

## **PUBLIC SUMMARY REPORT**

# **External Verification of Sustainability Policy Transparency Toolkit (SPOTT) Palm Oil Assessment**

## **Apical Group**

**2023**

### **Contact**

**Control Union (Malaysia) Sdn. Bhd.**

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**PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT**
**1.1 Company and Contact Details**

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Web Site:	<a href="http://www.apicalgroup.com">www.apicalgroup.com</a>

**1.2 Assessment Details**

Dates Of This verification:	15 <sup>th</sup> May 2023 – 19 <sup>th</sup> May 2023
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**1.3 Assessment Type**

Third party verification to assess and validate compliance, performance and/or action taken by Apical in relation to its commitment by evaluating the information provided by Apical towards SPOTT concerning the latest SPOTT Palm Oil Indicator Framework 2022 that requires external verification.

**1.4 General Description of Apical Group**

Apical is a leading vegetable oil processor with an expanding global footprint. Their vertically integrated mid-stream refining and value-added downstream processing makes Apical an integral supplier that supports the needs of various industries namely food, feed, oleochemicals and renewable fuel, including sustainable aviation fuel (SAF).

Headquartered in Singapore, Apical is supported by the managerial services of RGE Pte Ltd (“RGE”), which provides management services to Apical and other world-class resource-based manufacturing companies, delivering quality end-products to businesses and millions of people around the world.

Apical handles the midstream and downstream business of palm oil production. This includes the:

- Refining of and fractionation of Crude Palm Oil (CPO), Crude Palm Kernel Oil (CPKO);
- Crushing of Palm Kernels;
- 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 Nutrition, Biodiesel, Crude Glycerin and Crude Fatty Acids;
- Production of Fractionated Fatty Acids, Refined Glycerin and Soap Noodles; and
- Merchandising and distribution of CPO and PPO to the global market.

Apical’s major products include the following, but not limited to:

- CPO (Crude Palm Oil)
- CPKO (Crude Palm Kernel Oil)
- PPO (Processed Palm Oil)
- PPKO (Processed Palm Kernel Oil)
- RBDSBO (Refined, Bleached, Deodorised Soy Bean Oil);

all of which can be further processed into value-added products.

### 1.5 Operational Units under scope

Apical operates processing units of **8 refineries, 4 biodiesel plants, 2 kernel crushing plants (KCP) and 5 Oleochemical Plants** based in Indonesia, China and Spain.

Details of the processing operations are as below:

Operations	Facilities	Location	Certification
1. PT Asianagro Agungjaya Tanjung Balai (AAJTB)	Refinery	North Sumatra, Indonesia	RSPO & ISCC EU
2. PT Sari Dumai Sejati (SDS)	Refinery	Riau, Indonesia	RSPO & ISCC EU
3. PT Asianagro Agungjaya Marunda (AAJ Marunda)	Refinery	Jakarta, Indonesia	RSPO & ISCC EU
4. PT Kutai Refinery Nusantara (KRN)	Refinery	East Kalimantan, Indonesia	RSPO & ISCC EU
5. PT Padang Raya Cakrawala (PRC)	Refinery	West Sumatra, Indonesia	RSPO & ISCC EU
6. Exelic Food Technology Co Ltd (EFT)	Refinery	Jiangsu, China	RSPO & ISCC EU
7. PT Sari Dumai Oleo (SDO(D))	Refinery	Riau, Indonesia	RSPO & ISCCC EU
8. Bio-Oils La Rabida	Refinery	Huelva, Spain	ISCC EU
9. Bio-Oils La Rabida	Biodiesel	Huelva, Spain	ISCC EU
10. PT Kutai Refinery Nusantara	Biodiesel	East Kalimantan, Indonesia	RSPO & ISCC EU
11. PT Sari Dumai Sejati	Biodiesel	Riau, Indonesia	ISCC EU
12. PT Sari Dumai Oleo (SDO(D))	Biodiesel	Riau, Indonesia	ISCC EU
13. PT Sari Dumai Sejati	Kernel Crushing Plant	Riau, Indonesia	RSPO & ISCC EU
14. PT Kutai Refinery Nusantara	Kernel Crushing Plant	East Kalimantan, Indonesia	RSPO
15. PT Apical KAO Chemicals (AKC)	Fats Splitting Plant (Oleo JV)	Riau, Indonesia	RSPO
16. PT Sari Dumai Sejati	Oleochemical	Riau, Indonesia	RSPO
17. PT Sari Dumai Oleo (SDO(D))	Oleochemical	Riau, Indonesia	RSPO
18. PT Sari Dumai Oleo - Marunda (SDO(M))	Oleochemical	Jakarta, Indonesia	RSPO & ISCC EU
19. PT Kutai Refinery Nusantara (Oleo)	Oleochemical	Kalimantan, Indonesia	-

**PART 2: VERIFICATION PROCESS**
**2.1 About the Verification Body**

Control Union (CU) is an independent, international assurance and certification body. Founded in 1920 in the Netherlands, CU has office in more than 70 countries. CU offer one-stop-shop solution for sustainability reporting and assurance services. CU has more than 4,000 employees working across the globe.

Control Union Certification (CUC) is a part of Control Union – an international inspection and certification body. CUC performs assessments and certification across many sectors including biomass, biofuels, forestry, agriculture, food & feed, fats & oils, minerals, energy and tourism.

In the field of sustainability reporting, we serve our clients by performing sustainability strategy checks, gap analysis and independent assurance. Control Union is also a registered assurance provider for the AA1000 assurance standard.

**Control Union (Malaysia) Sdn Bhd is accredited for RSPO (ASI-ACC-069) for the scope of P&C (Single Site & Group) and SCC worldwide and accredited by the Department of Standard Malaysia (DSM) for ISO 17021, ISO 17065, ISO 17020, ISO 9001, ISO 14001, MTCS - FMC, FSMS and MSPO. When requested, a copy of accredited certificates can be obtained from CUC. Control Union also approved in providing verification for POIG verification indicators.**

**2.2 Verification Team**

<b>Lead verifier:</b>	<b>Ebnu Holdoon Shawal</b>
Team member 1:	Aida Lydia Anak Angkau
Team member 2:	Mohd Faruq Norazman
Team member 3:	Mohd Fitri Mustafa

**2.2.1 Qualifications of the Assessors**

<b>Name</b>	<b>Qualifications</b>
Ebnu Holdoon Shawal (Lead Assessor)	<p>Project Manager Sustainability, Control Union Malaysia Sdn Bhd</p> <p>Graduated in Bachelor of Civil Engineering from University Tenaga Nasional, Ebnu serves as Project Manager – Sustainability in Control Union Malaysia’s activities GRI Assurance, Assurance Statement AA1000As, SPOTT Verification, Traceability and other sustainability projects under the department of Control Union Assurance Services.</p> <p>Successfully attended the Global Report Initiative (GRI) Standards Training (C38370) by Tembusu Asia Singapore, Completed Lead Auditor Course for RSPO Principle and Criteria, RSPO Supply Chain, qualified auditor for MSPO Oil Palm Management Criteria and Supply Chain. Prior to joining Control Union, Ebnu has more than 7 years experience in Palm Oil Industry conducting audit in various country, managing the programs for Global and Local Palm Oil Sustainability scheme (RSPO and MSPO), part of technical working group for MSPO implementations together with Standard Malaysia and various stakeholders.</p>
Aida Lydia Anak Angkau	<p>Currently responsible as Auditor Sustainability certifications for Control Union in Malaysia.</p> <p>Graduated with bachelor’s degree in environmental science and management from the University of Malaya. She has more than 5 years of working experience and is involved in sustainability, related certifications, and environmental management.</p> <p>She has successfully completed trainings and qualified to perform assessments on ISCC, MSPO &amp; MSPO SCCS, RSPO P&amp;C, RSPO SCCS, SA8000, TTM, NDPE IRF, Global Report Initiative (GRI) Standards Assurance (MY-CISEC #0513). Certified Training Course on GRI Sustainability Reporting Standard by National Center for Sustainability Reporting (Cert Number C11815)</p>

Mohamad Fitri Mustafa	Fitri obtained Bachelor of Science Agribusiness, graduated from University Putra Malaysia in 2007. He Started his career as research officer with Malaysian Agri Hi Tech Sdn Bhd, before servicing as agronomist at Tradewinds Plantations Berhad and FGV Agricultural Services Sdn Bhd. Accumulating his experience in sustainability when he serve as an auditor with Global Gateway Sdn Bhd since 2018, he has attended and Completed his training for MSPO Lead Auditor Course and ISO 9001:2015 Lead Auditor Course in 2018 and RSPO Lead Auditor Course in year 2019 and Completing SHO Course in 2022.He obtained general Management, Occupational Safety & Health Management Plantation (Agriculture & Agribusiness) Management Malaysian Sustainable Palm Oil (MSPO).
Mohammad Faruq Bin Norazman	Graduated from University Malaysia Sabah (UMS) in Bachelor of Science with Honors (Biotechnology). 5 years of working experience in medical health sector and sustainability in plantation industry (upstream and downstream). Certified Lead Auditor for Integrated Management Systems – IMS (ISO 9001, ISO 14001 & ISO 45001), Qualified Auditor for ISCC EU and PLUS besides completed RSPO P&C Lead Auditors Training Course. Verifier for NDPE, TTM and GRI trainee

## 2.3 Methodology

### 2.3.1 General Overview

Assurance method included,

- Inquiring and interviewing of management, including senior management at executive and functional levels, and of relevant management responsible for the day-to-day management of sustainability.
- Observing and inspecting management practices, process testing and evidence gathering across the organization on a sample basis.
- Evaluating documentary evidence and management representations that support adherence to the principles.
- Data source validation.
- Limited testing of detail on a sample basis (e.g., re-performance of calculations).
- Carrying out analytical procedures (e.g., trend analysis).
- Observing and inspecting on a sample basis management practices, process testing and evidence gathering (from source to aggregation).

All concerned SPOTT indicators 2023: 7, 12, 33, 36, 37, 38, 39, 62, 67, 105, 110, 112, 114, 128, 131, 139, 149, 152, 157, 161, 165, 166, 167, 168, 170, 173,175, 176, 178, 179 and 182 will be subject to comprehensive external verification in order to achieve full scoring marks under SPOTT. The other concerned SPOTT indicators 35, 61, 70, 71, 92, 95, 98, 113, 116, 126, 127, 141, 143 and 145 are disabled from the comprehensive external verification as these indicators are not applicable to Apical for the following reasons: Apical does not own mills and Apical is only a processor/trader.

For Data source verification sample of site management will be interviewed by the auditors by virtual means.

### 2.3.2 Sampling

For non-traceability related SPOTT Indicators

Where sampling is required for the verification assessment, the sampling design was based on a minimum sample of facilities, where  $x = (\sqrt{y})$ , where y is the number of facilities under each processing scope. The result always to be rounded “up” to the next whole integer.

The total sites listed including 8 refineries, 4 Biodiesel Plants, 2 KCPs, 5 Oleochemical Plants.

Therefore the audit sample will include **3 Refineries, 2 Biodiesel Plants, 2 KCP’s, and 3 Oleochemical Plants.**

Sampled operational units for the evaluation											
Refineries	Biodiesel Plant	Kernel Crushing Plant	Oleo Chemical								
PT. Padang Raya Cakrawala	PT Sari Dumai Oleo (D)	PT. Kutai Refinery Nusantara	PT. Kutai Refinery Nusantara								
PT. Sari Dumai Sejati	PT Kutai Refinery Nusantara	PT Sari Dumai Sejati	PT. Apical Kao Chemicals								
Bio Oils Huelva			PT Sari Dumai Sejati								
Explanation of the sample selection											
<p>Biodiesel plant, Cemerlang Energi Perkasa (CEP), merged with Sari Dumai Sejati (SDS) in September 2021, while Kutai Refinery Nusantara (KRN) has operated under kernel crushing category since November 2021. New Oleochemical plant has been built at PT KRN in 2022, and as a result for this assessment sampling was derived <b>from 8 Refineries, 4 biodiesel plants, 2 Kernel Crushing Plant (KCP) and 5 Oleochemical Plants</b></p> <p>Sampling was derived to be representative covering all operational scopes of Apical :</p> <table border="1" data-bbox="438 683 1220 824"> <tbody> <tr> <td>Total of Refineries = 8</td> <td>Sampled = 3</td> </tr> <tr> <td>Total of Biodiesel Plants = 4</td> <td>Sampled = 2</td> </tr> <tr> <td>Total of KCPs = 2</td> <td>Sampled = 2</td> </tr> <tr> <td>Total of Oleochemical Plants = 5</td> <td>Sampled = 3</td> </tr> </tbody> </table>				Total of Refineries = 8	Sampled = 3	Total of Biodiesel Plants = 4	Sampled = 2	Total of KCPs = 2	Sampled = 2	Total of Oleochemical Plants = 5	Sampled = 3
Total of Refineries = 8	Sampled = 3										
Total of Biodiesel Plants = 4	Sampled = 2										
Total of KCPs = 2	Sampled = 2										
Total of Oleochemical Plants = 5	Sampled = 3										
Traceability related SPOTT Indicators											
<p>Verification scope is limited to six refineries and two KCPs provided for verification which is <b>PT Padang Raya Cakrawala, PT Kutai Refinery Nusantara (refinery and KCP), PT Asianagro Agungjaya Marunda, PT Asianagro Agungjaya Tanjung Balai, PT Sari Dumai Oleo (Dumai) and PT Sari Dumai Sejati (Refinery and KCP)</b>. All sites evaluated.</p>											

## PART 3 ASSESSMENT FINDINGS

### 3.1 Summary of the findings

Apical is leading vegetable oil processor and focuses on the midstream and downstream aspects of the palm oil value chain. Apical's operations are limited to a processor and trader. However, some indicators have been implemented by Apical although the company has no own plantation or mill. Apical has been monitoring and upholding the commitment of their suppliers regarding NDPE implementation.

The traceability data (related to SPOTT indicators 33, 35, 36, 37, 38 and 173) covers six refineries and two KCPs provided for verification which are **PT Padang Raya Cakrawala, PT Kutai Refinery Nusantara (refinery and KCP), PT Asianagro Agungjaya Marunda, PT Asianagro Agungjaya Tanjung Balai, PT Sari Dumai Oleo (Dumai) and PT Sari Dumai Sejati (Refinery and KCP)**.

Summary of indicators evaluated, summary of findings and level of assurance is as in the table below.

