



GROWING TOWARDS
MUTUAL PROSPERITY

SUSTAINABILITY REPORT 2018



1

CEO Message	04
Highlights	06
Sustainability Committee	07
Sustainability Pillars	09

About Our Company 10

• Overview	11
• Our Values	12
• Our Mission	13
• Our Business Model	14
• Our Operations	16
• Our Business Segments	19

2

About this Report 23

• What Matters Most	25
• Stakeholders Engagement	26
• Key Topics for Our 2018 Sustainability Report	28
• Supply Chain of Japfa Poultry	30

3

Providing Affordable and Nutritious Protein 31

• Strict Biosecurity	34
• Balanced Feed Formulation	36
• Sustainable Poultry Practices and Housing of the Chickens	37
• Safe Transport	39
• Proper Use of Vaccines and Medications	40
• Food Safety Standards in Slaughterhouse	41

4

Nurturing Our Talents 42

• Employee Engagement Programme	44
• Digitisation of Human Resource Systems	45
• Retaining Our Talents	45
• Health and Safety	50
• Training and Development	52

5

Green Productivity 55

• Manure and Waste Management	57
• Reusable and Recyclable Packaging	57
• Air Pollution Control in Production Areas	58
• Water and Wastewater Management	59
• Energy Efficiency	60
• Environment Conservation and Ecotourism	63
• Voluntary Compliance with International Standards	63

6

Traceable and Sustainable Sourcing 64

• Sustainable Supply of Raw Materials	66
• Developing Our Contract Farmers	67
• Traceability of Poultry	68

7

Serving the Community 69

• JAPFA for Kids	72	• JAPFA Chess Club	77
• Prevention of Stunting	74	• JAPFA Green School	78
• Disaster Response Programme	75	• Sanitation	78
• Waste Bank	76	• Infrastructure Development	78
• Blood Donation	76	• Japfa Foundation	79

8

Growing Together with Our Stakeholders 81

• Economic Performance of the Group	84
• Anti-Corruption Policy	86
• Internal Audit	86
• Whistleblowing System	86

9

Governance 87

• Organisational Structure	89
• Risk Management	91
• Memberships of Associations	92
• Certifications	93
• Awards and Recognitions	98

Our Sustainability Champions	100
Sustainable Development Goals Compass	101
GRI Content Index	102

CEO Message



Dear Stakeholders,

I am pleased to present our second Sustainability Report that demonstrates our commitment towards nutrition, people, community development, environment and governance. The concept of sustainability has always permeated our corporate culture. As a company dedicated to feeding emerging Asia with essential proteins, we aim at growing our business in a sustainable manner that positively impacts all our stakeholders – consumers, contract farmers, employees, community and shareholders. This report allows us to show how sustainability is an integral part of the company's behaviour. More importantly, the report gives us the chance to share best practices within the Group, to formalise our sustainability approach, to verify our progress and identify areas for improvement.

In 2018, Japfa Ltd established a Sustainability Committee, which comprises of Mr. Kevin Monteiro, our Chief Financial Officer, and me. Our primary role is to drive sustainability within our company and aligning our strategies with the UN Sustainable Development Goals, especially Goal No. 2: Zero Hunger.

To achieve this goal, we have set up the Japfa Sustainability Pillars to guide the implementation of best practices in sustainability across the Group. The pillars focus on establishing an efficient production system, developing our people and improving nutrition. A Sustainability Coordinating Sub-Committee was established to roll-out the sustainability pillars, document our progress and identify key areas for further development.

Tan Yong Nang
Chief Executive Officer | Japfa Ltd

Last year our sustainability report focused on our poultry business in Indonesia, given that it generates more than half of the Group's consolidated revenue. For this year's sustainability report, we widened the scope to cover our entire poultry business across Indonesia, Vietnam, Myanmar and India.

A Sustainability Sub-Committee for Poultry Operations was also established, comprising of 14 representatives from the senior management of our poultry operations across the four countries. The members of this sub-committee are the sustainability champions that will encourage the adoption of a sustainability mindset throughout Japfa. The fact that this initiative was accepted with open arms by all our senior poultry management is a strong testament to the conviction towards sustainability that runs through the DNA of the entire Group.

Our ability in providing affordable proteins is made possible through efficient production management, while ensuring a safe and healthy environment for our chickens to grow. The poultry operations are vertically-integrated throughout the entire value chain, from feedmills to farms to downstream consumer food products. This vertical integration allows us to achieve efficient operations utilizing an industrialised approach to produce more affordable proteins.

During 2018, we have recorded a strong financial performance with healthy growth in revenue and earnings across our core business pillars. Our revenue has grown by 10.8% to US\$3.5 billion from US\$3.2 billion in FY2017. This growth can be attributed to higher sales volumes from the Dairy business and poultry feed in Indonesia and Vietnam, as well as higher average selling prices for both poultry in Indonesia and swine fattening in Vietnam. In spite of macroeconomic uncertainties and cyclicity of the agri-

food business, Japfa's ability to deliver revenue and earnings growth in FY2018 underlines its strong positioning as a low cost and efficient producer of staple proteins in emerging Asia.

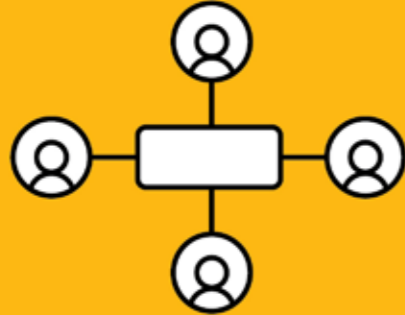
We continuously strive to enhance our efficiency by selecting the right animal genetics with superior feed conversion ratios, producing animal feed with the optimal nutritional value, and minimising the incidence of disease in our farms through stringent biosecurity practices. Extreme temperatures and unpredictable weather with the onset of climate change may affect our poultry flocks. As a preemptive approach, we have improved our biosecurity measures and farm management methodology to enhance chicken health and welfare.

In 2018, through the Japfa Foundation, we initiate collaboration between our commercial farm units and vocational schools in Indonesia to provide agriculture education and further improve the livelihood of the communities. Additionally, we established educational farms and created modern cooperative units as tools for the students to learn and develop their farming and entrepreneurial skills. In Indonesia, our flagship programme, JAPFA for Kids, provides education programmes for children and teachers on the importance of a balanced diet.

The following pages of this Sustainability Report detail the efforts and initiatives that we have put in place. At this juncture, I would like to express our gratitude to all our stakeholders for your continued support in our sustainability efforts. We look forward to strengthening our legacy of long-term value creation for our stakeholders, while improving the lives of people by providing affordable proteins throughout emerging Asia every day.

Sustainability Committee

To strengthen our commitment in sustainability



01



Sustainability Pillars

To guide the implementation of best practices in sustainability

02

Highlights

Aligning Our Strategies

To steer towards Sustainable Development Goals



03



Sustainability Champions

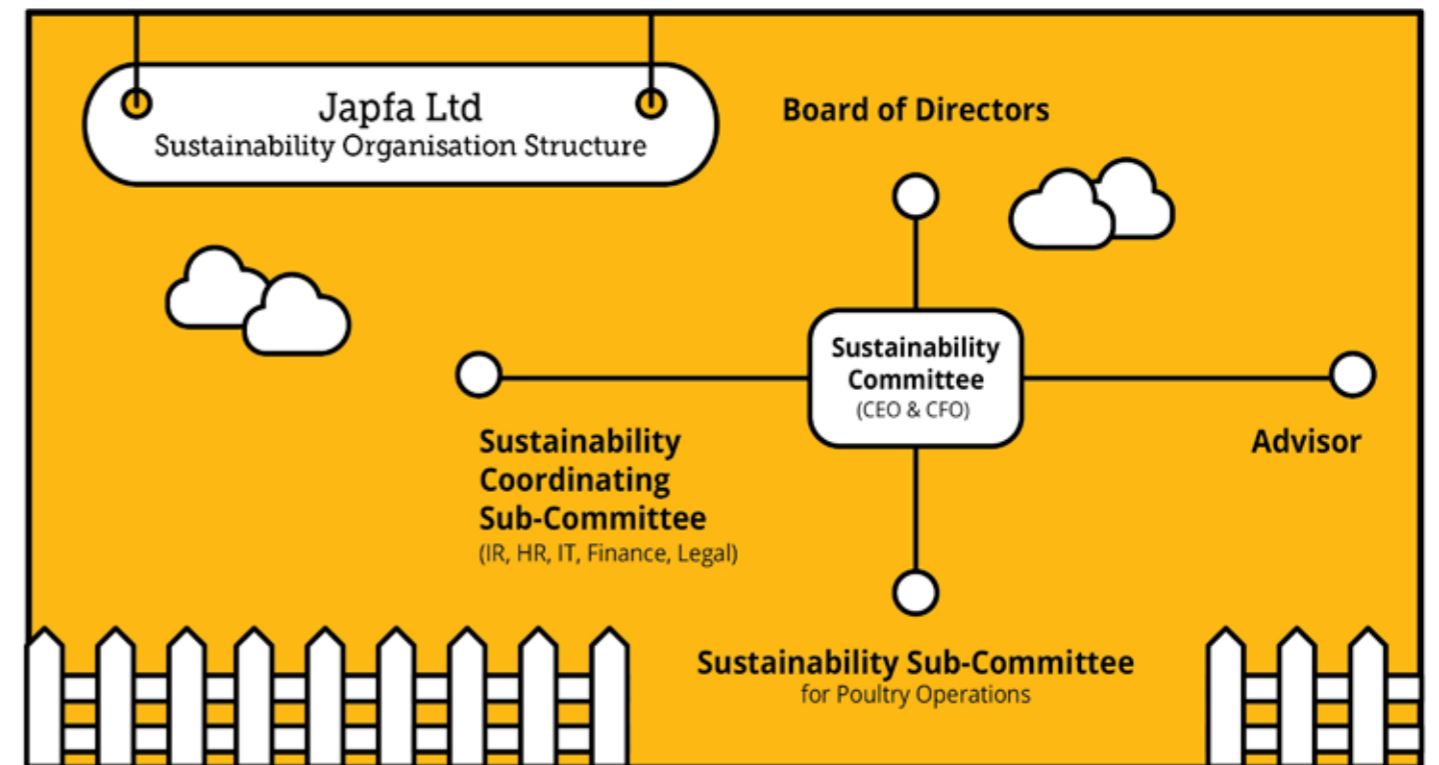
To communicate sustainability throughout our operations

04

Sustainability Committee

To strengthen our commitment in sustainability, we established a Sustainability Committee (SC) in this reporting period.

The Sustainability Committee provides advice and assists the Board of Directors in strategic sustainability decision making, long-term planning and facilitates sustainability initiatives.



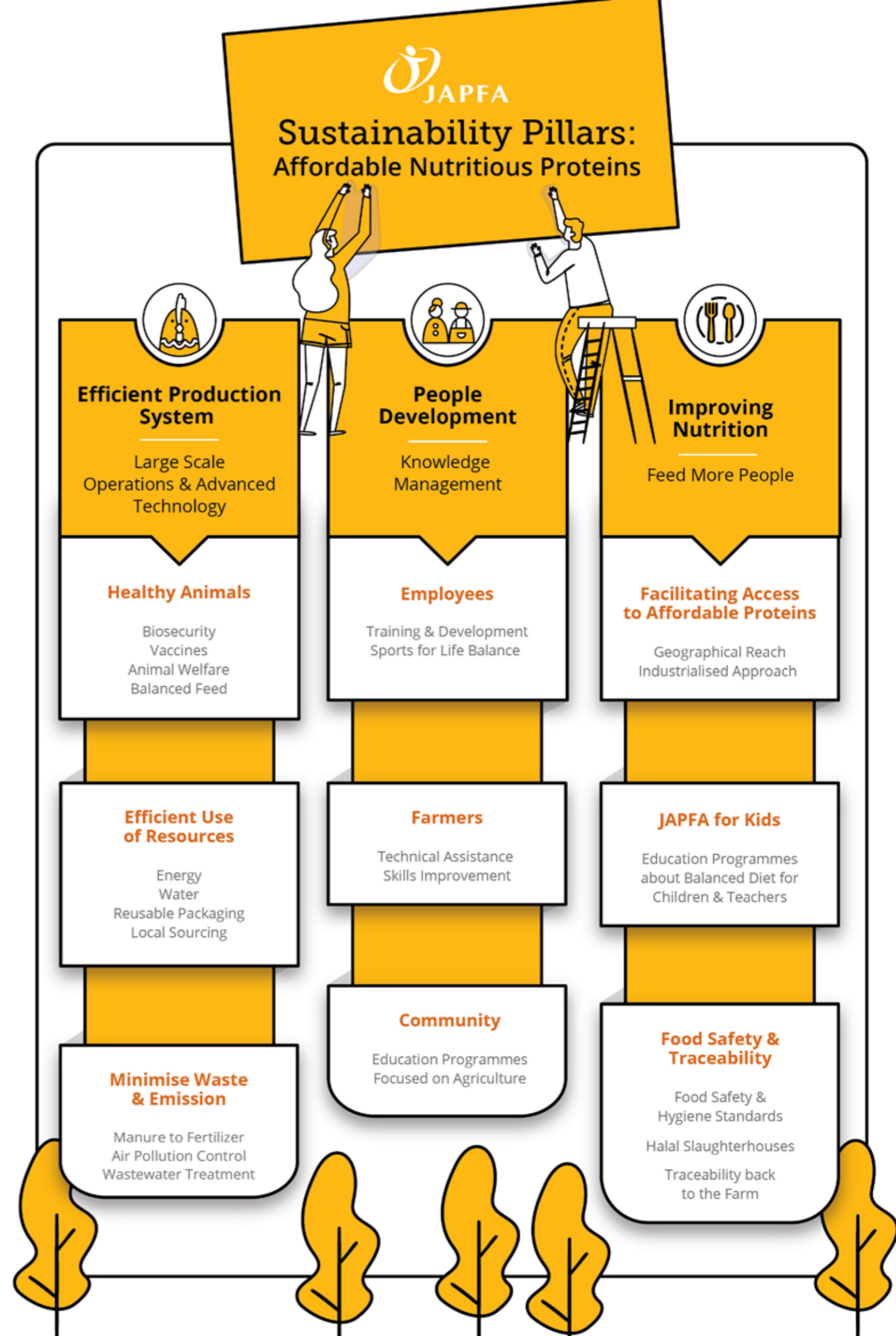
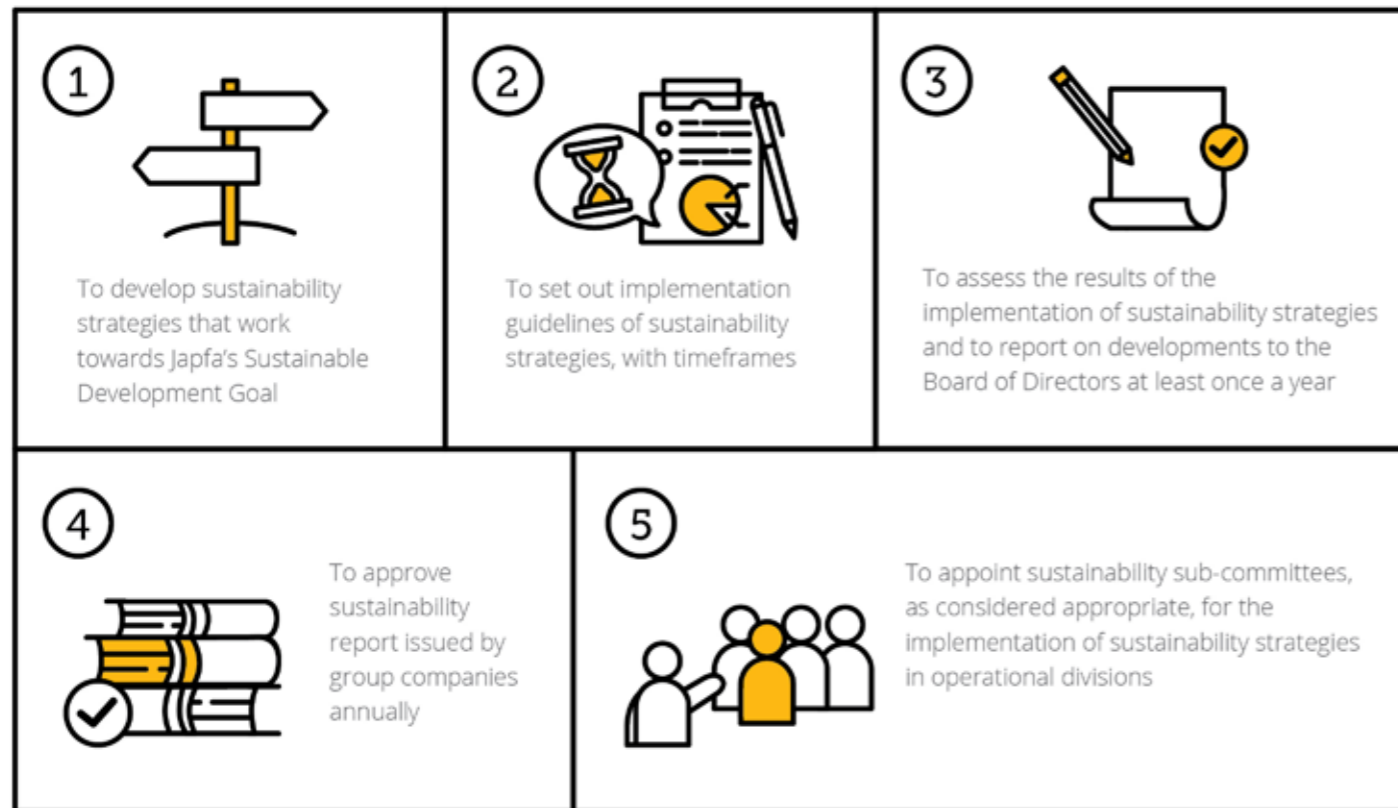
Sustainability Committee

COMPOSITION

The Sustainability Committee composed of the Chief Executive Officer and Chief Financial Officer. The Sustainability Sub-Committee for Poultry Operations comprises of 14 representatives from the senior management of our poultry operations across four countries, Indonesia, Vietnam, India, Myanmar. The members of this sub-committee are the sustainability champions that will encourage the adoption of a sustainability mindset throughout Japfa. The Sustainability Coordinating Sub-Committee are also responsible for rolling out the sustainability pillars, documenting our progress and identifying key areas for further development.

