



First Resources

SUSTAINABILITY REPORT 2023





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About This Report

We are pleased to present First Resources' 2023 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) and its subsidiaries in Indonesia and Singapore for the financial year ended 31 December 2023. It focuses only on palm oil, excluding our rubber plantations in Indonesia, which account for a very small proportion of our business. Where applicable, data from previous financial years have been included for comparison.

REPORTING FRAMEWORK [1]

The content of this report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. The GRI Standards were selected to guide our reporting as it is one of the most widely adopted 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 below the section title. Our GRI content index can be found on pages [90-103](#).

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. In terms of climate-related disclosures, they are consistent with the recommendations

across the four pillars of governance, strategy, risk management, and metrics and targets within the Task Force for Climate-related Disclosures (TCFD) framework.

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 [104-105](#).

DATA AND ASSURANCE [2-5, 2-14]

First Resources' Internal Audit department has conducted an internal review of the Group's sustainability reporting process on the material topic of Occupational Health and Safety (OHS). In line with SGX's enhanced sustainability reporting regime, the Internal Audit department will be progressively conducting internal reviews of the Group's sustainability reporting process on other material topics. These internal reviews are carried out in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

For the period from 1 January 2023 to 31 December 2023, Internal Audit has sought and examined evidence pertaining to the GRI Standard 403: Occupational Health and Safety 2018 disclosures in this report through the following procedures:

- Developing and documenting a review plan outlining the objectives,

scope, timing, and resource allocation for the review;

- Identifying, analysing, evaluating, and documenting the information obtained to achieve the objectives of the review; and
- Communicating the results of the review to the Corporate Sustainability department, senior management, and the Board of Directors.

While we did not engage a third-party in the assurance of our sustainability report this year, the information presented in this report has been duly reviewed by senior management. As we continue to build on enhancing our sustainability reporting process, the Company will consider engaging an independent third-party to conduct an external limited assurance of the information presented in our sustainability report in subsequent years.

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 2023. As this marks our tenth Sustainability Report, we remain steadfast in our commitment to sustainability progress and maintaining transparency with our stakeholders.

The past year has been defined by significant changes – from economic uncertainty and rising inflation to the continued rise of climate change impacts. While these changes present challenges, it has been evident that they also present many opportunities. Navigating these changes has reaffirmed the importance of integrating sustainability to build an innovative and resilient business for First Resources.

OUR PERFORMANCE IN 2023

This year, we reported an EBITDA of US\$282.0 million and underlying net profit of US\$146.6 million, with sales totalling US\$980.6 million. Although FY2023's performance may not match the exceptional FY2022, which saw palm oil prices reaching historical highs on fears of supply chain disruptions from government policies and geopolitical tensions, the underlying net profit for FY2023 was comparable to that in FY2021 despite lower sales.

Our financial performance in FY2023 was underpinned by record-breaking production levels, with fresh fruit bunches (FFB) harvested reaching a new high of 3,584,486 tonnes and FFB yield strengthening to 18.4 tonnes per hectare. Against this backdrop, we also saw an increase in our crude palm oil (CPO) yield, which came in at 4.2 tonnes per hectare. Through the increase of purchased third-party FFB crops, CPO production also saw an expansion of 8.0% year-on-year to 951,425 tonnes.

Our performance is also supported by our ongoing sustainability efforts which build efficiencies, reduce risk, and support our growth as a business. Since the launch of our Sustainability Policy and commitment to No Peat, No Deforestation and No Exploitation (NDPE) in 2015, we have made steady progress, including our continued achievement of 100% traceability to mill, and 100% traceability to plantation for our own mills. In 2023, we have further achieved our target of 100% traceability to plantation for third-party mills. With that, First Resources has achieved full Traceability to Mill (TTM) and Traceability to Plantation (TTP).

Our NDPE policy continues to be an important focus for our supplier engagement. In 2023, we recommunicated our NDPE policy to



CEO's Message

all existing suppliers, while continuing to subject all new suppliers to a rigorous onboarding process that includes screening according to social and environmental criteria.

Beyond this, we support all efforts to ban products sourced from areas affected by deforestation or forest degradation practices as stated in the EU Deforestation Regulation (EUDR). In 2023, we initiated a programme to map our smallholder suppliers to ensure that products from these suppliers are not originating from deforested areas and have undergone relevant due diligence processes for entry into the European market by 2024. We plan to commence the first stages of this mapping process in 2024, aligning with the implementation of the EUDR policy.

We also received the Roundtable on Sustainable Palm Oil (RSPO) certification for an additional subsidiary, covering 3,838 hectares of plantations in East Kalimantan, bringing the total number of subsidiaries with RSPO certifications to nine. As of 2023, our certifications cover six mills and more than 63,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 36% of our nucleus planted area. Looking to the future, we remain committed to our goal and

remain on track to achieve 100% RSPO certification by 2026.

OUR FOCUS ON PEOPLE

As a leading agribusiness, our people are central to our business and our commitments. The collective effort of our workforce is what drives both operational growth and sustainability across our business.

This past year, we continued making progress against our ongoing commitment to ensuring the well-being and success of our employees. Our investment in employee training and development continued to grow with 2023 seeing a range of renewed initiatives, including the programme for Childcare Center (TPA) Training and our end-of-year Learning Festival. In our efforts to accelerate our human rights assessment processes, we have commenced preparations for the implementation of a human rights impact assessment within our plantations, with the support of an external assessor. This assessment aims to identify, prevent, and mitigate human rights impacts, both current and potential and inform the next steps in the implementation of our Human Rights Due Diligence system.

In 2023, we strengthened our policies related to child protection to improve

our childcare facility management, provide training for childcare providers (*Ibu Pamong*) in plantations and conduct health checks for mothers and children. We also successfully enhanced and implemented our child protection guidelines and standard operating procedures (SOPs), prohibiting child labour and upholding child education standards.

With managing our people comes the utmost importance of prioritising the safety and well-being of our workforce. We continue to provide our employees with comprehensive health and safety training to ensure that our employees practice and uphold our Occupational Health and Safety (OHS) standards. This year, we conducted a review of our OHS procedures including policies, manuals, and work instructions and intensified checks on our workplace equipment. While we always strive to ensure the safety of our employees, a significant challenge we faced in 2023 was the four work-related fatalities reported. One life lost is one too many and while our commitment strongly remains to achieve zero fatalities, we recognise that this is an area where we need to do more. We will continue to safeguard the health and well-being of our employees to ensure zero fatalities.

Our focus on people extends beyond our business to actively engage with the

communities we impact. This year, we continued to make good progress on our community and social programmes, contributing over IDR 25.8 billion to our communities. With the pillars of our community investment being education, healthcare, infrastructure and alternative livelihoods, our efforts in 2023 saw investment and support across 41 schools, 18 of our health clinics, 19 of our first-aid centres and 140 kilometres of roads that were developed as part of our community projects. Throughout our engagement with communities, including indigenous communities, we prioritise open communication and respect for the rights of the surrounding communities where we operate.

OUR FOCUS ON CLIMATE

Climate change presents significant challenges and opportunities for companies in the palm oil industry. As the effects of climate change become more pronounced, there is increasing pressure on companies like First Resources to adopt sustainable practices that mitigate environmental impact, such as reducing carbon emissions, conserving biodiversity, and implementing climate-smart agricultural techniques. There is also a growing global emphasis on transitioning to renewable energy sources to reduce dependence on fossil fuels. This motive



CEO's Message

is shaping the sustainability context for First Resources, as it can lead to increased demand for sustainable palm oil production methods that minimise emissions and promote energy efficiency.

To ensure resiliency of the business, we have started implementing the Task Force on Climate-related Financial Disclosures (TCFD) recommendations since 2022, reporting for the first time on our climate-related risks and opportunities and risk management. Building on this progress, this year, we have taken the next step in this journey to conduct a quantification of our material physical and transition risks.

During the year, we expanded the boundaries of our greenhouse gas (GHG) emissions reporting to include all our operating units and have started adopting the use of the GHG Protocol in the calculation of our Scope 1 and Scope 2 emissions. Looking forward in terms of climate, we continue to invest in the development of research to build the resiliency of our produce and continue mitigation implementation such as the preservation of conservation areas, and the use of methane capture facilities and filter belt-press. Furthermore, we are conducting an in-depth review of the Scope 3 GHG accounting requirements for inclusion in our GHG emissions reporting progressively going forward.

LOOKING AHEAD

Reflecting on the challenges of the past year, we are proud of the progress we have made towards our sustainability goals. 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, maintaining full traceability across our value chain, and eliminating work-related fatalities and injuries. These form important steps as we build towards our longer-term aspirations.

There is still much work to be done and we anticipate 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 has evolved into one of Southeast Asia's leading palm oil producers and has matured into an integrated player with its own processing capabilities.

As of 8 March 2024, Eight Capital Inc. holds 67% of our company shares (excluding treasury shares), with a further 11% held by two other substantial shareholders and the remainder held in the hands of the public.

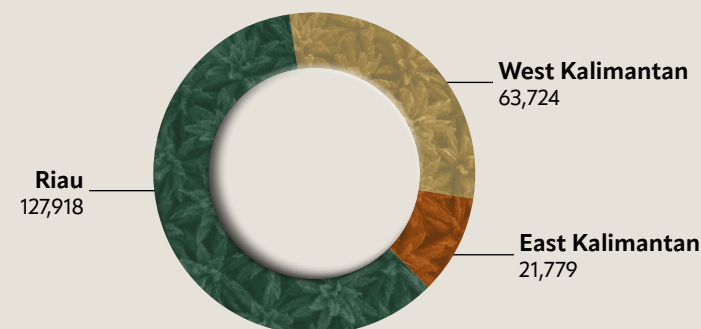
OPERATIONAL PROFILE ^[2-1, 2-6]

With the support of our 27,761 employees, we manage a total of 213,421 hectares of both nucleus and plasma planted area across the Indonesian provinces of Riau, West Kalimantan, and East Kalimantan. Of the total, 177,930 hectares are our nucleus oil palm plantations while 35,491 hectares belong to plasma smallholders.

More than half of our plantations are at prime age, with approximately 9% in their immature phase. Our largest planted area in Riau contributes to 64% of our fresh fruit bunches (FFB) production, while plantations in West and East Kalimantan contribute the remaining 36%. In 2023, First Resources produced over 3.5 million tonnes of FFB from both nucleus and plasma estates.

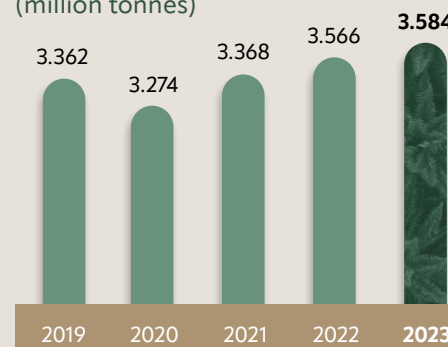
In addition, First Resources also owns 19 palm oil mills, two refining and processing plants, and four kernel crushing plants in Indonesia. In 2023, our total crude palm oil (CPO) production reached 951,425 tonnes, reflecting an 8% increase from 2022 from a recovery in purchases of third-party crops during the year.

OIL PALM PLANTED AREA BY LOCATION IN 2023 (hectares)

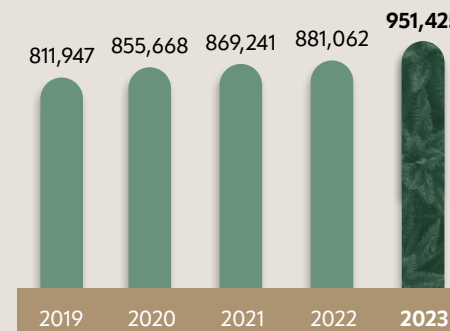


Note: The figures include both nucleus and plasma planted area

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 pages 6-7 and 16-17 of our 2023 [Annual Report](#).



Our Presence





Our Approach to Sustainability [2-23]

A key focus in ensuring the continued success of our business is creating long-term value for our stakeholders and the environment. At First Resources, sustainability is the cornerstone of our business, aligning with our core values of Loyalty, Integrity, Diligence, Persistence, and Care. These values are at the foundation of our engagement 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 2023 can be found in the [Materiality and Stakeholder Engagement](#) section of this report.

OUR POLICY ON SUSTAINABLE PALM OIL

Our commitment and approach to sustainability is guided by the First Resources' Policy on Sustainable Palm Oil, also referred to as the NDPE Policy, which stands for "No Deforestation, No Peat, and No Exploitation". Launched in 2015, this policy serves as a testament to our unwavering dedication to sustainability, guiding our goal to ensure that our oil palm plantations not only yield long-term economic and social benefits for local communities but also contribute to environmental protection. The NDPE Policy outlines the environmental and social standards expected across our operations, including our subsidiaries, associated companies and third-party suppliers.

The NDPE Policy encompasses commitments around four key 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

To ensure understanding and adherence to our commitments set out in the Policy, we provide comprehensive training to all relevant employees. We also communicate our Policy commitments and adherence requirements to our suppliers during onboarding and through periodic meetings. For more details on our supplier engagement, see the section on [Supply Chain](#).



Our Approach to Sustainability

GOVERNANCE OF SUSTAINABILITY [2-9, 2-12, 2-13, 2-14, 2-17, 2-27, 3-3]

At First Resources, our commitment to maintaining the highest standards of corporate governance is crucial to the effective implementation of our policies and the ongoing enhancement of the Group's performance. Led by the Chairman, the Board oversees sustainability matters and receives regular updates on important sustainability issues. Representatives from all key areas of our operations attend quarterly management meetings where sustainability topics, performance against targets and emerging issues are reviewed and addressed.

Our Head of Sustainability reports directly to the CEO and is responsible for the day-to-day implementation of our sustainability policy. Our Head of Sustainability is supported by a team of skilled experts from across the business and responsible for managing the effectiveness of our policies and procedures across First Resources' material topics.

Sustainability has been integrated throughout our management systems, including as key performance indicators applied to relevant senior executives and other employees

with functional responsibility at an operational level. Operational teams are required to provide routine cross-departmental updates on critical issues – including hotspots and fire incidents, land clearing status, and any incidents of conflict with local communities. These updates are shared with both regional and corporate sustainability teams.

To enhance proficiency in sustainability and ESG matters, we conduct regular training sessions and workshops for employees. Directors are kept informed and updated on ESG matters, empowering them to oversee the implementation of best practices within the organisation. This ensures that both directors and employees remain informed about significant issues and maintain compliance with prevailing government regulations in the areas in which we operate. These initiatives also enable us to continually assess the alignment of our commitments with the expectations of the global community.

All directors have undergone the sustainability training mandated by the Singapore Exchange (SGX).

SUSTAINABILITY GOVERNANCE STRUCTURE



BUSINESS CONDUCT AND ETHICS [2-15, 2-23, 2-24, 3-3, 205-1, 205-2, 205-3]

We strive to cultivate an environment of respect, emphasising common ethical standards and robust compliance. Our [Code of Conduct](#) reflects our core values and principles of our organisation. Developed in alignment with our Group's vision and mission, our Code of Conduct applies to all employees and serves as a guide 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 for fraud. The Code of Conduct is regularly reviewed to ensure its ongoing relevance and any revisions are approved by our senior management. All our employees will also have to comply with applicable country laws, regulations and legal requirements. Any breach of the Code of Conduct can result in disciplinary action and termination of employment.

The First Resources senior management team is responsible for overseeing the implementation and management of the Code of Conduct, to ensure conflicts of interest and all other areas of the Code are adequately managed and addressed.



Our Approach to Sustainability

The Code of Conduct is shared with all new employees as part of their onboarding process. Employees receive annual reminders on compliance as well as any relevant updates via email. The Code of Conduct is also disseminated to all our suppliers and other business partners. To mitigate any potential conflict of interest in relation to procurement, procedures have been put in place to ensure that only

authorised persons can approve business transactions.

The majority of the First Resources Board of Directors is made up of independent directors, ensuring that there is increased accountability and greater capacity of the Board for independent decision making. To ensure interested person transactions are conducted on terms that are at arm's length, the Company has

adopted internal guidelines and procedures for the review and approval of transactions with interested persons, which are also reported to the Audit Committee for review regularly.

Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she is required to immediately declare his/her interest, recuse himself/herself and refrain from participation in any Board discussion

on the matter, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she would abstain from voting in relation to the conflict-related matter.

In 2023, there were no significant incidents of breaches to the Code of Conduct or cases of non-compliance with laws and regulations.





Our Approach to Sustainability

WHISTLEBLOWING AND GRIEVANCE PROCEDURE [2-16, 2-25, 2-26, 3-3]

To ensure the effective implementation of our commitments, we have established a robust system to monitor practices and performance related to our policies, incorporating two distinct mechanisms for reporting concerns or complaints: our whistleblowing procedure and grievance procedure. These mechanisms are open to both external and internal stakeholders. We require all suppliers to engage and adhere to our grievance and whistleblowing policies and procedures.

Whistleblowing Procedure

Our whistleblowing procedure is guided by our [Whistleblowing Policy](#) and governed by our Group Code of Conduct. It provides employees and business partners with a secure and confidential means of reporting concerns, non-compliances, or grievances. This system is easily accessible through various channels, including anonymous complaint boxes in estates, short message service, phone, and email. Typically, complaints received through these channels are addressed locally, with the option for escalation to the Audit Committee if necessary.

First Resources strongly prohibits and condemns any retaliatory actions taken against whistleblowers reporting compliance or integrity issues. Disciplinary measures may be taken against individuals found to have retaliated against whistleblowers. For individuals wishing to file a whistleblowing report, details are available on our website. Any external stakeholder wishing to report or raise any such concerns about the Company may also do so via [email](#).

Upon receiving a whistleblowing report, an initial review is carried out by the Internal Audit (IA) function which carries out a comprehensive assessment of the validity and seriousness of the reported matter. After the review, the IA function makes a recommendation for appropriate actions to be taken. These actions may include remedial measures, disciplinary actions, or other corrective actions, depending on the severity and nature of the reported issue. A summary of the investigations carried out by the IA function is reported to the Audit Committee on a monthly basis. If any substantiated whistleblowing matters are deemed to be significant, these are immediately reported to the Audit Committee. This emphasises the urgency of addressing significant issues promptly.





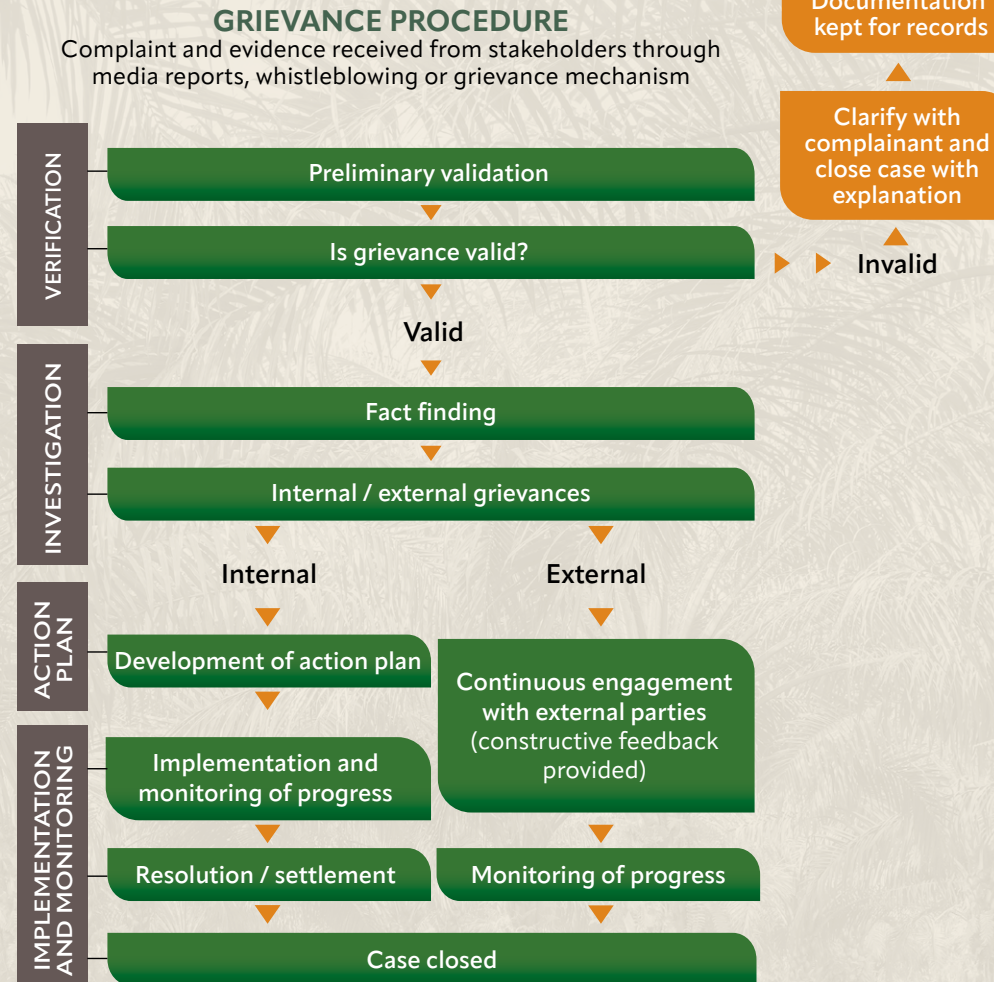
Our Approach to Sustainability

Grievance Procedure

Our grievance procedure allows stakeholders to report on sustainability-related concerns, particularly those linked to our [Policy on Sustainable Palm Oil](#). These concerns can include environmental issues such as deforestation or social matters, including land disputes, human rights violations, or labour issues.

First Resources highly values collaboration and constructive engagement with all stakeholders. We actively encourage our stakeholders to directly engage us to ensure prompt investigation and resolution of any concerns. We also welcome engagement from other stakeholders to provide feedback that may help identify operational gaps.

All grievances received are immediately brought to the attention of the senior management and are a key agenda item in our quarterly management meetings. In cases of high risk or severity, ad-hoc meetings with the Board can be initiated to address the issues.



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

Attention:
Grievance Officer
(Sustainability Department)

Email:
sustainability@first-resources.com

Our grievance list is updated regularly and 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 our focus is on managing and reporting the issues of utmost importance to our stakeholders and those with the greatest impact on the long-term performance of our business. Material topics are monitored regularly by the senior management team and any significant developments and issues relating to such topics will be tabled to the Board for its attention.

In 2023, we once again conducted a review of our material sustainability topics. This process was guided by benchmarking topics across First Resources' peers, which allowed us to validate our current focus, explore new and emerging topics, and ensure continued relevance. The outcome affirmed the ongoing relevance of these material topics. See [Appendix](#) for more information.

