SUSTAINABILITY REPORT 2022

FIRST RESOURCES

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ABOUT THIS REPORT

We are pleased to present First Resources' 2022 Sustainability Report. This report provides a transparent account of our progress and challenges in integrating sustainable practices across our operations and supply chain. For complete information, this report should be read in conjunction with our Annual Report and information available on our website.

SCOPE OF THE REPORT [1, 2-2, 2-3, 2-4]

First Resources publishes a sustainability report on an annual basis. This report covers the activities and operations of First Resources Limited (First Resources) in Indonesia and Singapore for the financial year ended 31 December 2022. It excludes our rubber plantations in Indonesia, which account for a very small proportion of our business. Where applicable, the data from previous financial years have been included for comparison. There are no restatements in this report.

REPORTING FRAMEWORK [1]

This report is prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards. We selected the GRI Standards to guide our reporting and disclosures as it is a widely recognised sustainability reporting framework that provides guidelines for organisations to measure and communicate their environmental, social, and governance (ESG) performance. Where relevant information is presented, its associated GRI disclosure number will be indicated beside the section title. Our GRI content index is appended on pages 67-77.

The content of this report is defined by the GRI principles of stakeholder inclusiveness, sustainability context, materiality and completeness. To ensure the quality of our content, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. This report also adheres to the Singapore Exchange (SGX) Listing Rule 711A on preparing an annual sustainability report and describes our sustainability practices with reference to the primary components set out in the SGX Listing Rule 711B.

We have also continued reporting against the Sustainability Accounting Standards Board (SASB) Standards to meet our stakeholder needs. Our SASB content index can be found on pages 78-80.

DATA AND ASSURANCE [2-5]

While we did not engage a third party in the assurance of our sustainability report this year, all data presented within this report has been rigorously reviewed. In-depth assessments also have been undertaken in material areas such as High Carbon Stock (HCS), High Conservation Value (HCV) and Free, Prior and Informed Consent (FPIC), providing us with a strong and independent verification of our performance.

CONTACT [2-3]

We welcome feedback from all our stakeholders. If you have questions or comments on this report, or on our sustainability performance in general, please contact us:

FIRST RESOURCES LIMITED
7 Temasek Boulevard
#24-01 Suntec Tower One
Singapore 038987

T : +65 6602 0200
F : +65 6333 6711
E : sustainability@first-resources.com

CEO'S MESSAGE

[2-22]

Dear Stakeholders,

I am pleased to present First Resources' Sustainability Report for FY2022. We have been reporting on our sustainability initiatives, targets and performance for 11 years now as part of our broader commitment to accountability and transparency for our stakeholders. In this past year, our business environment has been defined by heightened market volatility, presenting both risks and opportunities for First Resources. Shifts in the geopolitical landscape on self-sufficiency in agriculture and energy are just some of the pertinent themes that we believe will continue to impact our business and stakeholders in the longer term. Through this period and going forward, First Resources remains committed to upholding our sustainability values alongside optimising financial performance. We believe that this is pivotal in building a resilient and future-ready business and promoting long term value creation for all our stakeholders.

OUR PERFORMANCE IN 2022

2022 has been a record year for First Resources in terms of financial performance, as we reported a net profit of US$325.2 million, a 101.8% increase over the previous year and the highest we have ever achieved in our corporate history. Due to a combination of supply and demand factors, conflict between Russia and Ukraine, as well as government policy interventions, the average selling prices of crude palm oil for FY2022 hit its highest level ever. This strong selling price environment undergirded our financial performance. However, we should also attribute this financial success to our ongoing sustainability efforts which have enabled us to build efficiencies, manage risks and support our growth. The year under review saw us make several forward strides on our sustainability journey. Acknowledging the impacts of our operations, we remained steadfast to our No Deforestation, No Peat and No Exploitation (NDPE) commitment, which was first announced in 2015. We also continued our efforts in protecting High Conservation Value (HCV) and High Carbon Stock (HCS) areas. In 2022, we planted more than 6,300 trees, rehabilitating approximately 24 hectares of degraded HCV area, and conducted trainings to educate employees and communities around our plantations on the importance of HCV and HCS zones.

With COVID-19 restrictions lifted on domestic and international travel this year, we have also made significant progress in certifying our operations. With regards to the Roundtable on Sustainable Palm Oil (RSPO) certification, in 2022, First Resources completed audits for four mills that are integrated with plantations, thereby meeting our target for FY2022. These achievements are encouraging and have placed us on track to meeting our 2026 target for full RSPO certification. Moreover, our progress in 2022 for Indonesia Sustainable Palm Oil (ISPO) has exceeded our expectations with completion of audits for four mills integrated with plantations. Also, we have maintained 100% traceability to mills, as well as 100% traceability to plantations for Fresh Fruit Bunches (FFB) processed at our mills and kernel crushing plants. Nonetheless, as we continue to face new standards and audit requirements, we hope to see greater harmonisation of regional and global certification and audit standards.

CEO'S MESSAGE

We have also made good progress on our community and social programmes. We have invested in infrastructure, education, and healthcare for the surrounding communities where we operate. We currently support 40 schools that the children of our employees attend, and we have 36 health facilities staffed with qualified medical professionals to serve our employees, their families, as well as the local communities. Moreover, we offer opportunities for locals to be part of the development of our oil palm plantations, whether as contractors or workers. We also prioritise open communication and respect for the rights of the local communities where we operate, creating a conducive environment for our activities.

The main challenge we faced in 2022 was workplace fatalities, which was the highest in recent years. One life lost is one too many. First Resources continues to instil occupational health and safety (OHS) awareness among employees by equipping our facilities with sufficient OHS equipment, conducting regular health checks, intensifying checks on our equipment and enhancing capacity building of our employees.
We are working hard to safeguard the health and wellbeing of our employees and strive to achieve zero fatalities in the future.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The threat of catastrophic climate change in the long-term is one of the greatest challenges facing humanity. We are already feeling the impacts of climate change today, both in terms of physical changes in weather

CEO'S MESSAGE

patterns, as well as transition risks and opportunities that arise from global efforts to decarbonise. To ensure that we remain resilient, First Resources has begun to implement the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to help us to incorporate climate-related risks and opportunities into our strategy, risk management and financial planning. To provide our stakeholders with a better understanding on how we are managing the climate-related risks and opportunities facing our business, we are starting to report against the TCFD framework for the first time in this report.

First Resources has commissioned a specialist sustainability consulting firm to conduct a scenario analysis to assess the potential climate-related impact. Looking at physical climate hazards, such as temperature changes and rainfall, that impact our yield, our current assessment is that our business will be resilient over the short to medium-term. However, we remain wary of potential impact that the changing climate will have on our business in the worst-case scenario where the world fails to prevent global warming and average temperatures rise by 4.4 °C or more. While we hope this scenario will be avoided, to prepare for a more volatile climate, we have continued to invest in research and development to develop more weather resilient planting materials and to optimise our operations to be adaptable to climate change.

We have also begun to identify and assess the transition risks and opportunities that our business is facing. One opportunity that we are well-positioned to capitalise on is the use of palm oil by-products, such as palm oil mill effluent (POME), palm kernel shells (PKS), fibre, empty fruit bunches (EFB) and spent bleaching earth oil (SBE-O) which are typically discarded, to be repurposed in our operations and can be used as inputs in other industries.

The increasing focus on biofuels in Indonesia also presents an exciting opportunity for the palm oil industry. As Indonesia continues to ramp up its use of biofuels to cut down on costly fuel imports, there will be a growing demand for palm oil as a feedstock. This is particularly salient as the country moves from its B30 to B35 biofuel mandate, and potentially to even higher blends in the future.

There are also potential transition risks that we must mitigate. These include the EU's planned phasing out of palm oil under the Renewable Energy Directive (RED) II and the new deforestation-free regulation. Stakeholder expectations and regulatory requirements will also increase and it is important that we continue to stay ahead of the curve with regards to both. As an agribusiness, we have always had a strong focus on the climate. Implementing the TCFD recommendations and managing climate-related impacts will be an ongoing and iterative process at First Resources.

LOOKING AHEAD

As we look back on the challenges of the past year, we are proud of the progress we have made towards our sustainability goals at First Resources. Our commitment to sustainable practices has remained steadfast, and we are grateful for the support of our employees and stakeholders in this journey.

Moving forward, we are excited to build on our momentum and accelerate our efforts to keep pace with rising standards and promote sustainable palm oil production. Our key priorities for the year ahead will be to continue our efforts toward certifying our operations, achieving full traceability across our value chain and achieving zero work-related fatalities and injuries. These form important steps as we build toward our longer-term aspirations.

There is still much work to be done and there will be ongoing and new challenges. However, we are confident that with the continued support of our stakeholders, we can create long-term value for our communities and our planet.

Ciliandra Fangiono
Executive Director and Chief Executive Officer

ABOUT FIRST RESOURCES

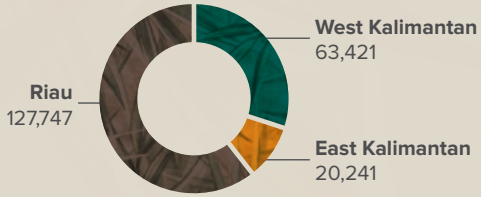
[2-1]

Established in 1992 and listed on the Singapore Exchange (SGX) since 2007, First Resources is one of the leading palm oil producers in Southeast Asia and has matured into an integrated player with its own processing capabilities. As of 10 March 2023, Eight Capital Inc. holds 67% of our company shares (excluding treasury shares), with a further 12% held by two other substantial shareholders and the remainder held in the hands of the public.

OPERATIONAL PROFILE [2-1, 2-6]

With the support of our 24,886 employees, we manage a total of 211,409 hectares of both nucleus and plasma planted area across the Indonesian provinces of Riau, West Kalimantan and East Kalimantan. Of the total, 175,563 hectares are our nucleus oil palm plantations while 35,846 hectares belong to plasma smallholders.

OIL PALM PLANTED AREA BY LOCATION IN 2022
(hectares)

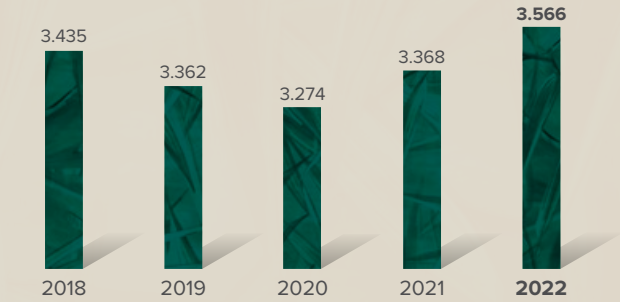


Note: *The figures include both nucleus and plasma planted area*

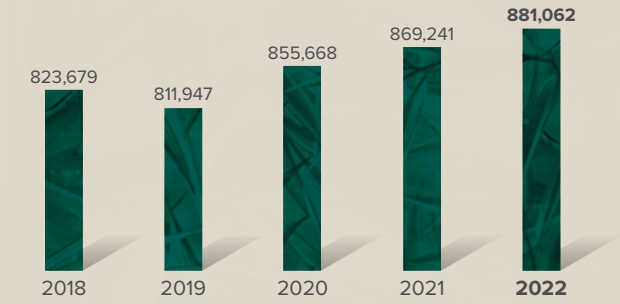
More than half of our plantations are of prime age and approximately 7% are in their immature phase. Our largest planted area in Riau contributes to 65% of our fresh fruit bunches (FFB) production, while our plantations in West and East Kalimantan provide the remaining 35%. In 2022, First Resources produced over 3.5 million tonnes of FFB from both nucleus and plasma estates.

In addition, First Resources also owns 19 palm oil mills, two refining and processing plants and four kernel crushing plants in Indonesia. Our total crude palm oil production (CPO) in 2022 was 881,062 tonnes.

FRESH FRUIT BUNCHES PRODUCTION
(million tonnes)



CRUDE PALM OIL PRODUCTION
(tonnes)



For more information on our business flow chart and operational review, please refer to pages 4-5 and 14-15 of our 2022 Annual Report.

OUR PRESENCE

211,409
hectares of
oil palm plantations

45 to 90
FFB tonnes per hour
of mill capacity

6,321
hectares of
rubber plantations

REFINING & BIODIESEL

combined capacity of

850,000
tonnes per annum

KERNEL CRUSHING

combined capacity of

375,000
tonnes per annum

● Refinery & Processing Plant | ● Oil Palm Plantation | ● Oil Palm Plantation with Mill | ● Oil Palm Plantation with Mill & Kernel Crushing Plant | ● Rubber Plantation

OUR APPROACH TO SUSTAINABILITY

[2-23]

Our ability to create long-term value for both our stakeholders and the environment is crucial for the success and longevity of our business. We believe in the fundamental importance of sustainability, which underpins each of our core values: Loyalty, Integrity, Diligence, Persistence, and Care. These values guide our interactions with stakeholders, enabling us to understand their interests and address their concerns, while building meaningful relationships based on trust and mutual benefit. A summary of our main stakeholder engagement efforts in 2022 can be found in the Materiality and Stakeholder Engagement section of this report.

OUR POLICY ON SUSTAINABLE PALM OIL

First Resources' Policy on Sustainable Palm Oil, also referred to as our NDPE Policy which stands for "No Deforestation, No Peat, and No Exploitation," was launched in 2015 and serves as a testament to our unwavering commitment to sustainability. This commitment guides us toward our goal of ensuring that our oil palm plantations provide genuine long-term economic and social benefits for the local communities where we operate and beyond, while protecting the environment. Our NDPE Policy outlines the environmental and social standards we expect to be met by all our operations, including our subsidiaries and associated companies, as well as by our third-party suppliers. We also train all relevant employees on this policy and communicate it to all our suppliers during the onboarding process and through periodic meetings. This ensures that they understand our commitments and the importance of adhering to our requirements. For more details on our supplier engagement, see the section on Supply Chain.

Our policy encompasses commitments around four main areas:

1 ENVIRONMENTAL MANAGEMENT

Ensuring zero burning and no development on High Carbon Stock (HCS) forests, High Conservation Value (HCV) areas and peat areas, as well as increasing yield, reducing our greenhouse gas emissions (GHG) progressively and adopting agronomic best practices to minimise our environmental impact

2 COMMUNITY ENGAGEMENT AND DEVELOPMENT

Respecting the rights of indigenous and local communities, resolving conflicts and driving positive socio-economic impact where we operate

3 EMPLOYEE RELATIONS AND WORKPLACE

Respecting labour standards and human rights of all our employees, including contract and temporary workers

4 SUPPLY CHAIN

Working towards a traceable and transparent supply chain, with an aim to build a network of suppliers that upholds our sustainability goals and practices, as set out in our policy

BOARD STATEMENT

The Board regularly reviews the material environmental, social and governance (ESG) topics facing First Resources and considers them when formulating the Company's strategy. The Board also provides oversight to ensure these topics are properly managed and monitored.

First Resources Board of Directors

OUR APPROACH TO SUSTAINABILITY

GOVERNANCE OF SUSTAINABILITY
[3-3, 2-9, 2-12, 2-13, 2-14, 2-17]

At First Resources, we are committed to maintaining the highest standards of corporate governance. This is crucial for the effective implementation of our policies and the continual improvement of the Group's performance. The Board, led by the Chairman, has oversight of sustainability matters and receives regular updates on important sustainability issues. Representatives from all key areas of our operations attend quarterly management meetings. During the meetings, sustainability topics, performance against targets and emerging issues are reviewed and addressed.

SUSTAINABILITY GOVERNANCE STRUCTURE

Our Head of Sustainability, reports directly to the CEO and is responsible for the day-to-day implementation of our sustainability policy and is supported by a team of skilled experts from across the business. Sustainability has also been integrated throughout our management systems, including as key performance indicators of relevant senior executives and other employees with functional responsibility at an operational level. Operational teams are required to provide regular cross-departmental updates on key issues – including hotspots and fire incidents, the status of land clearing, and any incidents of conflict with local communities – to the regional and corporate sustainability teams. To enhance proficiency on sustainability and Environmental, Social and Governance (ESG) matters, regular trainings and workshops are carried out for employees and directors, allowing them to stay informed of significant issues and to maintain compliance with the prevailing government regulations in the areas we operate. This also helps us assess if our commitments align with the global community's expectations. Moreover, in 2022, all our directors have attended the one-time sustainability training mandated under the enhanced SGX-ST Sustainability Reporting Rules.

BUSINESS CONDUCT AND ETHICS
[3-3, 2-23, 2-24, 205-2]

Our Code of Conduct reflects the values and principles of our organisation. It has been developed in alignment with our Group's vision and mission and it serves as a guide for our employees to adhere to our corporate values and ethical standards. Areas covered under the Code of Conduct include professionalism and work ethics, conflicts of interest, political impartiality, anti-corruption and zero tolerance to fraud. All our employees are required to comply with all applicable country laws, regulations and legal requirements. Any breach of the Code of Conduct can result in disciplinary action and termination of employment.

As part of their onboarding process, new employees are informed of our Code of Conduct. Annual email reminders on compliance with the Code of Conduct and any subsequent updates are sent to all employees. The Code of Conduct is also disseminated to all our suppliers and other business partners. In addition, procedures have been put in place to ensure that only authorised persons can approve business transactions and to prevent conflicts of interest in relation to procurement.

OUR APPROACH TO SUSTAINABILITY

MONITORING AND GRIEVANCE PROCEDURE [3-3, 2-16, 2-25, 2-26, 205-1, 205-3]

To ensure that our commitments are implemented, we have set up a robust system where practices and performance related to our policies can be monitored and reported. We have two distinct mechanisms for reporting concerns or complaints: our whistleblowing procedure and grievance procedure. Both mechanisms are open to external and internal stakeholders.

WHISTLEBLOWING PROCEDURE

Our company has established a whistleblowing procedure that provides employees and business partners with a secure and confidential means of reporting concerns, non-compliances, or grievances. This system is accessible through various channels, such as anonymous complaint boxes in estates, short message service, phone, and email. Complaints received through these channels are generally addressed locally but can be escalated to the Audit Committee where necessary.

First Resources strongly prohibits and condemns any retaliatory actions taken against whistleblowers who report compliance or integrity issues. Disciplinary action may be taken against any individual found to have retaliated against whistleblowers. Individuals who wish to file a whistleblowing report may refer to the details on our website.

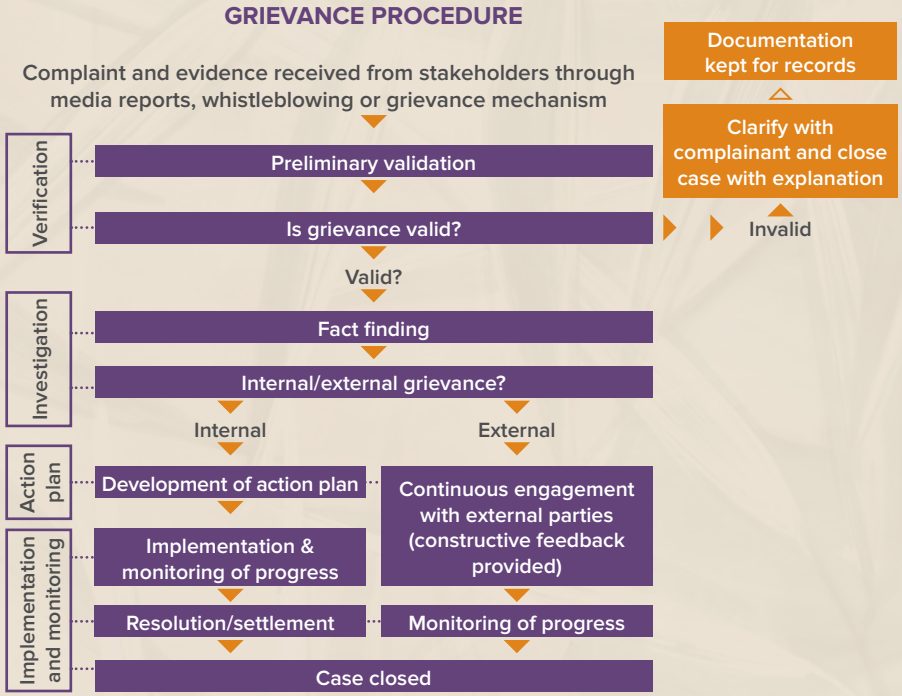
GRIEVANCE PROCEDURE

Our grievance procedure allows stakeholders to report on sustainability-related concerns, particularly regarding our Policy on Sustainable Palm Oil. These concerns can be environmental-related, for example, if deforestation has been observed, or social in nature such as involving land disputes, human rights, or general labour issues. These concerns can be addressed through our grievance procedure.

Grievances can be submitted via email to our Grievance Officer or can be posted via mail to our office address as follows:

7 Temasek Boulevard
#24-01 Suntec Tower One
Singapore 038987
Tel : +65 6602 0200
Fax : +65 6333 6711

Attn : Grievance Officer
(Sustainability Department)
Email : sustainability@first-resources.com



All grievances received by First Resources are included in the sustainability topics discussed in quarterly management meetings. In cases where there is a high level of risk or severity, the issues will be brought to the attention of the Board.

First Resources values collaboration and constructive engagement with all stakeholders. We want our stakeholders to engage with us directly so as to ensure that any concerns can be promptly investigated and addressed. Additionally, we welcome all engagement from non-governmental organisations and other stakeholders who can provide feedback that may help identify any gaps in our operations.

Our grievance list is updated regularly and is available on our website.