Summary of Findings	Scope and Scoring
Member of multiple industry schemes or other external initiatives to reduce negative environmental or social outcomes associated with palm oil production (Indicator 7)	
<p>Apical has registered as multiple membership through participating in 3 of collaboration group as follows :</p> <p>i) Palm Oil Collaboration Group (POCG) : <a href="https://palmoilcollaborationgroup.net/">https://palmoilcollaborationgroup.net/</a></p>	Comprehensive, externally verified

<p>The Palm Oil Collaboration Group (POCG) brings together companies from every stage of the palm oil supply chain to accelerate effective implementation of No Deforestation, No Peat Expansion, No Exploitation (NDPE) commitments. In addition to discussions which help to align thinking on key issues, the group also identifies areas for collaborative action.</p> <p>ii) The Tropical Forest Alliance is an inclusive platform. We have partners from the private sector, government, civil society, indigenous peoples groups, local communities and international organizations. Sighted the membership and website : <a href="https://www.tropicalforestalliance.org/en/about-tfa/partners/">https://www.tropicalforestalliance.org/en/about-tfa/partners/</a></p> <p>iii) The Forest Declaration Platform fosters political ambition, scales up and accelerates action, and, through the Forest Declaration Assessment, enables critical accountability to end natural forest loss and restore 350 million hectares of degraded landscapes and forestlands by 2030. Sighted the membership endorser for New York Declaration forest through website : <a href="https://forestdeclaration.org/about/endorsers/">https://forestdeclaration.org/about/endorsers/</a></p> <p>Based on the external verification, it was sighted Apical has joined as a member of multiple industry to reduce negative impact on environment associated with palm oil production.</p>	
<b>Climate Risks Assessments available (Indicator 12)</b>	
<p>APICAL had submitted the disclosures to CDP through the disclosure on website: <a href="http://www.cdp.net/en/dashboards/corporate">www.cdp.net/en/dashboards/corporate</a> which has been verified by the third party body. Apical strives to hold themselves accountable by maintaining transparency in their sustainability efforts. They undergo submission of their response to the CDP Forest (formerly 'Carbon Disclosure Project') since 2020. In 2022, Apical had submitted the CDP Climate Change for their performance being assessed against CDP Scoring methodology which will direct to the score report. Sighted based on the dashboard by CDP regarding the scoring on Climate Change for Apical Group after the assessment has been made. CDP had evaluated Apical's engagement with their suppliers on climate change. CDP had evaluated Apical Group through their supplier engagement, recognizing best practices and significant environmental changes towards the operational. Details of the activities on Apical Group Ltd including activities involved on agricultural commodities trading, wholesale distribution, rental and leasing has been disclosed in the website. The disclosure of the assessment can be assessed by Apical and verified by the auditor through the SPOTT assessment process. The CDP disclosures on Apical in the details of location operation type of business and operations which has a details of operational country and introduction of the organization.</p> <p>Based on the disclosure, sighted the assessment covering the sector such as direct operations, upstream, risk management process to specific climate-related risk management process, frequency of assessment, and time horizon covered from Short, medium and long term. Apical had also implemented risk management framework that references the ISO 31000: 2009 which outline a series of protocols to identify and assess risk base on their impact severity and likelihood of occurrence. This lead Apical to mitigate and monitor risks that may impact on its operations or stakeholders including ESG concerns, which will be conveyed into Risk Management Committee for follow up action. The RMC is headed by the Apical President and meet on bi annual basis to manage key strategic risk.</p> <p>Sighted the categories and scoring from the disclosures which cover the sector as follows :</p> <p>i) Business strategy an, financial planning and scenario analysis</p> <p>ii) Value chain management</p> <p>iii) Targets</p> <p>iv) Scope emission</p> <p>v) Risk management processes</p>	<p>Comprehensive, externally verified</p>



vi) Risk Disclosure vii) Opportunity Disclosure viii) Governance ix) Energy and emission reduction initiatives	
<b>Percentage of supply traceable to mill level (<i>Indicator 33</i>)</b>	
<p>The site has a detailed procedure on traceability namely “Prosedur Penelusuran ke Kebun – APICAL-PSU-02, 15.03.2021” as sighted during the verification in 2023 and the procedure remain unchanged. The scope of this procedure applies to the activities of CPO resources explorations from refinery to Mill and Fresh Fruit Bunch (FFB) and CPKO resources from Refinery to KCP, KCP to Mill as well as Mill to Palm Kernel (PK) resources. (Under Apical Group). This procedure was socialized and planned in Apical’s annual program with all their FFB, CPO, CPKO, PK suppliers throughout their supply chain. The procedure can be accessed from the company's website <a href="https://www.apicalgroup.com/sustainability/traceability-grievance/#ttm">https://www.apicalgroup.com/sustainability/traceability-grievance/#ttm</a> where the score can be seen for every Apical's facility. Based on the verification, the verifier has sighted the RSPO SCC (IP &amp; SG) certification under PT Sari Dumai Sejati.</p> <p>Apical has maintained its supplying mill's data including the geo coordinate of each of the supplying mill. The established traceability procedure has helped Apical to achieve Traceability to Plantation percentage as much as possible as well as enabling them to achieve 100% Traceable to Mill. The samples of records of CPO and CPKO alike (sales and purchase contract, Bill of Lading) for Traceability to Mill (TTM) were provided by each operation site and verified by the auditors during the verification.</p> <p>The documents verified for the traceability system were in line with the SOPs as follows:</p> <ul style="list-style-type: none"> <li>Information of Group Name, Company Name, Mill Name, UML ID, Province, Mill coordinate location, Verification Status and Certification</li> </ul> <p>Every extracted volume that was sighted corresponded to the final percentage of Traceability to Mill for every Apical Facility. At the point of verification, we noted that that all sampled facilities as well as sampled mills were 100% TTM. The latest updated data available during the audit was from the year 2022.</p> <p>From the procedures mentioned above, sighted the conversion factor and formula calculation template (subclause 7.5.2) defining the conversion factor of Fresh Fruit Bunch (FFB) to Palm Kernel (PK) and conversion of Palm Kernel (PK) to Crude Palm Kernel Oil (CPKO). These conversion factors were stated clearly and formulated in the calculation template. There is a clear SOP for traceability established within Apical’s procedure which is in the sub-clause 7.1 – Tracing CPO suppliers’ Mill and sub-clause 7.2 – Tracing CPKO KCP Suppliers. Below are the subclauses verified relevant to Conversion Factors and Traceability Percentage Calculation:</p> <p><b>Subclause 6.2.3</b> - conversion factor of FFB to PK and conversion of PK to CPKO. The conversion factors were stated clearly and formulated in the calculation template, 5.1% to convert FFB to PK and 43% to convert PK to CPKO.</p> <p><b>Subclause 6.2.2</b> - conversion of FFB to CPO, 20% to convert FFB to CPO.</p> <p><b>Subclause 7.4</b> - CPO and CPKO Traceability to Plantation</p> <p><b>Subclause 7.5</b> – Calculation of percentage of traceability to Plantation.</p>	Partial, externally verified  Additional 1 point for RSPO IP & SG certified facility.

SARI DUMAI SEJATI REFINERY

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SARI DUMAI SEJATI KERNEL CRUSHING PLANT

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AAJ MARUNDA REFINERY

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AAJ TANJUNG BALAI REFINERY

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KUTAI REFINERY NUSANTARA

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PADANG RAYA CAKRAWALA REFINERY



The traceability percentage is limited to the facilities mentioned on the website.  
<https://www.apicalgroup.com/sustainability/traceability-grievance/#ttm>

FACILITY	VOLUME PURCHASE (MT)			VOLUME TRACEABLE TO MILL (MT)			TRACEABILITY PERCENTAGE (%)		
	CPO	PKO	PK	CPO	PKO	PK	CPO	PKO	PK
PT AAJ (MARUNDA)	813734.25	23993.12	NA	813734.25	23993.12	NA	100	100	0
PT KRN	3215635.74	241746.90	212882.00	3215635.74	241746.90	212882.00	100	100	100
PT PRC	1068794.52	0.00	NA	1068794.52	0.00	NA	100	0	0
PT SDS	2574558.96	552686.71	326360.74	2574558.96	552686.71	326360.74	100	100	100
PT SDO (D)	591662.80	45454.60	NA	591662.80	45454.60	NA	100	100	0
PT AAJ TANJUNG BALAI	0.00	59758.49	NA	0.00	59758.49	NA	0	100	0
Overall	8264386.26	923639.82	539242.74	8264386.26	923639.82	539242.74	100	100	100

Total traceable volume = Total traceable/ total volume purchased x 100%

Total traceable volume = Total traceable/ total volume purchased x 100%

In 2022, the total purchase volume of palm oil and oil palm products for Apical whole processing facilities is as follows:

- a. CPO = 8,264,386.26 (MT)
- b. PKO = 923,639.82 (MT)
- c. PK = 539,242.74 (MT)

Total FFB received = 9,727,268.82 MT

**Percentage of fresh fruit bunches (FFB) supply to own mills traceable to plantation level (Indicator 35)**

Apical does not have own plantation and mill.

NA

**Percentage of supply from third-party mills traceable to plantation level (Indicator 36)**

The site has a detailed procedure on traceability namely "Prosedur Penelusuran ke Kebun" under Apical-PSU-02 and dated 5/3/2020 Rev. 01. The Traceability to Plantation (TTP) for new suppliers captured the origin estates of the FFB. It consists of data of Internal code number, mill name, name of FFB supplier, geo-location. This information on TTP for suppliers was sampled and sighted during the verification.

Comprehensive, externally verified

Apical subscribes to the Sustainable Landscape Working Group's (SLWG) definition of traceability and the following data as a requirement to establish FFB traceability by 2021.

FFB SOURCES	DATA REQUIRED FOR FFB TRACEABILITY
Estate (<25 Ha and ≥ 25 Ha)	<ul style="list-style-type: none"> <li>• Estate name• Parent company name• Certification status• % of overall FFB tonnage to mill• A GPS coordinates as a representative source location• Planted hectareage• Total concession area• FFB volume</li> </ul>
Cooperative/Schemed/Smallholder Group	<ul style="list-style-type: none"> <li>• Number of smallholders• % of overall FFB tonnage to mill• Overall FFB volume• A GPS coordinates as a representative source location• Planted hectareage</li> </ul>
Dealers (sourced from independent smallholders)	<ul style="list-style-type: none"> <li>• Dealer names (and/or dealer unique ID)</li> <li>• % of overall FFB tonnage to mill</li> <li>• Overall FFB volume</li> <li>• GPS coordinates of first-tier dealers (office/ramp)</li> <li>• Number of smallholders</li> <li>• Village/sub-district of smallholders</li> </ul>

Apical has a target of achieving full traceability to plantation (FFB traceability) by 2025. To reach the goal, they have developed a system together with Earthworm (formerly known as The Forest Trust) and initiated its Traceability Outreach Programme (TOP), which targets all suppliers especially in Riau, Jambi, North Sumatra and Kalimantan in Indonesia. Apical has implemented TOP to provide knowledge and simplified solutions for the suppliers of our refineries on how to collect and manage the traceability data of their FFB suppliers. This programme takes an “outside-in” approach where suppliers are seen as co-contributors of solutions to make the industry more traceable.

In 2017, Apical partnered with Proforest, Daemeter, Geo Traceability and Yayasan Setara Jambi on two traceability pilot projects in Riau and Jambi provinces. Apical now uses a mobile application developed by the two technical partners to collect data and ease the data collection process.

Percentage equal to CPO volume since all traceable to the plantation by the mill is 100% only refineries mentioned above traceable to the plantation.

At the point of audit, TTP data from the year 2022 was made available. Each facility has a different percentage of TTP in 2022. Observed that all the sampled facilities have managed to achieve over 90% TTP if not 100%. Samples of third-party mills were selected to verify the claims that has been made by Apical. Traceability data is only available to six refineries and 2 KCPs is provided for verification which is PT Padang Raya Cakrawala, PT Kutai Refinery Nusantara (refinery and KCP), PT Asianagro Agungjaya Marunda, PT Asianagro Agungjaya Tanjung Balai, PT SDO (D) and PT Sari Dumai Sejati (refinery and KCP). No discrepancy was detected during the verification process.

The traceability to plantation data at refinery level is as follows:

FACILITY	TRACEABILITY PERCENTAGE (%)		
	CPO	PKO	PK
ASIANAGRO AGUNG JAYA (MARUNDA)	100.00%	100.00%	0%
KUTAI REFINERY NUSANTARA	100.00%	100.00%	100%
PADANG RAYA CAKRAWALA	99.93%	0.00%	0%
SARI DUMAI SEJATI	99.96%	98.08%	95.01%
SARI DUMAI OLEO	100.00%	99.99%	0%

