



## **Apical Grievance Procedure**

### **1.0 Preamble**

This grievance procedure is applicable to Apical's downstream operations dealing with sourcing, processing and trading of palm oil and palm oil products.

Since Apical is dealing with a wide network of supply chains, we acknowledge that addressing grievances from our external stakeholders are a fundamental element of responsible management practice. It is important that any grievance raised should be effectively managed and resolved in order to satisfy the grievance raiser, our stakeholders and for our own continuous improvement. Establishing a sound grievance procedure is the initial step to ensure there is a common channel for our stakeholders to raise grievances and ensure every complaint and conflict which impacts our organization, or is within our supply chains, is verified and dealt with in a transparent and accountable manner.

### **2.0 Objective**

This Grievance Procedure describes the process for addressing concerns/complaints raised by Apical stakeholders, related to the sustainability practices within Apical supply chains. Stakeholders could include: individuals, government organizations, media and non-governmental organizations (NGOs) with concerns relating to the implementation of the Apical Sustainability Policy.

### **3.0 Scope**

This procedure covers activities related to the management of stakeholders' grievances with respect to the operations of our business and implementation of our policy. This includes:

- Recording grievances
- Taking actions to verify claims
- Rectifying any confirmed issues
- Reporting the verification results and actions on the ground
- Delivering the response to stakeholders whilst managing, monitoring, and learning from any follow-up action.

The Apical Grievance Procedure covers grievances within Apical's supply chains. When a complaint against a supplier is submitted, Apical will engage the supplier to discuss the issue raised in accordance with this procedure.

#### **4.0 References**

- I. Apical Sustainability Policy

#### **5.0 General Term**

A grievance is a complaint, concern or problem which an individual or a group is directing either directly at Apical or to companies in its supply chain, to find satisfactory settlement/ solution.

#### **6.0 Roles and Responsibilities**

The Grievance Process will be managed and implemented by the Grievance Steering Committee, Grievance Secretariat, Stakeholder Engagement Team and Verification Team. Below are the list of roles and responsibilities of the respective units:-

##### **6.1 The Grievance Steering Committee (GSC)**

GSC consists of senior management representatives from Apical, and when required GSC may invite third-party observers / advisors to participate.

The GSC is responsible for:

- Making decisions on Apical's sourcing and trading relations with the suppliers/customers involved in the grievances, as defined in grievance procedure - Section 7.
- Approving action plans and public correspondence proposed by the Grievance Secretariat to external parties in relation to verified grievances.
- Instructing the Grievance Secretariat to draft media responses.
- When necessary, participating in high level supplier engagement.

##### **6.2 Grievance Secretariat**

The Grievance Secretariat, consisting of Grievance Coordinator, Communication Officer and Administrative Assistant, is responsible for:-

- Receiving and/or monitoring media (print/press and electronic) and/or stakeholder reports for news relating to Apical and its suppliers.
- Recording and assessing potential grievances in the grievance log book.

- Managing and communicating updates on grievances to the Grievance Steering Committee (GSC).
- Requesting clarification from grievance raisers and/or external suppliers through the Stakeholder Engagement Team (SET) for evidence and supporting data.
- Coordinating with SET to engage with the supplier involved in the grievance.
- Coordinating with the Verification Team to initiate field assessment.
- Drafting external communications including response letters to Grievance Raisers.
- Coordinating and performing all tasks necessary for the implementation of this Grievance Procedure.
- Uploading and updating the Dashboard with progress in resolving grievances.
- Producing grievance summaries at the end of each grievance process.

The Grievance Secretariat will assess potential grievances to determine if they qualify for further investigation or referral to the GSC. Grievance raisers may request their identity to remain confidential and in such cases Apical will not publish identities of grievance raisers on the Dashboard.

The Grievance Secretariat will make contact with the Grievance Raiser at the earliest opportunity, to explain the grievance process and invite them to participate in the process to reach a resolution.

The Grievance Secretariat will support in developing action plans to address any verified grievances, with the assistance of the Verification Team. On a bi-monthly basis the Grievance Secretariat will review and monitor the implementation of time-bound action plans established for ongoing grievances. Where progress has not been made in accordance with the plan, the Grievance Secretariat will follow the procedure as described under Section 7.0 for action / recommendation prior to updating the GSC.

The Grievance Secretariat shall be responsible for updating the Grievance Procedure as needed.

Finally, the Grievance Secretariat will record key learnings from the grievance outcomes and adopt strategies to avoid similar grievances in the future. These include training to build internal capacity, sharing information, review of standard operating procedures, development of policy statements and sharing periodic reports as appropriate.

### 6.3 Stakeholder Engagement Team (SET)

The Stakeholder Engagement Team is responsible for:

- Engaging with suppliers who are identified by grievance raisers.
- Requesting clarifications and supporting documentation from suppliers.
- Providing updates on outcomes to the Grievance Secretariat.

- If required, arranging field verification with suppliers involved in the grievances and communicating the Terms of Reference and checklist for engagement.