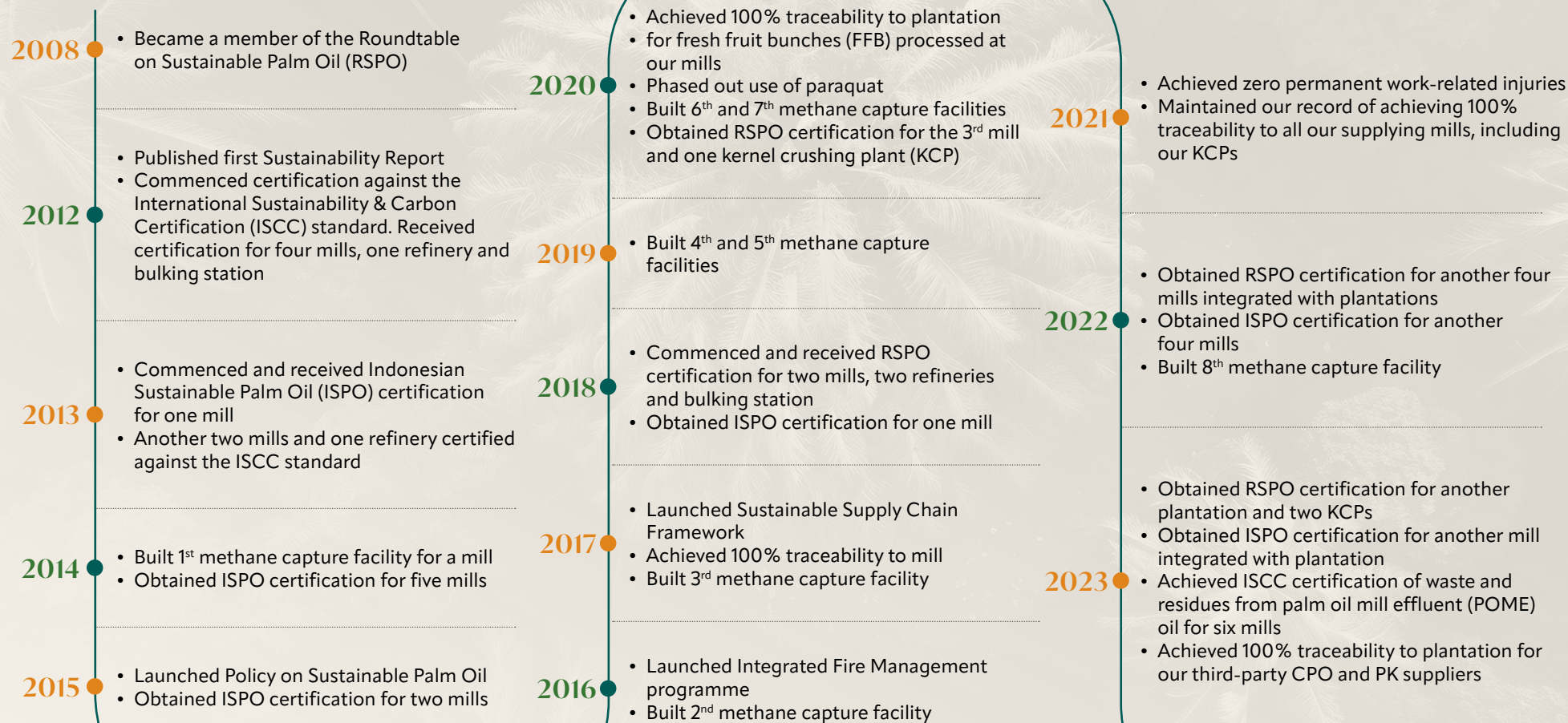
OUR MATERIAL TOPICS AND THEIR BOUNDARIES

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



Our Sustainability Progress

SUSTAINABILITY MILESTONES





Our Sustainability Progress

TARGETS AND PROGRESS [3-3]

MATERIAL TOPIC	2023 COMMITMENTS/TARGETS	2023 PROGRESS	FUTURE COMMITMENTS/TARGETS
Business conduct and ethics	<ul style="list-style-type: none"> Conduct our business with integrity and free from corruption through the dissemination of our Code of Conduct 	<ul style="list-style-type: none"> Continued to disseminate our Code of Conduct to employees, suppliers, and other business partners 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Increase nucleus FFB yield Increase CPO extraction rate 	<ul style="list-style-type: none"> Increased nucleus FFB yield by 0.8% from 2022 CPO extraction rate increased from 22.3% in 2022 to 22.7% in 2023 	<ul style="list-style-type: none"> Increase nucleus FFB yield (ongoing) Increase CPO extraction rate (ongoing)
Climate change	<ul style="list-style-type: none"> Construct methane capture plant for another two mills 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 Task Force on Climate-related Financial Disclosures (TCFD) 	<ul style="list-style-type: none"> Explored Greenhouse Gas (GHG) Protocol to establish a baseline for monitoring emissions reduction Constructed the 9th and 10th methane capture facilities at our mills Constructed and commissioned our 1st filter belt press to reduce emissions at one of our mills Avoided emissions by approximately 212,000 tonnes of carbon dioxide equivalent with eight operating methane capture facilities Made progress to quantify the potential financial impacts from physical climate-related risks and selected transition risks 	<ul style="list-style-type: none"> Continue to explore opportunities to reduce our GHG emissions Establish a baseline for monitoring emissions reduction in line with the Greenhouse Gas (GHG) Protocol Initiate Scope 3 GHG emission calculation Continue to implement and report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Commissioning 9th and 10th methane capture facilities Continue exploring methane capture facilities and filter belt-press for emission reduction purposes at our mills



Our Sustainability Progress

TARGETS AND PROGRESS [3-3]

MATERIAL TOPIC	2023 COMMITMENTS/TARGETS	2023 PROGRESS	FUTURE COMMITMENTS/TARGETS
Conservation and management of High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Continued to protect HCV areas and HCS forests Conducted internal training on HCV and HCS for 154 employees from nine plantations Conducted HCV and HCS training for six villages with a total of 398 attendees Rehabilitated more than 20 hectares of HCV area by planting more than 5,500 trees 	<ul style="list-style-type: none"> Continue to ensure no development on HCV areas and HCS forests (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	<ul style="list-style-type: none"> Ensure no development on peatland Work together with government agencies on peatland management 	<ul style="list-style-type: none"> Continued to set aside peatland from development (since July 2015) Continued to work with government agencies on peatland management 	<ul style="list-style-type: none"> Ensure no development on peatland (ongoing) Continue to work with government agencies on peatland management Implement Drainability Assessment Procedure version 2 in our peatland management strategy
Fire prevention and management	<ul style="list-style-type: none"> Reduce the number of fire incidents which occurred in the previous year Increase our firefighters' training frequency and the number of firefighters trained Aim to reach out to six villages for fire management and prevention training 	<ul style="list-style-type: none"> Provided refresher trainings to 364 firefighters in 22 estates Increased number of firefighters assigned within operations and number of firefighters trained Outreach to 75 community members trained for fire prevention, covering 13 villages Assisted in firefighting efforts in community areas around the plantation 	<ul style="list-style-type: none"> Reduce the number of fire incidents which occurred in the previous year (ongoing) Increase our firefighters' training frequency and the number of firefighters trained Aim to reach out to six villages for fire management and prevention training Continue assisting in firefighting efforts in community areas around the plantation



Our Sustainability Progress

TARGETS AND PROGRESS [3-3]

MATERIAL TOPIC	2023 COMMITMENTS/TARGETS	2023 PROGRESS	FUTURE COMMITMENTS/TARGETS
Employee attraction, retention, and development	<ul style="list-style-type: none"> Continue to assess needs and provide appropriate training/mentorship for employees to ensure continuous development (ongoing) 	<ul style="list-style-type: none"> Conducted the Talent Development Programme for our estates and mills for High Potential (HIPO) staff Organised the First Resources Learning Festival to promote innovation Organised two sessions of informative webinars and invited two well-known speakers to inspire and boost the morale and wellness of our employees 	<ul style="list-style-type: none"> Continue to assess needs and provide appropriate training/mentorship for employees to ensure continuous development (ongoing)
Labour conditions and human rights	<ul style="list-style-type: none"> 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 Training programme catering to Management Level associates in early January 2023 	<ul style="list-style-type: none"> Carried out phase two of the Child Protection Training programme for Management Level associates Enhanced our child protection guidelines and SOP, prohibiting child labour and upholding children's right, including child education standards Communicated and implemented our enhanced child protection guidelines and SOP Enhanced the competency of childcare personnel at plantations through the implementation of training programmes 	<ul style="list-style-type: none"> 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 Continue to communicate and implement our enhanced child protection guidelines and SOP Continue to enhance the competency of childcare personnel at plantations through the implementation of training programmes



Our Sustainability Progress

TARGETS AND PROGRESS [3-3]

MATERIAL TOPIC	2023 COMMITMENTS/TARGETS	2023 PROGRESS	FUTURE COMMITMENTS/TARGETS
Occupational health and safety (OHS)	<ul style="list-style-type: none"> Continue raising awareness on OHS among employees, equipping our facilities with sufficient OHS equipment and conducting periodic health checks Achieve zero fatalities (ongoing) Achieve zero permanent work-related injuries (ongoing) 	<ul style="list-style-type: none"> Four fatalities and one permanent work-related injury in 2023 Implemented and disseminated enhancements to procedures related to electrical, transportation, and infrastructure management to prevent further occurrences Conducted a review of OHS procedures including policies, manuals, and work instructions, to strengthen the Group's OHS organisation 	<ul style="list-style-type: none"> Continue raising awareness on OHS among employees, equipping our facilities with sufficient OHS equipment and conducting periodic health checks Achieve zero fatalities in 2024 (ongoing) Achieve zero permanent work-related injuries in 2024 (ongoing)
Supply chain traceability	<ul style="list-style-type: none"> Maintain 100% traceability to mill (ongoing) Maintain 100% traceability to plantation for FFB processed at our mills and kernel crushing plants (ongoing) Achieve 100% traceability to plantation for our third-party CPO and PK suppliers 	<ul style="list-style-type: none"> Maintained 100% traceability to mill (achieved since 2017) Maintained 100% traceability to plantation for FFB processed at our mills (achieved since 2020) and kernel crushing plants (achieved since 2021) Achieved 100% traceability to plantation for our third-party CPO and PK suppliers Establishing and preparing programmes for meeting EUDR requirement 	<ul style="list-style-type: none"> Maintain 100% traceability to mill (ongoing) Maintain 100% traceability to plantation for FFB processed at our mills and kernel crushing plants (ongoing) Maintain 100% traceability to plantation for our third-party CPO and PK suppliers Implementing smallholder mapping programmes to meet the stringent requirements outlined by EUDR
Sustainability certification	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Obtained RSPO certification for another plantation and two KCPs Completed an RSPO certification process for another mill integrated with plantation Obtained ISPO certification for another mill integrated with plantation Achieved ISCC certification of waste and residues from palm oil mill effluent (POME) oil for six mills Successfully renewed all our existing certificates 	<ul style="list-style-type: none"> Obtain RSPO certification for another four mills integrated with plantations Obtain ISPO certificate for another three mills integrated with plantations Obtained ISCC certification of waste and residues from palm oil mill effluent (POME) oil for another six mills Renew all our existing certificates



Environmental Management

YIELD AND EXTRACTION IMPROVEMENTS [3-3]

Palm oil stands out for its unparalleled productivity and land-use efficiency among vegetable oil crops. Its widespread use encompasses applications in both food and non-food products. However, the substantial popularity of palm oil has raised concerns over the environment impacts of the industry, mainly due to its association with forest clearing for plantations. In light of these concerns and to bolster the sustainability of our operations, we are diligently pursuing research and development endeavours aimed at sustainable production methods. Through a focus on enhancing extraction processes, our aim is to enhance the quality of our outputs while optimising productivity.

Research and Development

Enhancing crop yield and bolstering climate change resilience are pivotal for ensuring the enduring 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.

Our research places significant emphasis on oil palm breeding, aiming to develop planting materials with traits that optimise harvesting efficiency or increase oil palm density per hectare. Desirable traits include improved oil quality, slower height increment, shorter frond length and more noticeable colour changes during ripening.

The integrated activities carried out at present are continually being pursued in efforts to manage and enhance results and extraction. These include:

- Trichoderma development trial for the plantation;
- Integration of drone technology for bagworm pest control;
- Development of beneficial plants involving Xena, Turnera, & Antigonon to attract natural enemies of oil palm;
- Development of barn owl farms as natural rat predators; and
- Breeding of pollinator insects (*Elaeodobius kamerunicus*).

Planting trials with oil palm clones selected from the best trees have



shown promising results, with these clones producing fruits that hold great potential. Our collaboration with the Indonesian Oil Palm Genome Consortium continued to focus on developing planting material tolerant to Ganoderma, a basal stem rot disease, representing significant progress in identifying tolerant genes. The analysis of genes associated with Ganoderma is in progress. In the future, we will collaborate with the national oil palm germplasm consortium to enrich germplasm from Tanzania, Nigeria, and Honduras as materials for assembling new varieties.

Continuing our commitment to developing planting material with

desirable traits, we are devising a mating design for germplasm material collected from Angola and Ecuador. These desirable traits aim to enhance fresh fruit bunch (FFB) productivity and elevate quality, contributing to sustainable growth and profitability.

To continue exploring methods to increase yield, we are currently breeding our superior seeds, namely DxP FR-1 and FR-2. We are in the process of developing DxP FR-3 seeds, currently in the progeny trial stage. In 2023, we replanted more than 6,000 hectares of oil palms with our new planting materials, DxP FR-1 and FR-2, which has been estimated to be 20% higher-yielding.



Environmental Management

Yield and Extraction Rates

The yield and extraction rates of palm oil are influenced by a complex interplay of factors including plantation age profile, weather changes, disease and pest management, soil type, fertilisation practices and harvesting efficiency.

To maintain high yields, we are committed to ensuring that the age profile of our oil palm plantations falls largely within the prime age. Oil palms exceeding their prime age will undergo scheduled replanting. In 2023, our efforts to improve yield and extraction rates were implemented through:



- Replanting our fields with higher-yielding planting materials 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;
- Incorporating mechanised equipment – such as fertiliser, herbicide and empty fruit bunch (EFB) spreaders to decrease reliance on manual labour;
- Implementing efficient transportation of FFB from the field to the main road by motorcycles instead of wheelbarrows;
- Conducting daily quality inspection of plantation activities, from Foreman to Estate Manager level, using spatial movement tracking;
- Use of urease inhibitors to optimise plant nutrition;
- Utilisation of boiler ash to increase pH in acidic sulfate soils (through trials on acidic sulfate soils);
- Recycling of belt-press cake containing organic materials from palm oil mill effluent (POME) filtration to substitute chemical fertilisers; and
- Use of spent bleaching earth (SBE) as a growing medium for biofungicides.

To facilitate transparency and receive feedback on the effectiveness of the actions taken, progress updates on yield and extraction rates are provided at quarterly management meetings.



Environmental Management

Yield and Extraction Rates Performance

Each year, improvements in increasing yields and extraction rates in the palm oil mill have led to minimised oil losses and increased production efficiency.

In 2023, we continued to enhance yield performance and see the positive results from our replanting programme, with the newly matured palms from replanting showing significant improvements in FFB yields. This helped to contribute to a 0.5% increase in the Group's FFB production from 3,566,191 tonnes in 2022 to 3,584,486 tonnes in 2023, as well as an improvement in crude palm oil (CPO) extraction rate from 22.3% in 2022 to 22.7% in 2023.

Our oil palm seed breeding programme has demonstrated remarkable performance, with the palms planted in experimental plots using DxP FR-1 and FR-2 seeds achieving CPO extraction rates of 27% to 28% and yield per hectare of 34 to 35 tonnes per annum,

based on optimum tree stand per hectare (SPH) values of 136 on mineral land and 143 on peatland.

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. We maintained our commitment to supporting smallholders through ongoing operational assistance aimed at enhancing their FFB yield and quality. Further details on our engagement with smallholders can be found in the section on [Supporting Smallholders](#).

Encouraged by the positive outcomes achieved in the past year, First Resources remains dedicated to implementing our replanting programme while further refining our FFB processing approach. Our goal for 2024 is to achieve a continued increase in our FFB production with a focus on increasing our CPO extraction.



FFB YIELD AND EXTRACTION RATES

	2019	2020	2021	2022	2023
Nucleus FFB yield (tonnes/hectare)	18.0	17.2	18.1	19.1	19.2
Smallholder FFB yield (tonnes/hectare)	11.7	12.0	13.0	14.4	14.5
CPO extraction rate (%)	23.1	23.2	22.7	22.3	22.7
PK extraction rate (%)	5.3	5.2	5.2	5.0	4.9



Environmental Management

CONSERVATION AND FOREST MANAGEMENT [3-3]

Indonesia's lush and vibrant rainforests are among the most extensive and diverse natural habitats on our planet. Recognising the adverse environmental impacts of clearing these forests for agriculture, including the loss of flora and fauna and the release of stored carbon, we are unwavering in our commitment to conserving and managing these critical ecosystems.

Forests are a vital part of the natural ecosystem and to safeguard them, we designate areas classified as high conservation value (HCV) and high carbon stock (HCS). Once HCV areas and HCS forests are identified, we prioritise every effort to support environmental balance, preserve biodiversity, and conserve social sites which may hold cultural or religious significance for the local or indigenous communities.

We recognise that the designation of HCV areas and HCS forests can present potential negative impacts for the communities. For communities whose culture is strongly inclined towards the burning of forests to clear land, the preservation of HCV areas

and HCS forests may mean restricting communities from burning forests and opening land. This can invite conflicts and lead to challenges in our conservation efforts.

To address this, we actively engage with the communities to communicate the importance of forest conservation and management. Through our conservation efforts, we aim to strike a harmonious balance between sustainable business practices and the preservation of our invaluable natural heritage.

In alignment with our commitment to NDPE, First Resources adheres to the upcoming EU Deforestation Regulation (EUDR) and supports deforestation and conversion-free supply chains. Additional measures have also been undertaken by the Company in this regard. For more information, please refer to [Supply Chain](#) for more details.

IDENTIFYING CONSERVATION AREAS [304-4]

Our commitment to sustainable practices is guided by our [Policy on Sustainable Palm Oil](#) released in 2015, which prohibits deforestation and the conversion of natural ecosystems

into plantations within our operations, particularly in HCV areas, peatlands, and HCS forests.

Aligned with the guidelines set by the Roundtable on Sustainable Palm Oil (RSPO), our New Planting Procedures (NPP) require third-party HCV assessments prior to any oil palm plantation development within our concession. Conducted by RSPO approved assessors, these assessments cover parameters such as species diversity, rare or endangered habitats, ecosystem services, community needs and cultural values. Our strict adherence to these procedures is demonstrated in the assessment results accessible on the [RSPO website](#).

These HCV assessments serve as crucial tools to identify areas for conservation, ensuring their exclusion from our oil palm plantation development plans. A full list of threatened species identified within our concessions and their surrounding areas in accordance with Indonesia's National Law of Protected Species (Indonesian Government Regulation No. 106 of 2018) and the International Union for Conservation of Nature's Red List (IUCN Red List) can be found on our [website](#).

Additionally, conservation areas are identified by referencing the HCS Approach (HCSA) methodology and engaging third-party HCS experts. Currently, over 24,000 hectares of land with potential HCV areas, HCS forests, and peatlands have been zoned for conservation in Riau, West Kalimantan, and East Kalimantan.

Prior to any new land clearing for oil palm plantations, we adopt an integrated High Conservation Value - High Carbon Stock Approach (HCV-HCSA) assessment, complying with criterion 7.12 of the latest RSPO Principles and Criteria standards released in November 2018. HCV-HCSA assessment reports are submitted to the HCV Network to undergo a quality process control by an independent evaluator. Since 2021, two concessions have been rated satisfactory by the HCV Network for the reports submitted. As of 2023, one of First Resources' estates is undergoing evaluation, with its HCV-HCSA assessment report currently under review by the HCV Network. Detailed evaluations of these reports are available on the [HCV Network website](#).



Environmental Management

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

To prevent encroachment into conservation areas, our sustainability team conducts thorough pre- and post-development checks. We strategically implement buffer zones to prevent accidental non-compliance, with

plantation managers held accountable through key performance indicators. Special precautions are taken for plantations near riparian reserves, including marking out areas, installing stakes, and placing signboards to clearly delineate edges and avoid accidental clearance. Caution warnings on surrounding trees and prohibition

on pesticide spraying in these zones further ensure protection.

To support conservation efforts, First Resources has put in place various measures for monitoring deforestation both within our own operations and our suppliers', including the setting of Key

Performance Indicators (KPIs) against deforestation for plantation managers and senior management.

In the implementation of deforestation monitoring, we utilise a collaborative approach between the Company and stakeholders, encompassing:

Assessments

Conducts HCV-HCS assessments to identify conservation areas prior to development.

Conservation Area Monitoring

Involves periodic GIS analysis and monitoring patrols to monitor operational activities and community actions in No-Go areas.

Implementation of Precautionary Measures

Strategically marking out areas, installing stakes, and placing signboards in conservation areas to clearly delineate edges and put in place buffer zone to avoid accidental clearance. Caution warnings on surrounding trees and a prohibition on pesticide spraying in these zones further ensure protection.

Exploratory Engagement

Engages staff, communities, and the public in conservation and forest management activities through training sessions and socialisation facilitated by the Company and stakeholders.

Collaboration with Relevant Parties

Builds collaborative partnerships with stakeholders to preserve natural ecosystems. This includes conducting regular biodiversity studies, monitoring orangutans, and involving communities in the conservation efforts of HCV areas and HCS forests.

Integration of Deforestation KPIs

Aligns Key Performance Indicators (KPIs) for deforestation into the comprehensive KPI framework for plantation managers and senior management.



Environmental Management

To emphasise the importance of protecting HCV areas and HCS forests, we conduct internal training sessions for our employees on conservation area management. In 2023, these sessions were once again carried out in nine estates, involving 154 participants. Recognising the importance of community awareness

on HCV and HCS and reshaping attitudes towards conservation practices, our training for surrounding communities took place in 14 villages and involved 398 participants in 2023. We saw a significant uptake in our 2023 community training, well-exceeding our target of six villages.

The effectiveness of our efforts in forest conservation and management can be tracked through our achievements. Several parameters indicate the effectiveness of our initiatives in 2023 including the absence of damaged conservation areas by the company's operational activities, the increase in the conservation value of flora and fauna, the conservation of endemic species and the diversity of the existing ecosystem.

We have also established a set of targets around our conservation commitments:

HCV AND HCS AWARENESS AND TRAINING



154

PERSONNEL
TRAINED



398

COMMUNITY
PARTICIPANTS



14

VILLAGES WHERE
TRAINING CONDUCTED

TARGET FOR 2024

20

HECTARES
REHABILITATED



5,500

TREES
PLANTED



Looking ahead to 2024, we continue to strengthen collaboration with the government and local communities to further support conservation programmes in the Group's HCV/HCS areas.





Environmental Management

Case Study

CONSERVATION AND INTERPRETATION EDUCATION OF LEMBONAH FOREST

One of our groundbreaking outreach initiatives is to socialise and train the local community in the protection of Lembonah Forest which served as Conservation and Environmental Education Forest or *Hutan Pendidikan Konservasi dan Lingkungan* (HPKL). This is a collaboration between First Resources and the Natural Resources Conservation Centre of East Kalimantan, under the Directorate General of Conservation of Natural Resources and Ecosystems, Ministry of Environment and Forestry (BKSDA). The initiative aims to establish Lembonah Forest as an educational platform for the broader community, inspiring enthusiasm for forest conservation, especially among the younger generation.

In 2023, we launched our flagship programme for the Lembonah Forest, the Youth Interpreter programme, intending to educate and train the young local community to become interpreters and guides for the biodiversity of the Lembonah Forest. Through this programme, local community members can gain knowledge on forest preservation and actively participate in preserving identified HCV areas.

Participants of the Youth Interpreter programme undergo a leadership programme comprising lessons carried out both inside the classroom and out in the field. In the classroom, participants immerse themselves in a curriculum covering the fundamentals of interpretation, knowledge about Lembonah Forest, plant and animal morphology, and classification, among others. Meanwhile, in the field, participants are challenged to directly apply the knowledge they have acquired. Through this programme, we have successfully trained 15 participants to become Youth Interpreter ambassadors for Lembonah Forest, equipping them with the skills to become engaging tour guides for external visitors.



