplaces. We offer viral genomic sequencing tests for our employees to detect their particular virus strain, distribute multi-vitamins on a monthly basis, and provide oxygen tanks to employees with co-morbidities to aid their recuperation.

To ensure smooth and efficient operations, we tailored our COVID-19 measures to meet the needs of different facilities. At our AKC, SDO, SDS and CEP compounds, we provided segregated workspaces, stable internet access and free antigen tests. At AAJ and SDO Marunda, we implemented the Business Continuity Plan and coordinated work-from-home schedules. We also arranged COVID-19 vaccinations for our employees at BOH and KRN.

At our PRC refinery, fingerprint scanning was switched to facial recognition to reduce physical contact. Masks and vitamins were also offered to employees to keep them in good health.

At our refinery in Nanjing, China, employees were provided with open VPN, allowing them to access our company systems remotely. For our biodiesel plant in Huelva, Spain, we provided laptops to employees for telecommuting and sent periodic surveys to monitor their wellbeing during throughout the lockdown. We also offered various training and development opportunities through online platforms. For our operations in Malaysia, we introduced a team work-from-home rotation and enforced social distancing measures.

Community Livelihood

COMMUNITY LIVELIHOOD



Palm oil plays a significant role in the Indonesian economy as one of its primary agricultural exports. Through various initiatives, the palm oil industry has helped to alleviate rural poverty and uplift livelihoods by creating jobs, enhancing basic infrastructure, and improving access to essential services such as healthcare and education.

However, the mismanagement of palm oil operations may undermine the livelihoods and well-being of local and indigenous communities, leading to social conflicts. Apical aims to maintain positive relations with these communities by respecting their rights and enhancing their livelihoods through community empowerment and development activities.



Respecting the Rights of Indigenous and Local Communities

3-3, 411-1, 413-2

We respect the legal and customary rights of local communities in land tenure and ownership. Any access or use of such land for development must be carried out in compliance with the Free, Prior and Informed Consent (FPIC) procedure, the RSPO Principles & Criteria, and the United Nations Declaration on the Rights of Indigenous Peoples or ILO 169. Our suppliers are similarly expected to uphold these customary and legal land rights.

As our facilities are based in designated industrial zones, our operations are unlikely to have a direct impact on the rights of indigenous communities.

We engage with accredited consultants and government agencies to carry out environmental impact analysis or *Analisis Mengenai Dampak Lingkungan* (AMDAL) for any new developments and/or expansion projects that may affect the environment and surrounding communities in Indonesia. Going forward, we will conduct Social Impact Assessments (SIAs) to guide our future community engagements.

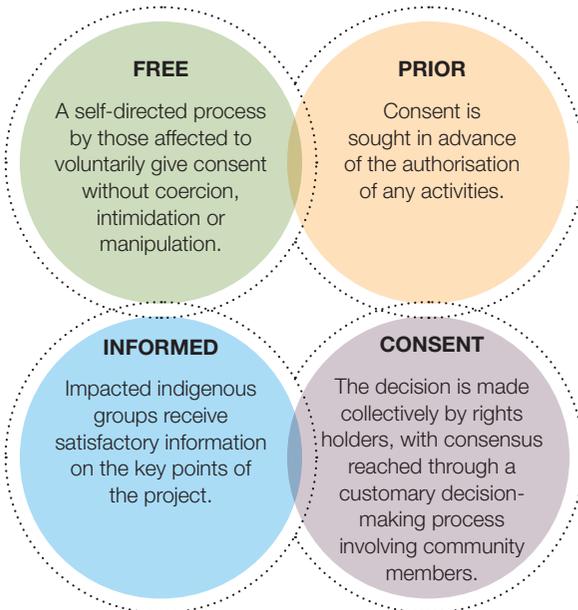
We play an active role in preventing land conflicts within our supply chain. As part of this commitment, our suppliers are expected to recognise and respect the rights of indigenous and local communities. We require our upstream suppliers to conduct rigorous assessments to determine if new developments will affect lands that belong to indigenous people and local communities. If a proposed development project has the potential to

COMMUNITY LIVELIHOOD

affect their land, our suppliers are required to comply with national regulations and implement the FPIC procedure. To help our suppliers apply this process, we have developed an FPIC guideline, which is available on our website.

We look to resolve any social conflicts with all relevant parties in a fair and transparent manner through our Grievance Procedure. In 2021, there were no incidents involving the rights of indigenous peoples at our sites or related to our suppliers.

Meanwhile, our goat farming programme saw an increase in the number of goats reared, from 10 individuals in 2018 to 138 in 2021. In the same year, our SDS refinery provided PKE pulp as additional feed for the goats each month.



Empowering Communities

3-3, 203-1

Apical supports income diversification among local communities by upskilling them through training programmes. For example, our SDS refinery in Lubuk Gaung, Dumai implemented the Kelompok Usaha Bersama programme in collaboration with the local agriculture department, equipping residents with skillsets related to planting and goat rearing. To date, our chilli farmers have managed 21 farms, harvesting 0.5kg of chilli every fortnight.

Chilli farmers

21 farms harvest **0.5kg** of chilli every fortnight

Increased the number of goats reared from 10 individuals in 2018 to **138** in 2021

Donated food carts to **3** female entrepreneurs

At our SDS, AKC and CEP facilities, we continued to run the Rumah Pintar project, which provides a collaborative environment where people can share their knowledge, skills and experiences. As part of this initiative, we supported the opening of a barbershop that is managed by local youth, and arranged training sessions for aspiring female bakers to achieve financial independence. In response to community requests, we also donated food carts to three female entrepreneurs who had set up home businesses selling snack foods.

In 2021, we awarded prizes and financial assistance to 234 underprivileged students for their outstanding academic performance. Our awardees range from elementary school to university students.

We also devised a series of training programmes to benefit local communities near our AAJ Marunda site. Here, we collaborated with the Jakarta Department of Labour to conduct an entrepreneurship training course for women to gain new skills and secure work opportunities. 300 women attended this training session, and the top three performers were awarded with sponsored food stalls to jumpstart their business.

To promote healthy lifestyles among 20 children in Kampung Pitung, we conducted workshops and supplied them with eggs, milk and supplementary vitamins on a monthly basis.