#### 6.4 Verification Team

The Verification Team is responsible for:

- Conducting field verification to assess the grievance at the site. If needed, the field verification may involve independent parties.
- Preparing and submitting written field verification reports to the Grievance Secretariat.
- Coordination with the Grievance Secretariat throughout all stages of field verifications.

#### **7.0 Procedure for submission of grievances**

Grievances can be submitted via any of the following channels:

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

Fax : +603 2785 8999

Email : [grievance@apicalgroup.com](mailto:grievance@apicalgroup.com)

Grievances can be submitted by following the format of grievance submission form.

The Grievance Raiser may appoint a third party to submit grievance provided that the third party follows the procedure.

Grievance Secretariat will contact the grievance raiser to confirm receipt of the grievance submission and invite their participation, within 5 (five) working days and record the grievance in the Grievance Log Book.

Grievance Secretariat will verify the grievance based on:-

- I. Breach of the Apical Sustainability Policy
- II. Valid supporting documents:

For potential grievances found through the media (print/press or electronic) and/or stakeholder report:

- Confirmation the supplier involved in the grievance is in the Apical supply chain.
- Evidence, such as chronological history, pictures, maps in their report.

For potential grievances received through direct, official submission:

- Confirmation the supplier involved in the grievance is in the Apical supply chain.
- A fully completed grievance submission template.

Any potential grievance which is not in breach of the Apical Sustainability Policy and/or without supporting documents will not be considered for the grievance procedure.

The Grievance Secretariat will respond to the Grievance Raiser:-

- I. In the case that the grievance is found to be invalid, the Grievance Secretariat will not process the grievance. This will be communicated within 10 (ten) working days to the Grievance Raiser.
- II. In the case that the grievance is found to be valid, the Grievance Secretariat will publish a summary of the grievance on the Apical Sustainability Progress Dashboard and notify the Stakeholder Engagement Team to engage and obtain further information from the supplier.

For cases related to Apical's own operations, the Grievance Secretariat will contact the relevant internal operational team to follow up.

The Stakeholder Engagement Team will communicate and engage with the supplier. Engagement may involve Grievance Steering Committee and/or interested third parties. If needed, engagement will take a maximum of 10 (ten) working days.

Based on the information provided by the supplier, the Grievance Secretariat will determine whether there is a need for field verification.

In the case that the grievance is valid but field verification is not needed, the Grievance Secretariat will respond to the Grievance Raiser within 10 (ten) working days and provide an update on the Apical Dashboard.

In the case that field verification is needed, the Grievance Secretariat will:-

- i. Coordinate with the Stakeholder Engagement Team to arrange the field verification with the supplier within 10 (ten) working days.
- ii. Instruct the Verification Team to conduct field verification

The Verification Team will conduct the field verification. The Verification Team may undertake interviews and dialogues with relevant stakeholders; and where necessary collect additional data to substantiate the validity of the grievance. Where possible, Apical will encourage the supplier to engage directly with the grievance raiser.

The Verification Team will produce a field verification report (including corrective action plan recommendations) and submit it to the Grievance Secretariat within 20 (twenty) working days.

The Grievance Secretariat will assess the supplier’s willingness to comply with the Apical Sustainability Policy.

- I. In cases where a legitimate grievance exists and the supplier does not demonstrate a willingness to comply with the Apical Sustainability Policy through real actions to resolve the grievance, the Grievance Secretariat will submit a recommendation to the GSC to temporarily suspend Apical’s trading relationship with the supplier.
- II. If the supplier is willing to follow Apical’s commitments, they must provide Apical with a time-bound plan for the implementation of corrective actions within 10 (ten) working days after the field verification report, including corrective action plan recommendations.

The Grievance Secretariat, together with the Stakeholder Engagement Team, will monitor the implementation of the action plan. The Supplier will need to provide evidence of measurable steps having been taken to implement the action plan within 10 (ten) working days after the time-bound plan is received.

Apical values feedback and inputs from stakeholders to enhance transparency in our supply chain and assist us in monitoring progress on the implementation of our Sustainability Policy.

### 8.0 Appeal mechanism

Any party that reported a grievance and is unsatisfied with the written response from the Grievance Secretariat can send its appeal to the Grievance Secretariat by providing information on the issues that they consider to be insufficiently addressed. The Grievance Secretariat will contact the Grievance Raiser to acknowledge receipt of the appeal within five working days of submission and the outcomes of the appeal will be submitted to the Grievance Raiser after review.

**Table 1. Time allocation for the Grievance Process**

Grievance process	No. of working days	Accumulated no. of working days (if field verification is needed)	Accumulated no. of working days (if No field verification is needed)
Grievance Secretariat to confirm receipt of the grievance to Grievance Raiser	5	5	5
Grievance Secretariat to do initial verification of the grievance raised	10	15	15
Stakeholder Engagement Team to gather desktop information and initiate engagement process	10	25	25
Arrangement for field verification with supplier	10	35	-

Field verification by Verification Team	20	55	-
Supplier to provide time-bound action plan	10	65	35
Supplier to provide evidence/ progress of action plan implementation	10	75	45

**Note:** Depending on the complexity of the specific grievance, the timeline may be adjusted when required.