



FIRST RESOURCES



**SUSTAINABILITY  
REPORT 2021**



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## 01

### FIRST RESOURCES LIMITED SUSTAINABILITY REPORT 2021

# ABOUT THIS REPORT

*We are pleased to present First Resources' 2021 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 [website](#).*

#### **SCOPE OF THE REPORT [102-1, 102-45, 102-50, 102-52]**

First Resources publishes a sustainability report on an annual basis. This report covers the activities and operations of First Resources Limited (First Resources) in Indonesia and Singapore for the financial year 1 January 2021 to 31 December 2021 (FY2021). It excludes our rubber plantations in Indonesia, which account for a very small proportion of our business. Where applicable, the data from previous financial years have been included for comparison.

#### **REPORTING FRAMEWORK [102-54]**

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. We selected the GRI Standards to guide our reporting and disclosure as it is currently the most widely used sustainability reporting standards. Where relevant information is presented, its associated GRI disclosure number will be indicated below the section title. Our GRI content index is appended on pages 54–62.

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

We have also started reporting against the Sustainability Accounting Standards Board (SASB) Standards to meet our stakeholder needs. Our SASB content index can be found on pages 63-64.

#### **DATA AND ASSURANCE [102-56]**

While we did not engage a third party in the assurance of our sustainability report this year, all data presented within this report has been rigorously reviewed. In-depth assessments

also have been undertaken in material areas such as High Carbon Stock (HCS), High Conservation Value (HCV) and Free, Prior and Informed Consent (FPIC), providing us with a strong and independent verification of our performance.

#### **CONTACT [102-53]**

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**

8 Temasek Boulevard  
#36-02 Suntec Tower Three  
Singapore 038988

T +65 6602 0200

E [sustainability@first-resources.com](mailto:sustainability@first-resources.com)





## 02

### FIRST RESOURCES LIMITED SUSTAINABILITY REPORT 2021

# CEO'S MESSAGE

## [102-14]

### Dear Stakeholders,

It is with great pleasure that I present First Resources' Sustainability Report 2021, which details our sustainability commitments, approach, and progress in the past year.

### ADAPTING TO THE NEW NORMAL

Due to strong demand, palm oil prices reached record levels in 2021. However, the year proved challenging for the palm oil industry. Unpredictable surges in COVID-19 caseloads resulted in the periodic reimposition of movement restrictions, disrupting global supply chains and causing labour shortages. It was critical for First Resources to take concrete steps to effectively navigate these challenges.

The health and safety of our employees remain our top priority during this time. We continued to implement measures to protect the health of our employees by establishing safe working measures aligned with the latest government regulations. Precautions were made across our operations to comply with safe-distancing measures and self-isolation protocols. We also established a complementary hotline to address queries related to our COVID-19 protocols, and facilitated the vaccination of all our eligible employees, their families, and the surrounding communities. We are pleased to announce a high vaccination rate of 95% for our office employees and 70% for our field employees.

To boost the morale and mental wellbeing of our employees, we engaged several motivational speakers and organised informative webinars on stress management. Taken together, these initiatives allow us to fortify the resilience of our workforce against unforeseen shocks and facilitate our transition into a post-pandemic world.

### OUR PROGRESS IN 2021

Although we were optimistic for a swift recovery in early 2021, some of our sustainability plans were ultimately upended by the volatile COVID-19 situation, especially on the certification front. We have completed the Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm oil (ISPO) audits for the mills we had planned to certify in 2021, and aim to complete the process in 2022.

Having achieved 100% traceability to mills since 2017, and 100% traceability to plantations for fresh fruit bunches (FFB) processed at our mills since 2020, we are proud to have reached our goal of 100% traceability to mills for all our kernel crushing plants. To enhance traceability to plantations for our third-party crude palm oil (CPO) and palm kernel (PK) suppliers, we integrated a supplier risk assessment as a key criterion in our onboarding procedure, bringing us closer to our goal of establishing a sustainable and transparent supply chain.





## 03

### FIRST RESOURCES LIMITED SUSTAINABILITY REPORT 2021

# CEO'S MESSAGE



Despite challenging operational circumstances, we maintained environmental sustainability as a key priority in our operations. We rehabilitated 26 hectares of High Conservation Value (HCV) areas within our estates by planting over 7,900 trees, and organised educational workshops to promote wildlife conservation among employees and surrounding communities. With the help of our seven operating methane capture facilities, we were able to avoid 180,000 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) of greenhouse gas (GHG) emissions per year which is comparable to 38,784 passenger vehicles<sup>1</sup> driven for one year.

To pre-empt future disease outbreaks in our plantations, we partnered with the Indonesian Palm Oil Genome Consortium to develop *Ganoderma*-resistant planting material. While research is still underway, we are optimistic that our partnership will yield new breakthroughs in crop resilience.

Recognising the importance of talent development to the success and longevity of the business, we continued to groom high-potential employees for future leadership positions through our Executive Development Programme. We also launched the “Informance” application to provide our employees with on-demand feedback on their work. We made improvements in our safety performance and achieved zero permanent work-related injuries. We will continue to strive to provide a workplace that is safe, inclusive and rewarding for our employees.

We also continued to support the surrounding communities where we operate through investments in infrastructure, education, and healthcare, in addition to helping them navigate the COVID-19 pandemic. First Resources stepped in as a corporate donor to the “*Indonesia Pasti Bisa Jaga Oksigen*” programme, contributing IDR 435 million to finance the purchase of additional oxygen supplies for hospitals overwhelmed by a surge in cases. Our 11 health clinics also started offering COVID-19 vaccinations to support the national vaccination programme.

#### LOOKING AHEAD

As the world emerges from the throes of the COVID-19 pandemic, issues such as climate change have once again been catapulted to the forefront of the global agenda. Ahead of the Conference of Parties (COP) event in 2021,

the Indonesian government has set a target to reach carbon neutrality by 2060.

As a palm oil company, First Resources has a crucial role to play. We will be looking to establish our baseline GHG emissions in line with global standards, set a reduction target, and identify reduction levers, in support of global climate ambitions.

With the gradual easing of domestic and international travel restrictions in Indonesia, I am also hopeful that we can expedite our certification programmes.

I would like to thank our employees and stakeholders for their unwavering dedication and patience as we tide over these difficult times. While 2021 has been nothing short of challenging, we are eager to regain our momentum and accelerate our sustainability initiatives in 2022. I call upon our stakeholders to continue supporting us as we embark on a fresh phase in our sustainability journey.

**CILINDRA FANGIONO**

*Executive Director and  
Chief Executive Officer*

<sup>1</sup> Data provided by the United States Environmental Protection Agency Greenhouse Gas Equivalences Calculator





## ABOUT FIRST RESOURCES [102-5]

*Established in 1992 and listed on the Singapore Exchange (SGX) since 2007, First Resources is one of the leading palm oil producers in Southeast Asia and has matured into an integrated player with its own processing capabilities. As of 11 March 2022, Eight Capital Inc. holds 66% of our company shares (excluding treasury shares), with a further 14% held by two other substantial shareholders and the remainder held in the hands of the public.*

### OPERATIONAL PROFILE [102-2, 102-4, 102-7, 102-10]

With the support of our 21,779 employees, we manage a total of 212,208 hectares of both nucleus and plasma planted area across the Indonesian provinces of Riau, West Kalimantan, and East Kalimantan. Of the total, 178,733 hectares are our nucleus oil palm plantations while 33,475 hectares belong to plasma smallholders.

Around half of our plantations are of prime age and approximately 8% are in their immature phase. Our largest planted area in Riau contributes to 68% of our fresh fruit bunches (FFB) production, while our plantations in West and East Kalimantan provide

### OIL PALM PLANTED AREA BY LOCATION IN 2021 (hectares)

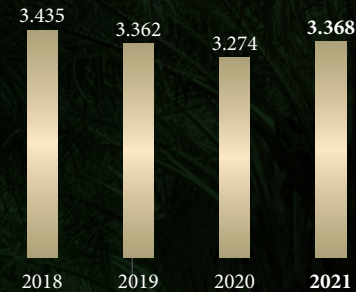


Notes:  
The figures include both nucleus and plasma planted area

the remaining 32%. In 2021, First Resources produced over 3.3 million tonnes of FFB from both nucleus and plasma estates.

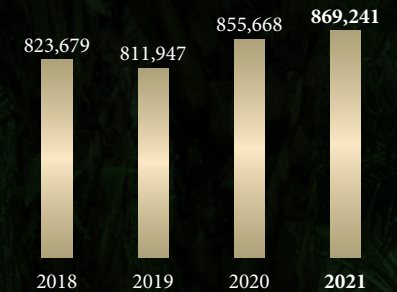
In addition to our plantations, First Resources also owns 18 palm oil mills, two refining and processing plants, and four kernel crushing

### FRESH FRUIT BUNCHES PRODUCTION (million tonnes)



plants in Indonesia. Of the four kernel crushing plants we own, three were commissioned and operational in 2021. Our total crude palm oil production (CPO) in 2021 was 869,241 tonnes.

### CRUDE PALM OIL PRODUCTION (tonnes)



For more information on our business flow chart and operational review, please refer to pages 4-5 and 14-15 of our 2021 [Annual Report](#).



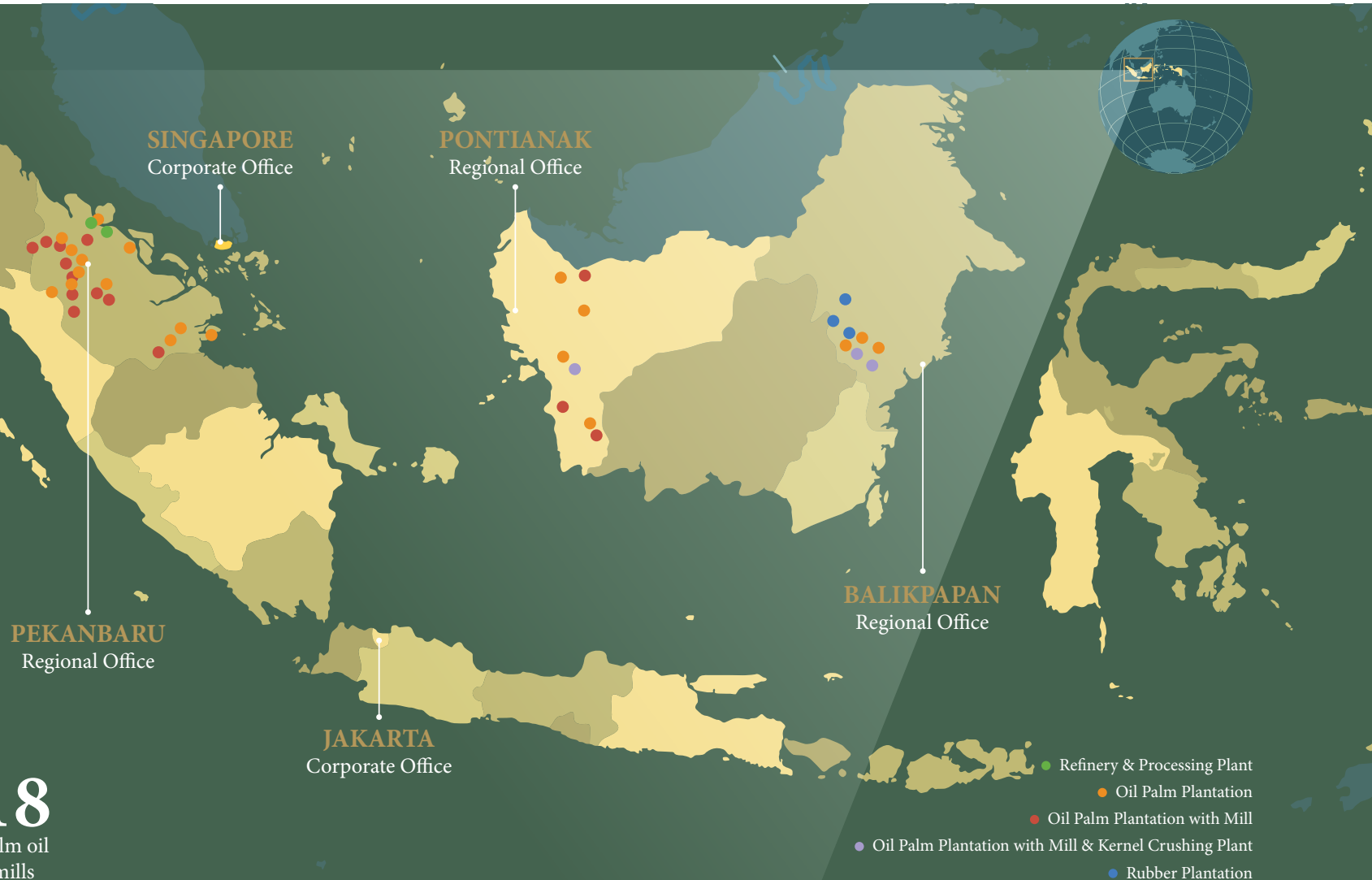
# OUR PRESENCE

**REFINING  
& BIODIESEL**  
combined capacity of  
**850,000**  
tonnes per annum

**KERNEL CRUSHING**  
combined capacity of  
**375,000**  
tonnes per annum

**212,208**  
hectares of  
oil palm plantations

**18**  
Palm oil  
mills



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





## OUR APPROACH TO SUSTAINABILITY

[ 1 0 2 - 1 6 ]

The prosperity and longevity of our business hinges on our ability to generate long-term value for both our stakeholders and the environment. As an overarching principle, sustainability inheres within each of our core values, which are described on our website as Loyalty, Integrity, Diligence, Persistence and Care. We embody these core values in all our engagements with stakeholders, allowing us to ascertain their interests and concerns, whilst forging meaningful relations based on mutual benefit and trust. A summary of our main stakeholder engagement efforts in 2021 can be found in the [Materiality and Stakeholder Engagement](#) section of this report.

### OUR POLICY ON SUSTAINABLE PALM OIL

Launched in 2015, our Policy on Sustainable Palm Oil articulates our commitments to “No Deforestation, No Peat and No

Exploitation”, which is also referred to as our NDPE Policy. Our commitments guide us towards our goal of ensuring that our oil palm plantations provide genuine long-term economic and social benefits for the local communities where we operate and beyond, while protecting the environment. It communicates the environmental and social standards that we expect to be upheld throughout our operations, including our subsidiaries and associated companies, as well as our third-party suppliers.

We engage and train all relevant employees on our Policy. We also socialise our Policy with all our suppliers through our onboarding process, and conduct periodic meetings to help them understand our commitments and the importance of aligning their practices with our requirements. For more details on our supplier engagement, see the section on [Supply Chain](#).

#### BOARD STATEMENT

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

*First Resources Board of Directors*

*Our policy encompasses commitments around four main areas:*



### 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



### COMMUNITY ENGAGEMENT & DEVELOPMENT

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



### EMPLOYEE RELATIONS & WORKPLACE

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



### 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





## OUR APPROACH TO SUSTAINABILITY

### GOVERNANCE OF SUSTAINABILITY [102-18, 102-19, 102-20, 102-21, 102-26, 102-32, 103-3]

We are committed to maintaining the highest standards of corporate governance at First Resources. This is crucial for the effective implementation of our policies and the continual improvement of the Group's performance. The Board, led by the Chairman, has oversight of sustainability matters and receives regular updates on important sustainability issues. Sustainability topics are further discussed and addressed in quarterly management meetings that are attended by representatives from all key areas of our operations.

Responsibility for the day-to-day implementation of our sustainability policy is delegated to our Head of Sustainability, who reports directly to the CEO, and is supported by a team of skilled experts from across our business. We have integrated sustainability throughout our management systems, including

### SUSTAINABILITY GOVERNANCE STRUCTURE



the key performance indicators of relevant senior executives and other employees with functional responsibility at an operational level. Operational teams are required to provide regular cross-departmental updates on key issues – including hotspots and fire incidents, the status of land clearing, and any incidents of conflict with local communities – to the regional and corporate sustainability teams.

### BUSINESS CONDUCT AND ETHICS [103-1, 103-2, 103-3, 205-2]

Our Code of Conduct, developed in line with the Group's vision and mission, outlines the corporate values and ethical standards which we expect our employees to uphold. Areas covered under the Code of Conduct include professionalism and work ethics, conflicts

of interest, political impartiality, anti-corruption and zero tolerance to fraud. All our employees are required to comply with all applicable country laws, regulations and legal requirements. Any breach of the Code of Conduct can result in disciplinary action and termination of employment.

All new employees are briefed about our Code of Conduct as part of their onboarding process. An email reminder on compliance with the Code of Conduct as well as any relevant updates is sent to all employees on an annual basis. We also disseminate the Code of Conduct to all our suppliers and other business partners.

In addition, we have put in place procedures to ensure that only authorised persons can approve business transactions and to prevent conflicts of interest in relation to procurement.

## OUR APPROACH TO SUSTAINABILITY

### MONITORING AND GRIEVANCE PROCEDURE [102-17, 103-3]

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

### WHISTLEBLOWING PROCEDURE

We designed our whistleblowing procedure to ensure that employees and business partners have a safe and anonymous avenue to raise concerns, non-compliances or grievances. For convenience, the system is accessible via various channels such as anonymous complaint boxes in estates, short message service, phone and email. Complaints raised through these channels are generally handled locally but can be escalated to the Audit Committee when necessary.

First Resources does not tolerate or condone any retaliatory actions taken against any employee or other person for raising a compliance or integrity issue. The Company may take disciplinary action against any party found to have retaliated against whistleblowers. Individuals who wish to file a whistleblowing report may refer to the details on our [website](#).

### GRIEVANCE PROCEDURE

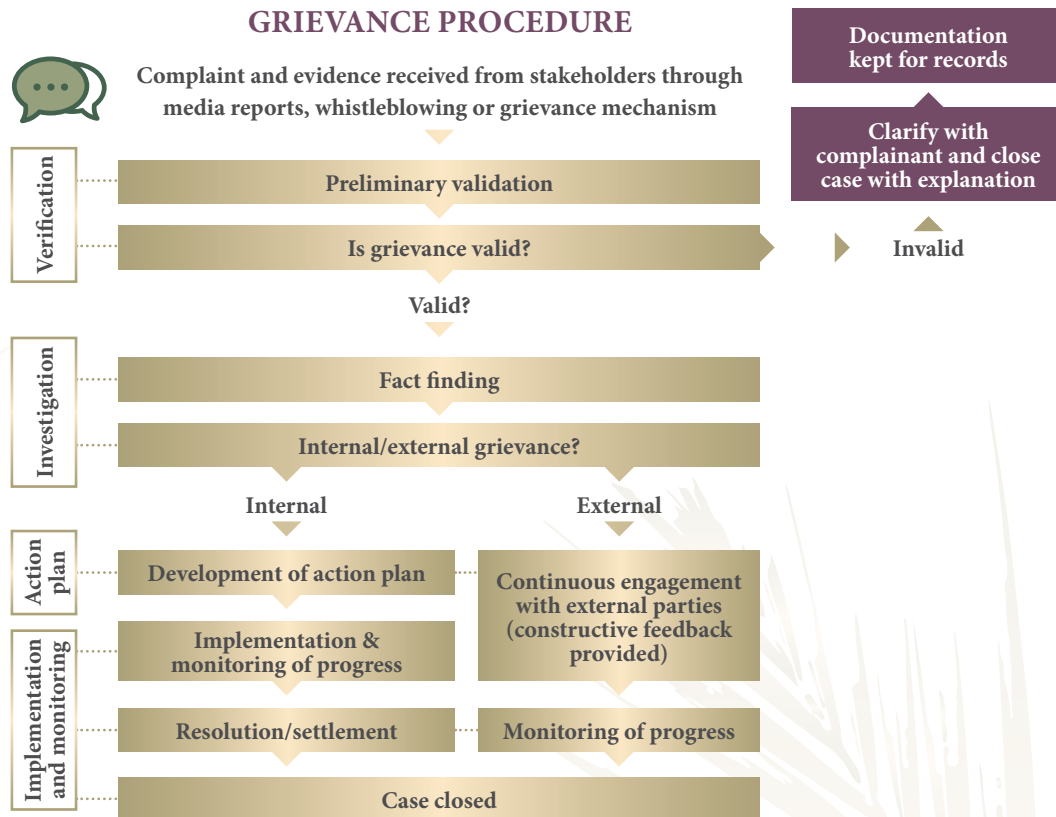
Our grievance procedure allows stakeholders to register sustainability-related concerns, particularly with regard to our Policy on Sustainable Palm Oil, such as those related to deforestation, land disputes, human rights or general labour issues.