OUR APPROACH TO SUSTAINABILITY

OUR MATERIAL SUSTAINABILITY TOPICS
[3-1, 3-2, 3-3]

We regularly review our material sustainability topics to ensure that we are focused on managing and reporting on the issues that matter most to our stakeholders and that have the greatest impact on the long-term performance of our business.

In 2022, we conducted a review of our material sustainability topics. This process was guided by benchmarking topics across First Resources' peers which provided an opportunity for us to review whether we are focusing on the right issues and to highlight new and emerging topics. It was concluded that these topics remain relevant. See Appendix for more information.

OUR MATERIAL TOPICS AND THEIR BOUNDARIES

TOPIC	DESCRIPTION	BOUNDARIES	
Business conduct and ethics	Ensuring the highest standards of corporate governance, conducting business activities with integrity and free from corruption		
Climate Change	Reducing greenhouse gas (GHG) emissions and building resilience against the impacts of climate change		
Conservation and management of High Conservation Value (HCV) areas	Identifying, conserving and managing areas of land with high biological, ecological, social or cultural value		
Employee attraction, retention, and development	Attracting, developing, and retaining skilled individuals to meet First Resources' current and future talent needs		
Fire prevention and management	Preventing the occurrence and responding swiftly to forest fires within our own and our suppliers' estates		
Labour conditions and human rights	Promoting fair and favourable working conditions, respecting the human rights of employees and preventing child labour		
Occupational health and safety	Preventing any work-related fatalities, injuries and illnesses by promoting a safe and healthy work environment		
Peatland management	Conserving, managing and rehabilitating peatland		
Protection of High Carbon Stock (HCS) forests	Identifying and protecting forests that hold large stores of carbon		
Supply chain traceability	Achieving full traceability of the source of crude palm oil (CPO) and palm kernel (PK) to mill, and fresh fruit bunches (FFB) to plantation		
Sustainability certification	Obtaining relevant sustainability certifications linked to the sector		
Yield and extraction improvements	Enhancing productivity through research and development that targets increased yield and extraction rates		

 Cultivation and planting  Milling and processing

OUR SUSTAINABILITY PROGRESS

SUSTAINABILITY MILESTONES

2008
- Became a member of the Roundtable on Sustainable Palm Oil (RSPO)

2012
- Published first Sustainability Report
- Commenced certification against the International Sustainability & Carbon Certification (ISCC) standard. Received certification for four mills, one refinery and bulking station

2013
- Commenced and received Indonesian Sustainable Palm Oil (ISPO) certification for one mill
- Another two mills and one refinery certified against the ISCC standard (total of six certified mills, two refineries and bulking station)

2014
- Built 1st methane capture facility for a mill
- Obtained ISPO certification for five mills (total of six certified mills)

2015
- Launched Policy on Sustainable Palm Oil
- Obtained ISPO certification for two mills (total of eight certified mills)

2016
- Launched Integrated Fire Management programme
- Built 2nd methane capture facility

2017
- Launched Sustainable Supply Chain Framework
- Achieved 100% traceability to mills
- Built 3rd methane capture facility

2018
- Commenced and received RSPO certification for two mills, two refineries and bulking station
- Obtained ISPO certification for one mill (total of nine certified mills)

2019
- Built 4th and 5th methane capture facilities

2020
- Achieved 100% traceability to plantations for fresh fruit bunches (FFB) processed at our mills
- Phased out use of paraquat
- Built 6th and 7th methane capture facilities
- Obtained RSPO certification for the 3rd mill and one kernel crushing plant

2021
- Achieved zero permanent work-related injuries
- Maintained our record of achieving 100% traceability to all our supplying mills, including for our kernel crushing plants

2022
- Obtained RSPO certification for another four mills integrated with plantations
- Obtained ISPO certification for four mills (total of 12 certified mills)
- Build 8th methane capture facility

OUR SUSTAINABILITY PROGRESS

TARGETS AND PROGRESS [3-3]

MATERIAL TOPIC	2022 COMMITMENTS/TARGETS	2022 PROGRESS	FUTURE COMMITMENTS/TARGETS
Business conduct and ethics	• Conduct our business with integrity and free from corruption through the dissemination of our Code of Conduct	• Continued to disseminate our Code of Conduct to employees, suppliers, and other business partners	• Continue to conduct our business in an honest and corruption-free manner through the dissemination of our Code of conduct (ongoing)
Yield and extraction improvements	• Increase nucleus FFB yield • Increase CPO extraction rate	• Increased nucleus FFB yield by more than 5% from 2021 • CPO extraction rate declined from 22.7% in 2021 to 22.3% in 2022	• Increase nucleus FFB yield (ongoing) • Increase CPO extraction rate (ongoing)
Climate Change	• Construct a methane capture plant for another mill • Establish a baseline for monitoring emissions reduction in line with the Greenhouse Gas (GHG) Protocol • Implement and report in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	• Commissioned one additional methane capture facility • Avoided emissions by approximately 213,435 tonnes of carbon dioxide equivalent with eight operating methane capture facilities • Explored GHG Protocol to establish a baseline for monitoring emissions reduction • Started reporting on climate-related risks and opportunities as part of the TCFD implementation	• Construct two additional methane capture plant facilities • Continue to explore opportunities to reduce our GHG emissions • Establish a baseline for monitoring emissions reduction in line with the GHG Protocol • Continue to implement and report against the recommendations of the TCFD

OUR SUSTAINABILITY PROGRESS

MATERIAL TOPIC	2022 COMMITMENTS/TARGETS	2022 PROGRESS	FUTURE COMMITMENTS/TARGETS
Conservation and management of High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests	• Continue to ensure no development on HCV areas and HCS forests • Conduct internal training on HCV and HCS for nine of our plantations • Conduct socialisation/training for six villages on HCV areas and HCS forests • Continue to rehabilitate approximately 20 hectares of conservation area	• Continued to protect HCV and HCS areas • Conducted internal training on HCV and HCS for 101 employees from nine plantations • Conducted HCV and HCS training for six villages with a total of 129 attendees • Rehabilitated approximately 24 hectares of HCV area by planting more than 6,300 trees	• Continue to ensure no development on HCV areas (ongoing) • Conduct internal training on HCV and HCS for nine of our plantations • Conduct socialisation/training for six villages on HCV and HCS • Continue to rehabilitate approximately 20 hectares of conservation area
Peatland management	• Ensure no development on peatland • Work with government agencies on peatland monitoring and management	• Continued to set aside peatland from development (since July 2015) • Continued to work with government agencies on peatland management • Installed peat subsidence poles in another two estates, and exceeded our target by completing drainability assessments for another four estates	• Ensure no development on peatland (ongoing) • Continue to work with government agencies on peatland monitoring & management
Fire prevention and management	• Reduce the number of fire incidents which occurred in the previous year • Increase our firefighter's training frequency as well as the number of firefighters trained	• Decrease in number of fire incidents within our concession areas compared to 2021 • Provided refresher trainings to 242 firefighters in 67 estates	• Reduce the number of fire incidents which occurred in the previous year (ongoing) • Increase our firefighters' training frequency and the number of firefighters trained • Reach out to six villages for fire management and prevention training

OUR SUSTAINABILITY PROGRESS

MATERIAL TOPIC	2022 COMMITMENTS/TARGETS	2022 PROGRESS	FUTURE COMMITMENTS/TARGETS
Employee attraction, retention, and development	• Continue to assess needs and provide appropriate training/mentorship for employees to ensure continuous development • Develop mobile formats for our Employee Self Service application	• Conducted the Talent Development Programme for our High Potential (HIPO) staff in estates and mills • Organised the First Resources Learning Festival to promote innovation • Launched the "Employee Self Service" application and Learning Management System • Organised two sessions of informative webinars and invited two well-known speakers to inspire and boost the morale of our employees	• Continue to assess needs and provide appropriate training/ mentorship for employees to ensure continuous development (ongoing)
Labour conditions and human rights	• Continue to improve labour conditions and protect human rights • Continue to address areas for improvement identified in the internal labour and human rights assessment • Conduct child protection workshop session in 2022	• Collaborated with our customer Wilmar and its partner Nestle as well as the Business for Social Responsibility (BSR) and The Centre for Child Rights and Business to conduct the first workshop on child protection and planning for the second workshop • Enhanced our child protection guidelines, children's rights and SOPs, prohibition of child labour and upholding child education standards	• Continue to improve labour conditions and protect human rights (ongoing) • Continue to address areas for improvement identified in the internal labour and human rights assessment • Carry out phase two of the Child Protection Workshop programme catering to Management Level associates in early January 2023
Occupational health and safety	• Achieve zero fatalities • Achieve zero permanent work-related injuries	• Seven fatalities in 2022 • Two permanent work-related injuries in 2022 • Implemented and disseminated enhancements to procedures related to electrical, transportation and infrastructure management to prevent further incidents • Established special safety task force comprising multi-department personnel to conduct periodic audits and assurance checks to verify that SOPs are being correctly carried out	• Continue raising awareness on occupational health and safety (OHS) among employees, equipping our facilities with sufficient OHS equipment and conducting periodic health checks • Achieve zero fatalities in 2023 (ongoing) • Achieve zero permanent work-related injuries in 2023 (ongoing)

OUR SUSTAINABILITY PROGRESS

MATERIAL TOPIC	2022 COMMITMENTS/TARGETS	2022 PROGRESS	FUTURE COMMITMENTS/TARGETS
Supply chain traceability	• Maintain 100% traceability to mills • Maintain 100% traceability to plantations for FFB processed at our mills • Achieve 100% traceability to plantations for our third-party CPO and PK suppliers	• Maintained 100% traceability to mills (achieved since 2017) • Maintained 100% traceability to plantations for FFB processed at our mills (achieved since 2020) • Maintained 100% traceability to mills for our kernel crushing plants (achieved since 2021) • Introduced supplier selection procedure as a part of our supplier criterion to support our goal of achieving 100% traceability to plantations for our third-party CPO and PK suppliers	• Maintain 100% traceability to mills (ongoing) • Maintain 100% traceability to plantations for FFB processed at our mills and kernel crushing plants (ongoing) • Achieve 100% traceability to plantations for our third-party CPO and PK suppliers
Sustainability certification	• Obtain RSPO certification for another four mills integrated with plantations • Obtain ISPO certification for another three mills integrated with plantations • Renew all our existing certificates	• Obtained RSPO certification for another four mills integrated with plantations • Obtained ISPO certification for another four mills integrated with plantations • Successfully renewed all our existing certificates	• Obtain RSPO certification for another three mills integrated with plantations and two kernel crushing plants • Obtain ISPO certificate for another two mills integrated with plantations • Renew all our existing certificates

ENVIRONMENTAL MANAGEMENT

Palm oil is unparalleled for its productivity and land-use efficiency among vegetable oil crops. It is used in almost everything from food to non-food products. However, the tremendous popularity of palm oil has raised concerns over the environmental impacts of the industry, particularly due to its association with clearing of forests for plantations. It is worth highlighting that while there may be land-use-change issues during the initial clearing for commercial planting, ongoing oil palm plantation management does not require continual land clearance. A significant slowdown in new oil palm plantings worldwide since around the middle of the last decade has therefore resulted in sharply lower incidents of deforestation.

Nonetheless, to address these concerns and ensure the resilience of our business, we are actively seeking more sustainable production methods through research and development. One area of focus is increasing yield and extraction rates, which can reduce the need for new land development.

YIELD AND EXTRACTION RATES [3-3]

The yield and extraction rates of palm oil depend on a complex combination of factors including plantation age profile, weather changes, disease and pest management, soil type, fertiliser application and harvesting efficiency.

We strive to ensure that the age profile of our oil palm plantations falls largely within the prime ages to maintain high yields. Oil palms that exceed their prime age are scheduled for replanting. To improve productivity, we also employ practices such as:

- Replanting our fields with the higher-yielding planting materials we developed through research, allowing our crops to be harvested in two and a half years instead of three years;
- Customising fertilisation by plantation blocks to optimise nutritional uptake;
- Employing more mechanised equipment such as fertiliser, herbicide and empty fruit bunch (EFB) spreaders to reduce our reliance on manual labour;
- Transporting fresh fruit bunches (FFB) from the field to the main road by motorcycles instead of wheelbarrows; and
- Daily quality inspection of plantation activities, from Foreman to Estate Manager level, using spatial movement tracking.

In 2022, we continued to see the positive results from our replanting program, with the newly matured palms from replanting showing significant improvements in FFB yields. This helped to contribute to a 6% increase in the Group's FFB production from 3,367,668 tonnes in 2021 to 3,566,191 tonnes in 2022, equivalent to around one additional tonne of FFB harvested per mature hectare. Conversely, our CPO extraction rate declined from 22.7% in 2021 to 22.3% in 2022, partly due to the effects of wet weather hampering the fruit evacuation and processing.

During the year, we continued to provide support to our smallholders to help them increase their productivity and observed an improvement in our plasma smallholders' FFB yield as compared to the previous year. For more information on our engagement with smallholder farmers, please see the section on Supporting Smallholders.

Given the promising results achieved in the past year, First Resources will continue to implement our replanting programme and further optimise the FFB processing at our mills.

FFB YIELD AND EXTRACTION RATES

	2018	2019	2020	2021	2022
Nucleus FFB yield (tonnes/hectare)	18.9	18.0	17.2	18.1	19.1
Smallholder FFB yield (tonnes/hectare)	12.8	11.7	12.0	13.0	14.4
CPO extraction rate (%)	22.9	23.1	23.2	22.7	22.3
Palm kernel extraction rate (%)	5.2	5.3	5.2	5.2	5.0

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RESEARCH AND DEVELOPMENT

The improvement of yield and improving the climate change resiliency of our crop is crucial for the long-term success of our business. First Resources operates three dedicated Research and Development (R&D) facilities – the First Resources Research Centre based in Riau, and two research stations in West and East Kalimantan.

One of the areas that our research focuses on is oil palm breeding. This programme aims to develop planting materials with traits that optimise harvesting or increase palm oil density per hectare. Some desirable traits include better oil quality, slower height increment, shorter frond length and more conspicuous colour changes during ripening. The breeding programme also seeks to create planting materials that are more resilient to diseases such as basal stem rot disease caused by *Ganoderma*, and other impacts from climate change such as weather fluctuations.

In 2022, we replanted approximately 3,000 hectares of our old oil palm trees with our new planting materials to increase yield. The yield estimated from these enhanced planting materials is 20% higher compared to our existing planting materials, allowing us to achieve greater overall productivity. Our new planting materials comprise two varieties, DxP FR 1 and DxP FR 2, while DxP FR 3, is in the midst of testing and the results are still under observation. Moreover, our seed production unit is increasing our seed production capacity in 2023 to cater for increased demand from third parties.

We have also been working with oil palm tissue culture to clone oil palms with desired characteristics and these planting trials have started since 2020. The planting trials with our oil palm clones that were selected from the best trees have been encouraging and we will continue to monitor their progress by observing the yield potential. We are happy to report that these clone planting material collections have been able to produce fruit sets that are promising, both in terms of quantity and quality.

First Resources has also partnered with the Indonesian Oil Palm Genome Consortium in the research and development of planting materials that are tolerant to *Ganoderma*. This research represents significant progress in the identification of genes that exhibit tolerance to *Ganoderma*. Following the identification of the gene, DNA markers will be acquired and used to screen our genetic materials to develop *Ganoderma* tolerant varieties.

In our ongoing effort to develop planting materials with desirable traits, we are devising a mating design for germplasm material collected from Angola and Ecuador. These desirable traits would enhance the productivity of fresh fruit bunches (FFB) and elevate the quality which will contribute towards sustainable growth and profitability. On top of that, we are committed to tracking our progress on improving secondary traits such as low height increment, high density of plants (shorter fronds), and virescens that will ultimately yield superior fruit colour.

ENVIRONMENTAL MANAGEMENT

CONSERVATION AND FOREST MANAGEMENT [3-3]

Indonesia's lush and vibrant rainforests are among the planet's most extensive and diverse natural habitats. We recognise that clearing these forests for agriculture can have disastrous consequences, such as the irreplaceable loss of flora and fauna, along with the release of stored carbon, which exacerbates climate change. Therefore, we are committed to conserving and managing forests through the protection of High Conservation Value (HCV) areas, including riparian zones, as well as High Carbon Stock (HCS) forests and peatland.

IDENTIFYING CONSERVATION AREAS [304-4]

Our Policy on Sustainable Palm Oil communicates our commitment to no deforestation and no conversion of natural ecosystems into plantations within our operations, particularly in HCV and HCS forests.

The New Planting Procedures (NPP) set out by the Roundtable on Sustainable Palm Oil (RSPO) specifies that all new developments within our plantations must undergo third-party HCV assessments. The assessment is conducted by RSPO approved assessors and the parameters which they assess include species diversity, rare or endangered habitats, ecosystem services, community needs and cultural values. First Resources supports and strictly follows this. Our assessment results can be accessed on the RSPO website.

The HCV assessments are a crucial tool for us to identify areas for conservation so we can exclude them from our oil palm plantation development plans. With these assessments, rare and endangered species have also been identified within our concessions and the surrounding areas. A full list of threatened species under Indonesia's National Law of Protected Species (Indonesian Government Regulation No. 106 of 2018), or under the International Union for Conservation of Nature's Red List (IUCN Red List) that have been identified can be found on our website.

In line with our Policy on Sustainable Palm Oil released in 2015, we identified additional conservation areas by referencing the HCS Approach (HCSA) methodology and engaging third-party HCS experts. At present, we have more than 24,000 hectares of land that contain potential HCV areas, HCS forests, and peatlands that have been zoned for conservation.

First Resources conducts an integrated HCV-HCSA assessment prior to any new land clearing for oil palm plantations, in compliance with criterion 7.12 of the latest RSPO Principles and Criteria standards which was released in November 2018. Such HCV-HCSA assessment reports are submitted to the HCV Network to undergo a quality control process by an independent evaluator. In 2021, two concessions were rated satisfactory by the HCV Network for the reports submitted. The detailed evaluation of both reports can be found on the HCV Network website.

Additionally, another one of First Resources' estates underwent the same assessment in 2022, of which the HCV-HCSA assessment report is being finalised.

PROTECTING CONSERVATION AREAS [304-1, 304-2, 304-3, 304-4]

To ensure that areas for new development do not encroach into conservation areas, our sustainability team conducts pre- and post-development checks. Buffer zones are also put in place to mitigate accidental non-compliance, and plantation managers have key performance indicators tied to no development on conservation areas. Special precautions are taken for plantations near riparian reserves to avoid accidental clearance of key conservation areas. The company marks out areas, installs stakes and signboards indicating the edge of riparian reserves, and provides caution warnings on surrounding trees. The spraying of pesticides is also prohibited in these areas. These measures are in place to ensure the protection of riparian reserves and conservation areas.

First Resources has a zero-tolerance policy on hunting, injuring, possessing, or killing rare and endangered wildlife in its plantations. This has been clearly communicated to our employees and any employee found violating this policy will face disciplinary action, which may lead to termination. To prevent poaching, we conduct regular monitoring patrols and put up signboards as reminders. This policy also applies to all of First Resources' suppliers

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as we encourage them to implement the same approach.

Populations of endangered orangutans have been found in two of our concessions in West Kalimantan. First Resources has set up a conservation task force that collaborates with a local NGO. Together, we use specialised conservation software to monitor and manage the wildlife populations in these areas. Camera traps and joint patrols are carried out to monitor the presence and health of the orangutans and other endangered species, and the results are shared with the NGO to analyse areas for improvement.

Furthermore, in 2022, we collaborated with some stakeholders to pilot the use of bioacoustic technology for conducting biodiversity monitoring in various land covers at an affordable scale in one of our plantations in West Kalimantan. During the study, we also carried out a training session on biodiversity assessment with passive acoustic monitoring for our conservation task force.

To emphasise the importance of protecting HCV areas and HCS forests, we conduct internal trainings for our employees on conservation area management. In 2022, the training was carried out in nine estates (six in Riau and three in East Kalimantan), involving 101 participants. Looking beyond First Resources, many communities in Indonesia are still unfamiliar with the terms HCV and HCS, hence may not support conservation practices. We see education as an important tool for shaping knowledge and attitudes toward conservation. In 2022, training for communities around the plantations took place in six villages and involved 129 participants, in line with the targets we have set out.

Alongside education and socialisation, we continue to find ways to involve the communities around our plantations in managing HCV areas and HCS forest. These conservation areas contain forest cover in good conditions, and some have been designated as Conservation and Environmental Education Forest, or *Hutan Pendidikan Konservasi dan Lingkungan* (HPKL). The HPKL are going to be used as avenues to educate the public, especially school-going children, on the importance of conservation areas in achieving ecosystem balance and environmental sustainability. As part of our goals for 2023, we are planning to increase cooperation with the government and NGOs to support conservation programs in our conservation area.

REHABILITATING CONSERVATION AREAS [304-3]
Since the launch of our Sustainability Policy in 2015, rehabilitating degraded HCV and HCS has been a significant priority for First Resources. Our ongoing efforts involve the restoration of natural areas that have been impacted by fires. We will take swift action, should there be any non-compliant deforestation occurring on our sites. As part of our commitment to sustainability, we also encourage our suppliers to adopt the same approach while closely monitoring their progress in this area.

Starting in 2016, we initiated our rehabilitation program targeting HCV areas at one of our sites in West Kalimantan. This site had been affected by fire damage originating from outside our concession in the previous year. Since then, we have planted approximately 29,000 forest trees between 2016-2021 across three of our concession areas, covering an impressive 95 hectares. In 2022, we went above and beyond our target of 20 hectares, rehabilitating 24 hectares of HCV areas by planting over 6,300 forest trees. Our dedication to restoring these areas to their previous states demonstrates our ongoing commitment to sustainability and our responsibility to protect the environment.