Youth Interpreters undertaking training activities



Environmental Management

REHABILITATING CONSERVATION AREAS [304-3]

Since the launch of our Sustainability Policy in 2015, the rehabilitation of degraded High Conservation Value (HCV) and High Carbon Stock (HCS) areas has been a significant priority for First Resources. Ongoing initiatives focus on restoring natural landscapes impacted by fires, non-compliant deforestation, and conversion activities across our sites. In line with our commitment to sustainability, we actively encourage our suppliers to adopt a similar restorative approach, closely monitoring their progress in this area.

We began implementing our rehabilitation programme in 2016, prompted by the identification of damaged HCV areas outside our concession area in West Kalimantan, following the preceding year's fires. Since then, from 2016 to 2022, we have planted approximately 36,000 trees across three of our concession areas, totalling more than 120 hectares. In 2023, we rehabilitated over 20 hectares of HCV areas and HCS forests by

planting 5,584 forest trees, surpassing our target of 5,500 trees. Our dedication to restoring these areas to their previous states demonstrates our ongoing commitment to sustainability and our responsibility towards protecting the ecosystems we impact.

Recognising riparian reserves as critical habitats for diverse flora and fauna and defence mechanisms against biodiversity loss, we have been actively working to restore riparian reserves previously occupied by mature oil palms. Our restoration efforts this year continued to include planting local tree species in the spaces between mature oil palms, and preserving buffer zones along both banks of the river, as mandated by Indonesian law.

Some of the major challenges faced in conservation and rehabilitation include forest fires that originate outside our concessions, community ownership rights in HCV areas and HCS forests, and the unique characteristics of peat soils. Despite these challenges, our commitment to conservation and rehabilitation remains unwavering. We acknowledge the vital role these



areas play in sustaining biodiversity and mitigating the impacts of climate change. As we persist in our restoration endeavours, we aim to foster community engagement in the shared protection of HCV areas and HCS forests, contributing to the safeguarding of these precious natural resources.

Looking ahead to 2024, our goal is to rehabilitate an additional 20 hectares of conservation area, planting more than 5,500 forest trees. In addition, we will continue to monitor the progress of our existing restoration efforts, ensuring a continued positive impact on the ecosystems we strive to protect.



Environmental Management

Wildlife and Biodiversity

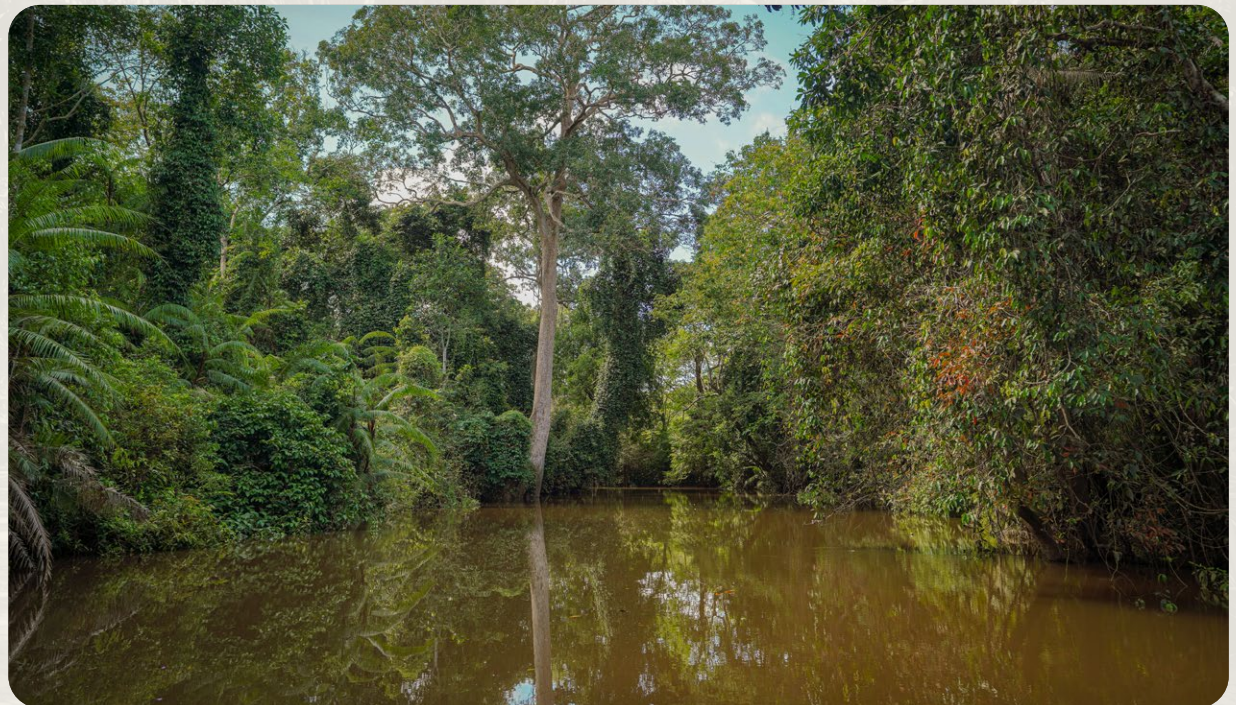
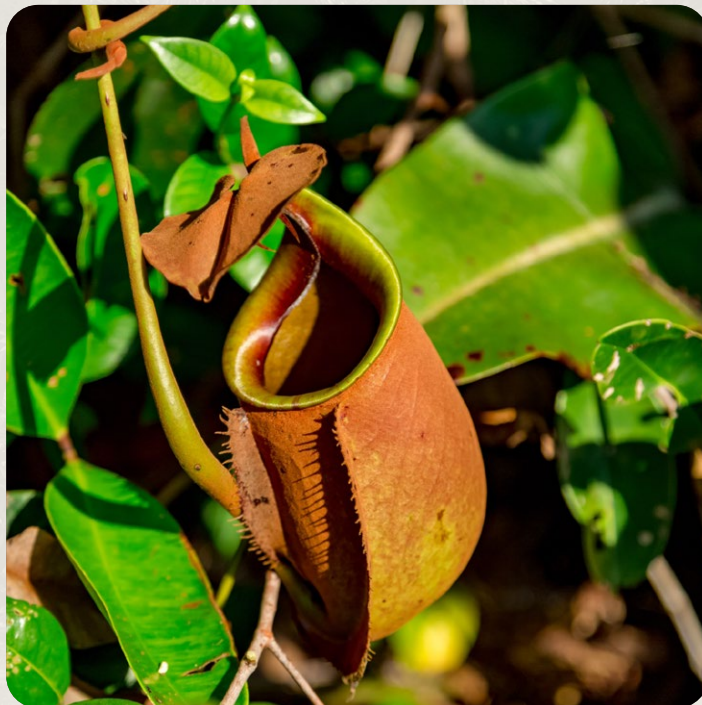
First Resources has a zero-tolerance policy on the hunting, injuring, possessing, or killing of rare and endangered wildlife within its plantations. This policy is clearly communicated to all employees, with violations subject to disciplinary

action, which may lead to termination. Regular monitoring patrols and strategically placed signboards are deployed to prevent poaching. This policy extends to all First Resources' suppliers as we encourage suppliers to implement the same approach.

In instances where populations

of endangered species are found in our concessions, we establish a conservation task force in collaboration with a local non-governmental organisation (NGO). This task force utilises specialised conservation software, implements camera traps, and conducts joint patrols to monitor the presence

and health of endangered species. The results of these are shared with the NGO to analyse areas for future improvement. In the past, we have implemented similar approaches to manage endangered orangutans that were discovered in two of our concessions in West Kalimantan.





Environmental Management

Case Study

PROTECTION AND MONITORING OF ORANGUTAN POPULATIONS

To ensure the sustainability of orangutans, First Resources has established a special task force team in two of our plantations at West Kalimantan to initiate monitoring efforts. This team conducts mapping of areas with a high risk of orangutan presence and monitors indicators such as direct sightings, sounds, nests, and community interviews. Additionally, they monitor illegal activities such as logging, hunting, land encroachment, and fires, which could threaten orangutans' lives.

Based on these efforts, First Resources is pleased to report that the orangutan population is well-preserved within the plantations. Orangutan nests were found in both the plantation area and the HCV zone, with no illegal activity threatening their presence. Furthermore, our habitat and ecosystem maintenance, including planting food source plants, continues to contribute to orangutan protection.

In West Kalimantan, two concessions managed by First Resources contain endangered resident orangutans. The company's conservation task force collaborates closely with a local NGO to manage these populations and monitor their health. Utilising tools such as camera traps and joint patrols, data collected from monitoring regimes inform conservation efforts. This data is shared with the NGO for review and enhancement of conservation strategies.

First Resources is pleased to report the success of these conservation efforts, with both orangutan populations thriving in their habitats.



Orangutan monitoring, patrol activity and orangutan nest



Environmental Management

PEAT MANAGEMENT [3-3]

At First Resources, we prioritise the implementation of best management practices for existing plantations located on peatlands. In cases where certain peat areas are deemed unsuitable for replanting, our approach involves restoration or repurposing for environmentally beneficial alternative uses. Since the adoption of our [Policy on Sustainable Palm Oil](#), First Resources has not carried out any new plantings on peatland of any depth.

IN 2023, OUR TARGETS TO PEATLAND MANAGEMENT FOCUSED ON

- Ensuring no new development on peatland
- Working together with the Ministry of Environment and Forestry to monitor water table

Monitoring and Management

To effectively manage peatlands, a specialised peat task force, led by our R&D department and supported by agronomy and sustainability departments, conducts detailed peat surveys and assessments within our estates. These surveys, completed across all estates since 2019, provide crucial information for land use planning and the enhancement of water management plans. In 2023, we continue to conduct surveys on our peat, to ensure the effectiveness of our peat programme.

Managing peatland subsidence is crucial to our peatland management efforts. Peatland subsidence creates long-term challenges for continued agriculture due to inevitable land subsidence and the increased risk of floods. These impacts give rise to considerable economic, societal, and environmental impacts. To address such long-term challenges posed by peatland subsidence, optimal groundwater levels are crucial. Over the past three years, all estates situated on peatlands have been equipped with piezometers and data loggers, automatically recording water table fluctuations and data at 12-hour intervals. Monitoring points are determined in accordance

with guidelines from the Ministry of Environment and Forestry (MoEF). Regular servicing ensures the reliability of our monitoring equipment, with hydrological data routinely transmitted to MoEF via an online reporting system to comply with local regulations.

To effectively manage peatlands, we employ several strategies, including canal blocking and water gate construction, in accordance with guidelines from the MoEF and the Indonesian Peatland Restoration Agency. These measures aim to regulate water levels, which is crucial for peatland conservation. Additionally, we conduct drainability assessments following the guidelines outlined in the Roundtable on Sustainable Palm Oil Principles and Criteria (RSPO P&C). These assessments help us to set the timeframe for future replanting and the eventual restoration of peatlands. Aligned with RSPO principles, we have commenced Drainability Assessments in our peat plantations. In 2023, our team underwent training on the latest Drainability Assessment methodology and began implementing the Drainability Assessment Procedure version 2 for our plantations.

Acknowledging our operations on peatland, MoEF actively encourages and supervises field surveys to compile

a detailed inventory of peatland ecosystem characteristics. These field surveys are conducted along verified transects and sampling points, covering a total of 13 parameters related to peat characteristics, encompassing physical, chemical, biological, hydrotopographic, and sediment type aspects. Beyond peat ecosystem protection and management, this data will contribute to the creation of a detailed Peat Ecosystem Function Map and the improvement of our peatland management. We remain committed to collaborative efforts with MoEF, aligning our operations with policies concerning peatland management.





Environmental Management

FIRE PREVENTION [3-3]

The implementation of fire management plays a significant role in controlling the risk of fires within and around concession areas.


Our Zero Burning Policy sets the foundation for safeguarding our plantations against potential fire risks. In adherence to our Zero Burning Policy, First Resources emphasises the importance of strict compliance to our suppliers, with potential breaches carrying the consequence of immediate contract termination.

IN 2023, OUR TARGETS TO FIRE MANAGEMENT FOCUSED ON


- Reducing the number of fire incidents which occurred in the previous year (ongoing)
- Increasing our firefighters' training frequency and the number of firefighters trained
- Reaching out to six villages for fire management and prevention training

Our Integrated Fire Management (IFM) programme encompasses a detailed work plan focusing on fire prevention, preparedness, response, and recovery.


Overview of Our Approach to Fire Prevention, Monitoring and Response




Each estate has a *Peta Rawan Kebakaran* or Fire Prone Map which is updated annually to highlight risk areas and available facilities like roads, patrol paths, fire equipment storage, lookout towers, water reservoirs, and warning signs. Regular checks by our patrol teams ensure operational readiness and important details like village locations and emergency contact numbers are indicated within the Fire Prone Map.




Fire Danger Index (FDI) categorise risk levels - Low, Medium, High, and Extreme – based on humidity, rain and fuel conditions. Visible indicators in fire-prone areas during hot and dry seasons serve as reminders for heightened vigilance. Routine patrols and equipped teams are deployed based on FDI levels, with special attention during severe conditions.



Daily satellite monitoring, overlaying satellite imagery with concession maps to detect any hotspots.



Upon detection of hotspots, on-the-ground verification is conducted using lookout towers and firefighting teams are despatched to affected areas. These towers are important to assess fire conditions, for instance the movement and size of the fire. Collaboration with external stakeholders, such as RSPO, further enhances hotspot detection.



Immediate mobilisation of firefighting teams and subsequent police reports characterise our response to fire outbreaks.

As part of our fire prevention and management strategy, we implement firebreaks, prepare water reservoirs, build canal blockings, and employ water management practices in peat areas. Extra precautions during the dry season include raising water levels in peat areas to prevent and contain fires.



Environmental Management

Community Engagement on Fire Management

A critical challenge for First Resources has been the prevention of small-scale burning on areas within our concessions. While land clearing using fire is prohibited in Indonesia, communities following customary practices are exempted. The regulatory framework established by the Ministry of Environment allow families adhering to customary practices to clear up to two hectares of land by fire.

In West Kalimantan, a local government regulation¹ was introduced in 2020 to govern land clearance by fire on the grounds of customary practices. The rules set out guidelines to protect forests and prevent fire spreading from communities engaged in permissible land clearing using fire. These rules include:

- Land clearance exclusively for subsistence farming;
- Constructing adequate firebreaks to contain fires;
- Coordination with owners of neighbouring lands;
- Ensuring fire extinguishing equipment is on standby; and
- Prohibition of burning on peat.

Despite being legally permissible, the company views such activities as environmentally detrimental. This creates challenges in engaging with the community and the prevention and management of fires.

To better manage such fire risks, we actively collaborate with communities and local authorities, building strong partnerships to manage potential fire risks. This involves comprehensive awareness campaigns facilitated by the Regional Disaster Management Agency (*Badan Penanggulangan Bencana Daerah*) in collaboration with our team to upskill communities on fire risks and effective management practices. In 2023, we conducted fire prevention and management trainings

across 13 villages, training over 75 community members. Furthermore, we also assisting in firefighting efforts in community areas around the plantation.

Additionally, our commitment to fire management is characterised by the number of firefighters we train and deploy, which increased from 1,708 personnel in 2022 to 1,998 personnel in 2023. This year, refresher trainings were provided to 364 firefighters across 22 estates in Riau, West Kalimantan, and East Kalimantan.

Future plans involve strengthening our approach, adding fire prevention equipment, increasing firefighting brigades, and conducting more fire



drills for enhanced readiness. We are committed to further expanding our effective fire monitoring strategies and community outreach initiatives in 2024.

NUMBER OF FIRE INCIDENTS BY REGION

Number of fires in our concession areas	Riau			West Kalimantan			East Kalimantan		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
	0	0	0	113	63	138	9	4	14

Number of fires within First Resources' surrounding landscape/smallholder areas	2022	2023
	19	41

Note: Data as per reported to RSPO.

¹ Governor Regulation (PERGUB) of West Kalimantan Province Number 103 of 2020 concerning the Opening of Agricultural Land Based on Local Wisdom.



Environmental Management

CLIMATE CHANGE [3-3]

The effects of climate change continue to present challenges to businesses compelling the need to take steps to integrate sustainable practices and employ strategies to mitigate both impacts on the environment and likewise, impacts from environmental changes. As an agri-business company, impacts from physical climate hazards such as changes in rainfall patterns and extreme weather events can affect our yield and productivity. In addition, shifts such as changes in regulations and market dynamics during the global transition toward a low-carbon economy can introduce both potential risks and opportunities.

REDUCING OUR GHG EMISSIONS [305-5]

First Resources takes climate action seriously and takes proactive steps to mitigate its environmental impact. As part of our sustainability efforts, we track greenhouse gas (GHG) emissions to assess our footprint and identify areas for improvement. A major concern in palm oil production is historical land-use change. We prioritise the protection of high carbon stock forests and

peatlands. For detailed information on our conservation efforts and peat management strategies, please refer to the sections on [Conservation & Forest Management](#) and [Peat Management](#).

POME generated from the processing of FFB in mills constitutes a significant portion of our operational GHG emissions. As part of our efforts to mitigate the environmental impacts associated with this, we have been operating methane capture facilities designed to capture and utilise gases emitted during POME processing that contribute to our GHG emissions.

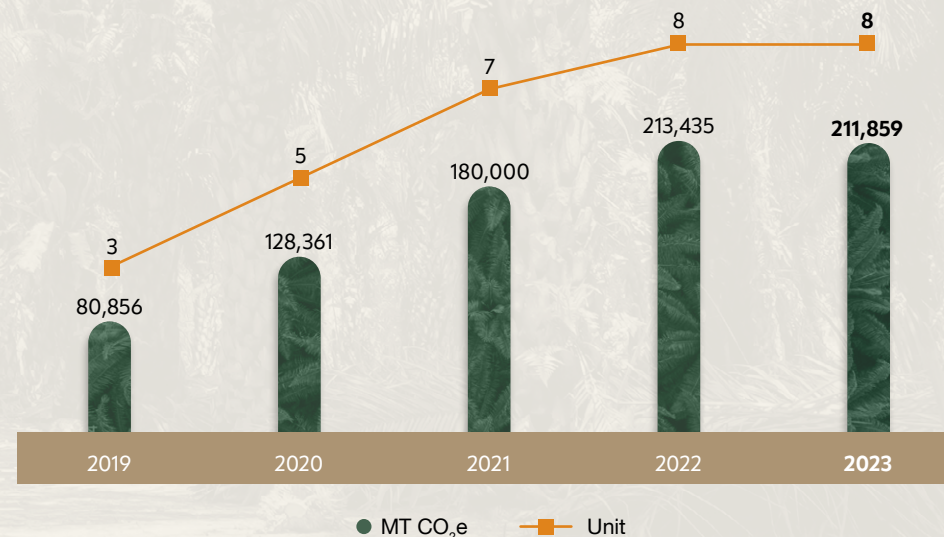
As of 2023, eight of our palm oil mills are equipped with fully operational methane capture facilities. Amongst these eight, seven make use of the methane captured as an alternative fuel source for our milling operations. In addition, our kernel crushing plant (KCP) in West Kalimantan is powered using the electricity generated from its methane capture unit. In 2023, two additional methane capture facilities were constructed and will be commissioning in 2024. Moreover, as part of our decarbonisation efforts, we installed a filter belt-press to reduce emissions by extracting solids from POME. These solids offer benefits

beyond emission reduction to serve as sustainable substitutes for organic fertilisers.

Referring to the International Sustainability & Carbon Certification (ISCC) calculation methodology, the estimated avoidance in GHG emissions

for each methane capture facility is 0.51 metric tonnes of carbon dioxide equivalent (MT CO₂e) for each tonne of CPO produced. In 2023, the eight methane capture facilities collectively contributed to avoiding approximately 211,859 MT CO₂e in GHG emissions.

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



Note: The number above the line shows our operational methane capture facilities. 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 tonne of CPO produced.



Environmental Management

OUR OPERATIONAL FOOTPRINT [305-1, 305-2, 305-4]

As part of our commitment towards addressing climate change, we have expanded the boundaries of our GHG emissions reporting to include all our operating units and started adopting the use of GHG Protocol, the world's most widely used GHG accounting standards for companies, in the calculation of our Scope 1 and Scope 2 emissions from our upstream, downstream and offices activities. Our revised approach involves categorising our emissions into Scope 1 and Scope 2, in line with the Corporate Accounting and Reporting Standard established by the GHG Protocol.

In our effort to align our methodologies with the GHG Protocol, we also closely examined the new Land Sector and Removals Guidance. However, with the guidance currently undergoing pilot testing and lack of additional guidance available, we are continuing to report our Forest, Land

and Agriculture (FLAG) emissions and removals based on the RSPO PalmGHG calculator. This approach is particularly relevant for addressing emissions and removals related to land use change (LUC) and land use management.

Our emissions boundary covers all of our estates and mills, four kernel crushing plants (KCPs), two refineries, and offices. Scope 1 emissions consist of direct emissions from sources owned and controlled by First Resources. This includes both FLAG and non-FLAG emissions. FLAG emissions are from fertiliser emissions, whilst non-FLAG emissions are from stationary combustion, mobile combustion, and fugitive emissions. In line with recommendations from the GHG Protocol Land Sector and Removals Guidance, biogenic emissions and removals are reported separately from Scope 1 emissions. Scope 2 emissions stem from the purchase of electricity. We plan to initiate the disclosure of our Scope 3 GHG emissions next year.

SCOPE 1 AND 2 EMISSIONS AND INTENSITY IN 2023

Scope	Value	Unit
Scope 1 GHG Emissions	888,742	MT CO ₂ e
Scope 2 GHG Emissions ¹	19,347	MT CO ₂ e
Total Scope 1 and 2 GHG Emissions	908,089	MT CO₂e
CPO Production	951,425	MT
Scope 1 and 2 GHG Emission Intensity²	0.93	MT CO₂e / MT CPO
Biogenic Emissions ³	3,439,184	MT CO ₂ e
Removals and Credits ⁴	(1,825,436)	MT CO ₂ e

¹ Location-based.

² Emission intensity only from upstream activities, calculated using total Scope 1 and 2 upstream emissions of 882,850 MT CO₂e divided by CPO production volume of 951,425 MT. Biogenic CO₂ emissions and removals have not been included in the calculation of emission intensity as they are reported separately.

³ Biogenic emissions include emissions from biodiesel, LUC, and peat.

⁴ Removals and credits include sequestration from oil palm trees and conservation areas and also credits in the form of palm kernel shell sales.

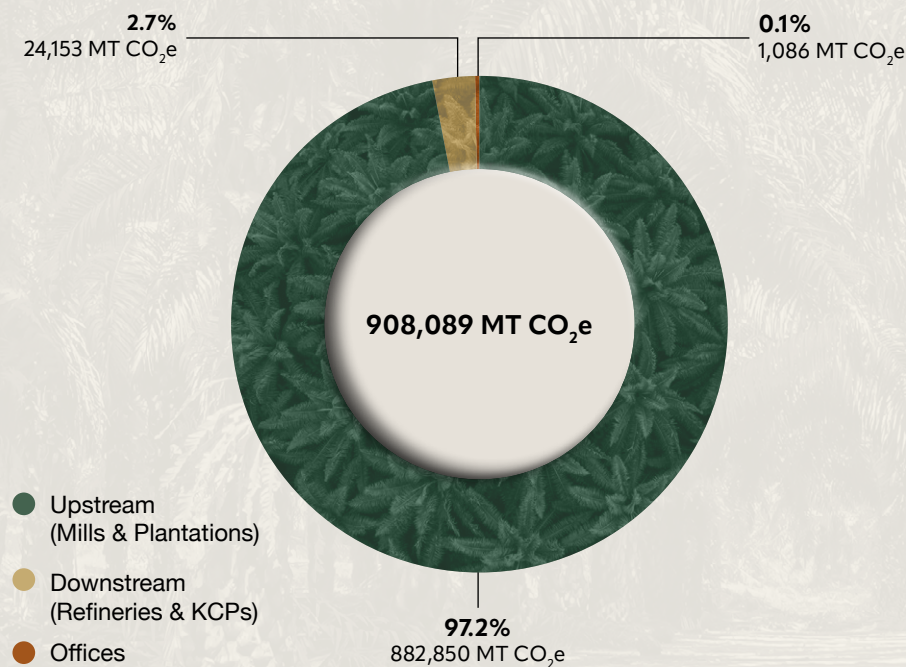
We use the operational control approach to calculate our emissions. Our Scope 1 and Scope 2 emissions calculation include the following gases: CO₂, CH₄ and

N₂O. The global warming potential (GWP) rates used are from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6).