For communities near our AAJ Tj Balai site, our Fardukifayah programme provides financial assistance to underprivileged communities cover funeral costs.

Supporting Smallholders

Smallholders comprise a significant proportion of total palm oil production in Indonesia. Despite their essential role in the industry, smallholders face daunting challenges in raising their productivity and meeting sustainability standards.

Recognising these challenges, Apical collaborated with two other leading companies across our palm oil supply chain – Kao Corporation and Asian Agri – to launch a new sustainability initiative to help independent smallholders in Indonesia. Launched in 2021, the new initiative, named the 'SMallholder Inclusion for better Livelihood & Empowerment'



SMILE Training - The team is explaining about biodiversity in plantation

COMMUNITY LIVELIHOOD

programme or SMILE, marks the beginning of an 11-year collaboration between the three companies. As a manifestation of our commitment to inclusivity and sustainability, the initiative seeks to help independent smallholders improve their yields, obtain sustainability certification, and eventually secure premiums from selling certified palm oil.

To bridge key knowledge gaps, the SMILE programme leveraged Asian Agri's success in working with smallholders and assembled a team of experienced experts in the areas of plantation management and agronomy. The team works with 5,000 independent smallholders who manage approximately 18,000 hectares of plantations in the provinces of North Sumatra, Riau and Jambi.

Through customised seminars and workshops, the SMILE team:

Educates farmers on yield improvement strategies, sustainable farm management, and the importance of no deforestation, zero-burning and no exploitation commitments

Supports smallholders with obtaining RSPO Certification by 2030

Provides training on implementing robust safety measures across their estates, including the use of fire extinguishers and PPE such as safety helmets and gloves



 Participants of the SMILE Training

Under Phase 1 of the SMILE programme, we have also completed polygon mapping for all smallholder estates and engaged consultants to conduct a gap analysis for our smallholders. We continue to monitor the progress of our village cooperatives (known as "Koperasi Unit Desa" or "KUD") for an upcoming audit, and will arrange RSPO certification. We will continue to engage with smallholders under Phase 2 (2022 to 2027) and Phase 3 (2025 - 2030) of the SMILE programme.

All activities will be implemented in accordance with the RSPO framework. As part of its requirements and the companies' commitment to supporting the realisation of the UNSDGs, the SMILE programme also includes empowerment initiatives for communities.

The three companies regularly engage with various stakeholders, such as NGOs, non-profit organisations (NPOs), and community leaders to ensure the delivery of high-quality training and adequate equipment allocation. As at end-2021, the SMILE programme has benefitted approximately 600 independent smallholders.

As part of Apical2030, we have set a target to support 5,000 independent smallholders to achieve RSPO, ISPO or ISCC certification by 2030 through capacity building and training. Concurrently, we are piloting a smallholder certification project with a few community mills to enhance the supply of CPKO.

Beyond our SMILE programme, we collaborated with the Earthworm foundation, a global NGO, in a joint project to help our smallholders align their operations with our sustainability commitments. Targeted at smallholders in East Kalimantan, the project aims to augment all three pillars of sustainability by improving labour conditions, preventing deforestation and enhancing livelihoods. We are currently piloting the project in PT Buana Wira Subur Sakti, our supplier mill as well as in Rangan Village, which serves as an FFB catchment area in Paser Regency.

For our pilot project in PT Buana Wira Subur Sakti, we organised a participatory conservation planning activity, conducted a livelihood assessment and surveyed the surrounding lands for illegal deforestation. As part of these our pilot projects, we also established a number of grassroots

organisations. Known as Komunitas Peduli Kampung or "KPK", these organisations encourage community members to participate in forest and mangrove conservation activities whilst campaigning for legislative reform. In 2022, Apical aims help to both PT Buana Wira Subur Sakti and Rangan Village attain ISPO certifications.

Apical is committed to engaging suppliers proactively for capacity building and progressive transformation in their supply chain. In light of criticism that companies are failing to address serious issues in their supply chains, the focus of Apical's work has shifted to more proactive engagement: tackling problematic parent groups and sensitive sourcing regions. Apical will prioritise high priority supplier groups with Earthworm Foundation and develop tactical action plans.

As part of Apical2030, we have set a target to support 5,000 independent smallholders to achieve RSPO and ISPO certification by 2030 through capacity building and training.



 Demo trial for spraying

COMMUNITY LIVELIHOOD

Community Investment 203-1

Apical invests in a variety of programmes to improve the living standards and well-being of local communities in areas where we operate. Designed via community consensus, these programmes aim to enhance the provision of basic infrastructure and access to key services such as healthcare and education.

In 2021, Apical completed extensive renovations for two school buildings in Teluk Waru, Kariangau, West Balikpapan, and returned the buildings to the Balikpapan City Government. To enhance the standard of education in Balikpapan, Apical also partnered with the Tanoto Foundation to support the foundation's flagship PINTAR programme. Organised in conjunction with the Balikpapan department of Education and the Ministry of Religion, the PINTAR programme aims to improve the quality of education by upskilling teachers and principals across 24 partner schools.

As part of Apical2030, we aim to support 30 Sustainable Living Villages by 2030. For this end, we will conduct the SIAs for all our refineries in Indonesia by 2025, and tailor programmes based on our assessment results. To promote Sustainable Living Villages within our value chain, we will identify priority

As part of Apical2030, we aim to support 30 Sustainable Living Villages by 2030



Provision of food aid in Dumai

villages through supplier mapping, formulate village-specific management and mitigation plans, and form partnerships to drive various community development initiatives. Among other goals, these initiatives aim to impart critical farming technology, uplift the standard of community education, and promote alternative livelihoods.

Selected initiatives in 2021

At Dumai, we provided food aid to 84 underprivileged families, plus nutritional packages containing green beans, milk and biscuits to 20 pregnant women and 100 toddlers. We also offered cooking oil to local residents, and sponsored activities organised by Islamic Wird Yasin.

We helped to construct and renovate toilets in the KBN Marunda neighbourhood and led community development activities with the Tani Hutan Group. Under this partnership, we provided financial assistance to 19 orphans during the Ramadan festive season, donating over 39,998,000 Indonesian Rupiah (IDR).

When Kalimantan was hit by floods and landslides in 2021, we also rendered our assistance by distributing food packages and water supplies to flood victims and disadvantaged communities.