Riparian reserves are important areas of native forest that line waterways and are vital habitats for various flora and fauna. These areas and their buffer zones on both banks of the river must be protected by law in Indonesia. Recognising the importance of these reserves as a crucial defence against further biodiversity loss, we have been working to restore riparian reserves that were previously planted with mature oil palms. In 2022, we continued our restoration efforts by planting local tree species in the spaces between mature oil palms which were left in place.

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Restoration activities are not always smooth sailing. Forest fires that originate outside our concessions, ownership rights of communities in HCV and HCS areas who are hoping to utilise the area and the natural characteristics of peat soils, are some of the major challenges that we need to overcome in our conservation and rehabilitation efforts. Though the challenges are daunting, we remain committed to our goal of conserving and managing forests.
We recognise the importance of these areas in sustaining biodiversity and in mitigating the effects of climate change. By continuing our restoration efforts, we hope to continue to engage the community to mutually protect the HCV and HCS areas and contribute to the protection of these precious natural resources.

In 2023, we aim to rehabilitate another 20 hectares of conservation area and plant 5,500 more forest trees. In addition, we will continue to monitor the progress of our existing restoration efforts.

PEAT MANAGEMENT [3-3]

First Resources remains committed to our Policy on Sustainable Palm Oil and have not carried out any new plantings on peatland at any depth.
In addition, best management practices are implemented for existing plantations located on peatlands. Where there are peat areas that have been deemed unsuitable for replanting, they will be restored or repurposed for environmentally beneficial alternative uses.

Within our estates, detailed peat surveys and peat assessments are carried out by our specialised peat taskforce. Led by our R&D department, the peat taskforce is supported by our agronomy and sustainability departments. Since 2019, peat surveys in all estates have been completed. The results from these peat surveys have supplied valuable information for our land use planning and to guide the enhancement of water management plans for our plantations on peat.

Groundwater must be maintained at optimal levels to minimise peat subsidence and the release of carbon dioxide. To monitor water table fluctuations, within the last three years, all estates located on peatlands have been installed with piezometers and data loggers, that will automatically record water table data at 12-hour intervals. Peatland water level monitoring points are determined by the Indonesian Ministry of Environment and Forestry (MoEF).

Our monitoring equipment is regularly serviced and will continuously monitor the depth of the water table in the field. Hydrological data that has been collected is routinely disseminated to the MoEF via an online reporting system, ensuring swift data transmission and compliance with local regulations.

To regulate and manage water levels, we have also blocked canals and built water gates at selected estates in accordance with the guidelines stipulated by the MoEF and the Indonesian Peatland Restoration Agency. Regular maintenance of canal blocks and peat ditches are carried out to prevent over drainage. To continually update our knowledge, we also participated in a periodic training session conducted by MoEF on its reporting system and peat management best practices. Peatland drainability assessments are mandatory under RSPO standards and must be conducted at least five years prior to the replanting of existing oil palms on peatlands. We have completed drainability assessments for nine of our plantations. The results of these assessment are used to set the timeframe for future replanting and the eventual restoration of peatlands.

As First Resources has operations on peatland, the MoEF encourages and supervises field surveys to obtain a detailed inventory of the peatland ecosystem characteristic. As of 2022, fieldwork surveys have been carried out along verified transects and sampling points in six of our plantations. A total of 13 parameters regarding peat characteristics have been identified, including physical, chemical, biological, hydrotopographic and sediment type. In addition to peat ecosystem protection and management, the data and information collated will be used in the process of determining the Peat Ecosystem Function Map at a more detailed scale and for the improvement of our peatland management. We will continue to work with the government to ensure that our operations are aligned with their policy concerning peatland management.

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FIRE PREVENTION

[3-3]

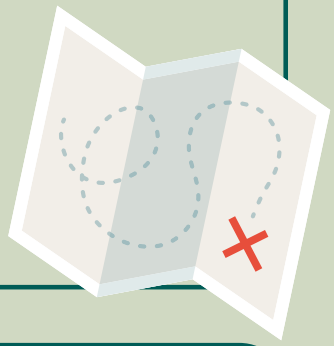
When clearing land for new developments or replanting activities, First Resources abides by a strict Zero Burning policy. This policy has been communicated to our suppliers, reminding them that any deliberate breach may result in an immediate contract termination.

Launched in 2016, our Integrated Fire Management (IFM) programme details an in-depth workplan for fire prevention, preparedness, response, and recovery.

OVERVIEW OF OUR APPROACH TO FIRE PREVENTION, MONITORING AND RESPONSE

1

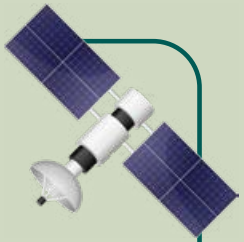
Each estate has a *Peta Rawan Kebakaran* or Fire Prone Map which is updated annually to locate risk areas and available facilities. These facilities include roads, patrol paths, fire equipment store, fire lookout tower, water reservoirs/sources and warning signs. The location of villages and important telephone numbers are noted on the Fire Prone Map. Our patrol teams conduct regular checks on fire-fighting facilities to ensure they remain operational.



2

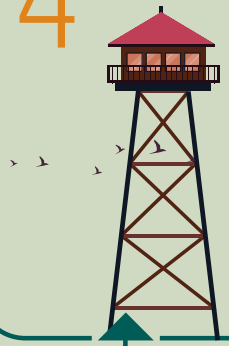
Fire Danger Indices (FDI) are used to assess risk levels. The FDI has 4 levels: Low, Medium, High, and Extreme, depending on humidity, rain and fuel conditions. Fire risk levels are prominently displayed in fire prone areas during the hot and dry season to remind workers to remain vigilant. We will deploy routine patrol teams depending on the FDI level. During severe conditions, patrol teams are equipped with fire extinguishing equipment to extinguish any fires detected.

3



We conduct satellite monitoring daily, overlapping satellite imagery with our concession maps to detect any hotspots.

4



Once hotspots are detected, we carry out on-the-ground verification by checking for the presence of smoke from fire lookout towers and by dispatching fire-fighting teams to affected areas. These towers are also important to assess fire conditions, for instance the movement and size of the fire. We also work closely with external stakeholders such as the RSPO, who actively detects fire hotspots within RSPO members' concessions.

5

In the event of a fire outbreak, the firefighting team will be mobilised immediately, and a police report will be made for an investigation to be carried out.

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As part of fire prevention and management, firebreaks are created, water/reservoirs/sources are prepared, canal blockings are built and water management practices are implemented in peat areas. In addition to this, extra precautions are taken during the dry season such as raising water levels in the peat area to prevent incoming fire and/or prevent fire from spreading.

We have increased the number of firefighters assigned within our operations from 1,535 in 2021 to 1,708 in 2022 to increase our capacity of handling fires swiftly and adequately. In 2022, we also provided refresher trainings to 242 firefighters cross our estates in Riau, West Kalimantan and East Kalimantan. Looking ahead, we aim to further strengthen our fire management approach such as adding more fire prevention equipment as a prevention measure for potential fires on plantation areas and their surroundings during the dry season. We have also looked into increasing the number of firefighting brigades and fire drills to better our readiness for tackling land fires.

Land clearing using fire is prohibited in Indonesia, though since 2009, communities who abide by their customary practices have been exempted from this rule. In 2010, a ruling on the prevention of environmental pollution caused by fire was issued by the Ministry of Environment. However, on the grounds of customary practices, each family is still allowed to clear up to two hectares of land by fire. This exemption for communities using fire for land clearing is also mentioned in the Law of the Republic of Indonesia Number 11 Year 2020, also known as Indonesia's Omnibus Law.

In West Kalimantan, a local government regulation concerning land clearance by fire on the grounds of customary practices was introduced in 2020. To protect forests and prevent the spread of fire from communities who are permitted to clear land using fire, the following rules have been laid down:

- Clearing of land only for subsistence farming;
- Building of adequate firebreaks to prevent fire from spreading;
- Coordination with owners of neighbouring lands;
- Ensuring fire extinguishing equipment is on standby; and
- No burning on peat.

There are communities with ownership rights who live within or near our concession areas. As they own and control these areas, it has proven to be a challenging task to prevent them from engaging in small-scale burning on areas within our concessions. As we do not know when and where these fires will occur, these small-scale fires have the potential to lead to fire events that are hard to monitor and control. To better manage these fire risks, we continue to work on building close partnerships with communities and local authorities to manage fire risks. This would involve raising awareness about fire risks and fire management practices.

As a testament to our robust fire monitoring strategies and our community outreach efforts, there was a decrease in the number of fire outbreaks within our plantation areas, from 122 incidences in 2021 to 67 incidences in 2022. In line with that, the total affected area also decreased significantly. On average, this amounts to less than two hectares of affected land per incident, indicating the affected area may be due to burning practices by the communities for land clearing purposes. We will continue to expand on our robust fire monitoring strategies. As part of our community outreach efforts, we aim to conduct fire management and prevention trainings for six villages in 2023.

NUMBER OF FIRE INCIDENCES BY REGION

	Riau			West Kalimantan			East Kalimantan		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
No. of fires within our concession areas	0	0	0	132	113	63	10	9	4

Note: *Data as per reported to the RSPO.*

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CLIMATE CHANGE [3-3]

Climate change continues to be the defining global crisis of our generation. As a palm oil company, First Resources is aware of climate-related risks that may arise due to its nature of business. Therefore, we continue to build our resilience against the growing risk of climate hazards ranging from changes in rainfall patterns, drought and extreme weather events, which can impact our yields and productivity. Other than climate hazards, changes in the wider society (e.g. laws, markets) transitioning to a low carbon society can also present risks and opportunities.

REDUCING OUR GHG EMISSIONS [305-5]

Understanding the potential impact generated by its business, First Resources is committed to measuring and reducing GHG emissions within our operating area. We identify sources of GHG emissions within our plantations. One of the major sources of GHG emissions in the palm oil industry stems from the historical land use of plantation development. First Resources is committed to not undertaking any new developments on high carbon stocks (HCS) forests or peat regardless of depth. For more details on our approach, see the sections on Conservation Forest Management and Peat Management.

Another significant source of GHG emissions in palm oil operations is palm oil mill effluent (POME), generated from the mill processing of FFB. Since 2014, we have established methane capture facilities that treat POME in a closed system, capturing methane that would otherwise have been released into the atmosphere from open ponds. Additionally, we have started reviewing the belt press investment plan in waste stations, which works to reduce methane emissions by extracting solids from POME. The belt press will be installed at one of our mills, with commissioning expected in the last quarter of 2023.

Following our policy, we are dedicated to progressively implement plans for GHG emissions reduction. By the end of 2022, we operate eight palm oil mills with fully operational methane capture facilities. At seven of these mills, methane captured is used as an alternative fuel source for our milling operations. In addition, another methane capture unit in West Kalimantan generates electricity to power our kernel-crushing plant.

Referring to the International Sustainability & Carbon Certification (ISCC) calculation methodology, the estimated avoidance in GHG emissions for each methane capture facility is 0.51 tonnes of carbon dioxide equivalent (tCO_2e) for each tonne of CPO produced. In 2022, the eight methane capture facilities collectively contributed to approximately 213,000 tCO_2e in GHG emissions avoided. The figure is equivalent to the annual emissions of 45,989 passenger vehicles[1]. Moreover, we have started the construction of two additional methane capture plants and will commission them by the end of 2023.

NUMBER OF METHANE CAPTURE FACILITIES AND ESTIMATED GHG EMISSIONS (tCO_2e) AVOIDED PER YEAR

Note: *The number of methane capture facilities is based on the number of operational methane capture facilities. Where the methane capture facility only start operations in the middle of the year, the total GHG emission reduction estimation is based on the actual CPO production in the mill, multiplied by 0.51 tonne of CO2e for each tonnes of CPO produced.*

1 Data provided by the United States Environmental Protection Agency Greenhouse Gas Equivalences Calculator

ENVIRONMENTAL MANAGEMENT

OUR OPERATIONAL FOOTPRINT

We have updated the calculation of our GHG emissions using the latest RSPO PalmGHG calculator (version 4). In this latest version, the GHG emissions indicators have been revised and emissions of nitrous oxide (N_2O) emissions are now split into emissions from fertiliser use and peat while the emissions from third-party FFB suppliers have been extracted as a standalone indicator.

The total GHG emissions that have been calculated comprise mills, owned and group plantations[2], and third-party FFB suppliers. A reference emission value is used for third-party FFB suppliers. This reference value can be obtained through research, applying a national value or based on the emission value of another representative plantation nearby.

The GHG emission calculations in our report data encompasses our six RSPO-certified palm oil mills that are integrated with plantations. The six mills are PT Meridan Sejatisurya Plantation (PT MSSP), PT Subur Arum Makmur-1 (PT SAM-1), PT Perdana Intisawit Perkasa-1 (PT PISP-1), PT Surya Intisari Raya (PT SIR), PT Ketapang Agro Lestari (PT KAL) and PT Citra Agro Kencana (PT CAK). Our net emissions for the six RSPO-certified mills in 2022 is 501,355 tCO_2e.

We are working to adopt the GHG Protocol in the calculation of our emissions, establish baseline requirements and monitor our emissions reduction performance across all our operations.

NET GHG EMISSIONS INTENSITY (TONNES OF CO_2E/TONNE OF CPO PRODUCED) [305-4]

Plantation with palm oil mill	2018 (PalmGHG 3.0.1)	2019 (PalmGHG 3.0.1)	2020 (PalmGHG 3.0.1)	2021 (PalmGHG 4)	2022 (PalmGHG 4)
PT MSSP	0.52	9.92	4.56	0.71	1.79
PT SAM-1	–	–	0.48	0.81	0.61
PT PISP-1	–	–	–	–	0.30
PT SIR	–	–	–	–	6.12
PT KAL	–	–	–	–	1.82
PT CAK	–	–	–	–	(0.31)

Note: *The emissions intensity ratios above include Scope 1 and 2. Scope 1 emissions are direct emissions from sources which are owned or controlled by First Resources. There are Scope 2 (indirect) emissions from grid electricity purchases at PT SAM-1. The emission intensity for MSSP has increased due to significant increase in FFB received from third-party suppliers. The emission intensity of PT CAK which shows a negative figure is due to the high offset resulting from the vast conservation area within its concession.*

2 Owned plantations contain mills, while group plantations do not contain mills

ENERGY CONSUMPTION WITHIN THE ORGANISATION IN 2022 (GIGAJOULES) [302-1]

Reducing energy consumption, in combination with generating or utilising renewable energy, are some of the steps that we are taking to drive operational efficiencies and reduce our carbon footprint. We have identified our energy sources and classified our energy consumption based on whether they are from renewable or non-renewable sources. The details of our upstream energy consumption can be found below:

Energy consumption from non-renewable sources	548,415
Energy consumption from renewable sources	240,124
Electricity purchased for consumption	1,628
Total energy consumption	**790,167**

Note: *Energy consumption from non-renewable sources include diesel for the operation of our vehicles, estates and mills. Conversion of volume to Gigajoules (GJ) is based on the CDP Technical Note: Conversion of fuel data to MWh. Energy consumption from renewable sources includes biomass (palm shell and fibre) and B30 biofuels for vehicles. Energy conversion value for biomass is based on a research paper titled "Palm Solid Wastes Potential Calculation for Renewable Energy with LCA Method". Grid electricity was purchased for one palm oil mill facility.*

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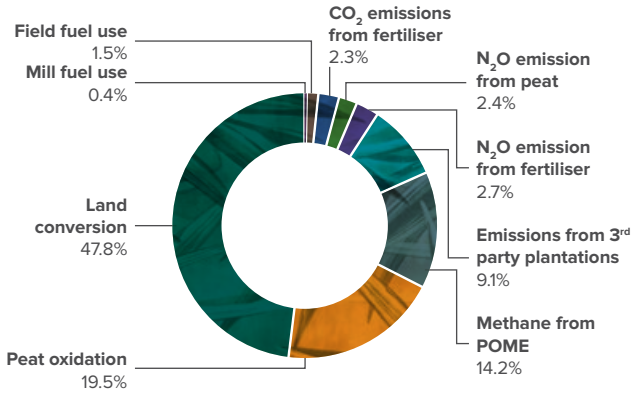
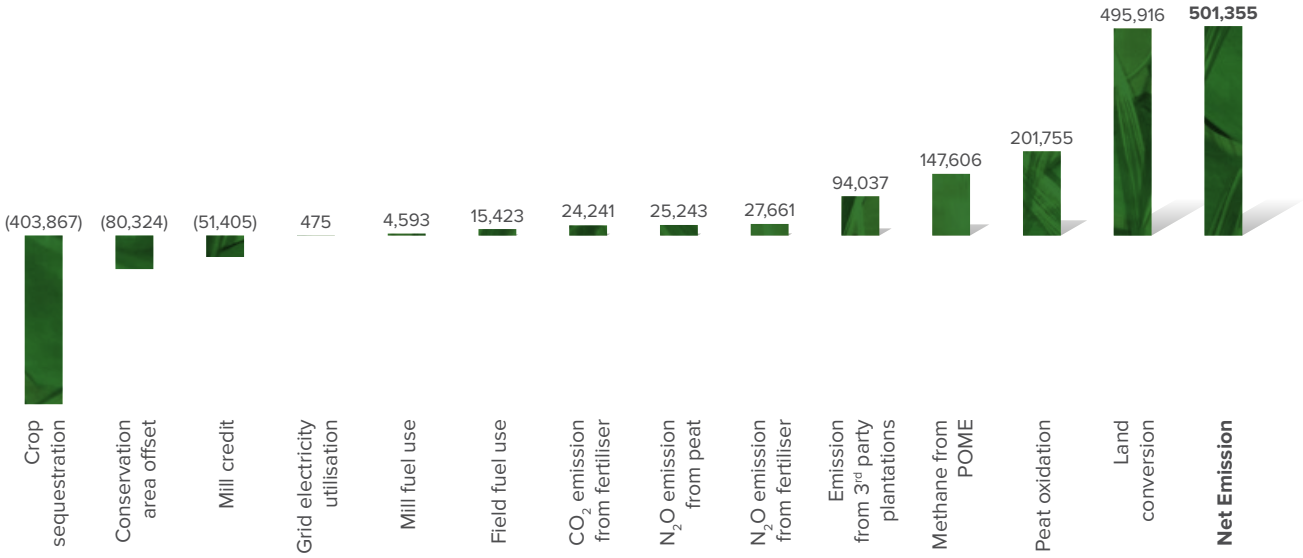
GHG EMISSIONS BY SOURCE IN 2022



Note: *The above percentages include emissions from the six RSPO-certified mills*

EMISSION SOURCES AND SINKS IN 2022 (tCO_2e) [305-1, 305-2]



Note: *The above figures include emissions from the six RSPO-certified mills.*

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CLIMATE CHANGE ADAPTATION

Climate change is an ongoing global issue that requires continuous efforts from individuals, governments, and organisations to mitigate its impacts. Global warming is not only a threat to the health of our planet, it also has real impacts on our business. Urgent action is required to limit global warming and the potential impacts of climate change by decarbonising the global economy. This too presents both risks and opportunities for First Resources.

In 2022, we began a journey to implement the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, in order to better understand the climate-related risks and opportunities facing our business, as well as align our disclosures with the recommendations. This section describes First Resources' approach to managing climate change, including the progress we have made and the planned next steps to ensure our long-term resilience.

GOVERNANCE

The Board, led by the Chairman, has ultimate responsibility for overseeing sustainability matters, including climate change. The Board receives regular updates on important sustainability matters, including climate-related issues. These issues are taken into consideration when formulating business strategy and financial planning. All our Board members have attended the one-time sustainability training mandated under the enhanced SGX-ST Sustainability Reporting Rules.

Responsibility for the management of climate-related issues is delegated by the Board to the CEO, who is supported by the Head of Sustainability and various departments across the business. In line with this, the CEO commissioned a study to examine First Resources' climate-related risks and opportunities.

For more information on First Resources' sustainability governance structure, please see the section on Our Approach to Sustainability.

RISK MANAGEMENT

Sustainability-related risks, including those associated with climate change, are identified, assessed and monitored as part of the Group's risk management process. First Resources has put in place a Group Risk Management Framework (GRM Framework) to enhance its risk management process. The GRM Framework outlines the processes for identifying key risks in the business, assessing the effectiveness of internal controls, as well as reporting of risks and exposures that could have adverse impacts on business operations. Where needed, additional or improved internal controls will be designed and implemented, including any management action plans needed to effectively manage and mitigate the risks.

ENVIRONMENTAL MANAGEMENT

STRATEGY

As an agri-business, First Resources is cognisant of the impacts climate change will have on our business. To mitigate against the risks posed by physical climate hazards, we have invested in improving our agronomic practices, as well as research and development to enhance the resilience of our oil palm crops. Our oil palm breeding programme has set the goal of developing more durable planting materials that can better withstand the effects of climate change, such as dry weather conditions and more extreme weather events. Beyond the climate itself, the transition to a low-carbon future will also present both risks and opportunities for our business.

In order to ensure we are looking beyond business as usual and assessing climate-related risks and opportunities over the short, medium and long-term, we have begun to implement the TCFD recommendations for scenario analysis. TCFD classifies climate-related risks into two categories, physical risks and transition risks. Physical risks are risks that arise from changes in the climate (e.g. more frequent or severe weather events), whereas transition risks are risks that arise as the world transits towards a low carbon economy in the future. These can include changes in policy and regulations, market preferences, technology and expectations from stakeholders.