Environmental Management

BREAKDOWN OF EMISSIONS IN 2023 BY UPSTREAM, DOWNSTREAM AND OFFICE ACTIVITIES



As a palm oil company, First Resources has reported carbon removals amounting to 1,410,957 MT CO₂e and 197,203 MT CO₂e through sequestration from oil palms and conservation areas respectively. Additionally, credits obtained from the sale of PKS amounted to 217,276 MT CO₂e of carbon removals.

DETAILED GHG EMISSIONS BY SCOPES AND CATEGORIES IN 2023

	Emissions	Unit
Scope 1 - Non-FLAG		
Non-biogenic emissions	558,071	MT CO ₂ e
<i>Stationary combustion</i>	19,257	MT CO ₂ e
<i>Mobile combustion</i>	20,012	MT CO ₂ e
<i>Fugitive emissions</i>	518,802	MT CO ₂ e
Biogenic emissions	911	MT CO ₂ e
<i>Biogenic emissions from biodiesel</i>	911	MT CO ₂ e
Scope 1 - FLAG		
Non-biogenic emissions	330,671	MT CO ₂ e
<i>Fertiliser (CO₂ from fertiliser)</i>	164,847	MT CO ₂ e
<i>Fertiliser (N₂O from fertiliser)</i>	165,824	MT CO ₂ e
Biogenic emissions	3,438,273	MT CO ₂ e
<i>LUC (Land use change)</i>	1,259,460	MT CO ₂ e
<i>Land management (Peat oxidation)</i>	1,809,102	MT CO ₂ e
<i>Land management (N₂O from peat)</i>	369,711	MT CO ₂ e
Scope 2		
Purchased electricity	19,347	MT CO ₂ e
Removal & Credits		
Biogenic removals from oil palms	(1,410,957)	MT CO ₂ e
Biogenic removals from conservation areas	(197,203)	MT CO ₂ e
Credit from sale of palm kernel shells (PKS)	(217,276)	MT CO ₂ e

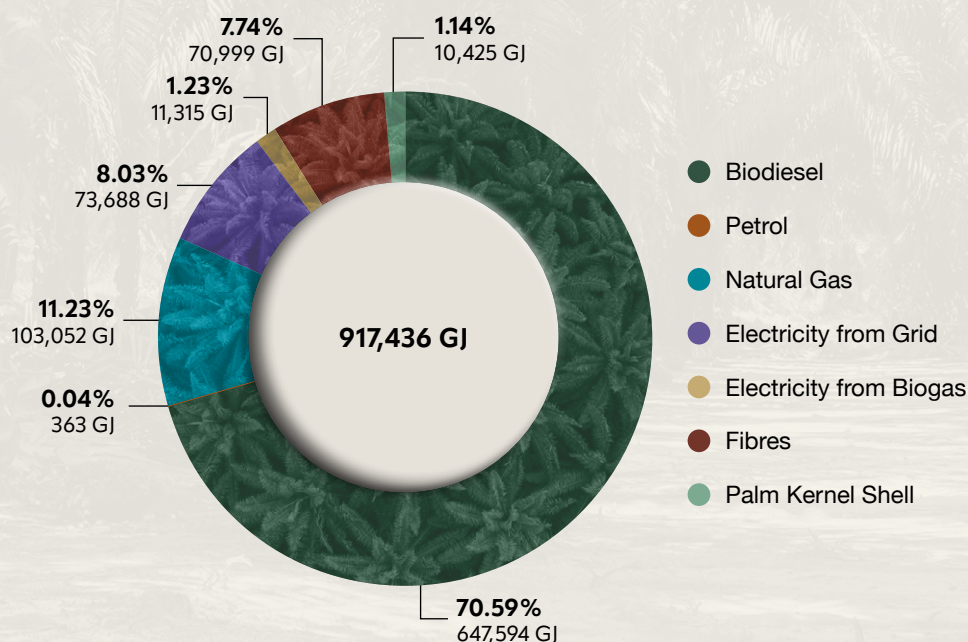


Environmental Management

ENERGY CONSUMPTION WITHIN THE ORGANISATION IN 2023 (GIGAJOULES) [302-1, 302-3]

To reduce the consumption of non-renewable energy, renewable energy is utilised in the form of B35 biodiesel, and palm oil extraction process biomass residues in the form of PKS and fibres. Energy usage recording is conducted across the business, covering all upstream, downstream and

office activities. Upstream activities use renewable and non-renewable energy sources in the operational activities of 19 palm oil mills and 34 plantations. Downstream activities use renewable and non-renewable energy sources as part of the operational activities of the two refineries and four kernel crushing plants. Office activities use electricity purchased by the Singapore office, Jakarta office and Regional offices (Riau, Balikpapan, and Pontianak).



ENERGY CONSUMPTION IN 2023

Type of energy consumption	Value	Unit
Energy consumption from non-renewable sources	598,040	GJ
Energy consumption from renewable sources ¹	319,396	GJ
Total energy consumption	917,436	GJ
Intensity of energy consumption	0.96	GJ/MT CPO

¹ Calculation was based on B30, as the B35 programme was only effectively implemented by August 2023.

The energy consumption from non-renewable sources contains diesel, natural gas and petrol and petrol for vehicle operation and power generators across all operational units including plantations, palm oil mills, kernel crushing plants, processing plants, and offices. The energy consumption from renewable sources includes biomass (PKS and fibres), biogas and biodiesel. Energy conversion values for biomass are based on a research paper titled "Calculation of Palm Oil Solid Waste Potential for Renewable Energy" by LCA Method. Meanwhile, the energy from purchased electricity comes from regional electricity grid consumption.

Characterised by erratic weather patterns and increased frequency of extreme events, the effects of climate change can impact crop yields and production by disrupting cultivation and harvesting processes. By aligning our approach with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), First Resources has been able to identify the climate-related risks and opportunities faced by our business and enhance disclosures to our stakeholders.

Building on the progress made in 2022, First Resources has taken the next step in this journey by conducting a quantification assessment of the potential financial impact from physical and selected transition risks. This section explains First Resources' approach to managing climate change and documents the progress we have made and the planned next steps to ensure our long-term resilience.

CLIMATE CHANGE ADAPTATION [201-2]

The agribusiness sector is particularly vulnerable to climate change.



Environmental Management

Governance [2-13]

At First Resources, the responsibility for overseeing sustainability matters, including climate change, resides with the Board, led by the Chairman. Updates on critical sustainability matters, including climate-related issues, are reported to the Board for its attention. These updates allow the Board to maintain oversight of the material climate-related issues faced by the Group and consider them when formulating the longer-term strategy of First Resources.

The Board delegates the responsibility for managing climate-related issues to the CEO, who is in turn, supported by the Head of Sustainability and various departments within First Resources. On an ongoing basis, the senior management team monitors and gives due consideration to climate-related risks and opportunities when managing risks, setting performance objectives, and formulating strategies and business plans for the Group.

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

SUSTAINABILITY GOVERNANCE STRUCTURE

Position	Responsibilities
• Board of Directors	Oversees the Group's key risks and assumes overall responsibility for climate-related matters.
• Chief Executive Officer	Responsible for the management of First Resources' climate-related issues.
• Head of Sustainability	Responsible for day-to-day implementation of First Resources' sustainability policy and ensuring that the Group's response to climate change issues are implemented smoothly.
• Department heads • Sustainability Strategic Stakeholder Engagement Team • Sustainability Certification and Traceability Team • Sustainability Conservation, Environmental & Social Compliance Team	Responsible for facilitating and overseeing the implementation of climate-related matters in operational aspects of First Resources' business. These can include the planning and execution of day-to-day activities related to production and other functions.
• Regional Sustainability teams	Implementing the climate-related actions.

Strategy

Recognising the significant impact that climate change can have on our business, First Resources has invested heavily in enhancing our agronomic practices to increase the resilience

of our oil palms through research and development. A key component is our oil palm breeding programme which aims to develop more durable planting materials that can better withstand the effects of climate change, such

as dry weather conditions and more extreme weather events. At the same time, First Resources is cognisant that the transition to a low-carbon future presents risks and opportunities to our business.



Environmental Management

Qualitative Assessment of Climate-Related Risks and Opportunities [201-2]

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 (including drought), coupled with more extreme temperatures	<p>Risk description:</p> <ul style="list-style-type: none"> Increased frequency of erratic and extreme weather events affecting oil palm growth and productivity Operational and reputational risk with the occurrence of fire events within concessions during drought <p>Potential business impacts:</p> <ul style="list-style-type: none"> 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 from temporary loss of access to plantations as a result of direct impacts on our infrastructure <p>Mitigations and response:</p> <ul style="list-style-type: none"> 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
Key Transition Risks	
Implementation of carbon tax	<p>Risk description:</p> <ul style="list-style-type: none"> Increase in operating costs from activities that are still dependent on fossil fuels (e.g. diesel usage, fertiliser application, mill operations, and waste management) <p>Potential business impacts:</p> <ul style="list-style-type: none"> 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 <p>Mitigations and response:</p> <ul style="list-style-type: none"> 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



Environmental Management

Climate-Related Risks and Opportunities	Relevance and Impact to First Resources
Change in customer behaviour	<p>Risk description:</p> <ul style="list-style-type: none"> • Decreased revenue as customers move away from products which are not sustainability certified (e.g. RSPO, ISCC, etc.) and palm oil's association with deforestation and social issues • Decreased revenue as Renewable Energy Directive (RED) II will phase out the use of palm oil for biodiesel feedstock by 2030 <p>Potential business impacts:</p> <ul style="list-style-type: none"> • 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 risk associated with non-compliance <p>Mitigations and response:</p> <ul style="list-style-type: none"> • Demonstrate sustainability of business operations by continuing to progress towards achieving 100% RSPO and maintaining current sustainability certifications and NDPE commitments • Staying abreast of regulatory or certification developments and requirements
Changes in investor and shareholder expectations	<p>Risk description:</p> <ul style="list-style-type: none"> • Reduced capital availability as carbon-intensive or non-energy efficient investments would be unattractive • Negative association of palm oil and reputational effects on investors can lead to divestments <p>Potential business impacts:</p> <ul style="list-style-type: none"> • Reduced capital availability from investors/shareholders due to loss of investor support • Restricted access to insurance or new opportunities as a result of reputational damage <p>Mitigations and response:</p> <ul style="list-style-type: none"> • 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



Environmental Management

Climate-Related Risks and Opportunities	Relevance and Impact to First Resources
Climate-Related Opportunities	
Use of lower-emission energy sources	<p>Opportunity description:</p> <ul style="list-style-type: none"> Reduced exposure to energy prices due to increased availability of low-carbon energy sources to tap and decreased reliance on carbon-intensive fuels <p>Potential business impacts:</p> <ul style="list-style-type: none"> Cost savings from reduced exposure to energy prices, leading to decreased operating costs Improved reputation moving towards low-carbon emission sources Reduced exposure to penalties such as carbon taxes
Resource efficiency	<p>Opportunity description:</p> <ul style="list-style-type: none"> Reduced operating costs, and thus attracting clients, assuming that there will be advancements in technology, leading to increased availability of energy-saving technologies to help industries to become more efficient <p>Potential business impacts:</p> <ul style="list-style-type: none"> Cost savings from reduced exposure to energy prices, leading to decreased operating costs Improved reputation with moving towards low-carbon emission sources
Increasing demand for biofuels	<p>Opportunity description:</p> <ul style="list-style-type: none"> Increased market demand for biofuels due to the push for decarbonisation, locally and globally Moving from B35 to a higher blend, which will likely create more demand for palm oil <p>Potential business impacts:</p> <ul style="list-style-type: none"> Increased revenue due to an increased demand for palm oil for biodiesel both domestically and globally



Environmental Management

QUANTIFICATION OF POTENTIAL IMPACT FROM CLIMATE CHANGE

During 2023, First Resources progressed in the implementation of the TCFD recommendations and embarked on quantifying the potential financial impact from physical risks and

selected 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.

We worked with independent climate experts to conduct a scenario analysis to investigate the potential financial impacts from climate change and assess the resilience of our business

under these different conditions up to 2030. The climate scenario sources, assumptions and limitations for the financial assessment of physical and transition risks have been summarised in the table below.

SUMMARY OF PHYSICAL AND TRANSITION RISK QUANTIFICATION DETAILS

	Physical Risks	Transition Risks
Data Sources	<p>External data:</p> <ul style="list-style-type: none"> • Data from Climate Insights from CLIMsystems comprising Global Climate Models ("GCMs") of the coupled model intercomparison project ("CMIP6") for periods from 2005 to 2030 for the selected Shared Socioeconomic Pathways (SSPs) scenarios SSP1-2.6, SSP2-4.5 and SSP5-8.5 from the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) • Agricultural Production Systems Simulator next generation (APSIM-NG) model¹ • Country/location-specific historical climate and weather data <p>Internal data:</p> <ul style="list-style-type: none"> • Asset locations • Asset characteristic (e.g. refinery, palm oil mill, kernel crushing plant) • Estate-specific historical yield (2012 – 2021) • Historical region-specific rainfall (mm) and number of rain days (2008 – 2022) 	<p>External data:</p> <ul style="list-style-type: none"> • Data from the Network for Greening the Financial System (NGFS) REMIND-MAgPIE² 3.0–4.4 Net Zero 2050 & Current policies for energy prices (electricity and fuel) • Price of utilities (e.g. electricity, fuel) <p>Internal data:</p> <ul style="list-style-type: none"> • 2022 Energy and emissions data

¹ Underpinned by rigorous science standards, internationally recognised as a highly advanced platform for modelling and simulation of agricultural systems. It contains a suite of modules that enable the simulation of systems for a diverse range of plant, animal, soil, climate and management interactions.

² REMIND (Regional Model of Investment and Development)-MAgPIE (Model of Agricultural Production and its Impacts on the Environment): Comprehensive integrated assessment model (IAM) that simulates the dynamics amongst macro-economic drivers, energy, land-use, water, air pollution and health, economy and climate systems.



Environmental Management

	Physical Risks	Transition Risks
Key Assumptions	<p>The model considers the following assumptions:</p> <ul style="list-style-type: none"> • Current agricultural management practices are optimal, with no progress in agricultural techniques and management practices • No changes in assets • No implementation of mitigation 	<ul style="list-style-type: none"> • 2023 energy consumption and emissions are equal to 2022 • NGFS transition energy and carbon price takes effect in 2024 • Both energy consumption and emissions assume a consistent increase in line with predicted production increase • In the mitigation case, the model assumes a projected year-on-year emissions reduction of 4.2%, in line with climate science, with no change in energy consumption • Desktop energy and electricity price was used as the reference price • No change in reference energy prices was incorporated • Emissions factors remain the same (2022) and no grid greening is accounted for
Limitations	<p>The assessment includes First Resources' current palm oil assets and does not include the following:</p> <ul style="list-style-type: none"> • Assets acquired after the point of assessment (FY2022) • Planned assets 	<p>The assessment includes current assets and does not contain:</p> <ul style="list-style-type: none"> • Assets acquired after the point of assessment • Planned assets • Potential investment for mitigation
Modelling Metric	<ul style="list-style-type: none"> • Projected percentage change in theoretical FFB maximum yield potential¹ 	<ul style="list-style-type: none"> • Net cost impact (US\$)

¹ Model simulations found the maximum yield potential (MYP) typically occurs around the 6th year after sowing. The 6th year after sowing is a significant milestone because it represents the point at which the oil palm trees have matured and reached a stage of development where they can achieve the maximum yield potential under the idealised physical and chemical conditions of (e.g. soil nutrients, temperature) our simulation.



Environmental Management

Physical Risk Assessment

In 2022, 60¹ of First Resources assets were assessed against 15² physical risks comprising chronic and acute risks. The assessment was carried out across three timeframes (2030, 2050 and 2070), for three climate scenarios. The three time frames were selected having considered the lifespan of First

Resources' assets (oil palm cycle of ~25 years) and allowed us to understand how the impact of each risk evolves. In accordance with best practice, First Resources' assessment was conducted utilising publicly available science-based data and projections (See Data Sources in the [Summary of Physical and Transition Risk Quantification Details](#)), accompanied by First

Resource's internal data accounting for historical weather and crop yield. The climate scenarios selected align with the TCFD recommendations to consider a 2°C or lower scenario (low emissions) with higher transition risks and a scenario with increased physical climate-related risks (very high emissions).

Together, the internal and external data sources utilised in this assessment provides the potential projected percentage change in theoretical FFB maximum yield³ against the plausible future scenario, without mitigation. This presents a helpful indication of the potential impacts of physical climate change.

PHYSICAL RISK ASSESSMENT CLIMATE SCENARIOS

	Low emissions	Intermediate	Very High Emissions
Description	<ul style="list-style-type: none"> Global CO₂ emissions are reduced severely, reaching net-zero after 2050, limiting warming to below 2°C World moves to a more sustainable path, respecting environmental boundaries. 	<ul style="list-style-type: none"> CO₂ emissions remain around current levels before starting to fall mid-century but do not reach net-zero by 2100. Progress toward sustainability is slow. 	<ul style="list-style-type: none"> Current CO₂ emissions levels roughly double by 2050. The global economy grows quickly, fuelled by fossil fuels and energy-intensive lifestyles.
Data Sources	IPCC's AR6 ⁴ SSP 1-2.6	IPCC's AR6 ⁴ SSP 2-4.5	IPCC's AR6 ⁴ SSP 5-8.5
Averaged Temperature Change	1.5°C to 1.8°C	1.5°C to 2.7°C	1.6°C to 4.4°C

¹ Comprising kernel crushing plants, refineries, bulking stations and plantations in Indonesia (excluding offices).

² 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.

³ Model simulations found the maximum yield potential (MYP) typically occurs around the 6th year after sowing. The 6th year after sowing is a significant milestone because it represents the point at which the oil palm trees have matured and reached a stage of development where they can achieve the maximum yield potential under the idealised physical and chemical conditions of (e.g. soil nutrients, temperature) our simulation

⁴ Shared Socioeconomic Pathways (SSPs) referenced in the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)



Environmental Management

Quantification of Potential Physical Risk

In 2022, First Resources' top physical risk impact was assessed to be an increased frequency of erratic and extreme weather events including heavy rainfall and drought, coupled with more extreme temperatures. These events also indirectly affect the amount of solar radiation received. The impact from these changes is more pronounced in the higher GHG emissions scenarios (SSP 2-4.5 and SSP 5-8.5) than the low emission scenario (SSP 1-2.6).

Left unmitigated, these unfavourable conditions for oil palm growth may

damage crops, a decrease of up to 4% in FFB yield was predicted in most plantations with some predicted reductions reaching as high as 10% in the event where there is drier than normal periods such as during the El Niño years. After reviewing First Resources' measures against these potential risks, the current mitigation strategy remains appropriate. For more details on how First Resources is taking action please see the sections on [Reducing Our GHG Emissions](#) and [Qualitative Assessment of Climate-Related Risks and Opportunities](#) for some of our initiatives to reduce our emissions and business mitigations and responses to climate-related risks.





Environmental Management

Transition Risk Assessment

First Resources has prioritised the quantification of the financial exposure from implementation of carbon tax and increasing energy prices. Both risks were stress tested against the most extreme scenarios of i) Net Zero 2050; and ii) Current Policies from the Network for Greening the Financial System (NGFS), representing the upper and lower bounds of the analysis.

The analysis was done referencing the regional carbon price and energy price projections of the Net Zero 2050 and Current Policies scenarios from the NGFS which are assumed to come into effect in 2024. The NGFS scenario conditions are overlaid onto First Resources' current (2023) and projected GHG emissions and energy usage profile to 2030.

The potential impacts are determined through modelling two business cases. A reference case where no decarbonisation initiatives beyond what has been planned in or prior to 2023 and a mitigation case where First Resources reduces its emissions. For more information on the data sources, key assumptions, and

limitations of the financial assessment of implementation of carbon tax and increasing energy prices, please refer to the table above on the [Summary of Physical and Transition Risk Quantification Details](#).

The results in this section are presented as the cumulative cash flow impact for 2024–2030, discounted at the First Resources weighted average cost of capital (WACC), indicating the extent and probability of potential future losses.

DESCRIPTION OF NGFS TRANSITION RISKS WITHIN EACH CLIMATE SCENARIOS

Risk	Current Policies	Net Zero 2050
Price of Fuel	Likely to increase at a slow rate	Likely to increase at a moderately quicker rate
Electricity Price	Increase likely to remain low	Likely to increase at a moderately quick rate before tapering off around 2030
Carbon Price	Likely to remain low (<US\$6 for most countries)	Likely to increase exponentially for most countries by around 2030 (reaching >US\$100)





Environmental Management

Quantification Results of Potential Transition Risk

Overall, under the conditions of the two NGFS climate scenarios, the total additional cumulative financial exposure for 2024-2030 due to implementation of carbon tax and increasing energy price ranges from US\$8.4 million in a 'Current Policies' scenario up to US\$85.9 million in a 'Net Zero 2050' scenario. Presently, Indonesia does not currently implement a carbon tax and First Resources is not subject to carbon tax, however this analysis provides insights on the potential financial impact should the conditions in the NGFS 'Net Zero 2050' and NGFS 'Current Policies' scenario come into effect.