#ApicalPeduli (ApicalCares)

Since 2020, Apical has been actively organising a series of community resilience programmes to complement its existing commitment towards social development. Denoted on social media with the hashtag #ApicalPeduli, these programmes form a cohesive movement that aims to spread positivity and inspire a sense of community spirit.

As part of #ApicalPeduli, we distributed care packages to 200 families around our operations in Marunda, Jakarta, supplying them with critical necessities to tide over the COVID-19 pandemic. For communities in Balikpapan, we repaired road networks and distributed key equipment such as life jackets for fishing, helping our beneficiaries ease the impact of the COVID-19 pandemic on their livelihoods.

In response to severe price inflation associated with the pandemic, we also organised Operation Cooking Oil Market in Rusun Cilincing, North Jakarta, to help communities purchase cooking oil at an affordable rate. Held on 31 November 2021, the event was lauded by Deputy Minister for Food and Agriculture Dr Ir Musdhalifah Machmud MT for its timeliness amidst the festive season.



#ApicalPeduli - a series of community resilience programmes

Continuing to support local communities during COVID-19

As the world continues to navigate the COVID-19 pandemic, Apical remains committed to supporting local communities by assessing their needs and challenges.

Since the onset of the pandemic in 2020, our operations have focused on prevention and awareness campaigns to help local communities. At our AKC, SDS, CEP and SDO sites, we distributed PPE and dietary supplements such as multivitamins and milk to health workers in the area.

The team at our refinery in PRC contributed to the fight against COVID-19 by carrying out various activities, such as the distribution of food packages to around 500 families at Gaung, Kelurahan Gates Nan in April 2021. In August 2021, we distributed oxygen concentrator units to the Pemerintah Kota local authority for use by COVID-19 patients at nearby hospitals.

At AAJ Tj Balai, we donated face masks, rice, cooking oil, sugar, noodles, tea and coffee to 150 families affected by the virus in May 2021, and an additional 50 families and 22 orphans in December.

At our KRN facility, 500 food packages were donated to the local government to help support those affected by the crisis in Balikpapan, and 20 oxygen concentrator units were presented to the East Kalimantan provincial government to help patients infected with COVID-19. In the year under review, we also distributed over 3,000 oxygen concentrators to healthcare authorities.



Supporting COVID-19

OUR CUSTOMERS AND CONSUMERS

3-3, 102-2, 102-6

Apical's customers range from palm oil traders and biofuel manufacturers to retailers, wholesalers and consumer goods manufacturers. We work hand in hand with our customers to meet their needs for safe, high-quality, traceable and sustainable palm oil, while also updating them on our sustainability progress.

We supply our customers with a range of quality edible oils, from CPO and CPKO to various forms of processed palm oil (PPO), processed palm kernel oil (PPKO) and Refined, Bleached, Deodorized Soybean Oil (RBDSBO), all of which can be further processed into value-added products. In addition to the domestic market in Indonesia, our products are also sold in Asia, Europe, America, Australasia and Africa.

Products from our Indonesian refineries comply with the Indonesian National Standard for product quality, and are both halal and kosher certified to meet religious dietary requirements.

Ensuring Product Quality and Safety

3-3, 416-2

Supplying safe and high-quality edible oil forms the core of our business. We constantly seek to improve ourselves by investing in technology and complying with relevant global standards.

We regularly appoint independent third-party certification bodies to verify the quality of our products against relevant standards. Our palm oil products are Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) certified for food safety.

Products from our Indonesian refineries comply with the Indonesian National Standard for product quality and are both halal and kosher certified to meet religious dietary requirements. We adhere to the Palm Oil Refiners Association of Malaysia's (PORAM) standards for PPO and tailor our product specifications to our customers' requirements.

End products from our AAJ Marunda refinery are also certified in line with the Food Safety System Certification (FSSC) 22000 version 5.1, which focuses on the Food Safety Management System of an organisation and embodies the highest global standards. The refinery aims to achieve ISO 17025 certification in 2022. Furthermore, both our PRC and AAJ Tj Balai refineries embed the principles of Quality, Productivity and Cost (QPC) in their day-to-day operations, allowing them to foreground consumer health and produce high-quality products.



In 2021, our KRN refinery obtained the ISO 9001 certification for product quality and has arranged plans to apply for FSSC 22000. In the same year, products from our AAJ Marunda refinery have been certified by the Indonesian National Agency for Drug and Food Control as safe for export.

We have also implemented various programmes to ensure the quality and safety of our products, including GMP refreshment training for all employees, biannual internal audits, and in-house training conducted by credible external providers on implementing international standards. Our EFT refinery in China has also developed SOPs to prevent and manage food fraud and allergens.

Protecting Consumer Health

3-3, 416-2

Apical is committed to minimising the presence of unhealthy co-contaminants to ensure that its products uphold the wellbeing of its consumers. Co-contaminants such as 3-monochloropropane-1, 2-diol or 3-chloropropane-1, 2-diol (3-MCPD) and glycidyl esters (GE) are produced during the refining process when high temperatures are applied to achieve the desired quality and safety specifications. However, due to growing health concerns related to these substances, the European Union (EU) has set maximum levels for GE, while the European Food Standards Authority (EFSA) has set a tolerable daily intake for 3-MCPD.

To meet the requirements set by the EU and EFSA, we have adopted the latest technology in analytical science to detect trace elements and measure our products' oil and fat content. This includes the use of a gas chromatograph, a head space gas chromatograph, an inductively coupled plasma atomic emission spectroscopy (ICP-AES), and a trace elemental analyser to detect the presence of contaminants in raw materials and final products.

Zero Incidents
of non-compliance with regulations and voluntary codes relating to the health and safety impact of our products in 2021.



OUR CUSTOMERS AND CONSUMERS

Certifying Sustainable Palm Oil 3-3, 102-12

Palm oil certifications help drive our sustainability progress while giving our customers peace of mind when purchasing our products. As such, we strive to demonstrate the sustainability of our products by certifying our operations under schemes such as the RSPO and the ISCC. The checklist used during our PSEP Programme is based on the ISPO certification requirements.

