

FIRST RESOURCES' RESPONSE TO FOREST PEOPLES PROGRAMME ("FPP") REPORT, "DEMANDING ACCOUNTABILITY" ON 15 JUNE 2021

First Resources Limited ("**First Resources**" or together with its subsidiaries, the "**Group**") refers to [FPP's report](#). The report contained misleading information about its subsidiary, PT. Pancasurya Agrindo ("**PSA**") and the Group. We would appreciate if FPP had reached out to us directly for our comments prior to the publication of the report. The Group wishes to provide the following facts to ensure that our stakeholders are correctly informed.

Resolved – Conflicts with villagers of Desa Tambusai Timur and Desa Kepenuhan Hulu

We would like to clarify that although there were conflicts with the villagers of Desa Tambusai Timur and Desa Kepenuhan Hulu in the past, there was no land expropriation nor land grabbing from the villagers. Through continual engagements with the local communities, conflicts were resolved in 2006, resulting in the formation of smallholder oil palm development programme ("KKPA") with each village. The oil palm plantings in the resultant KKPA programmes have been producing for many years, and the villagers have been benefitting from the harvest.

Recognising the importance of constructive partnerships with the villagers, we engaged the villagers regularly through our Community Development Officers to understand their concerns and needs. We have implemented community development programmes by supporting infrastructure development as well as building places of worship in these and other surrounding villages. Another important programme is education where we provide support in building and rehabilitating schools, as well as awarding scholarships to promising students since 2004.

In the past 15 years, our relations with the local communities from Desa Tambusai Timur, Desa Kepenuhan Hulu and other surrounding villages have been generally very good. Contrary to the FPP report, our success in uplifting the standards and quality of living for communities in Rokan Hulu regency encourages us on our vision of promoting harmonious and symbiotic relationship between business and community.

Other clarifications

The report also mentions Fangiono Agro Plantation Group (FAP Agri) and Ciliandry Anky Abadi Group (CAA) as our subsidiaries and/or "shadow companies". We would like to reiterate that:

- FAP Agri is not a subsidiary nor an associated company of First Resources. Although there are overlaps in shareholdings, we have different controlling shareholders. Moreover, both groups have distinct and independent managements.
- CAA is not a subsidiary, an associated company, nor a related party of First Resources. We also do not have any ownership nor hold any management roles in CAA.

Separately, the report mentioned that PT. PSA is part of Surya Dumai Group whose parent company is First Resources. We would like to point out that Surya Dumai Group is not a subsidiary of First Resources.

The Group wishes to re-iterate our commitment and efforts to our [Policy on Sustainable Palm Oil](#) and compliance to regulations. We welcome feedback as well as collaboration to further improve our practices, and can be contacted via email sustainability@first-resources.com.