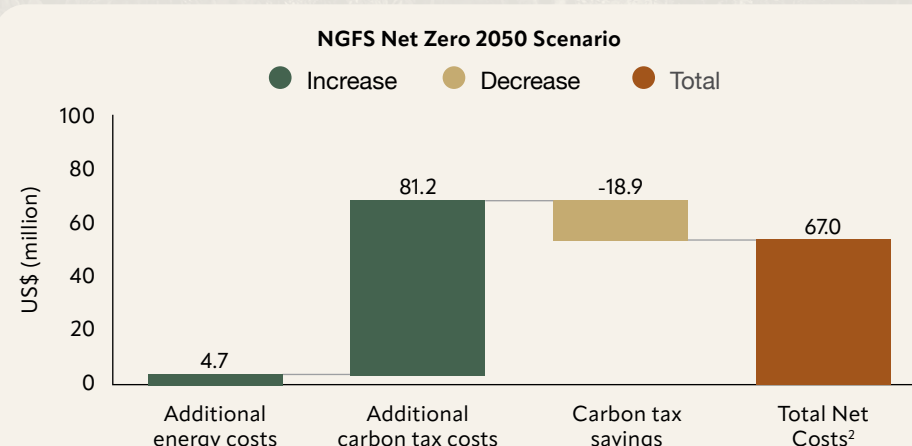
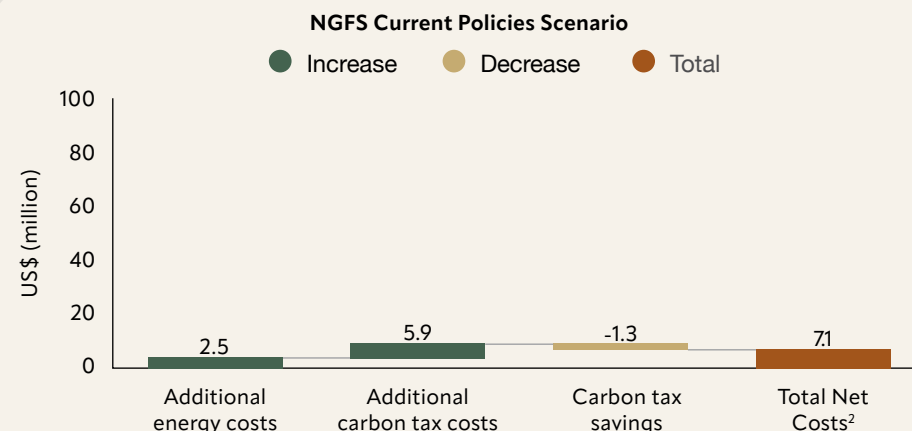
In the NGFS 'Net Zero 2050' scenario, increasing energy and the exponential increase in carbon pricing are predicted to result in additional costs of up to US\$4.7 million and US\$81.2 million respectively for 2024-2030. Whereas in a NGFS 'Current Policies' scenario, the additional energy and carbon costs to First Resources is lower at US\$2.5 million and US\$5.9 million, respectively.

Reducing First Resources' carbon emissions, in line with scientific recommendations, can avoid costs through carbon tax savings ranging from US\$1.3 million in a 'Current Policies' scenario to US\$18.9 million in a 'Net Zero 2050' scenario. With this reduction, First Resources' net cost impact after mitigation for 2024-2030 will range from US\$7.1 million under the 'Current Policies' scenario to US\$67.0 million under the 'Net Zero 2050' scenario.

Addressing our impact through measures such as optimisation of operational efficiency, the construction of methane capture facilities and exploring other forms of renewable electricity generation options are part of our ongoing commitment. For more details on how First Resources is taking action, please see the sections on [Reducing Our GHG Emissions](#) and [Qualitative Assessment of Climate-Related Risks and Opportunities](#) for information on our initiatives to reduce our emissions and the business mitigations and responses to climate-related risks.

As data and methods evolve and emerge, First Resources will continue to enhance its assessment of transition risks.

CLIMATE TRANSITION FINANCIAL IMPACT: WACC (2024-2030)¹



¹ These results do not account for planned capital expenditure for mitigation and savings from reduction in energy consumption. The results are indicative and not intended to be a forecast or prediction, but as a tool to stress-test the resilience of the First Resources' current strategies against plausible future scenarios. Please refer to the scenario sources used on page 41.

² Net costs may not add up due to rounding



Environmental Management

RISK MANAGEMENT

Climate change remains a material topic for First Resources and sustainability-related risks, including those associated with climate change, are identified, assessed and integrated into the Group's overall risk management. The Group takes guidance from its Group Risk Management Framework (GRM Framework), which outlines the process of identifying key risks in the business landscape, assessing the effectiveness of internal controls and reporting on potential adverse risks and exposures for the business. Where additional or improved internal controls are assessed to be required, these will be designed and implemented alongside any management action plans to effectively manage and mitigate the risks. This year, the quantification of the climate-related risks would be able to provide further insights on their financial materiality which would be important when formulating the Group's strategy, risk management and business plans.

METRICS AND TARGETS

First Resources has begun capturing its GHG emissions footprint using the GHG Protocol. More information on First Resources' GHG emissions can be found in the sections on [Environmental Management](#) and [Our Operational Footprint](#).





Environmental Management

WATER AND WASTE MANAGEMENT [3-3]

Our commitment to responsible consumption and production practices underscores our dedication to 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, 303-2, 303-3]

Water used in our mills is sourced primarily from surface water and shared across our employees' houses, plantation offices and housing in the vicinity. The processing of fresh fruit bunches (FFB) at our mills constitutes a substantial portion of our water usage with the remaining used for irrigation purposes in our nurseries, all of which have varying impacts on our water management.

This year, approximately 4.6 million cubic metres of water was withdrawn, all of which is freshwater, from surface water sources to support our operations, of which approximately 3.9 million cubic metres of water was consumed for our operations. No identified communities or neighbouring companies share the same water source as our mills and no facilities were identified to be within areas of water stress.

In responsibly managing our water consumption and footprint, we actively explore opportunities for water reuse and recycling. In 2023, we recycled a total of 323,520 cubic metres of our wastewater for cooling. Additionally, 773,569 cubic metres of steriliser

WATER USAGE FOR PROCESSING OF FFB

	2019	2020	2021	2022	2023
Total water withdrawal for operations (cubic metres)	4,313,951	3,968,941	4,090,242	4,229,822	4,684,592
Total water consumption for operations¹ (cubic metres)	3,867,756	3,479,456	3,677,740	3,699,302	3,999,543
Water consumption intensity (cubic metres per tonne of FFB processed)	1.09	0.94	0.95	0.92	0.94

Note: Data include all water that was drawn from surface water sources, whether treated or not treated for use.

¹ Total water withdrawn for operations excludes consumption for domestic, general building, laboratory and office use.

condensate produced during the FFB sterilisation process was recycled into our CPO dilution process. Leveraging process automation, water reuse initiatives, and ongoing efficiency monitoring, we achieved a remarkable water consumption intensity of 0.94 cubic metres per tonne of FFB across

all our mills in 2023, meeting our target of 1.0 cubic metres per tonne of FFB processed.

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



Environmental Management

WASTE AND EFFLUENTS MANAGEMENT

[3-3, 303-2, 306-1, 306-2, 306-3, 306-4, 306-5]

Waste Management

We recognise the importance of effective waste management in minimising our environmental footprint and meeting regulatory standards. Our waste management strategy is integral to our milling process, emphasising the reuse, recovery, and recycling of products to minimise environmental impact and align with stakeholder expectations.

We continue to find ways to reduce our waste-related impacts, particularly along the production of our organic solid by-products such as our EFB, fibres, PKS, and POME. A large portion of our EFB organic by-product is applied as mulch in plantations to conserve soil moisture, improve soil fertility, and reduce weed growth. Fibres and shells undergo incineration within our palm oil mills and refineries, generating power for use within our operations. In plantations, oil palm trunks and fronds are strategically left *in-situ* during replanting and pruning, enhancing soil fertility

through decomposition. Where our remaining waste cannot be managed on-site, these are collected and managed by licensed third-party professionals. A total of 58.79 tonnes of hazardous waste was generated. Some examples of hazardous waste include used batteries, expired medical products, all of which is handed over to licensed third-parties for processing and disposal offsite.

We work closely with stakeholders such as the *Dinas Lingkungan Hidup* (DLH) to ensure compliance with regulations and maintain quality standards. DLH plays a crucial role in overseeing environmental protection and conducts key on-site assessments to ensure our waste management practices within plantations align with regulatory requirements. To date, we have consistently maintained quality standards in alignment with regulatory requirements.

To further improve waste management efficiency, we have implemented initiatives such as the addition of domestic waste facilities in plantations and the use of a filter belt-press to reduce methane emissions. These measures

not only help us minimise waste and wastewater generation but also create economic value through the production of fertilisers from processed waste. Moving forward,

we continue to measure the effectiveness of our initiatives and ensure that all organic waste is reduced, reused, and recycled.





Environmental Management

Effluent Management

Effluent discharges are subject to regular checks to ensure compliance with regulations for priority substances of concern, as defined by the relevant local authorities.

To ensure waste never breaches safe limits into waterways, this year, we enhanced our water quality monitoring systems by installing the SPARING – Continuous and Networked Wastewater Quality Monitoring System in two of our palm oil mills in Riau. This ensures that water quality will not be adversely affected by polluting effluents.

We also carry out the repurposing of POME, a by-product of the milling process, into organic fertiliser. This initiative not only minimises effluent discharge but also reduces reliance on commercial fertilisers. For land application of treated POME, we

maintain its Biochemical Oxygen Demand (BOD) level below the legal threshold of 5,000 milligrams per litre. The Chemical Oxygen Demand (COD) level for land application of treated POME, is maintained below the legal threshold of 10,000 milligrams per litre. A breakdown of BOD and COD levels of treated POME per region can be found in the tables on pages 49 and 50.

In unique cases where no plantation is integrated, treated POME is responsibly discharged into the sea. While there was a slight increase noted in the BOD and COD levels of treated POME discharged to the land and sea in Riau, levels remained below legal thresholds and were primarily attributed to variations in testing methodologies. It is crucial to highlight that there were no incidents of non-compliance with discharge limits throughout the year 2023.





Environmental Management

QUANTITY OF ORGANIC WASTES GENERATED BY MILLS AND DISPOSAL METHOD

Type of Waste	Disposal Method	2019	2020	2021	2022	2023
EFB (tonnes)	Reused as organic fertiliser	506,844	511,015	566,573	616,689	664,489
	Reused as fuel	27,730	31,234	33,413	24,945	19,142
POME (cubic metres)	Treated and reused as organic fertiliser	2,355,326	2,596,156	2,701,094	2,793,891	2,824,790
	Treated and discharged to the sea	118,006	127,865	135,438	99,779	73,753
	Treated and discharged to the river	-	-	66,538	73,965	158,380
Palm kernel shells (tonnes)	Reused as fuel	124,181	125,645	110,726	101,472	90,806
	Sold to 3 rd party	56,369	68,058	86,333	95,068	93,906
Fibres (tonnes)	Reused as fuel	447,931	471,250	494,041	510,664	543,686

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

Destination and Region	Regulation Standard	2019	2020	2021	2022	2023
Sea discharge						
Riau	100	4	6	22	25	30
River discharge						
Riau	100	-	-	-	49	35
Land application (treated POME that is reused as organic fertiliser)						
Riau	5,000	1,107	855	1,210	1,502	1,720
West Kalimantan	5,000	1,600	1,890	1,189	875	1,005
East Kalimantan	5,000	1,659	2,157	2,374	3,042	1,589



Environmental Management

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

Destination and Region	Regulation Standard	2019	2020	2021	2022	2023
Sea discharge						
Riau	350	24	27	73	89	123
River discharge						
Riau	350	-	-	-	174	144
Land application (treated POME that is reused as organic fertiliser)						
Riau	10,000	3,305	2,807	2,934	3,940	4,348
West Kalimantan	None	7,636	6,533	7,670	3,864	4,996
East Kalimantan	None	3,541	4,590	5,725	7,504	6,583

Hazardous Waste

Given the nature of our operations, we generate various materials categorised as hazardous waste including pesticide packaging, expired pesticides, used batteries, lubricants and filters, empty paint cans, printer cartridges, and medical waste from our health clinics. Additionally, our power plants

utilise coal and EFB fibre as fuel to supply electricity to our factories and facilities. This process results in the production of fly ash and bottom ash as waste, while our refineries generate spent bleaching earth (SBE). To ensure no adverse environmental impact, we manage such waste in strict accordance with regulations.

Our hazardous waste undergoes a comprehensive management process, starting with segregation, labelling, and storage within our secure, fire-resistant facilities designed for hazardous waste. These storage facilities are equipped with spillage containment kits, alarms, firefighting equipment, and first aid kits. Regular weekly inspections are conducted, and operational procedures for handling leakages are implemented.

Licensed third-party entities are entrusted with the collection and proper disposal of hazardous waste, ensuring that these processes adhere to national legislations. Hazardous waste generated from downstream activities such as filter bags and cartridges are collected and disposed by local licensed waste collectors. In 2023, we reported 59 tonnes of hazardous waste generated and managed.



Environmental Management

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. PROPER aims to promote industrial compliance with pollution control regulations and encourages the adoption of cleaner technologies for better environmental management. First Resources participates annually and utilises the reporting initiative across our operations to evaluate our environmental management.



The PROPER reporting initiative uses a colour-coded rating system to measure performance across various areas, including air and water pollution control, hazardous waste management, environmental management system, implementation of Environmental Impact Assessment, community development and conservation of resources.

In 2023, a total of 21 subsidiaries were awarded a blue rating, meeting our PROPER assessment target for the year.

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]

We focus our efforts on preserving high yields and ensuring land-use efficiency by taking great care to protect and nourish our crops.

We employ various methods, including biological pest control and organic fertilisers made from our waste products wherever possible. While organic fertilisers provide significant benefit, their effectiveness can vary with their nutritional contribution falling short for oil palms in certain situations, necessitating the use of inorganic fertilisers. However, we remain committed in our management of chemicals, ensuring we minimise any potential harm to the environment and our workers. This commitment is upheld through the diligent application of agronomic best practices, particularly in soil management.

To maintain physical and chemical soil health, we take a multifaceted approach. This includes promoting *tapak kuda* and terracing (*terassering*) management to mitigate soil erosion in sloping areas, cultivating land cover crop to increase nitrogen, reduce run-off, and suppress weed growth. We also

utilise the application of empty fruit bunch (EFB) as fertiliser, providing vital nutrients and moisture to the soil. EFB not only enhances soil structure but also improves aeration, bolsters water retention capacity, and regulates soil pH. To further safeguard soil moisture and augment aeration, we engage in soil hoarding around plants.

Integrated Pest Management and Herbicide Usage

At First Resources, we adopt an integrated pest management approach that combines the use of biological controlling with robust agricultural practices. This involves strategically controlling infestation, using natural predators to contribute to pest control while reducing the use of pesticides to minimise environmental impact. Since the implementation of our [Sustainable Palm Oil Policy](#) in 2015, we remain committed to minimising the use of chemical pesticides throughout our operations and actively encourage our suppliers to adopt similar sustainable agrochemical practices. We also engage with our smallholders to implement best management practices, including discouraging the use of paraquat and prohibited pesticides.





Environmental Management

Integrated Pest Management

Rats are a prevalent issue in our young plantations. To mitigate this issue, we introduced barn owls (*Tyto alba*) to our plantations as a form of biological control agent, mitigating the need for excessive rodenticides use 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 cultivate plants such as *Cassia cobanensis*, *Antigonon leptopus*, and *Turnera ululata*, attracting natural predators that combat oil palm leaf-eating pests such as bagworms and nettle caterpillars. Other biological controls that we adopt include the *Cordyceps* fungus which addresses nettle caterpillar outbreaks and *Trichoderma*, which serves as a bio-fungicide to control *Ganoderma*.

A common pest we encounter during our replanting stages is the rhinoceros beetle – a species feeding on soft young shoots of immature oil palms. During replanting, we combat and control the rhinoceros beetle population with a comprehensive

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 beetle's larvae.

Where pesticides are required, we implement a rigorous monitoring process to ensure compliance with the Ministry of Agriculture in Indonesia. These pesticides take form in either solid, liquid or a pre-formulated mixture whose classification is set by the manufacturer as per the World Health Organisation's (WHO) guidelines. We extend our agrochemical policy to our suppliers, encouraging our suppliers to adhere to sustainable practices in agrochemical applications.

In critical scenarios, we employ the use of WHO Class 1A or 1B pesticide. The use of the pesticides is strictly regulated and only used in urgent situations, such as during a bagworm outbreak where biological methods are rendered ineffective. We ensure the use of WHO Class 1 chemicals are always accompanied with adequate safety measures such as the use of

personal protective equipment (PPE) to safeguard our workers and prevent any long-term health issues.

The increase in pesticide usage in 2023 has been due to our increased

efforts under the Pest and Disease Management programme (*Program Hama Penyakit Tanaman*) for comprehensive pest control and maintenance of plantation quality.





Environmental Management

Herbicide Usage

In cases of concerns related to high toxicity levels and potential misuse, such as the use of paraquat, we have taken measures to strictly prohibit its use since 2020. To research substitute herbicides, we carried out trials that involved testing different herbicide-weed permutations over various conditions. The resulting use and

application of substitute herbicides saw an increase in effectiveness of more than 50% compared to paraquat use. While the costs of using alternatives may be higher, we continue to take this necessary step to protect the environment and the health and safety of our employees.

To drive our commitment to reducing herbicide waste and usage, we are

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, ensuring less chemicals are introduced into the environment and reducing the potential risks of workplace chemical exposure. Through extensive research and observation, we have

been able to adjust the frequency of herbicide application from every 3 months to every 4-6 months. Some of our other efforts in pest and chemical management have included a reduction in the use of ammonium glyphosate and increased exploration in reductant pest solutions.

AMOUNT OF PESTICIDES APPLIED [2-4]

Pesticides	Kilogrammes/hectare					Litres/hectare				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Fungicide	0.004	0.003	0.003	0.003	0.050	-	-	0.001	0.007	0.001
Herbicide	0.257	0.395	0.187	0.283	1.293	2.252	2.086	2.202	2.348	6.248
Insecticide	0.268	0.466	0.219	0.389	0.493	0.039	0.067	0.054	0.027	0.058
Rodenticide	0.300	0.274	0.333	0.063	0.813	-	-	-	-	-
Total	0.829	1.138	0.742	0.738	2.649	2.291	2.153	2.257	2.382	6.307

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



Environmental Management

Fertiliser Usage

At First Resources, our fertiliser usage strategy aligns with the specific needs of our diverse plantations, considering factors like areal size and composition. While oil palm plantings in their prime-yielding ages demand higher nutrient inputs, our goal remains to maximise the utilisation of organic fertilisers derived from waste products while ensuring that fertilisers applications are done at the right time and intervals, thereby reducing the use of chemical substances.

With managing our fertiliser usage comes the paramount role of protecting our workers who handle chemicals

within our operations. We hold regular mandatory trainings for our workers, which are conducted by our field and R&D staff, learning centres and chemical vendors. The training sessions cover proper package handling, mixing chemicals solutions from concentrate, using chemical application tools and evaluating the success rate of application. Our training also emphasises on the use of adequate PPE which are provided and to be used at all times on site. First Resources does not use chemicals listed under the Stockholm or Rotterdam Conventions.

In 2023, we effectively reused 92% of our palm oil mill effluent (POME)

and over 97% of our EFB produced as organic fertilisers in the field. We prioritise resource efficiency through fertiliser application guidelines, strategically timed to ensure we maintain adequate intervals between application cycles and minimise run-off during periods of high rainfall, thus safeguarding the environment. In riparian buffer zones, applicability of fertilisers is prevented under our internal standard operating procedures. While we noted an increase in our organic fertiliser usage this year, this was primarily driven by increases in our fresh fruit bunch (FFB) production.

Since piloting the use of urease

inhibitors in our Riau plantation to increase urea uptake and combat post-application volatility in 2022, our research on urea as an alternative nitrogen fertiliser has continued in 2023. During the year, the focus remained on understanding the role of urea in increasing fertilisation efficacy and reducing GHG emissions in our plantations. Thus far, the results have been promising.

Looking ahead, First Resources will continue to drive research on fertiliser use optimisation and the continued implementation of the "4 Rights" in manuring (right source, right dosage, right time, and right place).

USAGE OF ORGANIC FERTILISERS

	2019	2020	2021	2022	2023
EFB (tonnes)	494,034	498,820	566,573	616,689	664,489
POME (cubic metres)	2,355,326	2,576,963	2,701,094	2,793,891	2,824,790

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

USAGE OF INORGANIC FERTILISERS

	2019	2020	2021	2022	2023
Inorganic fertiliser (tonnes)	148,337	155,903	137,278	81,163	151,940
Inorganic fertiliser (tonnes/hectare)	0.70	0.80	0.70	0.40	0.71

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]

At First Resources, we prioritise active engagement with the communities where we operate, recognising the importance of safeguarding their rights and livelihoods during new developments.

Our commitment extends to preserving legal and customary rights, protecting cultural practices, and respecting places of significance for indigenous and local communities. We are also mindful of the diverse backgrounds of our workforce, including migrant workers representing various tribes or areas and we proactively ensure that our operations, whether in plantations or mills, do not interfere with these essential aspects. Through constructive dialogue and adherence to appropriate land acquisition protocols, we strive to maintain positive relationships with the communities in which we operate.

COMMUNITY ENGAGEMENT FOR POSITIVE IMPACT [413-1]

The development of plantations and the accompanying operational activities can lead to significant positive economic impacts. These include increased job and business

opportunities, improved road and communication accessibility, and infrastructure development for the regions. However, we also recognise the potential for negative impacts including competition for employment opportunities and the risk of social conflict and environmental damage.

We are undertaking several key measures to manage our impacts, including:

- **Implementing community empowerment programmes to understand and address the needs of affected communities and areas.**
- **Conducting social and environmental monitoring and evaluation to anticipate and mitigate the potential social issues, including those related to the human rights of indigenous and local communities.**
- **Carrying out necessary precautionary procedures, covering Social and Environmental Impact Assessments (SEIA) in line with RSPO guidance and Free, Prior and Informed Consent (FPIC) studies, in the development of plantations.**
- **Initiating a human rights plan to implement our Human Rights Due Diligence (HRDD), which will support identifying potential human rights impacts in our operations and supply chain. Please refer to our section on [Labour Conditions and Human Rights](#) for more information.**

To guide our community engagements during new developments, we conduct social impact assessments and appoint Public Relations to facilitate communication with and ensure the active involvement of stakeholders.

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. Throughout project development, we engage in open, transparent, and consultative approaches through public consultations and outreach activities. In cases of conflicts or grievances raised by local communities, our commitment is to resolve them with the same principles—openness, transparency, and consultation.



Community Engagement and Development

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

Acknowledging the intricacies arising from overlapping national and provincial laws in Indonesia, settling land rights and compensation remains a complex process. Customary and indigenous land claims can be vague and complex, making land ownership identification challenging. However, we remain cognisant of the need to ensure 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.

Once a new development has been granted a location permit (*Ijin lokasi*), we initiate a thorough process to identify landowners within the local community. A comprehensive socialisation process covers crucial aspects, designed to inform communities about:

- The company's permit granted by the government;
- The government 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.

Following the completion of these processes and due diligence, communities that accept the company's offer are compensated with land transfers documented and witnessed by members of the local government and community leaders.

Despite these processes, disputes over rightful land ownership may still occur, often representing the most common conflicts. We commit to addressing these disputes responsively through a consultative, fair, and transparent resolution process. Our stakeholders can raise grievances related to land ownership through our grievance procedure. Our regularly updated grievance list is accessible on our [website](#).

In 2023, there were no reported incidents of violations involving the rights of indigenous peoples.

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

The palm oil industry plays a pivotal role in Indonesia's economic

landscape, generating employment opportunities and contributing to infrastructure development in rural communities. First Resources acknowledges its responsibility to uplift local communities residing in areas with limited infrastructure.

Our Dedicated Community Development Officers (CDOs) serve as vital links between our company and community members. We prioritise open communication and respect the rights of local communities, fostering a conducive environment for our company's activities in these communities. Regular engagement with residents allows CDOs to build relationships, understand concerns,

and gather data on living conditions and population numbers. CDOs also collaborate with local communities to brainstorm development ideas, propose new programmes, and implement impactful local projects.

At the core of our commitment lies the recognition of key pillars essential for community development. Education, healthcare, infrastructure, alternative livelihoods, and socio-cultural activities form the foundation of our sustainable community investment. To ensure that these needs are met sustainably, we provide the necessary resources and support to empower the community. In 2023, we contributed over IDR 25.8 billion to our communities.





Community Engagement and Development

**IN 2023,
WE CONTRIBUTED OVER
IDR 25.8 BILLION
TO OUR
COMMUNITIES**

engage in self-development activities through extracurricular activities, such as dancing, soccer, volleyball, etc.