Apical has been an RSPO member since 11 August 2011 and has been reporting on our sustainability efforts through the RSPO Annual Communications of Progress (ACOP) since 2014. Our target is to process and handle only RSPO-certified palm oil by 2025 and achieve RSPO certification for all processing facilities. We also aim for all new refineries to obtain the RSPO certification within three years from the start of their operations. All of our other refineries in Indonesia have obtained the RSPO Supply Chain Certification, except for SDO (D) and AAJ Tj Balai. We aim to certify our AAJ Tj Balai refinery by 2022.

As of 2021, 3.17% and 5.27% of our palm oil and oil palm products processed are RSPO and ISCC certified respectively.

We underscore the importance of certification schemes to our suppliers and support them in achieving relevant certificates. For this end, we assembled a dedicated Supplier Engagement Team (SET) to accelerate the progress of our FFB traceability and certification initiatives. We also formulated a series of guidelines and implementation manuals to provide our suppliers with technical support as they jump-start their certification journeys.

Additionally, we engage with our global customers, such as Bunge, Cargill, Kao Corporation, Nestle and Unilever on the latest developments in market sustainability requirements. For more information, see the section on *Working with Suppliers*.



Volume of Certified Raw Materials Sourced

Certification	Certified Raw Material Sourced	Volume (MT)			
		2018	2019	2020	2021
RSPO	CPO, PKO	177,456	191,937	221,780	320,898
ISCC	CPO	560,498	717,706	830,242	533,159
Non-certified	CPO, PKO	5,597,708	7,049,972	7,139,559	9,268,432

Note:
Refer to section on Scale of Operations for certifications obtained by each of our facilities

Leveraging Technology to meet Customer Needs 3-3

Given the shift in consumer preferences towards traceable and certified palm oil, we strive to continuously improve our traceability procedures and present relevant information in a clear and accessible manner.

For this end, our EFT refinery in China has developed an Electronic Traceability System to enhance product traceability. This system, which requires our Quality Control Superintendent to input related information for all raw materials and finished products, is sponsored by the Food and Medicine Monitoring Bureau of Jiang Su Province.

To complement the aforementioned systems, we successfully launched the Plant Information Management System (PIMS) in 2020 covering most of our processing, utility, desalination, and power plants. The data collected from PIMS will be used to improve productivity and optimise our processes. In 2021, we also implemented the Laboratory Integrated Management System (LIMS) to prevent cross-contamination during storage, allowing us to ensure the integrity of our products.



5 refineries and **8.4%** of our palm oil and oil palm products processed are certified, as of 2021



>45% increase in volume of RSPO-certified raw materials sourced, compared to 2020

APPENDIX: MATERIALITY AND STAKEHOLDER ENGAGEMENT

Materiality Assessment

3-1, 3-2, 3-3, 102-12, 102-46, 102-47, 102-49

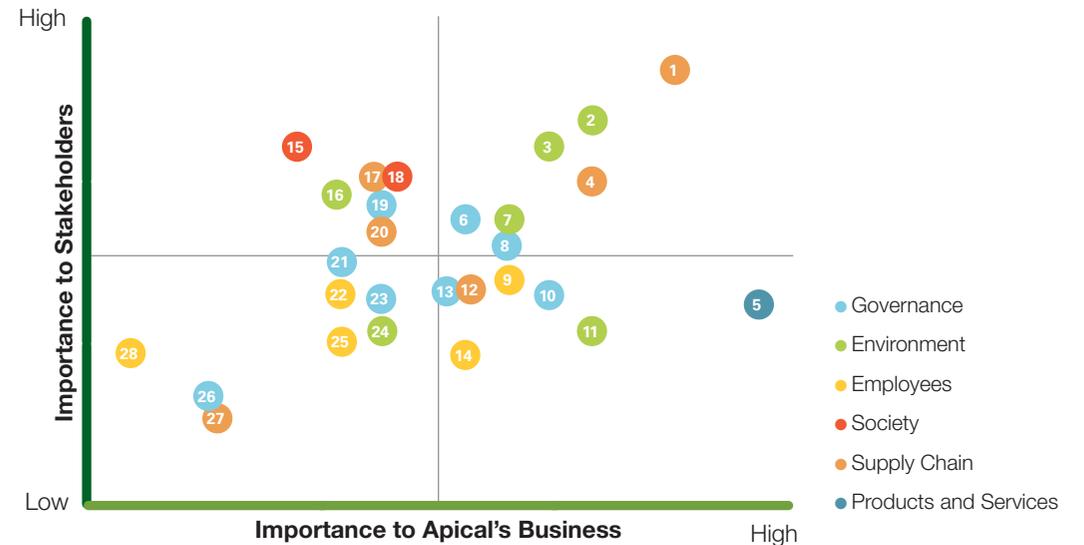
In 2021, we engaged BSR, a third-party consultant, to conduct a materiality review to ensure that the issues we report remain relevant and important to our business and stakeholders. This includes understanding the risks and opportunities that each issue presents.

The process involved gathering quantitative and qualitative feedback from key internal and external stakeholders. Internal stakeholders include senior management, while external stakeholders include selected suppliers, customers, partners, industry body representatives and NPOs representatives.

Our materiality review process comprised the following three stages:

Stage	Activities
Benchmarking	<ul style="list-style-type: none"> Reviewed internal documentation, past materiality assessments, and industry standards, which include international reporting frameworks such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) Benchmarked our materiality assessments against that of our peers' Developed a list of 28 issues based on the impacts of Apical's direct operations and value chain on the economy, environment and people. These impacts are either actual or potential, and can be positive or negative
Insights	<ul style="list-style-type: none"> Developed an interview guide to gather stakeholder perspectives on current and emerging sustainability focus areas and their relation to Apical's business priorities The interviews also aim to identify the areas of risk and opportunity in which Apical can create the most value for the business, employees, communities and the environment Conducted one-on-one interviews with six internal stakeholders and 14 external stakeholders to rank the identified issues
Materiality	<ul style="list-style-type: none"> Tabulated and analysed the findings from stakeholder engagements to develop a materiality matrix Finalised the materiality assessment and business insights Presented the materiality assessment results to the top management for approval

The materiality matrix summarises the results of our materiality assessment. The x-axis represents the importance of each topic to the business, while the y-axis represents the importance of each topic to Apical from the perspective of external stakeholders.