	ASIANAGRO AGUNGJAYA TANJUNG BALAI	0.00%	92.37%	0%																																																																																																																														
	Overall	99.98%	98.35%	96.98%																																																																																																																														
<b>Publishes traceability data at refinery level (Indicator 37)</b>																																																																																																																																		
<p>The company publishes the progress of its traceability achievement on the company's website. This can be found at <a href="https://www.apicalgroup.com/sustainability/traceability-grievance/">https://www.apicalgroup.com/sustainability/traceability-grievance/</a> where percentages of TTP and TTM for every facility are displayed. On top of that, the percentage were also broken down to the type of raw material sourced such as CPO, CPKO and PK as well as estimation percentage of type of supplier such as Estate, Cooperative, Smallholder, Dealer etc. They have a comprehensive system to gather information and report the traceable percentage of the materials down to the plantation level.</p> <p>During this verification session, all data from TTM, TTP calculation were presented, and samples of the data were verified.</p> <p>Traceability data is only available to six refineries and two KCPs is provided for verification which is PT Padang Raya Cakrawala, PT Kutai Refinery Nusantara (refinery and KCP), PT Asianagro Agungjaya Marunda, PT Asianagro Agungjaya Tanjung Balai, PT SDO (D) and PT Sari Dumai Sejati (refinery and KCP).</p> <p>Apical publishes percentage of supply traceable to plantation level per refinery for all refineries and this can be found on the website at <a href="https://www.apicalgroup.com/sustainability/traceability-grievance/#ttp">https://www.apicalgroup.com/sustainability/traceability-grievance/#ttp</a></p> <p>The traceability to mill data is as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">FACILITY</th> <th colspan="3">VOLUME PURCHASE (MT)</th> <th colspan="3">VOLUME TRACEABLE TO MILL (MT)</th> <th colspan="3">TRACEABILITY PERCENTAGE (%)</th> </tr> <tr> <th>CPO</th> <th>PKO</th> <th>PK</th> <th>CPO</th> <th>PKO</th> <th>PK</th> <th>CPO</th> <th>PKO</th> <th>PK</th> </tr> </thead> <tbody> <tr> <td>PT AAJ (MARUNDA)</td> <td>813734.25</td> <td>23993.12</td> <td>NA</td> <td>813734.25</td> <td>23993.12</td> <td>NA</td> <td>100</td> <td>100</td> <td>0</td> </tr> <tr> <td>PT KRN</td> <td>3215635.74</td> <td>241746.90</td> <td>212882.00</td> <td>3215635.74</td> <td>241746.90</td> <td>212882.00</td> <td>100</td> <td>100</td> <td>100</td> </tr> <tr> <td>PT PRC</td> <td>1068794.52</td> <td>0.00</td> <td>NA</td> <td>1068794.52</td> <td>0.00</td> <td>NA</td> <td>100</td> <td>0</td> <td>0</td> </tr> <tr> <td>PT SDS</td> <td>2574558.96</td> <td>552686.71</td> <td>326360.74</td> <td>2574558.96</td> <td>552686.71</td> <td>326360.74</td> <td>100</td> <td>100</td> <td>100</td> </tr> <tr> <td>PT SDO (D)</td> <td>591662.80</td> <td>45454.60</td> <td>NA</td> <td>591662.80</td> <td>45454.60</td> <td>NA</td> <td>100</td> <td>100</td> <td>0</td> </tr> <tr> <td>PT AAJ TANJUNG BALAI</td> <td>0.00</td> <td>59758.49</td> <td>NA</td> <td>0.00</td> <td>59758.49</td> <td>NA</td> <td>0</td> <td>100</td> <td>0</td> </tr> <tr> <td>Overall</td> <td>8264386.26</td> <td>923639.82</td> <td>539242.74</td> <td>8264386.26</td> <td>923639.82</td> <td>539242.74</td> <td>100</td> <td>100</td> <td>100</td> </tr> </tbody> </table> <p>The traceability to plantation data is as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">FACILITY</th> <th colspan="3">TRACEABILITY PERCENTAGE (%)</th> </tr> <tr> <th>CPO</th> <th>PKO</th> <th>PK</th> </tr> </thead> <tbody> <tr> <td>ASIANAGRO AGUNG JAYA (MARUNDA)</td> <td>100.00%</td> <td>100.00%</td> <td>0%</td> </tr> <tr> <td>KUTAI REFINERY NUSANTARA</td> <td>100.00%</td> <td>100.00%</td> <td>100%</td> </tr> <tr> <td>PADANG RAYA CAKRAWALA</td> <td>99.93%</td> <td>0.00%</td> <td>0%</td> </tr> <tr> <td>SARI DUMAI SEJATI</td> <td>99.96%</td> <td>98.08%</td> <td>95.01%</td> </tr> <tr> <td>SARI DUMAI OLEO</td> <td>100.00%</td> <td>99.99%</td> <td>0%</td> </tr> <tr> <td>ASIANAGRO AGUNGJAYA TANJUNG BALAI</td> <td>0.00%</td> <td>92.37%</td> <td>0%</td> </tr> <tr> <td>Overall</td> <td>99.98%</td> <td>98.35%</td> <td>96.98%</td> </tr> </tbody> </table>						FACILITY	VOLUME PURCHASE (MT)			VOLUME TRACEABLE TO MILL (MT)			TRACEABILITY PERCENTAGE (%)			CPO	PKO	PK	CPO	PKO	PK	CPO	PKO	PK	PT AAJ (MARUNDA)	813734.25	23993.12	NA	813734.25	23993.12	NA	100	100	0	PT KRN	3215635.74	241746.90	212882.00	3215635.74	241746.90	212882.00	100	100	100	PT PRC	1068794.52	0.00	NA	1068794.52	0.00	NA	100	0	0	PT SDS	2574558.96	552686.71	326360.74	2574558.96	552686.71	326360.74	100	100	100	PT SDO (D)	591662.80	45454.60	NA	591662.80	45454.60	NA	100	100	0	PT AAJ TANJUNG BALAI	0.00	59758.49	NA	0.00	59758.49	NA	0	100	0	Overall	8264386.26	923639.82	539242.74	8264386.26	923639.82	539242.74	100	100	100	FACILITY	TRACEABILITY PERCENTAGE (%)			CPO	PKO	PK	ASIANAGRO AGUNG JAYA (MARUNDA)	100.00%	100.00%	0%	KUTAI REFINERY NUSANTARA	100.00%	100.00%	100%	PADANG RAYA CAKRAWALA	99.93%	0.00%	0%	SARI DUMAI SEJATI	99.96%	98.08%	95.01%	SARI DUMAI OLEO	100.00%	99.99%	0%	ASIANAGRO AGUNGJAYA TANJUNG BALAI	0.00%	92.37%	0%	Overall	99.98%	98.35%	96.98%	Comprehensive, externally verified.
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<p>Two KCPs in the scope; PT. Sari Dumai Sejati where 100 % traceability to the plantation is available. While for PT KRN started operations under kernel crushing category since November 2021, CPO and PK has been reported under KRN.</p>						Comprehensive, externally verified.																																																																																																																												

Apical publishes percentage of supply traceable to plantation level per crusher for all crushing facilities and this can be found on the website at <https://www.apicalgroup.com/sustainability/traceability-grievance/>

The traceability to mill data at crusher level is as follows:

No	Refineries	Volume purchased (mt)	Volume Traceable to mill (mt)	Traceability Percentage (%)
		PK	PK	PK
1	Sari Dumai Sejati	326,360.74	326,360.74	100%
2	PT KRN	212,882.00	212,882.00	100%

The traceability to plantation data at crusher level is as follows:

No	Crusher Facility	Traceability Percentage (%)
		PK
1	Sari Dumai Sejati	95.01
2	PT KRN	100%

**Member of the Roundtable on Sustainable Palm Oil (RSPO) (Indicator 39)**

Apical Group has become a RSPO Membership under registration member name AAA Oils & Fats Pte. Ltd with RSPO Membership, [2-0235-11-000-00] located in Singapore as Palm Oil Processor and Traders. Apical became an RSPO member under the category of palm oil processor and trader on 11 August 2011. Our refineries in Indonesia have obtained RSPO Supply Chain Certification since 2012. As an RSPO certified company and one committed to transparency in its business operations, Apical have been reporting our sustainability efforts through RSPO Annual Communications of Progress (ACOP) since 2014. Apical also committed to achieve RSPO or relevant certification for all our existing processing facilities by 2022. The membership has commenced since year 2011 and the details can be referred to link below :

<https://rspo.org/members/2-0235-11-000-00/>

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**Evidence of monitoring deforestation and/or ecosystem conversion (Indicator 61)**

This indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not have own plantation and mills.

NA

**Evidence of monitoring deforestation and/or ecosystem conversion in supplier operations (Indicator 62)**

Apical does not own any mills and plantations, but still monitors and upholds the commitment for their suppliers. At Apical, they have implemented several monitoring methods through various monitoring platforms to ensure their suppliers are NDPE compliant.

Apical has implemented a robust monitoring system to ensure that their suppliers are free from deforestation and that any land conversion activities are closely monitored. Apical has established a dedicated GIS team to monitor all their suppliers, thus further driving their commitment to a deforestation-free supply chain. By leveraging state-of-the-art satellite monitoring technology, Apical is able track land cover changes in high-priority areas and detect deforestation activities.

Since 2019, Apical has been monitoring their supply chain using a forest monitoring tool called Global Forest Watch Pro, developed by the World Resources Institute. Satellite

Comprehensive, externally verified

monitoring has greatly improved their supply chain management, allowing us to enforce our "deforestation-free" commitment and ensure compliance with regulations. Their monitoring system utilizes deforestation alert data from two sources:

1. The GLAD Alert system, developed by the University of Maryland's Global Land Analysis and Discovery (GLAD) lab, collects weekly data on deforestation in tropical regions. It relies on the Landsat Satellite sensor, which captures global multi-spectral observations with a 30-meter spatial resolution.
2. Radar for Detecting Deforestation (RADD) alerts, developed by Wageningen University and Research (WUR), utilize radar data from the European Space Agency's Sentinel-1 satellites. These alerts have the advantage of penetrating smoke and haze, enabling the detection of smaller changes in forests, including canopy gaps caused by logging activities.

As a testament to their commitment, Apical has three monitoring systems in place to track deforestation :

- i. Monitoring in Global Forest Watch Pro Platform
- ii. Earthqualizer report monitoring, which provides bi-weekly reports to Apical.
- iii. Apical Satellite Monitoring System (ACTION) Report.

Apical has implemented a thorough data verification process for deforestation alerts, extending it to the plantation level. Verification is based on detailed information provided in the report regarding deforestation and land cover change. Satellite imagery is used to confirm and validate the details of land use change, with coordinates being meticulously verified.

Sighted the verification up to the plantations level for the data verification of GLAD/RADD Area which has been stated in detail in the report for deforestation and land cover change. The land use change details has been covered in satellite imagery as per coordinate verified.

To ensure effective monitoring, the company has dedicated personnel for each monitoring protocol, including a GIS Expert and Sustainability Manager. The workflow of Apical Satellite Monitoring System encompasses various stages, such as data collection, image processing, monitoring and analysis, preparation of reporting material, and communication with suppliers.

The workflow of Apical Satellite Monitoring System (ACTION) Report includes:

- a) Data collection and image processing: Processing deforestation alert data, detecting deforestation alerts (GLAD/RADD) in Apical's supply chain.
- b) Check using satellite imagery from geo location detection.
- c) Two consequences can occur for the alerts:
  - FALSE Alert -> No indication of deforestation was found at the location. The information is updated, and the alert is declared false, thus closing the alert.
  - TRUE Alert -> there were indications of deforestation at the location through satellite imagery -> monitoring and analysis and to complete and analyze the relevant information use for spatial analysis technique -> To provide the reporting information on deforestation activities in supplier concession which had information about deforestation activities.

The Apical Satellite Monitoring System (ACTION) Report captures the details of verified deforestation or land cover change. Satellite imagery is used to extract areas and confirm the detected deforestation or land cover change. GIS experts extract the data from a table that includes the Universal Mill List ID, Group Name, Company Name, Mill Name, concessions covered, concession area, geographic location, and deforestation records.

Apical has established a Mill Prioritisation Process (MPP) and conducts spatial analysis to assess all new mills entering the supply chain for potential risks, including deforestation and encroachment. These suppliers are required to provide relevant environmental legal documents. Mills identified as high-risk are prioritized for further field assessments through the Priority Supplier Engagement Programme (PSEP). Apical collaborates with suppliers found to be in violation of the policy by implementing corrective action plans. If suppliers fail to comply or implement

In 2022, there were two cases of deforestation recorded in supplier operations, with the affected area totaling 32.24 hectares. Upon further investigation, Apical suspended one supplier for non-compliance. The total area of deforestation recorded after December 2015 until December 2022 for all Apical suspended suppliers is approximately 65,193.71 hectares.

**Implementing a landscape or jurisdictional level approach (Indicator 67)**

Apical has conducted various initiatives as a downstream actor, which is under ANCHOR Programme to ensure compliance of sustainability to achieve a sustainable supply chain. The Anchor Programmes allows Apical to assess and monitor the level of compliance towards Apical's Sustainability Policy, including their NDPE commitments. These activities were reported via sustainability report and webpage on deforestation <https://www.apicalgroup.com/sustainability/social-environmental-management/#nodeforestation>.

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Sighted the Sustainable Living Village (SLV) Program for Aceh Singkil and Kutai Region for supporting governance policies. The SLV Programme was launched in January 2023, by Apical in partnership with local partners and the government. SLV programme will be initiated at priority landscapes, namely Aceh Singkil and other areas. SLV is a multi-stakeholder initiative aiming to create a business-friendly, community-forest positive relationship model that is commercially viable for upscaling at village and landscape level. Aligned under the 1st and 4th strategic pillar of Apical2030-Transformative Partnerships & Inclusive progress, the SLV program strives to alleviate poverty, uplift and nurture communities through targeted initiatives tailored to meet the specific needs of each community. Apical adopts a holistic landscape approach, which focuses on working in harmony with nature and communities to advance a sustainable model for the future.



In addition to the SLV Programme, Apical engages their suppliers via its Anchor Programmes, which has a number of different initiatives aimed at working with their suppliers for adherence and compliance to its Sustainability Policy, Sourcing Policy and the A-SIMPLE Framework. The progress of the Anchor Programmes can be monitored through the website [:https://www.apicalgroup.com/sustainability/progress-dashboard/](https://www.apicalgroup.com/sustainability/progress-dashboard/)

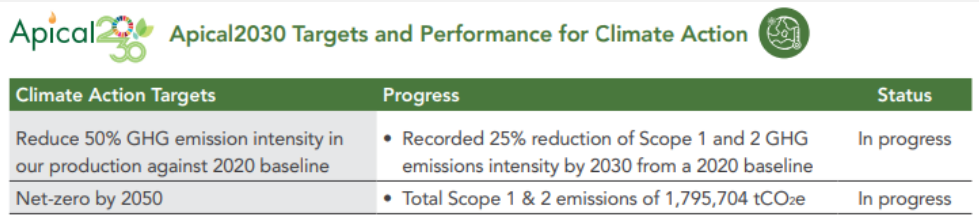
<p>Under the Priority Supplier Engagement Program (PSEP) which is an ongoing initiative under the Anchor Programme, aimed at evaluating Apical's high-risk suppliers based on 6 guiding principles which are monitoring legal compliance, protection for key conservation areas, HCV, HCS and Peatland, environmental impact management, including waste and chemical management, creation of shared value, traceability and respect for people and communities, including labour and human rights. The PSEP is a follow-up to the Mill Prioritisation Programme.</p> <p>The PSEP verification visits details out clear guidance on developing SOP and sustainability management systems. After the visits, Apical maintain proactive relationship with these suppliers to ensure that action plans have been implemented and provide further assistance required.</p> <p><a href="https://www.apicalgroup.com/sustainability/policies/#anchorprogrammes">https://www.apicalgroup.com/sustainability/policies/#anchorprogrammes</a></p> <p>The Traceability Outreach Program (TOP) launched in 2017, made to provide knowledge and simplify solution and suppliers of refineries on how to collect and manage the traceability data of the FFB Suppliers, the program had ambition to verify and incorporate data collected to build the interactive mapping platform to assist suppliers identify and manage landscape level.</p> <p>The Suppliers Self-Assessment (SFA) was launched in 2020 to help suppliers to complete a self-assessment on their NDPE compliance and Apical's policies. The SFA requires all Apical's suppliers to fill up a questionnaire to identify gaps in supplier's current operations against Apical's Sustainability policy commitment.</p> <p>Apical also launched the Shared Value Programme in 2015 in partnership Earthworm Foundation, <i>Proforest and Daemeter</i>. The SVP consists of a series of workshops that provide Apical's suppliers access to insider market information and best practices. Aside from presentations by industry experts and partners, this program promotes active discussions whereby suppliers take ownership of some of the solutions. Apical also committed to conducting at least two workshops annually at different provinces in Indonesia.</p>	
<b>Identified species of conservation concern, referencing international or national system of species classification (Indicator 70)</b>	
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations, but still monitors and upholds the commitment for their suppliers.	NA
<b>Examples of species and/or habitat conservation management (Indicator 71)</b>	
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations, but still monitors and upholds the commitment for their suppliers.	NA
<b>Implementation of commitment to no planting on peat of any depth (Indicator 92)</b>	
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations, but still monitors and upholds the commitment for their suppliers.	NA
<b>Evidence of best management practices for soils and peat (Indicator 95)</b>	
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations, but still monitors and upholds the commitment for their suppliers.	NA
<b>Evidence of fire monitoring and management (Indicator 98)</b>	
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations, but still monitors and upholds the commitment for their suppliers.	NA
<b>Progress towards commitment to reduce GHG emissions intensity (Indicator 105)</b>	
<p>Apical designated Climate Action and Green Innovation as two pillars of their newly developed sustainability framework, Apical2030. Under the pillar of Climate Action, they aim to reduce the GHG emissions intensity of their production by 50% by 2030 from a 2020 baseline, and reach net zero by 2050. Under Green Innovation, they also aim to derive 38% of the total energy use from renewable and clean energy sources.</p> <p>During the verification, noted that all sampled sites had sent their yearly data to HQ via the SPOTT Consolidate template. In which it was used to calculate their GHG Emission intensity</p>	Comprehensive, externally verified



as to achieve the Apical2030 target. As verified during the assessment, the downstream operations of Apical have their GHG calculations and certified ISCC.

