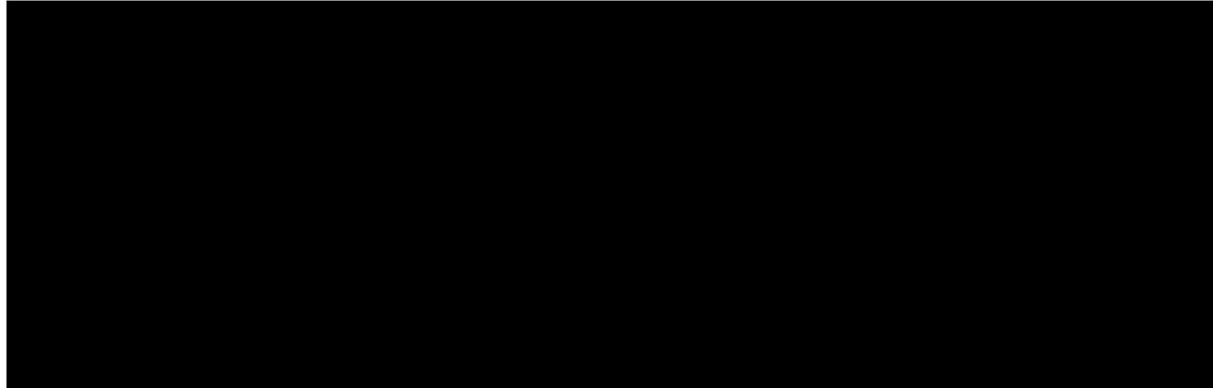


Response from First Resources

From: Sustainability <sustainability@first-resources.com>

Subject: RE: Request for Response to Investigation Findings Regarding Company Operations in Under First Resources Network



We refer to your email and letter dated 3 June 2025 regarding several findings related to First Resources and its subsidiaries—PT Setia Agro Lestari (PT SAL) and PT Surya Dumai Agrindo (PT SDA). We acknowledge the receipt of the investigation findings jointly prepared by Kaoem Telapak and Environmental Investigation Agency (EIA). We appreciate both the engagement and the concerns raised in your correspondence.

First Resources is committed to sustainable business practices through our No Deforestation, Peat, and Exploitation (NDPE) policy, as outlined in our Policy on Sustainable Palm Oil released in July 2015. First Resources holds in high regard the principles of Kaoem Telapak and EIA, which align with our commitment to respecting and protecting the environment. We uphold the value of transparency for all our stakeholders, and through this letter, we aim to provide response and clarification regarding the findings, as follows:

A. Clarification regarding the investigation findings on First Resources

1. Does First Resources Ltd admit that a number of its subsidiaries manage land without full HGU and/or within forest areas without area release permits?

In conducting its operations, First Resources has complied with the legal requirements set by the government, including the possession of Location Permits (Izin Lokasi), Plantation Business Permits (Izin Usaha Perkebunan/IUP), and/or Land Use Rights (Hak Guna Usaha/HGU).

In the event of any discrepancies concerning plantation licensing, Law No. 11 of 2020 on Job Creation (commonly referred to as the “Omnibus Law”) and Government Regulation in Lieu of Law (PERPU) No. 2 of 2022, along with their implementing regulations provide clear legal pathways for resolution. These processes are coordinated and guided by the relevant authorities at the ministerial level. We remain fully committed to complying with and respecting the directives of the government authorities to ensure that all operational areas are managed in accordance with prevailing laws and regulations.

Accordingly, we encourage any parties seeking further information regarding the permits to liaise directly with the relevant Ministries or Local Government authorities.

2. How did the company respond to the alleged bribery in the HGU licensing process and has an internal audit been conducted on this matter?

In the licensing process, including those related to the processing of HGU, First Resources adheres to the procedures and regulations set by the Government of Indonesia. We believe that the requirements for obtaining HGU must be mandatorily complied. Regarding the specific allegation, we encourage you to verify the matter with the relevant government authorities.

The Company has developed and implemented the Anti-Bribery, Corruption and Money Laundering Policy, which further reinforces its commitment to running its business operations on a foundation of integrity, transparency and honesty. The Company adopts a zero-tolerance policy towards any forms of bribery, corruption or money laundering in its business and the policy sets out the responsibilities of the Group, its employees and stakeholders in observing and upholding this position.