ROLES AND RESPONSIBILITIES

The Sustainability Committee has the following roles and responsibilities:



1

About Our Company

11	12	13	14	16	19
Overview	Our Values	Our Mission	Our Business Model	Our Operations	Our Business Segments

ABOUT OUR COMPANY

Overview

- Our Values
- Our Mission
- Our Business Model
- Our Operations
- Our Business Segments

Japfa Ltd is a leading, pan-Asian, industrialised agri-food company dedicated to feeding emerging Asia with essential proteins

OVERVIEW

Japfa Ltd (“Japfa”, the “Company”, or together with its subsidiaries, the “Group”) is a leading, pan-Asian, industrialised agri-food company dedicated to feeding emerging Asia with essential proteins. Japfa is a public company, listed on the Singapore Stock Exchange. Headquartered in Singapore, we employ over 38,000 people across an integrated network of modern farming, processing and distribution facilities in Indonesia, Vietnam, Myanmar, India and China. We specialise in producing quality dairy, protein staples (poultry, beef, swine and aquaculture) and packaged food that nourish millions of people. For over 45 years, we have grown in scale to become leaders in multiple protein foods, by embracing an integrated industrialised approach to farming and food production across the entire value chain. We have created large-scale standardised operations which allow us to consistently produce high quality proteins and to replicate our business model across different markets and protein types. In addition, our business is vertically integrated from animal feed production and breeding to commercial farming and food processing. This not only creates opportunities for us to capture value at different points in the agri-food chain but also provides our customers with greater food security and traceability.

of our products and the high production yields. We place a strong focus on bio-security with stringent operating procedures, while building strategic alliances with global leaders in breeding research.

Today, we are one of the two largest producers of poultry in Indonesia. We have also replicated our industrialised, vertically integrated business model for poultry operations in Vietnam, Myanmar and India, as well as swine operations in Vietnam. On top of this, we have successfully replicated our Indonesian dairy business in China, where we are now amongst the leading producers of premium raw milk in the country, commanding one of the highest milk yields. Our raw milk in Indonesia and China is also of the highest quality in terms of nutritional standards. We leverage on the high quality of our raw materials to produce premium and mass market consumer branded food products under leading brands such as So Good, as well as Greenfields, which is the top fresh pasteurised milk brand in Indonesia's modern trade channel¹.

Given the growing affluence of our target middle- and lower-income consumer groups, we expect protein food consumption in these markets to rise. As one of the most competitive and efficient producers, we are focused on tapping the growing animal protein consumption in the five emerging economies that we operate in, where more than 40% of the world's total population lives. We plan to forge ahead with our strategy of expanding across multiple protein segments in these high growth emerging Asian markets.

¹GRI 102-1, GRI 102-4, GRI 102-7, GRI 102-8-, GRI 203-6

Over 45 Years of Growth

The Group has grown from a single poultry feedmill in Indonesia to a leading pan-Asian agri-food company in 5 countries. Its diversification strategy into new geographies and proteins well positions the Group to be a long-term industry player

We pride ourselves on our use of superior breeds, and a sophisticated approach to animal husbandry, animal health, nutrition and welfare – all of which reinforce the quality

¹PT Austasia Foods' calculation and claim is based on value and volume sales data provided by Nielsen Scan Track Service for the Indonesian market's pasteurized Milk category for the 12 months ending September 2016 (Copyright © 2016, Nielsen)

ABOUT OUR COMPANY

- Overview
- Our Values**
- Our Mission
- Our Business Model
- Our Operations
- Our Business Segments

OUR VALUES

Central to our Corporate Culture & Responsibility is the nurturing of sustainable, growth-orientated relationships based on trust and integrity. **Growing Towards Mutual Prosperity** is the vision which we practise and uphold with Japfa's various stakeholder groups.

[GRI 102-16, GRI 102-40, GRI 102-42, GRI 102-44]

With Shareholders

Our goal is to achieve consistently superior investment returns

With Employees

We adopt fair and ethical business practices

With Business Partners

We work to reinforce each other's core competence

With Employees

We identify and develop programmes that bring out the best in everyone

With Customers

We focus on delivering quality products and services at competitive prices

With Local Communities

We actively strive to be a good neighbor by engaging in social programmes that address specific needs

ABOUT OUR COMPANY

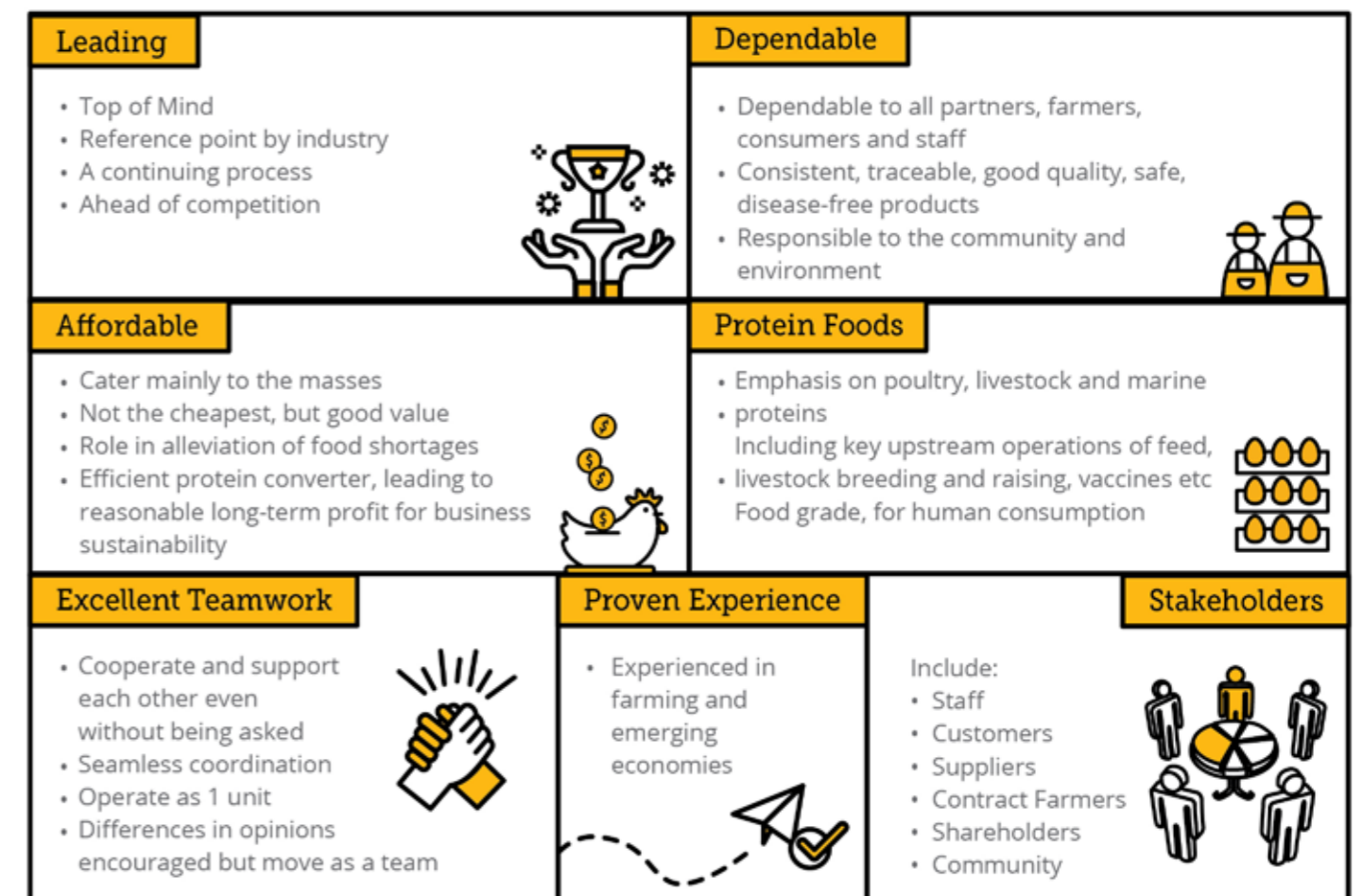
- Overview
- Our Values
- Our Mission**
- Our Business Model
- Our Operations
- Our Business Segments

OUR MISSION

To be the **leading dependable** provider of **affordable protein foods** in Emerging Asia by building on the foundation of our **excellent teamwork** and **proven experience** for the benefit of all **stakeholders**.

[GRI 102-16, GRI 102-40, GRI 102-42]

Clarifications:



ABOUT OUR COMPANY

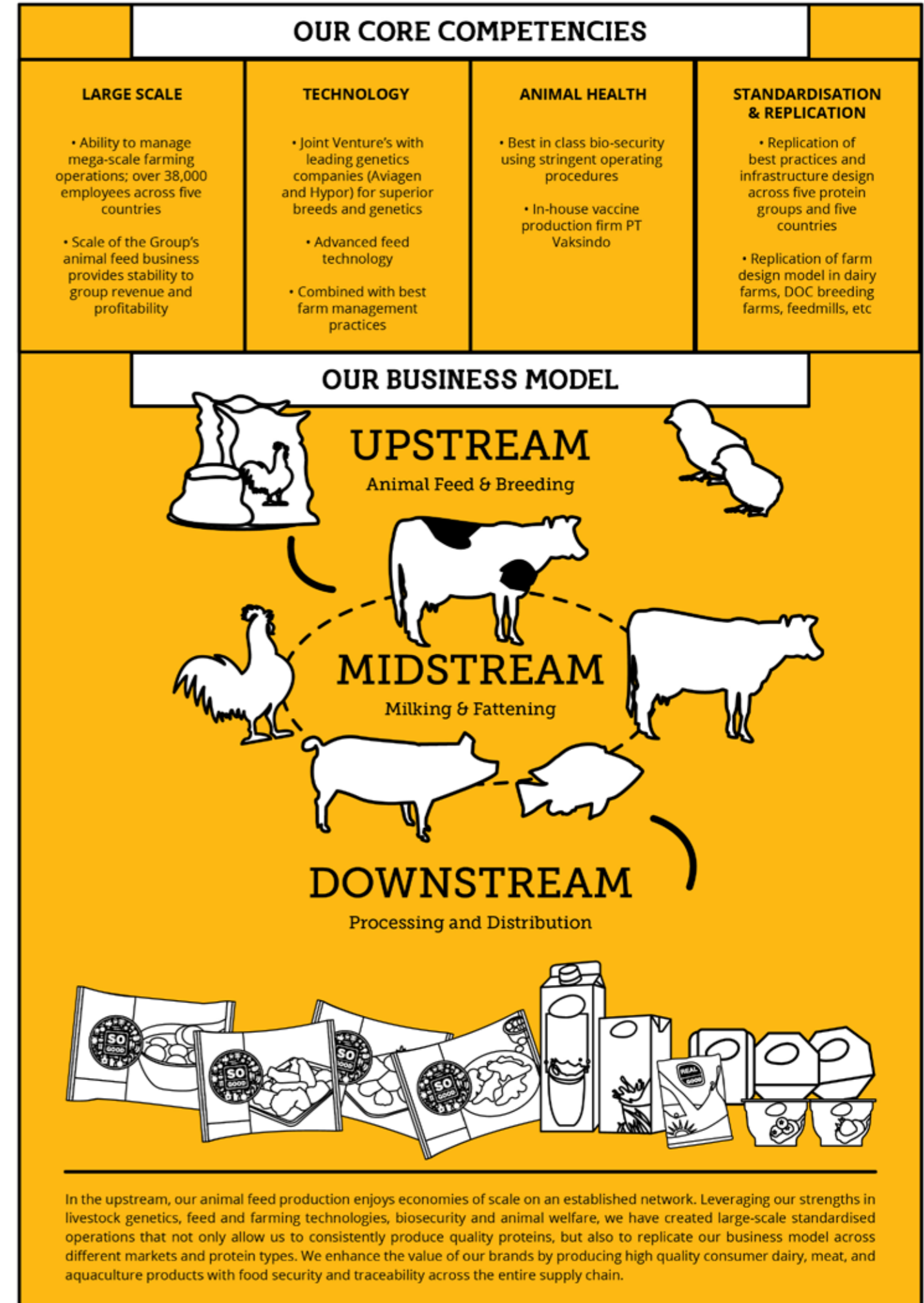
- Overview
- Our Values
- Our Mission

Our Business Model

- Our Operations
- Our Business Segments

OUR BUSINESS MODEL

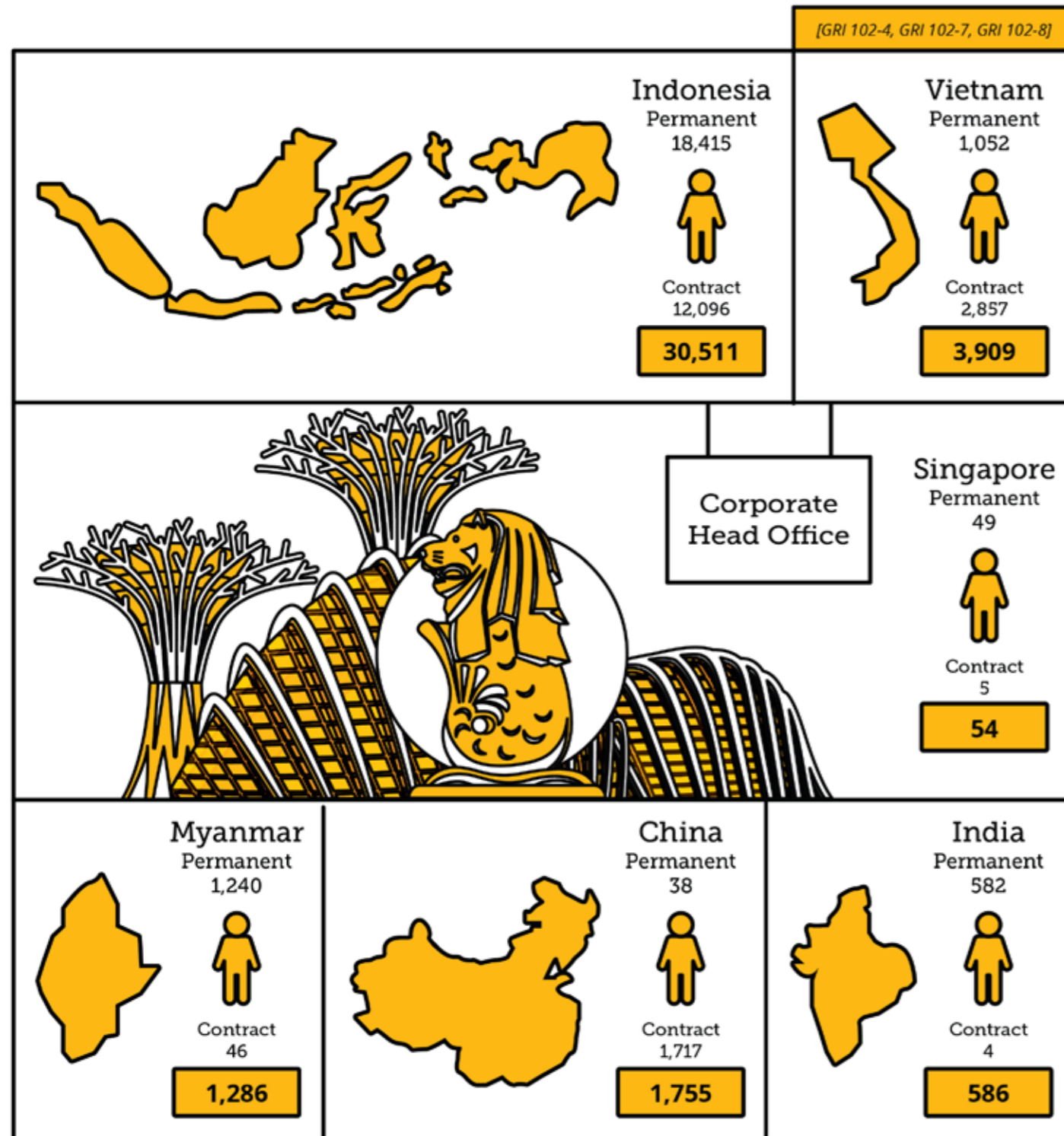
We have a vertically integrated business model that covers the entire value chain for many of our protein products, from feed production and breeding to commercial farming and processing. In addition, we are able to leverage our premium protein production operations through our downstream consumer food business. *[GRI 102-2]*



ABOUT OUR COMPANY

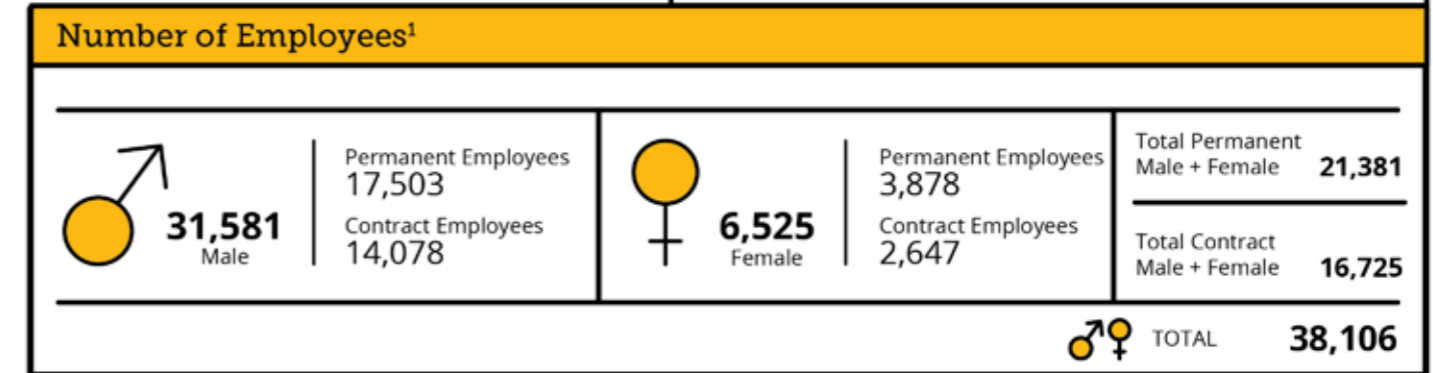
- Overview
- Our Values
- Our Mission
- Our Business Model
- Our Operations**
- Our Business Segments