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

**8 Temasek Boulevard  
#36-02 Suntec Tower Three  
Singapore 038988  
Attn: Grievance Officer  
(Sustainability Department)**

E [sustainability@first-resources.com](mailto:sustainability@first-resources.com)

### GRIEVANCE PROCEDURE



Our philosophy is to work collaboratively and constructively with all our stakeholders. We want stakeholders to engage us directly with their concerns so that these can be investigated and remediated as quickly as possible. We appreciate

and welcome stakeholders, including non-governmental organisations, to engage positively with us and address any gaps in our operations. Our grievance list is updated regularly and is available on our [website](#).





## OUR APPROACH TO SUSTAINABILITY

### OUR MATERIAL SUSTAINABILITY TOPICS [102-15, 102-46, 102-47, 102-49, 103-1]

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

In 2019, we conducted an assessment of our material sustainability topics. This process, which was guided by a robust stakeholder engagement exercise, highlighted new and emerging topics and provided an opportunity for us to review whether we are focusing on the right issues. In 2021, we conducted an internal review, which entailed peer benchmarking and gathering feedback from selected internal stakeholders, and concluded that these topics remain relevant. See [Appendix](#) for more information.

### OUR MATERIAL TOPICS AND THEIR BOUNDARIES

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



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## OUR APPROACH TO SUSTAINABILITY

### SUSTAINABILITY MILESTONES

#### 2008

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

#### 2012

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

#### 2013

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

#### 2014

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

#### 2015

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

#### 2016

- Launched Integrated Fire Management programme
- Built 2<sup>nd</sup> methane capture facility

#### 2017

- Launched Sustainable Supply Chain Framework
- Achieved 100% traceability to mills
- Built 3<sup>rd</sup> methane capture facility

#### 2018

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

#### 2019

- Built 4<sup>th</sup> and 5<sup>th</sup> methane capture facilities

#### 2020

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

#### 2021

- Achieved zero permanent work-related injuries
- Maintained our record of achieving 100% traceability to all our supplying mills, including for our kernel crushing plants
- Maintained 100% traceability to plantations for fresh fruit bunches (FFB) processed at our mills







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## OUR SUSTAINABILITY PROGRESS

### TARGETS AND PROGRESS [103-2]

| MATERIAL TOPIC  | 2021 COMMITMENTS/TARGETS  | 2021 PROGRESS   | FUTURE COMMITMENTS/TARGETS  |
|---|---|---|---|
| <b>Business conduct and ethics</b>  | <ul style="list-style-type: none"> <li>Conduct our business with integrity and free from corruption through the dissemination of our Code of Conduct</li> </ul>   | <ul style="list-style-type: none"> <li>Continued to disseminate our Code of Conduct to employees, suppliers, and other business partners</li> </ul>   | <ul style="list-style-type: none"> <li>Continue to conduct our business in an honest and corruption-free manner through the dissemination of our Code of Conduct (ongoing)</li> </ul>   |
| <b>Climate change</b>   | <ul style="list-style-type: none"> <li>Continue to explore opportunities to reduce our greenhouse gas (GHG) emissions</li> </ul>  | <ul style="list-style-type: none"> <li>Avoided emissions by approximately 180,000 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) of GHG emissions with seven operating methane capture facilities.</li> </ul>   | <ul style="list-style-type: none"> <li>Construct a methane capture plant for another mill.</li> <li>Establish a baseline for monitoring emissions reduction in line with the GHG Protocol</li> <li>Implement and report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)</li> </ul>                  |
| <b>Conservation and management of High Conservation Value (HCV) areas</b> | <ul style="list-style-type: none"> <li>Continue to ensure no development on HCV areas</li> <li>Conduct internal training on HCV and High Carbon Stock (HCS) for nine of our plantations</li> <li>Conduct socialisation/training for six villages on HCV and HCS</li> <li>Continue to rehabilitate approximately 20 hectares of conservation area</li> </ul> | <ul style="list-style-type: none"> <li>Continued to protect HCV areas</li> <li>Conducted internal training on HCV and HCS for 67 employees from nine estates</li> <li>Conducted HCV and HCS training for six villages with a total of 116 attendees</li> <li>Rehabilitated approximately 26 hectares of HCV area by planting more than 7,900 trees</li> <li>Achieved a satisfactory rating from the HCV Network for the HCV-HCSA assessment for two of our concessions</li> </ul> | <ul style="list-style-type: none"> <li>Continue to ensure no development on HCV areas (ongoing)</li> <li>Conduct internal training on HCV and HCS for nine of our plantations</li> <li>Conduct socialisation/training for six villages on HCV and HCS</li> <li>Continue to rehabilitate approximately 20 hectares of conservation area</li> </ul> |



## OUR SUSTAINABILITY PROGRESS

| MATERIAL TOPIC   | 2021 COMMITMENTS/TARGETS  | 2021 PROGRESS   | FUTURE COMMITMENTS/TARGETS   |
|--|---|---|--|
| <b>Employee attraction, retention, and development</b> | <ul style="list-style-type: none"> <li>Continue to assess needs and provide appropriate training/mentorship for employees to ensure continuous development</li> <li>Launch a digital application that allows real-time performance feedback and monitoring</li> </ul>               | <ul style="list-style-type: none"> <li>Continued to implement the Executive Development Programme to identify and develop future leaders within the Group</li> <li>Organised the First Resources Learning Festival to promote innovation</li> <li>Launched the “Informance” application to provide employees with on-demand feedback</li> <li>Organised a series of informative webinars to inspire and boost the morale of our employees</li> </ul>  | <ul style="list-style-type: none"> <li>Continue to assess needs and provide appropriate training/mentorship for employees to ensure continuous development (ongoing)</li> <li>Develop mobile formats for our employee self-service application</li> </ul>  |
| <b>Fire prevention and management</b>                  | <ul style="list-style-type: none"> <li>Reduce the number of fire incidents which occurred in the previous year</li> <li>Increase our firefighters' training frequency as well as the number of firefighters trained</li> </ul>  | <ul style="list-style-type: none"> <li>Decrease in number of fire incidents within our concession areas compared to 2020</li> <li>Provided refresher trainings to 530 firefighters in 36 estates</li> </ul>   | <ul style="list-style-type: none"> <li>Reduce the number of fire incidents which occurred in the previous year (ongoing)</li> <li>Increase our firefighters' training frequency and the number of firefighters trained</li> </ul>  |
| <b>Labour conditions and human rights</b>              | <ul style="list-style-type: none"> <li>Continue to improve labour conditions and protect human rights</li> <li>Collaborate with the labour union to discuss with the local authorities about improvement to workers' welfare, in particular affordable housing ownership</li> </ul> | <ul style="list-style-type: none"> <li>Collaborated with our customer Wilmar and its partner Nestle as well as the Business for Social Responsibility (BSR) and The Centre for Child Rights and Business to plan a training session on child protection</li> <li>Involved the labour union in our discussions over the “House Ownership Credit” programme, which is a joint effort between First Resources, the Indonesian Palm Oil Association (IPOA) / <i>Gabungan Pengusaha Kelapa Sawit Indonesia</i> (GAPKI) and participating banks to facilitate home ownership among our employees</li> </ul> | <ul style="list-style-type: none"> <li>Continue to improve labour conditions and protect human rights (ongoing)</li> <li>Continue to address areas for improvement identified in the internal labour and human rights assessment</li> <li>Conduct child protection training session in 2022</li> </ul> |





## OUR SUSTAINABILITY PROGRESS

| MATERIAL TOPIC                        | 2021 COMMITMENTS/TARGETS   | 2021 PROGRESS   | FUTURE COMMITMENTS/TARGETS  |
|---------------------------------------|--|---|---|
| <b>Occupational health and safety</b> | <ul style="list-style-type: none"> <li>• Achieve zero fatalities</li> <li>• Achieve zero permanent work-related injuries</li> </ul>  | <ul style="list-style-type: none"> <li>• Two fatalities in 2021</li> <li>• Achieved zero permanent work-related injuries</li> <li>• Provided socialisation/training to harvesters on how to use harvesting tools safely</li> <li>• Provided training to employees on electrical hazards</li> </ul>  | <ul style="list-style-type: none"> <li>• Achieve zero fatalities in 2022 (ongoing)</li> <li>• Achieve zero permanent work-related injuries in 2022 (ongoing)</li> </ul>   |
| <b>Peatland management</b>            | <ul style="list-style-type: none"> <li>• Ensure no development on peatland</li> <li>• Work together with the Ministry of Environment and Forestry to monitor the water table</li> <li>• Conduct peat drainability assessments for another three estates</li> <li>• Install peat subsidence poles in two estates</li> </ul>                       | <ul style="list-style-type: none"> <li>• Continued to set aside peatland from development (since July 2015)</li> <li>• Continued to work with government agencies on peatland management</li> <li>• Conducted drainability assessments for four estates</li> <li>• Installed peat subsidence poles in two estates</li> </ul>                            | <ul style="list-style-type: none"> <li>• Ensure no development on peatland (ongoing)</li> <li>• Continue to work with government agencies on peatland monitoring and management</li> </ul>  |
| <b>Protection of HCS forests</b>      | <ul style="list-style-type: none"> <li>• Continue to ensure no development on HCV areas:</li> <li>• Conduct internal training on HCV and HCS for nine of our plantations</li> <li>• Conduct socialisation/training for six villages on HCV and HCS</li> <li>• Continue to rehabilitate approximately 20 hectares of conservation area</li> </ul> | <ul style="list-style-type: none"> <li>• Continued to protect conservation areas identified through the High Carbon Stock Approach (HCSA) methodology</li> <li>• Conducted internal training on HCV and HCS for 67 employees from 9 estates</li> <li>• Rehabilitated approximately 26 hectares of HCV area by planting more than 7,900 trees</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to ensure no development on HCV areas (ongoing)</li> <li>• Conduct internal training on HCV and HCS for nine of our plantations</li> <li>• Conduct socialisation/training for six villages on HCV and HCS</li> <li>• Continue to rehabilitate approximately 20 hectares of conservation area</li> </ul> |



## OUR SUSTAINABILITY PROGRESS

| MATERIAL TOPIC                           | 2021 COMMITMENTS/TARGETS  | 2021 PROGRESS   | FUTURE COMMITMENTS/TARGETS   |
|--|---|---|--|
| <b>Supply chain traceability</b>         | <ul style="list-style-type: none"> <li>Maintain 100% traceability to mills</li> <li>Maintain 100% traceability to plantations for FFB processed at our mills</li> <li>Develop procedures to achieve 100% traceability to plantations for supplying third-party mills</li> </ul> | <ul style="list-style-type: none"> <li>Maintained 100% traceability to mills (achieved since 2017)</li> <li>Achieved 100% traceability to mills for our kernel crushing plants</li> <li>Maintained 100% traceability to plantations for FFB processed at our mills</li> <li>Enhanced procedures and introduced a supplier risk assessment criterion to support our goal of achieving 100% traceability to plantations for our third-party CPO and PK suppliers</li> </ul> | <ul style="list-style-type: none"> <li>Maintain 100% traceability to mills (ongoing)</li> <li>Maintain 100% traceability to plantations for FFB processed at our mills (ongoing)</li> <li>Achieve 100% traceability to plantations for our third-party CPO and PK suppliers</li> </ul> |
| <b>Sustainability certification</b>      | <ul style="list-style-type: none"> <li>Execute RSPO audits for another six mills in 2021</li> <li>Review 100% RSPO certification target</li> <li>Obtain ISPO certification for another three mills integrated with plantations by 2021</li> </ul>                               | <ul style="list-style-type: none"> <li>Revised 100% RSPO target deadline from 2024 to 2026</li> <li>Completed the RSPO-audits for three of our mills integrated with plantations</li> <li>Completed Stage 2 of the ISPO audit for one mill, and Stage 1 audits for two mills</li> </ul>   | <ul style="list-style-type: none"> <li>Obtain RSPO certification for another four mills integrated with plantations</li> <li>Obtain ISPO certification for another three mills integrated with plantations</li> <li>Renew all our existing certificates</li> </ul>                     |
| <b>Yield and extraction improvements</b> | <ul style="list-style-type: none"> <li>Increase nucleus FFB yield</li> <li>Increase CPO extraction rate</li> </ul>  | <ul style="list-style-type: none"> <li>Increased nucleus FFB yield by more than 5% from 2020</li> <li>Cut oil losses during FFB processing by 0.24%</li> <li>CPO extraction rate declined from 23.2% in 2020 to 22.7% in 2021</li> </ul>  | <ul style="list-style-type: none"> <li>Increase nucleus FFB yield (ongoing)</li> <li>Increase CPO extraction rate (ongoing)</li> </ul>   |



# ENVIRONMENT MANAGEMENT

## YIELD AND EXTRACTION IMPROVEMENTS [103-1, 103-2, 103-3]

Among the vegetable oil crops, palm oil is unparalleled for its productivity and land-use efficiency. Used in everything from consumables to non-food products, the widespread popularity of palm oil has raised concerns over the environmental impacts of the industry. One of the most pressing concerns is the clearing of forested land for plantations.

To protect the environment and ensure the long-term success of our business, we continue to explore opportunities for more sustainable production through various research and development initiatives. A key area of opportunity is the improvement of yield and extraction rates, which can obviate the need to develop new land.

### YIELD AND EXTRACTION RATES

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

To maintain high yields, we ensure that the age profile of our oil palm plantations falls largely within the prime ages. Oil palms that exceed their prime age are scheduled

### FFB YIELD AND EXTRACTION RATES

|   | 2018 | 2019 | 2020 | 2021        |
|---|------|------|------|-------------|
| <b>Nucleus FFB yield (tonnes per hectare)</b>     | 18.9 | 18.0 | 17.2 | <b>18.1</b> |
| <b>Smallholder FFB yield (tonnes per hectare)</b> | 12.8 | 11.7 | 12.0 | <b>13.0</b> |
| <b>CPO extraction rate (%)</b>                    | 22.9 | 23.1 | 23.2 | <b>22.7</b> |
| <b>Palm kernel extraction rate (%)</b>            | 5.2  | 5.3  | 5.2  | <b>5.2</b>  |

for replanting. To improve productivity, we also employ practices such as:

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

In 2021, we observed a 5% increase in our FFB yield compared to the previous year, attesting to the efficacy of our enhanced replanting programme. Accordingly, the quality of our oil palm harvests improved as well. We

were also able to decrease our oil losses by 0.24% through optimising the way we process FFBs at our mills. However, our overall crude palm oil (CPO) extraction rate declined from 23.2% in 2020 to 22.7% in 2021. The lower extraction rate is mainly attributed to increased sourcing of FFB from third-party suppliers and a higher proportion of FFB produced by our young palms.

In the same year, we continued to provide support for our smallholders to help them increase their productivity. With operational support provided by First Resources, we observed an increase in our plasma smallholders' FFB yield compared to the previous year. For more information on our engagement with smallholder farmers, please see the section on [Supporting Smallholders](#).

In light of the encouraging progress we observed this year, we will continue to implement our replanting programme and further optimise the way we process FFBs.





## ENVIRONMENT MANAGEMENT

### RESEARCH AND DEVELOPMENT

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 primarily focuses on the topics of yield improvement and climate change resiliency.

A major part of our research revolves around our oil palm breeding programme, which aims to develop planting materials with traits that optimise harvesting or increase palm oil density per hectare. Examples of desired traits include better oil quality, slower height increment, shorter frond length and more conspicuous colour changes during ripening. The breeding programme also seeks to develop resilient planting materials that can better cope with diseases such as basal stem rot disease caused by *Ganoderma*, and other impacts from climate change such as weather fluctuations.

In 2021, we replanted approximately 3,000 hectares of our old oil palm trees with our new planting materials. The yield estimate from these enhanced planting materials is 20% higher compared to existing planting materials, allowing us to achieve greater overall productivity. These are our first generation of new planting materials and there are two varieties, the FR-1 and the FR-2. While we are still developing FR-3 as our third variety, its preliminary results have been both positive and promising.



We have also been working with oil palm tissue culture to clone oil palms with desired characteristics. In 2020, we began planting trials with our clonal materials. While these clonal palms have been successfully transplanted from the nursery to the field, we continue to monitor their progress by making observations and noting their initial flowering period.

We also partnered with the Indonesian Palm Oil Genome Consortium to research and develop varieties of planting

material that are tolerant to *Ganoderma*. As part of this collaborative effort, we aim to identify and isolate the gene responsible for *Ganoderma* resistance. The achievement of this key milestone will allow us to springboard further research on *Ganoderma*-resistant oil palm varieties. In an ongoing effort to develop planting material with desirable traits, we screened 10 gene families from three varieties (*avros*, *avros x calabar*, and *binga*) in 2021.





## ENVIRONMENT MANAGEMENT

### CONSERVATION AND FOREST MANAGEMENT [103-1, 103-2, 103-3]

Indonesia is home to some of the world's largest and most biodiverse rainforests. We recognise that the clearing of these forests for agriculture can result in the irreversible loss of invaluable biodiversity in addition to the release of stored carbon, which contributes to climate change. As such, we are committed to conserving and managing forests through the protection of High Conservation Value (HCV) areas, including riparian zones, as well as High Carbon Stock (HCS) forests and peatland.

#### IDENTIFYING CONSERVATION AREAS [304-4]

Our Policy on Sustainable Palm Oil articulates our commitment to no deforestation and no new development on peat areas.

We strictly adhere to the New Planting Procedures (NPP) set by the Roundtable on Sustainable Palm Oil (RSPO), where all new developments within our plantations must undergo third-party HCV assessments conducted by RSPO approved assessors. The topics evaluated under these assessments include habitat quality, soil conditions, peat presence, river quality and community cultural identity. Our assessment results can be accessed on the RSPO [website](#).

Through these HCV assessments, we identified areas for conservation and excluded them from our oil palm

plantation development plans. Rare and endangered species were also identified within our concessions and the surrounding areas through this process. See our [website](#) for the full list of identified threatened species under Indonesia's National Law of Protected Species (MoEF Ministerial Regulation No. 106 of 2018), or under the International Union for Conservation of Nature's Red List (IUCN Red List).

Following the release of our Policy in 2015, we identified additional conservation areas by referencing the HCS Approach (HCSA) methodology and engaging third-party HCS experts. By 2017, we identified approximately 20,000 hectares of land that contain potential HCS forests, HCV areas or peatlands. These lands were subsequently zoned for conservation.



All new land clearing for oil palm plantations will be preceded by an integrated High Conservation Value – High Carbon Stock Approach (HCV-HCSA) assessment. This policy shift was made in compliance with criterion 7.12 of the latest RSPO Principles and Criteria standards, which was released in November 2018. In 2020, the HCV-HCSA assessment was conducted for two of our concessions and underwent a quality control process under the HCV Network. In 2021, both assessments achieved a satisfactory rating from the HCV Network for the submitted reports. The detailed evaluation of both reports can be found on the HCV Network [website](#). In 2022, we plan to conduct a HCV-HCSA assessment for another concession.

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

Our sustainability team conducts pre and post development checks to ensure that only non-conservation areas are slated for new development. We also put in place buffer zones to mitigate the risks of accidental non-compliance. In addition, our plantation managers have key performance indicators tied to no development on conservation areas. For plantations located near riparian reserves, we take special precautions to avoid the accidental clearance of key conservation areas.

We explicitly prohibit the hunting, injuring, possessing and killing of rare and endangered wildlife in our plantations. Employees who violate this policy will be disciplined with





## ENVIRONMENT MANAGEMENT

punitive measures that may culminate in employment termination. To curb poaching, we also conduct daily monitoring patrols and place signboards as reminders at strategic locations.