- | | |
|---|---|
| 1 Supply Chain Traceability and Transparency | 16 Biodiversity |
| 2 Deforestation | 17 Labour Standards in the Supply Chain |
| 3 GHG Emissions | 18 Empowering Communities |
| 4 Responsible Procurement Practices | 19 Transparency |
| 5 Product Quality and Safety | 20 Serving Smallholder Farmers |
| 6 Business Ethics | 21 Access to Remedy |
| 7 Climate Change Strategy | 22 Diversity and Inclusion |
| 8 Zero-tolerance Conduct/Grievance Mechanisms | 23 Anti-corruption |
| 9 Employee Health, Safety and Well-Being | 24 Water Use |
| 10 Systemic Risk Management | 25 Compensation and Benefits |
| 11 Waste | 26 Board and Executive Compensation, Independence and Diversity |
| 12 Sustainable Agriculture | 27 Supplier Diversity & Inclusiveness |
| 13 Compliance | 28 Freedom of Association |
| 14 Training and Development | |
| 15 Supporting Human Rights | |

APPENDIX: MATERIALITY AND STAKEHOLDER ENGAGEMENT

Definition of Material issues

3-2

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 that govern the actions and behaviour of individuals to ensure that business principles and integrity are upheld. These standards articulate our commitment towards the prevention of corruption, bribery and anti-competitive practices

Compliance to Evolving Regulations and Standards

- Compliance refers to a state of adherence to established laws, regulations, standards, and ethical practices that apply to the organisation, or the process of becoming so

Anti-Corruption

- Commitment to comply with relevant standards and avoid or eliminate corruption, extortion, and bribery, within the company's global operations and supply chain

Culture of Zero Tolerance and Grievance Mechanisms

- Culture of zero tolerance towards poor conduct (internally or externally), such that employees feel free to speak up without the fear of retaliation. This involves the establishment of formal channels (e.g. whistle-blower channels) for employees, contractors, and third parties to report on issues

Access to Remedy

- Ability to take appropriate steps to ensure that victims of human rights abuses 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 company to prevent major disruptions that may harm economies and societies at large (e.g. financial crisis)

Transparency and trust

- 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

Definition of Material issues

3-2

Environment

GHG Emissions

- The emission of various gases that contribute to the greenhouse effect (i.e. water vapor, carbon dioxide, methane, nitrous oxide, and ozone) into the atmosphere. Any targets, programmes, or resources dedicated to the achievement of 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 also covers the efficient use of natural resources

Deforestation

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

Water Use

- Implementation of a systematic approach to conserve and reuse water in company operations and supply chain, and promote water conservation practices within its sphere of influence

Waste Management

- 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 to realise the full business and environmental value of material inputs

Biodiversity

- Company operations can have adverse impacts on local ecosystems when sited in biologically sensitive areas. As such, companies should also undertake conservation efforts to monitor biodiversity loss, promote reforestation, etc

APPENDIX: MATERIALITY AND STAKEHOLDER ENGAGEMENT

Definition of Material issues 3-2

Employees

- Diversity and Inclusion**
- A workplace where all employees are treated with dignity and fairness, without discrimination based on gender, ethnicity, religion, nationality and sexual orientation
- Employee Health, Safety and Well-being**
- Managing workplace hazards and enhancing the safety, health and wellness of employees and workers. This entails conducting relevant trainings, insurance programmes and initiatives to improve work life balance
- Training and Development**
- Efforts to upskill employees to operate innovative business systems, supporting their career progression and external enhancement
- Compensation and Benefits**
- Payment an employee receives for services rendered 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

Society

- Empowering Communities**
- Diversifying and enhancing local social and economic activities to build resilience and enhance livelihoods in a territory where the company is operating or sourcing
- Supporting Human Rights**
- Approaches, policies and due diligence processes that affirm human rights and prevent violations

Definition of Material issues 3-2

Supply Chain

- Responsible Procurement Practices**
- Processes for sourcing external supplies, which entail the maintenance of supplier relationships and the 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: MATERIALITY AND STAKEHOLDER ENGAGEMENT

Stakeholder Engagement

102-21, 102-40, 102-42, 102-43, 102-44

The sustainability issues facing the palm oil industry are often complex and multi-faceted. Hence, we must engage and collaborate with our key stakeholders to achieve our sustainability goals. We communicate with our stakeholders through their preferred mode of engagement, allowing us to receive feedback and build relationships founded on trust and mutual understanding.

Our key stakeholders have been identified based on their experience, relevance, and impacts to Apical. Our major stakeholder engagement efforts for 2021 are summarised in the table below.

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's response
 Customers & Consumers	<ul style="list-style-type: none"> One-on-one communication (periodic) Conference calls (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) Consumer Focus Group Discussions 	<ul style="list-style-type: none"> Apical's sustainability commitments, initiatives and progress to achieve policy commitments Updates to traceability and customer data requirements Grievances on Apical's operations and/or suppliers Partnerships and collaborations on joint community/conservation projects Service improvements for customers 	<ul style="list-style-type: none"> Engaged with at least 15 major customers mainly on requests for traceability information, inquiries on grievance matters related to our supply chain and information on our sustainability initiatives. Customers now have a better understanding of our sustainability progress, challenges and achievements Embarked on new partnerships including SUSTAIN

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's response
 Banks & Financial Institutions	<ul style="list-style-type: none"> E-mail updates (regularly) One-on-one meetings (periodic) Sustainability Report (annually) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Survey (periodically) Materiality assessment (every 2-3 years) Site visits (ad-hoc) 	<ul style="list-style-type: none"> Apical's sustainability commitments, initiatives and progress Apical's financial performance 	<ul style="list-style-type: none"> Shared information on our sustainability policy and commitments, as well as our programmes and progress
 Civil Society Groups	<ul style="list-style-type: none"> One-on-one meetings (regularly) Sustainability Report (annually) Apical Website (ad-hoc) Apical Sustainability Dashboard (ad-hoc) Survey (periodically) Materiality assessment (every 2-3 years) Multi-stakeholder forums (regularly) Site visits (ad-hoc) 	<ul style="list-style-type: none"> Apical's Sustainability commitments, initiatives and progress 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 	<ul style="list-style-type: none"> Collaborated with the Earthworm Foundation on a pilot project in East Kalimantan, which focuses on deforestation prevention, forest protection and labour practices within our supply chain Engaged with NGOs on the resolution of grievance cases