Apical designated Climate Action and Green Innovation as two pillars of their newly developed sustainability framework, Apical2030. Under the pillar of Climate Action, they aim to reduce the GHG emissions intensity of their production by 50% by 2030 from a 2020 baseline, and reach net zero by 2050 which has been consistent under sustainability report for year 2022. Apical has selected 2020 as their base year. They observed a positive reduction trend over the last three years for our Scope 1 and 2 emission intensity against 2020 with 43.8% and 25% reduction in 2021 and 2022 respectively. This means they have progressed well reaching the half-way mark of their goal to reduce 50% GHG emission intensity in their production against 2020 baseline. However, they acknowledge that their emission intensity in 2022 increased by 35% from 2021 due to the expansion of their business facilities. Sighted the progress of GHG reduction plans including but not limited to :

- Conducting research and development on new technology and decarbonization
- Finding alternative to carbon intensity energy resources
- Exploring various carbon management software platforms
- Exploring potential nature based solutions



Climate Action Targets	Progress	Status
Reduce 50% GHG emission intensity in our production against 2020 baseline	• Recorded 25% reduction of Scope 1 and 2 GHG emissions intensity by 2030 from a 2020 baseline	In progress
Net-zero by 2050	• Total Scope 1 & 2 emissions of 1,795,704 tCO <sub>2</sub> e	In progress

Sighted the reduction plan for Apical Refinery which have increased the use of biomass i.e. wood bark in their operations. Sighted the plan of planting acacia and mangrove trees in the coming year. Sighted the plan for solar panel installation and power mini hydro implementation which uses sea water in the pipeline project to generate the electricity in PT Kutai Refinery Nusantara.

Apical's Climate Action strategy involves substituting the use of coal in our refineries with more environmentally friendly alternatives. To reduce GHG emission, PT Sari Dumai Oleo (M) has a new High Pressure Boiler powered by natural gas fuel replacing coal boiler since September 2022. This has led to an estimated emission reduction of 42% as compared to using coal boiler. The site is also installing two boiler units - New Boiler: OTH (Natural Gas Fuel) and MPS Boiler (Natural Gas Fuel). In addition, they have started replacing diesel generated forklifts with electric forklifts. Apical's main products is RBDPKO and while the other product is PHFAD. The reduction plan of GHG has been established, includes but not limited to the below:

- Increase use of biomass (wood bark from acacia tree by product)
- Tree planting at operational site (refinery)
- install solar panels
- recycle wastewater
- replace diesel forklift with electric forklift
- deploy nature based solutions

**PT SDS (KCP, Refinery and Oleo)**

Sighted the SDS\_QMS\_Data\_2022 given to Apical Sustainability Team. The data include coal, genset, and transportation. For coal, the data is extracted from Power Plant Daily Generation Record, there are 3 boilers (B1, B2, B3). Genset data also from Power Plant Daily Generation Record.

For 2021, PT SDS' total emissions (tonne CO<sub>2</sub>e) is 712,503, total processed is 5,798,862, intensity is 0.12. In December 2022, the total emissions (tonne CO<sub>2</sub>e) is 738, 986MT, total processed is 5,560, 827, emissions intensity is 0.132891. It was shown that as per Group level, the GHG intensity has been reduced by 25% from 2020 baseline.

The site has shown decrease of 0.17 from 2020. Sighted the Power Plant Energy Audit Checklist, whereby the inspection or audit will include Lamp, Steam Boilers, Self-awareness, Electric Motors whereby there is Variable Speed Drives (VSD) at suitable station on the energy efficiency. For the Power Plant Energy Audit Checklist conceptual is just introduced by Operation Manager and will include the Building Fabric in terms of checking the energy utilization.

#### **PT SDO (Dumai)**

Sighted GHG YTD 2022, for the Group compilation of GHG. The monthly raw data is sent to KL office for the Group GHG calculation. GHG intensity for PT SDO for 2022 is :

- i) Total Emissions 254,689,
- ii) Total Processed 1,325,186MT and
- iii) Emissions intensity is 0.192191.

In 2021 the site has not yet fully operated as this is a bought over from other company. For 2021, total emission 43,071 and total processed is 225,901MT intensity is 0.1777158. For 2022, they processed for 1,325,186 MT and shown increase when it start fully operate in 2022. The data for Diesel For Heavy Equipment is from "Report BBM" monthly basis. For SDO (Dumai), they have installed solar panels at available areas, as now they are installing it at the road lamps. Sighted also, their list of replacement of LED and Non-LED lamps. For the energy conservation, as per raw data, there has been increase in usage of PKS instead of coal in 2022. Sighted the excel that shown comparison of coal usage.

#### **PT AKC**

Sighted the AKC\_QMS Data 2022 GHG raw data for PT AKC. Emissions 1,948, total processed 91,177MT, intensity 0.021363. For 2021, total emissions in 2,520, total processed 108,493MT and intensity is 0.095276. The site get their electricity and water from PT SDS.

The site started operating in 2019. Diesel in the raw data GHG include diesel usage for operational transportation. For process emissions - chemical use, methanol in methanol cracking (hydrogen) from their Stock and Oil Movement Report. The site has monitor on the usage of steam in their operation and improve / observe any leakage. The site has Continuous Improvement (CI) in 2023, whereby they will reduce the consumption of power pump or condensate, whereby it can help to reduce electricity usage. Based on the GHG data Collection , PT AKC had shown reduction of Tco<sub>2</sub>e/MT which reduction of 77.585 from 0.095276 to 0.021363 tco<sub>2</sub>e/MT

#### **Bio Oils La Rabida**

The company is ISCC certified, the certificate valid until 31/08/2023. Implementation of the GHG method is using the directives of the European parliament and of the council dated 11/12/2018. We have sighted the emission data for BOH for the year 2022: 32962.41 tCO<sub>2</sub>e with emissions intensity 0.079 tCO<sub>2</sub>e/MT. GHG Calculation Method, emission from processing and transportation, fuel consumption, water intensity and electricity used. The data of the records are gathered from various records including production report, electricity and water flowmeter.

Progress towards commitment on water use intensity (*Indicator 110*)

With the recent launch of their sustainability framework, Apical2030, Apical's commitment for water intensity usage is stated under Pillar 3, Green Innovation where they are committed to improving water use intensity by 30% through circular solutions – including but not limited to wastewater recycling, rainwater harvesting and cooling water conservation. Apical consistently monitor the water usage and implement various initiatives to enhance water resilience. The water used in the processing facilities is primarily withdrawn from sources including the sea, river and municipal suppliers. To minimize freshwater withdrawal, Apical is committed to using water efficiently and reusing wastewater where possible.

Verified the Apical2030 target, the water usage intensity has been enable in order to transform and create a truly sustainable operation throughout the group. Apical continuously track their water usage and implement several initiatives to enhance their water resilience. Most of the water used in the processing facilities is sourced from the sea, river, and municipal suppliers. To minimize freshwater withdrawal, Apical optimizes water efficiency and reuse wastewater where possible. In 2022, Apical total water consumption increased by 21% as compared to 2021. In addition, the water intensity of our operations was 0.000456 megaliters/MT of oil processed. This increase is due to use of Brackish Water Reverse Osmosis for anaerobic WWTP which requires more water, addition of new buildings for employees and their families which led to higher household water usage as well as use of water for cooling towers of power plant at Sari Dumai Sejati. At Kutai Refinery, there is a new facility and glycerine refinery in 2022.

Water Consumption Intensity (Megalitres/Megatonnes)

Year	2020	2021	2022
Oil processed (MT)	9,158,287	14,685,261	15,186,960
Total water consumption (ML)	3,427	5,721	6,922
Water Intensity (ML/MT)	0.0004	0.00039	0.000456

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, EF T and BOH
3. Water Intensity for 2021 is restated

The water used in the processing facilities is primarily withdrawn from sources including the sea, river and municipal suppliers. To minimize freshwater withdrawal, Apical is committed to using water efficiently and reusing wastewater where possible.

Based on the verification, it was verified that 4 refineries had recorded the total water consumption in terms of intensity for year 2022 as follows :

<b>Reduction</b>		
<b>Facilities</b>	<b>Percentage</b>	<b>Water usage intensity</b>
PT AKC	Reduction of 33%	- 0.001121
PT AAJ Marunda	reduction of 14%	- 0.000229
PT SDO (M)	reduction of 24%	- 0.004926
PT AAJ Tanjung Balai	reduction of 30%	- 0.000360
China Exelic	Reduction of 6%	- 0.000466
<b>Increment</b>		
PT SDS	Increase 3%	+ 0.000417
PT SDO Dumai	Increase 418%	+0.004926
PT KRN	Increase 5%	+ 0.000360
PT PRC	Increase 23%	+ 0.000220
Bio Oils La Rabida	Increase 18%	+ 0.000909

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externally  
verified

**PT SDS**

Water source from sea and processed to be used by operation. WWTP specific for aerobic and anaerobic treatment for wastewater. According to their refinery, they have rainwater tank facility built on site. The rainwater is used for general cleaning around the site.

The water usage intensity trend observed:

2020 → 0.000492

2021 → 0.00039

2022 → 0.000417

The trend is due to higher processing volume in 2022. The site has water consumption record as stated in Water Daily Report as per the operation power plant, refinery, mess/housing, jetty. The Water Daily Report is based on the flowmeter record.

**PT SDO (DUMAI)**

Water consumption for station such as refinery, fractionation, biodiesel, fatty acid, boiler is available in the GHG YTD 2022. The raw data is extracted from "Daily Report Plant Consumption from Utility".

From the site, as this is new site or taken over from previous company, thus, process of approval is still pending. This site is also certified RSPO SCC & HACCP, GMP. Rainwater harvesting is not yet fully implemented due to this is new site and they will continue or implement as per timeline.

E.g., boiler :

Month 2023	Volume
January	28,268 m3
February	25,930 m3
March	36,768 m3
April	35,426 m3

**PT AKC**

The site has a cooling tower and they have daily cool down which implemented in 2023. The blowdown water and reused. This is as part of their reduction in usage of water. The water is purchased from PT SDS as the main operation in the complex. They have the water record usage purchased from SDS as sighted in their GHG emission data. Water intensity for year 2022 is 0.001121 and 2021 is 0.001400. The slight increase is because they have more processing in 2022.

**Bio Oil La Rabida**

The site has been strictly monitoring any discharge from their site, under the demanding local regulations. The site conducted water intensity sampling on weekly basis. Sighted the results for BOD and COD are compliance with the rules and laws by the government.

The total water consumption and water intensity are available during assessment as per SPOTT consolidate template by headquarters. As per Bio Oils La Rabida, 18% of total water consumption recorded for year 2022 equivalent to 0.000909 MT / ML of processing ratio.

**Progress towards commitment on water quality (BOD or COD) (Indicator 112)**

Apical practices zero wastewater discharge at three of refineries: AAJ Tanjung Balai, KRN and AAJ Marunda. Wastewater at these sites is treated and reused in their cooling towers, fire hydrants or for domestic purposes, such as cleaning. Apical's refineries use the activated

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sludge process to treat effluent water. This process employs the use of microorganisms and chemicals, such as coagulants, flocculants, caustic soda and bioxide.

PT KRN and PT PRC

Sighted the progress and improvement in Both BOD and COD over time which stated the data for year 2022, PT KRN which is within the average national legal limit of COD data as follows:

- i) PT Kutai Refinery Nusantara : February 2022 : National Limit of 100 : 74.35 mg/l
- ii) PT Padang Raya Cakrawala : February 2022 : National Limit of 100 : 81.27 mg/l

Sighted the third party report from SUCOFINDO dated May 31<sup>st</sup> 2022 for effluent testing which resulted is 19.8 and COD 45.7 which is below the national regulation limit. The unit has collected data daily for each refinery which include PH data, COD Data, Total suspended solid, Total Dissolved solid and Oil. The average quality COD final product for year 2022 has been set the limit below range of 130 as follows :

- i) January 2022 – 71.86
- ii) February 2-22 78.37
- iii) March 2022 – 72.15
- iv) April 2022 – 68.42
- v) May 2022 – 80.23
- vi) June 2022 – 71.09
- vii) July 2022 – 78.46
- viii) August 2022 – 80.65
- ix) September 2022 – 129.4
- x) October 2022 – 66.01
- xi) November 2022 – 78.00
- xii) December 2022 – 100.6

*Sighted the average for year 2022 is 81.27 mg/l*

**Bio Oil La Rabida**

The site has been strictly monitoring any discharge from their site, under the demanding local regulations. The site conducted water intensity sampling on weekly basis and analyzed by internal and external parties. Sighted the results for BOD and COD are compliance with the rules and laws by the government.

Spain- Refinery/ Plant- Bio-Oils			
Palm Oil Refinery Effluent (PORE) Annual Average BOD & COD Levels, (mg/L)			
Water Quality Parameters	National Legal Limit	2021	2022
		Annual Average Level	Annual Average Level
Biochemical Oxygen Demand (BOD)	NA	15,75 mg/L	8,58 mg/L
Chemical Oxygen Demand (COD)	VLE daily=330mg/L	67,75 mg/L	88,75mg/L

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

Treatment of palm oil mill effluent (POME) (Indicator 113)

<p>This indicator is disabled as it is not applicable to this company. Apical does not own any mills.</p>	<p>NA</p>
<p><b>Treatment of palm oil refinery effluent (PORE) (Indicator 114)</b></p>	
<p>Based on the verification, all refineries have proper monitoring system for the water discharge. Noted that some of our refineries have implemented zero wastewater discharge. Treated wastewater being reused for cooling towers, fire hydrants, or domestic purposes such as cleaning. For sites that need to discharge wastewater to any waterbody, they ensure the water discharge quality meets the local regulatory standard. The wastewater will be processed in WWTP and processed before discharge to the environment as per their respective local legal approval. Apical have been monitoring their wastewater discharge as per the Ijin in daily, monthly and tri-monthly basis. Daily will be monitoring of COD level. For monthly, they will send the wastewater for quality testing from accredited laboratory.</p> <p><b><u>PT KRN</u></b>  The procedure of waste water treatment had been developed [QMS/supt/09-09] Referring to Flowchart Wastewater Treatment Process QMS/SUPT/09-09, dated 24-03-2021. The site has zero discharge of the wastewater as they are able to recycle it for its Cooling Tower. According to the process treatment flowchart, noted they have been monitoring the water quality based on the production standard. The flow process of WWTP follows :</p> <p><i>Raw Material Input → Deoiling Tank → Mixing Tank → dissolved air Flootation → sludge holding tank → Filter Press → Dissolved Air Flootation → Buffer Tank → heat exchanger → Aeration Tank → membrane Bio Reactor → Buffer Tank</i></p> <p>Sighted from PT Padang Raya Cakrawala the Outlet result for UF product :</p> <p>PH : 7.78 – Range 6-9  COD : 78.66 – Range below 130  TSS – NIL – Below 250  Oil and Grease : 1.00 range below 10</p> <p><b><u>PT SDS</u></b>  For tri-monthly, they report on the seawater quality monitoring, sighted the Ijin Pembuangan Air Limbah Ke Laut oleh PT Sari Dumai Sejati, Keputusan Menteri Lingkungan Hidup &amp; Kehutanan Republik Indonesia, Nomor SK.87/Menlhk/Setjen/PKL.1/2/2017. The site has been strictly monitoring any discharge from their site, under the demanding local regulations. They have a proper wastewater treatment plant to treat the wastewater, with the approval of the Minister of Environment and conduct water quality monitoring internally and externally by appointing an accredited laboratory. Sighted the Treated Water Production Monitoring of the wastewater still carried out daily, monthly and tri-monthly. Apical have the data for the Treated Water Production extracted from Daily Report Utility.</p> <p>Apical also has WWTP for the wastewater before discharge to waterways (sea) which is located in Kecamatan Sungai Sembilan Kota Dumai. They have the monitoring as per the quality of the Ijin daily, monthly and tri-monthly. Daily will be monitoring of COD. For monthly, the wastewater is as per record of accredited laboratory.  The site has SOP on the wastewater and WWTP as sighted in SOP for WWTP, doc number SDO-UTL.ETP-SOP-01, Issue No 1.0, Effective date 18-04-2022.</p> <p><b><u>PT AKC</u></b>  The site has cooling tower and they have daily cool down which was implemented in 2023. The blowdown water and reused. This is as part of their reduction usage of water. The water is purchased from PT SDS as the main operation in the complex. They have the water record usage purchased from SDS as sighted in their GHG emission data. Water intensity 2022</p>	<p>Comprehensive, externally verified</p>