We identified populations of endangered orangutans in two of our concessions in West Kalimantan. For these concessions, our conservation taskforce works with a local non-governmental organisation (NGO) to manage vulnerable wildlife populations and conduct HCV monitoring with the aid of specialised conservation software. To monitor the population health of orangutans and other endangered species, we installed camera traps and organised joint patrols between members of our taskforce and the NGO. The results of these patrols were shared with the NGO to determine areas for improvement.

To emphasise the importance of protecting HCV areas and HCS forests, internal training on conservation area management was conducted for our employees in Riau and East Kalimantan. In 2021, we trained a total of 67 employees across our estates. These training sessions were conducted virtually due to the prevailing COVID-19 travel restrictions.

Many communities in Indonesia are still unfamiliar with the terms HCV and HCS, hence they may not support conservation practices. Given this, education is an important tool to bring these communities onboard with our sustainability goals. Despite the ongoing COVID-19 pandemic, we were able to conduct HCV and HCS trainings for six villages in Riau and East Kalimantan for a total of 116 participants. To protect our participants' safety, training

sessions were held in smaller groups with strict observance to safety measures. Depending on the conditions going forward, we aim to conduct engagements with at least two communities annually.

In East Kalimantan, we partnered with the Technology Research and Development Agency of the Ministry of Environment and Forestry to identify strategies to conserve the Lembonah Forest in East Kalimantan. Following a 2015 study, it was recommended that the forest be used to promote conservation awareness. Hence, we collaborated with the Agency to develop modules that educate children from nearby schools on the importance of conserving the Lembonah Forest. However, due to the COVID-19 pandemic, we were unable to resume the programme in 2021. While the Agency has since restructured into the Centre for the Implementation of Environmental and Forestry Instrument Standards - Samboja, we remain in close contact with the Centre to identify future collaboration opportunities.

As part of our goals for 2022, we intend to conduct internal HCV and HCS training for our employees in nine plantations and reach out to another six villages to share the importance of wildlife conservation.

### REHABILITATING CONSERVATION AREAS [304-3]

Rehabilitation projects are being implemented to restore degraded HCV and HCS areas to their prior state. Restoration work commenced in the second half of 2016 in one of the identified HCV areas at PT Limpah Sejahtera. Between 2016-2020, almost 21,000 forest



trees have been planted in three of our concession areas, covering 69 hectares. In 2019, some of these areas were affected by forest fires which originated from outside our concessions, dampening our conservation efforts. In 2021, we rehabilitated 26 hectares of HCV areas by planting more than 7,900 forest trees, exceeding our target of 20 hectares.

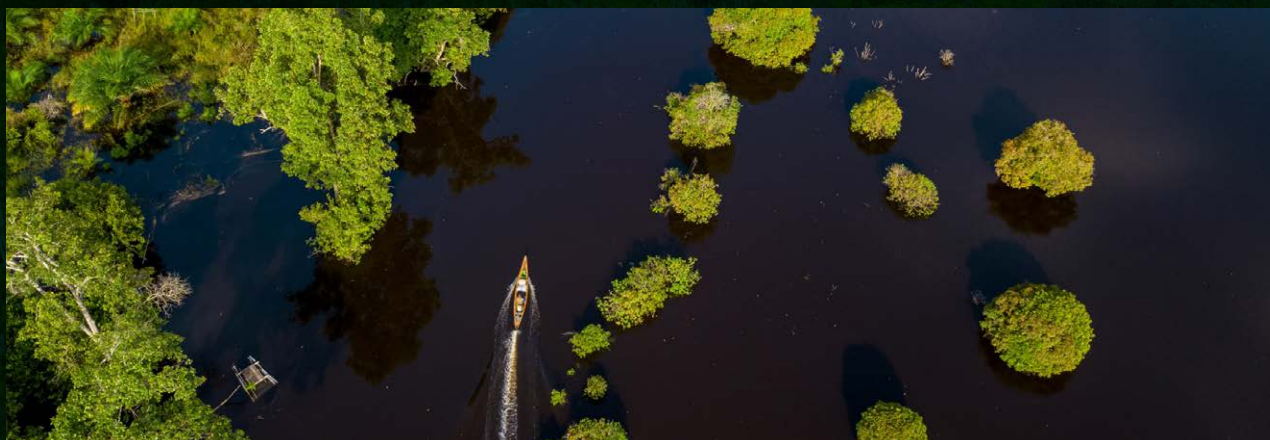
Riparian reserves are areas of native forest along waterways that serve as critical habitats for bird communities and other wildlife populations. Under Indonesian law, riparian reserves and their adjacent buffer zones must be protected on both banks of the river. Recognising their significance as bulwarks against further biodiversity loss, we commenced restoration work for riparian reserves that were previously planted with mature oil palms in 2021. To restore these areas, we interspersed local tree species in the spaces between mature oil palms, which were left in place.

In 2022, we aim to rehabilitate another 20 hectares of conservation area and monitor the progress of our existing restoration efforts.





## ENVIRONMENT MANAGEMENT



### PEAT MANAGEMENT [103-1, 103-2, 103-3]

Since the introduction of our Policy on Sustainable Palm Oil in 2015, First Resources has not carried out any new plantings on peatland at any depth. We implement best management practices for existing plantations located on peatlands. Peat areas which are deemed unsuitable for replanting will be restored or repurposed for environmentally beneficial alternative uses.

We have assembled a specialised peat taskforce who conducts detailed peat surveys and peat assessments in our estates. The taskforce is led by our R&D department and is supported by our agronomy and sustainability departments.

Since 2019, peat surveys in all estates have been completed. The results from these peat surveys inform our land use planning and guide the enhancement of water management plans for our plantations on peat.

To minimise peat subsidence and the release of carbon dioxide, groundwater is maintained at optimal levels. We have installed piezometers and automatic data loggers that record data every 12 hours to monitor water table fluctuations. Since 2020, piezometers and data loggers have been fully installed in all estates located on peatlands. We regularly service our monitoring equipment and will continue to monitor the depth of the water table in the field. Collected hydrological data is periodically reported

to the Indonesian Ministry of Environment and Forestry (MoEF) via an online reporting system, ensuring swift data transmission and compliance with regulations.

We have also blocked canals and built water gates at selected estates to regulate and manage water levels, in accordance with guidelines stipulated by MoEF and the Indonesian Peatland Restoration Agency. In 2021, we collaborated with MoEF in an ongoing partnership to monitor the condition of the water table and manage peatland areas in one of our estates. We also participated in a training session conducted by MoEF on its reporting system and peat management best practices.

In the same year, we installed peat subsidence poles in another two estates, and exceeded our target by completing drainability assessments for another four estates. These peatland drainability assessments are mandatory under RSPO standards and must be conducted at least five years prior to the replanting of existing oil palms on peatlands. The results of these assessment are used to set the timeframe for future replanting and the eventual restoration of peatlands.

MoEF also encourages and supervises companies with operations on peatland to conduct field surveys for the compilation of a detailed inventory of peatland ecosystem characteristics. In compliance with these requirements, we conducted fieldwork surveys along verified transects and sampling points in one of our plantations. We will continue to work with the ministry to comply with the government's policy regarding peatland management.



## ENVIRONMENT MANAGEMENT

### FIRE PREVENTION [103-1, 103-2, 103-3]

First Resources is committed to a strict Zero Burning policy when clearing land for new developments or replanting activities. This policy is also socialised with our suppliers, who are reminded that any deliberate breach may result in an immediate termination of contract.

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

#### Overview of Our Approach to Fire Prevention, Monitoring and Response

1

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



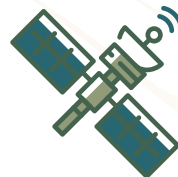
2

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



3

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



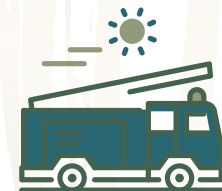
4

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



5

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







## ENVIRONMENT MANAGEMENT

In peat areas, we create firebreaks, prepare water sources/ reservoirs, build canal blockings and implement water management practices. During the dry season, we take further precautions by raising water levels in the peat area to prevent incoming fire and/or prevent fire from spreading.

We have more than 1,500 firefighters assigned within our operations to ensure that fires are handled swiftly and adequately. In 2021, we provided refresher trainings to approximately 530 firefighters in 36 estates across Riau, West Kalimantan and East Kalimantan. These trainings were either conducted in-person or virtually.

Land clearing using fire is prohibited in Indonesia. However, since 2009, communities who abide by their customary practices are exempt from this rule. In 2010, the Ministry of Environment issued a new ruling with regards to the prevention of environmental pollution caused by fire. Similar to the 2009 exemption rule, there are exceptions whereby each family is allowed to clear up to two hectares of land by fire on the grounds of their customary practices. Exemption for communities using fire for land clearing is also mentioned in the Law of the Republic of Indonesia Number 11 Year 2020, or more commonly known as Indonesia's Omnibus Law.

In 2020, a local government regulation concerning land clearance by fire on the grounds of customary practices was introduced in West Kalimantan. To protect forests and

prevent the spread of fire, communities who are permitted to clear land using fire must abide by rules such as:

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

These regulations have an impact on us as there are communities with ownership rights who live within or near our concession areas. It is therefore challenging to prevent communities from engaging in small-scale burning on areas within our concessions that are owned and controlled by the community. Such burning practices can result in fire events which are difficult to monitor and control as it is unknown when and where they will occur.

As we expect fire incidences of such nature to continue, we seek to forge close partnerships with communities and local authorities in managing fire risks. This would include raising awareness about fire risks as well as fire management practices.

In 2021, we aimed to reach out to nine villages for fire management and prevention training. However, we had to postpone such activities due to the ongoing COVID-19 pandemic.

While we observed an overall decline in the number of fire outbreaks within our concession areas between 2020 to 2021, the total affected area increased slightly, averaging around two hectares of affected land per incident. This increase in affected area may be due to burning practices by the community for land clearing purposes.

### NUMBER OF FIRE INCIDENCES BY REGION

|   | Riau |      |      | West Kalimantan |      |      | East Kalimantan |      |      |
|---|------|------|------|-----------------|------|------|-----------------|------|------|
|   | 2019 | 2020 | 2021 | 2019            | 2020 | 2021 | 2019            | 2020 | 2021 |
| <b>No. of fires within our concession areas</b> | 1    | 0    | 0    | 43              | 132  | 113  | 3               | 10   | 9    |

*Note: Data as reported to RSPO.*





## ENVIRONMENT MANAGEMENT

### CLIMATE CHANGE [103-1, 103-2, 103-3]

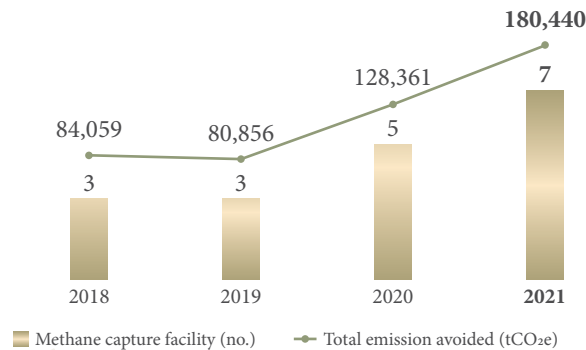
Climate change is the defining crisis of our generation. As a palm oil company, we have a role to play in reducing greenhouse gas (GHG) emissions, especially from land use change. We must also continue to build our resilience against climate hazards such as changes in rainfall pattern, drought and extreme weather events, which may impact our yields and productivity.

### REDUCING OUR GHG EMISSIONS [305-5]

One of the biggest contributors of GHG emissions in the palm oil industry comes from the clearance of peatland and HCS forests for plantation development. To avoid the release of stored carbon into the atmosphere, First Resources does not undertake any new developments on HCS forests or peat areas at any depth. For more details on our approach, see the sections on [Conservation and Forest Management](#), and [Peat Management](#).

Palm oil mill effluent (POME), a wastewater generated from the processing of FFB, is a significant source of GHG emissions. Since 2014, we have been establishing methane capture facilities that treat POME in a closed system, capturing methane which would otherwise have been released into the atmosphere from open ponds.

### NUMBER OF METHANE CAPTURE FACILITIES AND ESTIMATED GHG EMISSIONS (tCO<sub>2</sub>e) AVOIDED PER YEAR



*Note: Number of methane capture facilities is based on the number of operational methane capture facilities per year. While the methane capture facility may only start operations in the middle of the year, the estimation of total GHG emission reduction is based on the full year CPO production where the mill is located. The CPO production is then multiplied by 0.51 tonne of CO<sub>2</sub>e for each tonne of CPO produced.*

As at end 2021, we have operational methane capture facilities at seven of our mills. At six of these mills, the captured methane is used as an alternative fuel source for our milling operations. Our latest methane capture unit in West Kalimantan generates electricity to drive a power generator in our kernel crushing plant.

Based on the International Sustainability & Carbon Certification (ISCC) calculation methodology, the estimated avoidance in GHG emissions for each facility is approximately 0.51 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) for each tonne of CPO produced. In 2021, the seven methane capture facilities collectively helped us to avoid approximately 180,000 tCO<sub>2</sub>e in GHG emissions. This is equivalent to the annual emissions of 38,784 passenger vehicles driven for one year<sup>1</sup>.

In 2022, we plan to construct a methane capture plant for another mill. We expect that this methane capture facility will help us avoid an additional 28,000 tCO<sub>2</sub>e in GHG emissions, equivalent to the annual emissions of 6,033 passenger vehicles driven for one year<sup>1</sup>.



<sup>1</sup> Data provided by the United States Environmental Protection Agency Greenhouse Gas Equivalences Calculator

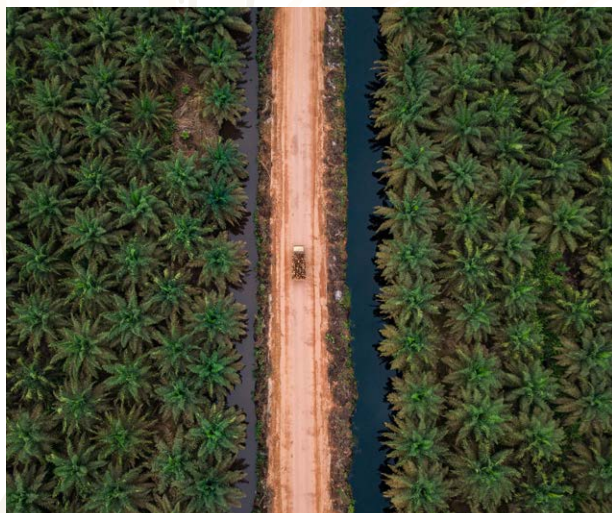


## ENVIRONMENT MANAGEMENT

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

Since 2020, we started using the latest RSPO PalmGHG calculator (version 4) to calculate our GHG emissions. With the new version, the GHG emissions indicators have been revised. Emissions of nitrous oxide (N<sub>2</sub>O) have now been split into emissions from fertiliser use and from peat. Emissions from third-party FFB suppliers have also been extracted as a standalone indicator.

The total GHG emissions of a mill is obtained through the summation of emissions from the mill, supplying own and group plantations, and third-party FFB suppliers.



### NET GHG EMISSIONS INTENSITY (TONNES OF CO<sub>2</sub>E/TONNE OF CPO PRODUCED) [305-4]

| Plantation with palm oil mill | 2018<br>(PalmGHG 3.0.1) | 2019<br>(PalmGHG 3.0.1) | 2020<br>(PalmGHG 3.0.1) | 2021<br>(PalmGHG 4) |
|-------------------------------|-------------------------|-------------------------|-------------------------|---------------------|
| PT MSSP                       | 0.52                    | 9.92                    | 4.56                    | <b>0.71</b>         |
| PT SAM-1                      | -                       | -                       | 0.48                    | <b>0.81</b>         |

*Note: The emissions intensity ratio figures above include Scope 1 and Scope 3 emissions from third-party plantations only. There are no indirect Scope 2 emissions as First Resources does not purchase any electricity from the grid for PT MSSP and PT SAM-1. 2018 and 2019 Data for PT SAM-1 is not available. The drop in emissions intensity for PT MSSP is due to the restructuring of our internal FFB supply chain, where a proportion of FFB previously supplied to the mill has been redirected to other mills which are located closer to the source. The slight increase in intensity for PT SAM-1 was due to the inclusion of PT ATS within the scope of calculations, since PT ATS has ceased its mill operations temporarily due to replanting activities at its plantations.*

party FFB suppliers, a reference emission value is used. The reference value can be obtained from research, national value or based on the emission value of another plantation.

The GHG data included in this report represents only two of our mills integrated with plantations that are RSPO certified. The mills are PT Meridan Sejatisurya Plantation (MSSP) and PT Subur Arummakmur 1 (SAM-1). Emissions from PT Arindo Trisejahtera (ATS) have been excluded from this report as it has temporarily ceased its mill operations due to replanting activities at its plantations. Our Scope 1 emissions for the two mills integrated with plantation in 2021 is 281,787 tCO<sub>2</sub>e. We do not have any indirect Scope 2 emissions as First Resources does not purchase any electricity from the grid.

Going forward, we plan to establish a baseline for monitoring our emissions reduction performance across all our operations in line with the GHG Protocol, the most widely used GHG accounting standard.

### ENERGY CONSUMPTION WITHIN THE ORGANISATION IN 2021 (GIGAJOULES) [302-1]

|   |                |
|---|----------------|
| Fuel consumption from non-renewable resources | 344,905        |
| Fuel consumption from renewable sources       | 152,891        |
| Electricity purchased for consumption         | 0              |
| <b>Total energy consumption</b>               | <b>497,796</b> |

*Note: Fuel consumption from non-renewable sources include diesel for the operation of our vehicles, estates and mills. Conversion of volume to Gigajoules (GJ) is based on the CDP Technical Note: Conversion of fuel data to MWh. Fuel consumption from renewable sources include biomass (palm shell and fibre) and B30 biofuels for vehicles. Energy conversion value for biomass is based on a research paper titled "Palm Solid Wastes Potential Calculation for Renewable Energy with LCA Method". First Resources does not purchase any electricity from the grid.*

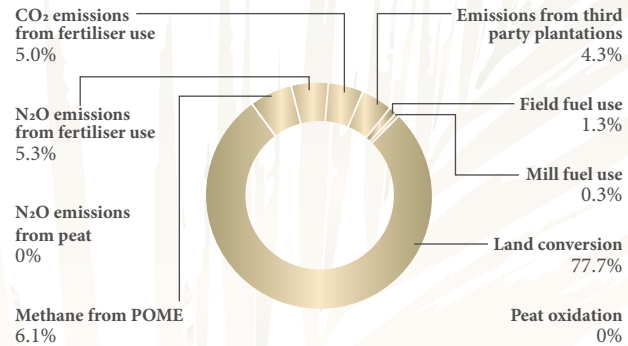


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FIRST RESOURCES LIMITED  
SUSTAINABILITY REPORT 2021

ENVIRONMENT MANAGEMENT

GHG EMISSIONS BY SOURCE  
IN 2021

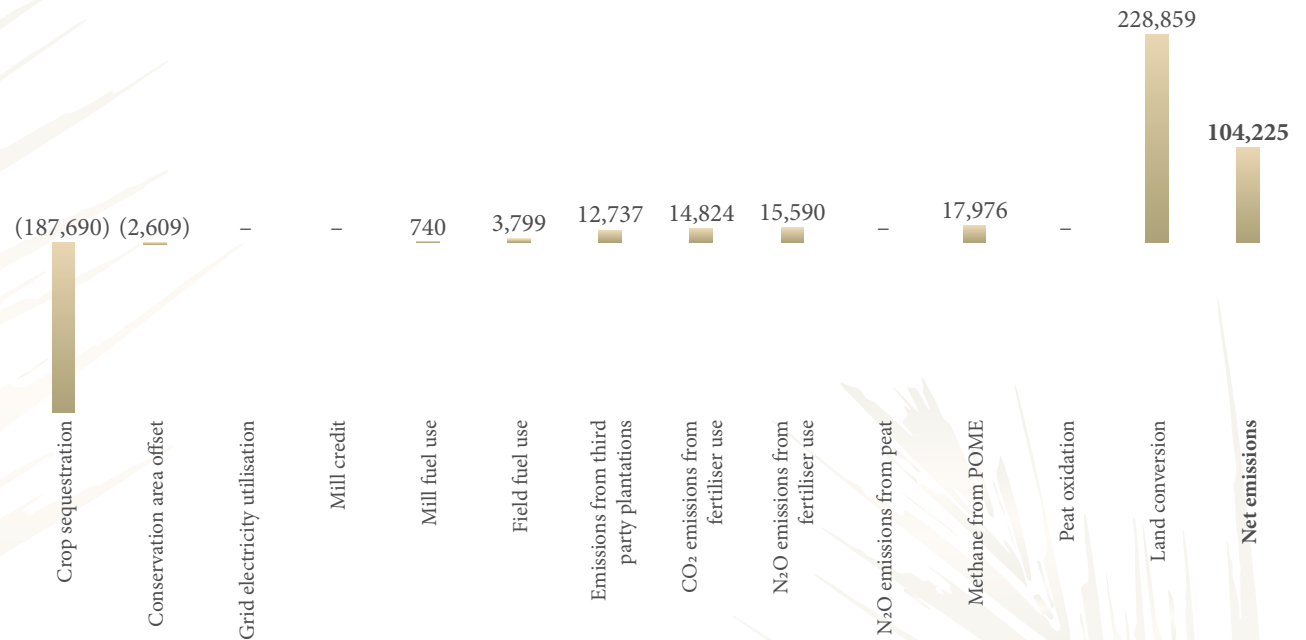


Note: The above figures include emissions from PT MSSP and PT SAM-1 only.