We worked with independent climate experts to conduct a scenario analysis to investigate the potential impacts from climate change and assess the resilience of our business under these different conditions. For physical risks, the analysis was done across three timeframes (2030, 2050 and 2070), for three climate scenarios, for a total of 60 assets[3], against 15[4] physical risks. The three time frames were selected having considered the lifespan of First Resources' assets (oil palm life cycle of ~25 years) and allowed us to understand how the impact of each risk evolves.

DEFINITION OF SELECTED CLIMATE SCENARIOS FOR PHYSICAL RISKS*:

SSP 1-2.6	Global CO_2 emissions are reduced severely, reaching net-zero after 2050, limiting warming to below 2 °C. The world gradually shifts toward a more sustainable path, emphasising inclusive development that respects environmental boundaries, reducing inequality both across and within countries.
SSP 2-4.5	CO_2 emissions remain around current levels before starting to fall mid-century but do not reach net-zero by 2100, with an average global temperature reaching an increase of 2.7 °C. Socioeconomic factors follow their historic trends, with no notable shifts. Progress toward sustainability is slow, with development and income growing unevenly.
SSP 5-8.5	This is a future to avoid at all costs. Current CO_2 emissions levels roughly double by 2050. The global economy grows quickly, but this growth is fuelled by exploiting fossil fuels and energy-intensive lifestyles. By 2100, the average global temperature is a scorching 4.4 °C higher.

* Shared Socioeconomic Pathway (SSP) Scenarios referenced in the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6).

3 Comprising kernel crushing plants, refineries, bulking stations and plantations in Indonesia (excluding offices)
4 Annual/Monthly mean temperature, Annual/Monthly precipitation, Annual/Monthly relative humidity, Annual/Monthly solar radiation, Annual/Monthly soil moisture, Annual/Monthly Potential Evapotranspiration (PET), Air Heatwave Days, Cooling Degree Days, Extreme precipitation, Extreme wind speed, KBDI fire risk, Maximum temperature days (>35 °C), SPEI Drought Probability, Coastal Extreme Water Level, Mean Sea Level Rise

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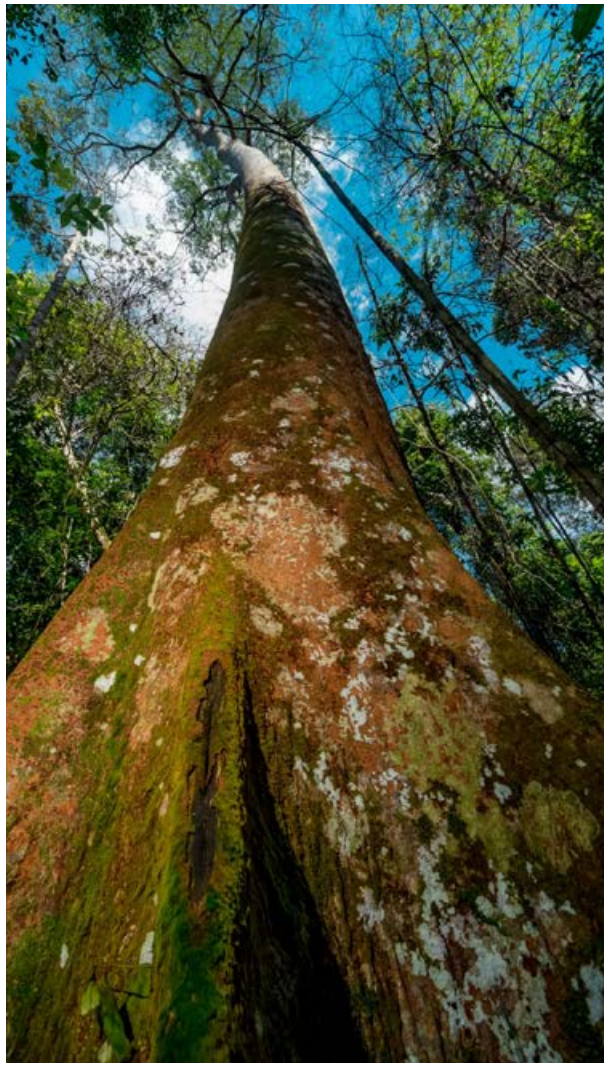

For transition risks and opportunities, we used three scenarios from the Network for Greening the Financial System (NGFS) over three time frames (2030, 2040 and 2050). Each scenario consists of a different set of assumptions (e.g. climate policy, emissions, and temperature) and changes across time. These time frames were selected in alignment with the Paris Agreement, to reach net zero by 2050.

DEFINITION OF SELECTED NGFS SCENARIOS USED FOR TRANSITION RISKS AND OPPORTUNITIES:

Orderly	Climate policies and innovations are introduced early and adopted in an orderly, coordinated and timely manner, becoming progressively more stringent. Both physical and transition risks are thus relatively subdued.
Disorderly	This scenario assumes that action is late, disruptive, sudden and/or unanticipated. The introduction of new climate policies is delayed and divergent across countries and sectors, with varied implementations and effectiveness, as well as a lack of coordination and alignment with global policies. These disruptions translate into higher transition risks and annual emissions do not decrease until 2030. Strong policies are then introduced after 2030 to limit warming to below 2 °C.
Hot house world	This scenario assumes limited action. Only currently implemented policies are preserved, leading to a hot house world with significant global warming and, as a result, strongly increased exposure to physical risks which includes an irreversible impact like higher sea level rise.

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PRELIMINARY RESULTS FROM SCENARIO ANALYSIS: TOP RISKS AND OPPORTUNITIES

Analysis showed that in the higher GHG emissions scenarios (SSP 2-4.5 and SSP 5-8.5) the risk of changes in rainfall, temperature and solar irradiation increase in the medium to long-term causing a higher risk of yield reductions than low emission scenarios (SSP 1-2.6). The frequency and/or severity of these risks would have an impact on yield if unmitigated. Increased rainfall occurring in tandem with lowered solar irradiation, creates unfavourable conditions for oil palm growth. Moreover, extreme levels of rainfall can lead to flood events, damaging crops and infrastructure, impeding accessibility and causing business disruptions. During El Nino years, prolonged drought will lead to water constraints on the plantation and this subjects oil palms to heat stress that goes on to affect yields. The higher number of hot days (>35 °C) increases drought conditions, leading to dryer conditions which increase the probability of fire risks.

For transition risks, changes in customer expectations, increasing investor and shareholder expectations and the implementation of carbon tax were the top risks in both the Orderly and Disorderly scenarios, with these risks already present in the short term and growing in the medium to long-term.

First Resources also identified opportunities as the transition to a low carbon future takes place. Increasing demand for biofuels in the short to medium-term, was identified in both Orderly and Disorder scenarios, as well as the opportunity to reducing costs and bolstering resilience through use of lower emission energy sources and increasing resource efficiency across our operations.

A summary of these risks, their potential impact on our business and our responses are summarised in the table below.

Climate-Related Risks and Opportunities	Relevance and Impact to First Resources
Key Physical Risks	
Increased, erratic and extreme rainfall events (including drought), coupled with more extreme temperatures	**Risk description:** Due to an increase in rainfall events and extreme rainfall, flooding can occur along with a dip in the amount of solar irradiation affecting oil palm growth and productivity. Drought coupled with extreme temperatures create drier conditions that also impact yield and can increase possibility of fires that cause operational and reputational risk. **Potential business impacts:** • Damage to crops, due to floods or fire incidences, leading to loss of productivity and revenue and increased operating costs (e.g. replanting costs) • Increased insurance premiums or inability to insure in certain locations • Disruptions to business due to temporary loss of access to plantations as a result of direct impacts on our infrastructure **Mitigations and response** • Improve or provide additional drainage facilities to reduce flooding incidences and maintain infrastructure accessibility • Enhance fire prevention and management practices • R&D on palm seedlings that are resilient to extreme weather

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Climate-Related Risks and Opportunities	Relevance and Impact to First Resources
Key Transition Risks	
Change in customer behaviour	**Risk description:** With increasing awareness and prominence of responsible purchasing, purchasers may choose to move away from products which are not sustainability certified (e.g. RSPO, ISCC etc.). Moreover, there is the negative stigma of palm oil's association with deforestation and social issues. Under the Renewable Energy Directive (RED) II, the EU will phase out the use of palm oil for biodiesel feedstock by 2030 due to the association with ecosystem destruction. **Potential business impacts:** • Loss of revenue due to decreased demand for palm oil products from the EU and customers who move to alternatives • Increased operating costs, taxes or capital expenditure required to adapt or meet new requirements. (e.g. EU Deforestation Regulation) • Reputational and financial risks associated with non-compliance **Mitigations and response:** • Demonstrate sustainability of business operations by continuing to progress towards achieving 100% RSPO certification and maintaining current sustainability certifications and NDPE commitments • Staying abreast of regulatory or certification developments and requirements
Changes in investor and shareholder expectations	**Risk description:** Carbon intensive or non-energy efficient investments would be unattractive. Furthermore, the negative association of palm oil and reputational effects on investors can lead to divestments. **Potential business impacts:** • Reduced capital availability from investors or shareholders due to loss of investor support • Restricted access to insurance or new opportunities as a result of reputational damage **Mitigations and response:** • Maintain efforts to optimise and reduce energy consumption and tap on alternative energy sources • Maintain sustainability efforts (e.g. reporting, certifications and commitments) to assure investors and shareholders of sustainable business operations
Implementation of carbon tax	**Risk description:** Indonesia has plans to implement a carbon tax which can impact various plantation activities such as diesel usage, fertiliser application, mill operations and waste-related. These operations are still reliant on fossil fuels. **Potential business impacts:** • Increased operational costs from use of grid electricity • Loss of revenue as customers move to "greener" suppliers to avoid pass through costs from carbon tax **Mitigations and response:** • Ramp up methane capture facilities to reduce reliance on carbon intensive fossil fuels • Explore and install other forms of renewable electricity generation • Continue to optimise energy efficiency of processes such as upgrading of machinery and equipment

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Climate-Related Risks and Opportunities	Relevance and Impact to First Resources
Climate Related Opportunities	
Increasing demand for biofuels	**Opportunity description:** The push for decarbonisation, locally and globally, is likely to lead to an increased market demand for biofuels. The push to move from B30 to a higher blend, will likely create more demand for palm oil. **Potential business impacts:** • Increased revenue due to an increased demand for palm oil for biodiesel both domestically and globally
Use of lower emission energy sources	**Opportunity description:** The push for decarbonisation would likely lead to increased availability of low-carbon energy sources to tap on, thus enabling a decreased reliance on carbon intensive fuels and reduced exposure to energy prices. **Potential business impacts:** • Cost savings from reduced exposure to energy prices, leading to decreased operating costs • Improved reputation from moving towards low carbon emissions sources • Reduced exposure to penalties such as carbon taxes
Resource efficiency	**Opportunity description:** Improving energy efficiency can help to reduce operating cost and attract clients. This assumes that there will be advancements in technology, leading to increased availability of energy saving technologies to help industries to become more efficient. **Potential business impacts:** • Cost savings from reduced exposure to energy prices, leading to decreased operating costs • Improved reputation from moving towards low carbon emissions sources

METRICS AND TARGETS

First Resources has been tracking its GHG emissions following the latest RSPO PalmGHG calculator (version 4). As we progress in our TCFD journey, we will transit towards a comprehensive reporting of our Scope 1 and Scope 2 emissions, across all our facilities following the GHG protocol.

More information on First Resources' GHG emissions can be found in the section on Environmental Management.

ENVIRONMENTAL MANAGEMENT

WATER AND WASTE MANAGEMENT [3-3]

At First Resources, it is essential to promote responsible consumption and production practices to ensure the well-being of the planet and our communities. We demonstrate our dedication to this cause by carefully managing our water usage and discharge, as well as striving to reuse, recover or recycle waste generated from our operations wherever feasible.

WATER MANAGEMENT [3-3, 303-1, 303-3]

All water used in our mills is drawn from groundwater or nearby rivers, and is shared across our employees' houses, plantation offices and housing in the vicinity. The processing of FFB at our mills makes up a large proportion of our water use. Besides this, water is also used for irrigation in our nurseries. In 2022, approximately 4.3 million cubic metres (m^3) of water was withdrawn from groundwater or nearby rivers, of which approximately 3.7 million cubic metres (m^3) is consumed by our operations. We have not identified any communities or other companies located near our mills that share the same water source.

To decrease our water footprint, we find ways to reuse and recycle water. In 2022, we reused a total of 305,507 m^3 of our wastewater for cooling. In the same year, 783,172 m^3 of steriliser condensate that was produced during sterilisation of FFB was recycled into our crude oil dilution process. Through automating our mill processes, reusing water and monitoring the efficiency of its consumption, we were able achieve a water consumption intensity of 0.92 m^3 per tonne of FFB for all our mills in 2022, surpassing our target of 1.0 m^3 per tonne of FFB processed.

Going forward, we will continue to monitor our water usage and identify opportunities to reduce the volume of water drawn from rivers.

WATER CONSUMPTION FOR PROCESSING OF FFB

	2018	2019	2020	2021	2022
Total water consumption for operations (cubic metres)	3,005,415	3,867,756	3,479,456	3,677,740	3,699,302
Water consumption intensity (cubic metres per tonne of FFB processed)	0.82	1.09	0.94	0.95	0.92

Note: *2018 data only includes water that was drawn from rivers and treated for use. 2019, 2020, 2021 and 2022 data include all water that was drawn from rivers, whether treated or not treated for use.*

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WASTE AND EFFLUENTS MANAGEMENT [3-3, 303-2, 303-4, 306-3]

Organic solid by-products such as EFB, fibres, shells and POME are produced as part of the milling process and we find ways to reuse, recover and recycle them. To conserve soil moisture, improve soil fertility, and reduce weed growth, EFB is applied as mulch in plantations. Fibres and shells are incinerated in our palm oil mills and refineries to generate power. In 2022, we reused over half of our produced shells and all of our fibres. In the plantations, oil palm trunks from replanting and oil palm fronds from pruning are left *in situ* to decompose and enhance soil fertility. We will continue to reuse the bulk of our organic waste. Hazardous waste generated from downstream activities such as filter bags and cartridges are collected and disposed by local licensed waste collectors. Meanwhile, non-hazardous waste generated downstream is disposed through proper disposal in accordance with regulations.

Effluent discharges are checked to ensure that they comply with the regulation for priority substances of concern as defined by the relevant local authorities. We also repurpose the POME produced from the milling process as organic fertiliser, helping to reduce both our effluent discharge and the application of commercial fertilisers. For land application of treated POME, its Biological Oxygen Demand (BOD) level is kept below the legal threshold of 5,000 milligrams per litre.

Unlike our other mills, our mill in Bangsal Aceh is not integrated with a plantation and treated POME is discharged to the sea instead. In addition, one of our mills also discharges to a river. An increase in the BOD of treated POME discharged to sea in Riau was observed, however this was attributed to variation in testing methodologies and the level remained below the legal threshold of 100 milligrams per litre. There were no incidents of non-compliance with discharge limits in 2022.

QUANTITY OF ORGANIC WASTES GENERATED BY MILLS AND DISPOSAL METHOD

Type of Waste	Disposal Method	2018	2019	2020	2021	2022
EFB (tonnes)	Reused as organic fertiliser	552,375	506,844	511,015	566,573	616,689
	Reused as fuel	26,196	27,730	31,234	33,413	24,945
POME (cubic metres)	Treated and reused as organic fertiliser	2,345,497	2,355,326	2,596,156	2,701,094	2,793,891
	Treated and discharged to the sea	112,319	118,006	127,865	135,438	99,779
	Treated and discharged to the river	–	–	–	66,538	73,965
Kernel shells (tonnes)	Reused as fuel	139,835	124,181	125,645	110,726	101,472
	Sold to 3rd party	66,458	56,369	68,058	86,333	95,068
Fibres (tonnes)	Reused as fuel	467,940	447,931	471,250	494,041	510,664

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BIOLOGICAL OXYGEN DEMAND (BOD) LEVELS OF TREATED POME BY DISCHARGE DESTINATION AND REGION (MILLIGRAMS/LITRE)

	Regulation Standard	2018	2019	2020	2021	2022
Sea discharge						
Riau	100	5	4	6	22	25
River discharge						
Riau	100	–	–	–	–	49
Land application (treated POME that is reused as organic fertiliser)						
Riau	5,000	791	1,107	855	1,210	1,502
West Kalimantan	5,000	1,772	1,600	1,890	1,189	875
East Kalimantan	5,000	1,084	1,659	2,157	2,374	3,042

CHEMICAL OXYGEN DEMAND LEVELS OF TREATED POME BY DISCHARGE DESTINATION AND REGION (MILLIGRAMS/LITRE)

	Regulation Standard	2018	2019	2020	2021	2022
Sea discharge						
Riau	350	50	24	27	73	89
River discharge						
Riau	350	–	–	–	–	174
Land application (treated POME that is reused as organic fertiliser)						
Riau	10,000	2,544	3,305	2,807	2,934	3,940
West Kalimantan	None	7,207	7,636	6,533	7,670	3,864
East Kalimantan	None	2,084	3,541	4,590	5,725	7,504

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HAZARDOUS WASTE

Pesticide packaging, expired pesticides, used batteries, lubricants and filters, empty paint cans, printer cartridges, and medical waste from our health clinics are categorised as hazardous waste generated from our operations. In addition, we also have power plants that make use of coal and EFB fibre as fuel to supply electricity to our factories and facilities, producing fly ash and bottom ash as waste. From our refineries, spent bleaching earth (SBE) is generated as a solid waste.

To ensure no environmental impact is caused by such waste, all hazardous waste is segregated, labelled and stored within our temporary storage facilities. These storage facilities are secure, fire resistant, equipped with spillage containment kits, alarms, firefighting equipment and first aid kits. Weekly inspections are carried out and operational procedures for leakage handling are also in place. Hazardous waste is collected by licensed third parties for proper disposal in accordance with national legislations.

PROGRAMME FOR POLLUTION CONTROL, EVALUATION AND RATING (PROPER)

The Programme for Pollution Control, Evaluation and Rating (PROPER) is a national public environmental reporting initiative by the Indonesian Ministry of Environment that First Resources participates in annually. The programme aims to promote industrial compliance with pollution control regulations, facilitate and enforce the adoption of practices contributing to cleaner technologies, and ensure a better environmental management system.

A colour-coded rating system is used to measure performance, as per the rating categories below. Areas assessed include: air and water pollution control, hazardous waste management, environmental management system, implementation of Environmental Impact Assessment, community development and conservation of resources.

We are continuously striving to improve our environmental performance in this aspect. Between 2021 and 2022, all of our nine mills were awarded the Blue rating. Out of the nine factories, three factories were new participants in the 2021-2022 PROPER assessment.

RATING CATEGORIES

GOLD	**EXCELLENT:** For businesses/activities that have successfully displayed environmental management effort and achieved excellent results
GREEN	**GOOD:** For businesses/activities that have displayed environmental management effort and achieved results better than those required by regulation.
BLUE	**ADEQUATE:** For businesses/activities that have displayed environmental management effort, and have achieved the minimum standard required by regulation.
RED	**POOR:** For businesses/activities that have displayed environmental management effort, but have achieved only parts of the minimum standard required by regulation.
BLACK	**VERY POOR:** For businesses/activities that do not display significant environmental management effort.

ENVIRONMENTAL MANAGEMENT

PEST MANAGEMENT AND CHEMICAL USAGE [3-3]

At First Resources, we strive to maintain high yields and land-use efficiency by taking great care to protect and nourish our crops. To this end, we employ various methods, including biological pest control and organic fertilisers made from our waste products, wherever possible. However, the effectiveness of these methods varies depending on the situation. For instance, while organic fertilisers are useful, they may not provide adequate nutrition to oil palms, necessitating the use of inorganic fertilisers. Nevertheless, we take great care to manage the use of such chemicals to prevent potential harm to the workers and environment, through the application of agronomic best practices such as soil management.

To maintain physical and chemical soil health, First Resources takes various measures. This includes *tapak kuda* and terracing management to reduce soil erosion in sloping areas; cultivating land cover crop to increase nitrogen, reduce runoff, and suppress weed growth. In addition, EFB is applied as fertiliser to provide nutrients and moisture to the soil. The application of EFB can also improve soil structure, leading to better aeration, increased water holding capacity and increase soil pH. Soil hoarding around plants is also done to protect soil moisture and increase soil aeration.

INTEGRATED PEST MANAGEMENT AND HERBICIDE USAGE

To manage pests, we adopt an integrated approach that involves the use of biological controls alongside implementing good agricultural practices. This includes carefully selecting the appropriate pesticides and controlling their dosage to minimise environmental impact. Rats are more prevalent in our young plantations and to mitigate this issue, we have introduced barn owls (*Tyto alba*) into our plantations as a form of biological control for the rat population. Correspondingly, this decreases our use of rodenticides on our plantations. To increase the population of barn owls in our young estates, we have implemented breeding projects in Riau and Kalimantan and introduced barn-owl boxes. We also strategically grow plants such as *Cassia cobanensis*, *Antigonon leptopus*, and *Turnera ubulate*, which attract

ENVIRONMENTAL MANAGEMENT

the natural predators of oil palm leaf-eating pests such as bagworms and nettle caterpillars. Other biological controls that we adopt include the Cordyceps fungus, which is used during nettle caterpillar outbreaks and *Trichoderma*, which we grow ourselves, as a bio-fungicide to control *Ganoderma*.