<p>0.001121 and 2021 is 0.001400. The slight increase is because they have more processing in 2022.</p> <p>The COD limit / quality of wastewater done daily. Sighted the Daily Water Analysis Report whereby they monitor pH, TDS, COD, TSS, O&amp;G. Since PT SDS is the one that have WWTP, then they have specific license/Ijin for the discharge. Location of PT AKC is located Kecamatan Sungai Sembilan Kota Dumai. Sighted the AKC's Raw Material &amp; Utilities Receiving from SDS which include Wastewater Transfer to WWTP PT SDS daily.</p> <p><b>Bio Oil La Rabida</b> The site has been strictly monitoring any discharge from their site, under the demanding local regulations.</p>			
<b>Spain- Refinery/ Plant- Bio-Oils</b>			
<b>Palm Oil Refinery Effluent (PORE) Annual Average BOD &amp; COD Levels, (mg/L)</b>			
Water Quality Parameters	National Legal Limit	2021	2022
		Annual Average Level	Annual Average Level
Biochemical Oxygen Demand (BOD)	NA	15,75 mg/L	8,58 mg/L
Chemical Oxygen Demand (COD)	VLE daily=330mg/L	67,75 mg/L	88,75mg/L
<b>Implementation of commitment to protect natural waterways through buffer zones (Indicator 116)</b>			
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations.			NA
<b>Implementation of commitment to minimise inorganic fertiliser use (Indicator 126)</b>			
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations..			NA
<b>Integrated Pest Management (IPM) approach (Indicator 127)</b>			
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations.			NA
<b>Waste management system in place to avoid negative impacts (Indicator 128)</b>			
Apical Group has a waste management plan implemented throughout all the operations which covers various aspect of the production and processing plant to ensure that waste storage, treatment and disposal process does not pose any health and safety risks for their operations and the works for natural ecosystem. Apical business units collects waste data monthly and reports the data back to the Group level. The waste data is categorised based on hazardous and non-hazardous material including total waste generated, waste diverted from disposal and waste directed to disposal			Comprehensive, externally verified
Sighted the records has been captured for total waste generated, waste diverted from disposal, waste directed for disposal and total metric tonnage for the waste. The record for the waste including hazardous material that will be disposed according to the local regulation such as : <ul style="list-style-type: none"> <li>i) Fly ash</li> <li>ii) Bottom ash</li> <li>iii) Spren oil</li> <li>iv) Used lubricant oil</li> <li>v) Lab waste</li> <li>vi) Contaminated packaging material</li> </ul>			

vii) Glycerine Pitch

The record of disposal legally to local provider has been verified [ No. KLHK-1676109497, Waste B3 from Kutai Refinery , KLH-8320]. The group has developed the SOP related to the B3 waste which has been shared throughout all operations unit.

The site has SOP Penanganan Limbah B3, Non-B3 dan Sampah, SDS-HSE-SOP-10, Issue 10, effective date 28-03-2022. The SOP cover various aspects of production and processing to ensure that waste storage, treatment and disposal practices do not pose health or safety risks to workers, other people, surrounding community or natural ecosystems.

There are three waste management storage as per identification of waste. The hazardous waste will be stored temporarily based on their legal Ijin. Sighted *“Perubahan Izin Pengelolaan Limbah Bahan Berbahaya dan Beracun Nomo 003/TPSLB3/DPMPPTSP/V/2017 untuk Kegiatan Penyimpanan Sementara Limbah Bahan Berbahaya dan Beracun”* PT Sari Dumai Sejati. The disposal of Limbah B3 is handled by approved hazardous collector (transporter & management) and has contract agreement with the site. They will have to upload and submit on the Scheduled waste via the online system published by government. They will do the daily update quantity of waste produced. The domestic waste / non-scheduled waste is handled / disposed at external landfill which handled by an external party.

The site use third party / external contractor for transporter and dispose of the hazardous waste. There are 2 transporters and 3 external waste collection company.

Sighted the sample as below:

- Pengangkut PT Mega Green T. Dumai and pengelola is PT Mega Green Technology Pelintung - Dumai.
- Scheduled waste - Glycerin, transporter is PT Hazmat Techno Indonesia, quantity 21.88MT, 31 January 2023, waste collection company is PT Pengelola Limbah Industri Bekasi (PLIB) Raya Pangkalan. Domestic waste is disposed in the government landfill and transported by external party.

As for KRN, the person in charge, is a competent person of the HSE Environmental Office had been assigned to manage the waste handling for PT KRN. The Kalimantan Timur Governor had awarded PT KRN as BLUE grade under the PROPER Awards for the assessment of environmental for Year 2021-2022.

**PT AKC**

The site has production, maintenance, SGM, QC they have different SOP, other than that, they share same SOP with PT SDS as they are located in the same complex. The site have their own storage area as sighted in the approval. There is 1 storage area in PT AKC which will hire 3rd party or external party for the disposal of the waste. Sighted sample of Manifest Limbah Bahan Berbahaya dan Beracun. Used Lubricant, Majun/used rags, used container and catridge filter. The site has daily inventory record for the hazardous. For the domestic waste, it is handled by PT SDS. There is trained personnel for handling of hazardous waste.

**Bio Oils La Rabida**

The site strictly follow the rules and regulation enforced by the government. sighted the List of register of production residue 2022 (including the name, type, origin, weight, type of treatment for the specific waste) – Ley 7/2022, of April 8, of waste and contaminated soils for a circular economy. Waste were segregated between domestic and hazardous waste. Storage of the waste is secured to avoid any leakage to the environment which can harm the safety of the employees. Disposal records were made available to the verifier and reviewed during the verification program.



<p>Storage of dangerous waste that is secured to avoid any spillage and only authorized personnel can enter the premise. The treatment and storage of waste depends on the type of waste.</p>	
<b>Progress on human rights commitment (<i>Indicator 131</i>)</b>	
<p>The company has a policy on human rights commitment which is embedded into Apical Sustainability Policy and integrated with each site’s local regulations. The company provides evidence of actions taken to implement its human rights policies, e.g. giving training to employees on its human rights policies; setting up dedicated teams and committees responsible for implementation; putting processes in place to identify and mitigate negative impacts on human rights. The company has provided the Code of Conduct to all operations unit to be implemented which has been set based on Apical Core values. The core values embodies the commitment in upholding ethical and profession business practice which complying with applicable legal requirement. The Code of Conduct is applicable to all sites, under chapter "Bullying, Harassment, violence". In case of complaint &amp; grievance, it will be directed to Internal Audit, then handled by HR department. The company had also conducted the training to all the new staff including refresher training to enhance the effectiveness of the code of conduct awareness amongst the staff. Sighted the training on Human right commitment based on the code of conduct dated April 2022 which stated the conduct on : <i>“zero tolerance for retaliation ; The company will not tolerate retaliation against anyone who raises concern about breach of the code or participates in company investigation”</i></p> <p>The company had also publish in the website related to the human rights commitment under sustainability pillar and the details can be extracted from :</p> <p><a href="https://www.apicalgroup.com/wp-content/uploads/2018/08/apical-sustainability-policy.pdf">https://www.apicalgroup.com/wp-content/uploads/2018/08/apical-sustainability-policy.pdf</a></p> <p>Sighted the human right and social economy commitment by Apical to the workers, and staff which the company :</p> <ul style="list-style-type: none"> <li>i) Recognize universal declaration of human rights and promote equal rights. Child labor is strictly prohibited in any of our operations. Condemn any form of sexual harassment and abuse, especially to women and protect her reproductive rights.</li> <li>ii) Respect the right of all workers to form or become the member of labor union on their free will and the right for collective bargain.</li> <li>iii) Provide a safe and healthy working environment and practicing a fair treatment policy where the employees, values and rights are respected including contract, temporary and migrant workers.</li> <li>iv) Empower gender mainstreaming and do not condone to any form of human rights violations or discrimination in our organization.</li> <li>v) Facilitate the inclusion of smallholders, outgrows and small fresh fruit bunch (FFB)suppliers and fully support them into our sustainable sourcing supply chain in a fair, transparent and accountable partnership.</li> <li>vi) Respect and recognize the rights of indigenous and local communities to give or withhold their free, prior and informed consent (FPIC) to the utilization of lands to which they hold legal, communal or customary. Ensure a transparent and legal land allocation process.</li> <li>vii) Consider and ensure that food security of local community is strengthened in order to maintain their land use choice and future food security options.</li> <li>viii) Work in a fair and transparent manner to resolve verifiable complaints and conflicts with all parties.</li> <li>ix) Develop a transparent grievance mechanism system to ensure that all grievance and conflicts are dealt and handled in an accountable manner.</li> </ul> <p>Based on the interview and documented evidence sighted, the refresher material has been communicated and shared twice a year to the employees during the training. Sighted the</p>	<p>Comprehensive, externally verified</p>

record of excel training which has the list. Sighted the training record for Code of Conduct for the workers as below 20018917, 200189925, 20018930 for new workers conducted on 05-01-2022 for 3 hours on the RGE Global Code of Conduct. The workers evidence of passed the training evaluation has been recorded . The training is conducted using their own internal system.

Issue on human rights can be lodged directly to the manager, representative of HRD, email at [whistleblow@rgei.com](mailto:whistleblow@rgei.com) and hotline - Indonesia Palm Business Group +62 81 1600 9430. Sighted the letter 568/OS.9/DISNAKER-D, dated 05-01-2023 on the "Pencatatan Pengurus Lembaga Kerja Sama Bipartit PT SDO"

**Bio Oils La Rabida**

The site possesses the Safety, Quality, Sustainability & Environmental Policy. The management had conducted related trainings to their employees to ensure they comprehended with the company’s policies. Training records available. Bio environmental policy established on 09/06/2020. Documentation on the human rights was developed on 07/11/2019

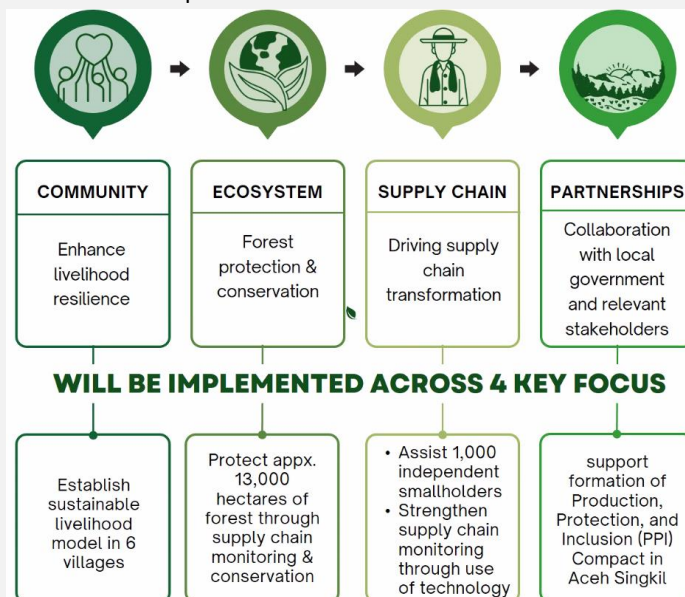
Training provided to all employees.

- a. Training on the environmental issues, security, conducted on 25/04/2022. Training provided by environmental department. Test or quiz conducted to test their understanding regarding on the training.

**Examples of local stakeholder engagement to prevent conflicts (Indicator 139)**

Apical Group had numerous number of engagement conducted for year 2022 and project in progress in 2023. The Sustainable Living Village (SLV) Programme is a stakeholder-inclusive program that nurtures sustainable livelihood models through working with partners, communities and villagers. The aim is to improve community resilience and livelihood sustainability at the village and landscape levels. The SLV centers on creating environmental benefits, closing knowledge gaps, and reducing inequality through 4 key tailored initiatives in enhancing livelihood, forest protection, supply chain transformation and supporting landscape collaboration through the Production, Protection, and Inclusion (PPI) Compact. he Landscape project in Aceh Singkil aims to establish 6 villages in which approximately 10,000 hectares are forest areas with potential conservation.