OUR OPERATIONS



ABOUT OUR COMPANY

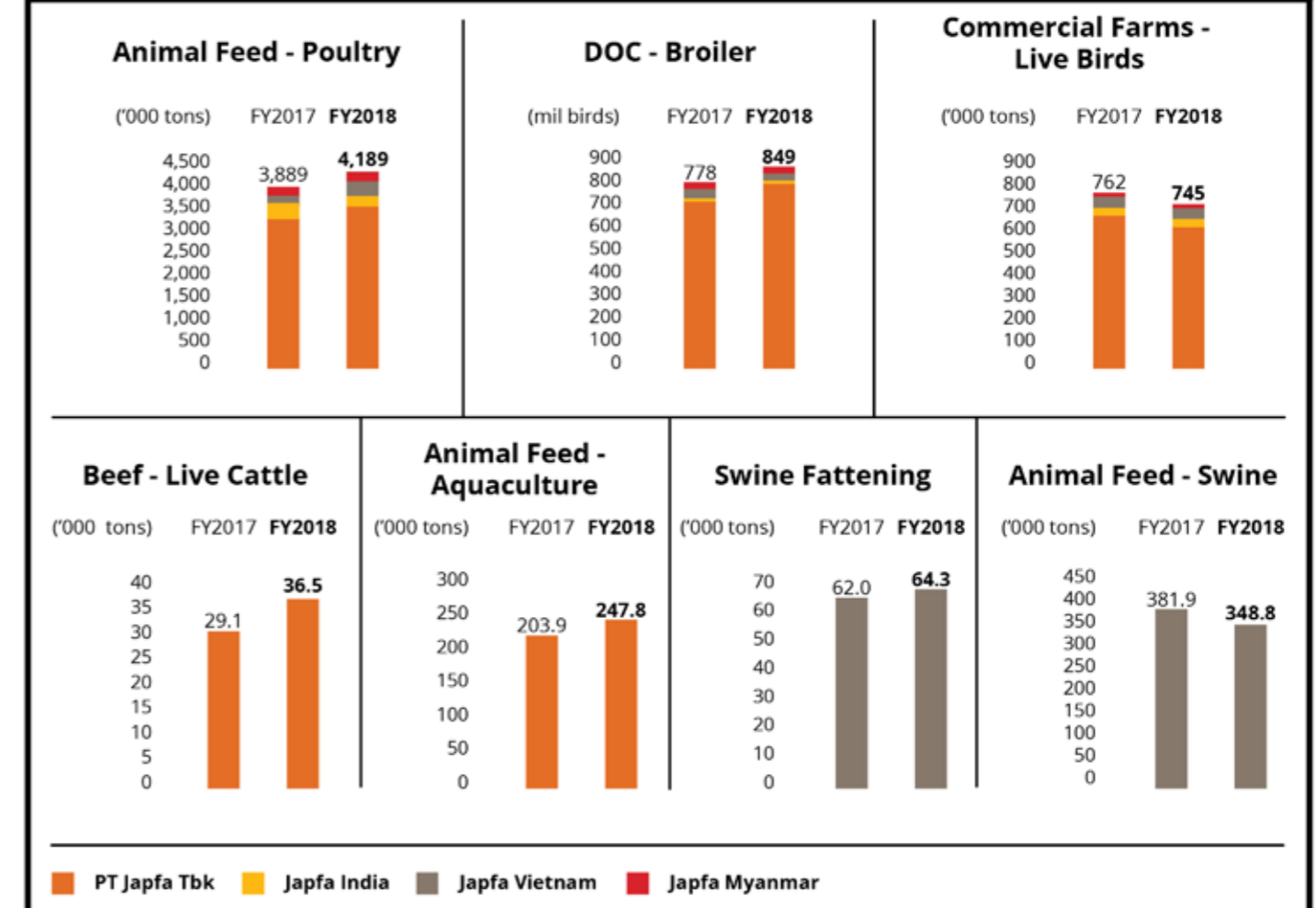
Scale of the Organisation [GRI 102-7, GRI 102-8]



Japfa Ltd Revenue FY2018

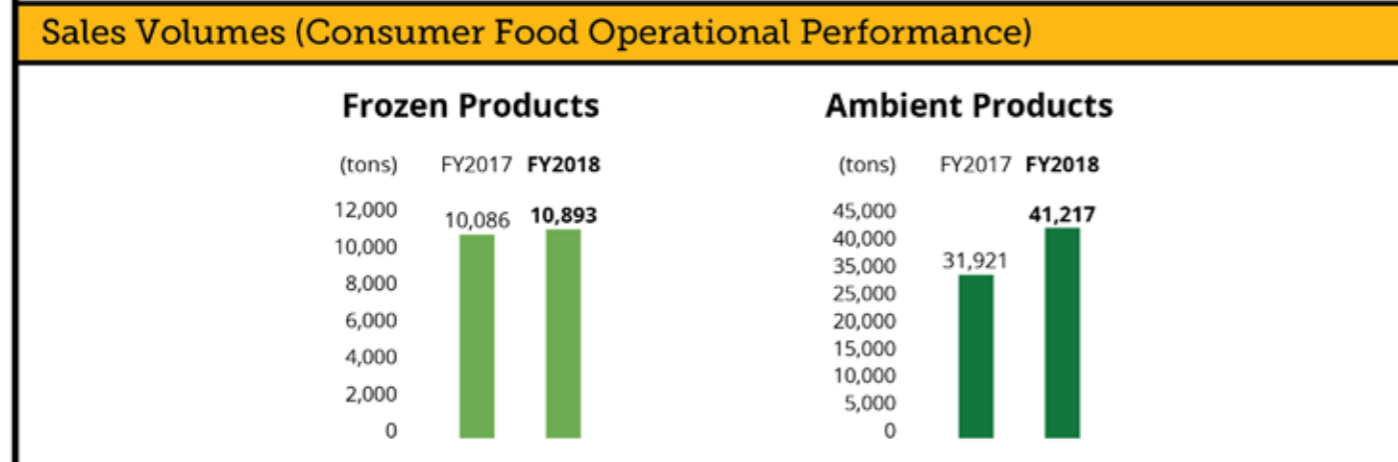
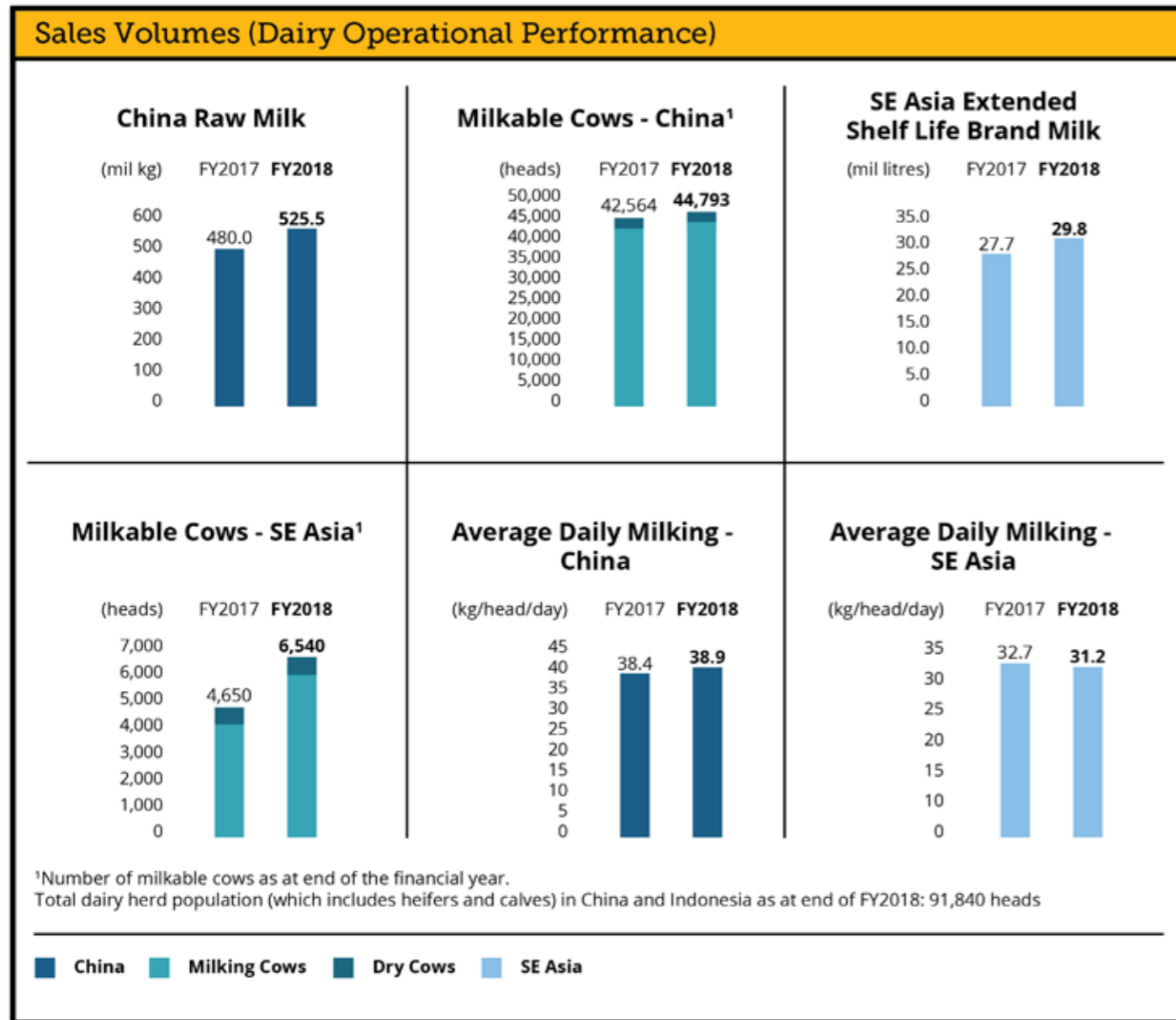
US\$ 3,533.3 million

Sales Volumes (Animal Protein Operational Performance)



¹Data collection using SAP HCM and Legacy System

ABOUT OUR COMPANY



ABOUT OUR COMPANY

- Overview
- Our Values
- Our Mission
- Our Business Model
- Our Operations

Our Business Segments

OUR BUSINESS SEGMENTS

Animal Protein - PT Japfa Tbk

In Indonesia, we run our animal protein operations through IDX-listed PT Japfa Comfeed Indonesia Tbk (PT Japfa Tbk), which we own 52% of the share capital. We are a large-scale producer of specially formulated animal feed. We produce quality animal proteins, namely poultry, beef and aquaculture. We partner with world leading genetics companies to breed high performance parent livestock in modern farm facilities using advanced management systems.

Poultry

We produce premium-quality animal feed for our own poultry operations, as well as for sale to third parties. We supply consistent quality feed to our customers and, as a result of effective feed conversion ratios (i.e. total amount of feed required per bird kilogram), our feed brands, Comfeed and Benefeed, are among the most recognised in Indonesia. In collaboration with world leading poultry genetics company Aviagen, we also deliver high performance Day-Old-Chicks (DOCs).

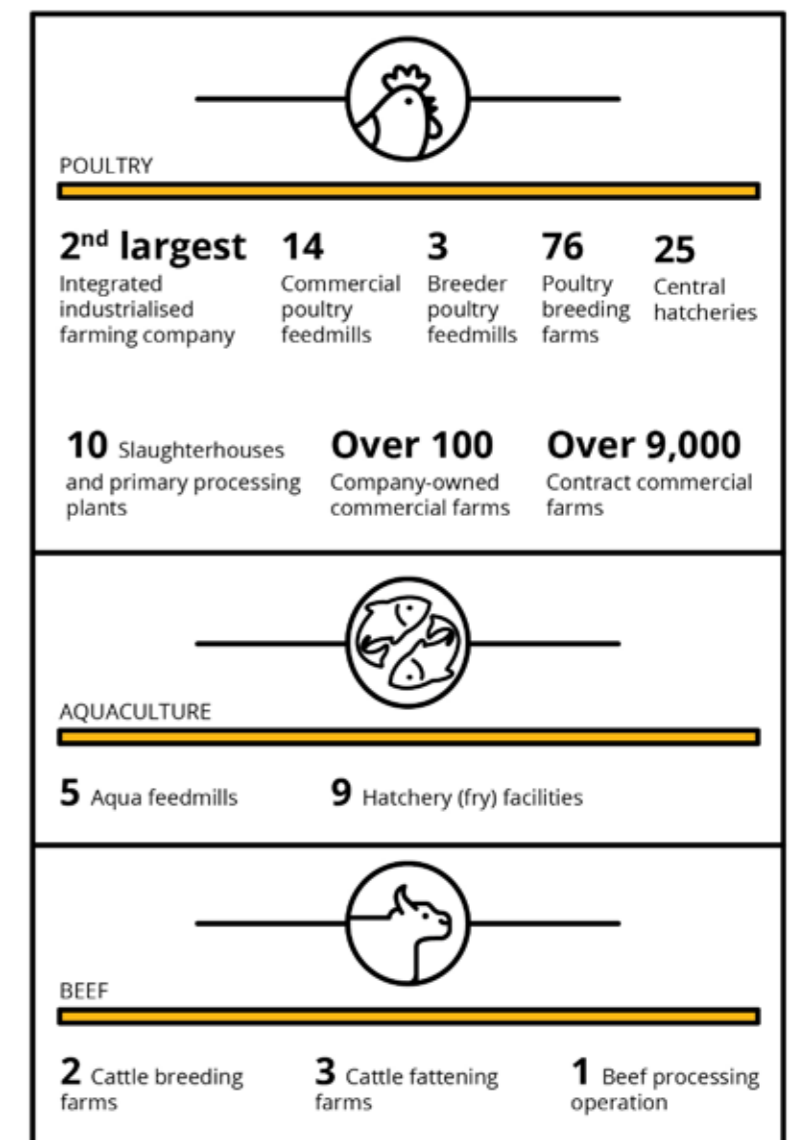
Aquaculture

Feed production is the core activity of our aquaculture business. Our aqua-feedmills produce a wide range of feed products for both marine and fresh water aquaculture species. We also operate cold storage and processing plants, fresh water fish farms, shrimp ponds, as well as shrimp and fresh water hatcheries to support our aquaculture customers.

Beef

Through our vertically-integrated wagyu cattle operations, we produce premium quality beef, namely Tokusen Wagyu Beef, targeted at the premium market segment in Indonesia.

Indonesia



ABOUT OUR COMPANY

- Overview
- Our Values
- Our Mission
- Our Business Model
- Our Operations

Our Business Segments


Animal Protein - Other

The Animal Protein Other (APO) segment covers our operations in Vietnam, Myanmar and India, where we produce quality animal feed, poultry and swine. Our APO operations constitute a key part of the Group's diversification strategy to ensure long term sustainable earnings, and have successfully replicated our industrialised, vertically integrated business model across the emerging Asian markets.



Vietnam

POULTRY




5 Feedmills (poultry and swine feed)	1 Grand Parent ("GP") farm	13 Parent Stock ("PS") farms	3 Central hatcheries
--	--------------------------------------	--	--------------------------------

Over 300
Company-managed and contract commercial farms

Myanmar


POULTRY



2 Poultry feedmills	3 Poultry breeding farms	2 Hatcheries	11 Company-managed commercial farms
-------------------------------	------------------------------------	------------------------	---


India

POULTRY



7 Poultry feedmills	1 Poultry breeding farms	2 Hatcheries	Over 400 Contract commercial farms
-------------------------------	------------------------------------	------------------------	--

SWINE



1 Great Grand Parent ("GGP") farm	6 Grand Parent ("GP") farms	22 Parent Stock ("PS") farms	Over 280 Company managed and contract fattening farms
---	---------------------------------------	--	---

ABOUT OUR COMPANY

- Overview
- Our Values
- Our Mission
- Our Business Model
- Our Operations

Our Business Segments


Dairy

We pioneered the first "grass-to-glass" vertically integrated modern dairy operation in Indonesia in 1998. Today we own, in Indonesia and China, 8 world-class fully operational dairy farms and one processing plant that are designed, equipped and managed to meet and exceed international standards in productivity and bio-security.



China

DAIRY



7 Dairy farms	Premium raw milk produced and sold to leading dairy companies
Nearly 78,000 Heads of Holstein Cattle	38.9 kg/head/day in milk yields - continues to surpass its competitors

South East Asia

DAIRY



Largest Dairy Farm operations by volume of premium fresh milk produced (Indonesia)	#1 Brand For Fresh Pasteurized Milk in Indonesia
2018 Superbrands Award Voted as a Singapore Favourite Brand within the Milk Category	Yogurt & Small-Pack UHT Milk launched in Indonesia



ABOUT OUR COMPANY

- Overview
- Our Values
- Our Mission
- Our Business Model
- Our Operations

Our Business Segments



Indonesia



CONSUMER FOOD

Founded in 1996

Production Volume of more than **50,000 tonnes** of processed poultry and meat products in 2018

Production Volume of approximately **47 million litres** of UHT milk in 2018

Our Brands

We produce So Nice shelf-stable sausages as well as So Good and So Nice frozen ready-to-cook processed food

Consumer Food

Our downstream consumer food products are manufactured using our quality animal proteins as raw materials. With our expertise in agri-food production, we produce quality consumer food products and have grown to be one of the pioneer providers of protein-based processed food to nourish and delight Indonesian families with practical, reliable and tasty protein.

Our *So Good* and *So Nice* brands are leading brands in Indonesia for processed meats, such as chicken nuggets, meat balls and shelf-stable sausages. We also manufacture and market small-pack UHT liquid milk under the *Real Good* brand in Indonesia.



2

About This Report

25 What Matters Most

26 Stakeholders Engagement

28 Key Topics for Our 2018 Sustainability Report

30 Supply Chain of Japfa Poultry

ABOUT THIS REPORT

[GRI 102-10, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-54, GRI 102-56]

This Sustainability Report is an important tool to communicate with our stakeholders as well as to highlight our approach, monitor and evaluate the activities and the results we achieved in relation to our economic, social, and environmental performance.

This is our second Sustainability Report and covers the reporting period from January 1 to December 31, 2018. Our inaugural Sustainability report covered the year 2017 and was published in 10 September 2018. We plan to issue a sustainability report annually.

Some data in this report are based on initial measurements and samples from several units, thus it cannot be used as baseline. This year, we are working on aligning our system as well as our data inventory from other units. We are committed to continuously improve our data collection system to produce robust and reliable data for better future reporting.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The GRI Standards are the first global standards for sustainability reporting. They feature a modular, interrelated structure,

and represent the global best practice for reporting on a range of economic, environmental and social impacts. GRI's Food Processing Sector is used for our sector disclosure requirements. Also, to improve readability, we include disclosure number at relevant sections of this report. At the end of this report, a GRI Content Index is presented in the form of a list of disclosures. External assurance has not been conducted this year.

There is a restatement for the 2017 Sustainability Report with regard to the breakdown of energy consumption due to the data gaps on the unit of measurement. The consumption of renewable biomass energy was reported as 98%. It is restated to 26% for FY2017. These data have been corrected or adjusted for 2018 Sustainability Report. Furthermore, the calorific value conversion of CNG is restated with corrected value i.e. 37.26 MJ/m³, which follows the International Gas Union (IGU) in the energy consumption table. There was no recalculation for previous year data, as that was calculated with the correct conversion value.

This report can be downloaded at Japfa's website. We welcome feedback from our stakeholders. Please contact our Investor Relations at:

Japfa Ltd

391B Orchard Road, #18-08
Ngee Ann City Tower B
Singapore 238874
Tel: +65-6735 0031
Fax: +65-6735 4465
Email: investorcontact@japfa.com
Website: www.japfa.com

[GRI 102-3, GRI 102-53]



ABOUT THIS REPORT

What Matters Most

Stakeholders Engagement
Key Topics for Our 2018
Sustainability Report
Supply Chain of Japfa Poultry

WHAT MATTERS MOST

As part of our corporate culture, we treasure growth-oriented relationships based on trust and integrity. We practise and uphold the motto of "Growing Towards Mutual Prosperity" with our stakeholders, namely shareholders, business partners, customers, suppliers, employees and local communities. [GRI 102-42]

The voice of our stakeholders is important to understand what matters the most to our company. We applied the 10 reporting principles for defining report content and quality. In defining the report content, the 4 reporting principles that must be met are Stakeholders inclusiveness, sustainability context, materiality and completeness. The quality of the report is governed by the 6 reporting principles of accuracy, balance, clarity, comparability, reliability and timeliness.