Where pesticides are required, we ensure they are permitted by the Ministry of Agriculture in Indonesia and we monitor their usage. These pesticides are available in either solid or liquid form. Some pesticides are also used in the form of pre-formulated mixtures and their classification is set by their manufacturers as per the World Health Organisation's (WHO) guidelines. Our agrochemical policy is not limited to our own plantations but also includes our suppliers, encouraging them to shift to more sustainable practices in agrochemical applications.

Additionally, we have strictly prohibited the use of paraquat since 2020 due to concerns about its high toxicity levels and potential misuse. Research into substitute herbicides and trials that involved testing different herbicide-weed permutations over various conditions were carried out. The use of suitable substitutes has resulted in a 50% increase in effectiveness over paraquat. While the costs of using alternatives may be higher, we continue to take this necessary step to protect the environment and employee health and safety.

Having the goal of reducing herbicide waste and usage in mind, First Resources is constantly investigating innovative methods to increase herbicide efficacy on weeds. In 2020, we developed a technique that halves the quantity of glyphosate-based herbicide administered in our plantations. This was achieved by mixing the herbicide with catalysts and adjuvants to optimise absorption, ensuring that less chemicals are introduced into the environment. In turn, this reduces the risk of workplace chemical exposure. Once weed succession is observed, these glyphosate-based herbicides are phased out. Through extensive research, we were also able to reduce the frequency of herbicide application from every 3 months to every 4-6 months. First Resources has also found success in reducing the use of ammonium glyphosate by mixing it with a catalyst. Additionally, we are looking to incorporate a reductant pest solution into our research efforts.

The rhinoceros beetle is a common pest encountered during the replanting stage and it feeds on the soft young shoots of immature oil palms. To control its population, we employ a three-pronged strategy: the spraying of insecticides on young palm; the use of sex pheromones to attract and trap the beetles; and the use of fungus to kill the beetle's larvae.

The use of WHO Class 1A or 1B pesticides is tightly regulated and only used in specific and urgent situations, such as during a bagworm outbreak where biological methods will not be effective. Adequate safety measures such as the use of personal protective equipment (PPE) are put in place to prevent any long-term health issues for our workers when using these Class 1 chemicals.

AMOUNT OF PESTICIDES APPLIED (KILOGRAMMES OR LITRES/HECTARE)

	Kilogrammes/hectare					Litres/hectare				
Pesticides	**2018**	**2019**	**2020**	**2021**	**2022**	**2018**	**2019**	**2020**	**2021**	**2022**
Fungicide	0.004	0.004	0.003	0.003	0.003	0.000	0.000	0.000	0.001	0.007
Herbicide	0.207	0.257	0.395	0.187	0.283	2.284	2.252	2.086	2.202	2.348
Insecticide	0.099	0.268	0.466	0.219	0.389	0.037	0.039	0.067	0.054	0.027
Rodenticide	0.269	0.300	0.274	0.333	0.063	–	–	–	–	–
Total	0.579	0.829	1.138	0.742	0.738	2.321	2.291	2.153	2.257	2.382

Note: *Pesticides in solid form are recorded in kilogrammes per hectare, while pesticides in liquid form are recorded in litres per hectare.*

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FERTILISER USAGE

The amount of fertilisers used depends on the area and composition of our plantations. Oil palm plantings that are of prime-yielding age require a higher input of nutrients. We aim to use organic fertilisers derived from waste products to the maximum extent possible. In 2022, over 93% of our POME and over 96% of our EFB produced were reused as organic fertilisers in the field.

Fertiliser application guidelines help us to maximise resource efficiency by ensuring adequate intervals between application cycles and avoiding periods of high rainfall to reduce runoff, protecting the environment. Internal standard operating procedures have also been implemented to prevent the application of fertilisers and chemicals in riparian buffer zones.

Our research to optimise fertiliser application within our plantations continues to make progress. Due to the variations in terrain, soil type, and microclimates at different areas, this requires fine-tuning of dosage recommendations. Urea has been gaining popularity as an alternative nitrogen fertiliser, however its post-application volatility renders its usage challenging in an industrial setting. To circumvent this, we have been piloting the use of urease inhibitors in our Riau plantations to increase the amount of urea available for uptake. If successful, this two-year trial would increase fertilisation efficacy and reduce GHG emissions in our plantations. Thus far, the results have been promising.

Regular trainings conducted by field and R&D staff, learning centres and the chemical vendors are mandatory for workers who handle chemicals within our operations. The training sessions cover proper package handling, mixing chemicals solutions from concentrate, using chemical application tools and evaluating the success rate of application. We also ensure that adequate PPEs are provided and used on site. First Resources does not use chemicals listed under the Stockholm or Rotterdam Conventions.

Looking ahead, we endeavour to optimise our fertiliser use with further research on fertiliser application at specific sites and encourage the continued implementation of the "4 Rights" in manuring (right source, right dosage, right time, and right place).

USAGE OF ORGANIC FERTILISERS

	2018	2019	2020	2021	2022
EFB (tonnes)	507,669	494,034	498,820	566,573	616,689
POME (cubic metres)	2,345,497	2,355,326	2,576,963	2,701,094	2,793,891

Note: *The figures include organic fertilisers applied in our nucleus plantations only*

USAGE OF INORGANIC FERTILISERS

	2018	2019	2020	2021	2022
Inorganic fertiliser (tonnes)	174,825	148,337	155,903	137,278	81,163
Inorganic fertiliser (tonnes/hectare)	0.90	0.70	0.80	0.70	0.40

Note: *The figures include inorganic fertilisers applied in both nucleus and plasma plantations*

COMMUNITY ENGAGEMENT AND DEVELOPMENT

RIGHTS OF INDIGENOUS AND LOCAL COMMUNITIES [3-3]

It is crucial to ensure that local indigenous communities' rights and livelihoods are not jeopardised during land acquisition for new developments. We understand the significance of protecting their customary rights and preserving their cultural practices and places, and we take steps to ensure our plantation or factory operations do not interfere with that. We are committed to maintaining positive relationships with the communities in which we operate by engaging in constructive dialogue and adhering to appropriate land acquisition protocols.

COMMUNITY ENGAGEMENT [413-1]

Social impact assessments are conducted to guide our community engagements for new developments in the planning phase. Through these assessments, we consult local communities, share findings and gather feedback for improvements. The insights we gain are incorporated into the project planning and implementation to support positive outcomes while mitigating any negative impacts resulting from our operations.

As part of our commitment to our Policy on Sustainable Palm Oil, we respect the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) for the use of land to which they hold legal or customary rights. We engage with our communities throughout the project development cycle through public consultations and outreach activities. In the event of conflicts or grievances raised by local communities, we ensure to resolve them in an open, transparent and consultative manner.

In 2022, the RSPO revised their 2015 FPIC Guide. In response, First Resources updated our FPIC SOP to align with these changes. As part of our efforts to accommodate the aspirations of the communities we work with, we conduct Social and Environmental Impact Assessments (SEIA) within our business operations. We are committed to upholding FPIC and SEIA principles not only in our own operations but also for all our suppliers. As part of our community engagement initiatives, we worked together with the Indonesian Oil Palm Smallholders Association (APKASINDO) to conduct a training session on the palm oil industry. Held in Pekanbaru, Riau, the training session aimed to equip journalists with sufficient knowledge to support positive oil palm campaigns.

LAND COMPENSATION AND CONFLICT RESOLUTION [411-1, 413-2]

We are cognisant of the importance of ensuring that the operations of our plantations and factories do not infringe on the rights, customs, cultural practices and places of significance of local indigenous groups. However, overlapping national and provincial laws in Indonesia have caused land rights and compensation to be extremely complex. Customary and indigenous land claims can be vague and conflicting with the current legal context. This complexity is often exacerbated by the practice of shifting cultivations which makes the identification of land ownership difficult.

Once a new development has been granted a location permit (*Ijin lokasi*), we will first identify the individuals within the local community whom the land belongs to. This is followed by a socialisation process which usually covers various key aspects designed to inform communities about:

- The company's permit granted by the government;
- The government's and company's land compensation policies;
- The development plans;
- The approach for land measurement;
- Land valuation approaches; and
- The process for verifying land ownership and the requirements for proof of ownership.

Subsequent to socialisation and the completion of due diligence, communities who have accepted the company's offer for their land are compensated. All land transfers are documented and witnessed by members of the local government and community leaders.

Although these processes are in place, disputes involving rightful land ownership still arise and are amongst the most common conflicts that we encounter. Our stakeholders may raise grievances involving land ownership through our grievance procedure. Our grievance list is updated regularly and is available on our website. Ultimately, we are committed to resolving them in a responsive manner and through a process that is consultative, fair and transparent.

COMMUNITY ENGAGEMENT AND DEVELOPMENT

COMMUNITY INVESTMENT [3-3, 203-1, 203-2]

The palm oil industry contributes significantly to the Indonesian economy, creating job opportunities as well as providing infrastructure that can uplift rural communities from poverty. At First Resources, we employ many local community members who often live in areas that lack basic infrastructure and services. To support positive socio-economic impact in our operating areas, we run community development programmes that focus on education, healthcare, infrastructure and alternative livelihoods. Disaster relief is also provided as needed. Furthermore, we offer local communities the chance to participate in the development of our palm oil plantations by recruiting individuals as local contractors or maintenance workers. We also prioritise open communication and respect for their rights, thereby fostering a conducive environment for our company's activities in these communities.

Our Community Development Officers (CDOs) are the main liaison between our Company and community members. CDOs engage with residents on a regular basis to cultivate and strengthen relationships, as well as understand community members' concerns and needs. A CDO's responsibilities include collecting data on living conditions and population numbers, brainstorming new development ideas with community members, designing and proposing new programmes to regional managers and sustainability coordinators, and implementing local projects. CDOs also act as ambassadors, engaging with local government agencies to present and explain First Resources' operational activities, environmental initiatives and social programmes.

At the heart of our commitment to community investment is a recognition of the essential pillars that support community development, including education, healthcare, infrastructure, alternative livelihoods, and socio-cultural activities. To ensure that these needs are met sustainably, we provide the necessary resources and support to empower the community.

In addition, we prioritise prompt and efficient responses to disasters that severely affect communities. In 2022, severe flooding resulting from heavy rainfall hit the Ketapang regency in the West Kalimantan province and the Bengkalis regency in the Riau province. In response, we took swift action to provide relief by donating necessities and providing provisions to affected communities. Our efforts were focused on areas surrounding our operations that were impacted by the floods. In addition to providing assistance to affected communities, we also coordinated with government representatives and associations such as GAPKI to offer support. Our aim was to ensure that affected communities had access to the resources and aid they needed during such crtitical times.

COMMUNITY ENGAGEMENT AND DEVELOPMENT

EDUCATION

First Resources believes that access to quality education is pivotal in reducing societal inequality and promoting social development. We currently support 40 schools, including three preschools, 14 kindergartens, 20 elementary schools and three junior high schools. The schools have an enrolment of 5,900 students and employ 400 teachers. All schools are located within or near our oil palm estates and follow the curriculum taught in local government schools. First Resources contributes to these schools' facilities, providing crucial items such as furniture, electricity generators and books. To further support education in villages around our operational areas, we offer scholarships to high-achieving children, selected by local education authorities, from less privileged families. In 2022, First Resources allocated and invested nearly IDR 5 billion to support education, including the funding of scholarships, teacher remuneration and school facilities.

We also have an internship programme that is run in collaboration with 20 Indonesian education institutions. The programme not only provides valuable on-the-job experience, it also offers students an opportunity to apply what they have learned in university and expand their knowledge. While our internship programme was temporarily paused due to the COVID-19 pandemic, we are proud to report that in 2022, a total of 96 interns have been enrolled.

COMMUNITY ENGAGEMENT AND DEVELOPMENT

HEALTHCARE

We have a total of 36 health facilities staffed with qualified medical professionals, including doctors and nurses. While the primary purpose of these clinics is to serve our employees and their families, local community members are also able to access them. The operating hours of our health facilities are longer than those of the health posts managed by the local government. In addition, we also have first-aid centres which are set up for emergencies.

Medical services such as immunisations for polio, measles and tuberculosis are available to communities upon request. As part of our contribution to the wider COVID-19 relief efforts, our clinics have been offering COVID-19 vaccinations to support the national vaccination programme. We also followed the government's regulations and conducted booster vaccinations for our employees. Although the severity of the COVID-19 pandemic has reduced, we have continued to retain some of these procedures that have cultivated good hygiene practices. In our operational facilities, access is still regulated, wearing of masks continues to be recommended and the importance of a clean working environment is emphasised. As of 2022, First Resources continues to implement a COVID-19 prevention program for employees, contractors, and surrounding communities in the company's operational areas.

The "Be Healthy with First Resources" programme is carried out in collaboration with local health authorities. The programme comprises health-related community programmes to improve the wellbeing of residents and increase their awareness about the benefits of healthy living. This includes health treatments and advice for children, pregnant women and the elderly, as well as the coordination of blood donation drives. These programmes were postponed during the COVID-19 pandemic, however by the second half of 2022, conditions allowed us to resume some of the programmes under strict protocol.

INFRASTRUCTURE

Improving the infrastructure in areas where we operate not only benefits our operations but also enhances the accessibility of local communities to vital services such as healthcare, education, and markets. Infrastructure such as roads is widely recognised as a lifeline for rural communities, playing a critical role in poverty alleviation in these areas.

Our commitment to providing well-maintained roads for shared use is an example of this approach. As part of our infrastructure development projects in 2022, we repaired over 184 kilometres of roads that connect villages near our operations to the town centre. Additionally, we contributed to the construction of three bridges and repaired one mosque. Beyond roads and bridges, we also provided construction materials for a kindergarten. In total, we allocated over IDR 2.2 billion for infrastructure development across our operations. To ensure that our infrastructure projects adequately meet the communities' needs, we prioritise consultation with local village leaders when planning such projects.

COMMUNITY ENGAGEMENT AND DEVELOPMENT

ALTERNATIVE LIVELIHOODS

We believe in the socio-economic benefits of empowering local communities through alternative livelihood projects, such as small businesses. To support these efforts, First Resources provides capital and raw materials to community members to help start their businesses. Through these alternative income options, the local communities can enhance their economic resilience and reduce the need for them to engage in forest clearing activities, thus promoting forest conservation and protection.

Looking ahead, we aim to support individuals within the local communities who do not benefit financially from palm oil production. To achieve this, we have implemented the Sedentary Agriculture Programme, which offers horticultural gardens as an alternative source of income. These gardens involve sedentary farming of various commodities such as corn, citrus, red chili, watermelon, honeybee, and freshwater fish cultivation.

Additionally, we plan to enhance the Micro, Small and Medium Enterprises (*Usaha Mikro, Kecil dan Menengah or UMKM*) programme, leveraging our operational areas as a foundation for improving the livelihoods of the local communities. This will be accomplished through capital assistance, entrepreneurship capacity-building, and the overall enhancement of the Sedentary Agriculture Programme. By providing support for such alternative livelihood projects and crop diversification, we remain committed to improving food security for the local communities.





EMPLOYEE RELATIONS AND WORKPLACE

EMPLOYEE ATTRACTION, RETENTION AND DEVELOPMENT [3-3]

Employee attraction and retention are critical elements to First Resources' long-term success. With the competitive labour market, we acknowledge the need to adopt novel ways to attract talent, especially millennials. Competitive compensation and rewarding career opportunities are some of the benefits that we provide. Furthermore, increasing digitalisation of our operations not only improves overall efficiency but is also advantageous in attracting a new generation of employees. As employers, we continue to uphold a fair and favourable working environment that supports the growth of all employees.

EMPLOYEE PROFILE [2-7, 2-8, 401-1]

We directly employ 24,886 employees across our offices, plantations, mills and processing plants, 22,267 of whom are permanent employees and 2,619 are temporary employees. We source some of our workers through third-party contractors to support our operations. This includes, seasonal workers, security guards and those needed for special construction projects. Other seasonal workers are contracted during peak harvesting seasons. Some of these workers are the spouses of our existing employees, while other workers are residents of nearby communities who prefer seasonal employment arrangements for the flexibility to engage in other work.

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER

	2018		2019		2020		2021		2022	
	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract
Male	16,588	3,616	15,039	2,455	14,593	2,983	14,742	3,111	17,467	2,535
Female	2,992	415	3,283	136	3,429	164	3,816	110	4,800	84

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND REGION

	2018		2019		2020		2021		2022	
	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract
Jakarta	194	0	182	0	176	0	171	0	201	0
Riau	7,841	2,646	7,355	2,370	6,688	2,963	6,266	3,090	7,268	2,494
West Kalimantan	8,048	1,091	7,677	4	7,590	0	7,931	0	9,208	0
East Kalimantan	3,472	294	3,082	217	3,543	184	4,166	131	5,567	124
Singapore	25	0	26	0	25	0	24	0	23	1

EMPLOYEE RELATIONS AND WORKPLACE

NEW HIRES AND TURNOVER NUMBER AND RATE [401-1]

	2018	2019	2020	2021	2022
New Hires	11,349	4,455	3,002	4,989	10,061
New Hire Rate	64%	23%	17%	27%	50%
Turnover	6,547	5,762	3,065	4,313	6,496
Turnover rate	37%	30%	17%	23%	32%

Plantations with younger and shorter oil palm trees are usually preferred by harvesters as plantations with these conditions often entail less strenuous work and are less risky. As our plantations mature over time, part of the turnover rate can be attributed to these reasons. Another contribution to the turnover rate is the annual *mudik*, during which migrant workers return to their hometown to celebrate the major Hari Raya Eid al-Fitr holiday, causing some of these workers not to return to work after going back to their hometown.

Nonetheless, First Resources possesses sufficient manpower reserves to buffer against unforeseen labour shortages. Among our other strategies, we recruit the children of our harvesters and foremen who are of legal working age since they are already familiar with the culture in the estates. We also recruit additional manpower from neighbouring communities.

EMPLOYEE BENEFITS [401-2]

First Resources provides permanent employees with various benefits such as life and health insurance coverage, as well as an annual bonus that is determined based on the performance of both the individual employee and the Group. We also provide housing for all our plantation and mill employees. Through our programme called "*17 Kehidupan Pondok*", we have identified 17 areas of needs for workers living in the estates and these include access to provisions as well as facilities and amenities to meet their needs.

In addition to housing and sanitation, employees have access to running water, electricity, medical care, sports and recreational facilities, and places of worship, all of which are provided by First Resources. Access to education for employees' children, such as kindergartens and schools, day care centres, and school buses are also provided. More information on how we support education for our employees' children can be found in the section on Education.

In the first half of 2022, we still had to regulate all unnecessary travel of our employees due to COVID-19. With the reduced pandemic risk in Indonesia and winding down of restrictions in the later part of the year, we have progressively provided concessions for employees to resume travel outside the plantations to meet their needs.

EMPLOYEE RELATIONS AND WORKPLACE

TRAINING AND DEVELOPMENT [404-2]

Training and development is important both for attracting and retaining talented employees. The provision of training and development opportunities, indicates a company's willingness to invest in the employees' personal and professional growth. This will lead to employees who are more engaged and committed to their work.

We have chosen to adopt the Japanese concept of *Kaizen*, which means change for the better, for our business. We seek to instil this continuous improvement mindset amongst our employees. Our Learning Centre at First Resources academy runs graduate and management trainee programmes for field assistants, palm oil mill assistants and administrative assistants, taking in as many as seven batches over the year. These programmes cover technical, managerial and interactive skills required to work in First Resources' estates and palm oil mills. The programme runs for six months and candidates follow a curriculum and materials that are in accordance with the field of position that will be held by them later. In essence, these graduate training programmes provide new and current employees the necessary skills they need and give them an understanding of the business. Given the duration of these programmes, the Learning Centre provides accommodation for trainees. During the course, a plot of oil palm plantation is made available for the trainees to gain hands-on experience in plantation operations.

Regular trainings and workshops are also conducted for our existing employees, including field assistants, mill assistants, administration assistants and foremen. These trainings ensure that our employees possess the necessary skills to carry out their jobs effectively and safely. The trainings cover subject areas such as harvesting management, fertiliser management, e-plantation systems, problem solving, decision-making and other soft skills on an as-needed basis. All trainings are conducted by First Resources' coaches and specialist vendors, while continual on-the-job training and mentorships are provided by managers and supervisors. Should these trainings be well received and show a positive impact, we will expand the training repertoire to other areas of the business as well.

With the declining pandemic restrictions, we have taken on a blended approach to our trainings. Physical trainings have progressively resumed, allowing for more classroom interaction and fieldwork for hands-on experience. Yet we continue to retain virtual trainings for some of our topics where it is more efficient in terms of time and resources required.

As a part of our move to digitalise, we launched a suite of applications in 2021 to increase efficiency and convenience for our employees. The Employee Self Services (ESS) application is our portal for employees to conveniently access and submit work applications. Our other application, Informance, serves as a feedback repository for managers to document feedback easily. The

EMPLOYEE RELATIONS AND WORKPLACE

Human Resources Information System portal allows employees to access related matters such as salary and leave balance. All our applications have been well-received by our employees. Additionally, to improve the user experience of our applications, we have supplied regular updates to improve their performance. Informance was recently enhanced with voice recording and transcribing capabilities based on feedback received. Overall, these applications have received positive feedback, such as being a convenient portal to access and monitor various activities such as attendance, insurance claims, leave permits, and working business trips.