Students participate in competitions, both in academic and non-academic categories, where they have successfully achieved championships in various competitions. Our students not only learn conventionally in classrooms but also in the field, gaining practical experience related to the environment. They

participate in activities like planting and caring for garden crops, which they later harvest themselves.

First Resources play a key role in building these school facilities, providing crucial items such as furniture, electricity generators and other educational and infrastructure support. Additionally, we offer scholarships to high-achieving children, selected by local education authorities, from less privileged families, to further support education in villages around our operational areas. In 2023, First

Resources contributed approximately IDR 21 billion to support education, including scholarships, teachers' remuneration, school facilities and support for a Student Innovation and Creativity Center at a university.

We also run internship programmes conducted in collaboration with various Indonesian education institutions, providing valuable on-the-job experience and allowing students to apply their learnings in real-world settings. In 2023, we continue to enroll interns in our internship programme.

Education

First Resources believes that access to quality education is pivotal in reducing societal inequality and promoting social development.

We currently support 43 schools, from preschool to junior high, including three preschools, 15 kindergartens, 21 elementary schools, and four junior high schools. All schools are located within or near the company's oil palm estates and follow the curriculum taught in local government schools. With our support in providing school facilities, our students can actively





Community Engagement and Development

Healthcare

We prioritise the health and well-being of our people and communities by continuing to invest in safe and accessible healthcare.

All of our plantations are equipped with healthcare facilities, where we have a total of 19 health clinics and 19 first-aid centres, staffed with qualified medical professionals, including doctors and nurses who serve our employees and their families as well as local communities. Our health facilities maintain longer operating hours than local government health posts to ensure readiness for emergencies.

First Resources provides a suite of healthcare services aimed at improving residents' well-being and promoting healthy living. We conduct programmes in collaboration with local health authorities that encompass health treatments and advice for children, pregnant women, and the elderly, as well as coordinating blood donation drives. We provide inpatient care and emergency room facilities supported by licensed doctors and nurses. Standby ambulance transportation is available at each plantation for emergency medical referrals outside the plantation. Additionally, integrated health posts (*Posyandu*) offer health

programmes for mothers, infants, and children under the "Healthy Together with First Resources" programme, including growth and development examinations, nutritional education, maternal health check-ups, immunisations, and vaccinations.

Despite COVID-19 being endemic, we continue to implement protocols to prevent exposure to the virus among our employees and medical staff. Our clinics also continue to offer COVID-19 vaccinations as part of wider relief efforts to protect our communities. Medical services, including immunisations for polio, measles and tuberculosis, are also made available to communities upon request.

Infrastructure

Improving the infrastructure in the areas where we operate not only benefits our operations but also enhances local communities' access 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 and bridges for shared use is an example of this approach. For our infrastructure



development projects in 2023, we repaired over 140 kilometres of roads that connect villages near our operations to the town centre, and one bridge which can be accessed by nearby communities. We prioritise consultation with local village leaders

to ensure that our infrastructure projects adequately meet the community's needs. Furthermore, we also contributed to the construction of two school buildings, including the provision of furniture and other essential educational facilities.



Community Engagement and Development

Alternative Livelihoods

First Resources is committed to unlocking socio-economic benefits for local communities through alternative livelihood projects. We provide capital and raw materials to community members for their businesses, fostering economic growth, and promoting forest conservation and protection.

To further support the local communities, we have implemented the Sedentary Agriculture Programme, which offers horticultural gardens as an alternative source of income to communities who do not directly benefit from palm oil production. These gardens involve sedentary farming patterns and include various commodities such as corn, citrus, red chilli, watermelon, honeybee, and freshwater fish cultivation.

Through our self-sufficiency food programme, we conduct outreach activities and share knowledge about agriculture and fish cultivation, providing financial support for fish farming, as well as agricultural outreach and financial aid to honey, cassava, and citrus farmers. Additionally, we continually enhance

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

Disaster Relief

As part of our commitment to community welfare, we prioritise prompt and efficient responses to disasters that severely affect communities. In response to urgent situations, we take swift action to provide relief by donating necessities and providing provisions to affected communities. In addition to providing independent assistance to affected communities, we also coordinate with government representatives and associations such as GAPKI to offer support. Our aim is to ensure that affected communities have access to the resources and aid they need during critical times.





Employee Relations and Workplace

EMPLOYEE ATTRACTION, RETENTION AND DEVELOPMENT [3-3]

At First Resources, we understand the importance of nurturing a dynamic workforce for long-term success. In an evolving and competitive labour market, the long-term success of our business relies on our ability to not only attract but also retain a talented workforce.

We acknowledge the need to adopt novel ways to attract talent and meet the distinct needs and expectations of a changing workforce. We offer our employees a range of benefits including competitive compensation and rewarding career opportunities. Furthermore, our focus on increased digitalisation of our operations has proven to be critical in enhancing efficiency and attracting a new generation of employees. As employers, we continue to uphold a fair and favourable working environment that supports the professional growth of all employees.

Employee Profile [2-7, 401-1]

Our workforce includes 27,761 employees directly employed across our offices, plantations, mills and processing plants, 27,755 of whom are permanent employees and six are temporary employees. To complement our core workforce and support our operations, we also source some of our workers through third-party contractors. This includes seasonal workers, security guards and those

recruited 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.

In 2023, we saw an increase in the new hires and turnover rate. This can

be attributed to harvesters favouring plantations with younger and shorter oil palm trees, as these plantations often entail less strenuous work and lower associated risks. Another potential contribution to the turnover rate is the annual *mudik*, during which migrant workers return to their hometowns 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 hometowns.

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER¹

	2019		2020		2021		2022		2023	
	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract
Male	15,039	2,455	14,593	2,983	14,742	3,111	17,467	2,535	21,366	5
Female	3,283	136	3,429	164	3,816	110	4,800	84	6,389	1

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND REGION¹

	2019		2020		2021		2022		2023	
	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract	Permanent	Contract
Jakarta	182	0	176	0	171	0	201	0	221	0
Riau	7,355	2,370	6,688	2,963	6,266	3,090	7,268	2,494	10,010	0
West Kalimantan	7,677	4	7,590	0	7,931	0	9,208	0	12,409	0
East Kalimantan	3,082	217	3,543	184	4,166	131	5,567	124	5,091	6
Singapore	26	0	25	0	24	0	23	1	24	0

¹ Total headcount as at 31 December



Employee Relations and Workplace

Despite these challenges, First Resources possesses sufficient manpower reserves to buffer against unforeseen labour shortages. Among our other strategies, we recruit other family members of our existing harvesters and foremen who are of legal working age and familiar with the culture in the estates. We also recruit additional manpower from neighbouring communities.

Employee Benefits [2-7, 401-2]

We prioritise the well-being of our employees and offer a wide range of benefits. First Resources provides all employees with benefits such as life and health insurance coverage, as well as an annual bonus determined based on individual and Group performance.

At First Resources, we go beyond the standard benefits to provide housing for all our plantation and mill employees. Employees residing in our plantations and mills receive access to essential services, including running

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

	2019	2020	2021	2022	2023
New Hires	4,455	3,002	4,989	10,061	15,417
New Hire Rate	23%	17%	27%	50%	58%
Turnover	5,762	3,065	4,313	6,496	9,568
Turnover Rate	30%	17%	23%	32%	36%

water, electricity, medical care, and places of worship. Acknowledging the importance of a balanced lifestyle, we also provide sports and recreational amenities.

Education is a key focus area for us, reflecting our dedication to the overall development of our employees' families. We facilitate access to education for employees' children through kindergartens, schools, day care centres, and school buses. For further details on our educational support, please refer to the dedicated [Education](#) section.





Employee Relations and Workplace

Training and Development [404-2]

Training and development play an important role in attracting and retaining talent. Rooted in our adoption of the Japanese concept of *Kaizen*, which means change for the better, we seek to instil a mindset of continuous improvement amongst our employees. We firmly believe that investment in personal and professional growth of our employees creates a more engaged and committed workforce. Our training programmes are conducted in batches, and the addition of new initiatives continues in response to the demand for skills in the job market to address the skills gap between workers and job requirements.

In 2023, we conducted a range of key training and development initiatives:

Graduate and Management Programmes

At the First Resources Academy Learning Centre, we conduct graduate and management trainee

programmes tailored for field assistants, palm oil mill assistants, and administrative assistants. These programmes, accommodating up to seven batches annually, encompass technical, managerial, and interactive skills crucial for success within First Resources' estates and palm oil mills. Throughout the programme duration, trainees are provided accommodation and granted access to a dedicated plot of oil palm plantation, facilitating hands-on experience in plantation operations.

We are committed to nurturing human resource intelligence and facilitating early exposure to the professional realm for our trainees. Our collaboration with universities, particularly plantation institutes across Java, Kalimantan, and Sumatra, enables us to offer internship opportunities to undergraduate and vocational school students. These programmes immerse students in administrative duties, plantation activities, and palm oil mill operations, serving as invaluable pathways for talent discovery and development.



Harvesting Training

We conduct regular training sessions and workshops for field assistants, palm oil mill assistants, administration assistants, and foremen. These sessions encompass crucial areas such as harvesting management, fertiliser management, e-plantation systems, problem-solving, and decision-making to ensure that our employees can carry out their jobs effectively and safely. 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. In 2023, we introduced a specialised harvesting training programme focused on imparting technical knowledge in harvesting practices to prospective harvesters, emphasising the importance of maintaining fruit quality and workplace safety standards.



Employee Relations and Workplace

Talent Development Initiatives

Our People Development Review provides a structured channel for employees to discuss their performance and career goals, identify areas of development and assess the training needs. For management, these reviews help to identify and recognise talented employees and their contributions towards the business. This review is prioritised in line with the Group's business and operational requirements.

In 2023, we conducted the Talent Development Programme for our estates and mills for our High Potential (HIPO) staff identified through the People Development Review. The development programme seeks to identify and train our future leaders and covers technical, managerial, analytical, project improvement, and leadership competencies, giving participants an intimate understanding of the business. Based on the Final Evaluation done using a Fit and Proper Test process, participants that met the criteria were included in the talent

pool. In 2023, we also conducted a specialised 3-month Management Associate Programme (MAP) aimed at preparing high-talent individuals to become future leaders. This programme is expected to serve as a talent pool for long-term leadership candidates within the company.

Our end-of-year Learning Festival feature events such as the First Resources Improvement Award, informative webinars, and the "*Ancak Festival*", providing employees with opportunities to showcase achievements and innovations. This year, the webinar "Moving Forward with Learning" featured speakers Arvan Pradiansyah and Ade Rai, focusing on topics such as the "Instilling Optimism Programme" and "Maintaining Fitness and Stamina". During the year, our employees' innovations competed at the national level during the National Productivity Quality Meeting (TKMPN 25) held in Yogyakarta, where First Resources employee innovations secured the Gold nomination.

Other trainings and development initiatives provided to employees

Mill, Downstream & Traction Programme

- Basic Mechanic training
- Mill Management Operational training
- Super Olein training
- Total Productive Maintenance training
- Operator refresher training
- Workshop Road Maintenance

Soft Skill Programme

- Seven Habits of Highly Effective People programme
- Talent Development programme
- Continuous Improvement programme
- Corporate Culture
- Leadership: People Handling

Estate Programme

- Plantation Supervisor training
- Harvesting Checking training
- Estate Mentoring programme
- Production Losses Management workshop

Other Programme

- Occupational Safety and Health (OHS) awareness
- Warehouse Management training
- Fire Drill training
- Childcare Center (TPA) training
- Lab Analyst refresher training
- PIMS (Plantation Information Management System) refresher training
- Learning Festival
- Certified Boiler Operator Level 1
- Certified General Safety Expert



Employee Relations and Workplace

Digital Innovation

As a part of our move to digitalise, we launched a suite of applications to enhance efficiency and convenience for our employees. Our employee self-service application acts as a portal for employees to claim medical benefits and manage their work permit rights. Additionally, *Informance* serves as a portal for employees to conveniently access and submit work applications as well as function as a feedback repository for managers to

document feedback easily. Our *Human Resources Information System* portal provides employees with easy access to information related to salary and leave balance.

We consistently seek feedback from our employees on the user experience and accessibility of our applications. This year, our employee self-service application was enhanced to include simplified payroll recording and improved user experience for employees to track daily attendance

and access monthly salary reports. Our applications continue to receive positive feedback, providing our employees with a convenient avenue to access and monitor activities such as insurance claims, leave permits, and business trips.

Our Learning Management System

To enhance the teaching and learning process, First Resources Academy has developed a Learning Management

System (LMS). The LMS serves as a digital learning repository, offering a mix of e-books, training materials and modules covering soft skills that can be adapted to our plantations, factories and other operations. The materials are accessible through mobile devices, allowing staff to learn flexibly and independently. The LMS is also used to conduct National Examinations and carry on our Selection and Recruitment Processes.

AVERAGE TRAINING HOURS PER PERMANENT EMPLOYEE, BY EMPLOYEE CATEGORY [401-1]

	2019	2020	2021	2022	2023
Senior Management	1.5	1.9	6.2	4.4	2.4
Middle Management	18.2	17.7	14.8	24.6	13.1
Staff and workers	24.7	10.2	20.6	17.0	7.6

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





Employee Relations and Workplace

GENDER EQUALITY AND INCLUSION [2-23, 3-3]

Given that oil palm cultivation is physically demanding, the palm oil industry is one that is traditionally dominated by men. Nonetheless, First Resources recognises the pivotal role women play in the agricultural sector of developing countries, remaining steadfast in our commitment to gender equality. We acknowledge the challenges stemming from cultural norms that often limit women's access to resources and opportunities – including less access to land, financial services and education. Beyond striving to achieve gender equality, we aim to create an inclusive workplace where merit takes precedence over other factors such as ethnicity, race, or religion.

Empowering Women in the Workplace

To foster gender equality, First Resources' estate organisation has established gender committees dedicated to promoting greater female participation and advancement. We focus on empowering women by advocating for fair wages for women, encouraging the inclusion of women

We implement a range of policies that aim to foster and cultivate an inclusive workforce.

Sexual Harassment Policy

First Resources recognises that the workplace should be free of sexual harassment. This policy outlines the Company's stance on sexual harassment, procedures for reporting, and ensuring the confidentiality of the reporter.

Equal Employment Opportunity Policy

First Resources is committed to a non-discriminatory workplace and abides by the relevant anti-discrimination and equal employment legislation of the Republic of Indonesia. This policy applies to First Resources and its subsidiaries to avoid discriminating against anyone in the recruitment process or in the performance of the company's operations.

Protection of Reproductive Rights Protection Policy

First Resources is committed to safeguarding the reproductive rights of its employees and providing medical services related to reproductive health. First Resources guarantees that all couples and individuals seeking reproductive health and sexual health services will be accommodated. One of the components of reproductive health referred to herein includes pregnancy care, childbirth services by healthcare professionals, postnatal care, healthcare services for infants and children, and sexuality and gender education.

in managerial positions and greater involvement of women in decision-making processes.

We actively engage stakeholders to support women's empowerment across our operations.

For example, the *Posyandu* Activity has proven to be effective in building a joint movement towards the implementation of maternal health. Through the implementation of our Protection of Reproductive





Employee Relations and Workplace

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

	2019		2020		2021		2022		2023	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Board	88.9	11.1	88.9	11.1	85.7	14.3	85.7	14.3	62.5	37.5
Senior Management	92.1	7.9	92.9	7.1	90.7	9.3	90.5	9.5	93.2	6.8
Middle Management	90.2	9.8	89.8	10.2	90.4	9.6	90.4	9.6	91.4	8.6
Staff and Workers	82.0	18.0	80.9	19.1	80.2	19.8	78.3	21.7	76.8	23.2

Note: Staff and workers include assistant managers, clerks, foremen, officers and other workers. Data shown in 2023 is the latest update as of 1 January 2024 for Board category.

PERCENTAGE OF THE BOARD AND EMPLOYEES BY AGE GROUP IN 2023 [405-1]

	<30 years old	30-50 years old	>50 years old
Board	0	25.0	75.0
Senior Management	0	47.7	52.3
Middle Management	3.3	74.3	22.4
Staff and Workers	40.4	56.1	3.5

Note: Staff and workers include assistant managers, clerks, foremen, officers and other workers. Data shown in 2023 is the latest update as of 1 January 2024 for Board category.



Rights Policy, we encourage men to share responsibility on sexual and reproductive health and support women in pregnancy planning, mother-and-child healthcare, and domestic violence prevention.

At the employee level, all permanent female workers are entitled to menstrual leave and maternity leave

with task reassignments during pregnancy to safeguard their health. To ensure their safety, women are also assigned work that does not require them to work alone. Our whistleblowing procedure empowers and encourages our employees to report any potential cases of discrimination or harassment.

We recognise females as having equal opportunities and abilities as males. As of the date of this report, we proudly announce the appointment of an additional two female independent directors, effective 1 January 2024. This addition has bolstered the female representation on our Board, bringing

it to 37.5%. Additionally, 25% of the Board members are aged between 30 and 50 years old, while 75% are over 50 years old.

Within our corporate offices, we continue to support the career development of our female employees.



Employee Relations and Workplace

LABOUR CONDITIONS AND HUMAN RIGHTS

[3-3, 409-1]

At First Resources, the prioritisation of labour conditions and human rights are fundamental to our core values. We respect and support the Universal Declaration of Human Rights and the rights of all workers, as set out in the United Nations (UN) Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights Framework (UNGPs) and International Labour Organisation (ILO) Core Conventions on labour standards. We are committed to exercising a responsible and ethical business – one that respects and protects the human rights of our employees and the people we impact.

We recognise the labour and human rights challenges that persist across our supply chains, and are dedicated to addressing and mitigating these concerns. We take a firm stand against the use of forced, trafficked or child labour and respect the workplace rights of all our employees, including temporary workers. This commitment is communicated explicitly to all our suppliers. Through this, we create a shared understanding and commitment to upholding ethical standards throughout the supply chain.

Case Study

ENGAGING SUPPLIERS TO UPHOLD LABOUR CONDITIONS AND HUMAN RIGHTS [409-1]

In response to the evolving landscape of sustainability standards and policies, the Company has initiated a comprehensive training programme aimed at fostering engagement with our suppliers on key topics, including labour and human rights. Facilitated by our sustainability team and conducted on-site at supplier locations, the training sessions focused on communicating the Company's code of ethics, sustainability expectations, and compliance requirements effectively. By integrating

discussions on human rights commitments and ethical sourcing, we aimed to raise awareness and promote responsible business practices within our supply chain. The outcomes of this initiative include increased awareness and understanding of sustainability standards among our suppliers, enhanced collaboration and partnership, improved compliance with ethical sourcing requirements, and strengthened relationships between our company and its suppliers.





Employee Relations and Workplace

Forced or Compulsory Labour and Child Labour [407-1, 408-1, 409-1]

First Resources does not tolerate or accept any form of forced or bonded labour, including the employment of underage workers in our operations.

To reinforce our commitment to labour conditions and human rights, we conduct thorough internal assessments aimed at evaluating our compliance with the No Deforestation, No Peat, No Exploitation (NDPE) policy to identify, address and mitigate any issues related to worker exploitation. Recognising that responsible business practices require continuous efforts and a collaborative approach, we engage all relevant departments, including Agronomy, Human Resources, Operations, and General Affairs, in our internal assessments of labour conditions and human rights.

Our efforts to eradicate forced labour include:

- Issuing a memorandum prohibiting forced labour, accompanied by stringent sanctions for violators.
- Implementing strict requirements for worker recruitment through document reviews.

- Conducting regular patrols of plantation areas to prevent children from assisting their parents in work.
- Educating our workforce on our commitment against child labour.
- Enhancing communication and involving trade unions in implementing company policies related to employment.

Although we engage external agencies to assist in the recruitment of potential workers, we maintain strict policies to ensure that all candidates are above 18 years of age. During candidate interviews, comprehensive details about job requirements, terms, and conditions are provided, covering aspects such as wages, type of work, benefits, housing, and insurance. This transparent communication ensures that every employee comprehends their rights and obligations from the outset.

Any unlawful practices such as the withholding of wages, identification cards, passports, or other travel documents without their consent are never condoned. Our external recruitment agencies are thoroughly briefed on our policies and practices, and any violations lead to immediate termination of the engagement.



Child Protection [408-1]

We strongly prohibit child labour and are committed to protecting the rights of children throughout our operations. Our commitment to child protection is guided by our efforts to:

- Enhance policies related to child protection.
- Educate our workforce on the prohibition of child labour.
- Build and improve childcare facilities.
- Improve educational facilities and infrastructure at childcare facilities.
- Provide health education for children.

Our child protection policy includes the prohibition of child labour and the implementation of Standard Operating Procedures (SOPs) for managing childcare facilities, as well as guidelines for children's educational infrastructure and facilities. The dissemination of our child protection policy encourages employees with families to entrust their children to daycare. These guidelines also serve as a valuable reference for organising childcare and educational facilities, guiding the selection of appropriate equipment and infrastructure for the facilities.



Employee Relations and Workplace

At First Resources, we work with our employees and other stakeholders to eradicate any form of child labour across our operations. Regular checks are conducted to ensure compliance, and signages are prominently displayed to discourage parents from engaging their under-aged children in work activities. We actively emphasise the importance of education and contribute to the enhancement of our educational facilities, including childcare centres and schools. An exemplary initiative includes providing training for caregivers to ensure they acquire proficient skills in nurturing and supporting the development of children.

In 2022, we collaborated with Wilmar, The Centre for Child Rights and Business (The Centre), and the Business for Social Responsibility (BSR) to conduct a comprehensive Child Protection Training session for Field Executive Leaders, aimed at equipping them with the knowledge and skills to address child protection issues effectively. Building on the success of this initiative, we continued our collaboration in 2023, extending Phase Two of the Child Protection Training programme to Management Level associates, focusing on the

development of robust company policies for future child protection programmes.

Fair Wages [2-23, 202-1, 405-2]

We remain committed to providing fair and equitable wages to all our employees. We recognise the importance of ensuring that our workforce receives remuneration that aligns with the standards set by the respective provinces or districts in which we operate. We diligently monitor and update wages, ensuring alignment with any new guidelines or revisions to existing agreements, as mandated by Regulation No. 78 of the year 2015.

Our employees' work conditions are heavily influenced by varying conditions on the ground that can influence work outcomes and, in some instances,

necessitate more time to achieve the same work targets, especially in areas with challenging terrain. In pursuit of fair compensation, we practise a volume-based incentive pay system that recognise these challenges and ensure that our workers have the potential to earn more than the minimum wage, reflecting the effort and conditions of their work.

All salaries paid to our employees and contractors are well documented and acknowledged by the payees. In instances where clarification is required, we proactively provide detailed explanations of how payments are calculated, promoting pay transparency among our workforces. All worker payslips are standardised for easy understanding and locating essential information. Overtime work is conducted on a voluntary

basis, empowering workers to choose additional hours based on their preferences. Where workers carry out overtime, we ensure that all workers are properly compensated.

In alignment with RSPO Principles and Criteria (P&C) 6.2, we adhere to RSPO guidance for the implementation of a Decent Living Wage (DLW). In accordance with these guidelines, we have conducted prevailing wages calculation at our RSPO-certified sites, where we not only provide wages that meet the minimum legal and industry standards for staff and workers, but also provide cash allowances and benefits to achieve a decent standard of living for workers and their families. Based on these practices, we ensure that the aggregate value of employee benefits and wages exceeds the applicable minimum wage.