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Sighted the social engagement and contribution to local people in Indonesia which the Apical Operations taking place for year 2022 as follows:

<ul style="list-style-type: none"> <li>i) Stunting Prevention (Dumai, Jakarta, Balik Papan) – 86 Pregnant woman being educated on stunting knowledge and prevention. Development of three collaboration plans to continue momentum of stunting prevention services in the future. These outreach sessions included informational classes for pregnant women on stunting prevention and distributing biscuits and milk high in nutrition to be fed to young children</li> <li>ii) Supporting communities affected by floods (Balik Papan) - provided for 15 household living near unit operations in Balik Papan Impacted by floods</li> <li>iii) Ramadan Packaged Distribution (Balikpapan) – Distributed the foods packaged to underprivileged beneficiaries</li> <li>iv) Educational program which Apical provide the building school, free teaching services, cleaners, electricity and clean water supply for the school educational program in Kutai Regency</li> <li>v) The SMILE program has gathered a team of knowledge practitioners in agronomy, and plantation management to upskill 5,000 independent smallholders managing approximately 18,000 hectares of plantations in the provinces of North Sumatra, Riau and Jambi. The SMILE program launching to Educate farmers on improving their yield, utilizing sustainable farm management practices and the importance of no deforestation, zero-burning and no exploitation commitment</li> <li>vi) In 2022, Apical embarked on several infrastructure-related projects. We provided clean water for numerous communities in Dumai, Salok Baru, and Kelurahan Lubuk Gaung, resulting in 340 beneficiaries and 1 mosque with access to clean water. Apical group also sponsored road maintenance and rehabilitation for 7.8 kilometers of road and pavement in Dumai.</li> </ul> <p>The SLV Programme was designed to ensure that the communities are taught on how to prevent future conflicts eg deforestation. The smallholders will be trained on best sustainable good agricultural practices and the SLV will also support certification of 1,000 smallholders that ensures that smallholders are NDPE compliant, which in turn will prevent possible future conflicts. As for the Stunting Programme, women are briefed on nutritional benefits for pregnant women and children, importance of immunisation, prenatal and postnatal support and maternal and child health. This programme is essential to reduce stunting rates which prevalent in 24.4% of children under five in Indonesia.</p> <p>Apical has a stakeholder engagement vision which is "creating value for the community" and mission "we enable the communities we operate in to grow with us". The purpose for improving community well-being. Apical continuously conducted corporate social responsibility (CSR) activities for their local stakeholders and meeting with them.</p>		
<b>Supports the inclusion of women across palm oil operations, including addressing barriers faced (<i>Indicator 141</i>)</b>		
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations.		NA
<b>Progress on commitment to mitigate impacts on food security (<i>Indicator 143</i>)</b>		
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations.		NA
<b>Progress on commitment to provide essential community services and facilities (<i>Indicator 145</i>)</b>		
The indicator is not applicable to Apical as Apical is only a processor/trader. Apical does not own any plantations.		NA
<b>Progress on a commitment to respect all workers' rights (<i>Indicator 149</i>)</b>		
The commitment to respect all workers' rights is covered under Apical Sustainability Policy, Code of Conduct as well as the workers' contract agreement. The company provides evidence of actions taken to implement its workers' rights policies, e.g. giving training to employees on workers' rights; setting up dedicated teams and committees responsible for implementation; putting processes in place to identify and mitigate negative impacts on workers' rights. Sighted the evidence training of human rights based on the Code of Conduct and the attendance sheet dated 4 <sup>th</sup> January 2022 which has details of workers from QC	Comprehensive, externally verified	

Analyst, Tank farm, Biodiesel Operator, operator tank Farm , and Quality Control Personnel for new employees. The site is following the group commitment on the Code of Conduct, which is also publicly available and SOP / Kebijakan Human Right, also in the Peraturan Perusahaan in the Pasal 11 Ayat (6) and (15). The company had provide the employee complaint handling procedure to all staff and workers (PRC-1407) prepared by HR Officer, reviewed by HR lead and Approved by Head of Complex.

The site mentioned they allow any request for improvement or suggestion from employee. In case of any issue, they can freely report to HR department, using the Whistleblowing channel as stated in the Peraturan Perusahaan Pasal 30. The company also provide SOP for Grievance and Grievance settlement (PRC-1407) prepared by HR Offices, reviewed by HR lead and Approved by head of complex which stated followings procedure

- i) The investigation team must ensure that investigation into allegations of bullying sexual harassment or violence are carried out carefully to avoid false assumptions
- ii) The investigation team will conduct an assessment and management of the related risk
- iii) The investigation team will make a decision base on the finding obtained during the investigation process
- iv) All employees must cooperate proactively and provide the required information correctly during the investigation process
- v) Every investigate activity carried out without regard to the length of service position
- vi) The investigation team was formed to conduct an initial review of reports of acts bullying sexual harassment or violence occurred within the scope
- vii) Investigation team must ensure the investigation into allegations of bullying, sexual harassment or violence carried out
- viii) The investigation team will conduct an assessment and management of the related risk

Sighted in the code of ethic regarding the relation between workers, staff and management and also cases if any of the reports regarding management transparency towards it. Apical also strive to cultivate an environment of inclusivity where our fair treatment policy is upheld, and our employees' values and human rights are respected. Apical will ensure their welfare is provided for through competitive remuneration in line with applicable laws.

**PT SDO (Dumai)**

The commitment to respect all workers' rights is covered under Apical Sustainability Policy and Code of Conduct. The site has Perjanjian Kerja Bersama (PKB) & PT SDS which has been approved by Kepala Dinas as sighted in the Surat Keputusan Kepala Dinas Tenaga Kerja dan Transmigrasi Kota Dumai, Nomor 564/22/PKB/DTKT-C.3. The PKB will be discussed with Workers' Union for every 2 years. The PKB is also disseminated to all workers. Sighted the Surat Terima PKB Terbaru for each workers based on their working station / department. Each worker also have their own contract agreement, as sighted Perjanjian Kerja Untuk Jangka Waktu Tidak Tertentu, which include information on BPJS, Penyelesaian Peselisihan. Sighted the Surat Tanda Terima PKB baru for 10059710 Gustina QC Department which has been distributed a month and for new workers will be given during orientation. The HRD Department is responsible to oversee implementation and mitigate negative impacts on workers' rights.

**PT SDS**

The site has Perjanjian Kerja Bersama (PKB) & PT SDS which has been approved by Kepala Dinas as sighted in the Surat Keputusan Kepala Dinas Tenaga Kerja dan Transmigrasi Kota Dumai, Nomor 564/22/PKB/DTKT-C.3.. The PKB will be discussed with Workers' Union for every 2 years. The PKB is also disseminated to all workers. Sighted the Surat Terima PKB Terbaru for each workers based on their working station / department.

<p>The PKB covers all related matters to workers' rights including Leave, Wages, BPJS (Jaminan Sosial &amp; kesejahteraan), allowances (food, transport, attendance, awards), safety and health, code of conduct. The Workers Union and Bipartite is a medium that handle any issue related to workers' rights. Each worker also have their own contract agreement, as sighted <i>Perjanjian Kerja Untuk Jangka Waktu Tidak Tertentu</i>, which include information on BPJS, working hours, basic wage and any dispute resolution</p> <p><b><u>Bio Oils La Rabida</u></b></p> <p>All employees are covered under the Resolution of July 7, 2021, of the General Directorate of Labour, by which the former XX General Collective Agreement of the chemical industry is registered and published and pact of application of general agreement of the chemical industry for bio-oils, border sticks as of March 5, 2020, National Law.</p> <p>Newly join employees will go thru the briefing arranged by the HR Department which cover the following; safety continual improvement, ethical conduct and company policies. The site also permitting the employees to form a union trade which currently have 9 members in the committee.</p>	
<b>Progress on a commitment to eliminate gender related discrimination with regards to employment (<i>Indicator 152</i>)</b>	
<p>The company provides evidence of actions taken to implement its gender policies, e.g. giving training to employees on preventing discrimination and harassment, setting up dedicated teams or committees, putting processes in place to identify and tackle discriminatory practices, having a complaints system that specifically includes gender discrimination or harassment. Apical Group values all employees fairly and provides them with equal opportunities in terms of hiring, assessment, working conditions, and rewards, irrespective of their ethnicity, national origin, religion, caste, disability, gender, age, sexual orientation, union membership, or political beliefs.</p> <p>The company strictly adhere to employment rights legislation in countries they operate including prohibition of hiring minors and providing equal opportunities regardless of gender. The company enforce a zero-tolerance policy towards any form of harassment or violence against all their employees. Sighted the percentage of company women employment which stood at 17.86% across entire group. The company also implemented the gender equality in the code of conduct booklet which been given to all staff for their own records. Clause no. 10 in the code of conduct state that company are not differentiate the gender, race, religion, and believe in accepting the workers into the company and also the equality in terms of promotion and salary increment. In the code of conduct, stated the prohibition of bullying, sexual harassment and violence amongst the workers which the workers and staff of Apical Group can directly report any of it to the upper management through the hotline numbers which will connect to the upper management. There is a special committee (Employee Industrial Relations) which will investigate the sexual harassment towards the workers if any of the cases reported.</p> <p>On top of that, the company stated in clause 18 in which the women workers had been allocated the maternity leave one and half month before and after giving birth and also paid leave in cases of the confirmation by doctor / hospital. The company provides evidence of actions taken to implement its gender policies, e.g. giving training to employees on preventing discrimination and harassment, setting up dedicated teams or committees, putting processes in place to identify and tackle discriminatory practices, having a complaints system that specifically includes gender discrimination or harassment.</p> <p>The site supported the "Kesetaraan Gender di SDO, bentuk perlakuan dan dukungan yang diberikan kepada karyawan wanita". Pasal 23 – Tempoh rehat haid, Tempohrehat melahirkan dan keguguran. For the tempoh rehat haid it must be supported by doctor's recommendation as evidence and excluded from annual leave. Also noted that in Indonesia sites there was a</p>	<p>Comprehensive, externally verified</p>

<p>statement in Collective Labor Agreement (PKB) on the article of abuse and women - Article 57 item 15 Committing acts that are harassing, have the same norms of decency, behave inappropriately / do things that can reduce the honor / dignity / authority of management company or other workers in the work environment or outside the work environment by wearing or not, work uniforms / company queues.</p> <p><b><u>Bio Oils La Rabida</u></b></p> <p>Bio Oils La Rabida is committed to eliminate the gender discrimination with regards to the employment. They had form Equality Committee had formed on 08/02/2023 which includes 4 members which are 2 from company, 2 from union trade. As of the verification day, no gender discrimination or harassment was report for year 2022. All complaints regarding on the gender discrimination or harassment will be oversee by Compliance Committee.</p>	
<b>Progress on commitment to pay a Living Wage (<i>Indicator 157</i>)</b>	
<p>Apical ensures our employees receive salaries above the local and provincial regulations' minimum wage requirements.</p> <p>Apical review the compensation packages annually against the cost of living, national labor regulations in countries where the company operated, and against compensation from those of our peers to ensure they remain competitive. Apical also ensure that the compensation is internally equitable according to one's workload, scope of responsibility, complexity and level of work. When assessing an individual's performance, it is assessed against Apical's balance scorecard of quality, productivity, cost effectiveness, core values, sustainability and long-term growth. To comprehend the decent living wages calculation across the benefits provided by the company, the employee benefits to permanent and temporary employees are :</p> <ul style="list-style-type: none"> <li>i) Parental leave</li> <li>ii) Dental and optical care</li> <li>iii) Transport allowance – employees in Indonesia</li> <li>iv) Retirement provision – permanent and temporary employees that non expatriated below 60 Year Old and non expatriated in Singapore</li> <li>v) Medical Insurance</li> <li>vi) Housing Allowance</li> <li>vii) Meal Allowance</li> <li>viii) Attendance recognition</li> </ul> <p>Sighted in the PKB Pasal 26, Memperhatikan <i>Ketentuan Upah Minimum Kota (UMK) Dumai</i>. Sighted the Surat Edaran Upah Minimum Kota Dumai Nomor 561/1473/DTK, dated 06-12-2021, the stated UMK for Dumai 2022 is 3,414,160.86IDR. Sighted the DLW Calculator as per shown which include food, housing, Unexpected events (5%).</p> <p>Sighted the pays lip of worker:</p> <ul style="list-style-type: none"> <li>• Gross 3,414,160 for female worker (given Overtime Payment, Overtime 150%, Overtime 200%, attendees incentive 120,000 IDR - total 200,914 IDR).</li> <li>• Other reduction BPJS Ket. JHT 2%, Kesehatan, BPJS Ket. Jaminan Pensiun (1%)</li> <li>• Total reduction = 136, 567IDR.</li> <li>• Total receive income = 3,478,507IDR.</li> </ul> <p>For the decent living calculation, Apical Group has adopted the principal calculation of living wage guidance from RSPO principal which the calculation including of food, housing, NFNH, unexpected events, total net living wage, and minimum wage for Balikpapan. On top of that, the calculation considering the staple foods such as rice, fish, meat, eggs, vegetable, oil, and other consumption. The auditor had verified that the company has paid the minimum salary above the decent living wage calculated for the countries with reference to the family size of 5 persons including clothing, transportation, education and healthcare.</p>	<p>Comprehensive, externally verified</p>

As per their PKB, in Bab VII, the management provide allowances for food, transport and full attendance. The site currently has the initiative, "Safety Opportunity for Improvement / Quality Opportunity for Improvement" Initiative, whereby they will award the worker with certificate and cash prize. The site also provide mess/housing for middle / executive grade employee.

The Payslip of male worker:

Department Civil Coordinator

Tunjangan Kehadiran 50k IDR

Gaji Gross 3,800,000IDR

\*not yet permanent thus Tunjangan Kehadiran with 50k IDR

For weekly, they can work overtime maximum 18 hours and 173 hours per month.

For overtime, if there is direction for overtime by their superior and checked actual overtime by HR and the superior will do overtime claim.

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

Region / Country	Currency	Monthly Legal Minimum Wage	Lowest Monthly Wage		Ratio <sup>9</sup>	
			Male	Female	Male	Female
Dumai, Indonesia	IDR	3,414,160	3,414,160	3,414,160	1:1	1:1
Marunda, Indonesia	IDR	4,490,168	4,490,168	4,490,168	1:1	1:1
Tg Balai, Indonesia	IDR	2,829,107	2,829,107	2,915,517	1:1	1:1.03
Bagendang, Indonesia	IDR	3,014,732	3,014,372	3,014,372	1:1	1:1
Padang, Indonesia	IDR	2,512,539	2,550,000	2,550,000	1:1.01	1:1.01
Medan, Indonesia	IDR	3,370,645	3,485,057	3,370,645	1:1.03	1:1
Balikpapan, Indonesia	IDR	3,118,397	3,118,397	3,145,114	1:1	1:1.01
Spain	EUR	1,167	1,597	1,597	1:1.37	1:1.37
Malaysia	MYR	1,500	2,800	2,800	1:1.87	1:1.87
Singapore	SGD	Nil	3,800	3,800	Nil	Nil
China	RMB	2,280	2,590	2,580	1:1.14	1:1.13

Workers in Balikpapan, Dumai, Tanjung Balai and Padang receive a Decent Living Wage remuneration, sufficient to afford a decent standard of living for the worker and her or his family.

Based on the table above, the lowest wage paid for the workers in each country is above the minimum wage and based on the verification on the calculation of living wage, the company had given adequate amount for each household.

**Bio Oils La Rabida**

The sites have provided evidence that they have paid all employees above the country's minimum wage. Spain had enforced decent living wages at Euro 1080 on 01/01/2023. During verification noted that the sample salary selected is more than the minimum wage order for all refineries selected.

**Provision of personal protective equipment and related training (*Indicator 161*)**

The procedures for Personal Protective Equipment procedure had been made effectively on 1<sup>st</sup> January 2020 which prepared by HSE Supervisor, reviewed by Manager of HSE and approved by the head of operation. Sighted the procedure had been reviewed according to constitution no. 10 : 1970 concerning worker safety, government regulation no. 50 : 2012 concerning implementation of OSH Management system, ministry of manpower regulation no.8 concerning PPE. Sighted the scope of work manager of HSE which :

- i) Applying purchase of PPE in addition for the procurement
- ii) Monitor and confirm to each employee usage of PPE properly according to the interest.

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- iii) Planning PPE replacement if it is no longer safe to use, PPE maintenance, addition and storage system
- iv) Manage PPE documentation system such as stock list, proof of PPE Handover, existing PPE data and others.

The company samples unit has updated the request from store to employee, store requisition form dated 8<sup>th</sup> May 2022 for 3 safety shoes to be replace. The database assessment working at height training 2022 has been updated form month December 2022, confines space training for year 2022 [March and November 2022]. Sighted other training related to Safety and health conducted such as basic fire training, lock out tag out training , Fire prevention Training and first aid training which are relevant to the company's operations. The company had formed the committee for health and safety to oversee the operational matter related to safe working environment for each of refinery and operation units.