MANAGING PHYSICAL RISKS FROM  
CLIMATE CHANGE

We conduct ongoing research to strengthen our palm oil crops against the impacts of climate change. Part of our breeding programme includes developing more resilient planting materials that can cope with dry weather conditions and greater weather fluctuations. For more information on our programmes, see the section on [Research and Development](#).

EMISSION SOURCES AND SINKS IN 2021  
(tCO<sub>2</sub>e)



Note: The above figures include data from PT MSSP and PT SAM-1 only.

To provide our stakeholders with a better understanding on how we are managing the climate-related risks and opportunities facing our business, we will be looking to implement and report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).





## ENVIRONMENT MANAGEMENT

### WATER AND WASTE MANAGEMENT [103-1]

The health of our people and the planet hinges on the implementation of responsible consumption and production practices. At First Resources, we embody our commitment to responsible consumption and production by managing our water use and discharge, and reusing, recovering, or recycling the waste generated from our operations where possible.

#### WATER MANAGEMENT [103-2, 103-3, 303-1]

At our mills, a large proportion of the water we use is for the processing of FFB. All of the water used at our mills is drawn from groundwater or nearby rivers, which are shared with our employees' houses as well as any of our plantation offices and housing in the vicinity. Water is also drawn for nursery irrigation. We have not identified any communities or other companies located near our mills which share the same water source. In 2021, a total of 3,677,740 cubic metres (m<sup>3</sup>) of water was withdrawn from the ground or nearby rivers for our operations.

Our oil palm plantations are 100% rain-fed. Where plantations are located on marginal land with steep slopes and limited rainfall, drains are constructed to capture rainwater.

We strive to minimise our water footprint by reusing water whenever possible. In 2021, we reused a total of 294,941 m<sup>3</sup> of water from our cooling systems. In the same year, we recycled another 770,054 m<sup>3</sup> of steriliser condensate

### WATER CONSUMPTION FOR PROCESSING OF FFB [303-5]

|  | 2018      | 2019      | 2020      | 2021             |
|--|-----------|-----------|-----------|------------------|
| <b>Total water consumption (cubic metres)</b>                                | 3,005,415 | 3,867,756 | 3,479,456 | <b>3,677,740</b> |
| <b>Water consumption intensity (cubic metres per tonne of FFB processed)</b> | 0.82      | 1.09      | 0.94      | <b>0.95</b>      |

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

produced during the sterilisation of FFB in the CPO dilution process. By automating mill processes, reusing water and monitoring the efficiency of its consumption, we were able to achieve our water consumption intensity target of 1.0 m<sup>3</sup> per tonne of FFB processed for all our mills in 2021.

To minimise water consumption, we are optimising the configuration of a three-stage Light Tenera Dry Separator (LTDS-3) system in some of our milling operations. Once the quality of the kernel has been assessed to have met our standards with the use of a three-stage LTDS, we will bypass the clay-bath station, so as to minimise water use and eliminate the use of calcium-based chemicals. While this system is still being trialled, early results indicate that the LTDS-3 system can reduce water usage by 0.04 m<sup>3</sup> per tonne of FFB processed without compromising on product quality.

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



## ENVIRONMENT MANAGEMENT

### WASTE AND EFFLUENTS MANAGEMENT [103-2, 103-3, 303-2, 303-4, 306-3]

The main waste products from our milling process include organic solid plantation waste such as Empty Fruit Bunch (EFB), fibres, shells, and Palm Oil Mill Effluent (POME), which are predominantly reused, recovered and recycled. EFB is applied as mulch in the plantations to conserve soil moisture, improve soil fertility, and reduce weed growth. Fibres and shells are used to generate power in our palm oil mills and refineries. In the plantations, oil palm trunks from replanting and oil palm fronds from pruning are left in situ to decompose and enhance soil fertility. We will continue to reuse the bulk of our organic waste. Non-hazardous waste generated downstream such as filter bags and cartridges are collected and disposed by local licensed waste collectors.

We ensure that any effluent discharges comply with the quality limits for priority substances of concern as defined by the relevant local authorities.

To minimise effluent discharge, the POME we generate is repurposed as organic fertiliser, which reduces our need for commercial fertilisers. For land application of treated POME, its biological oxygen demand (BOD) level is kept below the legal threshold of 5,000 milligrams per litre.

Given that our mill in Bangsal Aceh is not integrated with a plantation unlike our other mills, treated POME is discharged to the sea instead. While we observed an increase in the BOD of treated POME discharged to sea in Riau, the level is kept below the legal threshold of 100 milligrams per litre. There were no incidents of non-compliance with discharge limits in 2021.

### QUANTITY OF ORGANIC WASTES GENERATED BY MILLS AND DISPOSAL METHOD

| Type of Waste          | Disposal method                          | 2018      | 2019      | 2020      | 2021      |
|------------------------|--|-----------|-----------|-----------|-----------|
| EFB (tonnes)           | Reused as organic fertiliser or as fuel  | 578,571   | 534,574   | 542,249   | 599,986   |
| POME (cubic metres)    | Treated and reused as organic fertiliser | 2,345,497 | 2,355,326 | 2,596,156 | 2,701,094 |
|                        | Treated and discharged to the sea        | 112,319   | 118,016   | 127,865   | 135,438   |
| Kernel shells (tonnes) | Reused as fuel                           | 139,321   | 124,070   | 122,871   | 106,700   |
| Fibres (tonnes)        | Reused as fuel                           | 464,132   | 447,483   | 471,226   | 494,041   |

*Note: The Total Suspended Solids of the treated POME discharged into sea in 2021 is 28.47 milligrams per litre.*

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

|   | Regulation Standard | 2018  | 2019  | 2020  | 2021  |
|---|---------------------|-------|-------|-------|-------|
| <b>Sea Discharge</b>  |                     |       |       |       |       |
| Riau  | 100                 | 5.1   | 3.6   | 6.1   | 21.7  |
| <b>Land application (treated POME that is reused as organic fertiliser)</b> |                     |       |       |       |       |
| Riau  | 5,000               | 791   | 1,107 | 855   | 1,210 |
| West Kalimantan   | 5,000               | 1,772 | 1,600 | 1,890 | 1,189 |
| East Kalimantan   | 5,000               | 1,084 | 1,659 | 2,157 | 2,374 |

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

|   | Regulation Standard | 2018  | 2019  | 2020  | 2021  |
|---|---------------------|-------|-------|-------|-------|
| <b>Sea Discharge</b>  |                     |       |       |       |       |
| Riau  | 350                 | 49.8  | 24.2  | 26.8  | 73.29 |
| <b>Land application (treated POME that is reused as organic fertiliser)</b> |                     |       |       |       |       |
| Riau  | 10,000              | 2,544 | 3,305 | 2,807 | 2,934 |
| West Kalimantan   | None                | 7,207 | 7,636 | 6,533 | 7,670 |
| East Kalimantan   | None                | 2,084 | 3,541 | 4,590 | 5,725 |



## ENVIRONMENT MANAGEMENT

### HAZARDOUS WASTE

Hazardous waste generated from our operations include pesticide packaging, expired pesticides, used batteries, used lubricants and filters, empty paint cans, printer cartridges, and needles from our health clinics. We also have power plants at our palm oil processing complexes, which supply

electricity to our factories and facilities. Coal and EFB fibre are used as fuel in our power plants, which produce fly ash and bottom ash as waste. Spent bleaching earth (SBE) is a solid waste generated from our refineries.

All hazardous waste is segregated, labelled, and stored within secure, fire resistant temporary storage facilities that are

equipped with spillage containment kits, alarms, firefighting equipment and first aid kits. We also put in place operational procedures which cover leakage handling. These facilities are inspected weekly. Hazardous waste is collected by licensed third-parties for proper disposal in accordance with national legislations.

### PROGRAMME FOR POLLUTION CONTROL, EVALUATION AND RATING (PROPER)

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

The programme uses a colour-coded rating system to determine performance, as per the rating categories below. Areas assessed include: air and water pollution control, hazardous waste management, environmental management system, implementation of Environmental Impact

Assessment, community development and conservation of resources.

Between 2020-2021, seven mills were awarded the Blue rating, whereas one received the Red rating. This was due to our plantation concession overlapping with the construction site of the Pekanbaru-Dumai toll road, a government project. Moreover, the project passed through a designated area where we use POME as an organic fertiliser. As a result, we had to move the designated location, including the related permits. The licensing process is underway. While regrettable, this Red rating was expected as we could not obtain the new permit in time for the 2020-2021 PROPER auditing period. Nevertheless, we will continue to work with the relevant authorities to expedite the permit approval.

### RATING CATEGORIES

|              |   |
|--------------|---|
| <b>Gold</b>  | <b>EXCELLENT:</b><br>For businesses/activities that have successfully displayed environmental management effort and achieved excellent results.                             |
| <b>Green</b> | <b>GOOD:</b><br>For businesses/activities that have displayed environmental management effort and achieved results better than those required by regulation.                |
| <b>Blue</b>  | <b>ADEQUATE:</b><br>For businesses/activities that have displayed environmental management effort, and have achieved the minimum standard required by regulation.           |
| <b>Red</b>   | <b>POOR:</b><br>For businesses/activities that have displayed environmental management effort, but have achieved only parts of the minimum standard required by regulation. |
| <b>Black</b> | <b>VERY POOR:</b><br>For businesses/activities that do not display significant environmental management effort.   |



## ENVIRONMENT MANAGEMENT

### PEST MANAGEMENT AND CHEMICAL USAGE [103-1,103-2, 103-3]

We maintain our high yields and land-use efficiency by carefully nourishing and protecting our crops. Where possible, we use biological pest control methods and organic fertilisers derived from our waste products. Depending on the situation, these methods may not be sufficiently effective. For example, the use of organic fertilisers is insufficient to meet the nutritional requirements of oil palms, thereby necessitating the use of inorganic fertilisers. Without careful management, the application of such chemicals may pose a risk to workers and the environment. We are therefore committed to managing these risks through the adoption of agronomic best practices.

#### INTEGRATED PEST MANAGEMENT

Our integrated pest management strategy includes a combination of biological controls as well as good agricultural practices such as selecting the right pesticides and controlling dosage. Barn owls (*Tyto alba*) are introduced in our plantations to control the rat population. To increase the population of barn owls in our young estates, we have implemented breeding projects in Riau and Kalimantan. We also plant crops such as *Cassia cobanensis*, *Antigonon leptopus*, and *Turnera ubulate*, which attract the predators of oil palm leaf-eating pests such as bagworms and nettle caterpillars. Other biological agents such as *Cordyceps* fungus are also used during nettle caterpillar outbreaks. We also use *Trichoderma*, which we grow ourselves, as a bio-fungicide to control *Ganoderma*.

Where pesticides are required, we monitor their usage and ensure they are permitted by the Ministry of Agriculture in Indonesia. These pesticides are available in either solid

or liquid form. Some pesticides are also used in the form of pre-formulated mixtures and their classification is set by the manufacturer as per the World Health Organisation's (WHO) guidelines.

We are currently exploring ways to reduce herbicide waste and usage by increasing herbicide efficacy on weeds. In 2020, we developed a technique that reduces the quantity of glyphosate-based herbicide administered in our plantations by a margin of 50%. This was achieved by mixing the herbicide with catalysts and adjuvants to optimise absorption, ensuring that less chemicals are introduced into the environment, while reducing the risk of workplace chemical exposure. Once weed succession and control is observed, these glyphosate-based herbicides are phased out. Through extensive research, we were also able to reduce the frequency of herbicide application from every three months to every four to six months. We are currently assessing the possibility of using pesticide with lower toxicity levels.

A common pest encountered during the replanting stage is the rhinoceros beetle, which feeds on the soft young shoots



of immature oil palms. To control its population, we employ a three-pronged approach: the spraying of insecticides on young palm; the use of sex pheromones to attract and trap the beetles; and the use of fungus to kill the beetle's larvae.

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

#### AMOUNT OF PESTICIDES APPLIED (KILOGRAMMES OR LITRES /HECTARE)

| Pesticides   | Kilogrammes/hectare |              |              |              | Litres/hectare |              |              |              |
|--------------|---------------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|
|              | 2018                | 2019         | 2020         | 2021         | 2018           | 2019         | 2020         | 2021         |
| Fungicide    | 0.004               | 0.004        | 0.003        | 0.003        | 0.000          | 0.000        | 0.000        | 0.001        |
| Herbicide    | 0.207               | 0.257        | 0.395        | 0.187        | 2.284          | 2.252        | 2.086        | 2.202        |
| Insecticide  | 0.099               | 0.268        | 0.466        | 0.219        | 0.037          | 0.039        | 0.067        | 0.054        |
| Rodenticide  | 0.269               | 0.300        | 0.274        | 0.333        | -              | -            | -            | -            |
| <b>Total</b> | <b>0.579</b>        | <b>0.829</b> | <b>1.138</b> | <b>0.742</b> | <b>2.321</b>   | <b>2.291</b> | <b>2.153</b> | <b>2.257</b> |

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



## ENVIRONMENT MANAGEMENT

### Paraquat Phase-out

Since 2020, we have phased out the use of paraquat, a chemical herbicide with concerns on its high toxicity levels and the potential of misuse. Prior to phasing out paraquat, we needed to conduct research trials to identify suitable alternative herbicides. Spanning several months, these research trials involved testing different herbicide-weed permutations over a variety of conditions. We identified suitable alternatives but found that they came with an increased cost of more than 50% compared to paraquat. However, we recognise that this is a necessary step to take to protect the environment as well as the health and safety of our employees. The decision was thus taken to phase out the use of paraquat.

### FERTILISER USAGE

The use of fertilisers in the field depends on total new plantings as well as the total hectareage of mature plantations, with oil palm plantings in their prime-yielding age requiring a higher input of nutrients. We aim to use organic fertilisers derived from waste products to the maximum extent possible. In 2021, 95% of our POME and EFB produced were reused as organic fertilisers in the field.

To reduce runoff and protect the environment, we established fertiliser application guidelines that maximise resource efficiency by ensuring adequate intervals between application cycles and avoiding periods of high rainfall. We also developed internal standard operating procedures that prevent the application of fertilisers and chemicals in riparian buffer zones.

We continued to conduct research to increase the efficiency of fertiliser application within our plantations. This includes fine-tuning dosage recommendations for different areas which may have different requirements due to variations in terrain, soil type, and microclimates. While urea is gaining traction as an alternative nitrogen fertiliser, its post-application volatility renders its usage challenging in an industrial setting. To circumvent this, we have been piloting the use of urease inhibitors in our Riau plantations to increase the amount of urea available for uptake. If successful, this two-year trial would increase fertilisation efficacy and reduce GHG emissions in our plantations.

Workers who handle chemicals within our operations are required to undergo regular trainings which are conducted by 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. We also ensure that adequate PPEs are provided and used on site. First Resources does not use chemicals listed under the Stockholm or Rotterdam Conventions.

While there is a higher proportion of inorganic fertiliser application on our younger plantings, an overall reduction in proportion is observed for plantations with a more mature profile. There will be a decrease in inorganic fertiliser application as our younger plantations reach maturity.

Going forward, we will continue to optimise our fertiliser use with further research on fertiliser application at specific sites, and implement of the “4 Rights” in manuring (right source, right dosage, right time, and right place).

### USAGE OF ORGANIC FERTILISERS

|                            | 2018      | 2019      | 2020      | 2021             |
|----------------------------|-----------|-----------|-----------|------------------|
| <b>EFB (tonnes)</b>        | 507,669   | 494,034   | 498,820   | <b>566,573</b>   |
| <b>POME (cubic metres)</b> | 2,345,497 | 2,355,326 | 2,576,963 | <b>2,701,094</b> |

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

### USAGE OF INORGANIC FERTILISERS

|  | 2018    | 2019    | 2020    | 2021           |
|--|---------|---------|---------|----------------|
| <b>Inorganic fertiliser (tonnes)</b>         | 174,825 | 148,337 | 155,903 | <b>137,278</b> |
| <b>Inorganic fertiliser (tonnes/hectare)</b> | 0.92    | 0.73    | 0.80    | <b>0.69</b>    |

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



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### FIRST RESOURCES LIMITED SUSTAINABILITY REPORT 2021

# COMMUNITY ENGAGEMENT AND DEVELOPMENT

## RIGHTS OF INDIGENOUS AND LOCAL COMMUNITIES [103-1, 103-2, 103-3]

We recognise that the rights and livelihoods of local indigenous communities may be undermined if land acquisition for new developments is improperly handled. To maintain positive relations with the local communities within which we operate, we pledge to uphold their rights by initiating constructive engagements and observing proper land acquisition procedures.

### COMMUNITY ENGAGEMENT [413-1]

We conduct social impact assessments during the planning phase of all new developments to guide our future community engagements. We consult local communities as part of these assessments to share our findings and gather feedback for improvements. These assessments provide inputs for the planning and implementation of programmes that can support positive outcomes while mitigating any negative impacts that may result from our operations.

In line with our Policy on Sustainable Palm Oil, we are committed to respecting the rights of indigenous and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) for the utilisation of land to which they hold legal or customary rights. Throughout the project development cycle, we actively engage our communities

through public consultations and similar outreach activities. Where there are conflicts with or grievances raised by local communities, we ensure that these are resolved in an open, transparent and consultative manner.

In 2021, the Roundtable on Sustainable Palm Oil (RSPO) conducted public consultations to solicit feedback for the draft revision to their 2015 FPIC Guide. We are currently reviewing these revised guidelines with the aim of enhancing the FPIC procedures within our own operations.

As part of our community engagement initiatives, we also collaborated with the Indonesian Oil Palm Smallholders Association (APKASINDO) to conduct a training session on the palm oil industry. Held in Pekanbaru, Riau, the training session aims to equip journalists with sufficient knowledge to support positive oil palm campaigns.

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

The processes to settle land rights and compensation are extremely complex in Indonesia as they are governed by overlapping national and provincial laws. Customary and indigenous land claims may be undefined and conflicting with the current legal context. Moreover, the identification of land ownership can be challenging due to the common practice of shifting cultivations.

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

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

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

Disputes involving rightful land ownership are amongst the most common conflicts that we encounter. Stakeholders may raise grievances involving land ownership through our grievance procedure. We are committed to resolving them in a responsive manner and through a process that is consultative, fair and transparent. Our grievance list is updated regularly and is available on our [website](#).