THE RATIO OF LOWEST MONTHLY WAGE TO LEGAL MINIMUM WAGE BY REGION IN 2023 [202-1, 405-2]

	Monthly legal minimum wage (IDR)	First Resources lowest monthly wage (IDR)	Ratio of the lowest level wage at First Resources to minimum wage (for male and female)
Riau	3,445,124	3,445,124	1:1
West Kalimantan	2,894,576	2,894,576	1:1
East Kalimantan	3,551,179	3,551,179	1:1

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



Employee Relations and Workplace

Human Rights [2-24]

Implementing a robust Human Rights Due Diligence (HRDD) approach is essential for providing First Resources with a structured framework to effectively address and manage human rights issues within our operations. As part of our commitment to upholding human rights standards, we recognise the importance of conducting thorough assessments to identify and mitigate potential risks and impacts.

In preparation, we have initiated internal discussions aimed at laying the groundwork for undertaking assessments within our plantations. These assessments serve as a critical step in informing the development and implementation of our HRDD approach.

At this stage, our assessments entail a comprehensive review of internal company policies to ensure alignment with internationally recognised human rights principles and standards.

Additionally, we are engaging in discussions with experts to explore

best practices and methodologies for conducting assessments tailored to the unique context of our operations.

Freedom of Association and Collective Bargaining [2-30, 407-1]

At First Resources, we advocate for our employees' right to freedom of association and formation of 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 dedicated meeting space to facilitate their meetings. In 2023, all employees were covered by bargaining agreements.

The Collective Labour Agreement protects all our employees and covers various aspects such as industrial relations, working hours, remuneration, out-of-post assignments and transfers, social security and welfare, occupational health and safety, and employment termination. Working closely with our labour union representatives,



subsidiary-specific Collective Labour Agreements are agreed upon and renewed every two years. Prior to renewal, constructive discussions are conducted by the Group to identify areas of improvement, ensuring the continual enhancement of employee rights and employer obligations.

To foster an inclusive decision-making process, regular focus group discussions and meetings are held with

labour unions. These engagements serve as valuable platforms for obtaining recommendations, addressing criticisms, understanding employee aspirations, and integrating their perspectives into the formulation of new management policies. Additionally, avenues are provided for employees to share their aspirations directly with the human resources department, fostering open communication.



Employee Relations and Workplace

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

We recognise that a secure workplace not only fosters the health and safety of our workforce but also contributes significantly to the overall success of our business. Our Occupational Health and Safety (OHS) Management System, aligned with ISO 45001:2018 and local regulatory standards, serves as the cornerstone of our safety initiatives, encompassing all employees, including temporary workers. We also frequently seek 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. Contracts with third-party suppliers and contractors contain explicit clauses mandating compliance with our OHS, labour, and sustainability standards. Through routine evaluations, we assess our suppliers and contractors, ensuring their capability to meet and uphold these contractual obligations.

Protecting Our People [403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8]

Our Health & Safety Committee is responsible for managing our health and safety education and training initiatives while overseeing the safety issues raised by employees. The committee, comprising both management and staff representatives, convenes quarterly to address safety concerns raised by employees and develop corrective actions to be implemented.

To ensure preparedness and readiness, health and safety best practices are reinforced during morning briefings and emergency response drills. Furthermore, capacity building initiatives are undertaken to ensure that workers possess the necessary knowledge and guidance. This ensures that workers do not engage in activities such as machinery operation without prior training. 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.

At each operational unit, we have implemented a robust OHS management system, encompassing various measures to mitigate workplace injury risks. In addition to regular education and training initiatives, we have developed comprehensive OHS manuals, standard operating procedures, and working instructions. The effectiveness of our risk assessments is systematically validated through external audits conducted by respected organisations such as the Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO).

The Collective Labour Agreement with the workers' union prioritises OHS considerations, incorporating provisions for personal protective equipment (PPE) for plantation and mill workers. Additionally, Health & Safety Committees have been established to facilitate ongoing discussions and actions related to occupational health and safety. In anticipation of any immediate health and safety-related crises, we maintain an Emergency Response Team on standby, ready to respond swiftly and effectively.





Employee Relations and Workplace

Hazards and Incident Management [403-3, 403-4, 403-5]

Hazard Identification

Hazard identification within the company is a collaborative effort involving all parties engaged in the work, including work partners. First Resources has developed a comprehensive Standard Operating Procedure (SOP) titled 'Hazard Identification, Assessment, and Risk Control' to guide this activity. The SOP outlines a systematic approach to hazard analysis, including steps such as hazard identification, risk assessment, control determination, and work programme planning based on identified hazards and established risk controls.

Occupational Safety and Health Advisory Committee (P2K3) officers, in conjunction with Supervisors/ Assistants, conduct hazard identification for all operational activities with the process undergoing annual reviews. To ensure the quality of this process, the P2K3 Team and related staff undergo OHS training and receive certifications issued by reputable occupational safety institutions.

During hazard identification, potential conditions and events posing risks, as well as the types of accidents and work-related illnesses that may occur, are considered. The identified hazards are assessed based on the level of risk they present, factoring in the likelihood of occurrence and the severity of consequences. Risk assessment guides the implementation of corrective actions to mitigate risks, with procedures put in place to minimise workplace hazards under the supervision of superintendents and supervisors.

Worker participation and consultation are integral to the development, implementation, and evaluation of the occupational health and safety management system, including the hazard identification process. Workers contribute to reviewing hazard sources and deciding on risk control efforts. Open communication and collaboration among all parties involved are vital for the successful implementation of SOPs and the overall occupational health and safety management system. Workers regularly attend meetings to provide input and suggestions related to occupational health and safety through designated channels such as the Suggestion Box.



Hazard and Incident Response Management

At First Resources, safety means protecting our workers, reducing fatalities, accidents and injuries in our operations. This requires a commitment to treat every work-related accident seriously with a systematic approach involving recording, evaluation, and the formulation of recommendations to prevent the recurrence of similar incidents. We implement several

measures to ensure the safety of our workers is prioritised. In situations where our workers feel unsafe or notice unsafe working conditions, we encourage them to halt operations and stop work. Our whistleblowing policy and hotline number provides workers with a channel to report any work-related hazards and hazardous situations, whilst remaining anonymous to protect workers from reprisals. Our internal audit team manages these reports and conducts thorough investigations into the issues raised.



Employee Relations and Workplace

Primary hazards during harvesting on our plantations include falling fronds, dislodgement of bunches, and sharp fronds left on the ground for soil fertility enhancement. While these hazards typically result in minor injuries, all harvesters are required to wear the necessary personal protective equipment (PPE), including safety helmets, gloves, and boots, to mitigate the risk of injury.

In our palm oil mills, the main hazards involve overhead sling conveyors, slippery floors, hot steam, and loud noises. To address these potential health and safety issues, workers receive daily briefings during shift meetings and are consistently reminded to maintain good housekeeping practices and remain vigilant.

In the event of a work-related accident, immediate first aid will be administered, and the injured party will be transported to the nearest clinic or hospital for necessary treatment and monitoring. Adhering to established protocols, an accident report must be filed within 48 hours, triggering a thorough investigation. Following the assessment, corrective actions and preventive measures will be promptly

implemented and communicated to on-site workers to prevent future occurrences.

Promoting Worker's Health [403-6]

First Resources is dedicated to the health and well-being of our employees and their families, offering a range of healthcare services and programmes. Our facilities include outpatient clinics, inpatient care, and an Emergency Room (ER) staffed with duty doctors. These healthcare facilities are easily accessible by workers, with the company providing ambulance services for emergency situations, ensuring prompt referral to healthcare facilities outside the plantation when necessary. Regular health check-ups are conducted for employees at risk of exposure, with follow-up actions implemented based on the results.

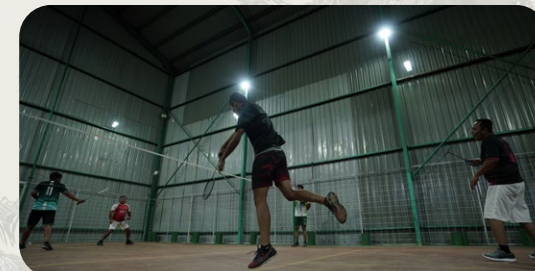
To further support employee health, medical teams are stationed in every operational area. These teams provide medical services and administer various health programmes aimed at raising awareness about the benefits of a healthy lifestyle and promoting overall well-being.



Health and Safety Training [403-5]

We are committed to providing comprehensive health and safety training to ensure that all personnel possess the necessary knowledge and qualifications to uphold our occupational health and safety standards. Through our annual training needs analysis, we identify specific areas for enhancement and implement targeted training initiatives to maintain a safe working environment.

Work safety training is conducted across our estates and downstream facilities facilitated by both internal trainers and third-party entities external to the company. Training for skill and safety enhancement is offered on an ongoing basis, particularly when new personnel are assigned to factories/estates or when



existing staff members transition to new roles. Each training session undergoes thorough evaluation to ensure continuous improvement, with management conducting an annual review to maintain the relevance and effectiveness of the training programme.

As part of our commitment to upholding occupational health and safety standards, guidance on implementing the Occupational Safety and Health Management System (*Sistem Manajemen Keselamatan dan Kesehatan Kerja*) is extended to contractors and work partners within the company in the estates and palm oil mills. This involves effectively communicating the requirements expected of contractors and work partners concerning their activities within the company.



Employee Relations and Workplace

Health and Safety Performance [403-9, 403-10]

While we strive to ensure the safety of our employees, we regrettably reported four work-related fatalities¹ and one permanent injury² in our palm oil operations in 2023.

In response to high-risk incidents recorded, we implemented a range of enhancements to procedures related to electrical, transportation and infrastructure management. Preventive measures included supplementary training on electrical hazards, additional equipment inspections, rigorous vehicle and infrastructure inspection and checks on validity of operator licenses. To strengthen the Group's occupational safety and health programme, a review of OHS procedures, including policies, manuals, and work instructions,

¹ The four fatalities recorded in 2023 included two from transport-related accidents, one electrical accident, and one drowning incident.

² The worker suffered an entrapment injury that led to permanent disability in 2023.

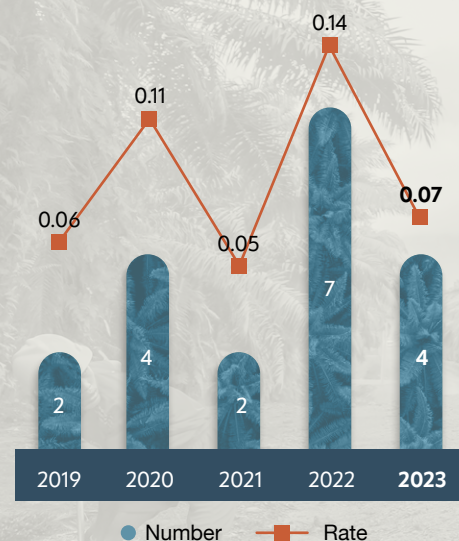
was conducted this year. Moving forward, First Resources is resolute in continually raising awareness of OHS among employees, ensuring facilities are equipped with sufficient OHS resources. While we continue to strengthen OHS within our operations, we recognise the need to remain

steadfast in our commitment to taking all necessary measures to prevent high-risk incidents and achieve our goal of zero fatalities.

Despite no incidents of worker-related ill health being reported in 2023, we proactively maintain several

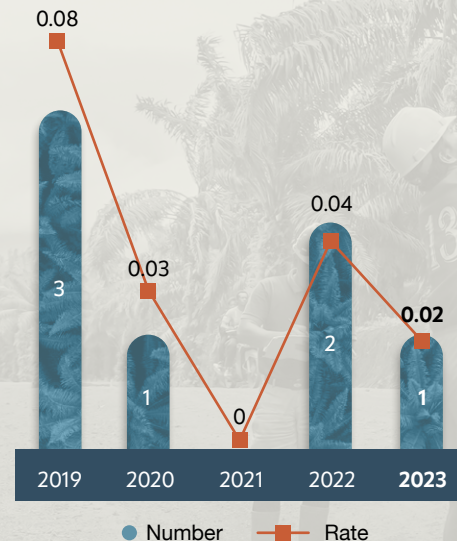
initiatives to safeguard our employees' health. Annual health check-ups for plantation employees cover essential tests, including spirometry for lung function, audiometry for hearing tests, and cholinesterase testing to assess exposure levels to organophosphate pesticides.

WORK-RELATED FATALITIES



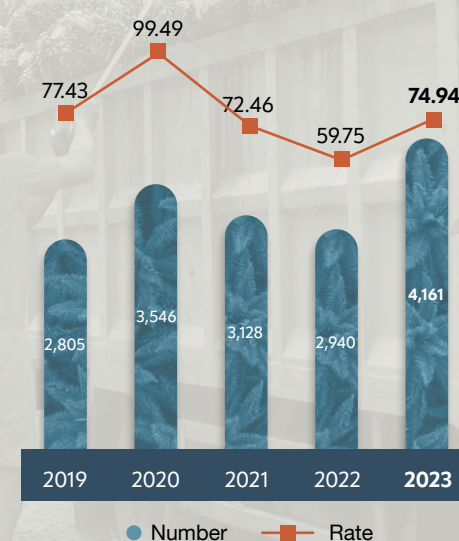
Note: Rates are calculated based on [number of fatalities/number of hours worked] x 1,000,000. The total number of hours worked in 2023 is 55,522,000.

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 2023 is 55,522,000. 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/number of hours worked] x 1,000,000. The total number of hours worked in 2023 is 55,522,000.



Supply Chain

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

We believe that a fully traceable and transparent supply chain is one of the core elements of sustainable palm oil operations. The implementation of responsible sourcing processes is imperative for ensuring that our raw materials are not sourced from prohibited areas. Through our active engagement with suppliers, we are committed to positively influencing the sustainability of our supply chains while aligning with the principles of our sustainability policy.

Our supply sources for fresh fruit bunches (FFB) and feedstock extend beyond our own nucleus estates to encompass third-party estates, thousands of individual smallholders (plasma and independent), and FFB dealers purchasing from smallholders. The raw materials for our processing plants, crude palm oil (CPO) and palm kernel (PK), are derived from both First Resources-owned mills and third-party suppliers within Indonesia.

Outside our palm-related purchases, our major non-palm procurement expenditure for operations largely relates to locally sourced fertilisers with other operational expenses including fuel, chemicals (methanol, bleaching earth, and phosphoric acid), spare parts, and various other materials.

Our Sustainable Supply Chain Framework is a tool that not only aids in identifying and managing risks but also encourages FFB, CPO, and PK suppliers to adopt more sustainable practices. This framework serves as a guiding force, ensuring that our commitment to sustainability permeates every level of our supply chain. We also adopt responsible sourcing practices that assist suppliers in committing to the No Deforestation, No Peat, and No Exploitation (NDPE) principles. Through the NDPE policy, we uphold our commitment to sustainability and ensure that all of our suppliers understand and are in compliance with the required sustainability standards.

FIRST RESOURCES SUSTAINABLE SUPPLY CHAIN FRAMEWORK

1 SUPPLY CHAIN TRACEABILITY

Encourage accountability of suppliers by developing a traceable and transparent supply chain



SUPPLIER ENGAGEMENT 2

Educate and support suppliers by engaging key suppliers to convey our sustainability goals, developments and expectations



Detect risks in our supply chain by working with stakeholders through an established grievance procedure



4 STAKEHOLDER COLLABORATION



Influence behaviours of suppliers by including sustainability criteria in supplier assessments

SUPPLIER ASSESMENT 3



Supply Chain

Supply Chain Traceability [3-3]

A key commitment in our [Policy on Sustainable Palm Oil](#) is to ensure the traceability of our oil and refined products. Product and supply chain traceability can be complex but essential towards enhancing transparency as it assures our customers that our products are sustainably sourced. Our full traceability report can be accessed on our [website](#).

At First Resources, our sustainability team collaborates closely with the commercial team, working together to engage with our suppliers and meet our traceability targets. A common risk posed to supply chain traceability is insufficient recording of traceability information from independent smallholders and local dealers.

To address this issue, we are collaborating with stakeholders to map and collect information from independent smallholders supplying to our mills. This mapping initiative aims

to support independent smallholders in accessing the European market, taking into consideration the requirements of the EU Deforestation Regulation (EUDR). Through this programme, we can ensure stakeholders that our products originate from legal and non-deforestation regions. The programme, initiated in 2023 and currently in the preparation stage, involves initial mapping of dealers and engagement with consultants. In 2024, we plan to implement this programme with the goal of fulfilling EUDR requirements throughout our supply chain.

Traceability to Mill (TTM)

To ensure full traceability to mill, suppliers of CPO and PK need to provide details such as the company name, parent company name, mill name, mill address and geographical coordinates. Any missing or incomplete information results in the CPO and PK volumes from that supplier being categorised as "untraceable". Each mill in our traceability report has a unique universal ID aligned with Roundtable on Sustainable Palm Oil



(RSPO) standards and are based on the Universal Mill List (UML), ensuring that the listed mills reference a standardised dataset shared across the palm oil industry. In 2023, we maintained a 100% traceability record to all our supplying mills, including our four kernel crushing plants.

Details such as coordinates, addresses, and IDs designated to our mills can be found on our [website](#).



100%
TRACEABILITY TO
MILL SINCE 2017

10% of our CPO and PK feedstock were sourced from 11 third-party supplying mills. Of this, 76% came from third-party mills with their own plantations, while the remaining 24% was sourced from external FFB suppliers.



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Traceability to Plantation (TTP)

Our supply chain of FFB draws from neighbouring plantation companies, independent smallholders and purchases through local dealers who collect FFB from surrounding areas. Of the FFB processed in our mills, approximately 83% came from our plantations and plasma schemes, while the remaining 17% was sourced from third-party FFB suppliers.

Our supplier selection procedure is guided by our supplier risk assessment. This assessment extends to existing suppliers, verifying coordinates to validate their estate locations and ensuring compliance with government regulations. Our Sustainability Supplier Assurance Requirement Policy goes a step further, addressing traceability to plantation data for our third-party suppliers while aligning them with First Resources' sustainable goals, developments, and expectations.

100%
**TRACEABILITY
TO PLANTATION
FOR FFB PROCESSED
AT OUR MILLS,
INCLUSIVE OF SMALLHOLDERS
AND THIRD-PARTY SUPPLIERS**



On the back of these measures, we have achieved 100% TTP for First Resources-owned mills and third-party mills in 2023, up from 94% in 2022.

Pursuing our goal of full traceability is not without its challenges. Some suppliers, particularly those with small or short-term contracts, may not fully commit to this traceability goal. Additionally, concerns about data confidentiality pose hurdles. Our efforts in ramping up engagement to build trust and ensure cooperation with our suppliers has played a key role in helping us to achieve full traceability to plantation for our third-party CPO and PK suppliers. Looking ahead, we will continue working towards maintaining our target of 100% traceability to plantation for supplying third-party mills.

First Resources has also started collaborating with stakeholders to map independent smallholders supplying to certain of our mills. This mapping is part of a collaborative programme aimed at supporting independent smallholders in accessing the European market. Through this initiative, the Company can trace the origin of these products to ensure that they are sourced from legal and deforestation-free areas. The programme is currently



in the preparation stage, involving an initial mapping of dealers and engagement with assessors. This programme will continue to be implemented in 2024 with the goal of fulfilling EUDR requirements throughout our supply chain.

Supplier Engagement

Once the origin of our raw materials has been documented, we focus on our engagement with key suppliers. Through our engagement, 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 teams are our supplier engagement points. These teams interact with our suppliers, both online and offline, in the form of one-on-one meetings and/or group sessions to communicate our [Policy on Sustainable Palm Oil](#) and traceability requirements as part of our Standard Operating Procedures (SOP), as well as emphasise the importance of adherence to contractual agreements.

For our new suppliers, sustainability policies and traceability requirements are communicated during the supplier onboarding process to ensure compliance. For our existing suppliers, communication can occur directly or



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via email to provide an understanding of any updates to company policies. This communication is carried out periodically, with scheduled email communications and face-to-face meetings held as needed. With this approach, the Company ensures that all suppliers, whether new or long-contracted, continuously receive up-to-date information regarding our sustainability policies.

In communicating our sustainability policy, training is integral to our engagement with suppliers, ensuring they are well-informed about the latest sustainability standards, company requirements, and national/international policies. By keeping suppliers informed of developments in sustainability and relevant regulations, we enhance the collaboration and partnership between the company and its suppliers.

In 2023, we expanded our training materials to cover various topics, including labour and human rights, as well as EUDR, reflecting our commitment to ethical sourcing practices. Through on-site face-to-face meetings, we effectively communicated our code of ethics to suppliers and addressed any challenges they encountered. These training sessions,

conducted at the supplier level and facilitated by our traceability teams, are aimed at implementing our ethical sourcing commitments within the Group.

Supplier Assessment and Compliance [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 suppliers, that is updated quarterly, to ensure thorough assessment of all supplying mills against predefined criteria.

All new suppliers undergo a rigorous onboarding process, during which suppliers are screened according to social and environmental criteria. This process includes an internal due diligence process and monitoring of watch lists and suspension lists issued by both the company and third parties such as buyers, certification bodies, government, and non-governmental organisations (NGOs) for both prospective and contracted suppliers. This ensures we can categorise suppliers into three levels of low risk,

medium risk, or high-risk status based on their adherence to our sustainability standards.

In 2023, we screened 20 new CPO, PK, and FFB suppliers, for social and environmental criteria, requiring suppliers to submit written acknowledgement of their compliance with our sustainability policy and traceability requirements. The submitted information is rigorously verified, and only those meeting our sustainability standards were onboarded as new suppliers. This stringent approach ensures that

our supply chain aligns with our commitment to sustainable practices. Our assessment revealed that none of the new suppliers posed potential negative social or environmental impacts.

For our existing suppliers, continuous monitoring is in place to verify ongoing alignment with our [Policy on Sustainable Palm Oil](#). In addition to our traceability procedures through internal due diligence processes, we actively address grievances raised by external parties to update our watchlist and suspension list. Any identified





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instance of non-compliance prompts a structured corrective action plan within a stipulated timeframe. In cases where immediate remedial actions are not taken, sourcing is suspended from the non-compliant suppliers.

During the year, we identified one supplier with potential adverse social and environmental effects. Subsequently, we intensified our interactions with this supplier to enhance their alignment with our policy. These engagements utilise various channels including emails, phone calls, and meetings. The objective of these sessions is to foster responsible sourcing practices by exchanging verified documents, tools, and leveraging our expertise to tackle the identified issues. As a result of our assessment, one supplier was suspended from our supply chain due to non-compliance with deforestation commitment. Suppliers on the suspension list may be reinstated upon meeting our stringent re-entry criteria.

Stakeholder Collaboration

Enforcing compliance throughout the supply chain is a collaborative effort. At First Resources, we actively engage external stakeholders, including

NGOs and customers, to enhance our ability to identify and assess suppliers effectively. Such an approach enables us to refine monitoring tools and gather intelligence, crucial for detecting any errant or non-compliant suppliers.

For instance, partnering with an NGO providing monthly reports on deforestation detection has yielded valuable insights. These reports serve as a foundation for follow-up actions, enabling us to promptly identify any companies within our supply chain that engage in deforestation and take action to address the situation. Our commitment goes beyond mere detection, as we engage in regular meetings and socialisation initiatives to educate stakeholders. Key topics covered include the significance of RSPO certification, the importance of community engagement, and the preservation of high conservation value (HCV) and high carbon stock (HCS) areas.

Through this collaborative approach, we ensure that our stakeholders are well-informed and aligned with responsible practices, reinforcing our commitment to sustainability and ethical sourcing.