Sighted the SOP related to type of personal protective equipment given to the workers, duration of replacement, classification of working environment and details of work. Sighted the type of PPE given such as safety shoes, safety helmet, safety goggles, ear plug, masker and hand gloves leather and woven to each of working department. The company had records for PPE issuance including the size of shoes and date of receiving.

**PT SDO**

Sighted the SOP APD, Doc no SDS-HSE-SOP-08, Issue Np 1.3, effective date 20-03-2023. Sighted the Lampiran 01 Matrix identification need base on PPE Needs depending on the work on SOP. The suitable / specific PPE is also decided using HIRARC based on the risk and action plan. The site will conduct weekly safety briefings for each department on the PPE usage. The PPE is provided by management, free of charge. Sighted Daftar Safety Talk dated 22-12-2022 to Department Refinery Fractionation. There are five personnel of Ahli K3 Umum for the site. For provision of basic PPE is handled by HSA Department. In case of in need of replacement of PPE, the workers can inform directly to Admin along with the evidence of defect. For items such as respirator, admin will refer to HSE for correct recommendation of the type and specifications and each department will release Purchase order for ordering. Sighted the SOP of APD, SDO-HSE-SOP-11, Issue No 1.0, Effective date 13-05-2022. The identification of PPE according to HIRARC. For office, workers will be given safety boot and helmet.

**PT SDS**

Sighted the evidence of issuance to Department QC has been recorded dated 03-03-2023 (safety shoes 1 pair, given to Dewi Sabadina which was last given on 02-06-2021) and Approved by QC Manager. The PPE is given free of charge and for replacement of PPE after given evidence of any defected PPE. The site has Job Safety Analysis (JSA) for any hazardous work whereby they assessed the work. For new worker, there is induction on the PPE. For all workers, toolbox weekly done for all employees (every Monday). Sighted the SDS-HSE-SOP-12, Issue 1.0, effective 14-04-2022 Job Safety Analysis. JSA for Cutting & welding, dated 13-06-2022, APD - Topi Las, Fullbody Harness, Gloves, Safety Shoes & Helmet Whereby the JSA recorded the type of works, potential hazard and control efforts.

PT AKC is under HSA PT SDS supervision, whereby the responsible member of Safety and health is Pak Hendra and supported by 3 SHO. Workplace inspection conducted by SHO.

**Bio Oils La Rabida - 18/05/2023**

OSE policy (integrated policy – safety, environmental) established on 07/11/2019. Signed by Plant Directro of the company, Daniel Perez Alvarez Castello. Mr. Jaime Pertierra is responsible for Bio Oils La Rabida safety and health section.



Communication of the policy were done online and offline. Hung on notice board at premises.

SOP PPE sighted. Issuance of PPE records available. No pay allowed for returning broken or damage PPE. Each new employee will have to go through the safety briefing by the Safety Manager.

Safety committee established, participated by employers and employee’s representative. Meeting was held on quarterly basis. Latest was conducted on 18/03/2023. Among the agenda discussed are review on regulations, accident, near miss, capacity etc.

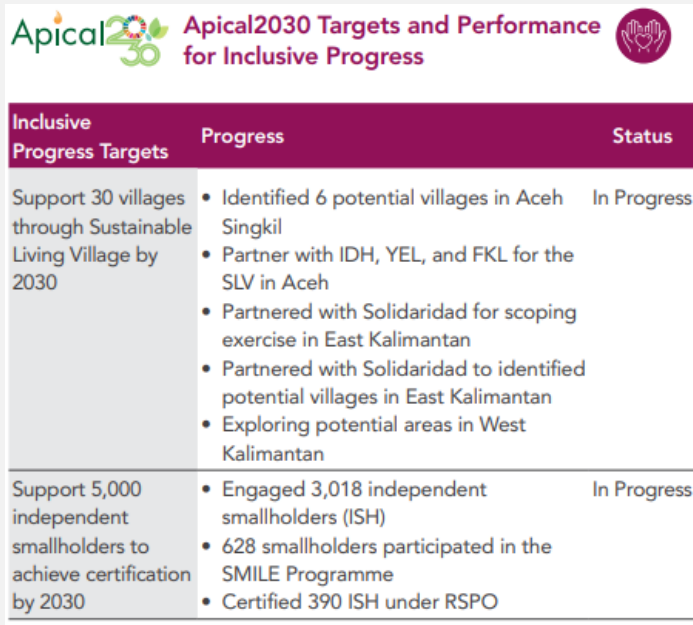
Trainings were conducted to internal and external parties as well. Bio Oils engage with consultant to conduct safety and health training. Latest training was conducted

- a. Action and knowledge of the self-protection plan 10/02/2023, 211 workers involved in this training. (internal)
- b. Practice starting fire pumps, 11/10/2022. (internal)

**Programme to support scheme smallholders (Indicator 165)**

To address these challenges, a new sustainability initiative was launched in 2020 to help independent smallholders in Indonesia. The ‘Smallholder Inclusion for better Livelihood & Empowerment Programme’ (SMILE) was established by Apical Group, KAO Corporation and Asian Agri. The support provided through this 10-year program has two broad objectives. Firstly, it is aimed at improving livelihoods by increasing smallholder productivity through the application of sustainable agricultural practices including reduced herbicide usage, and secondly, to support environmental management and protection through compliance to sustainable palm oil standards. The SMILE program has gathered a team of knowledge practitioners in agronomy, and plantation management to upskill 5,000 independent smallholders managing approximately 18,000 hectares of plantations in the provinces of North Sumatra, Riau and Jambi. Sighted from the Apical 2030 Targets and performance for the Smallholder

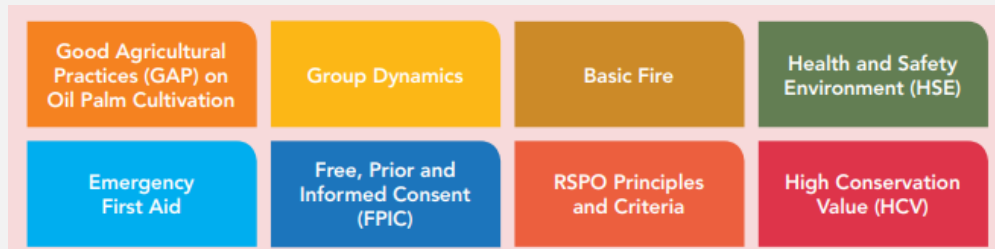
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Inclusive Progress Targets	Progress	Status
Support 30 villages through Sustainable Living Village by 2030	<ul style="list-style-type: none"> <li>• Identified 6 potential villages in Aceh Singkil</li> <li>• Partner with IDH, YEL, and FKL for the SLV in Aceh</li> <li>• Partnered with Solidaridad for scoping exercise in East Kalimantan</li> <li>• Partnered with Solidaridad to identified potential villages in East Kalimantan</li> <li>• Exploring potential areas in West Kalimantan</li> </ul>	In Progress
Support 5,000 independent smallholders to achieve certification by 2030	<ul style="list-style-type: none"> <li>• Engaged 3,018 independent smallholders (ISH)</li> <li>• 628 smallholders participated in the SMILE Programme</li> <li>• Certified 390 ISH under RSPO</li> </ul>	In Progress

Under Phase 2 of the SMILE program, which will run from 2022 to 2027, Apical Has targeted 2,759 smallholders managing 8,831 hectares of plantations mainly located in North Sumatra in addition to Riau and Jambi. Apical will continue to engage with and monitor the progress of the smallholders engaged in Phase 1 and apply the findings of the polygon mapping for all

smallholder estates and gap analysis for our smallholders. As of the end of 2022, the SMILE program has benefited approximately 3,018 independent Smallholders which covered:



In 2022, 390 smallholders have been RSPO-certified under the SMILE programme. Apical aims to certify approximately 1,000 smallholders in 2023.

**Percentage of scheme smallholders involved in programme (Indicator 166)**

To address these challenges, a new sustainability initiative was launched in 2020 to help independent smallholders in Indonesia. The ‘Smallholder Inclusion for better Livelihood & Empowerment Programme’ (SMILE) was established by Apical Group, KAO Corporation and Asian Agri.

For project implementation, in terms of technical knowledge is provided by Asian Agri, KAO will help in terms of providing fertilizers and Apical will be providing financial support based on TOR signed. There will be seminars and workshops conducted which will help to improve the livelihood of the independent smallholders in terms of yields improvement, acquiring sustainability certification, bridging the knowledge gap to enhance technical knowledge and adoption of good sustainable practices, ultimately building a more sustainable supply chain. Sighted the percentage of the SMILE Program involved since the launching of the program.

- i) Phase 1 (2020-2025 ) → Target 80% : 781 independent Smallholders which total 2376 Hectares
- ii) Phase 2 (2022-2027) → 2759 Independent Smallholders which total 8831 Hectares
- iii) Engaged 697 Independent Smallholders 89% :
  - KUD in North Sumatra completed RSPO Main Audit 918-21 April , 239 Stallholders 685 Ha
  - KUD in Jambi 151 Smallholders – Audit completed in August 2022 , certificate issued 25<sup>th</sup> October 2023
  - KUD In Riau – RSPO membership approved , 238 smallholders will be audited 24<sup>th</sup> January 2023
  - Summarized : 390 farmers from 628 Farmers certified

SMILE Socialization to all KUD’s had :

- Identified and engaged 1688 independent smallholders (61%)
- New Audit on Q2 2023 and Q4 2023
- Consultant engagement – North Sumatra , 1401 Farmers and Jambi (287 farmers)

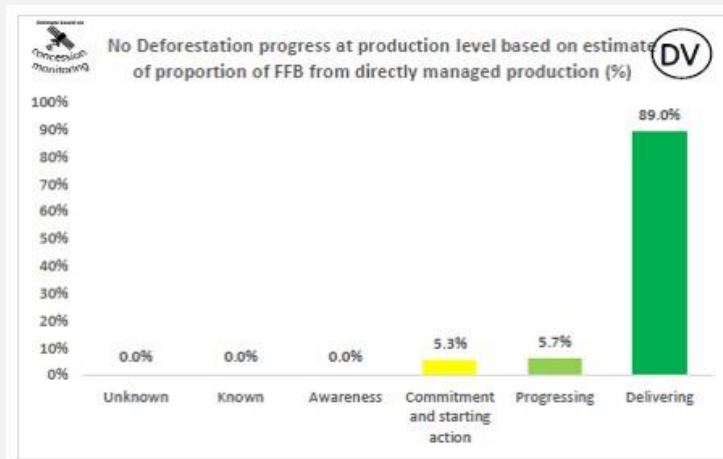
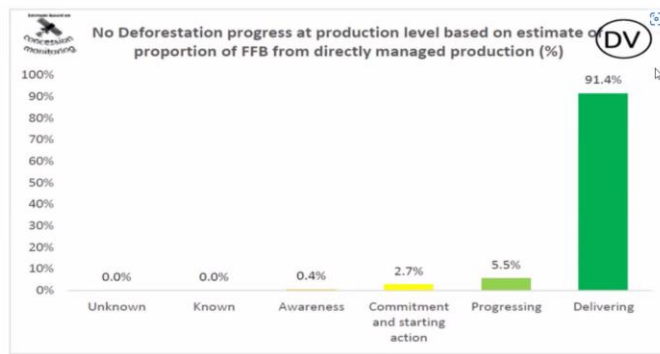
The data is available in the presentation provided by the Apical team during the assessment. Noted that they have engaged 697 independent smallholder (89%) in Phase 1 of the SMILE program.

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Programme to support independent smallholders ( <i>Indicator 167</i> )	
<p>For year 2022, SMILE program is still being continued by Apical Group. The "Smallholder Inclusion for Better Livelihood &amp; Empowerment Program (SMILE)" in collaboration with AAA, KAO Corporation &amp; Asian Agri, was launched on 14-10-2020. It is a 10-year program until 2030, specifically to support independent oil palm smallholders in Indonesia. The target of the program is to include 5000 Independent smallholders to achieve certification by 2030.</p> <p>Since up to year 2022, the progress of the program has shown incremental in numbers which 3018 Independent smallholder (ISH) has been engaged and 628 smallholders participated in the SMILIE Program. From that numbers, 390 ISH has been certified under RSPO ISH scheme</p> <p>For project implementation, in terms of technical knowledge is provided by Asian Agri, KAO will help in terms of providing fertilizers and Apical will be providing financial support based on TOR signed.</p> <p>There will be seminars and workshops conducted which will help to improve the livelihood of the independent smallholders in terms of yields improvement, acquiring sustainability certification, bridging the knowledge gap to enhance technical knowledge and adoption of good sustainable practices, ultimately building a more sustainable supply chain.</p> <p>Apical has also launched the Sustainable Living Village in 2023. The Sustainable Living Village (SLV) Programme is a stakeholder-inclusive program that nurtures sustainable livelihood models through working with partners, communities and villagers. The aim is to improve community resilience and livelihood sustainability at the village and landscape levels. The SLV aims to support 1,000 smallholders for certification.</p> <p>The details of the programme is available in the Sustainability Report 2022 (Chapter 10, Community Livelihood) which also states the Apical 20230 targets and performance for Inclusive Progress.</p>	<p>Comprehensive, externally verified</p>
Percentage of independent smallholders / outgrowers involved in programme ( <i>Indicator 168</i> )	
<p>There are three phases for the SMILE program. Phase 1 timeline is from 2020 to 2025 Under Phase 2 of the SMILE programme, which will run from 2022 to 2027, which Apical aim to target 2,759 smallholders managing 8,831 hectares of plantations mainly located in North Sumatra in addition to Riau and Jambi. Apical continue to engage with and monitor the progress of the smallholders we engaged in Phase 1 and apply the findings of the polygon mapping for all smallholder estates and gap analysis for our smallholders.</p> <p>Engagement with smallholders continues to be of utmost priority for us in Phase and Phase 3 (2025 – 2050) of the SMILE program. As of the end of 2022, the SMILE program has benefited approximately 3,018 independent smallholders. Noted that they have engaged 89% independent Smallholders which total 2376 Hectares for phase 1 SMILE program. KUD in North Sumatera has been completed the RSPO Stage 1 (eligibility) while the KUD in Riau and Jambi audit plan to be conducted in 2022. The SMILE team has implemented specific measures to meet its objectives such as :</p> <ul style="list-style-type: none"> <li>i) Educate farmers on improving their yield, utilizing sustainable farm management practices and the importance of no deforestation, zero-burning and no exploitation commitments</li> <li>ii) Support smallholders to achieve RSPO certification by 2030</li> <li>iii) Conduct training on implementing safety measures and hazard training such as fire extinguishers, and encourage of personal protective equipment usage.</li> </ul>	<p>Comprehensive, externally verified</p>
Number or percentage of suppliers assessed and/or engaged on compliance with company's policy and/or legal requirements ( <i>Indicator 170</i> )	