To enhance the teaching and learning process, First Resources Academy has developed a Learning Management System (LMS). The LMS is our knowledge repository, containing a mix of e-books and training materials. There are also modules with learnings that can be adapted to our plantations, factories and covers soft skills. The materials are accessible through mobile devices, allowing staff to learn independently from anywhere and at any time. The LMS is also used to conduct National Examinations and for our Selection and Recruitment Processes.

Our People Development Review provides a channel for employees to discuss their performance and career goals, identify areas of development and assess the training needs to close knowledge gaps. For management, these reviews help to identify talented employees and give recognition for their contributions. This review is prioritised in line with the Group's business and operational requirements. In 2022, we continue to conduct the Talent Development Programme for the High Potential (HIPO) staff in our estates and mills who had been identified through the People Development Review and recommendations from Plantation Department Heads/Directors following a set of strict criteria. The development programme seeks to identify and groom our future leaders and covers a wider range of topics, such as technical, managerial, analytical, project improvement and leadership competencies. The topics covered give participants an intimate understanding of the business. In the later stages, participants are given the opportunity to rotate amongst departments and to shadow different heads of department. At the end of the programme, a Final evaluation is conducted using a Fit and Proper Test process. Participants who pass and meet the criteria are included in the Talent pool.

Our partnerships with universities in Java, Kalimantan and Sumatra, provide internship opportunities for both undergraduates and vocational school students. The internship programme exposes students to administrative duties, plantation activities and palm oil mill operations and in turn, provides an avenue for us to recruit potential candidates for full-time roles.

To continue fostering a learning culture, our end-of-year Learning Festival comprised events such as the "Ancak Festival", First Resources Improvement Award, and a series of informative webinars to inspire and boost the morale of our employees. The topics of the webinars are decided based on a combination of feedback on the needs of employees and the strategy objective of the year. Over the years, we have noticed increased participation from various departments and contribution of ideas for the innovation festival. Our guest speakers this year included Hingdranata Nikolay, a well-known national motivator with a topic on Integrity, and Prita Ghozie, a financial consultant and lecturer at the University of Indonesia, who spoke on the topic of Healthy Financials.

AVERAGE TRAINING HOURS PER PERMANENT EMPLOYEE, BY EMPLOYEE CATEGORY [404-1]

	2018	2019	2020	2021	2022
Senior Management	8.9	1.5	1.9	6.2	4.4
Middle Management	33.2	18.2	17.7	14.8	24.6
Staff and workers	19.3	24.7	10.2	20.6	17.0

Note: *Staff and workers include assistant managers, clerks, foremen, officers and other workers.*

EMPLOYEE RELATIONS AND WORKPLACE

GENDER EQUALITY AND INCLUSION [3-3]

The palm oil sector continues to remain as a male-dominated industry, and we acknowledge that women play a critical role in the agricultural sector of developing countries. Ingrained cultural norms that typecast men as breadwinners and women as homemakers result in less access to resources and opportunities, including land, financial services and education for women.

At First Resources, job opportunities are offered based on merit (competency, skills and experience), regardless of gender, ethnicity, race or religion. As oil palm cultivation and processing is physically demanding, most of our plantation and mill workers are men. Heavier physical tasks such as the harvesting and carrying of fresh fruit bunches to trucks for transportation are also typically assigned to men whilst lighter tasks such as weeding, fertilising and collecting oil palm loose fruits that have fallen to the ground are assigned to women.

To promote gender equality, First Resources has set up gender committees to promote female participation and advancement in the workplace. Some of the key agenda items for the gender committees include promoting fair wages for women, encouraging the inclusion of women in managerial positions and involvement in the decision-making process. First Resources also supports women's role in contributing towards household income through Micro Small Medium Enterprises (MSME) training. At the employee level, all permanent female workers are entitled to maternity and menstrual leave, and we reassign tasks if they are pregnant to ensure their health is protected. To ensure their safety, women are also assigned work that do not require them to be alone. Should there be any potential cases of discrimination or harassment, employees can raise complaints through our whistleblowing procedure.

First Resources will continue to support the career development of female employees in our corporate office.

PERCENTAGE OF THE BOARD AND EMPLOYEES BY GENDER [405-1]

	2018		2019		2020		2021		2022	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Board	85.7	14.3	88.9	11.1	88.9	11.1	85.7	14.3	85.7	14.3
Senior Management	92.7	7.3	92.1	7.9	92.9	7.1	90.7	9.3	90.5	9.5
Middle Management	87.2	12.8	90.2	9.8	89.8	10.2	90.4	9.6	90.4	9.6
Staff and workers	84.7	15.3	82.0	18.0	80.9	19.1	80.2	19.8	78.3	21.7

Note: *Staff and workers include assistant managers, clerks, foremen, officers and other workers.*

PERCENTAGE OF THE BOARD AND EMPLOYEES BY AGE GROUP IN 2022 [405-1]

	<30 years old	30-50 years old	>50 years old
Board	0	28.6	71.4
Senior Management	0	50.0	50.0
Middle Management	2.1	69.6	28.3
Staff and workers	38.5	57.5	4.0

Note: *Staff and workers includes assistant managers, clerks, foremen, officers and other workers.*

EMPLOYEE RELATIONS AND WORKPLACE

LABOUR CONDITIONS AND HUMAN RIGHTS [3-3]

The prioritisation of labour conditions and human rights demonstrates a commitment to responsible and ethical business. Safeguarding labour and human rights remains a challenge which needs to be addressed across the supply chain. First Resources takes a firm stand against the use of forced, trafficked or child labour and respects the workplace rights of all our employees, including temporary workers. We make sure that this commitment is communicated to the suppliers we work with.

We continually endeavour to improve our labour conditions and protect human rights. All relevant departments (e.g. Agronomy, Human Resources, estate and General Affairs) are involved in our internal labour conditions and human rights assessment. The internal assessment aims to assess our compliance with the NDPE policy and identify areas of improvement. We have also disseminated guidelines and SOPs for implementing childcare and guidelines on child education standards.

FORCED OR COMPULSORY LABOUR AND CHILD LABOUR [408-1, 409-1]

First Resources does not accept any form of forced or bonded labour or allows the employment of under-aged works to take place within the Group. Although we engage external agencies to assist in the recruitment of potential workers, we ensure that the candidates are above 18 years of age. We also meet the candidates as part of the selection process. During the meeting, the potential candidate is informed on details such as the job requirements along with the terms and conditions of the job such as wages, type of work, benefits, housing, and insurance. This ensures that all employees understand their rights and obligations.

For all our employees, unlawful practices such as the withholding of wages, identification cards, passports, or other travel documents without their consent are

EMPLOYEE RELATIONS AND WORKPLACE

never condoned. The external agencies which we engage for our manpower needs are informed of our policies and practices and any violations will result in termination.

In Indonesia it is not uncommon for workers to ask their under-aged children to assist with works on the estate. We prohibit all forms of child labour by conducting regular checks to make sure that this does not occur and put up signages to remind parents. At the same time, we emphasise the importance of education, actively providing and seeking to improve our educational facilities such as child-care centres and access to schools. We have also developed SOPs for the implementation of daycare and work together with related parties in supporting the health of our workers' children.

In February 2022, we collaborated with Wilmar and its partner Nestle as well as the Business for Social Responsibility (BSR) and The Centre for Child Rights and Business to conduct a Child Protection Workshop session for Field Executive Leaders (General Managers and Estate Managers). This capacity-building programme was aimed at providing knowledge and understanding when dealing with issues regarding child protection. Phase two of the Child Protection Workshop programme catering to Management Level associates (Head of Departments, Managing Directors and Vice Presidents) has been conducted in early January 2023 with the goal of developing proper company policies for future child protection programmes. As a follow-up to this training, we have socialised our implementation of guidelines and SOPs on child protection, prohibition of child labour and children's rights and upholding child education standards, for *Taman Penitipan Anak* (day care) implementation.

FAIR WAGES [202-1]

First Resources adheres to the minimum wage requirements set by the respective provinces or districts in which it operates. The Company ensures that wages are regularly updated to comply with any new guidelines or revisions to existing agreements, as stipulated by the Regulation *(Peraturan Pemerintah)* No. 78 Year 2015.

We practise a volume-based incentive pay system at First Resources. As a part of our promise to fair compensation, we understand that conditions on the ground can vary and can influence the work carried out. Tougher conditions will require more time to reach the same work target as compared to areas with flat terrain. With this pay system, it is thus not surprising that our workers can earn more than the minimum wage. Salaries paid to our employees and contractors are well documented and acknowledged by the payees. Where needed, we provide clarification on how the payments are calculated to ensure understanding. Our worker's payslips are also standardised for easy understanding and contain the essential information. Overtime is carried out on a voluntary basis and workers are properly compensated.

For our RSPO certified plantations, we ensure that the aggregate value of employee benefits and wages exceeds the prevailing minimum wage. In the future, we are also exploring the possibility of conducting a Decent Living Wage study on our RSPO certified plantations.

THE RATIO OF LOWEST MONTHLY WAGE TO LEGAL MINIMUM WAGE BY REGION IN 2022 [202-1]

	Monthly legal minimum wage (IDR)	First Resources lowest monthly wage (IDR)	Ratio of the lowest level wage at First Resources to minimum wage (for males and females)
Riau	3,189,303	3,189,303	1:1
West Kalimantan	2,717,703	2,717,703	1:1
East Kalimantan	3,320,597	3,320,597	1:1

Note: *The wage data provided is based on an average of different regencies within each region.*

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FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING [2-30, 407-1]

We maintain our support to our employees on the freedom to form unions to communicate their expectations and aspirations. Our labour union is part of the *Konfederasi Serikat Pekerja Seluruh Indonesia* (Confederation of All Indonesian Workers' Union) and we provide meeting space where they can conduct their meetings.

All our employees are protected by the Collective Labour Agreement. This agreement covers industrial relations, working hours, remuneration, out-of-post assignments and transfers, social security and welfare, occupational health and safety, and employment termination. Each subsidiary and its labour union representatives have agreed on a Collective Labour Agreement that aims to protect employees' and employer's rights and obligations. These agreements are renewed every two years and prior to renewal, the Group will conduct a discussion with the labour union to identify any areas of improvements.

Focus group discussions and meetings are regularly held with labour unions and are an avenue to involve them in the decision-making process when we are formulating new management policies. These conversations allow us to gain recommendations, criticisms and know our employee's aspirations and empower us to incorporate them. Employees can also share their aspirations through the human resources department. All changes related to employment are disseminated by the Group via emails, circulars, or our internal portal.

As a part of our commitment to improving the welfare of our employees, we involved the labour union in our discussions over the "House Ownership Credit" programme last year. This programme is intended to facilitate home ownership among our employees and is a joint effort between First Resources, the Indonesian Palm Oil Association (IPOA) / *Gabungan Pengusaha Kelapa Sawit Indonesia* (GAPKI) and participating banks. However, as we already provide housing to our employees, the programme uptake has been low.

EMPLOYEE RELATIONS AND WORKPLACE

OCCUPATIONAL HEALTH AND SAFETY [3-3, 403-1, 403-4, 403-8]

The provision of a safe workplace is a fundamental responsibility of any company and is important both for the well-being of employees and the success of the business. A workplace free of hazards and risks not only reduces the risk of health and safety incidences, it also reduces disruptions and contributes to productivity.

First Resources has put in place an Occupational Health and Safety (OHS) Management System (ISO 45001:2018) that covers all our employees and is compliant with local regulatory requirements. We also frequently seek out input from our workers in the development of this management system. Our philosophy on providing a safe workplace for our employees is extended to our supply chain. Our contracts with third-party suppliers and contractors contain explicit clauses that stipulate compliance with our OHS, labour and sustainability standards. We routinely evaluate our suppliers and contractors for their ability to fulfil these contractual requirements.

PROTECTING OUR PEOPLE [403-2, 403-3, 403-5, 403-6, 403-7, 403-8]

Our Health & Safety Committee oversees providing education and training to employees on occupational health and safety and is responsible for addressing safety issues raised by employees. The committee meets quarterly and consists of both management and staff representatives. During these meetings, potential hazards are raised, solutions are recommended, and corrective actions are implemented.

Each operating unit has an OHS management system. Besides education and training, other measures that have been put in place to minimise the risk of workplace injury include OHS manuals, standard operating procedures and working instructions. The quality of our risk assessments is validated during external audits conducted by the Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO). To ensure preparedness and readiness, health and safety best practices are reinforced during morning briefings and emergency response drills are conducted. Capacity building of workers is carried out to ensure that activities such as the operation of machinery are not carried out without having prior knowledge and guidance. We continue to strengthen the implementation of OHS policies in all our operational areas through the OHS management system and carry out consistent monitoring within each operating unit.

The Collective Labour Agreement with the workers' union also takes OHS into consideration. These include the provision of personal protective equipment (PPE) for equipping plantation and mill workers and the establishment of Health & Safety Committees. We also maintain an Emergency Response Team on standby to attend to any immediate health and safety-related crisis.

EMPLOYEE RELATIONS AND WORKPLACE

HAZARDS AND INCIDENT MANAGEMENT [403-2]

On our plantations, falling fronds, dislodgement of bunches and sharp fronds left on the ground to enhance soil fertility form the main hazards of the harvesting process. These hazards result in relatively minor injuries such as cuts and thorn-pricks. Nevertheless, all harvesters are still required to don the necessary PPE such as safety helmets, gloves, and boots to minimise the risk of injury. At our palm oil mills, the main hazards are from overhead sling conveyors, slippery floors, hot steam, and loud noises. Workers are briefed on any potential health and safety issues during daily shift meetings and are regularly reminded to maintain good housekeeping and be vigilant.

In the event of a work-related accident, first aid will be administered to the injured and the injured party will be transported to the nearest clinic or hospital for treatment and monitoring, if needed. Keeping with protocol, an accident report must be lodged within 48 hours and an investigation will follow. After an evaluation of the accident, corrective actions and preventive measures will be implemented and socialised with the workers on site to prevent recurrences.

PROMOTING WORKER'S HEALTH [403-6]

Medical teams have been established in every operational area, to support the health of our employees and their families. Our medical teams conduct routine check-ups and deliver various health programmes that aim to raise awareness about the benefits of a healthy lifestyle and promote wellbeing. These include healthy living tips, health education, and counselling related to chronic diseases.

EXITING THE COVID-19 PANDEMIC

We continue to remain vigilant and prioritise the health of our employees. In 2022, we have gradually transitioned back to working in the office. For our employees who need to be on-site, we continue to provide face masks, face shields and hand sanitisers. Throughout 2022, we have ensured that the safety protocols and procedures at the Group's plantations, mills and processing plants conform with the prevailing health protocols.

As of end 2022, we have achieved a 100% vaccination rate for our employees amidst the gradual lifting of COVID-19 restrictions in Indonesia. Despite this, we have continued to retain some good practices. Our employees are consistently reminded to maintain good personal hygiene and implement safe distancing. All premises are disinfected on a fortnightly basis and movements in and out of mills, plantations and refinery sites continue to be limited to minimise viral exposure in the event of isolated incidences.

We continue to make use of our self-assessment application developed for our Corporate and Regional Offices in Indonesia. Employees check-in daily to determine if they should return to the office which also helps to monitor each employee's health condition and facilitate contact tracing should an employee be infected with the virus. Should our employees become infected, they are provided with medication and supplements to recuperate. We will also provide additional support such as referrals to doctors in cases where employees report health issues.

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HEALTH AND SAFETY PERFORMANCE [403-9, 403-10]

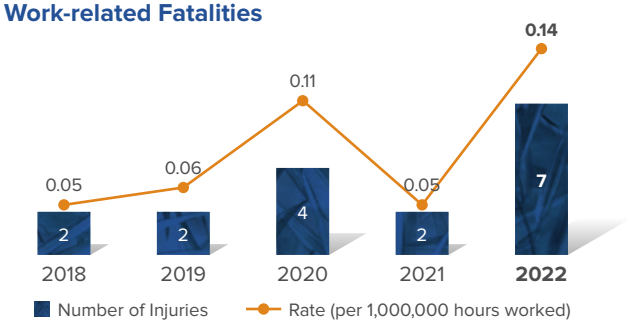
First Resources is committed to eliminating fatalities and reducing accidents and injuries in our operations. All work-related accidents are taken seriously, recorded, evaluated and followed by implementation of recommendations to prevent the recurrence of similar incidents. Workers are informed that they are allowed to stop work if they feel unsafe or notice unsafe conditions. Our whistleblowing policy also provides workers with a channel to report any work-related hazards and hazardous situations, whilst remaining anonymous to protect workers from reprisals. The hotline number is displayed in the office and reports are managed by our internal audit team who carries out investigations into the issues reported.

Employee safety is of paramount importance to us. While we strive to ensure the safety of our employees, we regret to report that there were seven work-related fatalities in our palm oil operations in 2022. One of them was caused by an electrical accident, while the others were caused by unfavourable weather conditions during transportation. Unfortunately, severe weather events were prevalent in Indonesia throughout the year, with heavy and prolonged rainfall caused by meteorological phenomena such as La Nina. These weather conditions make it challenging to ensure the safety of our employees, but we remain committed to taking all necessary measures to prevent such incidents in the future.

Preventions of future occurrences, enhancements to procedures related to electrical, transportation and infrastructure management were implemented and disseminated at the end of 2022. These preventive measures include supplementary training on electrical hazards and additional equipment inspections. We have also intensified our vehicle and infrastructure inspection and checks on validity of operator licenses. To ensure that these measures are being properly implemented, we have established a special safety task force comprising multi-departmental personnel. This task force conducts periodic audits and assurance checks to verify that SOPs are being carried out correctly and dutifully. Going forward, First Resources is determined to continue raising awareness on OHS among employees, equipping our facilities with sufficient OHS equipment and conducting periodic health checks.

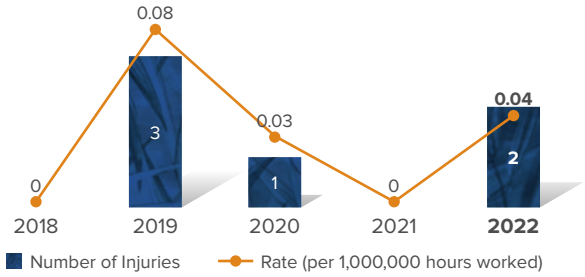
Whilst we have not had any incidences of worker-related ill health, we maintain several initiatives to ensure that our employees are in good health. We carry out annual health check-ups for our plantation employees. These check-ups cover spirometry (lung function) and hearing (audiometry) tests, along with cholinesterase testing – common test/examinations for levels of exposure to organophosphate pesticides.

Work-related Fatalities



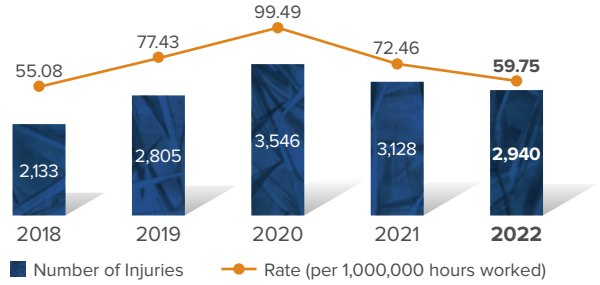
Note: *Rates are calculated based on [number of fatalities/number of hours worked] x 1,000,000. The total number of hours worked in 2022 is 49,724,000.*

Permanent Work-related Injuries



Note: *Rates calculated based on [number of permanent work-related injuries/ number of hours worked] x 1,000,000. The total number of hours worked in 2022 is 49,724,000. A Permanent Work-related Injury is defined as a work-related injury which has a permanent effect on the employee's ability to work or causes permanent disability. Fatalities are excluded from permanent work-related injuries.*

Recordable Work-related Injuries



Note: *Rates calculated based on [number of recordable work-related injuries injuries/number of hours worked]. The number of hours worked in 2021 is 49,724,000 x [1,000,000].*

SUPPLY CHAIN

MANAGING OUR SUPPLY CHAIN [2-6, 3-3]

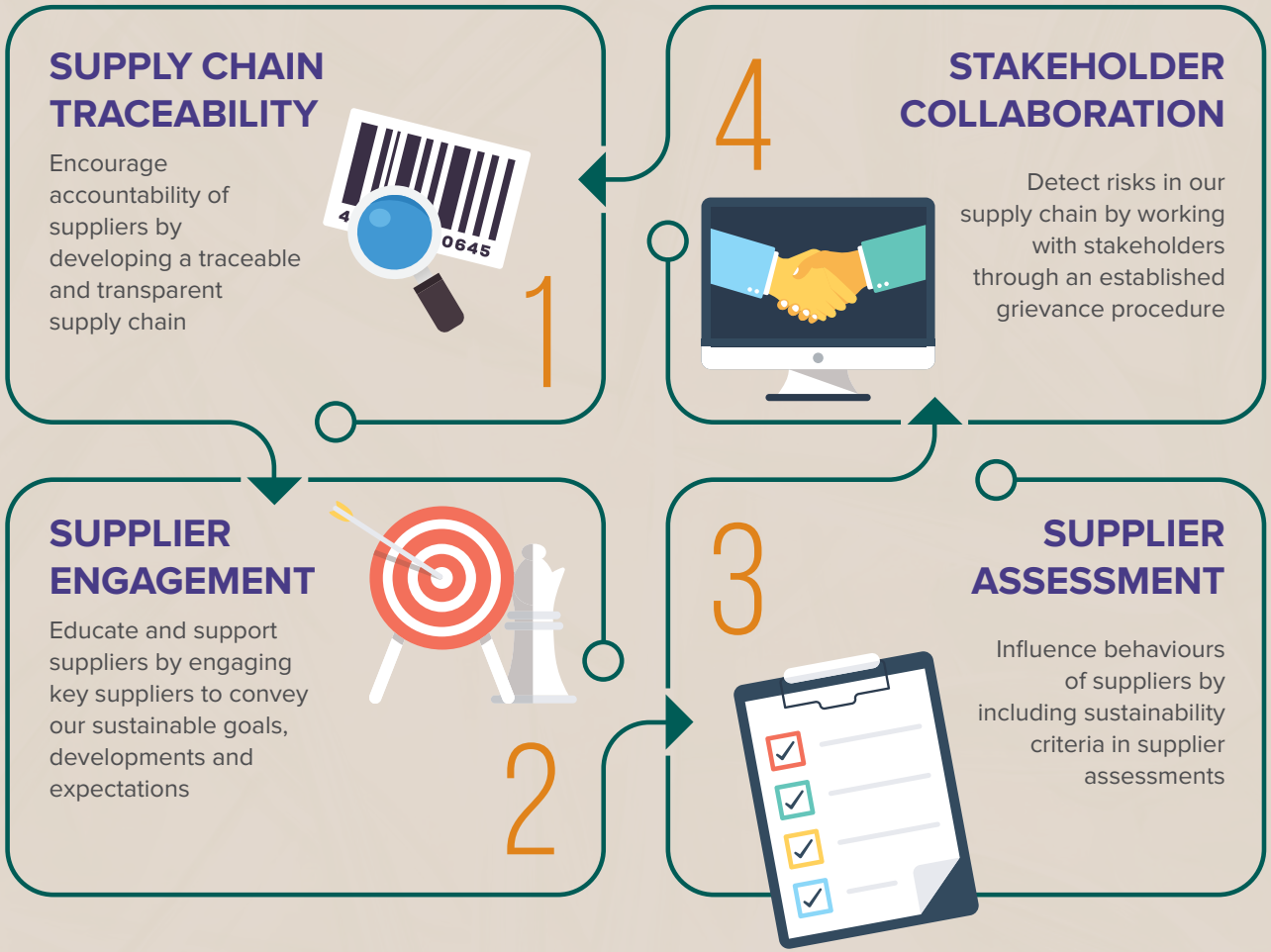
A fully traceable and transparent supply chain is one of the core principles of sustainable palm oil operations. To bring our suppliers onboard our sustainability journey, we actively engage our suppliers so as to establish a supply chain that is aligned with our sustainability policy.