3. Is the company willing to transparently provide HGU, IUP documents and land use data from all subsidiaries in Indonesia?

First Resources is committed to operating in full compliance with the prevailing laws and regulations in Indonesia. In response to requests for greater transparency regarding HGU and IUP documents, we wish to clarify that the disclosure of such information is currently restricted by Indonesian law. Oil palm plantation companies are not permitted to publicly release or share these documents with external parties due to regulatory constraints outlined in official government communications.

4. What is First Resources' response to concerns of its employees, directors and controlling shareholders, and associates of them, being involved in other companies/groups linked to the Fangiono family and how is it mitigating these risks?

First Resources has formally responded to this allegation and has published our response on our official website. The Company has provided updates and clarifications to stakeholders in [February 2021](#), [November 2023](#), [March 2024](#), and [April 2024](#), which Kaoem Telapak and EIA may refer to.

We acknowledge that the recent allegations bear similarities to a case currently under review through the RSPO complaint system (Complaint Reference: [RSPO/2021/04/EN](#)). While we are still awaiting the outcome of this complaint, First Resources has continued to meticulously adhere to and respect the processes set out by the RSPO, maintaining full cooperation throughout. We kindly request all parties to respect the ongoing process and await the results before drawing conclusions or making any claims.

B. Clarification regarding the investigation findings on PT SAL

1. Does PT SAL acknowledge that part of the concession has been operating without HGU since 2013?

PT SAL has secured both a location permit and an Izin Usaha Perkebunan (IUP), and is currently in the process of obtaining the Hak Guna Usaha (HGU) license. It is important to emphasize that the HGU application is a multi-stage and collaborative process, requiring close coordination with various government authorities, and may therefore take a significant amount of time.

2. Does PT SAL have an official cancellation document for the 2014 operation termination order from the local government?

The letter issued in 2014 reflected the government's attention at the time, and PT SAL viewed this as part of an evaluation process aimed at improving its practices. As part of this process, PT SAL engaged in meetings and discussions with the relevant government agencies to clarify the situation and to ensure continued compliance with applicable regulations. In addition, in conjunction with your findings, PT SAL's operational area does not overlap with the latest Peta Indikatif Penghentian Pemberian Izin Baru (PIPIB).

3. Has PT SAL fulfilled its CSR and plasma obligations to the community in Lahang Hulu Village and its surroundings?

Corporate Social Responsibility (CSR) is part of the company's commitment to the surrounding communities and is both ongoing and continuously enhanced. To ensure our programs are relevant and impactful, we develop and implement tailored program based on prior assessments of community needs.

PT SAL remains fully committed to supporting the plasma program in accordance with applicable regulations and recognized best practices. Specifically, the plasma program for the community of Lahang Hulu Village has been realized and is currently operational.

4. What environmental recovery steps have been taken regarding the alleged pollution of the Rawa River and damage to peatlands?

To protect environmental quality, we conduct regular environmental management and monitoring activities to ensure that key parameters comply with standards set by applicable regulations. Sampling and testing for environmental monitoring are carried out by accredited laboratories, and the results are periodically submitted to the relevant government authorities for review and input. For plantations located on peatlands, we apply best management practices, particularly in water management, in accordance with guidelines set by the Roundtable on Sustainable Palm Oil (RSPO) and the Ministry of Environment. These practices aim to minimize the environmental impact.

With regard to the allegation made, we kindly request your cooperation in providing detailed information. This will enable us to conduct a thorough verification and take appropriate steps as necessary.

5. Is PT SAL willing to engage in open dialogue with affected communities and civil society organizations?

First Resources is committed to establish constructive engagement with relevant stakeholders, including communities and civil society organizations.

C. Clarification regarding the investigation findings on PT SDA

1. Does PT SDA acknowledge that there is a difference between the area of the HGU and the area physically controlled?

We believe that PT SDA's operational area is within the boundaries of its HGU and/or other relevant permits issued by the government authorities.

2. What steps have been taken to address illegal operations identified by the PKH Task Force?

Please refer to our previous response in section A1.

3. Is PT SDA still committed to carrying out its CSR obligations to the surrounding community and has it done so since 2011?