APPENDIX: MATERIALITY AND STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's response
 Industry groups, trade associations and certification bodies	<ul style="list-style-type: none"> One-on-one Meetings (regularly) Multi-stakeholder forums (regularly) Sustainability Report (annually) Apical Website (ad-hoc) Apical Sustainability Dashboard (ongoing) Survey (periodically) Materiality assessment (every 2-3 years) Multi-stakeholder forums and events (regularly) 	<ul style="list-style-type: none"> Opportunities for collaboration on landscape level initiatives Palm oil certification Traceability verification 	<ul style="list-style-type: none"> Participated in RSPO, ISPO and ISCC certification updates and and new requirements Provided policy revision feedback to the RSPO Principles & Criteria (P&C) Review Task Force Took part in the consultation group for the ISPO organised by KEHATI (The Indonesian Biodiversity Foundation) Served as a corporate partner at SAIL, a joint initiative by Enterprise Singapore and Nanyang Technological University Contributed a problem statement for the SEA OIC
 Employees	<ul style="list-style-type: none"> Annual appraisals and PRP Townhall meetings (annually) Major festival celebrations (annually) HR training programmes (ongoing) Apical Website (ad hoc) Apical Sustainability Dashboard (ongoing) Materiality assessment (every 2-3 years) 	<ul style="list-style-type: none"> Workplace Health and Safety procedures Training and development opportunities Communication of Sustainability policy and initiatives in responsible palm oil Strategic direction of the business Awareness of company policies, including the Code of Conduct and TOPICC core values 	<ul style="list-style-type: none"> Continued to communicate our Sustainability Policy to employees internally through presentations Assembled a Taskforce for Apical2030 to incorporate employee inputs during target-setting Conducted sharing sessions related to Science-based targets and the NPC Impact Assessment Framework

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's response
 Local community	<ul style="list-style-type: none"> Dialogue with community groups and representatives facilitated by our dedicated SSL team (regularly) Outreach programmes to improve livelihood (annually) Apical's grievance mechanism to understand and address community concerns including FPIC and environmental conservation (ongoing) Complaint handling, grievance procedures and conflict resolution engagement (ad hoc) Surveys (periodically) 	<ul style="list-style-type: none"> Address community concerns including FPIC Ensure palm oil brings benefits to the local community such as better infrastructure, access to employment opportunities Fire prevention 	<ul style="list-style-type: none"> Prioritised employment opportunities to local communities Increased in community investments and programmes to improve well-being, infrastructure and basic needs Prevention of fire outbreak with Free Fire Village Programmes
 Governments and regulatory bodies	<ul style="list-style-type: none"> One-on-one meetings (ad hoc) Multi-stakeholder forums and events (regularly) Consultations (regularly) Apical Website (ad hoc) Apical Sustainability Dashboard (ongoing) Materiality assessment (every 2 years) Field visits (regularly) Survey (periodically) 	<ul style="list-style-type: none"> Compliance with government policies and regulations Communication around Apical's policies and actions in responsible palm oil Alignment of Apical's initiatives with government policies, especially in HCV/HCS areas and smallholder development 	<ul style="list-style-type: none"> Provision of updated documentation on compliance for Apical and our suppliers

APPENDIX: MATERIALITY AND STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Engagement Method & Frequency	Topics & Concerns Raised	Apical's response
 Suppliers including smallholders	<ul style="list-style-type: none"> Anchor Programmes One-on-one communication (ongoing) Apical Website (ad-hoc) Sustainability Report (annually) Apical Sustainability Dashboard (ongoing) Materiality assessment (every 2-3 years) Survey (periodically) 	<ul style="list-style-type: none"> Information on compliance with Apical's Sustainability Policy and standards including traceability requirements Clarification on grievances lodged on supplier's operations Risk assessments of supply chains Gaps in traceability data collection Supplier screening and monitoring 	<ul style="list-style-type: none"> Capacity building to ensure suppliers implement sustainability best practices within operations and ensure responsible production, in line with Apical's Sustainability Policy Enhanced fire prevention measures by collaborating with Asian Agri on its Fire Free Village Programme Continued supplier engagement through our Anchor Programmes Engaged with 600 smallholders through our SMILE Programme

GRI CONTENT INDEX

102-54, 102-55

This report has been prepared in accordance with the GRI Standards: Core option. The table below presents our GRI content index, which specifies each of the GRI Standards used in the report with a reference where the information can be found. Where we were not able to meet the GRI Standards reporting requirements, we have included in the table the reason for omission.

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
General Disclosures			
GRI 102: General Disclosures 2016	Organisational Profile		
	102-1	Name of the organisation	2
	102-2	Activities, brands, products, and services	8, 11, 72 Webpage: https://www.apicalgroup.com/our-products/
	102-3	Location of headquarters	8
	102-4	Location of operations	10-11
	102-5	Ownership and legal form	8
	102-6	Markets served	72
	102-7	Scale of the organisation	10-11, 55. We do not report on net sales and total capitalisation as we are not a publicly listed company
	102-8	Information on employees and other workers	55-58
	102-9	Supply chain	34
	102-10	Significant changes to the organisation and its supply chain	8
	102-11	Precautionary Principle or approach	13
	102-12	External initiatives	26, 76
102-13	Membership of associations	26	
Strategy			
102-14	Statement from senior decision-maker	4-7	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	9, 23	
102-17	Mechanisms for advice and concerns about ethics	23-25	

GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
General Disclosures (cont'd)			
Organisational Profile			
	102-18	Governance structure	20-22
	102-19	Delegating authority	20-22
	102-20	Executive-level responsibility for economic, environmental, and social topics	20-22
	102-21	Consulting stakeholders on economic, environmental, and social topics	20-22, 82-86
Stakeholder Engagement			
	102-40	List of stakeholder groups engaged	82-86
	102-41	Collective bargaining agreements	58
	102-42	Identifying and selecting stakeholders	82
	102-43	Approach to stakeholder engagement	82-86
	102-44	Key topics and concerns raised	82-86
Reporting Practice			
	102-45	Entities included in the consolidated financial statements	2
	102-46	Defining report content and topic Boundaries	2, 76-81
	102-47	List of material topics	77-81
	102-48	Restatements of information	46
	102-49	Changes in reporting	76-77
	102-50	Reporting period	2
	102-51	Date of most recent report	August 2021
	102-52	Reporting cycle	2
	102-53	Contact point for questions regarding the report	3
	102-54	Claims of reporting in accordance with the GRI Standards	2, 87-95
	102-55	GRI content index	87-95
	102-56	External assurance	3, 96-97