In defining our materiality for the report, we started with an internal management meeting. We then conducted focus group discussions, distributed questionnaires to the representatives of Board of Directors and management of Poultry operations as well as various departments such as Human Resources, Finance and Accounting, Social Investment, Legal and License and Japfa Foundation. Their feedbacks represent the voice of internal stakeholders. We also conducted a survey with our external stakeholders such as our customers, suppliers, farmers, local communities, government and Non-Government Organisation (NGO) to get their feedback.

The poultry operations contributed around 66% of the Company's consolidated revenue. Therefore, for our 2018 Sustainability Report, we focus on reporting the poultry operations in Indonesia, Vietnam, Myanmar and India

[GRI 102-45, GRI 102-46]

Within the report, the term "Japfa Poultry" refers to Japfa's Poultry Operations in Indonesia, Vietnam, Myanmar and India; PT Japfa Comfeed Indonesia Tbk (PT Japfa Tbk or Japfa Tbk) refers to Japfa's Poultry Operations in Indonesia; Japfa Vietnam refers to Japfa's Poultry Operations in Vietnam; Japfa Myanmar refers to Japfa's Poultry Operations in Myanmar; and Japfa India refers to Japfa's Poultry Operations in India.

ABOUT THIS REPORT






What Matters Most

Stakeholders Engagement

Key Topics for Our 2018 Sustainability Report
Supply Chain of Japfa Poultry

STAKEHOLDERS ENGAGEMENT

[GRI 102-40, GRI 102-43, GRI 102-44]


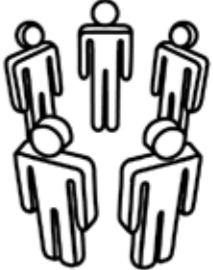


<p>Customers</p> <p>TOPIC Various product and service information, including production process; Customer requirement coordination; Invoice payment method; Complaint and solution service; Satisfaction of service</p> <p>METHOD FREQUENCY</p> <p>Website and frontline information Available 24 hours</p> <p>Call center service Ad hoc</p> <p>Satisfaction survey Annually</p> 	<p>Shareholders</p> <p>TOPIC Financial and non-financial performance review; Overall annual performance review; Operational information</p> <p>METHOD FREQUENCY</p> <p>General Meeting of Shareholders Quarterly/annually</p> <p>Investor Presentation Decks</p> 
<p>Employees</p>  <p>TOPIC Socialisation of policies and strategies related to employment; Equal employment opportunities and career paths; Career development, training and others; Health and work safety insurances; Capacity building</p> <p>METHOD FREQUENCY</p> <p>Employee gathering, workshop, training, communication forum, town hall meeting, birthday celebration at all offices Once a month, twice a month, twice a year, and/or ad hoc</p>	<p>Government</p>  <p>TOPIC Business licensing and regulation; Coordination of trade system; Compliance and reporting; Dissemination of government regulations</p> <p>METHOD FREQUENCY</p> <p>Socialisation and coordination meetings Ad hoc, monthly, and/or annually</p>
	<p>Distributors</p>  <p>TOPIC Sales performance; Various products and service information; Pricing; Company financial performance</p> <p>METHOD FREQUENCY</p> <p>Direct visits, phone calls, gathering Ad hoc and/or daily</p>

ABOUT THIS REPORT

What Matters Most

Stakeholders Engagement

Key Topics for Our 2018 Sustainability Report
Supply Chain of Japfa Poultry

<p>Associations</p> <p>TOPIC Networking; Community development and education; Joint events</p> <p>METHOD FREQUENCY</p> <p>Meeting and other activities Ad hoc, once a month, and/or quarterly</p> 	<p>Local Community Organisations</p> <p>TOPIC Socialisation program; CSR implementation program; How to optimize the achievement of CSR programs; Information on JAPFA's activities and campus hiring</p> <p>METHOD FREQUENCY</p> <p>Strategic cooperation to run Corporate Social Responsibility programs; Meetings with CSOs, social organisations, local communities and campuses; Meeting with village and township administrator Ad hoc and/or semi annually</p> 
<p>Contract Farmers</p>  <p>TOPIC Profit sharing scheme; Product information, production information, poultry nutrition and feed management; Technical advisory; Poultry management</p> <p>METHOD FREQUENCY</p> <p>Phone calls and/or direct visits Daily; Weekly; Ad hoc visits</p>	<p>Suppliers</p> <p>TOPIC Competitive price and supply; Quality of services; Products; Renewal policies of products</p> <p>METHOD FREQUENCY</p> <p>Phone calls Ad hoc, daily, semi annually and/or annually</p> 

ABOUT THIS REPORT

What Matters Most
Stakeholders Engagement

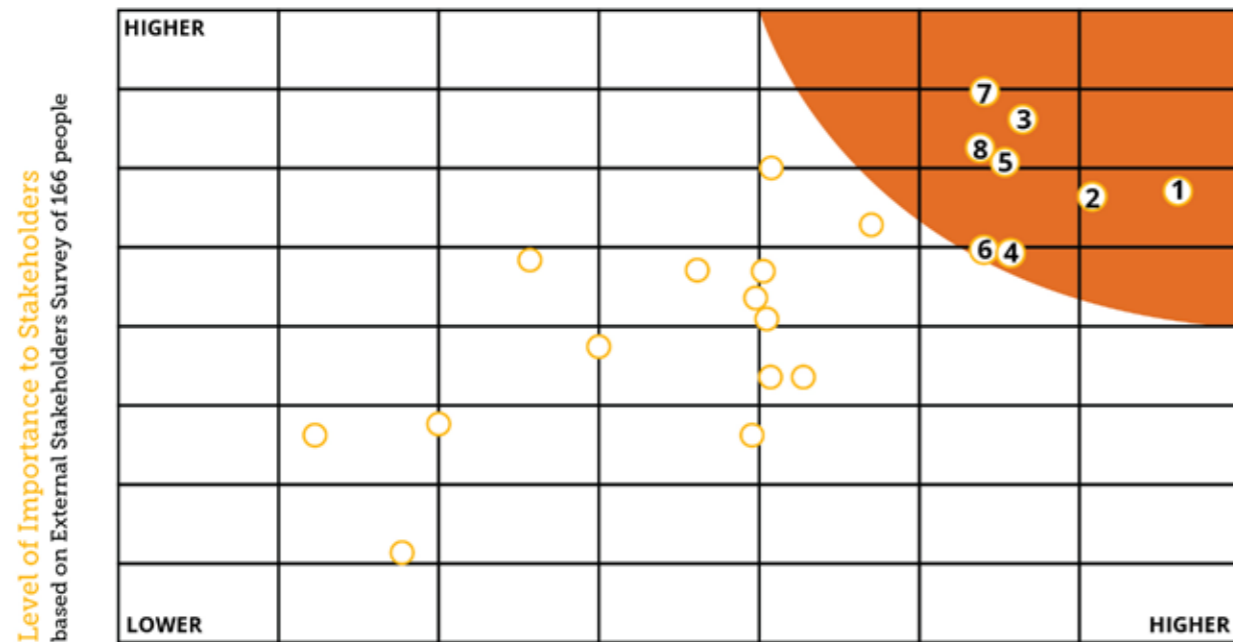
Key Topics for Our 2018 Sustainability Report

Supply Chain of Japfa Poultry

KEY TOPICS FOR OUR 2018 SUSTAINABILITY REPORT

In 2018 we focus our sustainability report on 8 materiality topics that we identified through a stakeholders consultation process. A materiality survey has been carried out by 260 internal and external stakeholders. Based on our quantitative analysis, we constructed our materiality matrix and defined our topics for this year's report. They are reported below:

[GRI 102-42, GRI 102-47]



Relevant Issues for the Company based on Internal Stakeholders Survey of 94 people



ABOUT THIS REPORT

What Matters Most
Stakeholders Engagement

Key Topics for Our 2018 Sustainability Report

Supply Chain of Japfa Poultry

As a second step, we linked each topic on materiality with the GRI Standards. Every topic has its own boundary within our supply chain. The topics boundary describes where the impacts occur for a material topic and Japfa's involvement. Japfa might be involved either through their own activities or as a result of its business relationships with other entities.

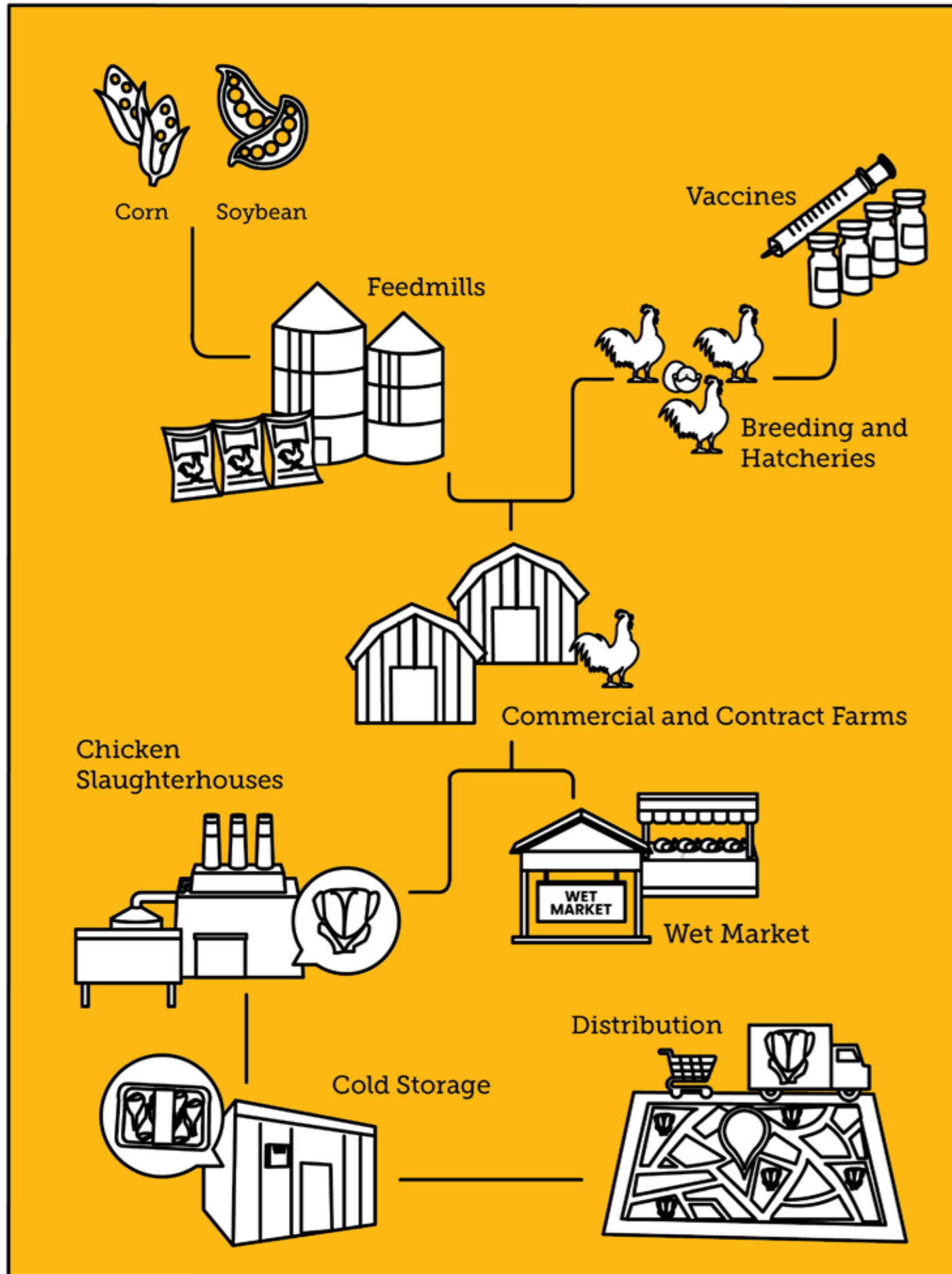
The impacts that we reported can be caused by, contributed by, or linked to our activities through a business relationship. The impact will affect not only Japfa itself, but also the supply chain, either upstream or downstream. This topic boundary can provide insights on the risk assessment and precautionary approach for the whole business.

[GRI 102-47]



Our Key Topics	GRI Topics	Japfa Supplier	Japfa Ltd	Japfa Poultry	Contract Farmers
Providing nutritious and affordable food for the community / consumer	Housing of the Chickens and a Sustainable Approach to Poultry Farming, Feed Balance Diet, Safe Transport, Marketing and Labeling	○	○○	○○○	○○
Product is processed in facility with food safety certification (HACCP, food safety management system standards, HALAL)					
Training and development for employee	Employment, Occupational Health and Safety, Diversity and Equal Opportunity, Training and Education, Security Practices		○○	○○○	○○
Employee benefit (including pre-pension programme)					
Occupational health and safety (OHSE - Occupational Health, Safety & Environment)	Occupational Health and Safety, Reclaimed Packaging Materials, Energy, Emissions, Water, Effluent and Waste, Environmental Compliance		○	○○○	○○
Choose reliable, trusted and traceable suppliers	Economic Performance, Procurement Practices, Anti-Corruption, Anti Competitive Behavior, Socioeconomic Compliance				
Company financial performance		○	○	○○○	○○
Anti-corruption	Community Development, Indirect Economic Impact, Local community				

We recognise the importance of traceability in a sustainable supply chain. Our products are traceable throughout our supply chain. *[GRI 102-9]*



3

Providing Affordable & Nutritious Protein

34 Strict Biosecurity

36 Balanced Feed Formulation

37 Sustainable Poultry Practices and Housing of the Chickens

39 Safe Transport

40 Proper Use of Vaccines and Medications

41 Food Safety Standards in Slaughterhouses

Providing Affordable and Nutritious Protein

In recent years, the economic development in Asia has been growing rapidly. Despite their growth, Indonesia, Myanmar, Vietnam and India are still overcast by chronic malnutrition. One major outcome of malnutrition is stunting. In 2018, UNICEF reported that in Asia 83.6 million children under the age of five are stunted; 88% of them are located in South Asia and Southeast Asia.



The Sustainable Development Goal number 2:

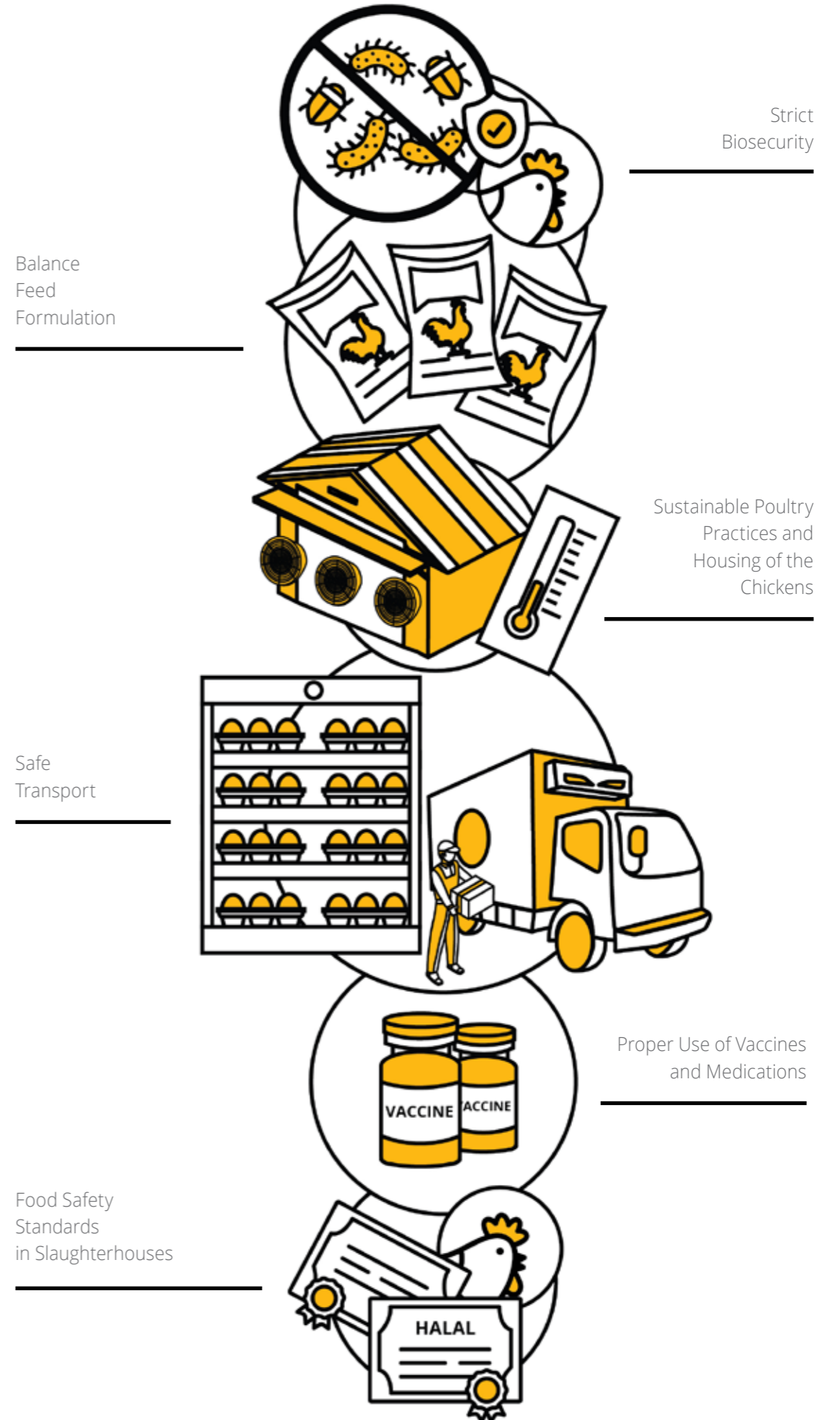
- End hunger
- Achieve food security and improved nutrition
- Promote sustainable agriculture

As an agri-food producer, Japfa is driven to make a lasting impact on child malnutrition issues. We aim to contribute to Goal no. 2 by providing access to affordable quality proteins through our vertically-integrated industrialised operations and efficient production system. Following our Sustainability Pillars, an efficient production system can be achieved by ensuring the health and welfare of our chickens, the efficient use of resources and by minimising waste and emissions.



Why it matters?