## COMMUNITY ENGAGEMENT AND DEVELOPMENT

### COMMUNITY INVESTMENT [103-1, 103-2, 103-3, 203-1, 203-2]

The palm oil sector plays an important role in the Indonesian economy, lifting rural communities out of poverty through the creation of jobs and the provision of infrastructure. First Resources employs a large proportion of our workforce from local communities, which are often located in isolated areas that lack basic infrastructure and services. To help drive positive socio-economic impact in areas where we operate, we implement community development programmes centred on education, healthcare, infrastructure and alternative livelihoods, in addition to providing disaster relief.

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

In 2021, Sintang (West Kalimantan) and Kampar (Riau) were hit by several episodes of heavy rainfall, triggering severe flooding. We contributed to the relief effort by donating necessities and by furnishing affected communities with much-needed provisions during this critical juncture.

We also contributed Indonesian Rupiah (IDR) 4 billion to the *Huria Kristen Batak Protestant* (HKBP) church organisation. The amount donated will be used by the church to organise social activities for the congregation and community, especially in the Sumatra region.

### SUPPORTING LOCAL COMMUNITIES DURING THE COVID-19 PANDEMIC

With the ongoing COVID-19 pandemic impacting livelihoods in Indonesia, First Resources is committed to doing its part to support local communities. In 2021, we donated approximately 40,000 sacks of rice worth IDR 1.8 billion to ease the economic burden of communities whose livelihoods were disrupted by the pandemic.

As a continuation of our contributions to civil society organisations last year, we donated another IDR 2 billion to the Tzu Chi Foundation. The money was used for the purchase of personal protective equipment (PPE), medical equipment, food and other necessities. At the regency level, we provided PPE and food staples such as rice, cooking oil

and sugar to communities located near our plantations. For areas located further away from our operations, we collaborated with local authorities to distribute these provisions to community members. We also arranged vaccinations for all our employees, their loved ones and the surrounding communities to help raise the national vaccination rate. When a surge in COVID-19 cases overburdened Indonesian hospitals last year, oxygen supplies across the country were rapidly depleted. In response, First Resources stepped in as a corporate donor to the "*Indonesia Pasti Bisa Jaga Oksigen*" programme, contributing IDR 435 million to finance the purchase of additional oxygen supplies. During the height of the pandemic in India, First Resources also extended its aid to the global community by donating 350 oxygen cylinders worth IDR 500 million.





## COMMUNITY ENGAGEMENT AND DEVELOPMENT

### EDUCATION

Access to quality education enables social mobility and reduces inequalities. To support social development, First Resources is working to increase such access for both current and future generations of children. We currently support 38 schools where the children of our employees go to, all of which are located within or near our oil palm estates. These include two preschools, 14 kindergartens, 19 elementary schools and three junior high schools. These institutions employ more than 400 teachers and educate over 5,900 students. The curriculum adopted is similar to that of schools managed by the local government. We contribute to the schools' facilities and teaching aids, such as furniture, electricity generators and books. In 2021, we furnished our schools with critical facilities such as office computers and additional desks and chairs. We also carried out roof maintenance and freshened one of the school's façade with a new coat of paint.

All children of employees working in our estates are provided with free education at our schools. Scholarships are awarded to high-scoring children from less privileged families, selected by local education authorities. In 2021, we allocated and invested approximately IDR 8.5 billion to support the education of children. This includes IDR 5 billion to support the Institute of Character Education/*Pendidikan Holistik Berbasis Karakter (ICE-PHBK)* in Depok, West Java, which aims to help them construct a campus building which is expected to accommodate up to 3,000 students.

First Resources has also established an internship programme that is run in collaboration with more than 30 Indonesian universities. The programme offers students an opportunity to apply what they have learned in university,

expand their knowledge and benefit from valuable on-the-job experience. Unfortunately, due to the COVID-19 pandemic, we have temporarily paused our internship programme since June 2020.







## COMMUNITY ENGAGEMENT AND DEVELOPMENT

### HEALTHCARE

We have a total of 11 health clinics staffed with qualified medical professionals, including at least one doctor and two nurses in each facility. The primary purpose of these clinics is to serve our employees and their families, but they are also open to local community members. The operating hours of our clinics are longer than those of the health posts managed by the local government. We also have 24 first-aid centres which are set up for emergencies.

Medical services such as immunisations for polio, measles and tuberculosis are available to communities upon request. Our clinics started offering COVID-19 vaccinations as part of our wider COVID-19 relief efforts to support the national vaccination programme. We have also established health-related community programmes to improve the wellbeing of local residents and increase their awareness about the benefits of healthy living. Carried out in collaboration with local health authorities, the “Be Healthy with First Resources” programme coordinates blood donation drives and offers health treatments and advice for children, pregnant women and the elderly. These programmes are currently suspended due to the COVID-19 pandemic and will resume when conditions allow.

### INFRASTRUCTURE

A better infrastructure system not only helps us to run our operations more efficiently, but also increases the mobility of local communities, thereby improving access to healthcare, educational facilities and markets.



Before undertaking any infrastructure project, First Resources will consult with local village leaders to better understand the needs of the community. The roads servicing our operating areas, which we share with local communities, are kept in good condition to minimise disruptions and maintain strong links to the main transport network. In 2021, we repaired over 129 kilometres of roads which connects villages located near our operations to the town centre.

We also funded the repair of three mosques and the construction of four bridges as part of our infrastructure development projects this year. One of the bridges is a suspension type, which is located in Kepayang Village, Rokan Hulu, Riau. Upon completion, the bridge will connect two separate parts of the village. Beyond roads and bridges, we also provided materials for the construction of critical infrastructure such as electricity poles in West Kalimantan, and clean water supply system in East Kalimantan. To

enhance liveability and wellbeing, we provided a monetary contribution to the government for the redevelopment of Taman Paso in Jagakarsa, South Jakarta, into a city park for public recreation.

### ALTERNATIVE LIVELIHOODS

We often receive requests for support from community members, especially mothers and young adults who would like to start their home businesses such as selling food items like cassava crackers. Since 2015, First Resources has been providing start-up capital as well as raw materials to help these community members start their business, providing an alternative income source to improve their livelihoods. In addition to socio-economic benefits, these alternative livelihood projects can help promote forest conservation as the local communities are less likely to engage in forest clearing activities.



## EMPLOYEE RELATIONS AND WORKPLACE

### EMPLOYEE ATTRACTION, RETENTION AND DEVELOPMENT [103-1,103-2,103-3]

Talent acquisition and retention forms the cornerstone of the long-term success of our business. We must adopt novel ways of attracting talent, especially millennials, and overcome the increasing competition over labour. This includes ensuring that we provide competitive compensation and rewarding career opportunities. The integration of digital technologies also grants us an edge in

attracting a new generation of employees and improving overall efficiency. As employers, we continue to promote a fair and favourable working environment that supports the growth of all employees.

### EMPLOYEE PROFILE [102-8, 401-1]

We directly employ 21,779 employees across our offices, plantations, mills and processing plants, 18,558 of whom are permanent employees and 3,221 are temporary employees.

To support our operations, some of our workers are sourced through third-party contractors, including seasonal workers, security guards and those needed for special construction projects. Other seasonal workers are contracted during peak harvesting seasons. Some of these workers are the spouses of our existing employees, while other workers are residents of nearby communities who prefer seasonal employment arrangements for the flexibility to engage in other work.

### NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER

|        | 2018      |          | 2019      |          | 2020      |          | 2021      |          |
|--------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
|        | Permanent | Contract | Permanent | Contract | Permanent | Contract | Permanent | Contract |
| Male   | 16,588    | 3,616    | 15,039    | 2,455    | 14,593    | 2,983    | 14,742    | 3,111    |
| Female | 2,992     | 415      | 3,283     | 136      | 3,429     | 164      | 3,816     | 110      |

### NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND REGION

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







## EMPLOYEE RELATIONS AND WORKPLACE

Our new hire and turnover rates are mainly attributed to harvesters, who tend to prefer plantations with younger and shorter oil palm trees as the work is less strenuous and risky. Regardless, First Resources possesses sufficient manpower reserves to buffer against unforeseen labour

shortages. Among other strategies, we recruit the children of our harvesters and foremen once they have come of age as they are already familiar with the culture in the estates. We also recruit additional manpower from neighbouring communities.

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

|               | 2018   | 2019  | 2020  | 2021         |
|---------------|--------|-------|-------|--------------|
| New Hires     | 11,349 | 4,455 | 3,002 | <b>4,989</b> |
| New Hire Rate | 64%    | 23%   | 17%   | <b>27%</b>   |
| Turnover      | 6,547  | 5,762 | 3,065 | <b>4,313</b> |
| Turnover rate | 37%    | 30%   | 17%   | <b>23%</b>   |



### EMPLOYEE BENEFITS [401-2]

Our permanent employees receive benefits which include life and health insurance coverage and annual bonus, which is determined by the Group and individual's performance. We also provide housing for all our plantation and mill employees. Through our programme called "17 *Kehidupan Pondok*", we identified 17 areas of needs for workers living in the estates, including access to provisions as well as facilities and amenities that meet their needs.

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

As mills and plantations are often located far from towns, transportation is provided for workers to go to town over the weekends. However, due to the COVID-19 pandemic, we regulated all unnecessary travel to prevent transmission of the virus and arranged COVID-19 vaccinations for our employees. We continued to ensure that cooperatives or shops within the plantations adhere to safe distancing measures and are sufficiently stocked, providing our employees with safe access to daily necessities.



## EMPLOYEE RELATIONS AND WORKPLACE

### TRAINING AND DEVELOPMENT [404-2]

Our Learning Centre runs five graduate training programmes for field assistants, palm oil mill assistants and administrative assistants. Spanning five to six months, these programmes cover the technical, managerial and interactive skills required to work in First Resources' estates and palm oil mills. As these programmes take up to six months, the Learning Centre also provides accommodation for trainees. A plot of oil palm plantation is made available for the trainees to gain first-hand experience in plantation operations.

Every year, through our People Development Review, we assess the training needs of our employees which is prioritised in line with the Group's business and operational requirements. We also conduct regular trainings for field assistants, mill assistants, administration assistants and foremen to ensure that they can carry out their jobs effectively and safely. We provide trainings on topics such as harvesting management, fertiliser management, e-plantation systems, problem solving, decision-making and other soft skills on an as-needed basis. All trainings are conducted by First Resources coaches and specialist vendors, while continual on-the-job training and mentorships are provided by managers and supervisors.

With the ongoing COVID-19 pandemic, we have had to conduct our trainings virtually due to travel restrictions and safe-distancing measures. While it is more efficient in terms of time and resources required, it is difficult to assess the effectiveness of the online training sessions compared to a classroom setting, which allows for more interaction. There

### AVERAGE TRAINING HOURS PER PERMANENT EMPLOYEE, BY EMPLOYEE CATEGORY

|                   | 2018 | 2019 | 2020 | 2021 |
|-------------------|------|------|------|------|
| Senior Management | 8.9  | 1.5  | 1.9  | 6.2  |
| Middle Management | 33.2 | 18.2 | 17.7 | 14.8 |
| Staff and workers | 19.3 | 24.7 | 10.2 | 20.6 |

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

were also certain trainings that could not be conducted, especially those which require social interaction and field work. We will continue to review our training programmes to determine the most suitable format of delivery and how to best conduct virtual trainings.

As part of our recruitment drive, we formed partnerships with universities in Java and Sumatra to provide internships for undergraduates and vocational school students. Our internship programme exposes students to administrative duties, plantation activities and palm oil mill operations. Apart from allowing students to gain experience with the Company, the internship programme also provides an opportunity for us to identify potential candidates for a permanent role in the future.

To retain and develop high potential employees as future leaders of the Company, First Resources has established a career path system which offers different progression tracks. This is to ensure that all employees have the opportunity to develop at their preferred pace, while allowing ambitious and high-performing employees to progress faster. The People Development Review is also used to assess each

employee's performance annually, monitor their progress and facilitate their career development.

In 2021, we developed a suite of applications to streamline internal communication and administration. This includes Informance, a digital employee feedback application that is linked to the First Resources Learning Centre portal for employees to access educational modules, and the Human Resources Information System, which is a one-stop web application for employees to access personal information and relevant forms. While our applications have been well-received by our employees, we will continue to make improvements by converting them into mobile format.

We also organised a series of informative webinars to inspire and boost the morale of our employees. Our guest speakers this year included Merry Riana, a renowned motivational speaker, and Prita Ghozie, a financial consultant and lecturer at the University of Indonesia. Beyond webinars, we also organised the First Resources Learning Festival to challenge employees to develop innovative solutions for a company-wide competition.





## EMPLOYEE RELATIONS AND WORKPLACE

### GENDER EQUALITY AND INCLUSION [103-1, 103-2, 103-3, 405-1]

Women play a critical role in the agricultural sector of developing countries but continue to face constraints that limit their inclusion. Employment in plantations continues to be male-dominated, stemming from entrenched cultural norms that cast men as breadwinners and women as homemakers. As a result of these norms, women have had less access than men to resources and opportunities, including land, financial services and education.

At First Resources, we are committed to providing job opportunities based on competence, skills and experience, regardless of gender, ethnicity, race or religion. Due to the physically intensive nature of oil palm cultivation and processing, most of our plantation and mill workers are



men. Men are typically assigned heavier physical tasks, for example, harvesting and carrying fresh fruit bunches to trucks for transportation. Women are typically assigned tasks such as weeding, fertilising and collecting oil palm loose fruits that have fallen to the ground.

To support our female workers, we have implemented several measures. These include the reassignment of tasks if they are pregnant to ensure their health is protected. All of our female permanent workers are also entitled to

maternity and menstrual leave. To protect their safety, women are also assigned work that do not require them to be alone. Employees can raise complaints related to discrimination or harassment anonymously through our [whistleblowing](#) procedure.

First Resources will continue to support the career development of female employees in our corporate office. We are pleased to announce the promotions of several female employees to the position of department heads.

#### PERCENTAGE OF THE BOARD AND EMPLOYEES BY GENDER

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

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

#### PERCENTAGE OF THE BOARD AND EMPLOYEES BY AGE GROUP IN 2021

|                   | <30 years old | 30-50 years old | >50 years old |
|-------------------|---------------|-----------------|---------------|
| Board             | 0             | 28.6            | 71.4          |
| Senior Management | 0             | 51.2            | 48.8          |
| Middle Management | 2.3           | 72.9            | 24.9          |
| Staff and workers | 33.6          | 61.8            | 4.6           |

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



## EMPLOYEE RELATIONS AND WORKPLACE

### LABOUR CONDITIONS AND HUMAN RIGHTS [103-1, 103-2, 103-3]

Labour and human rights remain a complex challenge which needs to be addressed across the supply chain. At First Resources, we prohibit the use of forced, trafficked or child labour and respect the workplace rights of all our employees, including temporary workers.



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

In accordance with national labour laws and regulations, the Group does not tolerate forced or bonded labour, or the employment of under-aged workers.

We ensure that employees at our plantation and mill operations are never subject to the unlawful withholding of wages, identification cards, passports or other travel documents without their consent. Where we have outsourced our manpower needs to external agencies, we will brief these middlemen on our policies and practices. We will cease working with agencies who breach our policies.

These external agencies will assist to identify and coordinate the recruitment of potential workers who are importantly, above 18 years of age. We will then meet and select the candidates. During this meeting, the Company will socialise and explain to the candidates the job requirements as well as the terms and conditions of the job such as wages, type of work, benefits, housing, and insurance. In line with our recruitment policies, work practices and procedures, we ensure that all employees understand their rights and obligations.

As some of our workers have families with them in the estates, we established a monitoring system to ensure that their under-aged children do not assist in the estate work, a common practice in many parts of Indonesia. We also display signboards to remind parents not to bring their children to the plantations, socialise the importance of education, and provide educational facilities such as child-care centres and access to schools. Constant reminders are sent to all workers and warnings are issued to those who violate our policies.

In 2021, we collaborated with our customer Wilmar and its partner Nestle as well as the Business for Social Responsibility (BSR) and The Centre for Child Rights and Business to plan a training session. This session was developed for our estate managers as well as our Human Resources, Sustainability and General Affairs managers on the topic of child protection. The objective of the session is to create a better understanding of contemporary child rights issues and the challenges present in the palm oil sector. The training also aims to cover what companies can do to mitigate issues related to child rights. This training session, originally planned for 2021, was delayed and will be conducted in early 2022.





## EMPLOYEE RELATIONS AND WORKPLACE

### FAIR WAGES

First Resources complies with the minimum wage regulated by the respective province or district where we operate. Wages are regularly updated based on new guidelines or revisions to the relevant existing agreements according to the Regulation Law of the Republic of Indonesia No. 11 of 2020 on Job Creation (*Undang-Undang Cipta Kerja*). To supplement their wages, our employees are fairly remunerated with a variety of in-kind benefits such as housing and utilities. For more details, see the section on [Employee Benefits](#).

We acknowledge that groundwork conditions vary depending on the environment. For example, hilly terrains will require more time to reach the same work target compared to an environment with flat terrain. Such working conditions are considered to ensure fair compensation. It is also not uncommon for our workers to earn more than their minimum wage due to volume-based incentive pay.

We keep records of all salaries paid to our employees and contractors, and we do not withhold payment of wages. These records are acknowledged by the payees and we provide clarification to ensure that they understand how the payments have been calculated. We also ensure that payslips provided to workers are standardised and present the necessary information in a way that is easy to understand. Overtime work undertaken by the workers is voluntary and they will be compensated accordingly.

For our RSPO certified plantations, we ensure that the aggregate value of employee benefits and wages exceeds

the prevailing minimum wage. In the future, we are also exploring the possibility of conducting a Decent Living Wage study on our RSPO certified plantations.

### FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING [102-41]

We support the freedom of all our employees to form unions as a channel to communicate their expectations and aspirations. We provide office space where they can conduct their meetings.

Each subsidiary and its labour union representatives have agreed on a Collective Labour Agreement that aims to protect the rights and obligations of employees and their employer. All our employees are protected by the Collective Labour Agreement, which covers industrial relations, working hours, remuneration, out-of-post assignments and transfers, social security and welfare, occupational health and safety, and employment termination. These agreements will be renewed every two years. Prior to renewal, the

Group will meet with the labour union to identify improvements required.

We hold focus group discussions and meetings together with labour unions periodically, and actively involve them in decision-making during the formulation of new management policies. These dialogues enable us to take into consideration the aspirations of our employees and solicit their suggestions, inputs and criticisms. Employees are also able to convey their aspirations through the Human Resources Department. The Group communicates all changes related to employment via emails, circulars, or our internal portal.

In 2021, we involved the labour union in our discussions over the “House Ownership Credit” programme, which is a joint effort between First Resources, the Indonesian Palm Oil Association (IPOA) / *Gabungan Pengusaha Kelapa Sawit Indonesia* (GAPKI) and participating banks to facilitate home ownership among our employees. We also involved the labour union in meetings on the implementation of the National Health Insurance policy.

### THE RATIO OF LOWEST MONTHLY WAGE TO LEGAL MINIMUM WAGE BY REGION IN 2021 [202-1]

|                 | Monthly legal minimum wage (IDR) | First Resources lowest monthly wage (IDR) | Ratio of the lowest level wage to minimum wage (for males and females) |
|-----------------|----------------------------------|---|--|
| Riau            | 3,170,343                        | 3,170,343                                 | 1:1  |
| West Kalimantan | 2,701,631                        | 2,701,631                                 | 1:1  |
| East Kalimantan | 3,310,000                        | 3,310,000                                 | 1:1  |

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



## EMPLOYEE RELATIONS AND WORKPLACE

### OCCUPATIONAL HEALTH AND SAFETY [103-1, 103-2, 103-3, 403-1]

Protecting human life and providing a safe working environment that exemplifies the highest standards of occupational health and safety is a fundamental responsibility of any company. It is an important aspect of maintaining smooth operations and optimal employee productivity. To reduce the risks of health and safety incidents within our operations, we have implemented an Occupational Health and Safety (OHS) Management System for all our operations, covering all employees. Workers are consulted on the development of this management system, which is based on the Occupational Health and Safety Management System (ISO 45001:2018) and complies with local regulatory requirements. To promote workplace safety across our supply chain, our contracts with third-party suppliers and contractors contain explicit clauses that stipulate compliance with our OHS, labour and sustainability standards. We routinely evaluate our suppliers and contractors for their ability to fulfil these contractual requirements.