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
Material Issues			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	76
	3-2	List of material topics	77-81
Governance			
Board and Executive Compensation, Independence and Diversity			
GRI 3: Material Topics 2021	3-3	Management of material topics	20, 77-78
	GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees
Business Ethics			
GRI 3: Material Topics 2021	3-3	Management of material topics	20-21, 23, 33, 77-78
Compliance			
GRI 3: Material Topics 2021	3-3	Management of material topics	23, 77-78
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	23, 44
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	23
Anti-Corruption			
GRI 3: Material Topics 2021	3-3	Management of material topics	23-24, 77-78
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	23-24
Zero-tolerance Conduct/Grievance Mechanisms			
GRI 3: Material Topics 2021	3-3	Management of material topics	24-25, 77-78

GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
Material Issues (cont'd)			
Governance (cont'd)			
Access to Remedy			
GRI 3: Material Topics 2021	3-3	Management of material topics	24-25, 77-78
Systemic Risk Management			
GRI 3: Material Topics 2021	3-3	Management of material topics	20-22, 77-78
Transparency			
GRI 3: Material Topics 2021	3-3	Management of material topics	b, 77-78
Environment			
GHG Emissions			
GRI 3: Material Topics 2021	3-3	Management of material topics	15, 32, 44-47, 77, 79
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	46
	305-2	Energy indirect (Scope 2) GHG emissions	46
	305-4	GHG emissions intensity	46
Climate Change Strategy			
GRI 3: Material Topics 2021	3-3	Management of material topics	15, 28-29, 44-47, 52-53, 77, 79
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	46
Deforestation			
GRI 3: Material Topics 2021	3-3	Management of material topics	15, 30, 32, 52-54, 77, 79

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
Material Issues (cont'd)			
Environment (cont'd)			
Water Use			
GRI 3: Material Topics 2021	3-3	Management of material topics	16, 30, 32, 48-49, 77, 79
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	48-49
	303-2	Management of water discharge-related impacts	49
	303-3	Water withdrawal	49
	303-4	Water discharge	49
	303-5	Water consumption	48
Waste			
GRI 3: Material Topics 2021	3-3	Management of material topics	16, 29, 50-51, 77, 79
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	50-51
	306-2	Management of significant waste-related impacts	50-51
	306-3	Waste generated	50
	306-4	Waste diverted from disposal	50-51
	306-5	Waste directed to disposal	50-51
Biodiversity			
GRI 3: Material Topics 2021	3-3	Management of material topics	15, 30, 32, 52-53, 77, 79
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	32, 52-53

GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
Material Issues (cont'd)			
Employees			
Diversity and Inclusion			
GRI 3: Material Topics 2021	3-3	Management of material topics	57-58, 77, 80
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	57-58
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	57-58
Employee Health, Safety and Well-Being			
GRI 3: Material Topics 2021	3-3	Management of material topics	33, 58-59, 61-64, 77, 80
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	61-64
	403-2	Hazard identification, risk assessment, and incident investigation	61-64
	403-3	Occupational health services	61-64
	403-4	Worker participation, consultation, and communication on occupational health and safety	61-64
	403-5	Worker training on occupational health and safety	58-59, 61-62
	403-6	Promotion of worker health	63-64
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61-64
	403-9	Work-related injuries	33, 63

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
Material Issues (cont'd)			
Employees (cont'd)			
Training and Development			
GRI 3: Material Topics 2021	3-3	Management of material topics	58-60, 77, 80
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	60
GRI 408: Child Labour 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes	58-59
Compensation and Benefits			
GRI 3: Material Topics 2021	3-3	Management of material topics	56-57, 77, 80
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	57
GRI 40: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	56-57
Freedom of Association			
GRI 3: Material Topics 2021	3-3	Management of material topics	58, 77, 80
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	58

GRI CONTENT INDEX

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
Material Issues (cont'd)			
Society			
Empowering Communities			
GRI 3: Material Topics 2021	3-3	Management of material topics	27-28, 33, 65-71, 77, 80
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	33, 66-67, 70-71
GRI 413: Local Communities 2016	411-1	Incidents of violations involving rights of indigenous peoples	65-66
	413-2	Operations with significant actual and potential negative impacts on local communities	65-66
Supporting Human Rights			
GRI 3: Material Topics 2021	3-3	Management of material topics	39, 40, 56, 77, 80
Supply Chain			
Responsible Procurement Practices			
GRI 3: Material Topics 2021	3-3	Management of material topics	33, 35-43, 77, 81
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	39
	308-2	Negative environmental impacts in the supply chain and actions taken	39-41, 53
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	39
	414-2	Negative social impacts in the supply chain and actions taken	39-41
Sustainable Agriculture			
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 33, 34-43, 77, 81

GRI Standard	GRI Disclosure Number	GRI Disclosure Title	Page References/Reasons for Omission
Material Issues (cont'd)			
Supply Chain (cont'd)			
Labour Standards in the Supply Chain			
GRI 3: Material Topics 2021	3-3	Management of material topics	28, 40, 58, 77, 81
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	58
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	39-40
Supply Chain Traceability and Transparency			
GRI 3: Material Topics 2021	3-3	Management of material topics	29, 33, 36-38, 77, 81
Supplier Diversity & Inclusiveness			
GRI 3: Material Topics 2021	3-3	Management of material topics	39, 77, 81
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	34
Serving Smallholder Farmers			
GRI 3: Material Topics 2021	3-3	Management of material topics	16, 33, 67-69, 77, 81
Products			
Product Quality and Safety			
GRI 3: Material Topics 2021	3-3	Management of material topics	29, 33, 72-74, 77, 81
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	73



INDEPENDENT ASSURANCE STATEMENT

Control Union was commissioned by Apical Group (PTE.) Limited to conduct an independent assurance of Apical Sustainability Report 2021.

The information in the Sustainability Report is the exclusive responsibility of Apical Group (PTE.) Limited. Control Union was not involved in the preparation of any material included in this document.