Please refer to our previous response in section B3.

We respectfully request that our response above be given full and careful consideration prior to any publication. Please note that our response was made under challenging circumstances, as unfortunately, your letter did not include supporting evidence for the findings presented.

To enable us conduct a more comprehensive analysis, we would appreciate it if the supporting evidence could be shared with us, along with the opportunity to further review and assess the information. We believe this approach would lead to more constructive outcomes for both the environment and society. Nevertheless, we encourage Kaoem Telapak and EIA to utilize the information provided in a fair, balanced, and informed manner.

First Resources wishes to reiterate its commitment to its [Policy on Sustainable Palm Oil](#) and compliance with regulations. For further information on the company's practices, please refer to our [Annual Reports](#) and [Sustainability Reports](#). We also welcome feedback and collaboration to improve our practices further. You can contact us via email at sustainability@first-resources.com.

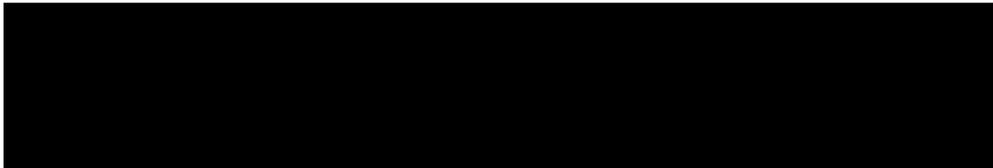
Thanks and regards,
Sustainability Team

Response from FAP Agri



PT FAP AGRI Tbk

Gedung Gold Coast, Tower Liberty Lt. 16 A - H
Jl. Pantai Indah Kapuk, RT. 06 RW. 02, Kec. Penjaringan
Jakarta Utara - 14470
Ph. +6221-50205811
www.fap-agri.com



Subject: Response to Request for Clarification Regarding the Investigative Report on FAP Agri's Operations

Dear Madam,

We would like to extend our sincere appreciation for your letter No. 09/034/PKT/V/2025 dated 3 June 2025, jointly issued by Kaoem Telapak and the Environmental Investigation Agency (EIA), which provides us with the opportunity to respond to your planned publication concerning PT FAP Agri Tbk and its affiliated entities.

We welcome constructive feedback as an integral part of our commitment to responsible and sustainable business practices. In response, we respectfully convey the following points as our official position:

1. Compliance with Regulations and Governance Standards

PT FAP Agri Tbk (FAPA) is a publicly listed company on the Indonesia Stock Exchange, fully governed by the applicable regulations of the Financial Services Authority (OJK) and the laws of the Republic of Indonesia. The company is managed by an independent team of professionals and has no legal, financial, or operational affiliation with the parties mentioned in your letter, including the First Resources Group.

2. Commitment to Sustainability

We have adopted a comprehensive Sustainability Policy that upholds the principles of NDPE (No Deforestation, No Peat, No Exploitation) and FPIC (Free, Prior and Informed Consent) in fostering respectful and constructive engagement with local communities. As part of our ongoing efforts, we are currently undertaking both internal and external reviews to enhance governance practices across environmental, social, and community economic development dimensions—particularly through inclusive empowerment programs.

Details of our sustainability frameworks, policies, and performance indicators are publicly accessible in our Sustainability Reports, available at our official website: www.fap-agri.com.

3. Transparency and Constructive Engagement

As part of our transparency initiative, we continuously share updates on our sustainability efforts and clarifications through our official communication channels, including our Instagram account: @fapagri.official. We also remain open to further dialogue and engagement, including structured mediation that is fair, data-driven, and solution-oriented.

4. Corrective Measures and Responsibility

We acknowledge that there are ongoing challenges in managing land and community relations. As such, our management is currently reassessing past policies and operational approaches as part of a broader commitment to continuous improvement. We are fully committed to addressing any substantiated findings through objective review and, where necessary, undertaking appropriate remedial actions in consultation with credible third-party institutions.

We thank you once again for providing this opportunity for clarification. We hope this correspondence contributes to a broader, collaborative effort to promote a palm oil industry that is fair, transparent, and sustainable.

Bersama Lebih Baik

Warm Regards,



PT FAP Agri Tbk