### PROTECTING OUR PEOPLE [403-2, 403-3, 403-4, 403-5, 403-6, 403-7]

Comprising management and staff representatives, our Health & Safety Committees meet at least once every three months to identify potential hazards, recommend solutions and implement corrective actions. In addition to providing education and training, the committee is responsible for addressing safety issues raised by employees.

The quality of our risk assessments is validated during external audits conducted by the Roundtable on Sustainable Palm Oil (RSPO) and Indonesian Sustainable Palm Oil (ISPO). We have also developed OHS manuals, procedures and working instructions to minimise the risk of workplace injury. To ensure preparedness, health and safety best practices are reinforced during morning briefings and are further rehearsed during emergency response drills.

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

### Hazards and Incident Management

The main hazards encountered in our plantations are falling fronds and fruit bunches that dislodge during the harvesting process, and sharp fronds that are left on the ground to enhance soil fertility. As these hazards are associated with relatively minor injuries such as cuts and thorn-pricks, our injury severity rate is consistently low. To minimise the risk of injury, all harvesters are required to put on PPE such as safety helmets, gloves, and boots, which are provided by First Resources. At our palm oil mills, safety hazards include overhead sling conveyors, slippery floors, hot steam, and loud noises. Workers are regularly reminded to be vigilant and are briefed on any potential health and safety issues during daily shift meetings.

First aid will be administered to the injured whenever a work-related accident occurs. If necessary, the injured party will be sent to the nearest clinic or hospital for treatment and monitoring. We will then investigate and prepare an accident report within 48 hours. Following an evaluation of the accident, corrective actions and preventive measures will be implemented to prevent recurrences. These actions and measures will be socialised with the workers on site.

### Promoting Our Workers' Health

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







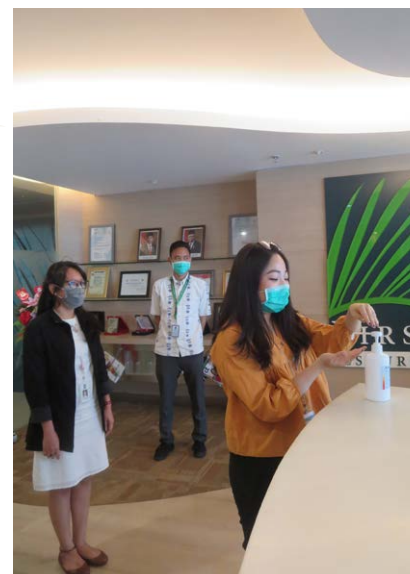
## EMPLOYEE RELATIONS AND WORKPLACE

### KEEPING OUR EMPLOYEES SAFE DURING COVID-19

With the ongoing COVID-19 pandemic, we implemented measures aligned with the latest applicable regulations to protect the health of our employees. For example, office employees are allowed to work from home and manpower in the offices is calibrated in accordance with the latest guidelines. To facilitate the transition to work-from-home arrangements, we provided our employees with the necessary hardware and software for telecommuting. We also supplied face masks, face shields and hand sanitisers for employees who needed to be on-site and ensured that safe distancing measures are observed at all times.

In the Group's plantations, mills and processing plants in Indonesia, safety protocols and procedures that conform with Indonesia's large scale social restrictions (the *Pembatasan Sosial Berskala Besar* or PSBB) were established. Aside from educating employees on personal hygiene and implementing safe distancing measures, movements in and out of mills, plantations and refinery sites were restricted to prevent the spread of COVID-19. All premises are disinfected on a fortnightly basis to minimise viral exposure.

To promote mental wellbeing, we encourage our employees to exercise if they are working from home.



Should our employees report any health issues, we will provide support such as referrals to doctors.

In mid-2020, we launched a new self-assessment application for our Corporate and Regional Offices in Indonesia. This application will monitor each employee's health condition and facilitate contact tracing should an employee be infected with the virus. The assessment is conducted on a daily-basis and is used to determine if an employee should return to the office. We also established

a complementary hotline to address queries related to our COVID-19 protocols, and facilitated the vaccination of all our employees, their families, and the surrounding communities. As of December 2021, more than 95% of our office employees and more than 70% of our field employees have been vaccinated against COVID-19. We will continue to ensure that all eligible employees are able to be vaccinated. Infected employees are provided with medicines and supplements to recuperate.



## EMPLOYEE RELATIONS AND WORKPLACE

### HEALTH AND SAFETY PERFORMANCE [403-9]

First Resources is committed to eliminating fatalities and reducing accidents and injuries in our operations. All work-related accidents are recorded and evaluated, while recommendations are implemented to prevent the recurrence of similar incidents. Our existing whistleblowing procedure allows workers to report any work-related hazards and hazardous situations. To protect workers from reprisals, workers can make an anonymous report through a hotline number displayed in the office. The hotline is

managed by our internal audit team, who will investigate any issues reported. Workers are also allowed to stop work if they feel unsafe.

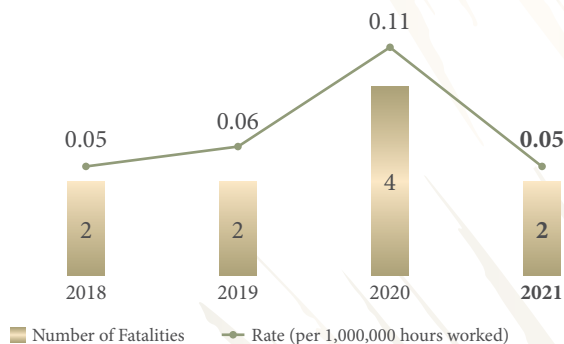
Employee safety is of paramount importance to us. While we strive to ensure the safety of our employees, we regret to report that there were two fatalities in our operations in 2021. The first incident concerned an electrocution, whereas the second was attributed to a fall. Both incidents were investigated thoroughly, and corrective actions have been implemented to prevent recurrences. These preventive

measures include supplementary training on electrical hazards and additional equipment inspections.

Nevertheless, we have seen an encouraging improvement in our safety performance as we recorded fewer fatalities and did not sustain any permanent work-related injuries.

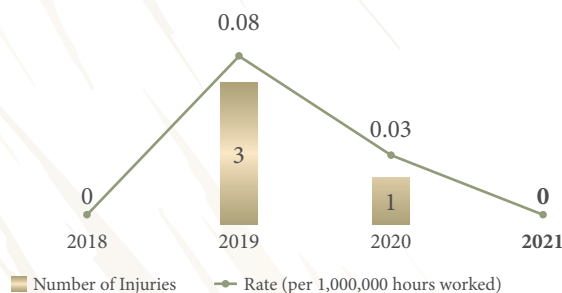
Going forward, we aim to achieve and sustain zero fatalities and permanent work-related injuries.

### WORK-RELATED FATALITIES



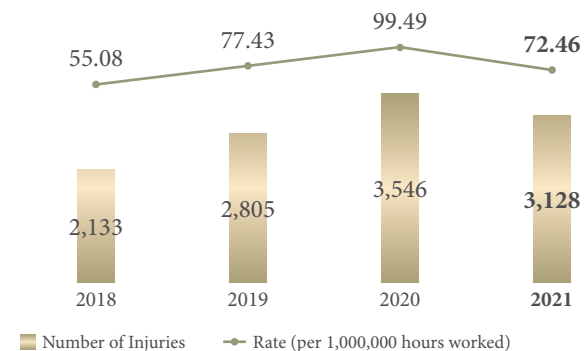
**Note:** Rates are calculated based on [number of fatalities/number of hours worked] x 1,000,000. The total number of hours worked in 2021 is 43,168,000.

### PERMANENT WORK-RELATED INJURIES



**Note:** Rates are calculated based on [number of permanent work-related injuries/number of hours worked] x 1,000,000. The total number of hours worked in 2021 is 43,168,000. A permanent work-related injury is defined as a work-related injury which has a permanent effect on an employee's ability to work or causes permanent disability. Fatalities are excluded from permanent work-related injuries.

### RECORDABLE WORK-RELATED INJURIES



**Note:** Rates are calculated based on [number of recordable work-related injuries/number of hours worked] x 1,000,000. The total number of hours worked in 2021 is 43,168,000.





## SUPPLY CHAIN

### MANAGING OUR SUPPLY CHAIN [102-9, 103-1]

As part of our commitment towards sustainable palm oil, we strive to develop a supply chain that is consistent with our sustainability policy. To achieve a fully



traceable and transparent supply chain, we actively engage with our suppliers to bring them onboard our sustainability journey.

Fresh fruit bunches (FFB), the feedstock for our mills, are supplied by our own nucleus estates, third-party estates, thousands of individual smallholders (plasma and independent), as well as FFB dealers who buy from smallholders. Crude palm oil (CPO) and palm kernel (PK), which are raw materials for our processing plants, are either provided by First Resources-owned mills or sourced from third-party suppliers in Indonesia.

Developed in 2017, our Sustainable Supply Chain Framework helps us to identify and manage risks in our supply chain and support our FFB, CPO and PK suppliers in adopting more sustainable practices.

We also procure other products and services to run our business. Of our non-palm procurement, our most significant spend for our operations is on fertilisers which are sourced locally. Other spend categories for our operations include fuel, chemicals (methanol, bleaching earth and phosphoric acid), spare parts and other materials.

### FIRST RESOURCES SUSTAINABLE SUPPLY CHAIN FRAMEWORK



#### SUPPLY CHAIN TRACEABILITY

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



#### SUPPLIER ENGAGEMENT

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



#### SUPPLIER ASSESSMENT

Influence behaviours of suppliers by including sustainability criteria in supplier assessments



#### STAKEHOLDER COLLABORATION

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



## SUPPLY CHAIN

### SUPPLY CHAIN TRACEABILITY [103-1, 103-2, 103-3]

A key commitment in our Policy on Sustainable Palm Oil is to ensure that our oil and refined products can be traced to their origin. Traceability presents a complex but essential first step towards our ultimate goal of enhancing transparency and providing our customers with the assurance that our products are sustainably sourced.

Our sustainability team works closely with our commercial team to achieve our Group's traceability targets through active supplier engagement. Our full traceability report can be accessed on our [website](#).

#### Traceability to mills

For CPO and PK to be considered as fully traceable to mills, suppliers are required to provide the company name, parent



company name, mill name, mill address and geographical coordinates. Where information is missing or incomplete, CPO and PK volumes from that particular supplier are treated as “untraceable”, even if we know the source.

In 2021, approximately 14% of our CPO feedstock was purchased from external suppliers. A list of our CPO and PK suppliers, together with their coordinates and address, are available on our website. Since 2020, we have also included the unique universal IDs for each mill listed in our traceability report, which is accessible on our website as well. To comply with the Roundtable on Sustainable Palm Oil (RSPO), these IDs are based on the Universal Mill List (UML), ensuring that the listed mills reference a common dataset shared across the palm oil industry. In 2021, we maintained our record of achieving 100% traceability to all our supplying mills, including three new kernel crushing plants that have just commenced operations.

#### Traceability to plantations

Approximately 86% of the FFB processed in our mills came from our plantations and plasma schemes, while the remaining 14% was sourced from third-party FFB suppliers. These include neighbouring plantation companies and

independent smallholders. FFB is also purchased from local dealers who collect FFB from the surrounding area.

In 2021, we enhanced our supplier selection procedure by incorporating a supplier risk assessment as a selection criterion. Supplier risk assessment is carried out through coordinate verification to determine the validity of the supplier's mills/estates location and to check its suitability with government regulations. Existing suppliers will also be evaluated with this assessment. This procedural enhancement will support our goal of achieving 100% traceability to plantations for our third-party CPO and PK suppliers.

While third parties have frequently expressed their concern over data sharing, we were generally able to obtain the necessary details to achieve our targets by explaining our intention and respect for data confidentiality. A particular challenge we face is that not all of our suppliers, especially those with small or short-term contracts, have committed to achieving 100% traceability to plantation. For these suppliers, we will step up our engagement efforts to build trust and gain more cooperation.

Going forward, we plan to strengthen our procedure to achieve 100% traceability to plantations for supplying third-party mills.

**100%**  
traceability to  
mills since 2017

**100%**  
traceability to plantations for FFB processed at our  
mills, inclusive of smallholders and third-party suppliers





## SUPPLY CHAIN

### SUPPLIER ENGAGEMENT

Once we have traced the origin of our raw materials, we are free to focus on our engagements with key suppliers. These engagements include one-on-one meetings and group sessions to communicate our Policy on Sustainable Palm Oil and expectations, as well as help suppliers understand the importance of these requirements.

Through constant dialogue, we hope to foster a relationship of mutual trust with our suppliers and smallholders, empowering them with the confidence to share their challenges in meeting new sustainability standards.

In 2021, we socialised our sustainability policy and traceability requirements to suppliers at two of our mills. We also engaged with another FFB supplier to get updates on outstanding grievances and discuss traceability requirements.

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

Given that most of our raw materials are supplied by our own mills and plantations, and that we only purchase small volumes of materials from third-parties on an ad-hoc basis, our influence over external supplier practices may be limited. To minimise the risk of sourcing from non-compliant suppliers, we maintain a watch list of high-risk companies that we update quarterly.

All our new suppliers are screened using social and environmental criteria during our supplier onboarding

process. This process requires suppliers to submit written acknowledgement of their compliance with our Policy on Sustainable Palm Oil, in addition to any relevant information that fulfil our traceability requirements. We will verify the information provided, and companies who cannot meet our criteria will not be onboarded as a new supplier.

Our existing suppliers are continuously monitored to ensure that their practices are consistent with our Policy on Sustainable Palm Oil. We actively monitor the grievances raised by external parties in case they involve our third-party suppliers. Suppliers found to be noncompliant will be required to undertake corrective actions within a certain timeline. We will suspend sourcing from non-compliant suppliers who do not take immediate remedial actions.

### STAKEHOLDER COLLABORATION

Ensuring compliance across the supply chain is an impossible task to undertake alone. We leverage external parties to help us identify suppliers that we should further assess or engage with. External stakeholders such as non-governmental organisations (NGOs) and customers may possess better monitoring tools and intelligence to detect errant or noncompliant suppliers. For example, an NGO that works to protect the environment sends us monthly reports of their deforestation detection. We will undertake follow-up actions if any of the highlighted companies are identified in our supply chain.



## SUPPLY CHAIN

### SUPPORTING SMALLHOLDERS [103-1, 103-2, 103-3]

As managers of approximately 40% of Indonesia's palm oil plantation area, smallholders are key partners in the larger movement towards sustainability. Given that First Resources cultivates 178,733 hectares of nucleus plantations, we are in a unique position to share our experience on best agricultural practices with the smallholders we work with and facilitate their inclusion into our supply chain.

We identify communities that are interested in partnering with us to develop plantations through the Free, Prior, and Informed Consent (FPIC) procedure, which is conducted before any new development. We work with these indigenous and local communities through various plasma scheme partnerships. In some schemes, the Company assists smallholders with developing and managing their plots until their oil palm trees reach a productive age. Following which, the plots are returned to the smallholders for management. In other partnership schemes, the Company assumes responsibility for developing and managing the plantation plots on behalf of these smallholders, even after the maturity of their trees. Regardless of the partnership type, plasma smallholders can profit by selling their FFB harvests

to the Company at government-determined prices. By providing a consistent and sustainable income for thousands of smallholders, these partnerships improve livelihoods and contribute to local economic growth.

We also work with our schemed smallholders to improve their yields and develop resilience against price volatility. Managed by our field officers, these support programmes provide technical assistance, practical training and advice on fertiliser and pesticide procurement and usage. We also share new farming technologies such as our high yielding oil palm seeds, assist with land titling and coordinate the transportation of FFB to palm oil mills. In 2021, approximately 94% of our plasma smallholders were enrolled in our smallholder programmes. As part of our wider efforts to support smallholders this year, we conducted outreach activities to raise awareness of certification systems, including the Roundtable on Sustainable Palm Oil (RSPO). While our smallholders have expressed limited interest in such certification schemes, we will continue to actively encourage our smallholders to implement our sustainability policy.

As at end 2021, we manage 33,475 hectares of schemed smallholders covering 16% of the total plantation area



managed by First Resources, and 10% of the FFB we processed. In total, we have more than 14,000 plasma smallholders supplying to us.

FFB is also supplied by over 900 independent smallholders (including independent smallholders who supply through dealers) as of end 2021. Our Policy on Sustainable Palm Oil is socialised to our independent smallholders through dedicated engagement sessions. During these sessions, we ask our new independent smallholders to fill up our supplier onboarding form, allowing us to obtain written acknowledgment that they have received and understood our Policy requirements.





## CONSUMERS AND CUSTOMERS

### PROTECTING CONSUMER HEALTH

[102-6, 102-9, 416-2]

Our customers are primarily traders, palm oil refiners, and renewable energy producers. We sell our products in both local and export markets. For our export sales, we mainly sell them on Free on Board basis to our customers who then ship the products globally, with the largest markets being China, India and Europe. We collaborate with our customers to meet their needs and respond to the growing market demand for traceable and sustainable palm oil.

Although First Resources does not produce consumer brands, we remain committed to safeguarding consumer health. We instituted relevant certification systems to ensure that our processing plants achieve and adhere to best practices for product quality and safety standards. Since 2013, our kernel crushing plant has been certified to the Hazard Analysis and Critical Control Points (HACCP), and good manufacturing practices GMP+ B2 standards. One of our processing units, PT Adhitya Serayakorita, is HACCP certified. In 2021, there were no incidents of non-compliance relating to the health and safety of our products and services. To ensure that our products meet our consumers' religious dietary requirements, we have also obtained the Halal certification and Kosher certification for our two palm oil refineries.





## CONSUMERS AND CUSTOMERS

### SUSTAINABILITY CERTIFICATIONS [102-12, 102-13, 103-1, 103-2, 103-3]

Palm oil certifications reassure customers that their purchases are sustainably sourced and produced. To meet the growing demand for sustainable palm oil, we continue to actively participate in various industry schemes and work towards obtaining relevant industry certifications. These include the Roundtable on Sustainable Palm Oil, the Indonesian Sustainable Palm Oil and the International Sustainability & Carbon Certification.

### ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

First Resources has been a member of the RSPO since 2008. In 2021, we completed the RSPO-audits for three of our mills integrated with plantations, of which one was certified in February 2022. However, as onsite audits are mandatory but were delayed due to COVID-19 travel restrictions, we were unable to meet our 2021 target to certify six mills integrated with plantations. Hence, there has been no addition to our mills integrated with plantations that are RSPO certified as at end 2021.

Given the disruptions posed by the COVID-19 pandemic, the RSPO has approved the revision of our initial target deadline to achieve 100% RSPO certification from 2024 to 2026.

In addition, our bulking station, one of our kernel crushing plants and one of our refineries are certified against the RSPO Supply Chain Certification Standard.

In 2022, we aim to renew our existing certificates and certify another four mills integrated with plantations under the RSPO.

### INDONESIAN SUSTAINABLE PALM OIL (ISPO)

In 2021, we targeted to obtain ISPO certification for another three mills integrated with plantations.

We managed to complete the Stage 2 ISPO-audit for one of our mills which is pending ISPO certificate issuance. Another two of our mills have completed their Stage 1 ISPO-audits. As a result of COVID-19 travel restrictions,

Stage 2 ISPO-audits that were originally scheduled for late 2021 were delayed and are being re-scheduled for early 2022. By 2022, we aim to certify an additional three mills under the ISPO.

### INTERNATIONAL SUSTAINABILITY CARBON CERTIFICATION (ISCC)

We successfully renewed all our ISCC certifications in 2021. As at end 2021, 51,020 hectares of our nucleus plantations are certified under the ISCC scheme, which is approximately 28% of our total nucleus area. In addition, six of First Resources' 18 palm oil mills, both our processing units and one bulking unit are also ISCC certified. We are thus able to provide our customers with a fully traceable product under the ISCC scheme.