Our Approach



Providing Affordable and Nutritious Protein

Strict Biosecurity

Balanced Feed Formulation
Sustainable Poultry Practices and Housing of the Chickens
Safe Transport
Proper Use of Vaccines and Medications
Food Safety Standards in Slaughterhouses

STRICT BIOSECURITY

Global warming, with its extreme weather conditions, increases the vulnerability of our poultry to illness. The altered weather patterns have increased our challenges in managing biosecurity. Additionally, some farms, such as in Myanmar, are located in dedicated farming areas where other animals may exist in neighbouring facilities and may increase potential biosecurity hazards.

We apply strict biosecurity practices throughout our operations to overcome this global phenomenon by preventing flock infection from external sources, including a heightened biosecurity protocol during outbreak season.

Practicing strict biosecurity and hygienic procedures to prevent the entry and spread of pathogens into farms is one of our paramount cores. Strict biosecurity implementation

requires collaborative effort of all parties. Japfa maintains discipline and good husbandry among farm personnel. Continuous training and employee development are conducted to ensure its implementation.

We developed policy and strategies to manage pests and infectious diseases from entering, emerging, establishing, or spreading within our operation. Our biosecurity measures are based on three major components, namely isolation, traffic control and sanitation.

We implement these measures throughout our operations in all regions from feedmills to breeding farms and hatcheries. We are proud to say that our implementation of 3-zone biosecurity in Japfa India is the only one in that country.

[GRI 102-12, GRI 416-1]



The health of our chickens is our main priority in every step of our production cycle, and we ensure their well-being by preventing flock infection from external sources

Biosecurity

Our biosecurity measures are based on three major components, namely isolation, traffic control and sanitation.

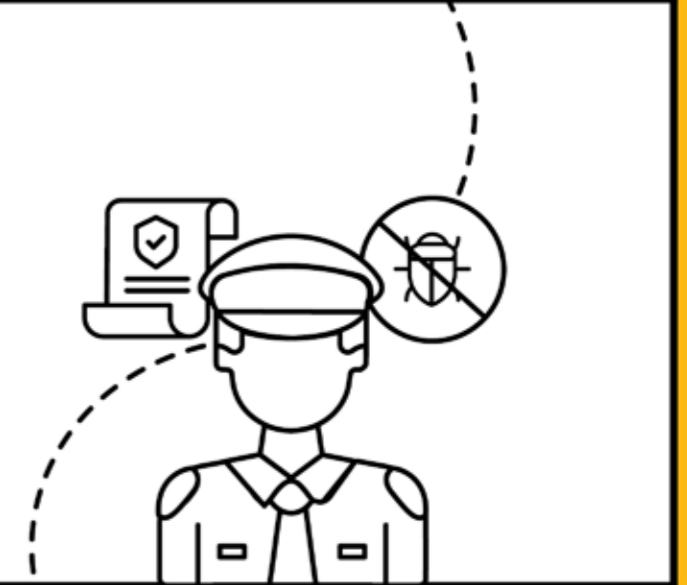
Isolation / Quarantine

Involves enclosed intensive housing in our breeding farms and applied separate hygienic air handling, feed and water throughs to avoid the risk of cross-contamination.



Traffic Control

Includes both traffic into farm and traffic patterns within the farm using strict arrangements and policies. Our traffic flow patterns are outlined to avoid disease agents from entering the farm by keeping potentially infected animals and contaminated objects such as clothing, footwear, vehicles, hardware, away from the poultry.



Sanitation

Addresses the disinfection of materials, individuals and equipment entering the farm and hygiene of the workforce.



Providing Affordable and Nutritious Protein

Strict Biosecurity

Balanced Feed Formulation

Sustainable Poultry Practices and Housing of the Chickens

Safe Transport

Proper Use of Vaccines and Medications

Food Safety Standards in Slaughterhouses

BALANCED FEED FORMULATION

We create specially-formulated feed through continuous innovative research and development.

Our formula considers all the requirements for balanced nutrition suitable for various phases of chicken development, especially in the tropical climate where we operate. We work alongside our expert nutritionists and utilise advanced technology such as the Near Infrared Reflectance to develop balance feed formulation and improve production efficiency concurrently.

In addition, we provide our customers with comprehensive information in our feed product label on the recommended dietary intake.

Our labelling format complies with strict labelling regulations from the government, especially in Myanmar, Vietnam and India where the governments have specific labelling requirements. Our labels also provide information on ingredients, nutrition value facts, quality, freshness, direction of use and expiry date.



Since 2018, PT Japfa Tbk have stopped the usage of Antibiotics Growth Promoter (AGP) to comply with government regulations (14/PERMENTAN/PK.350/5/2017). Prebiotic and/or essential oils are used as substitutes of antibiotics.

Antibiotics are given only to sick animals as prescribed by veterinarian. This practice complies to the dosage threshold values allowed by the government. [FP 12]

At Japfa Poultry, we do not use hormones to stimulate the growth of our chickens

Providing Affordable and Nutritious Protein

Strict Biosecurity

Balanced Feed Formulation

Sustainable Poultry Practices and Housing of the Chickens

Safe Transport

Proper Use of Vaccines and Medications

Food Safety Standards in Slaughterhouses

SUSTAINABLE POULTRY PRACTICES AND HOUSING OF THE CHICKENS

While genetics and diets are immensely influential to produce high quality poultry meat, the full potential of broilers can only be obtained when proper environment conditions are maintained in broiler houses. Our chickens are raised in a condition where they can eat, drink, rest and roam freely of closed/open-house farm systems.

Our closed houses are equipped with temperature control and adequate lighting to create a comfortable environment for our chickens. Automated rotating fans are used to maintain favorable temperatures and ventilation to control moisture and prevent bacteria to grow. In Myanmar our farms' rooftops are insulated to compensate for extreme temperatures.

In Vietnam and Myanmar, custom heaters that can be powered by any type of fuel are used. Our open house systems are used in Vietnam, Myanmar, India and in

some parts of Indonesia. We apply a different approach to accommodate temperature and climate. In India, trees are planted to surround the chicken houses to control air temperature. These trees will form a shade, protecting the house from sunlight and cleaning the air by absorbing the CO₂ produced by the manure. In Myanmar plastic pads are preferred to provide better air circulation and at the same time, prevent the chickens to directly step on their manure.

We produce high quality chickens with efficient production management supported by advanced technology. We use the latest technology in hatchery systems to provide smart incubation with advanced temperature and humidity control, with a complete range of hatchery automation systems to facilitate the production of DOC. The lights are replaced with LED bulbs. This replacement does not only reduce costs in the long run, but also helps chicken performance and reduces environmental pollution.



Providing Affordable and Nutritious Protein

Strict Biosecurity
Balanced Feed Formulation

Sustainable Poultry Practices and Housing of the Chickens

Safe Transport
Proper Use of Vaccines and Medications
Food Safety Standards in Slaughterhouses

Chickens naturally possess competitive behavior and fight with each other until they establish pecking order. The natural pecking behavior in chickens may create cannibalism among untrimmed chickens. To prevent pecking and cannibalism, which leads to injuries and mortality, Japfa uses laser beak trimming on its broilers.

Laser beak trimming is a promising alternative to conventional hot-blade beak trimming. It allows better beak uniformity and improves animal welfare. Beak trimming procedure prevents scattered feed and facilitates better feeding and mating. We also monitor the ratio of male and female chickens in the farm to prevent cannibalism. [FP 10]

We pioneered the use of advanced laser beak trimming technology in Indonesia



Providing Affordable and Nutritious Protein

Strict Biosecurity
Balanced Feed Formulation
Sustainable Poultry Practices and Housing of the Chickens

Safe Transport

Proper Use of Vaccines and Medications
Food Safety Standards in Slaughterhouses

SAFE TRANSPORT

In Indonesia, we transport our DOC via road and sea following applicable standards (e.g. Standar Nasional Indonesia (SNI) 2043:2011) using reusable plastic boxes for our commercial farm units and cardboard boxes from recycled paper for our customers. Reusable plastic boxes are also utilised in India. As of this report, PT Japfa Tbk has used 71% reusable plastic boxes, with the remaining 29% still reliant on cardboard due to long distance travels. [GRI 301-3]

To ensure traceability, our deliveries are tracked and information regarding the content are provided in the packages i.e. capacity, dimension, weight of empty package,

producer, chick size and hatching date. As safe transport and handling of chickens are important aspects of animal welfare, we mandate our farmers, drivers, and employees to attend training based on their role in the handling of chickens and for incident prevention.

In Myanmar and Vietnam, customers commonly bring their own transportation and packaging, so we suggest safety instructions for animal transport. This year, our consistency once more has prevented us from non-compliance incidents in the handling of animals. [FP 13]



Providing Affordable and Nutritious Protein

Strict Biosecurity
Balanced Feed Formulation
Sustainable Poultry Practices and Housing of the Chickens
Safe Transport

Proper Use of Vaccines and Medications

Food Safety Standards in Slaughterhouses

PROPER USE OF VACCINES AND MEDICATIONS

As we strive to maintain healthy chickens, vaccines and antibiotics are utilized as prevention and treatment, respectively. We produce our own vaccines through our subsidiary, PT Vaksindo Satwa Nusantara (Vaksindo), which is the leading poultry vaccine research plant in Indonesia that carries out research on endemic diseases in Asia and Africa regions. Vaksindo produces live and inactive vaccines in our certified isolated laboratories.

Developing a vaccine for specific diseases requires isolation of virus/bacteria from samples to be developed into an

innovative suitable vaccine. Vaksindo operates certified Biosafety Level (BSL) 3 facilities, which provide special handling facilities for hazardous biological materials. Together with international research institutions, Vaksindo produces various autogenous vaccines for poultry and animal livestock.

Our researchers and veterinarians conduct research and produce vaccines by following Good Manufacturing Practices Standard and ISO 9001:2015 under the supervision of our Quality Assurance (QA) department.



Providing Affordable and Nutritious Protein

Strict Biosecurity
Balanced Feed Formulation
Sustainable Poultry Practices and Housing of the Chickens
Safe Transport
Proper Use of Vaccines and Medications

Food Safety Standards in Slaughterhouses

FOOD SAFETY STANDARDS IN SLAUGHTERHOUSES

Currently, we have 10 chicken slaughterhouses across Indonesia. Our PT Japfa Tbk's poultry products have received the Halal certification by Majelis Ulama Indonesia/Indonesian Council of Ulama (MUI) for proper and appropriate ritual of Halal cutting and slaughtering standard requirement.

Some of our multinational clients have very strict requirements on sustainable poultry practices that we follow and uphold. We do not have any slaughterhouse operations in Myanmar, India and Vietnam as we sell live birds to various agents, distributors and traditional market.

In Indonesia, before the slaughtering process begins, chickens are stunned by well-trained workers to ease the process which in line with sustainable poultry practices. Slaughtered chickens are then transferred to packing and delivery department.

Our customers include restaurants, fried chicken outlets, caterers, supermarkets, and hotels across Indonesia. The majority of our products is customer order based, either branded or non-branded.

Several certifications have been accomplished by our slaughterhouses such as Halal certification recommended by MUI, Supplier Quality Management System (SQMS) certification, and Food Safety System Certificate (FSSC).

As a leading poultry producer, we constantly assess the quality and safety of our products. To date, we also do not have any incidents of non-compliance concerning the marketing communications of our poultry products.

[GRI 416-1, GRI 417-3]



At Japfa we are committed to strengthening the professionalism and competencies of our employees. To manage and retain great talents, we focus on developing knowledge and skills, providing opportunities for lifelong learning, promoting career advancement and preparing employees for competency advancement.

Nurturing Our Talents



Employee Engagement Programmes



Digitisation of Human Resource Systems



Retaining Our Talents



Health and Safety



Training and Development

4

Nurturing Our Talents

- 44 Employee Engagement Programme
- 45 Digitisation of Human Resource Systems
- 45 Retaining Our Talents
- 50 Health and Safety
- 52 Training and Development

Nurturing Our Talents

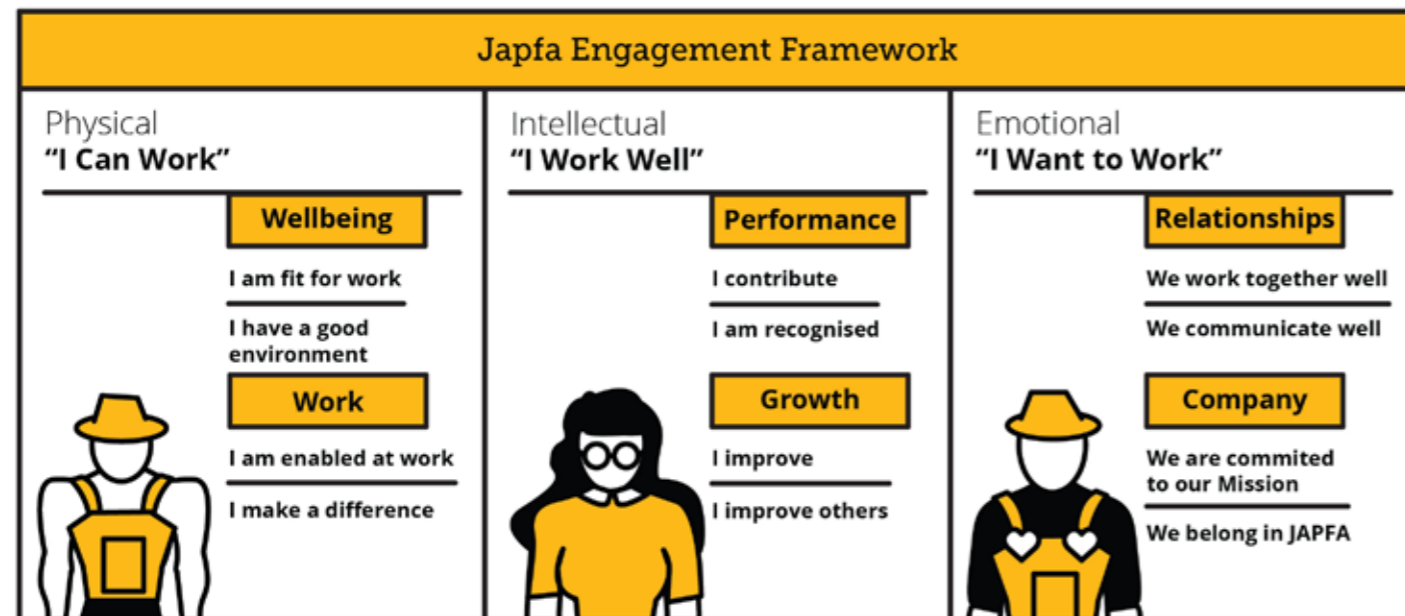
Employee Engagement Programme

Digitisation of Human Resource Systems
Retaining Our Talents
Health and Safety
Training and Development

EMPLOYEE ENGAGEMENT PROGRAMME

This programme has been implemented in all our Divisions and has been a major success ever since. In cooperation with a consulting company, in 2018, the Group conducted an "Employee Engagement Survey" which aimed to collect feedback from our employees regarding their employment

experience. This survey is planned to be conducted every 2 to 3 years. This in-depth survey has enlightened the company's management and will be used to determine the action plans for both the short and long term.



With the survey our employees can communicate their aspirations for our company. By this survey, our employees are easy to communicate their aspirations for our company. As the first year of implementation, the response rate was quite high at 96%. Out of the results, we selected three areas which we felt were important to improve and will be consolidated into an action plan. In addition, we also established other engagement programmes such as JAPFA Conversation, coaching and counselling. The JAPFA Conversation programme is implemented from the top management to Division level.

It allows a cross-section of our employees to engage with senior and top management in conversations and interaction. For coaching and counselling, it is still available for the junior management level.

All of the engagement programmes are meant to energise our employees, motivate them and certainly keep them more connected with our company. We believe that a high level of satisfaction of our employees helps the company to work more effectively and be more productive in achieving our goals.

Nurturing Our Talents

Employee Engagement Programme

Digitisation of Human Resource Systems

Retaining Our Talents

Health and Safety
Training and Development

DIGITISATION OF HUMAN RESOURCE SYSTEMS

In line with our sustainability commitment, this year we have started to digitise some of our HR systems in order to reduce paper usage and increase our efficiency. We apply this system for our employees master database and other relevant data, and set target as well as conduct performance evaluation for management level. We are also supported by the suite applications available to us under the Microsoft 365 suite, such as SharePoint.

As we aim to be more environmentally friendly, in 2018 we have started to go paperless by digitising the employee administration system and implementing SharePoint in our system

SharePoint is a web platform that can be accessed by all Divisions to store and collaborate on documents. This platform allows us to sort specific data for each related division and make data collaboration easier. Our programme on HR system digitisation has already started in Indonesia and we have extended it to other countries as well.

RETAINING OUR TALENTS

In conducting recruitment and promotion, we treat all potential employees equally and fairly. Every employee is assessed based on a transparent and scalable system that focuses on merit and performance. The system aims to motivate employees to have a positive mindset and a strong sense of camaraderie in contributing to the growth of our company.

Then, we also recruited 4,737 new employees to fill various positions, according to our needs and development plan. Detailed data are presented in the next page.

We believe that living our sustainability commitment will help us effectively increase employee satisfaction and attract new talents. Japfa has been successfully in maintaining a relatively low level of employee turnover over the years.

The culture in India has challenged us to apply a special approach to attract new talents, particularly women. Protection and gender equality are part of our strategy to minimise discrimination. We have a lot of women workers, particularly to take care of our chickens in our farms, following their maternal instinct to nurture.

During the reporting period, the Japfa Poultry's employee turnover rate was 5% or 994 employees in Indonesia, 20% or 334 employees in Vietnam, 25% or 261 employees in Myanmar, and 13% or 63 employees in India.