<p>Apical engages with suppliers through their flagship Anchor programmes to facilitate the adoption of more sustainable practices. Apical has set up several supplier engagement programmes under the Anchor Programme to manage and evaluate their suppliers’ risk and compliance to the company’s Sustainability Policy and/or legal requirements.</p> <p>The Anchor Programmes are as follows:</p> <ul style="list-style-type: none"> <li>• Mill Prioritization Process (MPP) – 540mills into the program until December 2022 (100%)</li> <li>• Priority Supplier Engagement Programme (PSEP) PSEP is intended to evaluate our high-risk suppliers based on their degree of compliance with our Sustainability Policy, and any applicable industry standards. – 7 mills since June 2022 (53 Mills since 2015)</li> <li>• Collaborative Action Remote Engagement (CARE) CARE programme in 2020 as an extension of PSEP to ensure continuous verification of our supply chains - 55 suppliers since 2022 (total of 140 Mills since launching in 2020)</li> </ul> <p>Total suppliers: 540 mills engaged through MPP (non-duplicated) for since year 2015 until December 2022. Sighted based on the percentage of mills which categorized risk as low scoring (67%), Medium Score (22%) and High score (10%)</p> <p>More details on each program are stated in the Sustainability Report and numbers reported are tally. The data is also published on the website <a href="https://www.apicalgroup.com/sustainability/working-with-suppliers/#anchorprogrammes">https://www.apicalgroup.com/sustainability/working-with-suppliers/#anchorprogrammes</a> showing the number of suppliers engaged at least through one of the programs under Anchor Programs.</p>	<p>Comprehensive, externally verified</p>
<b>Proportion of supply from suppliers that is verified as deforestation- and/or conversion-free (DCF) compliant with palm oil sourcing policies (<i>Indicator 173</i>)</b>	
<p>The company has established its “Apical Palm Oil Sourcing Policy”, dated October 2015 which is publicly available on their website.</p> <p>The policy was made known to all suppliers via several platforms such as emails, workshops, and training. Within the sourcing contracts with suppliers, there are terms on requiring the suppliers to be in compliance with Apical’s Sustainability Policy. The following records were sighted:</p> <ol style="list-style-type: none"> <li>1. Shared Value Program for Apical Supplier, 23 -24 August 2022, both physically and virtually.</li> <li>2. Sustainability Commitment Letter, PT Gajah Sakti Sawit, dated 25 March 2019, document number: 001/GSS-BDL/APICAL/111/2019.</li> </ol> <p>In line with Apical’s commitment to achieve NDPE compliance across our operations, Apical collaborated with industry stakeholders to develop NDPE IRF, a reporting tool that enables companies to analyse and track their progress on their NDPE commitments. In 2022, Apical achieved 91.4% for Delivering Category No- Deforestation on their suppliers’ risk profile. Apical’s results were verified using the NDPE IRF Data verification protocol developed by Peterson and underwent further verification by a 3<sup>rd</sup> party verifier.</p> <p>Sighted the No Deforestation for CPO and PKO Supplier Profile for year 2022 which based on the NDPE IRF chart stated that 91.4% and 89.0% respectively of the suppliers are in delivering status for no-deforestation.</p>	<p>Comprehensive, externally verified</p>

### No Deforestation, CPO Supplier Profile



100% of Apical’s direct and indirect supply within their supply chain comes from mills and plantations that are compliant with Apical’s palm oil Sourcing Policy. They only source from suppliers who agree to comply with their policy through a written declaration prior to sourcing. The Group also has conducted monitoring through Mill Priority Program (MPP) to ensure all suppliers comply with the sourcing policy. Apical also fulfilled the initial targets we set to be 100% NDPE compliant by 2025, demonstrated through delivering our NDPE IRF program to 91.4% (quarter 1 2022) of our suppliers, inducting 33% of the supplying mills into our Anchor programs, and monitoring 100% of our suppliers using satellite technology to ensure compliance.

The management also has established NDPE Compliance Calculation which captured evaluation data from TTM, TTP, NDPE requirements and also reflected aspects in the Palm Oil Sourcing Policy. The result from the calculation is reported up until the sustainability department and being discussed with top management twice a year.

During this verification session, all data from TTM, TTP, NDPE Compliance Calculation were presented, and samples of the data are verified.

#### Programme to support high-risk mills to become compliant with sourcing policies (*Indicator 175*)

The Apical Sustainability team has presented the “Suppliers Risk Analysis”, which is part of the Mill Prioritization Programme (MPP). The MPP is conducted for all the suppliers based on spatial and non-spatial parameters to identify mills on different level for in-depth engagement. Sighted the CARE Suppliers for 2022 :

- i) Total 140 Mills up to recent year 2023
- ii) 133 Mills until year 2022
- iii) Priority Supplier Engagement Program (PSEP) – Since year 2022 , 53 Mills

Comprehensive, externally verified

<p>iv) Mill Priority Program monthly updated</p> <p>Once high-risk mills/suppliers are detected, they will be engaged under the Priority Supplier Engagement Program (PSEP). The PSEP field visit started again back in end of 2021 / early 2022 after the loosening of regulations due to the Covid pandemic. PSEP is conducted to mitigate risks identified and action plan is determined promptly for suppliers' implementation. The reports for PSEP were reviewed during the assessment. Due to the ongoing COVID-19 pandemic in 2021, they conducted the CARE (Collaborative Action through Remote Engagement) programme in replace of PSEP and successfully engaged with selected suppliers, with outcomes of developing action plans for suppliers with gaps in compliance with the company's NDPE commitments.</p> <p>Those prioritized / categorized as high-risk according to MPP, they will firstly undergo PSEP. The PSEP does not only focus on only high-risk mills, but also for medium and low risk mills. It is a site visit programme conducted by Apical.</p> <p><b>CARE – Collaboration Action Remote Engagement</b> Is conducted virtually, due to pandemic situation. There were 133 suppliers involved. The list of documents is shown during the assessment. This is to be conducted monthly depending on the readiness of the suppliers. Through CARE, selected suppliers are required to perform a self-assessment verification to determine their compliance risk in the supply chain.</p> <p><b>SVP – Share Value Programme</b> Function: A series of workshops collaboration with NGO to furnish their suppliers with industry's best sustainable practices and market insights as well as to introduce Apical's policies. In 2022, Apical held one SVP workshop and 115 participants had joined the workshop.</p> <p><b>SFA – Supplier Self Assessment</b> The SFA tool was launched in 2020, which enable Apical suppliers to complete a self-administered questionnaire that assesses their compliance with our NDPE policy and identify risks in their supply chain. Any supplier identified as high-risk by the SFA are requested to refer to the PSEP, CARE and SVP to undertake corrective action. The SFA tool was instrumental in allowing us to remain connected with our suppliers when COVID-19 restrictions were enforced, and we continue to utilize this tool today. Since 2020, 408 Supplier mills have been engaged vis SFA</p>	
<b>Regularly engages with a subset of high-risk mills (<i>Indicator 176</i>)</b>	
<p>Apical does not own any mills. The company regularly engages with their supplying mills under the Anchor Programmes. The CARE programme was launched in 2020 as an extension of Priority Supplier Engagement Program to ensure continuous verification of our supply chains. Today, it is used for low risk suppliers. To detect possible compliance concerns in their supply chain, high-risk suppliers are expected to complete a self-assessment housed on an online portal as part of CARE. Apical sustainability team does desktop analysis to confirm all evaluation results before communicating remotely with suppliers to learn more about their conditions. Apical then creates action plans to remedy any gaps and improve adherence to our NDPE policy. The company regularly engages with their supplying mills under the Anchor Programme. The company has developed Mill Prioritization Programme (MPP), which helps to screen their suppliers' risk based on certain criteria. MPP is conducted on a monthly basis and as and when required when there is any new supplier</p> <p>The MPP is a risk-based supplier assessment to identify priority mills. It allows Apical to:</p> <ul style="list-style-type: none"> <li>i) Determine which mills to contact</li> <li>ii) Improve high-risk mills through engagement and socialization</li> <li>iii) Identify whether detailed engagement approach required</li> </ul>	<p>Comprehensive, externally verified</p>

<p>We sighted the Suppliers Risk Analysis - presented, through Mill Prioritization Program (MPP). MPP considers 4 steps:</p> <ol style="list-style-type: none"> <li>1. Identification of risk (database of all suppliers, spatial &amp; non-spatial data)</li> <li>2. Analyse risk - Suppliers screening (screening for any suppliers that wanted to be part of Apical's supply chain), Mill prioritization program (for all suppliers)</li> <li>3. Risk Planning</li> <li>4. Risk monitoring</li> </ol> <p>Comprehensive Apical will analyze a set of variables to quantify risk under the MPP. These variables include examining the land usage within a 50-kilometer radius of a mill that supplies raw materials, and non-spatial parameters, which examine qualitative data on a mill's interactions with nearby communities and smallholders. All of our suppliers are evaluated according to the MPP, and high-risk mills who have been doing business with us for a long time are given priority for engagement through the PSEP. The company has identified 133 suppliers and engaged with them through the CARE programme since 2020 and the numbers keep increase from year to year.</p>	
<b>Regularly assesses and categorises the risk level of all their own and third party supplying mills (Indicator 178)</b>	
<p>The company regularly engages with their supplying mills under the Anchor Programme. All suppliers must formally affirm their compliance with our Sourcing Policy in writing as part of the onboarding process. Before they are incorporated into our supply chain, Apical will examine all our Indonesia palm oil suppliers. Engagement will be prioritized for suppliers that meet our risk assessment criteria for high risk. The Anchor Programmes are as follows:</p> <ul style="list-style-type: none"> <li>• Mill Prioritization Process (MPP) - 540 (100%) High risk 95 suppliers</li> <li>• Priority Supplier Engagement Programme (PSEP) for Long term business - 53 suppliers since 2015</li> <li>• Collaborative Action Remote Engagement (CARE) - 133 suppliers since 2020</li> </ul> <p>Total suppliers: 540 (non-duplicated) for year Dec 2022. The company has developed Mill Prioritization Programme (MPP), which helps to screen their suppliers' risk based on certain criteria. MPP is conducted on monthly and assessed when there is any new supplier that will be registered in the process.</p>	<p>Comprehensive, externally verified</p>
<b>Regularly reports the risk level of all own and third party supplying mills identified in its supply chain (Indicator 179)</b>	
<p>Apical does not own any mills. The company regularly engages with their supplying mills under the Anchor Programmes. Under the MPP, Apical analyses 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 suppliers are assessed under the MPP, and high-risk mills with long-term business relations with us are prioritized for engagement through the PSEP.</p> <p>Apical routinely monitors the suppliers and update their risk levels monthly. There total 540 mills being assessed by APICAL which has been categorized into Low, Medium and High Scoring . Based on the MPP monthly report in December 2022, the mills categories as followings :</p> <ol style="list-style-type: none"> <li>1. High-risk mills – 10% = 56 mills</li> <li>2. Medium-risk mills – 22% = 121 mills</li> <li>3. Low-risk mills – 67% = 363 mills</li> </ol> <p>The company had also classified their integrated mill (have own Concession) which represent 59% and Commercial Mill is 49% out of total 540 Mill Assessed and have been monthly assessed.</p>	<p>Comprehensive, externally verified</p>

Progress on commitment to ethical conduct and prohibition of corruption ( <i>Indicator 182</i> )	
<p>Apical’s commitment towards ethical conduct and prohibition of corruption is outlined in the Global Code of Conduct which is implemented across all operating units. They have established the Whistleblowing channel for anyone to freely report on any issue that breaches the company’s Global Code of Conduct.</p> <p>They ensure the commitment complied with the suppliers through the Code of Procurement Ethics (COPE). This is given to their suppliers for every business dealings. The Core of Procurement Ethics (COPE) to all suppliers is as detailed:</p> <ol style="list-style-type: none"> <li>1. Business Integrity</li> <li>2. Fair Competition</li> <li>3. Open Communication</li> <li>4. Conflict of interest</li> <li>5. Gift and entertainment</li> <li>6. Compliance with international trade conventions and policies</li> <li>7. Reciprocity</li> <li>8. Declaration of Existing Relationship the Group</li> <li>9. Prohibition against multiple bids and collusion</li> <li>10. Compliance with a sustainability framework</li> </ol> <p>Each supplier would sign the “Code of Procurement Ethics (COPE)”. We have sighted the sample of statement – inclusive on Gifts &amp; Entertainment, Conflict of Interest, Reciprocity, Compliance with Sustainability Framework.</p> <p>No issue on ethical conduct and corruption within 2022.</p> <p>COP given to PT Chong Qing Chuandong Chemical Group Co. Ltd, China, supplier phosphoric acid, the COP is given by Procurement manager and received by Company Director on 16-08-2021.</p> <p>Sighted the Global Code of Conduct E-Booklet for Code of Procurement Ethics (COPE) MMF-01. Sighted Code of Procurement Ethics (COPE), by Purchasing Manager, Mr Sandi. Supplier Nikki-Universal Co., Ltd., acknowledgement by supplier on 02-11-2018 (Japanese). This is a chemical catalyst supplier for PT AKC. There is no reported issue on ethical code of conduct and corruption.</p> <p>Any issue on the corruption or bribery, can be lodged using the Whistleblowing channel. The actions taken are based on the case severity and HR Department is essential and play important roles in the case. Referring to Code of Conduct that is implemented throughout the Group in Chapter “Penerimaan Hadiah, Hiburan dan Keramahtamahan” – page 33. Each employee has signed the company’s Code of Conduct when they first join the company. They can report any issue of non-compliance on ethical conduct, corruption, bribery via the Whistleblowing policy. At Group level, they have an Internal Audit Committee (independent) to handle any cases of bribery or corruption.</p> <p><b><u>Bio Oils La Rabida</u></b></p> <p>As per SOP Code of Conduct, Crime Prevention Document (Bio-Oils Product), Section 5 Structural Ethical Principles, any complaint to resolved within two months from the date of complain.</p> <p>Complaint can be channeled thru the Bio Oils La Rabida website where all the information will be sealed secret, <a href="http://biooils.canal-etico.es/">http://biooils.canal-etico.es/</a>. All complaints will be managed by the Compliance Committee.</p> <p>Training conducted for both internal and external stakeholder. Any new contractor who wish to have business relationship with Bio Oils La Rabida will have to go through the briefing and training regarding on the ethical conduct and prohibition of corruption which been conducted twice yearly. Sighted training was conducted on 24/05/2022.</p>	<p>Comprehensive, externally verified</p>

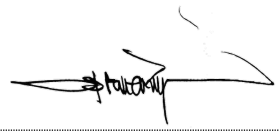


### 3.2 Signing by the Client

I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.


I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Verifier.

<b>Acknowledged by:</b>		 <b>Signature</b>
Name:	Bremen Yong	
Position:	Head of Sustainability	
Date:	20th July 2023	


### 3.3 Signing by the Lead Assessor

I the undersigned, being the Lead verifier, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

<b>Acknowledged by:</b>		 <b>Signature</b>
Name:	Ebnun Holdoon Shawal	
Position:	Lead Assessor	
Date:	15 <sup>th</sup> June 2023	

### 3.4 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

<b>Acknowledged by:</b>		 <b>Signature</b>
Name:	Supun Nigamuni	
Position:	Internal Reviewer	
Date:	17 <sup>th</sup> July 2023	