### CERTIFICATION STATUS OF RSPO AND ISPO

|  | 2018 | 2019 | 2020 | 2021 |
|--|------|------|------|------|
| <b>Percentage of certified plantation area</b> |      |      |      |      |
| RSPO   | 10%  | 10%  | 15%  | 15%  |
| ISPO   | 49%  | 49%  | 49%  | 49%  |
| <b>Number of certified mills</b>               |      |      |      |      |
| RSPO   | 2    | 2    | 3    | 3*   |
| ISPO   | 9    | 9    | 9    | 9    |

*Note: The above reflects First Resources' certified nucleus area as a percentage of total nucleus area*

\* One of our mills, PT Arindo Trisejahtera (ATS), has ceased its mill operations temporarily due to replanting activities at its plantations. The cessation of mill operations for PT ATS does not have an impact on our RSPO certified plantation area, as we changed the certification scope to include PT ATS' plantations under one of our existing RSPO certified mills (PT SAM-1).





# MATERIALITY AND STAKEHOLDER ENGAGEMENT

## MATERIALITY ASSESSMENT [102-15, 102-32, 102-46, 102-47]

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

1

### SUSTAINABILITY CONTEXT AND ISSUE IDENTIFICATION

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



2

### SURVEYS

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



3

### INTERVIEWS

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



4

### ANALYSIS

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



5

### VALIDATION

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



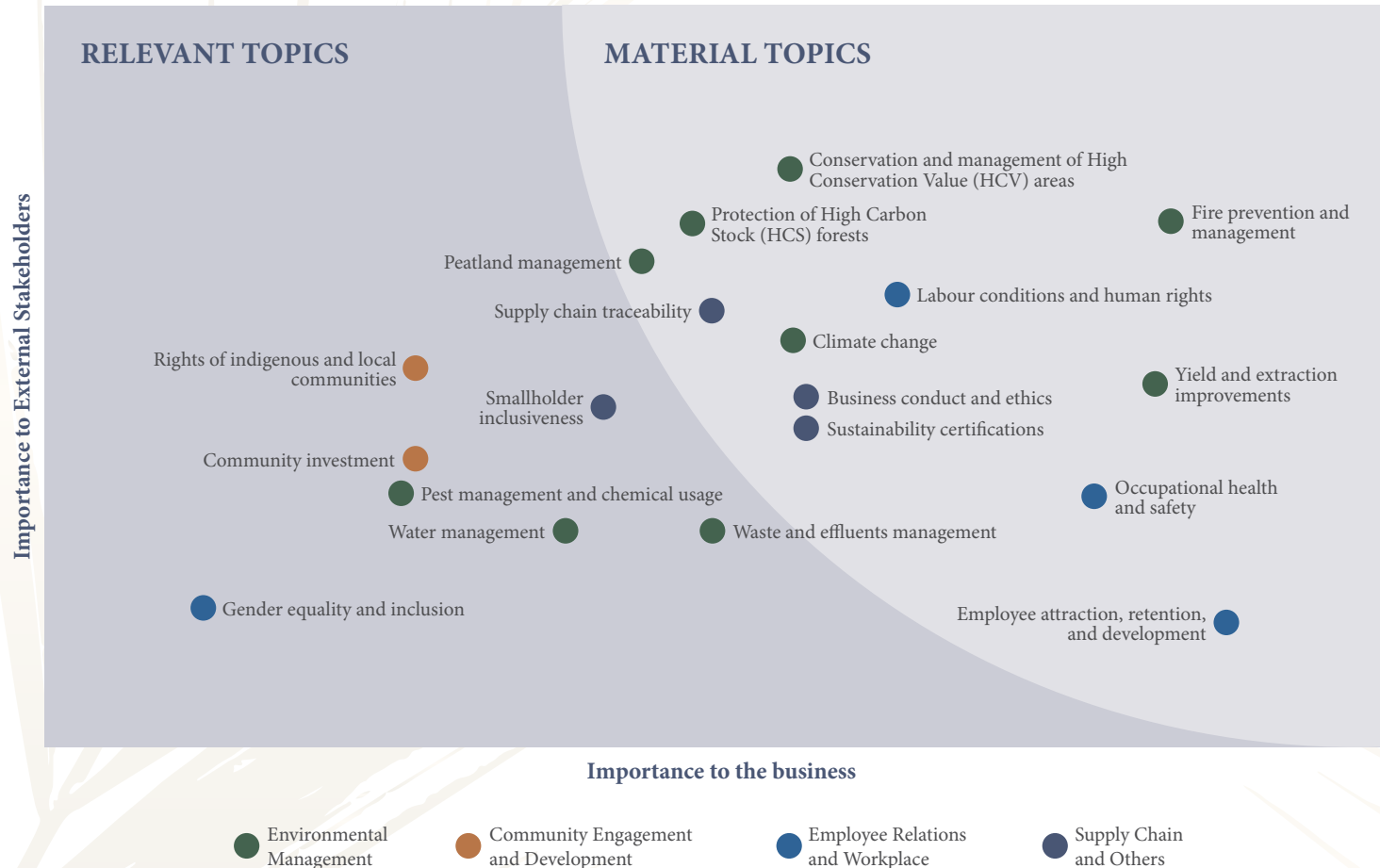
In line with best practice, First Resources will continue to review our material sustainability topics annually and conduct an in-depth assessment on a regular basis.

Based on our 2021 review, which entailed peer benchmarking and gathering feedback from selected internal stakeholders, the material topics identified remained relevant in 2021.



# MATERIALITY AND STAKEHOLDER ENGAGEMENT

## FIRST RESOURCES MATERIALITY MATRIX



Key:

### MATERIAL TOPICS:

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

### RELEVANT TOPICS:

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





# MATERIALITY AND STAKEHOLDER ENGAGEMENT



## STAKEHOLDER ENGAGEMENT [102-21, 102-40, 102-42, 102-43, 102-44]

The interests and concerns of our stakeholders guide our sustainability approach and communications. Given the

importance of constructive feedback, we strive to foster open dialogue and build trust with our stakeholders.





We have identified our key stakeholder groups through an internal mapping exercise, which considers our impacts on them and conversely, their importance to the success

and continuity of our business. We tailor our method of engagement with each of these groups based on both parties' needs and requirements, revising as necessary to ensure effectiveness. The table below summarises our stakeholder engagement efforts in 2021.

| STAKEHOLDER GROUPS   | ENGAGEMENT METHOD AND FREQUENCY  | TOPICS AND CONCERNS RAISED   | FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS   |
|--|--|--|--|
| <b>Banks and financial institutions</b><br> | <ul style="list-style-type: none"> <li>• Website (regularly)</li> <li>• SGXNET (periodic)</li> <li>• Annual Report (yearly)</li> <li>• Sustainability Report (yearly)</li> <li>• One-on-one communication (as required)</li> </ul> | <ul style="list-style-type: none"> <li>• First Resources' financial performance</li> <li>• First Resources' sustainability commitments, initiatives and progress</li> <li>• Sustainability certifications</li> <li>• Fire prevention and management</li> <li>• Yield improvements</li> <li>• Impacts of climate change</li> <li>• Health and safety of employees during the COVID-19 pandemic</li> </ul> | <ul style="list-style-type: none"> <li>• Provide updates on company's performance and plans</li> <li>• Provide updates on our sustainability policy and its implementation progress</li> <li>• Provide progress updates on our sustainability certifications</li> <li>• Provide information on our fire prevention and management initiatives</li> <li>• Research and development initiatives that focus on innovation in yield improvements and the mitigation of environmental impact</li> <li>• Provide updates on our operations and practices during COVID-19 pandemic</li> </ul> |
| <b>Communities</b><br>                    | <ul style="list-style-type: none"> <li>• Engagements via our public relations officers and Community Development Officers (periodic)</li> </ul>  | <ul style="list-style-type: none"> <li>• Better village infrastructure</li> <li>• Access to employment opportunities</li> <li>• Participation in plasma programme</li> <li>• Social conflict, and Free, Prior and Informed Consent (FPIC) concerns</li> <li>• Health and prosperity of community during the COVID-19 pandemic</li> </ul>   | <ul style="list-style-type: none"> <li>• Increase investment to support community infrastructure</li> <li>• Prioritise employment opportunities to local communities</li> <li>• Ensure appropriate plasma allocation for plantation development</li> <li>• Conduct Social and Environment Impact Assessments and ensure better communication during FPIC process</li> <li>• Engagement with local communities to raise awareness about forest protection</li> <li>• Provide support to the local communities during the COVID-19 pandemic</li> </ul>                                   |



## MATERIALITY AND STAKEHOLDER ENGAGEMENT

| STAKEHOLDER GROUPS   | ENGAGEMENT METHOD AND FREQUENCY   | TOPICS AND CONCERNS RAISED   | FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS  |
|--|---|--|---|
| <b>Customers</b><br>                                  | <ul style="list-style-type: none"> <li>• One-on-one communication (as required)</li> <li>• Website (regularly)</li> <li>• Annual Report (yearly)</li> <li>• Sustainability Report (yearly)</li> </ul> | <ul style="list-style-type: none"> <li>• First Resources' sustainability commitments, initiatives and progress</li> <li>• Customers' traceability requirements</li> <li>• Grievances lodged by stakeholders on First Resources' operations or suppliers such as deforestation and labour issues</li> </ul> | <ul style="list-style-type: none"> <li>• Provide regular updates on our sustainability policy and its implementation progress</li> <li>• Provide traceability data of our supplying mills</li> <li>• Investigate, address and clarify grievances lodged as per our grievance mechanism</li> </ul>   |
| <b>Employees</b><br>                                  | <ul style="list-style-type: none"> <li>• E-mails and notice boards (regularly)</li> <li>• Internal company meetings (regularly)</li> <li>• Performance review (twice a year)</li> </ul>               | <ul style="list-style-type: none"> <li>• First Resources' operational and financial performance</li> <li>• Personal and career development</li> <li>• Health and safety</li> </ul>   | <ul style="list-style-type: none"> <li>• Keep employees updated on company news, performance and policies</li> <li>• Ensure health and safety procedures, and equipment are adequate</li> <li>• Increase frequency and adequacy of training and development opportunities</li> <li>• Implement health and safety measures and COVID-19 support</li> </ul> |
| <b>Non-governmental organisations (NGOs)</b><br>    | <ul style="list-style-type: none"> <li>• One-on-one communication (as required)</li> <li>• Website (regularly)</li> <li>• Annual Report (yearly)</li> <li>• Sustainability Report (yearly)</li> </ul> | <ul style="list-style-type: none"> <li>• First Resources' sustainability commitments, initiatives and progress</li> <li>• Grievance lodged by stakeholders on First Resources' operations or suppliers such as deforestation and labour issues</li> </ul>  | <ul style="list-style-type: none"> <li>• Provide updates on our sustainability policy and its implementation progress</li> <li>• Investigate and respond to grievances as per our grievance mechanism</li> </ul>  |
| <b>Regulatory bodies (including government)</b><br> | <ul style="list-style-type: none"> <li>• One-on-one communication (as required)</li> <li>• Reporting mechanisms (as required)</li> <li>• Multi-stakeholder forums (as required)</li> </ul>            | <ul style="list-style-type: none"> <li>• Company's compliance with applicable regulation/ legislation</li> <li>• Collaboration to aid communities during COVID-19 pandemic</li> </ul>  | <ul style="list-style-type: none"> <li>• Ensure documentation of Company's compliance</li> <li>• Collaborate with the relevant local authority to support local communities during the COVID-19 pandemic by contributing personal protective equipment (PPE), disinfectant tools and food staples</li> </ul>  |



## MATERIALITY AND STAKEHOLDER ENGAGEMENT

| STAKEHOLDER GROUPS   | ENGAGEMENT METHOD AND FREQUENCY  | TOPICS AND CONCERNS RAISED   | FIRST RESOURCES' RESPONSE TO THOSE TOPICS/CONCERNS   |
|--|--|--|--|
| <b>Shareholders</b><br> | <ul style="list-style-type: none"> <li>Annual General Meeting (yearly)</li> <li>Website (regularly)</li> <li>SGXNET (periodic)</li> <li>Annual Report (yearly)</li> <li>Sustainability Report (yearly)</li> <li>One-on-one communication (as required)</li> <li>Conferences / Non-deal Roadshows (periodic)</li> </ul> | <ul style="list-style-type: none"> <li>First Resources' operational and financial performance</li> <li>First Resources' sustainability commitments, initiatives and progress</li> <li>Sustainability certifications</li> </ul> | <ul style="list-style-type: none"> <li>Provide updates on Company's performance and plans</li> <li>Provide updates on our sustainability policy and its implementation progress</li> <li>Provide updates on our sustainability certifications</li> </ul> |
| <b>Suppliers</b><br>    | <ul style="list-style-type: none"> <li>One-on-one communication (as required)</li> <li>Group sessions (periodic)</li> </ul>  | <ul style="list-style-type: none"> <li>Compliance with First Resources' sustainability standards including our traceability requirements</li> <li>Clarification to grievances lodged on suppliers' operations</li> </ul>       | <ul style="list-style-type: none"> <li>Explain First Resources' sustainability policy and our expectations of supplier compliance</li> <li>Verify clarifications made and respond to grievances as per our grievance mechanism</li> </ul>                |

### MEMBERSHIP OF ASSOCIATIONS AND EXTERNAL INITIATIVES [102-12, 102-13]

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





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FIRST RESOURCES LIMITED  
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**GRI CONTENT INDEX**  
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| GRI STANDARD DISCLOSURE                  | GRI DISCLOSURE NUMBER AND TITLE                       | PAGE REFERENCES/REASONS FOR OMISSIONS                        |   |
|--|---|--|---|
| <b>GENERAL DISCLOSURE</b>                |   |  |   |
| <b>GRI 102: General Disclosures 2016</b> | <b>Organisational Profile</b>                         |  |   |
|  | 102-1   | Name of the organisation                                     | 1   |
|  | 102-2   | Activities, brands, products and services                    | 4; Annual Report 2021: 1-5  |
|  | 102-3   | Location of headquarters                                     | 8 Temasek Boulevard<br>#36-02 Suntec Tower Three<br>Singapore 038988  |
|  | 102-4   | Location of operations                                       | 4   |
|  | 102-5   | Ownership and legal form                                     | 4   |
|  | 102-6   | Markets served   | 47  |
|  | 102-7   | Scale of the organisation                                    | 4; Annual Report 2021: 6-9, 14-17   |
|  | 102-8   | Information on employees and other workers                   | 34  |
|  | 102-9   | Supply chain   | 43, 47  |
|  | 102-10  | Significant changes to the organisation and its supply chain | 4   |
|  | 102-11  | Precautionary principle or approach                          | First Resources does not explicitly refer to the precautionary principle or approach in its risk management principles. Please see our approach to materiality on page 49 and risk management on page 35 of the Annual Report 2021. |
|  | 102-12  | External initiatives   | 48, 53  |
|  | 102-13  | Membership of associations                                   | 48, 53  |
|  | <b>Strategy</b>                                       |  |   |
|  | 102-14  | Statement from senior decision-maker                         | 2-3   |
|  | 102-15  | Key impacts, risks and opportunities                         | 9, 50   |
| <b>Ethics and Integrity</b>              |   |  |   |
| 102-16                                   | Values, principles, standards, and norms of behaviour | 6  |   |
| 102-17                                   | Mechanisms for advice and concerns about ethics       | 8  |   |



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| GRI STANDARD DISCLOSURE                  | GRI DISCLOSURE NUMBER AND TITLE   | PAGE REFERENCES/REASONS FOR OMISSIONS |
|--|---|---------------------------------------|
| <b>GENERAL DISCLOSURE</b>                |   |                                       |
| <b>GRI 102: General Disclosures 2016</b> | <b>Governance</b>   |                                       |
|  | 102-18 Governance structure   | 7; Annual Report 2021: 24             |
|  | 102-19 Delegating authority   | 7                                     |
|  | 102-20 Executive-level responsibility for economic, environmental and social topics | 7                                     |
|  | 102-21 Consulting stakeholders on economic, environmental and social topics         | 7, 51                                 |
|  | 102-22 Composition of the highest governance body and its committees                | Annual Report 2021: 24                |
|  | 102-23 Chair of the highest governance body   | Annual Report 2021: 24                |
|  | 102-24 Nominating and selecting the highest governance body                         | Annual Report 2021: 29                |
|  | 102-26 Role of highest governance body in setting purpose, values and strategy      | 7                                     |
|  | 102-28 Evaluating the highest governance body's performance                         | Annual Report 2021: 30-31             |
|  | 102-32 Highest governance body's role in sustainability reporting                   | 7, 49                                 |
|  | 102-35 Remuneration policies  | Annual Report 2021: 31-34             |
|  | 102-36 Process for determining remuneration   | Annual Report 2021: 31-34             |
|  | 102-37 Stakeholders' involvement in remuneration                                    | Annual Report 2021: 31-34             |
|  | <b>Stakeholder Engagement</b>   |                                       |
|  | 102-40 List of stakeholder groups engaged   | 51-53                                 |
|  | 102-41 Collective bargaining agreements   | 39                                    |
|  | 102-42 Identifying and selecting stakeholders                                       | 51                                    |
|  | 102-43 Approach to stakeholder engagement   | 51-53                                 |
|  | 102-44 Key topics and concerns raised   | 51-53                                 |



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| GRI STANDARD DISCLOSURE                  | GRI DISCLOSURE NUMBER AND TITLE | PAGE REFERENCES/REASONS FOR OMISSIONS                      |   |
|--|---------------------------------|--|---|
| <b>GENERAL DISCLOSURE</b>                |                                 |  |   |
| <b>GRI 102: General Disclosures 2016</b> | <b>Reporting Practice</b>       |  |   |
|  | 102-45                          | Entities included in the consolidated financial statements | 1; Annual Report 2021: 65-68              |
|  | 102-46                          | Defining report content and topic Boundaries               | 9, 49                                     |
|  | 102-47                          | List of material topics                                    | 9, 50                                     |
|  | 102-48                          | Restatements of information                                | There are no restatements in this report. |
|  | 102-49                          | Changes in reporting                                       | No significant changes.                   |
|  | 102-50                          | Reporting period   | 1   |
|  | 102-51                          | Date of most recent report                                 | 7 April 2021                              |
|  | 102-52                          | Reporting cycle  | 1   |
|  | 102-53                          | Contact point for questions regarding the report           | 1   |
|  | 102-54                          | Claims of reporting in accordance with the GRI Standards   | 1   |
|  | 102-55                          | GRI content index  | 54-62                                     |
| 102-56                                   | External assurance              | 1  |   |
| <b>TOPIC SPECIFIC DISCLOSURES</b>        |                                 |  |   |
| <b>ENVIRONMENTAL MANAGEMENT</b>          |                                 |  |   |
| <b>Climate Change (Material topic)</b>   |                                 |  |   |
| <b>GRI 103: Management Approach 2016</b> | 103-1                           | Explanation of the material topic and its Boundary         | 9, 22                                     |
|  | 103-2                           | The management approach and its components                 | 11, 22-24                                 |
|  | 103-3                           | Evaluation of the management approach                      | 7-8, 22-24                                |
| <b>GRI 302: Energy 2016</b>              | 302-1                           | Energy consumption within organisation                     | 23  |
| <b>GRI 305: Emissions 2016</b>           | 305-1                           | Direct (Scope 1) GHG emissions                             | 23  |
|  | 305-2                           | Energy indirect (Scope 2) GHG emissions                    | 23  |
|  | 305-4                           | GHG emissions intensity                                    | 23  |
|  | 305-5                           | Reduction of GHG emissions                                 | 22  |