Although their culture usually keeps women at home, we are glad that working together with us has improved these women's skills and their livelihood. We form a bipartite cooperation between the management and the worker in all the countries we operate except in Vietnam, where we have a collaborative bargaining agreement

Nurturing Our Talents

Employee Engagement Programme
Digitisation of Human Resource Systems

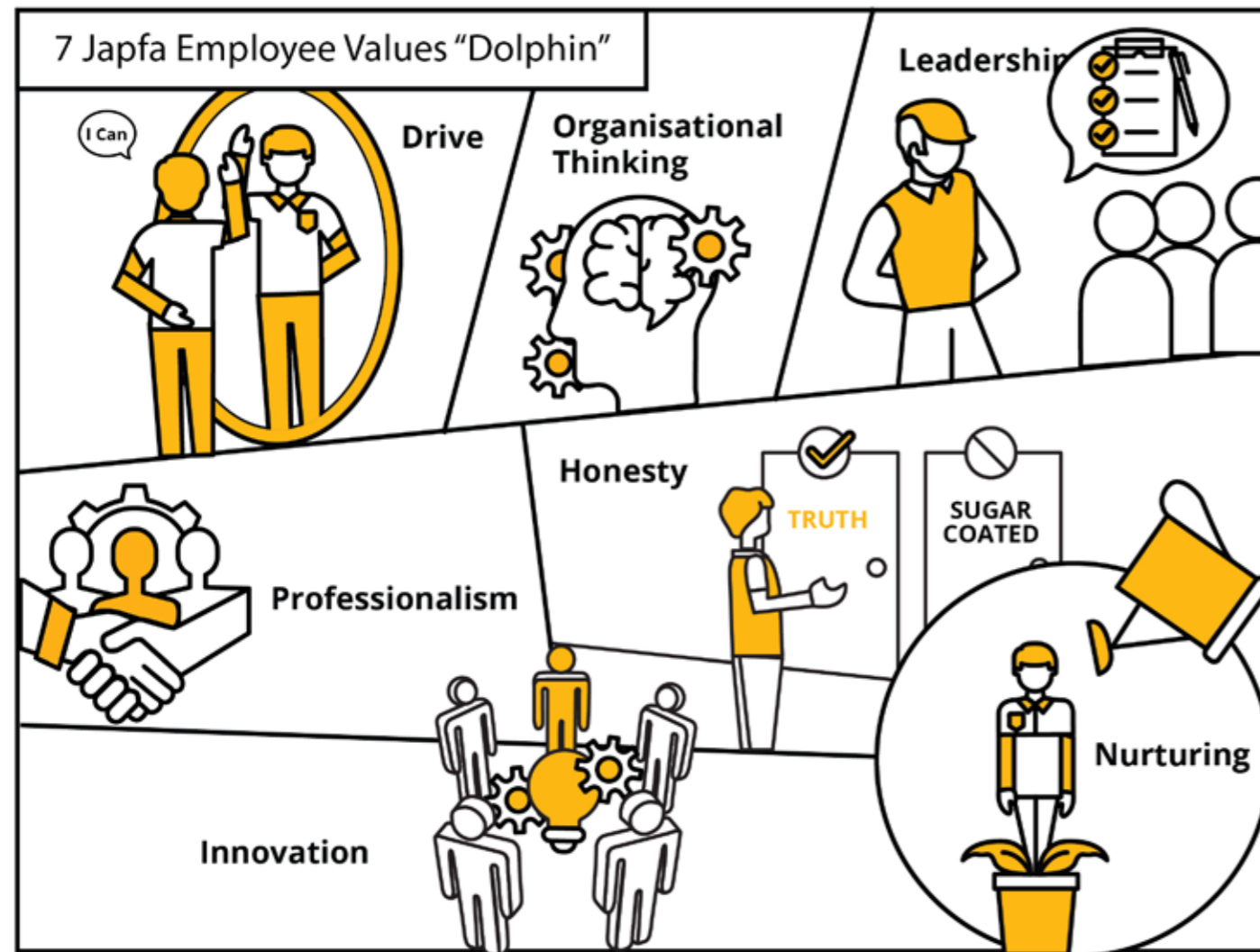
Retaining Our Talents

Health and Safety
Training and Development

with our employees. In our bipartite cooperation, we provide a communication forum where the management can discuss important issues with all members, across the hierarchy, and share the latest information relevant to the projects managed by each business division. The forum provides an effective environment for all employees in each division to optimise their work performance, and for the management to make crucial business decisions.

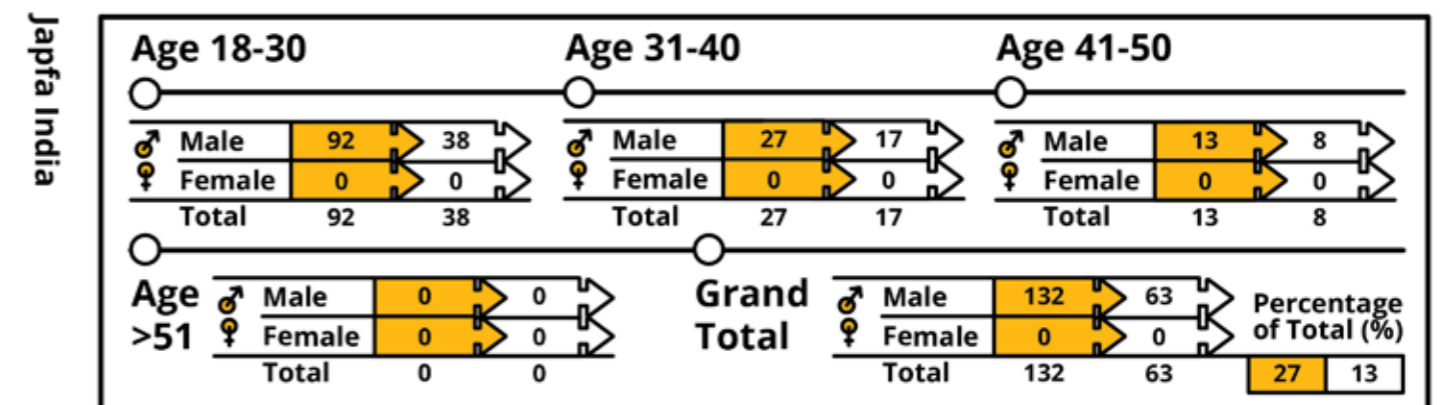
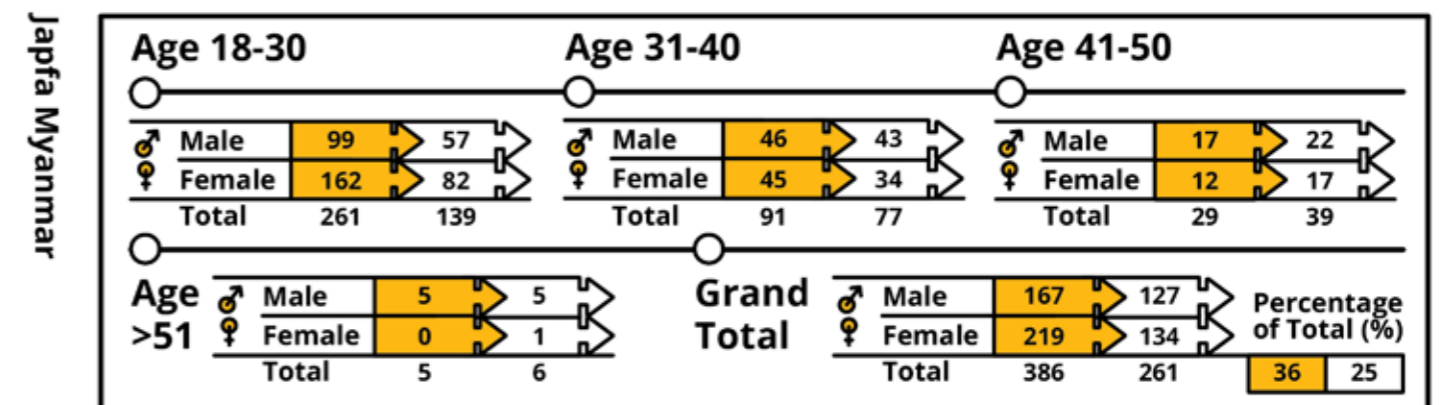
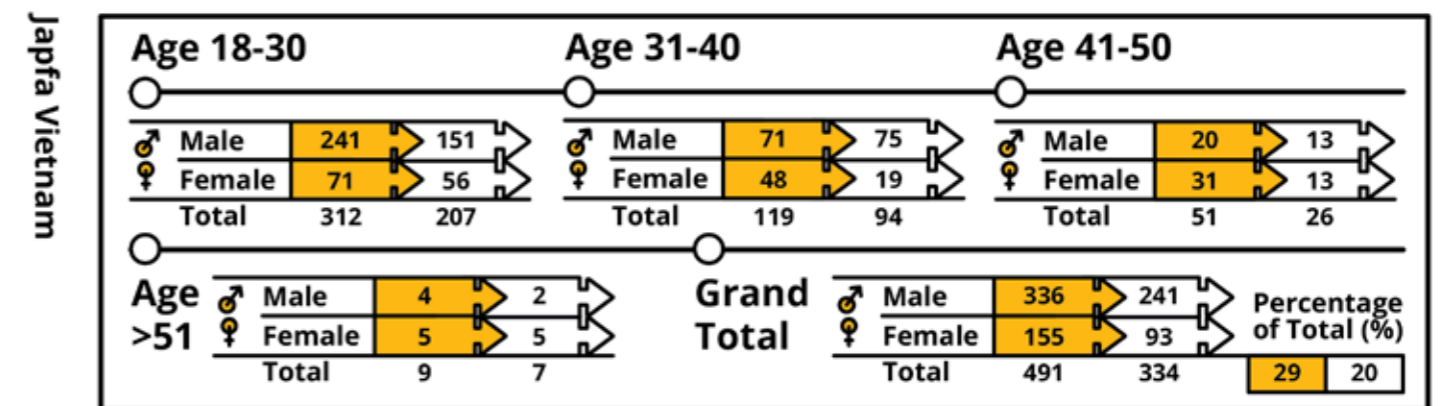
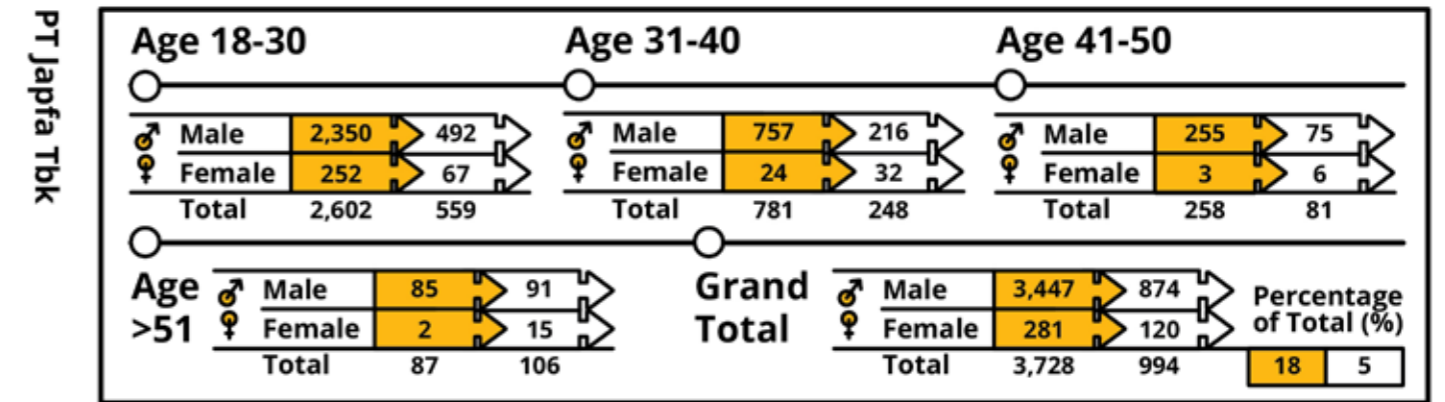
It also serves as a platform for us to clearly communicate regulations and policies to our employees.

In Vietnam, our collective bargaining agreement covered 100%, 95%, and 93% of employees in Vietnam consumer food, South Vietnam Poultry and North Vietnam Poultry, respectively. [\[GRI 102-41, GRI 401-1\]](#)



New Employee Hires and Employee Turnover [\[GRI 401-1\]](#)

A. Total number and rate of new employee hires during the reporting period, by age group, gender and region.
B. Total number and rate of employee turnover during the reporting period, by age group, gender and region.



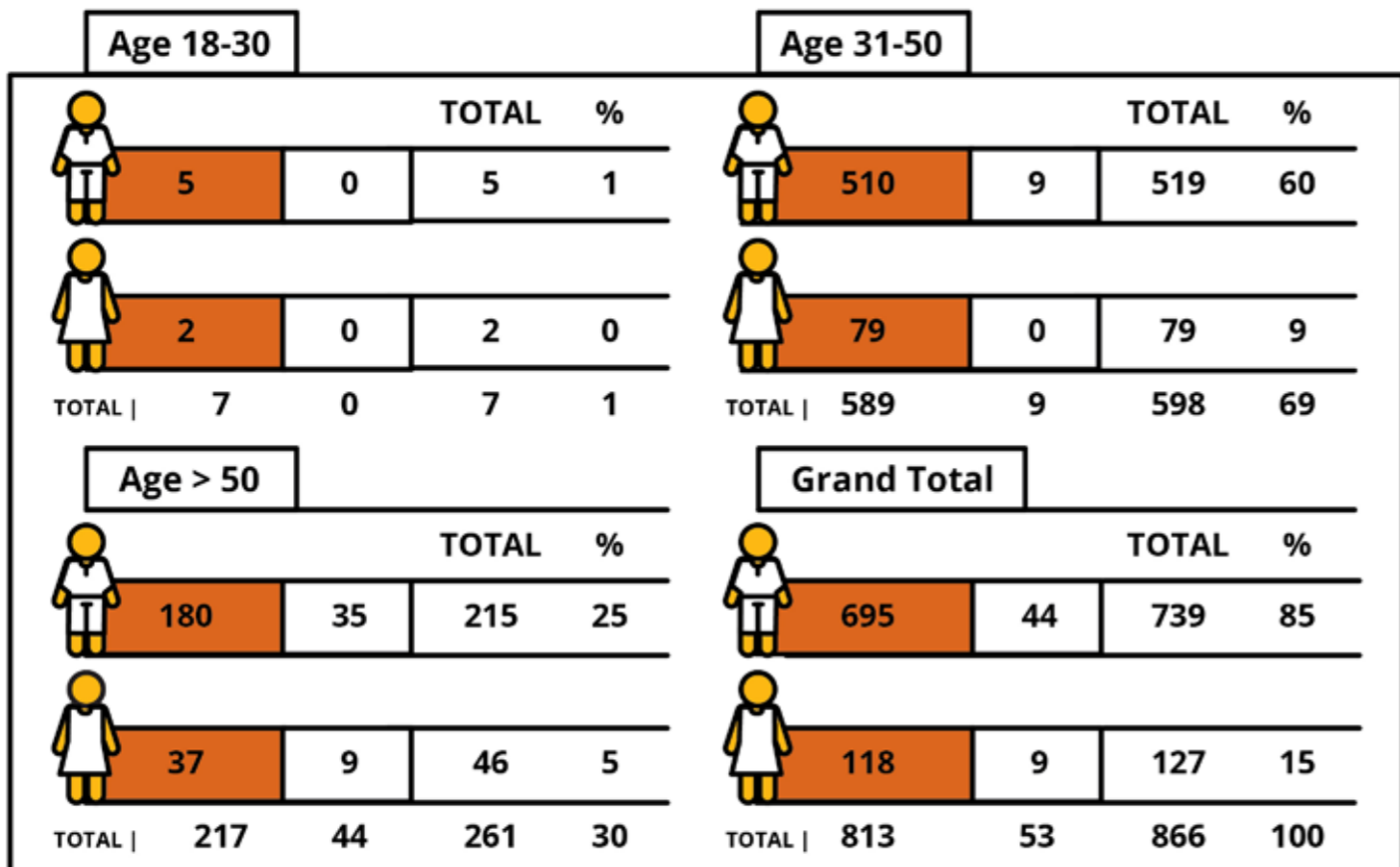
■ Entry □ Exit

We actively promote diversity and equality at work. We are fully aware that it can generate significant benefits for both the organization and employees. Our employees diversity data is shown below.

A. Diversity of Governance Bodies and Employees

Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

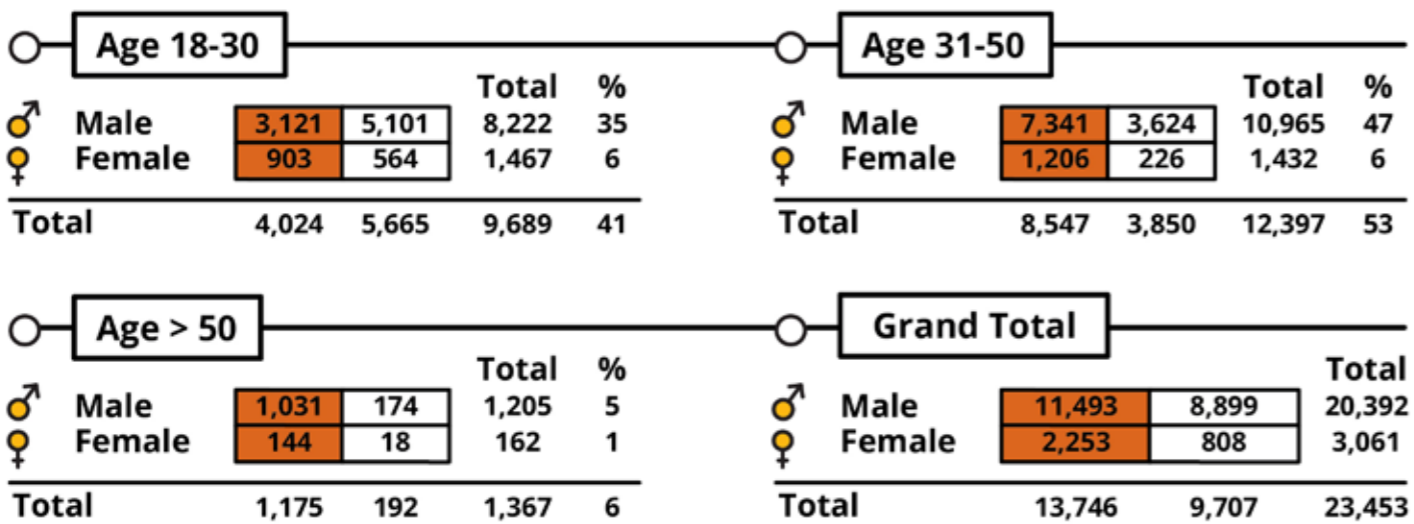
- i. Gender
- ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).



B. Percentage of Employees per Category

Percentage of individuals within the organization's governance bodies in each of the following diversity categories:

- i. Gender
- ii. Age group: under 30 years old, 30-50 years old, over 50 years old;
- iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).



Nurturing Our Talents

Employee Engagement Programme
Digitisation of Human Resource Systems

Retaining Our Talents

Health and Safety
Training and Development

Employee Benefits [GRI 401-2]

We always strive to provide benefits and prosperity to our employees. Following our corporate policies and also laws in the cities, states and countries which we operate in, we provide benefits that include life insurance, health care, disability and invalidity coverage, parental leave, retirement provision and transportation benefits.