Our sources of supply of fresh fruit bunches (FFB) and the feedstock for our mills, are not just from our own nucleus estates but also extends to third-party estates, thousands of individual smallholders (plasma and independent), as well as FFB dealers who buy from smallholders. Crude palm oil (CPO) and palm kernel (PK), which are raw materials for our processing plants, are either provided by First Resources-owned mills or sourced from third-party suppliers in Indonesia.

Our Sustainable Supply Chain Framework that was developed in 2017, not only helps us to identify and manage risks in our supply chain, it also encourages our FFB, CPO and PK suppliers in adopting more sustainable practices.

Outside our palm-related purchases (e.g. FFB, CPO and PK), the large expenditure for our operations is fertilisers, which are sourced locally. Aside from that, other categories of expenditures for our operations include fuel, chemicals (methanol, bleaching earth and phosphoric acid), spare parts and other materials.

FIRST RESOURCES SUSTAINABLE SUPPLY CHAIN FRAMEWORK



SUPPLY CHAIN

SUPPLY CHAIN TRACEABILITY [3-3]

A key commitment in our Policy on Sustainable Palm Oil is to ensure that our oil and refined products are traceable to their origin. Traceability is complex but essential towards enhancing transparency as it assures our customers that our products are sustainably sourced.

The sustainability team at First Resources works closely with the commercial team to actively engage with our suppliers to achieve our traceability targets. Our full traceability report can be accessed on our website.

Traceability to mills (TTM)

To qualify as being fully traceable to mills, suppliers of CPO and PK need to provide details such as the company name, parent company name, mill name, mill address and geographical coordinates. Despite knowing the source, any missing or incomplete details would cause the CPO and PK volumes from that particular supplier to be deemed as "untraceable".

In 2022, approximately 14% of our CPO and PK feedstock was purchased from external suppliers. Details such as the coordinates and address of our CPO and PK suppliers, are available on our website. Furthermore, each of our mills listed in our traceability report have been designated a unique universal ID, which is also accessible on our website. These unique universal IDs comply with the Roundtable on Sustainable Palm Oil (RSPO), and are based on the Universal Mill List (UML), which ensures that the listed

mills reference a common dataset shared across the palm oil industry. In 2022, we were successful at maintaining our record of achieving 100% traceability to all our supplying mills, including for our kernel crushing plants.

100% traceability to mills since 2017

Traceability to plantations (TTP)

Our supply of FFB comes from neighbouring plantation companies, independent smallholders and through purchases from local dealers who collect FFB from surrounding areas. Of the FFB processed in our mills, approximately 88% came from our plantations and plasma schemes, while the remaining 12% was sourced from third-party FFB suppliers.

Our supplier selection procedure is supported by our supplier risk assessment, an enhancement that was incorporated as a selection criterion in 2021. This supplier risk assessment also covers existing suppliers and facilitates the verification of coordinates to validate the locations of suppliers' mills/estates as well as adherence to government regulations. We have also developed our Sustainability Supplier Assurance Requirement, which not only fulfils the requirement for traceability to plantation data for our our third-party suppliers, but also ensures that they are familiar with First Resources' sustainability goals, developments and expectations. All in all, these measures support our goal of achieving 100% TTP for our third-party CPO and PK suppliers.

In 2022, we have continued to achieve 100% traceability to plantations for FFB processed at our mills, inclusive of smallholders and third-party suppliers. Furthermore, we are seeing steady improvement in this area and are proud to share that First Resources' overall TTP, which includes FFB processed at supplying third-party mills, has improved from 88% in 2021 to 94% in 2022.

100%

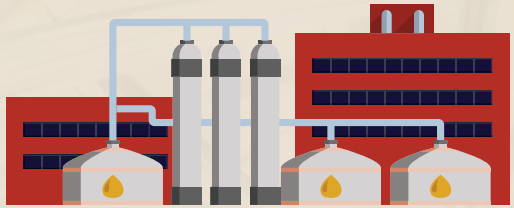
traceability to plantation for FFB processed at our mills, inclusive of smallholders and third-party suppliers

SUPPLY CHAIN

Pursuing our goal of full traceability is not without its challenges. Not all our suppliers, especially those with small or short-term contracts, are committed to achieving 100% traceability to plantation. Furthermore, due to concerns surrounding data confidentiality, our suppliers are often worried about the misuse of data. Our efforts in ramping up engagement to build trust and ensure cooperation with our suppliers has increased the percentage of traceability to plantations for our third-party CPO and PK suppliers year-on-year. On top of that, we remain committed to achieving our target of 100% traceability to plantations for supplying third-party mills.

12% of FFB processed in our mills were sourced from third party FFB suppliers

14% of our CPO and PK feedstock were sourced from third-party supplying mills that come from the supplying mills' own operations and/or third parties



SUPPLIER ENGAGEMENT

Once the origin of our raw materials has been documented, we focus on our engagement with key suppliers. These engagements can come in the form of one-on-one meetings and/or group sessions where we communicate our Policy on Sustainable Palm Oil and expectations, as well as emphasise on its importance to our suppliers. It is through this constant dialogue that we aim to foster a relationship of mutual trust with our suppliers and smallholders, thus empowering them with the confidence to share their challenges in meeting new sustainability standards.

Our sustainability and commercial team are our supplier engagement points. These teams interact with our suppliers, both online and offline, to communicate our sustainability policies and traceability requirements. We also aim to pay closer attention and increase engagement with suppliers that might have potential negative social and environmental impacts or are involved in grievances raised by stakeholders.

SUPPLIER ASSESSMENT [308-1, 308-2, 414-1, 414-2]

Although First Resources only purchases small volumes of materials from third parties on an ad-hoc basis, we remain aware of the risk of sourcing from non-compliant suppliers. As such, we continue to maintain a watch list of high-risk companies that is updated quarterly, ensuring all supplying mills are assessed against criteria to determine risk levels.

SUPPLY CHAIN

All our new suppliers go through a supplier onboarding process where they are screened according to social and environmental criteria. In 2022, we screened 13 new suppliers for social and environmental criteria. Through this process, suppliers submit a written acknowledgement of their compliance with our sustainability policy and relevant information that is required to fulfil our traceability requirements. The information submitted is then verified and should they not meet our sustainability criteria, will not be onboarded as a new supplier.

For our existing suppliers, they are continuously monitored to ensure that their practices are aligned with our Policy on Sustainable Palm Oil. As a precaution, we also actively look out for grievances raised by external parties in case they involve our third-party suppliers. Suppliers found to be non-compliant will be required to undertake corrective actions within a stipulated time. Sourcing will be suspended from non-compliant suppliers, should immediate remedial actions not be effected. In 2022, we identified two suppliers having potential negative social and environmental impacts. In response, we further engaged with these high-risk companies to ensure and increase their compliance with our policy. These engagements make use of a combination of approaches such as emails, phone calls, and meetings. The aim of the engagement sessions is to build responsible sourcing solutions through verification and sharing relevant documents, tools, and our experience, to help address the issue. One of the identified suppliers was suspended from our supply chain following the assessment. Suppliers in the suspension list can re-enter our supply chain when they are in fulfilment of our strict re-entry criteria.

STAKEHOLDER COLLABORATION

The enforcement of compliance across the supply chain is certainly not a task that can be achieved on our own. We leverage external stakeholders such as non-governmental organisations (NGOs) and customers to identify suppliers that we should further assess or engage. Tapping on these various avenues helps us develop better monitoring tools and intelligence to detect errant or non-compliant suppliers. For example, through an NGO that shares monthly reports on deforestation detection, we can undertake follow-up actions if any of the highlighted companies are identified within our supply chain. Additionally, we diligently conduct meetings and socialisation initiatives to educate stakeholders on key topics such as the RSPO certification, the importance of community engagement, as well as high conservation value (HCV) and high carbon stock (HCS) areas.

SUPPLY CHAIN

SUPPORTING SMALLHOLDERS [3-3]

Through our operations, we interface with several smallholders whom we view as key partners in our larger movement towards sustainability. Given that First Resources cultivates 175,563 hectares of nucleus plantations, this extensive experience places us in a unique position to share our experience in best agricultural practices with the smallholders that we work with and facilitate their inclusion into our supply chain. As of 2022, we manage 35,846 hectares of schemed smallholders (plasma) covering almost 17% of the total plantation area managed by First Resources, contributing 13% of the total FFB processed. The total number of plasma smallholders supplying to us in 2022 has also increased to 15,712, up from 14,610 in 2021.

First Resource acknowledges the legal and customary rights of indigenous local communities. In accordance with the principles of Free, Prior, and Informed Consent (FPIC), we respect the decisions of local communities to withhold or approve any new developments on land to which they hold such rights. When given a location permit *(Izin lokasi)*, we identify communities that are interested in partnering with us to develop plantations. Subsequently, we work together with these indigenous and local communities, through our plasma scheme partnerships. The partnership either involves supporting the smallholders in the development and management of plantations or carrying out these activities on behalf of them. In the first partnership type, the Company assists in the development and management of the plantation until the oil palms reach productive age. After which, the management of the plots are returned to the smallholders. In the second partnership type, where the Company carries out the development and management of the plantations on behalf of the smallholders, the responsibility extends beyond when the oil palms reach maturity. Regardless of the partnership type, our plasma smallholders can turn a profit through selling their FFB harvest to the Company at government-determined prices. This programme provides an avenue for consistent and sustainable income for thousands of smallholders and can go on to improve livelihoods and help boost local economic growth.

In 2022, our plasma smallholders were enrolled and accounted for approximately 96% of our smallholder programmes. In addition to assisting in the development and management of the plantations, we have supported programmes for our schemed smallholders on topics such as yield improvement and developing resilience against price volatility. These support programmes are overseen by our field officers, who provide technical assistance, practical training and provide expert advice regarding fertiliser and pesticide procurement and usage. Through these programmes, we also share new farming technologies such as our high yielding oil palm seeds and provide operational and logistical support such as land titling and coordinating the transportation of FFB to palm oil mills.

We actively encourage our smallholders to implement our sustainability policy and support them in achieving traceability to plantation. As part of our wider efforts to support smallholders, we continuously conduct meetings to socialise and build smallholders' knowledge of relevant sustainability policies such as RSPO certification, high conservation value (HCV) and high carbon stock (HCS) areas. In 2022, we conducted outreach activities and engaged smallholders in three villages.

Inclusion into our supply chain also applies to independent smallholders, where 698 independent smallholders accounted for the remaining 4% of our smallholder programmes as of end 2022. Dedicated engagement sessions are also held for our independent smallholders to socialise our Policy on Sustainable Palm Oil. During these sessions, we request new independent smallholders to fill up our supplier onboarding form, allowing us to obtain written acknowledgment that they have received and understood our Policy requirements.

CONSUMERS AND CUSTOMERS

PROTECTING CONSUMER HEALTH
[3-3, 2-6, 416-2]

First Resources' products are both sold globally and to the local market. Globally, our products are sold to customers on Free on Board basis, and shipped to countries like China, India and Europe. Our customers comprise traders, palm oil refiners and renewable energy producers and we work closely with them to meet the growing market demand for traceable and sustainable palm oil.

First Resources does not produce consumer brand products, nevertheless, we are committed to safeguarding consumer health. We have sought to certify our processing plants to ensure that they adhere to best practices to ensure both product quality and safety standards. Our Kernel Crushing Plant (KCP) and refinery under PT Adhitya Serayakorita (PT ASK) have received the Hazard Analysis and Critical Control Points (HACCP) certification. Additionally, PT ASK's refinery and the KCP under PT Swadaya Mukti Prakarsa have also achieved good manufacturing practices GMP+ B2 standards.

In 2022, our products and services did not receive any reports of non-compliance relating to health and safety. Two of our palm oil refineries have also obtained the Halal certification and Kosher certification, which helps to ensure that our products meet our consumers' religious dietary requirements.

CONSUMERS AND CUSTOMERS

SUSTAINABILITY CERTIFICATIONS
[2-28, 3-3]

Consumers have become increasingly interested in knowing where their products come from and how they were processed and are more inclined to support companies that are committed to ethical and sustainable practices. Palm oil certifications are an important tool in reassuring customers that their purchases are sustainably sourced and produced. To meet this demand, First Resources actively participates in various industry schemes and works towards obtaining relevant industry certifications. These include the Roundtable on Sustainable Palm Oil (RSPO), the Indonesian Sustainable Palm Oil (ISPO) and the International Sustainability & Carbon Certification (ISCC).

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)
We met our 2022 RSPO certification target of four mills which encompasses more than 40,000 hectares of plantations. As of December 2022, we have received RSPO certifications for six mills and more than 59,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 34% of the Group's nucleus planted area.

In addition, our bulking station, one of our kernel crushing plants and a processing unit have attained the RSPO Supply Chain Certification Standard. Although our progress has been hampered by the COVID-19 pandemic, we continue to work towards our goal of 100% RSPO certification by 2026. In 2023, we aim to renew our existing certificates and certify another three mills integrated with plantations and two kernel crushing plants.

INDONESIAN SUSTAINABLE PALM OIL (ISPO)
Our target for 2022 was to obtain ISPO certification for another three mills integrated with plantations. In 2022, we have exceeded this target and obtained certification for four mills, covering more than 37,000 hectares of plantations. As of December 2022, we have received ISPO certifications for 13 mills and more than 126,000 hectares of plantations, representing 72% of the Group's nucleus planted area.

In 2023, we aim to renew our existing certificates and certify another three mills integrated with plantations under ISPO.

INTERNATIONAL SUSTAINABILITY CARBON CERTIFICATION (ISCC)
We have successfully renewed all our ISCC certifications for 51,020 hectares of our nucleus plantations. The 51,020 hectares accounts for approximately 29% of our total nucleus plantation area. Besides our plantations, six of First Resources' palm oil mills, including our processing units, one bulking unit and kernel crushing plant are also ISCC certified. These certifications enable us to provide our customers with a fully traceable product under the ISCC scheme.

CERTIFICATION STATUS OF RSPO AND ISPO

	2018	2019	2020	2021	2022
Percentage of certified plantation area*					
RSPO	10%	10%	15%	15%	34%
ISPO	49%	49%	49%	49%	72%
Number of certified mills					
RSPO	2	2	3	3	6
ISPO	9	9	9	9	13

* First Resources' certified nucleus area as a percentage of total nucleus area

MATERIALITY AND STAKEHOLDER ENGAGEMENT

MATERIALITY ASSESSMENT [2-14, 3-1, 3-2]

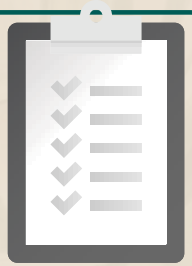
In 2019, we conducted an in-depth assessment of our material sustainability topics through the five-stage process detailed below:

1 SUSTAINABILITY CONTEXT AND ISSUE IDENTIFICATION

A benchmarking exercise and desktop research was conducted to identify emerging issues and any key topics that were absent from First Resources' previous list of material sustainability topics.

2 SURVEYS

A selected list of internal and external stakeholders were surveyed to rank the shortlisted potential material topics based on what is most important for First Resources to manage.



3 INTERVIEWS

One-on-one interviews were conducted with First Resources' senior management team and key external stakeholders to gather additional context and insights on relevant sustainability topics.

4 ANALYSIS

Information gathered during the survey and interview stages were analysed and consolidated to produce key insights and a prioritised list of material topics, which was presented as a materiality matrix.

5 VALIDATION

A working session was held with key persons from First Resources to present, test and validate the final list of material topics and the materiality matrix. The final list of material topics was signed off by our CEO on behalf of the Board of Directors.

In line with best practice, First Resources will continue to review our material sustainability topics annually and conduct an in-depth assessment on a regular basis.

Based on our review in 2022, which involved peer benchmarking and gathering feedback from selected internal stakeholders, we concluded that the material topics identified remained relevant.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

FIRST RESOURCES MATERIALITY MATRIX

Key:

MATERIAL TOPICS:

Topics that are most important to internal and external stakeholders. These topics direct the focus of First Resources' sustainability strategy and reporting. We will ensure that adequate resources are allocated to the management of these topics and that sufficient public disclosure is provided..

RELEVANT TOPICS:

Topics that are less critical and of lower relative importance to internal and external stakeholders. However, these topics will still form part of First Resources' responsible business practices, and will be managed as part of the company's general sustainability approach. These will be reported on as relevant, based on sustainability context and stakeholder interest.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT [2-12, 2-29]

Our sustainability approach and communications are guided by our stakeholders' interests and concerns. Acknowledging the importance of constructive feedback, we strive to foster open dialogue and build trust with our stakeholders.

We have identified our key stakeholder groups through an internal mapping exercise, which evaluates our impacts on them and conversely, their contribution to the success and continuity of our business. We tailor our method of engagement with each of these groups based on both parties' needs and requirements, revising whenever necessary to ensure effectiveness. The table below summarises our stakeholder engagement efforts in 2022.