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

Assurance Scope

The assurance engagement has been planned and performed in accordance with Global Reporting Initiative (GRI) standards. The assurance process involves verification of the following aspects:

Inclusivity:

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

Apical has a step-by-step mechanism for identifying who their stakeholders are and the means by which these stakeholders need to be engaged. Accordingly, these various stakeholders are engaged through their preferred mode of engagement, allowing them to receive feedback and build relationships founded on trust and mutual understanding. The results of this stakeholder engagement form part of the inputs in target setting and prioritization of material topics at the highest organizational level.

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

In 2021, Apical has conducted a materiality review to ensure that the issues they report remain relevant and important to the business and stakeholders. These material topics have been identified through qualitative and quantitative 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 and 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.



Impact:

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

Apical has a dedicated team that is responsible for monitoring their commitments and progress and that of their suppliers. In 2021, there were six (6) grievances raised against Apical's suppliers in relation to clearing of forests and peatland. Additionally, 13% of the total supplying mills of Apical Group were implicated in grievance issues and this list is publicly available on the Grievance Tracker on Apical's website

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 text of the report (pre-assurance research)
- Review of internal and external documentary evidence produced by Apical
- Review of approach to data collection at company level
- Audit of data presented in the Report including a detailed review of a sample of data
- Review of a selection of internal performance documents
- Remote visits to the head office and sampled operational units
- Interviews with persons in charge of producing the Report at the head office

Conclusions

Based on our modest 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.

Supun Nigamuni

General Manager

16/06/2022

GLOSSARY OF TERMS

3-MCPD	3-monochloropropane-1, 2-diol or 3-chloropropane-1, 2-diol
AAJ Marunda	PT Asianagro Agungjaya Marunda
AAJ Tj Balai	PT Asianagro Agungjaya Tanjung Balai
ACOP	Annual Communications of Progress
AKC	PT Apical KAO Chemicals
AMDAL	Analisis Mengenai Dampak Lingkungan
ASAS	Apical Sustainability Assurance System
A-SIMPLE Framework	Apical Sustainability IMPLementation Framework
ASRA	Asia Sustainability Reporting Awards
AWG	Active Working Group
BoD	Board of Directors
BOH	Bio-Oils La Rabida Huelva
BPJS	Badan Penyelenggara Jaminan Sosial
CARE	Collaborative Action Remote Engagement
CEP	PT Cemerlang Energi Perkasa
COP	Car Ownership Programme
COPE	Code of Procurement Ethics
CORE	Consortium of Resource Experts
CPKO	Crude Palm Kernel Oil
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DLP	Driving License Process
EFSA	European Food Standards Authority
EFT	Excelic Food Technology Co Ltd
ESG	Environmental, Social and Governance
EU	European Union
EUR	Euro
FFB	Fresh Fruit Bunches
FFVP	Fire-Free Village Programme
FPIC	Free, Prior and Informed Consent
FSSC	Food Safety System Certification
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
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
ICP-AES	Inductively Coupled Plasma Atomic Emission Spectroscopy
IDP	Individual Development Plan
IDR	Indonesian Rupiah
ILO	International Labour Organisation
ISCC	International Sustainability and Carbon Certification
ISPO	Indonesian Sustainable Palm Oil
ISPS	International Ship and Port Facility Security
IUCN	International Union for Conservation of Nature
KEHATI	Indonesian Biodiversity Foundation
KRN	PT Kutai Refinery Nusantara
KUD	Koperasi Unit Desa
LCA	Life Cycle Assessment
LIMS	Laboratory Integrated Management System
MOP	Motorcycle Ownership Programme
MPP	Mill Prioritisation Process
MYR	Malaysian Ringgit
NDC	Nationally Determined Contributions
NDPE	No Deforestation, No Peat and No Exploitation
NDPE IRF	No Deforestation, No Peat and No Exploitation Implementation Reporting Framework
NGOs	Non-governmental Organisations
NPOs	Non-profit Organisations
OFI	Opportunity for Improvement
OHS	Occupational Health and Safety
PIMS	Plant Information Management System
PK	Palm Kernel
PORAM	Palm Oil Refiners Association of Malaysia
PPE	Personal Protective Equipment
PPKO	Processed Palm Kernel Oil

GLOSSARY OF TERMS

PPO	Processed Palm Oil
PRC	PT Padang Raya Cakrawala
PSEP	Priority Supplier Engagement Programme
QOFI	Quality Opportunity for Improvement
QPC	Quality, Productivity and Cost
RBDSBO	Refined, Bleached, Deodorised Refined Soybean Oil
RCA	Risk Calibrated Approach
RMB	Renminbi
RMC	Risk Management Committee
RSPO	Roundtable on Sustainable Palm Oil
RSS	Responsible Sourcing from Smallholder
SAIL	Singapore Agri-Food Innovation Lab
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDO (D)	PT Sari Dumai Oleo - Dumai
SDO (M)	PT Sari Dumai Oleo - Marunda
SDS	PT Sari Dumai Sejati
SEA OIC	Southeast Asia Open Innovation Challenge
SET	Supplier Engagement Team
SFA	Suppliers Self-Assessment
SGD	Singapore Dollar
SIAAs	Social Impact Assessment
SLV	Sustainable Living Villages
SMILE	SMallholder Inclusion for better Livelihood & Empowerment
SOFI	Safety Opportunity for Improvement
SOPs	Standard Operating Procedures
SPOTT	Sustainability Policy Transparency Toolkit
SSL	Social, Security and Licensing
SUSTAIN	Sustainability Assurance and Innovation Alliance
SVP	Shared Value Programme
TDD	Traceability Declaration Document
TFA	Tropical Forest Alliance
TOP	Traceability Outreach Programme
TTP	Traceability to Plantation
TVG	Traceability Verification Guidance
UML	Universal Mill List
UNSDGs	United Nations Sustainable Development Goals

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, (2014) Fifth Assessment Report
- PLN (Perusahaan Listrik Negara) (2020) Sustainability Report 2020
- UK Government conversion factors for company reporting of greenhouse gas emissions

2. Based on the latest industry protocol and guidelines, we enhanced our methodology and frameworks used for the 2021 Sustainability Report. Please refer to the 2016-2020 Sustainability Reports for past data