Country		Life Insurance	Healthcare	Disability and invalidity coverage	Parental Leave	Retirement Provision	Transportation
Indonesia	Permanent	✓	✓	✓	✓	✓	✓
	Contract	✓	✓	✓	✓		✓
Vietnam	Permanent	✓	✓	✓	✓	✓	✓
	Contract		✓		✓		✓
Myanmar	Permanent	✓	✓	✓	✓	✓	✓
	Contract		✓		✓		✓
India	Permanent		✓	✓		✓	✓
	Contract		✓	✓			



Nurturing Our Talents

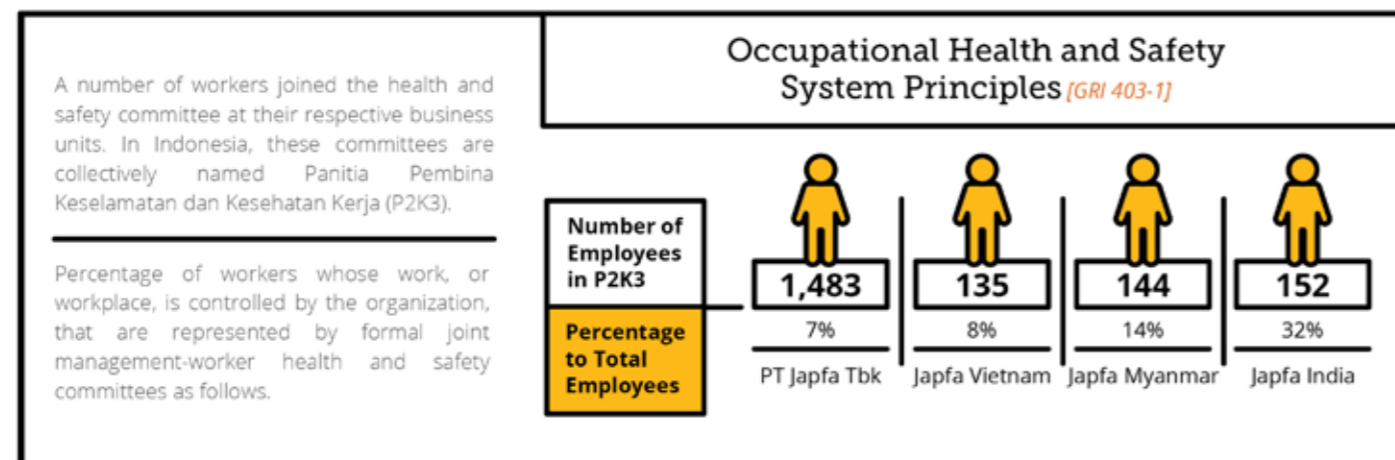
Employee Engagement Programme
Digitisation of Human Resource Systems
Retaining Our Talents

Health and Safety

Training and Development

HEALTH AND SAFETY

We take tremendous pride in the Occupational Health and Safety (OHS) implementation in our company. At every level of management, we have ensured that the employees' health and safety are priority in daily operations. Every minor accident will be responded by filling in an investigation report which is then examined accordingly. In the reporting period, our 4 feedmills in Indonesia received Zero accident award 2018 from the Ministry of Manpower of Republic Indonesia and Regional Government. While in all regions, there has not been a report of fatal accident occurring within the working area.



In Indonesia, there was an accident last year involving an employee in the Poultry Breeding Division. This had pushed us to further increase the awareness of safety in the working area. We trained our OHS committee members to be highly proficient OHS experts to improve the system and become more strict towards the OHS implementation. In Indonesia, our OHS committee is certified by the Ministry of Manpower.

In India, to support the OHS, we also have a counselling programme conducted once or twice a year. All of our OHS committee holds a regular training on fire emergency, to train employees confronting unexpected circumstances. In India we pay special attention to sexual harassment as it is

a nationwide issue. To accommodate this, we established an internal committee who is responsible to ensure the safety of women employees. This committee will report annually to the government regarding any incidents occurred. This government directive has helped us to protect our employees by preventing the issue arises in our operations.

Our security personnel are sourced both inhouse and/or outsourced from reliable security company who are trained professionally. To ensure human rights are upheld in all our locations of operations, 100% of the security personnels have received formal training on human rights policies.

[GRI 410-1]

Nurturing Our Talents

Employee Engagement Programme
Digitisation of Human Resource Systems
Retaining Our Talents

Health and Safety

Training and Development

The right to a healthy and safe workplace is recognized as a human right. Therefore, we maintain a high level of safety at our workplace and record any information related to occupational accidents. Our detailed data as follows:

		Type of Injury		Total Number of Injury (2018) ¹	
PT Japfa Tbk (excluding Commercial Farms)					
MALE ♂	Light	32	FEMALE	Light	8
	Moderate	52		Moderate	2
	Severe	5		Severe	0
	Fatal	0		Fatal	0
TOTAL		89	TOTAL		10
TOTAL MALE + FEMALE				99	
Japfa India					
MALE ♂	Light	0	FEMALE	Light	0
	Moderate	1		Moderate	0
	Severe	0		Severe	0
	Fatal	0		Fatal	0
TOTAL		1	TOTAL		0
TOTAL MALE + FEMALE				0	
<p>01 Light: an accident which does not cause lost day</p> <p>02 Moderate: an accident which result a lost day and it will not bring any physical or spiritual disabilities that will interfere his work</p> <p>03 Severe: an accident which cause lost day and it will bring physical and spiritual disabilities that will interfere his work</p> <p>04 Fatal: an accident which cause death within 24 hours after the accident</p>					
INJURY RATE ¹	Number of work accidents and injuries per one million man hours in one year	MALE		FEMALE	
		PT Japfa Tbk 2.5	Japfa India 0.7	PT Japfa Tbk 2.3	Japfa India 0.0
LOST DAY RATE ²	Number of days lost due to accidents or injury per one million man hours in one year	MALE		FEMALE	
		PT Japfa Tbk 236.7	Japfa India	PT Japfa Tbk 452.7	Japfa India
ABSENTEE RATE (in percentage) ³	The percentage of employees who are absent from work. No relation to accident or injury	MALE		FEMALE	
		PT Japfa Tbk 1.2	Japfa Vietnam 0.3	PT Japfa Tbk 2.5	Japfa Vietnam 0.5
		Japfa Myanmar 0.7	Japfa Myanmar 0.7	TOTAL	
		Japfa India 0.3	Japfa India 0.1	PT Japfa Tbk 1.4	
				Japfa Vietnam 0.4	
				Japfa Myanmar 0.7	
				Japfa India 0.3	

¹Currently, data for Japfa Vietnam and Myanmar are not available

²Currently, data for Japfa Vietnam, Myanmar, India are not available

³Absentee Rate = (Total days lost without information or sick days x 8 hours) / Total Man Hours

Nurturing Our Talents

Employee Engagement Programme
Digitisation of Human Resource Systems
Retaining Our Talents
Health and Safety

Training and Development

TRAINING AND DEVELOPMENT

The company performance improves by recruiting highly talented candidates and developing their potential. No matter where employees are within level of management or in the operations, full-time or contract employees, continuous development is necessary.

Thus, we start from the very beginning of employee's life in the company right up to retirement. We are committed to ensure that the transition is smooth and effective for all employees, either in management or operators, from the very first day.

To accelerate the transition of the new employee into the new working environment, we provide "Onboarding Programmes". These programmes are part of Group's initiatives and conducted in Indonesia as well as Vietnam, Myanmar, and India. It is an induction programme tailored to suit according to their new position in the company. This programme is designed specifically for the employees to learn and understand their roles and the kind of improvements they can make. During these training periods, the new employees will be accompanied by seniors to provide them with explanations needed.

The period for the management level of "Onboarding programmes" is three months. This is an adequate duration to ensure the new employee is being properly introduced to the whole division related. Hence, straight after the programme ends, the new employee is ready to work and have working plans on hand that is ready to be executed. We also conduct a survey to ensure that this onboarding programme has been fairly delivered and is on the right track.

In Indonesia, we also establish a pre-pension programme that runs twice a year.

This programme is provided for senior employees from operators to senior management level. The programme offers modules on how to manage their finances after they are no longer active in our company. In addition, it also covers physical and mental health issues and how to deal with them during pension period. Along with that, we also offer the seniors to still be involved by being partners in poultry business as breeders and marketing the products to society.

During 2018, we carried out tiered and regular programmes as part of our employee development. [\[GRI 404-2\]](#)



Nurturing Our Talents

Employee Engagement Programme
Digitisation of Human Resource Systems
Retaining Our Talents
Health and Safety

Training and Development

Tiered Programme

Employee development with tiered programmes are implemented through three stages, namely Foundation Programme (FP), Middle Management Programme (MMP), and Senior Management Programme (SMP).

- FP is designated for employees at Junior Management level, to equip them with principles in management, leadership, cross functional knowledge and a "transformation" mindset.
- MMP is designated for employees at Middle Management level, to strengthen their ability in taking on responsibility at the managerial level, by broadening their knowledge to enable them to face and deal with

even greater challenges. The materials provided in MMP include Human Resources Management (HRM), Marketing (MKT), Finance (FIN), Project Management (PJM), and Operational (OPE). This training programme is provided in stages until 2019. Throughout 2018, the materials provided included HRM and MKT. Respectively, HRM and MKT materials consist of several modules, with 28 modules conducted in 2018.

- SMP is intended for employees at Senior Management level, to improve their capabilities in strategic thinking, analysing the business competitive environment and also market positioning and strengthening. This programme will be conducted in 2019.

Regular Programme

Regular training programmes are done in general modules and participated by employees across different levels, namely:

- Quality and Productivity Improvement Modules, such as 5S, Gemba Kaizen, SMK3, ISO 9001:2015, ISO 14001:2015, ISO 22000:2005 and Total Productive Maintenance (TPM).
- Employee's Individual Mentality Development Modules, such as Positive Mental Attitude Building (PMAB) and Excellent Communication, and other modules.
- Individual Skill Modules, such as Problem Analysis and Decision Choice (PADC), Effective Presentation and other modules.
- Elective Modules, the Company provides English and Microsoft Office training.
- Technical Training Modules, the Company also provides technical training programmes at the Poultry Breeding Division.
- Pre-Retirement Training Modules, the Company prepares employees who will enter retirement by ensuring their readiness through mental, health, financial and entrepreneurship training.

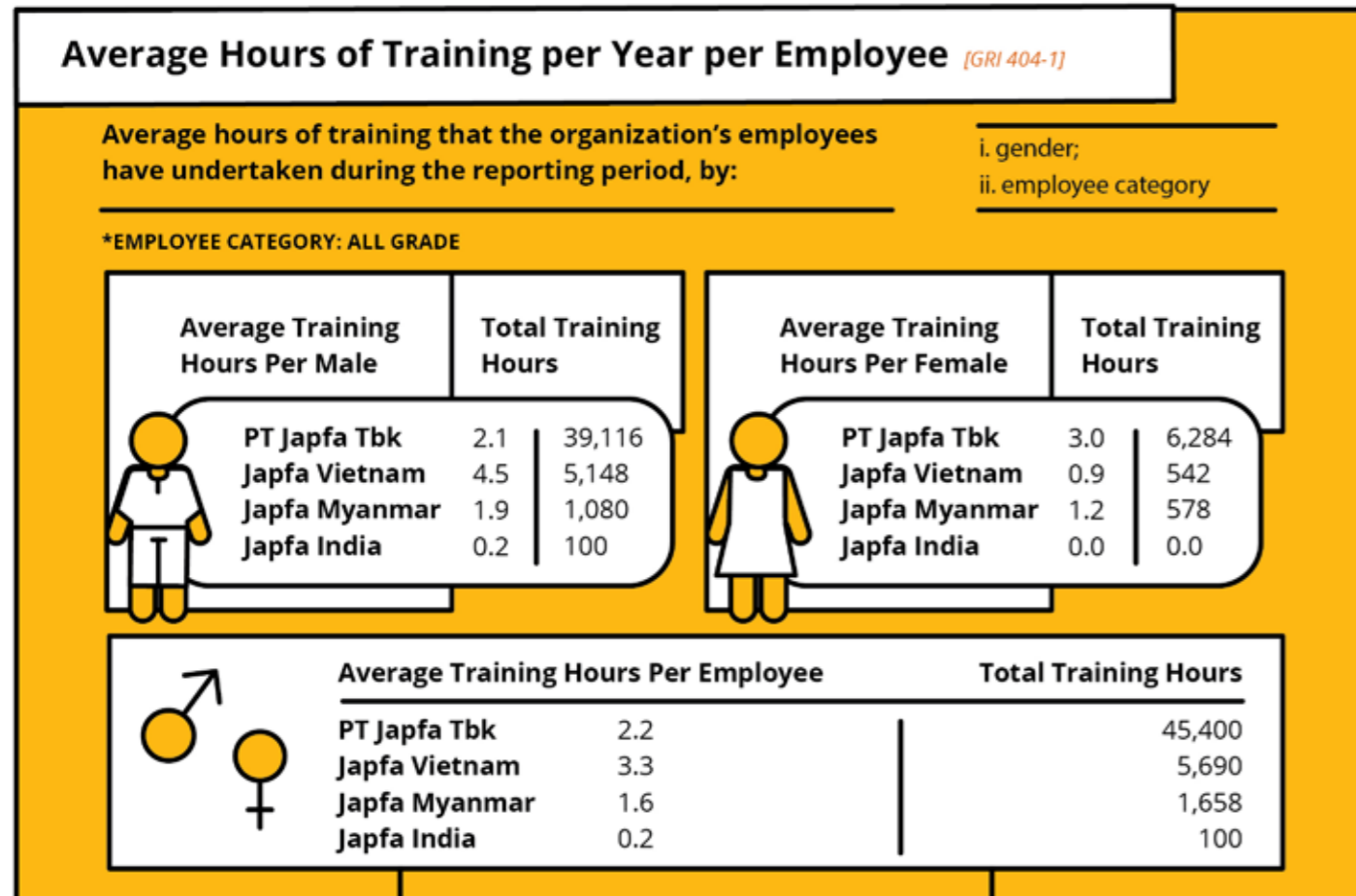
Nurturing Our Talents

Employee Engagement Programme
 Digitisation of Human Resource Systems
 Retaining Our Talents
 Health and Safety

Training and Development

The principle and implementation of training programmes in Vietnam, Myanmar and India are almost the same, following PT Japfa Tbk. This training aims to increase our employees awareness about the importance of biosecurity and hygiene also ensure our employees apply the procedure in an orderly

manner. Apart from the above trainings, our employees also participated in outsourced training, both domestic and abroad. For the next year, we will conduct more training programmes.

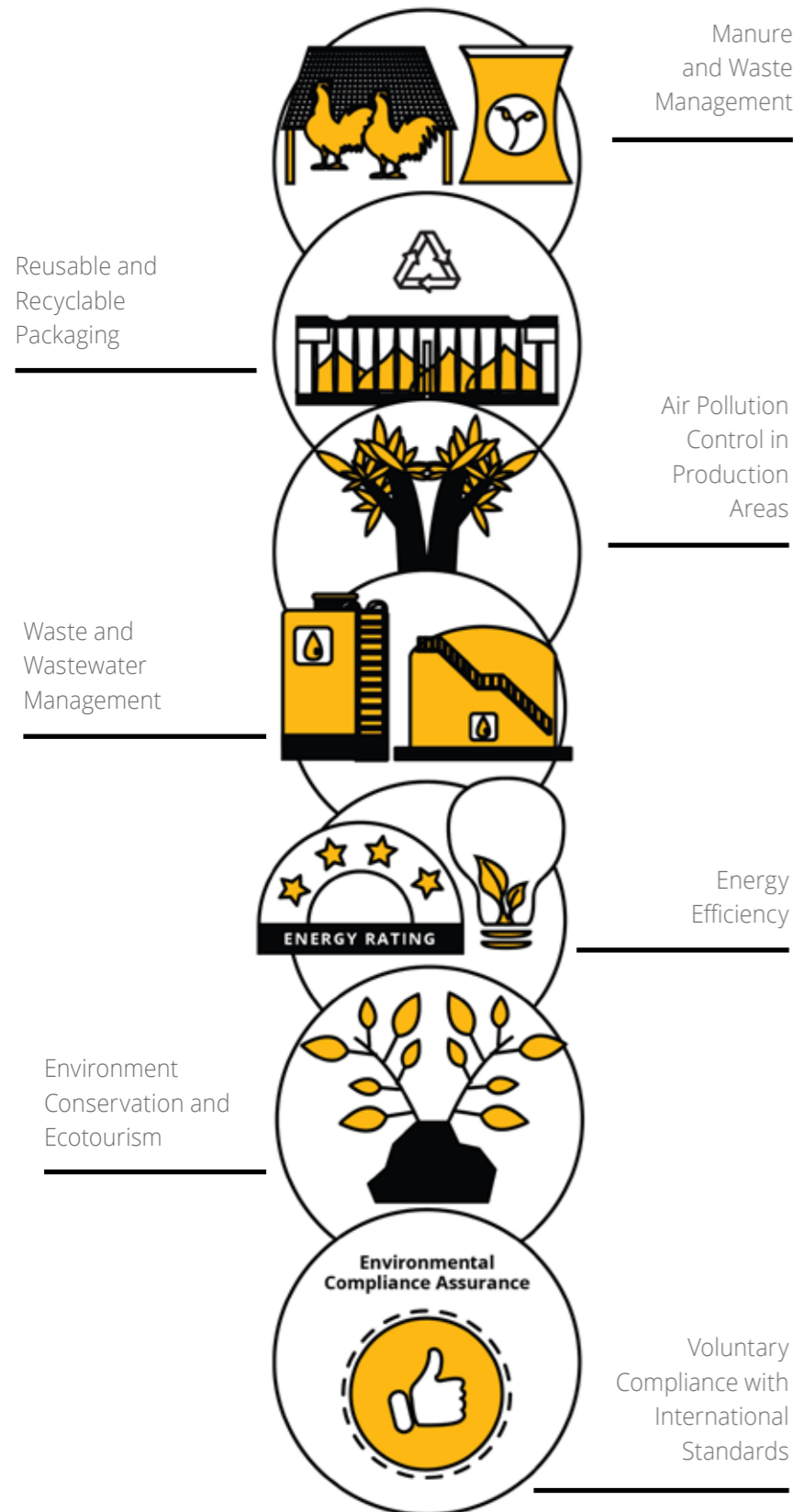


5

Green Productivity

- 57** Manure and Waste Management
- 57** Reusable and Recyclable Packaging
- 58** Air Pollution Control in Production Areas
- 59** Waste and Wastewater Management
- 60** Energy Efficiency
- 63** Environment Conservation and Ecotourism
- 63** Voluntary Compliance with International Standards

Why it Matters and Our Approach



Japfa is committed to protecting our environment by complying with the environmental regulations as we strive to be a world-class company.

We believe that we can achieve higher operational efficiencies and produce affordable proteins in a sustainable way through good environmental management. This notion applies to all our operating countries. In practice, the improvement of operations efficiency and integrated facilities may have environmental concerns, such as manure and waste treatment, air pollution, water scarcity and wastewater management.

As we operate in different countries, our approach to environmental protection may be specific to each country, following the local condition and government regulation.