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| <b>TOPIC SPECIFIC DISCLOSURES</b>  |                                 |   |            |
| <b>ENVIRONMENTAL MANAGEMENT</b>  |                                 |   |            |
| <b>Conservation and management of High Conversation Value (HCV) areas (Material topic)</b> |                                 |   |            |
| GRI 103: Management Approach 2016  | 103-1                           | Explanation of the material topic and its Boundary  | 9, 17      |
|  | 103-2                           | The management approach and its components  | 11, 17-18  |
|  | 103-3                           | Evaluation of the management approach   | 7-8, 17-18 |
| GRI 304: Biodiversity 2016   | 304-1                           | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 17-18      |
|  | 304-2                           | Significant impacts of activities, products, and services on biodiversity   | 17-18      |
|  | 304-3                           | Habitats protected or restored  | 17-18      |
|  | 304-4                           | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | 17-18      |
| <b>Fire Prevention and Management (Material topic)</b>                                     |                                 |   |            |
| GRI 103: Management Approach 2016  | 103-1                           | Explanation of the material topic and its Boundary  | 9, 20      |
|  | 103-2                           | The management approach and its components  | 12, 20-21  |
|  | 103-3                           | Evaluation of the management approach   | 7-8, 20-21 |
| <b>Peatland Management (Material topic)</b>  |                                 |   |            |
| GRI 103: Management Approach 2016  | 103-1                           | Explanation of the material topic and its Boundary  | 9, 19      |
|  | 103-2                           | The management approach and its components  | 13, 19     |
|  | 103-3                           | Evaluation of the management approach   | 7-8, 19    |
| <b>Pest Management and Chemical Usage (Relevant topic)</b>                                 |                                 |   |            |
| GRI 103: Management Approach 2016  | 103-1                           | Explanation of the material topic and its Boundary  | 9, 28      |
|  | 103-2                           | The management approach and its components  | 28-29      |
|  | 103-3                           | Evaluation of the management approach   | 28-29      |



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| GRI STANDARD DISCLOSURE   | GRI DISCLOSURE NUMBER AND TITLE | PAGE REFERENCES/REASONS FOR OMISSIONS              |            |
|---|---------------------------------|--|------------|
| <b>TOPIC SPECIFIC DISCLOSURES</b>                                     |                                 |  |            |
| <b>ENVIRONMENTAL MANAGEMENT</b>                                       |                                 |  |            |
| <b>Protection of High Carbon Stock (HCS) forests (Material topic)</b> |                                 |  |            |
| GRI 103: Management Approach 2016                                     | 103-1                           | Explanation of the material topic and its Boundary | 9, 17      |
|   | 103-2                           | The management approach and its components         | 13, 17-18  |
|   | 103-3                           | Evaluation of the management approach              | 7-8, 17-18 |
| <b>Waste and Effluents Management (Relevant topic)</b>                |                                 |  |            |
| GRI 103: Management Approach 2016                                     | 103-1                           | Explanation of the material topic and its Boundary | 26         |
|   | 103-2                           | The management approach and its components         | 26-27      |
|   | 103-3                           | Evaluation of the management approach              | 26-27      |
| GRI 303: Water and Effluents 2018                                     | 303-4                           | Water Discharge                                    | 26         |
| GRI 306: Waste 2020   | 306-3                           | Waste Generated                                    | 26         |
| <b>Water Management (Relevant topic)</b>                              |                                 |  |            |
| GRI 103: Management Approach 2016                                     | 103-1                           | Explanation of the material topic and its Boundary | 25         |
|   | 103-2                           | The management approach and its components         | 25         |
|   | 103-3                           | Evaluation of the management approach              | 25         |
| GRI 303: Water and Effluents 2018                                     | 303-5                           | Water Consumption                                  | 25         |
| <b>Yield and Extraction Improvements (Material topic)</b>             |                                 |  |            |
| GRI 103: Management Approach 2016                                     | 103-1                           | Explanation of the material topic and its Boundary | 9, 15      |
|   | 103-2                           | The management approach and its components         | 14-15      |
|   | 103-3                           | Evaluation of the management approach              | 7-8, 15    |
| <b>COMMUNITY ENGAGEMENT AND DEVELOPMENT</b>                           |                                 |  |            |
| <b>Community Investment (Relevant topic)</b>                          |                                 |  |            |
| GRI 103: Management Approach 2016                                     | 103-1                           | Explanation of the material topic and its Boundary | 31         |
|   | 103-2                           | The management approach and its components         | 31-33      |
|   | 103-3                           | Evaluation of the management approach              | 31-33      |



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| GRI STANDARD DISCLOSURE   | GRI DISCLOSURE NUMBER AND TITLE | PAGE REFERENCES/REASONS FOR OMISSIONS  |           |
|---|---------------------------------|--|-----------|
| <b>TOPIC SPECIFIC DISCLOSURES</b>                                       |                                 |  |           |
| <b>COMMUNITY ENGAGEMENT AND DEVELOPMENT</b>                             |                                 |  |           |
| <b>Community Investment (Relevant topic)</b>                            |                                 |  |           |
| GRI 203: Indirect Economic Impacts 2016                                 | 203-1                           | Infrastructure investments and services supported  | 31-33     |
|   | 203-2                           | Significant indirect economic impacts  | 31-33     |
| <b>Rights of Indigenous and Local Communities (Relevant topic)</b>      |                                 |  |           |
| GRI 103: Management Approach 2016                                       | 103-1                           | Explanation of the material topic and its Boundary   | 9, 30     |
|   | 103-2                           | The management approach and its components   | 30        |
|   | 103-3                           | Evaluation of the management approach  | 30        |
| GRI 411: Rights of Indigenous Peoples 2016                              | 411-1                           | Incidents of violations involving rights of indigenous peoples                                     | 30        |
| GRI 413: Local Communities 2016   | 413-1                           | Operations with local community engagement, impact assessments, and development programs           | 30        |
|   | 413-2                           | Operations with significant actual and potential negative impacts on local communities             | 30        |
| <b>EMPLOYEE RELATIONS AND WORKPLACE</b>                                 |                                 |  |           |
| <b>Employee Attraction, Retention, and Development (Material topic)</b> |                                 |  |           |
| GRI 103: Management Approach 2016                                       | 103-1                           | Explanation of the material topic and its Boundary   | 9, 34     |
|   | 103-2                           | The management approach and its components   | 34-36     |
|   | 103-3                           | Evaluation of the management approach  | 12, 34-36 |
| GRI 401: Employment 2016  | 401-1                           | New employee hires and employee turnover   | 7-8, 35   |
|   | 401-2                           | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 35        |
| GRI 404: Training and Education 2016                                    | 404-1                           | Average hours of training per year per employee  | 36        |
|   | 404-2                           | Programs for upgrading employee skills and transition assistance programs                          | 36        |





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| GRI STANDARD DISCLOSURE                                    | GRI DISCLOSURE NUMBER AND TITLE | PAGE REFERENCES/REASONS FOR OMISSIONS   |            |
|--|---------------------------------|---|------------|
| <b>TOPIC SPECIFIC DISCLOSURES</b>                          |                                 |   |            |
| <b>EMPLOYEE RELATIONS AND WORKPLACE</b>                    |                                 |   |            |
| <b>Gender Equality and Inclusion (Relevant topic)</b>      |                                 |   |            |
| GRI 103: Management Approach 2016                          | 103-1                           | Explanation of the material topic and its Boundary  | 37         |
|  | 103-2                           | The management approach and its components  | 37         |
|  | 103-3                           | Evaluation of the management approach   | 37         |
| GRI 405: Diversity and Equal Opportunity 2016              | 405-1                           | Diversity of governance bodies and employees  | 37         |
| <b>Labour Conditions and Human Rights (Material topic)</b> |                                 |   |            |
| GRI 103: Management Approach 2016                          | 103-1                           | Explanation of the material topic and its Boundary  | 9, 38      |
|  | 103-2                           | The management approach and its components  | 12, 38-39  |
|  | 103-3                           | Evaluation of the management approach   | 7-8, 38-39 |
| GRI 202: Market Presence 2016                              | 202-1                           | Ratios of standard entry level wage by gender compared to local minimum wage              | 39         |
| GRI 408: Child Labour 2016                                 | 408-1                           | Operations and suppliers at significant risk for incidents of child labour                | 38         |
| GRI 409: Forced or Compulsory Labour 2016                  | 409-1                           | Operations and suppliers at significant risk for incidents of forced or compulsory labour | 38         |
| <b>Occupational Health and Safety (Material topic)</b>     |                                 |   |            |
| GRI 103: Management Approach 2016                          | 103-1                           | Explanation of the material topic and its Boundary  | 9, 40      |
|  | 103-2                           | The management approach and its components  | 13, 40-42  |
|  | 103-3                           | Evaluation of the management approach   | 7-8, 40-42 |



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| GRI STANDARD DISCLOSURE                                | GRI DISCLOSURE NUMBER AND TITLE   | PAGE REFERENCES/REASONS FOR OMISSIONS |
|--|---|---------------------------------------|
| <b>TOPIC SPECIFIC DISCLOSURES</b>                      |   |                                       |
| <b>EMPLOYEE RELATIONS AND WORKPLACE</b>                |   |                                       |
| <b>Occupational Health and Safety (Material topic)</b> |   |                                       |
| GRI 403: Occupational Health and Safety 2018           | 403-1 Occupational health and safety management system  | 40                                    |
|  | 403-2 Hazard identification, risk assessment, and incident investigation  | 40                                    |
|  | 403-3 Occupational health services  | 40                                    |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | 40                                    |
|  | 403-5 Worker training on occupational health and safety   | 40                                    |
|  | 403-6 Promotion of worker health  | 40-41                                 |
|  | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 40                                    |
|  | 403-9 Work-related injuries   | 42                                    |
|  | <b>SUPPLY CHAIN AND OTHERS</b>  |                                       |
| <b>Business Conduct and Ethics (Material topic)</b>    |   |                                       |
| GRI 103: Management Approach 2016                      | 103-1 Explanation of the material topic and its Boundary  | 7, 9                                  |
|  | 103-2 The management approach and its components  | 7, 11                                 |
|  | 103-3 Evaluation of the management approach   | 7-8                                   |
| GRI 205: Anti-Corruption 2016                          | 205-2 Communication and training about anti-corruption policies and procedures                                      | 7                                     |
| <b>Smallholder Inclusiveness (Relevant topic)</b>      |   |                                       |
| GRI 103: Management Approach 2016                      | 103-1 Explanation of the material topic and its Boundary  | 46                                    |
|  | 103-2 The management approach and its components  | 46                                    |
|  | 103-3 Evaluation of the management approach   | 46                                    |



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| GRI STANDARD DISCLOSURE                              | GRI DISCLOSURE NUMBER AND TITLE | PAGE REFERENCES/REASONS FOR OMISSIONS   |            |
|--|---------------------------------|---|------------|
| <b>TOPIC SPECIFIC DISCLOSURES</b>                    |                                 |   |            |
| <b>Supply Chain and Others</b>                       |                                 |   |            |
| <b>Supply Chain Traceability (Material topic)</b>    |                                 |   |            |
| GRI 103: Management Approach 2016                    | 103-1                           | Explanation of the material topic and its Boundary  | 9, 43      |
|  | 103-2                           | The management approach and its components  | 14, 43-45  |
|  | 103-3                           | Evaluation of the management approach   | 7-8, 43-45 |
| GRI 308: Supplier Environmental Assessment 2016      | 308-1                           | New suppliers that were screened using environmental criteria                                 | 45         |
|  | 308-2                           | Negative environmental impacts in the supply chain and actions taken                          | 45         |
| GRI 414: Supplier Social Assessment 2016             | 414-1                           | New suppliers that were screened using social criteria  | 45         |
|  | 414-2                           | Negative social impacts in the supply chain and actions taken                                 | 45         |
| <b>Sustainability Certification (Material topic)</b> |                                 |   |            |
| GRI 103: Management Approach 2016                    | 103-1                           | Explanation of the material topic and its Boundary  | 9, 48      |
|  | 103-2                           | The management approach and its components  | 14, 48     |
|  | 103-3                           | Evaluation of the management approach   | 7-8, 48    |
| <b>Other Topics Reported On</b>                      |                                 |   |            |
| GRI 416: Customer Health and Safety 2016             | 416-2                           | Incidents of non-compliance concerning the health and safety impacts of products and services | 47         |





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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 tonnes (t) CO <sub>2</sub> -e                    | 23  |
|                             | 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   | 22-23   |
|                             | FB-AG-110a.3 | Fleet fuel consumed, percentage renewable  | Gigajoules (GJ), Percentage (%)                         | 23  |
| Energy Management           | FB-AG-130a.1 | (1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable   | Gigajoules (GJ), Percentage (%)                         | 23  |
| Water Management            | FB-AG-140a.1 | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress                                   | Thousand cubic meters (m <sup>3</sup> ), Percentage (%) | 25. 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   | 25  |
|                             | FB-AG-140a.3 | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations  | Number  | 26  |
| Food Safety                 | FB-AG-250a.1 | Global Food Safety Initiative (GFSI) audit (1) non-conformance rate, and (2) associated corrective action rate for (a) major, and (b) minor non-conformances           | Rate  | This indicator is not relevant as First Resources does not produce finished/ consumer goods.  |
|                             | FB-AG-250a.2 | Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program            | Percentage (%) by cost                                  | This indicator is not relevant as First Resources does not produce finished/ consumer goods.  |
|                             | FB-AG-250a.3 | (1) Number of recalls issued, and (2) total amount of food product recalled  | Number, Metric tonnes (t)                               | This indicator is not relevant as First Resources does not produce finished/ consumer goods.  |
| Workforce Health and Safety | FB-AG-320a.1 | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees, and (b) seasonal and migrant employees | Rate  | In addition to fatalities and fatality rates, First Resources measures Permanent Work-related Injuries and Recordable Work-related Injuries to monitor health and safety performance. |



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| Topic  | Code         | Accounting Metric  | Unit of Measure        | Data/ Information Source; Reasons for omission   |
|--|--------------|--|------------------------|--|
| <b>Environmental &amp; Social Impacts of Ingredient Supply Chain</b> | 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 2021.  |
|  | 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 2021. We actively monitor the grievances raised by external parties in case they involve our third-party suppliers.        |
|  | FB-AG-430a.3 | Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing   | n/a                    | 44-45  |
| <b>GMO Management</b>  | FB-AG-430b.1 | Discussion of strategies to manage the use of genetically modified organisms (GMOs)  | n/a                    | First Resources does not use GMOs.   |
| <b>Ingredient Sourcing</b>   | FB-AG-440a.1 | Identification of principal crops and description of risks and opportunities presented by climate change   | n/a                    | 16   |
|  | 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 |
|---|-------------|--------------|--------------------|--|
| <b>Production by principal crop</b>                     | FB-AG-000.A | Quantitative | Metric tonnes (t)  | 4  |
| <b>Number of processing facilities</b>                  | FB-AG-000.B | Quantitative | Number             | 4  |
| <b>Total land area under active production</b>          | FB-AG-000.C | Quantitative | Hectares           | 4  |
| <b>Cost of agricultural products sourced externally</b> | FB-AG-000.D | Quantitative | Reporting currency | n/a  |



## GLOSSARY OF TERMS

|  |   |
|--|---|
| <b>Biodiversity</b>  | The diversity (number and variety of species) of plant and animal life within a region.   |
| <b>Biological Oxygen Demand (BOD)</b>  | 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.  |
| <b>Carbon Dioxide Equivalents (CO<sub>2</sub>e)</b>                                | A standard unit for measuring carbon footprints. It expresses the impact of each greenhouse gas in terms of the amount of carbon dioxide needed to 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.                               |
| <b>Chemical Oxygen Demand (COD)</b>  | 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.  |
| <b>Crude Palm Oil (CPO)</b>  | The oil extracted from the pulp of the FFB.   |
| <b>Effluents</b>   | Waste water discharged from a source (such as mill) into a separate body of water.  |
| <b>Extraction rate</b>   | 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.   |
| <b>Empty fruit bunch (EFB)</b>   | The remains of the FFB after it has been processed and its fruitlets removed at the mill.   |
| <b>Fire Danger Indices (FDI)</b>   | An internal index for fire risk assessment which has four levels: Low, Medium, High and Extreme, depending on humidity, rain and fuel conditions.   |
| <b>Fresh Fruit Bunch (FFB)</b>   | 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.  |
| <b>Free, Prior and Informed Consent (FPIC)</b>                                     | 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.  |
| <b>Greenhouse gas (GHG)</b>  | A gas that has the property of absorbing and emitting infrared radiation, creating a greenhouse effect.   |
| <b>Global Reporting Initiative (GRI)</b>   | A multi-stakeholder standard for sustainability reporting, providing guidance on determining report content and indicators.   |
| <b>High Conservation Value (HCV)</b>   | Areas with biological, ecological, social or cultural values of outstanding significance at the national, regional or global level or of critical importance at the local level.  |
| <b>High Conservation Value - High Carbon Stock Approach (HCV-HCSA) assessments</b> | 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

|  |  |
|--|--|
| <b>High Carbon Stock (HCS) Approach</b>  | A practical methodology for distinguishing forest areas that should be protected from degraded lands that may be developed. It is a sequence of processes and assessments undertaken within two overarching modules: a social requirements module, which focuses on respecting communities' rights to their lands; and an integration module, which includes the FPIC and HCV processes. |
| <b>Indonesia Sustainable Palm Oil (ISPO)</b>                                     | 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.   |
| <b>Integrated Fire Management (IFM)</b>  | An in-depth workplan for fire prevention, preparedness, response and recovery.   |
| <b>Interspecific hybrid</b><br><i>(Elaeis oleifera x Elaeis guineensis)</i>      | The <i>Elaeis oleifera x Elaeis guineensis</i> interspecific hybrid is a cross between the African oil palm ( <i>Elaeis guineensis</i> ) and the American oil palm ( <i>Elaeis oleifera</i> ). Further research is being carried out as the hybrid exhibits characteristics with the potential to improve the competitiveness and sustainability of the crop.                            |
| <b>International Sustainability and Carbon Certificate (ISCC)</b>                | 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.   |
| <b>International Union for Conservation of Nature's Red List (IUCN Red List)</b> | 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.  |
| <b>Light Tenera Dry Separator (LTDS)</b>   | A machine that separates the outer shell of the palm nut from the palm kernel, allowing the separated fibres and shells to be vacuumed by a blower. Mills generally employ 2 LTDS units, where LTDS I and II are involved in the same workflow. The outputs from LTDS I and II are subsequently washed with water and chemicals at the clay-bath station.                                |
| <b>Nucleus plantation</b>  | Plantations owned by the group.  |
| <b>RSPO New Planting Procedures (NPP)</b>  | 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.   |
| <b>PalmGHG Calculator</b>  | A tool developed by the RSPO Greenhouse Gas Working Group 2 to allow palm oil producers to estimate and monitor their net GHG emissions. The Calculator also enables palm oil producers to identify crucial areas in their production chain and guide emission reduction opportunities.  |
| <b>Palm oil mill effluent (POME)</b>   | The by-product of processed FFB.   |
| <b>Peat</b>  | An accumulation of partially decayed vegetation matter. Peat forms in wetlands or peatlands, variously called bogs, moors, muskegs, pocosins, mires and peat swamp forests.  |



## GLOSSARY OF TERMS

|  |   |
|--|---|
| <b>Palm kernel (PK)</b>  | The seed in the FFB's fruitlet where the palm kernel oil is derived from.   |
| <b>Plasma schemes</b>  | 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).   |
| <b>Personal protective equipment (PPE)</b>                             | Equipment that protects users from health and safety risks at work.   |
| <b>Programme for Pollution Control, Evaluation and Rating (PROPER)</b> | 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 ensure a better environmental management system.  |
| <b>Roundtable on Sustainable Palm Oil (RSPO)</b>                       | A not-for-profit organisation that unites stakeholders from seven sectors involved in 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. |
| <b>RSPO Principles and Criteria (P&amp;C)</b>                          | 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.                                |
| <b>Stakeholders</b>  | Any group or individual who is affected by or can affect a company's operations.  |
| <b>Standard Operating Procedures (SOPs)</b>                            | A set of step-by-step instructions developed to help workers carry out complex routine operations.  |
| <b>Sustainability</b>  | 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".  |
| <b>Total Suspended Solids (TSS)</b>                                    | TSS are suspended particles that are not dissolved in a sample of water that can be trapped by a filter. It is a water quality parameter used to assess the quality of a specimen of a water body, for example, wastewater after treatment in a wastewater treatment plant.   |
| <b>World Health Organisation (WHO) Class 1A and 1B</b>                 | 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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