STAKEHOLDER GROUPS	ENGAGEMENT METHOD AND FREQUENCY	TOPICS AND CONCERNS RAISED	FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS
BANKS AND FINANCIAL INSTITUTIONS	• Website (regularly) • SGXNET (periodic) • Annual Report (yearly) • Sustainability Report (yearly) • One-on-one communication (as required)	• First Resources' financial performance • First Resources' sustainability commitments, initiatives and progress • Sustainability certifications • Fire prevention and management • Yield improvements • Impacts of climate change • Health and safety of employees during the COVID-19 pandemic	• Provide updates on company's performance and plans • Provide updates on our sustainability policy and its implementation progress • Provide progress updates on our sustainability certifications • Provide information on our fire prevention and management initiatives • Research and development initiatives that focus on innovation in yield improvements and the mitigation of environmental impact • Provide updates on our operations and practices during COVID-19 pandemic
COMMUNITIES	• Engagements via our Public Relations Officers and Community Development Officers (periodic)	• Better village infrastructure and education access • Access to employment opportunities • Participation in plasma programme • Social conflict, and Free, Prior and Informed Consent (FPIC) concerns • Health and prosperity of community during the COVID-19 pandemic	• Increase investment to support community infrastructure and improving the quality of education provided • Prioritise employment opportunities for local communities • Ensure appropriate plasma allocation for plantation development • Conduct Social and Environment Impact Assessments and ensure better communication during FPIC process • Engagement with local communities to raise awareness about forest protection • Provide support to local communities during the COVID-19 pandemic

MATERIALITY AND STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS	ENGAGEMENT METHOD AND FREQUENCY	TOPICS AND CONCERNS RAISED	FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS
CUSTOMERS	• One-on-one communication (as required) • Website (regularly) • Annual Report (yearly) • Sustainability Report (yearly)	• First Resources' sustainability commitments, initiatives and progress • Customers' traceability requirements • Grievances lodged by stakeholders on First Resources' operations or suppliers such as deforestation and labour issues	• Provide regular updates on our sustainability policy and its implementation progress • Provide traceability data of our supplying mills, kernel crushing plants and processing units • Investigate, address and clarify grievances lodged as per our grievance mechanism
EMPLOYEES	• E-mails and notice boards (regularly) • Internal company meetings (regularly) • Performance review (twice a year)	• First Resources' operational and financial performance • Personal and career development • Health and safety	• Keep employees updated on company news, performance and policies • Ensure health and safety procedures are well implemented, and equipment are adequate • Increase amount and adequacy of training, and development opportunities • Implement health and safety measures and COVID-19 support • Implementation of vaccination programme
NON-GOVERNMENTAL ORGANISATIONS (NGOs)	• One-on-one communication (as required) • Website (regularly) • Annual Report (yearly) • Sustainability Report (yearly)	• First Resources' sustainability commitments, initiatives and progress • Grievance lodged by stakeholders on First Resources' operations or suppliers such as deforestation and labour issues	• Provide updates on our sustainability policy and its implementation progress • Investigate and respond to grievances as per our grievance mechanism
REGULATORY BODIES (Including Government)	• One-on-one communication (as required) • Reporting mechanisms (as required) • Multi-stakeholder forums (as required)	• Company's compliance with applicable regulation/ legislation • Collaboration to aid communities during COVID-19 pandemic • Collaboration to provide relief for communities during disasters	• Ensure documentation of Company's compliance • Provide personal protective equipment (PPE), disinfectant tools and food staples • Collaborate with the relevant local authority to support local communities during disasters

MATERIALITY AND STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS	ENGAGEMENT METHOD AND FREQUENCY	TOPICS AND CONCERNS RAISED	FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS
SHAREHOLDERS	• Annual General Meeting (yearly) • Website (regularly) • SGXNET (periodic) • Annual Report (yearly) • Sustainability Report (yearly) • One-on-one communication (as required) • Conferences / Non-deal roadshows (periodic)	• First Resources' operational and financial performance • First Resources' sustainability commitments, initiatives and progress • Sustainability certifications	• Provide updates on Company's performance and plans • Provide updates on our sustainability policy and its implementation progress • Provide updates on our sustainability certifications
SUPPLIERS	• One-on-one communication (as required) • Group sessions (periodic)	• Compliance with First Resources' sustainability standards including our traceability requirements • Clarification to grievances lodged on suppliers' operations	• Explain First Resources' sustainability policy and our expectations of supplier compliance • Verify clarifications made and respond to grievances as per our grievance mechanism

MEMBERSHIP OF ASSOCIATIONS AND EXTERNAL INITIATIVES [2-28]

Industry collaborations and partnerships are necessary for First Resources to deliver on our sustainability commitments. We actively contribute to the sustainable transformation of the palm oil industry through our participation in various associations and external initiatives.

A list of our memberships and external initiatives we subscribed to are provided below:

- Association of Indonesian Biodiesel Producers (APROBI)
- High Carbon Stock Approach (HCSA)
- Indonesian Palm Oil Association (GAPKI)
- Indonesian Sustainable Palm Oil Certification (ISPO)
- International Sustainability & Carbon Certification (ISCC)
- Roundtable on Sustainable Palm Oil (RSPO)
- United Nations Guiding Principles on Business and Human Rights

GRI CONTENT INDEX

Statement of use	First Resources Limited has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
GRI 2: General Disclosures 2021	**THE ORGANISATION AND ITS REPORTING PRACTICES**						
	2-1	Organisational details	pg 5				
	2-2	Entities included in the organisation's sustainability reporting	pg 1				
	2-3	Reporting period	pg 1				
	2-4	Restatements of information	pg 1				
	2-5	External assurance	pg 1				
	ACTIVITIES AND WORKERS						
	2-6	Activities, value chain and other business relationships	pg 5, 55, 60				
	2-7	Employees	pg 44				
	2-8	Workers who are not employees	pg 44	2-8a	Information incomplete	To be included in SR2023	

GRI CONTENT INDEX

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
General Disclosure				Requirements omitted	Reason	Explanation	
	GOVERNANCE						
	2-9	Governance structure and composition	Annual Report 2022				
	2-10	Nomination and selection of the highest governance body	Annual Report 2022				
	2-11	Chair of the highest governance body	Annual Report 2022				
	2-12	Role of the highest governance body in overseeing the management of impacts	pg 8, 64				
	2-13	Delegation of responsibility for managing impacts	pg 8				
	2-14	Role of the highest governance body in sustainability reporting	pg 8, 62				
	2-16	Communication of critical concerns	pg 9				
	2-17	Collective knowledge of the highest governance body	pg 8				
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2022				
	2-19	Remuneration policies	Annual Report 2022				
	2-20	Process to determine remuneration	Annual Report 2022				

GRI CONTENT INDEX

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
	STRATEGY, POLICIES AND PRACTICES						
	2-22	Statement on sustainable development strategy	pg 2-4				
	2-23	Policy commitments	pg 7-10	2-23aiii	Not applicable.	First Resources does not explicitly refer to the precautionary principle or approach in its risk management principles.	
	2-24	Embedding policy commitments	pg 8				
	2-25	Processes to remediate negative impacts	pg 9				
	2-26	Mechanisms for seeking advice and raising concerns	pg 9				
	2-28	Membership associations	pg 61, 66				
	STAKEHOLDER ENGAGEMENT						
	2-29	Approach to stakeholder engagement	pg 64				
	2-30	Collective bargaining agreements	pg 51				
	3-1	Process to determine material topics	pg 10				
GRI 3: Material Topics 2021	3-2	List of material topics	pg 10				

GRI CONTENT INDEX

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission		GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**
TOPIC SPECIFIC DISCLOSURES						
ENVIRONMENTAL MANAGEMENT						
Yield and Extraction Improvements *(Material topic)*						
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 16			
Conservation and management of High Conversation Value (HCV) areas *(Material topic)*						
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 18			13.3.1 13.4.1
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	pg 18-19			13.3.2
	304-2	Significant impacts of activities, products, and services on biodiversity	pg 18-19			13.3.3
	304-3	Habitats protected or restored	pg 18-19			13.3.4
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	pg 18-19			13.3.5
Protection of High Carbon Stock (HCS) forests *(Material topic)*						
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 18-19			13.4.1
Peatland Management *(Material topic)*						
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 20			13.4.1

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GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
Fire Prevention and Management *(Material topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 20-21				
Climate Change *(Material topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 23				13.1.1 13.2.1
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change		201-2aiii 201-2av	Information incomplete.	We are in the process of implementing the TCFD recommendations.	13.2.2
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	pg 24				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	pg 25	305-1a 305-1d 305-1e 305-1f	Information incomplete.	GHG emissions are currently calculated using the latest RSPO PalmGHG calculator (version 4). We are in the midst of adopting the GHG Protocol in the future calculation of our emissions.	13.1.2
	305-2	Energy indirect (Scope 2) GHG emissions	pg 25	305-2a 305-2d 305-2e 305-2f	Information incomplete.		13.1.3
	305-4	GHG emissions intensity	pg 24				13.1.5
	305-5	Reduction of GHG emissions	pg 23	305-5c	Information incomplete.		13.1.6
Waste and Effluents Management *(Relevant topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 33				3.7.1 13.8.1
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	pg 33				
	303-4	Water Discharge	pg 33				

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GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
GRI 306: Waste 2020	306-3	Waste Generated	pg 33				
Water Management *(Relevant topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 32				13.7.1
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	pg 32				
	303-3	Water Withdrawal	pg 32				13.7.6
Pest and Chemical Usage *(Relevant topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 36				13.5.1 13.6.1
COMMUNITY ENGAGEMENT AND DEVELOPMENT							
Community Investment *(Relevant topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 40				13.22.1
GRI 203: Indirect Economic Impacts 2021	203-1	Infrastructure investments and services supported	pg 40				13.22.3
	203-2	Significant indirect economic impacts	pg 40				13.22.4
Rights of Indigenous and Local Communities *(Relevant topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 39				13.12.1 13.13.1 13.14.2
GRI 411: Rights of Indigenous Peoples 2021	411-1	Incidents of violations involving rights of indigenous peoples	pg 39				13.14.2

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GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
GRI 413: Local Communities 2021	413-1	Operations with local community engagement, impact assessments, and development programs	pg 39				13.12.2
	413-2	Operations with significant actual and potential negative impacts on local communities	pg 39				13.12.3
EMPLOYEE RELATIONS AND WORKPLACE							
Employee Attraction, Retention, and Development *(Material topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 44				13.20.1 13.21.1
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	pg 44				
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	pg 45				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	pg 47	404-1ai	Information incomplete	To be included in SR2023	
	404-2	Programs for upgrading employee skills and transition assistance programs	pg 46-47	404-2b	Information incomplete	To be included in SR2023	
Gender Equality and Inclusion *(Relevant topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 48				13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	pg 48				13.15.2

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GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
Labour Conditions and Human Rights *(Material topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 49				13.16.1 13.17.2 13.18.1
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	pg 50				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	pg 51				
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	pg 49-50				13.17.2
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	pg 49-50				13.16.2

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GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission		GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
Occupational Health and Safety (Material topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 52				13.19.1
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	pg 52				13.19.2
	403-2	Hazard identification, risk assessment, and incident investigation	pg 52, 53				13.19.3
	403-3	Occupational health services	pg 52				13.19.4
	403-4	Worker participation, consultation, and communication on occupational health and safety	pg 52				13.19.5
	403-5	Worker training on occupational health and safety	pg 52				13.19.6
	403-6	Promotion of worker health	pg 52, 53				13.19.7
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pg 52				13.19.8
	403-8	Workers covered by an occupational health and safety management system	pg 52				
	403-9	Work-related injuries	pg 54				13.19.10
	403-10	Work-related ill health	pg 54				13.19.11

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GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission		GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
SUPPLY CHAIN AND OTHERS							
Business Conduct and Ethics *(Material topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 8				13.26.1
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	Annual Report 2022				
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	pg 9				13.26.2
	205-2	Communication and training about anti-corruption policies and procedures	pg 8				13.26.3
	205-3	Confirmed incidents of corruption and actions taken	pg 9				13.26.4
Smallholder Inclusiveness *(Relevant topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 59				
Supply Chain Traceability *(Material topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 56				13.23.1
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	pg 57				
	308-2	Negative environmental impacts in the supply chain and actions taken	pg 57				

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GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
General Disclosure				**Requirements omitted**	**Reason**	**Explanation**	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	pg 57				
	414-2	Negative social impacts in the supply chain and actions taken	pg 57				
Sustainability Certification *(Material topic)*							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 10, 11, 15, 61				
OTHER TOPICS REPORTED ON							
GRI 3: Material Topics 2021	3-3	Management of material topics	pg 60				13.10.1
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	pg 60				13.10.3

Topics in the applicable GRI Sector Standards determined as not material	
Topic	**Explanation**
GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022	
13.9 Food security	**First Resources does not produce finished/consumer goods**
13.11 Animal health and welfare	**First Resources does not handle animals in its business operations**
13.24 Public Policy	**First Resources does not make any political contributions**
13.25 Anti-competitive behaviour	**First Resources has no incidences of legal actions during the reporting period**

SASB CONTENT INDEX

AGRICULTURAL PRODUCTS SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Topic	Code	Accounting Metric	Unit of Measure	Data/ Information Source; Reasons for omission
Greenhouse Gas Emissions	FB-AG-110a.1	Gross global Scope 1 emissions	Metric tons (t) CO_2-e	pg 24-25
	FB-AG-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	pg 23
	FB-AG-110a.3	Fleet fuel consumed, percentage renewable	Gigajoules (GJ), Percentage (%)	pg 24
Energy Management	FB-AG-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	pg 24
Water Management	FB-AG-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m^3), Percentage (%)	FR does not withdraw water from water-stressed areas.
	FB-AG-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	pg 32
	FB-AG-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Number	pg 32
Food Safety	FB-AG-250a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Rate	This indicator is not relevant as First Resources does not produce finished/ consumer goods.
	FB-AG-250a.2	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	Percentage (%) by cost	This indicator is not relevant as First Resources does not produce finished/ consumer goods.

SASB CONTENT INDEX

Topic	Code	Accounting Metric	Unit of Measure	Data/ Information Source; Reasons for omission
	FB-AG-250a.3	(1) Number of recalls issued and (2) total amount of food product recalled	Number, Metric tons (t)	This indicator is not relevant as First Resources does not produce finished/ consumer goods.
Workforce Health and Safety	FB-AG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees	Rate	In addition to fatalities and fatality rates, First Resources measures Permanent Work-related Injuries and Recordable Work-related Injuries to monitor health and safety performance.
Environmental & Social Impacts of Ingredient Supply Chain	FB-AG-430a.1	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard	Percentage (%) by cost	First Resources did not source any certified products from third-party suppliers in 2022.
	FB-AG-430a.2	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Rate	No audits were conducted in 2022. We actively monitor the grievances raised by external parties in case they involve our third-party suppliers.
	FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	n/a	pg 55

SASB CONTENT INDEX

Topic	Code	Accounting Metric	Unit of Measure	Data/ Information Source; Reasons for omission
GMO Management	FB-AG-430b.1	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	n/a	First Resources does not use GMOs.
Ingredient Sourcing	FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	n/a	pg 26-31
	FB-AG-440a.2	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Percentage (%) by cost	First Resources sources its agricultural products from Sumatra and Kalimantan, both of which have low baseline water stress based on the WRI database.

ACTIVITY METRICS

Activity Metric	Code	Category	Unit of Measure	Data/ Information Source; Reasons for omission
Production by principal crop	FB-AG-000.A	Quantitative	Metric tons (t)	pg 4
Number of processing facilities	FB-AG-000.B	Quantitative	Number	pg 4
Total land area under active production	FB-AG-000.C	Quantitative	Hectares	pg 4
Cost of agricultural products sourced externally	FB-AG-000.D	Quantitative	Reporting currency	n/a

GLOSSARY OF TERMS

Biodiversity	The diversity (number and variety of species) of plant and animal life within a region.
Biological Oxygen Demand (BOD)	The amount of oxygen consumed by bacteria and other microorganisms when decomposing organic matter under aerobic conditions (i.e., when oxygen is present) at a specified temperature.
Carbon Dioxide Equivalents (CO_2e)	A standard unit for measuring carbon footprints. It is to express the impact of each different greenhouse gas in terms of the amount of carbon dioxide that would create the same amount of warming. That way, a carbon footprint consisting of different types of greenhouse gases can be expressed as a single number.
Chemical Oxygen Demand (COD)	Another indicator of contamination that shows the amount of dissolved matter in water susceptible to being oxidised. While BOD uses bacteria and other microorganisms to test, COD uses chemicals to test.
Crude Palm Oil (CPO)	The oil extracted from the pulp of the FFB
Effluents	Waste water discharged from a source (such as mill) into a separate body of water.
Extraction rate	The amount of oil recovered from FFB (in percentage) at a mill. CPO is extracted from the flesh of the FFB's fruitlets; PKO from the kernel of the FFB's fruitlets
Empty fruit bunch (EFB)	The remains of the FFB after it has been processed and its fruitlets removed at the mill.
Fire Danger Indices (FDI)	An internal index for fire risk assessment which has four levels: Low, Medium, High and Extreme, depending on humidity, rain and fuel conditions.
Fresh Fruit Bunch (FFB)	The fruit bunch harvested from the oil palm tree. The weight of the fruit bunch ranges between 10 kg to 40 kg depending on the size and age.
Free, Prior and Informed Consent (FPIC)	The principle that a community or indigenous people has a right to give or withhold its consent to projects that are proposed, which may affect them or their lands they customarily own, occupy or use.
Ganoderma	*Ganoderma* is a white rot fungus that causes economic loss of oil palm.
Greenhouse gas (GHG)	A gas that has the property of absorbing and emitting infrared radiation, creating a greenhouse effect.
Global Reporting Initiative (GRI)	A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.
High Conservation Value (HCV)	Ecosystems of outstanding significance and critical importance due to their high biological, ecological, social, or cultural value. There are six types of HCVs, based on the social and environmental value of natural forests. These areas must be carefully managed and protected to maintain or enhance their value
High Conservation Value - High Carbon Stock Approach (HCV-HCSA) assessments	A participatory process for identifying social and environmental values which need to be conserved in production landscapes. As per the revised RSPO Principles and Criteria released in November 2018, any new land clearing (in existing plantations or new plantings) after November 2018 must be preceded by a HCV-HCSA assessment.

GLOSSARY OF TERMS

High Carbon Stock (HCS) Approach	The HCSA methodology provides six classifications of land based on vegetation structure and density to identify the High Carbon Stock (HCS) forest areas to be protected and degraded land with low carbon and biodiversity values that may be developed.
Indonesian Palm Oil Association (IPOA)	IPOA, or locally known as Gabungan Penguhasa Kelapa Sawit Indonesia (GAPKI) is an organisation consisting state-owned plantation companies, privately-owned foreign and local companies, as well as smallholders under cooperatives.
Indonesia Sustainable Palm Oil (ISPO)	A mandatory certification requirement for all oil palm growers and millers operating in Indonesia imposed by the government in an effort to preserve the environment, promote economic and social activities, and enforcement of Indonesian statutory laws in the palm oil sector.
Integrated Fire Management (IFM)	An in-depth workplan for fire prevention, preparedness, response and recovery.
Intergovernmental Panel on Climate Change (IPCC)	United Nations body that carries out regular assessments and provides governments at all levels scientific information for the development of climate policies
International Sustainability and Carbon Certificate (ISCC)	A certification system that promotes the sustainable cultivation, processing and utilisation of biomass and bioenergy. It is geared towards GHG emissions reduction, sustainable land use, protection of natural biospheres and social sustainability.
International Union for Conservation of Nature's Red List (IUCN Red List)	The world's most comprehensive inventory of the global conservation status of biological species. It is a critical indicator of the health of the world's biodiversity.
Intergovernmental Panel on Climate Change (IPCC)	United Nations body that carries out regular assessments and provides governments at all levels scientific information for the development of climate policies
Ministry of Environment and Forestry (MoEF)	The MoEF is the cabinet-level, government ministry in the Republic of Indonesia responsible for managing and conserving that nation's forests.
No Deforestation, No Peat and No Exploitation (NDPE)	Commitments to NDPE are often seen in reference to agricultural commodity production and are most common in relation to palm oil production.
Nucleus plantation	Plantations owned by the group.
RSPO New Planting Procedures (NPP)	The RSPO NPP consists of a set of assessments and verification activities to be conducted by grower members and certification bodies prior to a new oil palm development, in order to help guide responsible planting and ensure that social and environmental requirements have been met.
PalmGHG Calculator	A tool developed by the RSPO Greenhouse Gas Working Group 2 to allow palm oil producers to estimate and monitor their net GHG emissions. The Calculator also enables palm oil producers to identify crucial areas in their production chain and thereby guiding emission reduction opportunities.
Palm oil mill effluent (POME)	The by-product of processed FFB.
Peat	An accumulation of partially decayed vegetation matter. Peat forms in wetlands or peatlands, variously called bogs, moors, muskegs, pocosins, mires, and peat swamp forests.

GLOSSARY OF TERMS

Palm kernel (PK)	The seed in the FFB's fruitlet where the palm kernel oil is derived from.
Plasma schemes	A programme initiated by the Indonesian government to encourage the development of smallholders' plantations with the assistance and cooperation of plantation companies (the nucleus) which assist and support the surrounding community plantations (the plasma).
Personal protective equipment (PPE)	Equipment that protects users from health and safety risks at work.
Programme for Pollution Control, Evaluation and Rating (PROPER)	A national public environmental reporting initiative by the Indonesian Environmental Agency to promote industrial compliance with pollution control regulations, facilitate and enforce the adoption of practices contributing to cleaner technologies, and ensuring a better environmental management system.
Roundtable on Sustainable Palm Oil (RSPO)	A not-for-profit organisation that unites stakeholders from the seven sectors of the palm oil industry: oil palm producers, processors or traders, consumer goods manufacturers, retailers, banks/investors, and environmental and social non-governmental organisations (NGOs), to develop and implement global standards for sustainable palm oil consisting of environmental and social criteria.
RSPO Principles and Criteria (P&C)	A set of stringent standards for sustainable palm oil production covering the most significant environmental and social impacts of palm oil production and the immediate inputs to production, such as seed, chemicals and water, and social impacts related to on-farm labour and community relations, which RSPO producers (i.e. mills and plantation) must comply with.
Shared Socio Economic Pathway (SSP) Scenarios	These scenarios featuring multiple explore a range of possible future developments of anthropogenic drivers of climate change such as greenhouse gases and air pollutants, population, technological and economic growth and high-CO_2 emissions pathways without climate change mitigation as well as low-CO_2 emissions pathways.
Singapore Exchange Limited (SGX)	SGX is a Singaporean investment holding company. Since 2022, SGX has stipulated that climate reporting is mandatory for all issuers on a 'comply or explain' basis.
Stakeholders	Any group or individual who are affected by or can affect a company's operations.
Standard Operating Procedures (SOPs)	A set of step-by-step instructions developed to help workers carry out complex routine operations.
Sustainability	A term expressing a long-term balance between social, economic and environmental objectives. Often linked to sustainable development, which is defined as "development that meets the need of current generations without compromising the needs of future generations".
Total Suspended Solids (TSS)	Measurement of the total inorganic and organic suspended particles that can be trapped by a filter. It is a parameter used to assess the water quality sampled from a water body, for example, wastewater after treatment in a wastewater treatment plant.
Task Force on Climate-Related Financial Disclosure (TCFD)	TCFD was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders.
World Health Organisation (WHO) Class 1A and 1B	A classification of hazardous level of active ingredients in pesticides according to the World Health Organisation. 1A is extremely hazardous and 1B is highly hazardous.

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