Supporting Smallholders [3-3]

In our pursuit of sustainability, smallholders stand as integral partners within our operations at First Resources. Leveraging our extensive experience from managing 177,930 hectares of nucleus plantations, we actively engage with smallholders, sharing valuable insights into best agricultural practices. This

collaboration not only facilitates knowledge exchange but also integrates smallholders seamlessly into our supply chain.

As of 2023, we manage 35,491 hectares of schemed smallholders (plasma), constituting nearly 17% of our total plantation area and contributing 12% of the total FFB processed. The total number of plasma smallholders



Supply Chain

supplying to us has also increased from 15,712 in 2022 to 16,071 in 2023. We conduct regular meetings to educate smallholders on sustainability policies, including RSPO certification, HCV, HCS areas, and community engagement. Our outreach efforts extend to over 125 smallholders from six villages.

First Resources acknowledges the legal and customary rights of indigenous local communities. Adhering to the principles of Free, Prior, and Informed Consent (FPIC), we prioritise respecting the decisions of local communities regarding the approval or denial of new developments on land under their rights. When granted a location permit (*Izin lokasi*), we identify communities interested in collaborative partnerships to develop plantations.

In these instances, we engage in plasma scheme partnerships with indigenous and local communities. This collaborative effort may involve supporting the development and management of plantations or carrying out these activities on behalf of our

smallholders. When First Resources supports smallholders directly, we actively assist in the development and management of the plantations until the oil palms reach productive age. Subsequently, the management of the plots is returned to the smallholders. Conversely, when development and management are delegated to us by smallholders, our responsibility extends beyond maturity. In 2023, our plasma smallholders constituted a significant portion, approximately 88%, of our smallholder programmes, whereas the remaining 12% is made up of independent smallholders. We will continue to expand the reach of our smallholder programmes, aiming to reach more smallholders.

Regardless of the arrangement, our plasma smallholders have the opportunity to profit by selling their FFB harvest to the company at government-determined prices. This programme not only provides a consistent and sustainable income source for thousands of smallholders but also contributes to improving livelihoods and fostering local

economic growth. It exemplifies our commitment to creating partnerships that uplift communities and drive sustainable development in tandem with our overarching goals.

In conjunction with assisting in the development and management of plantations, we have implemented robust support programmes tailored for our schemed smallholders. These programmes, emphasising topics like yield improvement and resilience against price volatility, aim to equip smallholders with the knowledge and tools necessary for sustainable agriculture.

Our dedicated field officers play a pivotal role in overseeing these support programmes. They provide technical assistance, practical training, and expert advice on crucial aspects such as fertiliser and pesticide procurement and usage. Furthermore, these programmes serve as a platform to introduce innovative farming technologies, including our high-yielding oil palm seeds. Additionally, we extend operational and logistical support, assisting with tasks including

land titling and coordinating the transportation of FFB to palm oil mills.

As part of our commitment to sustainability, we actively encourage our smallholders to implement our sustainability policy and support them in achieving traceability to the plantation. Our outreach activities extend to raising awareness about certification systems, such as RSPO and ISPO.

Inclusive practices also extend to independent smallholders, constituting the remaining 12% of our smallholder programmes as of the end of 2023. Tailored engagement sessions are conducted for independent smallholders to familiarise them with our [Policy on Sustainable Palm Oil](#). During these sessions, we facilitate the supplier onboarding process, ensuring that new independent smallholders provide written acknowledgement of their understanding and adherence to our policy requirements. This collaborative approach reinforces our commitment to supporting all smallholders in cultivating sustainable practices within our supply chain.



Consumers and Customers

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

First Resources serves both global and local markets, catering to a diverse customer base. Our products, distributed globally mainly on a free-on-board basis, reach destinations like China, India, Asia and Europe. Our customers comprise traders, palm oil refiners and renewable energy producers who we work closely with to meet the growing market demand for traceable and sustainable palm oil.

Although First Resources does not manufacture consumer brand products, we remain committed to upholding consumer health and safety. To ensure our processing plants achieve and adhere to best practice standards on product quality and safety, we have made it a priority to certify our processing plants, achieving compliance with GMP+ certification. The kernel crushing plant (KCP), as well as the refinery and fractionation

plant of PT Adhitya Serayakorita, have received certifications under the Hazard Analysis and Critical Control Points (HACCP) and new GMP+ scheme. Additionally, the KCP of PT Swadaya Mukti Prakarsa has achieved compliance with manufacturing practices GMP+ B2 standards.

Both palm oil refineries have also obtained the Halal certification and Kosher certification, such that our products meet our consumers' religious dietary requirements. In 2023, our products and services did not receive any reports of non-compliance relating to health and safety, allowing us to maintain our certifications and ensure compliance relating to health and safety.

In 2023, we initiated the construction of a packaging plant unit dedicated to olein products. Additionally, we have commenced the establishment of an oleochemical factory in Bangsal Aceh.





Consumers and Customers

SUSTAINABILITY CERTIFICATIONS [2-28, 3-3]

With consumers becoming increasingly conscious of the ethical and sustainable practices of companies, transparency in the supply chain is crucial. First Resources recognises this shift in consumer behaviour and actively engages in obtaining certifications that validate our commitment to ethical and sustainable practices, providing assurance to our customers. Our participation in key industry schemes includes 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)

In 2023, the Group received RSPO certification for one additional subsidiary, covering 3,838 hectares of plantations in East Kalimantan. This brings the total number of subsidiaries with RSPO certifications to nine, covering six mills and more

than 63,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 36% of our nucleus planted area as of December 2023. In addition, we had also commenced the RSPO certification process for another mill integrated with plantation during 2023, with the certificate issued in early 2024.

In addition, our bulking station, three of our kernel crushing plants, and a processing unit have attained the RSPO Supply Chain Certification Standard. In 2024, we aim to renew our existing certificates and certify another four mills integrated with plantations. As we move forward, we will continue to work towards our goal of 100% RSPO certification by 2026.

Indonesian Sustainable Palm Oil (ISPO)

This year, we obtained ISPO certification for an additional mill integrated with plantations, covering more than 8,000 hectares of plantations. As of December 2023, we have received ISPO certifications for

	2019	2020	2021	2022	2023
Percentage of certified plantation area ¹					
RSPO	10%	15%	15%	34%	36%
ISPO	49%	49%	49%	72%	76%
Number of certified mills					
RSPO	2	3	3	6	6
ISPO	9	9	9	13	14

¹ First Resources' certified area as a percentage of the Group's nucleus planted area.

14 mills and more than 134,000 hectares of plantations, representing 76% of the Group's nucleus planted area.

In 2024, 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. Additionally, five of First Resources' palm oil mills, two processing units and one bulking station are also certified. Furthermore, we are delighted to announce that in 2023, we obtained ISCC certification for waste and residues from palm oil mill effluent (POME) oil for six mills. These certifications enable us to provide our customers with a fully traceable product under the ISCC scheme.



Materiality and Stakeholder Engagement

MATERIALITY ASSESSMENT [2-14, 3-1]

In 2019, we assessed our material sustainability topics through the **five-stage process** detailed on the right:



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

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.

We performed a review of our material topics in 2023. This involved a carrying out a peer benchmarking and gathering feedback from selected internal stakeholders. We concluded that our material topics remained relevant in 2023.



Materiality and Stakeholder Engagement

FIRST RESOURCES MATERIALITY MATRIX [3-2]



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]

Inputs from our stakeholders are pivotal for shaping and refining our sustainability approach. Recognising the importance of constructive

feedback, engaging in open dialogue enables us to establish trust with our stakeholders.

Through an internal mapping exercise, we have identified our key stakeholder groups and evaluated

our impacts on them and conversely, their contribution to the success and continuity of our business. The approach to engagement is tailored for each specific group, recognising the unique needs and requirements

of both parties, revising whenever necessary to ensure effectiveness. The table below summarises our stakeholder engagement efforts in 2023.

STAKEHOLDER GROUPS	ENGAGEMENT METHOD AND FREQUENCY	TOPICS AND CONCERNS RAISED	FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS
BANKS AND FINANCIAL INSTITUTIONS	<ul style="list-style-type: none"> Website (regularly) SGXNET (periodic) Annual Report (yearly) Sustainability Report (yearly) One-on-one communication (as required) 	<ul style="list-style-type: none"> First Resources' financial performance First Resources' sustainability commitments, initiatives and progress Sustainability certifications Fire prevention and management Yield improvements Impacts of climate change 	<ul style="list-style-type: none"> 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
COMMUNITIES	<ul style="list-style-type: none"> Engagements via our public relations officers and Community Development Officers (periodic) 	<ul style="list-style-type: none"> Better village infrastructure and education access Access to employment opportunities Participation in plasma programme Social conflict, and Free, Prior and Informed Consent (FPIC) concerns Rights of Indigenous and Local Communities 	<ul style="list-style-type: none"> 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 Design and implementation of a human rights due diligence approach to identifying human rights concerns across operations and supply chains



Materiality and Stakeholder Engagement

STAKEHOLDER GROUPS	ENGAGEMENT METHOD AND FREQUENCY	TOPICS AND CONCERNS RAISED	FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS
CUSTOMERS	<ul style="list-style-type: none"> One-on-one communication (as required) Website (regularly) Annual Report (yearly) Sustainability Report (yearly) 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> E-mails and notice boards (regularly) Internal company meetings (regularly) Performance review (twice a year) 	<ul style="list-style-type: none"> First Resources' operational and financial performance Personal and career development Health and safety Labour rights Gender equality 	<ul style="list-style-type: none"> 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 Design and implementation of a human rights due diligence approach to identifying human rights concerns across operations and supply chains Implementation of vaccination programme
NON-GOVERNMENTAL ORGANISATIONS (NGOs)	<ul style="list-style-type: none"> One-on-one communication (as required) Website (regularly) Annual Report (yearly) Sustainability Report (yearly) 	<ul style="list-style-type: none"> First Resources' sustainability commitments, initiatives and progress Grievance lodged by stakeholders on First Resources' operations or suppliers such as deforestation and labour issues 	<ul style="list-style-type: none"> Provide updates on our sustainability policy and its implementation progress Investigate and respond to grievances as per our grievance mechanism



Materiality and Stakeholder Engagement

STAKEHOLDER GROUPS	ENGAGEMENT METHOD AND FREQUENCY	TOPICS AND CONCERNS RAISED	FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS
REGULATORY BODIES (INCLUDING GOVERNMENT)	<ul style="list-style-type: none"> One-on-one communication (as required) Reporting mechanisms (as required) Multi-stakeholder forums (as required) 	<ul style="list-style-type: none"> Company's compliance with applicable regulation/legislation Collaboration to provide relief for communities during disasters 	<ul style="list-style-type: none"> 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
SHAREHOLDERS	<ul style="list-style-type: none"> 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) 	<ul style="list-style-type: none"> First Resources' operational and financial performance First Resources' sustainability commitments, initiatives and progress Sustainability certifications 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> One-on-one communication (as required) Group sessions (periodic) 	<ul style="list-style-type: none"> Compliance with First Resources' sustainability standards including our traceability requirements Clarification to grievances lodged on suppliers' operations Compliance with Employment Law, human rights regulations and policies 	<ul style="list-style-type: none"> Explain First Resources' sustainability policy and our expectations of supplier compliance Verify clarifications made and respond to grievances as per our grievance mechanism Facilitate training sessions for suppliers aimed at enhancing understanding of policies and regulations pertaining to sustainability and human rights



Materiality and Stakeholder Engagement

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 2023 to 31 December 2023
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.
				Requirements omitted	Reason	Explanation	
General disclosures							
The organisation and its reporting practices							
GRI 2: General Disclosures 2021	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	No restatement of data				
	2-5	External assurance	Pg 1				
Activities and workers							
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	Pg 5, 6, 76, 82				
	2-7	Employees	Pg 61, 62	2-7 b. iv. 2-7 b. v.	Not Applicable.	First Resources currently utilises permanent and temporary employees to calculate our employee profile.	



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
	2-8	Workers who are not employees		2-8 a, b	Information unavailable.	First Resources engages workers who are not employees through third-party contractors during seasonal peaks and this does not form a significant number.	
Governance							
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	Annual Report 2023				
	2-10	Nomination and selection of the highest governance body	Annual Report 2023				
	2-11	Chair of the highest governance body	Annual Report 2023				
	2-12	Role of the highest governance body in overseeing the management of impacts	Pg 8				
	2-13	Delegation of responsibility for managing impacts	Pg 8, 35				
	2-14	Role of the highest governance body in sustainability reporting	Pg 1, 8, 84				
	2-15	Conflicts of interest	Pg 8, 9				



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
	2-16	Communication of critical concerns	Pg 10				
	2-17	Collective knowledge of the highest governance body	Pg 8				
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2023				
	2-19	Remuneration policies	Annual Report 2023				
	2-20	Process to determine remuneration	Annual Report 2023				
	2-21	Annual total compensation ratio	Annual Report 2023				
Strategy, policies and practices							
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Pg 2-4				
	2-23	Policy commitments	Pg 7, 8, 9, 66, 70	2-23-a-iii	Not applicable.	First Resources does not explicitly refer to the precautionary principle or approach.	
	2-24	Embedding policy commitments	Pg 8, 9, 71				



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
	2-25	Processes to remediate negative impacts	Pg 10, 11	2-25e	Information unavailable.	First Resources does not track the effectiveness of the mechanisms, but readily welcomes feedback through the various communication channels outlined in this report.	
	2-26	Mechanisms for seeking advice and raising concerns	Pg 10				
	2-27	Compliance with laws and regulations	Pg 8				
	2-28	Membership associations	Pg 83, 89				
Stakeholder Engagement							
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	Pg 86				
	2-30	Collective bargaining agreements	Pg 71				
Material topics							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Pg 84				
	3-2	List of material topics	Pg 12, 85				



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				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 14, 18-20				
Conservation and Forest Management (Material topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 14, 21				13.3.1 13.4.1
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pg 22-24				13.3.2
	304-2	Significant impacts of activities, products, and services on biodiversity	Pg 22-24				13.3.3
	304-3	Habitats protected or restored	Pg 25-27				13.3.4
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Pg 21-25				13.3.5
Peatland Management (Material topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 14, 28				13.4.1
Fire Prevention (Material topic)							
	3-3	Management of material topics	Pg 14, 29, 30				



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
Climate Change (Material topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 14, 31				13.1.1 13.2.1
	201-2	Financial implications and other risks and opportunities due to climate change	Pg 34-45				13.2.2
	302-1	Energy consumption within the organisation	Pg 34				
	302-3	Energy intensity	Pg 34				
	305-1	Direct (Scope 1) GHG emissions	Pg 32, 33				13.1.2
	305-2	Energy indirect (Scope 2) GHG emissions	Pg 32,33				13.1.3
	305-3	Other indirect (Scope 3) GHG emissions		305-3	Information unavailable.	First Resources are in the midst of adopting the GHG Protocol and plan to initiate the disclosure of Scope 3 GHG emissions calculation next year.	13.1.4
	305-4	GHG emissions intensity	Pg 32				13.1.5
	305-5	Reduction of GHG emissions	Pg 31				13.1.6



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
	305-6	Emissions of ozone-depleting substances		305-6	Information unavailable.	First Resources are in the midst of adopting the GHG Protocol and plan to initiate the disclosure of these emissions next year.	13.1.7
	305-7	Nitrogen oxides (NOx) sulfur oxides (SOx), and other significant air emissions		305-7	Information unavailable.	First Resources are in the midst of adopting the GHG Protocol and plan to initiate the disclosure of these emissions next year.	13.1.8
Waste and Effluents Management <i>(Relevant topic)</i>							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 46				13.7.1 13.8.1
	306-1	Waste generation and significant waste-related impacts	Pg 47				13.8.2
	306-2	Management of significant waste related impacts	Pg 47, 48				13.8.3
	306-3	Waste Generated	Pg 47-50				13.8.4
	306-4	Waste diverted from disposal	Pg 47, 49				13.8.5
	306-5	Waste directed to disposal	Pg 47, 49				13.8.6



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
Water Management (Relevant topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 46				13.7.1
	303-1	Interactions with water as a shared resource	Pg 46				13.7.2
	303-2	Management of water discharge-related impacts	Pg 46				13.7.3
	303-3	Water withdrawal	Pg 46				13.7.4
	303-4	Water discharge		303-4	Information unavailable.	First Resources currently does not keep track of the volume of water discharged.	13.7.5
	303-5	Water consumption	Pg 46	303-5	Information incomplete.	First Resources has reported its water consumption for operational purposes but currently does not monitor the volume of water discharge. First Resources will continue to review and improve our disclosures.	13.7.5.6
Pest and Chemical Usage (Relevant topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 14, 52-55				13.5.1
							13.6.1



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
Community Engagement and Development							
Community Investment <i>(Relevant topic)</i>							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 57			13.22.1	
	203-1	Infrastructure investments and services supported	Pg 57-60			13.22.3	
	203-2	Significant indirect economic impacts	Pg 57-60			13.22.4	
Rights of Indigenous and Local Communities <i>(Relevant topic)</i>							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 56			13.12.1 13.13.1 13.14.2	
	411-1	Incidents of violations involving rights of indigenous peoples	Pg 57			13.14.2	
	413-1	Operations with local community engagement, impact assessments, and development programmes	Pg 56			13.12.2	
	413-2	Operations with significant actual and potential negative impacts on local communities	Pg 57			13.12.3	
Employee Relations and Workplace							
Employee Attraction, Retention, and Development <i>(Material topic)</i>							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 14, 61			13.20.1 13.21.1	



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title	Location	Omission			GRI Sector Standard Ref No.
			Requirements omitted	Reason	Explanation	
	401-1 New employee hires and employee turnover	Pg 61, 62				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg 62				
	404-1 Average hours of training per year per employee	Pg 65	404-1	Information incomplete.	While First Resources reports on training and development initiatives available to employees, we do not currently disclose the average training hours by gender or employee category. First Resources will continue to review and improve our disclosures.	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Pg 63-65	402-b.	Information unavailable.	First Resources does not currently report on transition assistance programmes. First Resources will continue to review and improve our disclosures.	



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
Gender Equality and Inclusion (Relevant topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 66, 67				13.15.1
	405-1	Diversity of governance bodies and employees	Pg 67				13.15.2
	405-2	Ratio of basic salary and remuneration of women to men	Pg 70				
Labour Conditions and Human Rights (Material topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 14, 68				13.16.1 13.17.2 13.18.1
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Pg 70				
	408-1	Operations and suppliers at significant risk for incidents of child labour	Pg 69, 70				13.17.2
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg 69, 71				
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Pg 68, 69				13.16.2



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				Requirements omitted	Reason	Explanation	
Occupational Health and Safety (Material topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 14, 72				13.19.1
	403-1	Occupational health and safety management system	Pg 72				13.19.2
	403-2	Hazard identification, risk assessment, and incident investigation	Pg 72, 73, 74				13.19.3
	403-3	Occupational health services	Pg 72				13.19.4
	403-4	Worker participation, consultation, and communication on occupational health and safety	Pg 72, 73				13.19.5
	403-5	Worker training on occupational health and safety	Pg 72, 73, 74				13.19.6
	403-6	Promotion of worker health	Pg 72, 74				13.19.7
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg 72				13.19.8
	403-8	Workers covered by an occupational health and safety management system	Pg 72				
	403-9	Work-related injuries	Pg 75				13.19.10
403-10	Work-related ill health	Pg 75				13.19.11	



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title		Location	Omission			GRI Sector Standard Ref No.
				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, 14				13.26.1
	201-1	Direct economic value generated and distributed	Annual Report 2023				
	205-1	Operations assessed for risks related to corruption	Pg 8, 9				13.26.2
	205-2	Communication and training about anti-corruption policies and procedures	Pg 8, 9				13.26.3
	205-3	Confirmed incidents of corruption and actions taken	Pg 8, 9				13.26.4
Supporting Smallholders (Relevant topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 80, 81				
Supply Chain Traceability (Material topic)							
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 14, 76, 77				13.23.1
	308-1	New suppliers that were screened using environmental criteria	Pg 79, 80				
	308-2	Negative environmental impacts in the supply chain and actions taken	Pg 79, 80				



GRI Content Index

GRI Standard Disclosure	GRI Disclosure Number and Title	Location	Omission			GRI Sector Standard Ref No.
			Requirements omitted	Reason	Explanation	
	414-1	New suppliers that were screened using social criteria	Pg 79, 80			
	414-2	Negative social impacts in the supply chain and actions taken	Pg 79, 80			
Consumers and Customers						
Sustainability Certification (<i>Material topic</i>)						
	3-3	Management of material topics	Pg 14, 83			
Product Safety and Quality (<i>Relevant topic</i>)						
GRI 3: Material Topics 2021	3-3	Management of material topics	Pg 82			13.10.1
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pg 82			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 32, 33
	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 31
	FB-AG-110a.3	Fleet fuel consumed, percentage renewable	Gigajoules (GJ), Percentage (%)	Pg 34
Energy Management	FB-AG-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	Pg 34
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 metres (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 46
	FB-AG-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Number	Pg 46
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 programmes	Percentage (%) by cost	This indicator is not relevant as First Resources does not produce finished/consumer goods.
	FB-AG-250a.3	(1) Number of recalls issued, and (2) total amount of food product recalled	Number, Metric tonnes (MT)	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.



SASB Content Index

Topic	Code	Accounting Metric	Unit of Measure	Data/ Information Source; Reasons for omission
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 2023.
	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 2023. First Resources 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 76-81
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 35-45
	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 tonne (mt)	Pg 5, 6
Number of processing facilities	FB-AG-000.B	Quantitative	Number	Pg 6
Total land area under active production	FB-AG-000.C	Quantitative	Hectares	Pg 5
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.
Biochemical 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 (CO₂e)	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.
Forest, Land and Agriculture (FLAG)	Category of greenhouse gas emissions that encompasses ways land use change and land-related activities impact the climate.
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 <i>Gabungan Pengusaha Kelapa Sawit Indonesia</i> (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.
Ministry of Environment and Forestry (MoEF)	The MoEF is the cabinet-level, government ministry in the Republic of Indonesia responsible for managing environment and conserving that nation's forests.
MT CO₂e	Metric tonnes of carbon dioxide equivalent.
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.
Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3)	P2K3 is an internal institution in a company that is responsible for supervising and implementing occupational safety and health (K3) programmes in the work environment. The main goal is to protect employees and prevent work accidents and work-related diseases in the workplace.



Glossary of Terms

PalmGHG Calculator	A tool developed by the RSPO Greenhouse Gas Working Group 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.
Palm kernel (PK)	The seed in the FFB's fruitlet where the palm kernel oil is derived from.
Palm kernel shell (PKS)	Palm kernel shells (or PKS) are the shell fractions left after the nut has been removed after crushing in the palm oil mill.
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.
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.
Palm Oil Mill (POM)	A facility that processes fresh fruit bunches (FFB) from oil palm trees to extract crude palm oil (CPO) and palm kernel oil (PKO).
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.
RKL – RPL Environment Management Plan – Environment Monitoring Plan (locally know as <i>Rencana Pengelolaan Lingkungan</i> and <i>Rencana Pemantauan Lingkungan</i>)	RKL: Managing the impacts on the environment caused by an organisation's activities. RPL: Monitoring the environmental components affected by the organisation's planned activities.
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.
Singapore Exchange (SGX)	SGX owns and operates Singapore's securities and derivatives exchange and their related clearing houses.



Glossary of Terms

SPARING	<i>Sistem Pemantauan Kualitas Air Limbah secara Terus Menerus dan Dalam Jaringan. (Continuous and Networked Wastewater Quality Monitoring System).</i>
Stakeholders	Any group or individual who are affected by or can affect a company's operations. (Continuous and Networked Wastewater Quality Monitoring System).
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".
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.
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.
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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