



First Resources Limited Policy on Sustainable Palm Oil

1 July 2015

INTRODUCTION

As a palm oil producer, First Resources is committed to sustainable development. Our goal is to ensure that the establishment and management of our oil palm plantations provide genuine long-term economic and social benefits at the local communities and beyond, while minimising damage to the environment.

Our sustainability policies have been guided by the Principles and Criteria set out by the Roundtable of Sustainable Palm Oil (RSPO). Through continuous stakeholder engagement, we have decided to adopt additional commitments which are included in this policy statement.

SCOPE

This policy statement applies with immediate effect to all First Resources' operations, including those of our subsidiaries and associates, and third-party suppliers.

COMMITMENTS

Our policy statement encompasses the following commitments:

1. Environmental Management

- a) No development on High Carbon Stock (HCS) forests¹.
- b) No development on High Conservation Value (HCV) areas².
- c) No new development on peat³ areas, regardless of depth. For existing plantations on peat, we will implement best management practices and for areas assessed to be unsuitable for replanting, we will explore options for restoration or environmentally beneficial alternative uses⁴.
- d) Continuous focus on yield improvements at our plantations.
- e) Develop plans to progressively reduce greenhouse gas emissions in our operations.

¹ HCS assessments will be in accordance with the HCS Approach Toolkit (www.highcarbonstock.org), until an industry-wide methodology has been adopted.

² HCV assessments will be conducted by licensed HCV assessors under the HCV Resource Network.

³ Defined as soil containing more than 65% organic matter.

⁴ In accordance with RSPO guidelines.

- f) Adopt agronomic best practices to minimise our environmental impact, which include soil, waste and pest management⁵.
- g) Observe a strict zero-burning policy in land clearing process for all new developments and future replanting.

2. Community Engagement and Development

- a) Respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent for the utilisation of land to which they hold legal or customary rights.
- b) Resolve conflicts with local communities through an open, transparent and consultative manner.
- c) Drive positive socio-economic impact for people and communities where we operate through job creation and investments in plasma projects and community development programmes centered on education, healthcare and infrastructure.

3. Employee Relations and Workplace

- a) Respect the workplace rights of all our employees, including contract and temporary workers⁶.
- b) Prohibit the use of forced, trafficked or child labour, or any discrimination, harassment and abuse of our employees.
- c) Ensure that recruitment best practices are in place, meeting all legal and national regulations.
- d) Provide a safe and healthy workplace environment for all our employees.

4. Supply Chain

- a) Communicate our sustainability policy to our suppliers with the aim of developing a supply chain network that embodies the Group's sustainability goals and practices.
- b) Suspend sourcing from suppliers found to be engaged in the development of HCS, HCV or peat areas, in the use of fires during land preparations or in the exploitation of local communities, and who do not take immediate remedial actions. We will cease business with serious repeat violators.
- c) Support smallholders by sharing sustainable best practices, providing technical assistance and including them in the Group's supply chain.

⁵ In accordance with RSPO guidelines.

⁶ In accordance with national regulations and United Nations Guiding Principles on Business and Human Rights.

d) Establish a traceable and transparent palm oil supply chain.

REPORTING AND REVIEW

We will provide regular progress updates of the implementation of these commitments.

A grievance procedure will be established to allow stakeholders to raise their concerns on our operations. Grievances will be investigated and handled in a fair and transparent process and subsequent updates will be provided accordingly in our progress reports.

We will engage in continual analysis and review, with the objective of improving our sustainability policy and its implementation process, and we welcome input and feedback from stakeholders.