Green Productivity

- **Manure and Waste Management**
- **Reusable and Recyclable Packaging**
- Air Pollution Control in Production Areas
- Water and Wastewater Management
- Energy Efficiency
- Environment Conservation and Ecotourism
- Voluntary Compliance with International Standards

MANURE AND WASTE MANAGEMENT

We partner with the local farmers in all the countries we operate to manage manure and turn it into fertilizers. Some of our breeding farms are equipped with slatted floors and litter floors, that are safe and comfortable for the chickens. The slatted floor allows easier maintenance, better sanitation and better handling of manure. In exchange for the manure, we receive constant supply of rice husks from the local farmers to be used as bedding material for the chickens.

treated by local authorized third parties, following the environmental regulations set by the government. Some breeding farms in Myanmar are equipped with incinerators for managing used vaccine bottles and biological wastes. Meanwhile, in Vietnam, biological wastes such as eggshells and unhatched eggs are sold to third parties to be used in crocodile and snake farms.

Hazardous wastes such as waste oil, cartridges, toner, batteries, filters, fluorescent lamps, and solvent are

In 2018, we transported 415.0 tons of hazardous waste to be processed by registered third parties. Up until now, we do not recover our waste. *[GRI 306-4]*

Waste by type and disposal method [GRI 306-2]

Type of Disposal Method	Japfa Poultry	
	Hazardous Waste (in tons)	Non-Hazardous Waste (in tons)
Reuse	3.0	8,318.7
Recycle	0.0	186.7
Return to supplier	0.9	0.0
Transport by third party	411.1	4,675.3
Incineration	0.0	16.4
Compost	0.0	11.1

REUSABLE AND RECYCLABLE PACKAGING

We use reusable plastic containers to send our DOCs to customers around Indonesia. Returned containers are sterilized before being reused for the next batch to ensure a high level of biosecurity. In Vietnam due to long distance transportation and to maintain high level biosecurity, we use recyclable cardboard boxes. Customers are responsible for their own transport in Myanmar and India, however we provide recommendations for our buyers to transport their DOCs.

To accommodate the needs of packaging materials, our subsidiary in Indonesia produces woven plastic bags for our feed production. These bags are then reused by farmers to load manure and litter from the farm. Meanwhile, our operations in Vietnam have already started sorting plastic and glass bottles for recycling by third parties. We are planning to implement a similar approach in other countries as well.

Green Productivity

- Manure and Waste Management
- Reusable and Recyclable Packaging
- Air Pollution Control in Production Areas**
- Water and Wastewater Management
- Energy Efficiency
- Environment Conservation and Ecotourism
- Voluntary Compliance with International Standards

AIR POLLUTION CONTROL IN PRODUCTION AREAS

Air quality issues are a key concern in our feedmill and animal feeding operations. Dust or particulate matters may be an issue in our feedmill operations while ammonia and hydrogen sulfide can potentially occur in our breeding and commercial farms. To overcome these environmental concerns, we use natural solution to control air emission by planting trees in the vicinity of our plants and farms.

In Vietnam we have eucalyptus trees surrounding our plants. In addition, we install dust collectors in high traffic areas, such as feedmill input material areas, processing lines and output product areas. In the farms, to reduce ammonia content in the air, we use wood shavings in India which doubles as bedding and insulation for the chickens.

Emission [GRI-305]				
GHG emission direct [scope 1] [GRI 305-1] ⁵ (unit in ton CO ² eq.)	PT Japfa Tbk	Japfa Vietnam	Japfa Myanmar	Japfa India
Gross direct [Scope 1] GHG emissions	105,975.3*	887.5	4,538.7	42,199.8
GHG emission indirect [scope 2] [GRI 305-2] ⁵ in ton CO ² eq.				
Gross indirect [Scope 2] GHG emissions	223,272.1	18,057.6	3,392.9	15,915.8
Biogenic CO ₂ emissions ⁵	5,754.9	1,089.6	86.4	0.0
⁵ Calculated based on IPCC 2013 100a from SimaPro software				
<i>*This is a correction to the previously disclosed number</i>				
Nitrogen oxides [NOX], sulfur oxides [SOX], and other significant air emissions [GRI 305-7] in kg		PT Japfa Tbk		
NOx emissions	116,894,345.2			
SOx emissions	28,947,136.6			
Particulate matter [PM] emissions	7,590,891.7			
<i>Currently, we do not have any data on Japfa Vietnam, Myanmar and India</i>				

Green Productivity

- Manure and Waste Management
- Reusable and Recyclable Packaging
- Air Pollution Control in Production Areas
- Water and Wastewater Management**
- Energy Efficiency
- Environment Conservation and Ecotourism
- Voluntary Compliance with International Standards

WATER AND WASTEWATER MANAGEMENT

Water is an essential nutrient for life. Climate change has affected the water availability with more extreme temperatures and less predictable weather conditions, further deteriorating water quality. Special attention is on the water scarcity crisis in India. In 2018, India was suffering from the worst water crisis in its history and around 600 million people faced a severe water shortage. Excessive demand coupled with mismanaged water resources, erratic weather patterns and climate change have led to this condition.

Water Management

To manage the water scarcity in India, we constructed lagoons to harvest rainwater and reservoirs for groundwater storage. The water is treated before being consumed by our poultry flocks. In addition, our farms use nipple drinking system to prevent water spills.

In Indonesia, apart from daily water requirement for the flocks, water is also needed for cooling the farms and slaughterhouses. Daily water requirement for the flocks is influenced by weather conditions. With an increase in temperatures, the amount of water needed by the flocks also increases. We started a pilot project on rainwater harvesting system in 2018 in Indonesia, and this is expected to be followed by other units. Vietnam benefits from abundant

resources of surface and ground water. Nevertheless, local shortages can occur during the dry season. In North Vietnam, we source our water from deep wells that are pretreated before being consumed by the flocks. Improved sanitation and access to water supply in South Vietnam enable us to use municipal water to fulfill our water requirements.

Wastewater Treatment

In Indonesia, we process our wastewater through Wastewater Treatment Plants (WWTP). Some of the treated water is stored in a reservoir and used for watering trees in the production area, and some are discharged into domestic waterways. To fulfill the permissible threshold, we measure and monitor the quality of our wastewater periodically. In 2018, we developed WWTP not only for industrial but also for domestic water, especially in the supporting business unit area. In other countries such as Myanmar, we build additional fish ponds as part of our WWTP. After the wastewater been treated in WWTP, it goes through the fish ponds as the fish will be the indicator whether it is safe or still polluted. Fishes are widely known to be useful indicators of environmental water quality because of their sensitivity to pollution. In India, we report our water consumption and WWTP results annually, and those are verified by third parties.



Green Productivity

Manure and Waste Management
 Reusable and Recyclable Packaging
 Air Pollution Control in Production Areas
 Water and Wastewater Management

Energy Efficiency

Environment Conservation and Ecotourism
 Voluntary Compliance with International Standards

Water [GRI-303]

Total volume of water withdrawn, by sources [GRI 303-1]	Japfa Poultry
	Amount (m ³)
Surface water [rivers/lakes]	1,042,228.0
Ground water	6,629,292.4
Municipal Water Supplies or other public/private water utilities	403,075.0
Rainwater harvesting	431,321.0

Effluents and waste [GRI 306]

Water discharge by quality and destination [GRI 306-1]	Japfa Poultry
	Amount (m ³)
Total volume of planned and unplanned water discharges	2,340,815.6
Quality of water, including treatment method	Equalization, Filtration, Aeration, Chemical Treatment, Physical Treatment, Aerobic and Anaerobic
Whether the water was reused by another organization	No

ENERGY EFFICIENCY

Our energy management focuses on improving production efficiency. We use advanced technologies for feedmills and farming equipment that are energy efficient. Several business units have started Energy Efficiency Policies and assigned certified Energy Managers to assure that the policy is implemented properly.

We source our energy from gas (liquefied petroleum gas and compressed natural gas), electricity, palm kernel shells, diesel, and biomass briquettes. These energy sources are mostly used to operate boilers especially in feedmills, breeding, and vaccine areas.

In India, we use biomass briquettes made from rice husk and other agricultural green briquettes to operate boilers. In Myanmar, we replaced all manual fans with automatic rotating system fans that switch on automatically to cool down the farm when it detects abnormal heat.

Energy reduction strategy in Japfa Vietnam focuses on the usage of insulation and inverters. In North Vietnam, the usage of insulation reduces energy consumption up to 1 kwh/ton feed and increases efficiency up to 3%. Meanwhile, inverters contribute to 5-10% energy reduction of feed production in South Vietnam.

Green Productivity

Table of Energy PT Japfa Tbk [GRI 302]

Energy consumption within the organization [GRI 302-1] :	Amount	Unit	Amount	Unit	%
Electricity	186,344,097.4	KWH	670,838,750.6	MJ	35%
Natural Gas ¹	6,083,000.6	m ³	222,847,685.5	MJ	12%
CNG ²	4,737,953.0	m ³	176,531,132.5	MJ	9%
Shell ³	25,866.4	Ton	530,260,318.7	MJ	28%
Coal ⁴	6,652.0	Ton	155,989,915.9	MJ	8%
Diesel oil	4,247,971.0	Litre	154,626,145.7	MJ	8%
Genset	3,072,469.7	KWH	11,060,891.0	MJ	0%

Table of Energy Japfa Vietnam [GRI 302]

Energy consumption within the organization [GRI 302-1] :	Amount	Unit	Amount	Unit	%
Electricity	44,739,801.7	KWH	161,063,286.2	MJ	92%
Natural Gas ¹	3.0	m ³	109.9	MJ	0%
CNG ²	50.0	m ³	1,862.9	MJ	0%
Shell ³	94.0	Ton	1,927,000.0	MJ	1%
Coal ⁴	0.0	Ton	0.0	MJ	0%
Diesel oil	255,122.0	Litre	9,286,440.8	MJ	5%
Genset	764,932.0	KWH	2,753,755.2	MJ	2%

¹Convert to MJ by standard methodology based on PT Perusahaan Gas Negara Tbk, calorific value of gas = 36.6 MJ/m³

²Convert to MJ standard methodology based on IGU (International Gas Union), calorific value of CNG = 37.26 MJ/m³

³Convert to MJ standard methodology based on RSPO, calorific value of shell = 20.5 MJ/kg

⁴Convert to MJ standard methodology based on Ministry of Energy and Mineral Resources, calorific value of coal = 23.5 MJ/kg

Green Productivity

Table of Energy Japfa Myanmar [GRI 302]

Energy consumption within the organization [GRI 302-1] :	Amount	Unit	Amount	Unit	%
Electricity	12,302,177.0	KWH	44,287,837.2	MJ	43%
Natural Gas ¹	169.0	m ³	6,191.2	MJ	0%
CNG ²	0.0	m ³	0.0	MJ	0%
Shell ³	0.0	Ton	0.0	MJ	0%
Coal ⁴	1,113.0	Ton	26,099,850.0	MJ	25%
Diesel oil	634,649.0	Litre	23,101,223.6	MJ	23%
Genset	2,595,642.0	KWH	9,344,311.2	MJ	9%

Table of Energy Japfa India [GRI 302]

Energy consumption within the organization [GRI 302-1] :	Amount	Unit	Amount	Unit	%
Electricity	10,260,933.0	KWH	36,939,358.8	MJ	7%
Natural Gas ¹	0.0	m ³	0.0	MJ	0%
CNG ²	0.0	m ³	0.0	MJ	0%
Shell ³	0.0	Ton	0.0	MJ	0%
Coal ⁴	21,748.0	Ton	509,990,600.0	MJ	93%
Diesel oil	50,298.0	Litre	1,830,847.2	MJ	0%
Genset	41,711.0	KWH	150,159.6	MJ	0%

¹Convert to MJ by standard methodology based on PT Perusahaan Gas Negara Tbk, calorific value of gas = 36.6 MJ/m³

²Convert to MJ standard methodology based on IGU (International Gas Union), calorific value of CNG = 37.26 MJ/m³

³Convert to MJ standard methodology based on RSPO, calorific value of shell = 20.5 MJ/kg

⁴Convert to MJ standard methodology based on Ministry of Energy and Mineral Resources, calorific value of coal = 23.5 MJ/kg

Green Productivity

- Manure and Waste Management
- Reusable and Recyclable Packaging
- Air Pollution Control in Production Areas
- Water and Wastewater Management
- Energy Efficiency

Environment Conservation and Ecotourism

Voluntary Compliance with International Standards

ENVIRONMENT CONSERVATION & ECOTOURISM

Ecotourism is an alternative form of tourism that provides effective economic opportunities to the local communities while conserving the environment and enhancing its biodiversity. In Indonesia, PT Japfa Tbk is developing an ecotourism project in Gebang Pesawaran, Lampung.

We work with the local community, the Ministry of Environment and Forestry and the Village Chief to plant 19,000 mangrove trees in a 5 acre area. Mangroves are tropical trees that grow at the edge of the land and sea. These ecosystems stabilize coastlines, protect communities from storms, provide critical habitats for many animals, and store vast amounts of carbon. In addition, PT Japfa Tbk

works in partnership with the Local offices of The Ministry of Environment and Forestry and the Sebelas Maret University, Surakarta to conserve Sragen city forest in Sragen, Central Java.

This collaboration aims to conduct reviews on diversity and plant audit studies at the forest. The study and audit of the plants were carried out from the third to the fourth quarters of 2018 and formed the basis for activities to develop urban forest conservation areas in the coming years. Currently, the area is designated as a protected habitat. By the end of 2018, we also implemented environmental education by involving Elementary School students in Sragen Regency. [GRI 304-3]

VOLUNTARY COMPLIANCE WITH INTERNATIONAL STANDARDS

We believe that through good environmental management practices, we can achieve higher operational efficiencies and produce affordable proteins in a sustainable way. Accordingly, we are committed to comply with all regulations, including environmental regulations and voluntary international standards (ISO 14001:2015) to improve the Company's environment management performance. Our environmental performance is measured and monitored using the Environmental Performance Rating Programme (PROPER) by the Ministry of Environment and Forestry Republic of Indonesia.

Pursuant to Regulation of the Minister of Environment and Forestry No. 180 Year 2014 concerning Assessment Results of Company Performance Rating Programme in Environmental Management Year 2013 & 2014, the Company obtained Blue PROPER for its Poultry Division – especially

Poultry Feed Unit located in Tangerang, Lampung, Sidoarjo, Cikande, and Sragen, as well as for its Beef Cattle Division through cattle feedlot unit at Bekri, Lampung. This award allows the Company to further enhance its environmental performance excellence where we integrate sustainable development principles into our business processes, namely production and services operation, implementation of environmental management system and 3R (Reuse, Recycle, Reduce), energy efficiency, resources conservation and ethical business practice, as well as responsibility to community through community development programmes (CSR, PKBL, etc).

In Vietnam, we adhere to the standards of HACCP, ISO, and Vietnamese National Standard for the feedmill (QCVN 01-77). In Myanmar, we adhere to biosecurity and quality controls according to GMP.

6

Traceable and Sustainable Sourcing

66 Sustainable Supply of Raw Materials

67 Developing Our Contract Farmers

68 Traceability of Poultry



Sustainable Supply of Raw Materials



Developing Our Contract Farmers



Traceability of Poultry

We are living in an era where people are conscious about their health and the environment. They want to know what is in the food they consume, its nutritional value and health benefits. This information requires traceability and transparency from the producers. Producers are expected to have information on the supply chain of their products and provide information regarding their product.

Japfa is making an effort to follow this global movement towards traceable and sustainable sourcing. As one of the largest agri-food companies in Asia, we produce high quality and reliable products. Our vertically integrated business model enables us to operate sustainably, resulting in GHG emissions reduction. The main materials in our supply chain, such as the DOCs and corn are sourced locally. We reproduce our own DOCs for parent stocks and procure corn locally, which reduces the potential carbon emissions compared to overseas transport. Through our vertical integration and local sourcing we ensure the traceability and transparency of our supply chain.

Traceable and Sustainable Sourcing

Sustainable Supply of Raw Materials

Developing Our Contract Farmers
Traceability of Poultry

SUSTAINABLE SUPPLY OF RAW MATERIALS

Poultry diets are formulated from a mixture of ingredients, including cereal grains, cereal by-products, fats, plant protein sources, animal by-products, vitamin and mineral supplements, crystalline amino acids and feed additives. These mixtures aim to meet the requirements for energy, protein, minerals and vitamins.

Energy sources constitute the largest component of poultry diets. Corn is the predominant feed grain used as the energy source in animal feeds worldwide. This is mainly because its energy source, i.e. starch, is highly digestible for poultry, highly palatable, is a high-density source of readily available energy and is free of anti-nutritional factors.

In the Asian and African regions, corn yields per hectare are lower than in North America or Brazil. Therefore, the availability of corn fluctuates in different markets. Indonesia is one of the largest producers of corn in the Southeast Asia and South Asia regions where Japfa Poultry operates. Restrictions on corn importation in Indonesia and Myanmar pose a challenge on managing the supply of raw material. Our approach aims to ensure the sustainable sourcing of raw materials. Sustainable supply of raw materials is immensely important for our daily operations. To accommodate raw material availability we conducted the following initiatives.

We Cooperate

In Indonesia, we cooperate with the Association of Indonesian Farmers (HKTI) to buy corn from local farmers through a Memorandum of Understanding between HKTI and PT Japfa Comfeed Indonesia Tbk. This brings assurance to the farmers for market availability.

We Innovate

In Myanmar, we innovate alternative raw materials through research and development.

Traceable and Sustainable Sourcing

Sustainable Supply of Raw Materials

Developing Our Contract Farmers

Traceability of Poultry

DEVELOPING OUR CONTRACT FARMERS

Our community development programmes that aim to provide social benefits to the society are embedded in our core values. Our commitment to these values is also reflected in our contract farming programmes.

Transparency and support have been the keys to our strong cooperation with our contract farmers. Through our contract farming arrangement, we improve their financial profitability as well as their knowledge and expertise. We lift their professionalism from a backyard farmer into an industrialised farmer

The contract farming programmes empower and build the capacity of local communities to be knowledgeable and profitable farmers, encouraging development and economic growth of the community. We replicate the same principles to other countries to expand this positive movement.

In our contract farming arrangement, we provide the contract farmers with DOC, feed, medicines, training and technical assistance, while the farmers provide labor and housing for the chickens. Numerous benefits, including stability of pricing, market bonus, training and workshops, as well as continuous mentoring and monitoring, are provided by Japfa. In Indonesia, as an additional motivation, incentives and market rewards are also given to high performing contract farmers.

These contract farmers are assessed based on indicators such as feed conversion rate, mortality rate and quality of poultry. All farmers are bound by contracts that set out the terms agreed to between Japfa Poultry and its contract farmers. In partnering with farmers, we treat them fairly and inclusively. The basic principles of our contract farming programmes are applied in Indonesia, India and Vietnam.

Farm partnership programme is not applicable in Myanmar due to restrictions for foreign investors.

It is important for us to look after our contract farmers. We assist our contract farmers in solving challenges from potential disease issues, low consumption rates and low purchasing power in Indonesia, as well as extreme weather in North Vietnam, Myanmar and India. Nonetheless, these challenges add dynamics in our cooperation with the farmers, strengthen our bonds, and motivates Japfa Poultry to innovate to face the issues.

We develop our contract farming programme beyond the Company and contract farmers, but also we seek cooperation with government to support us in promoting a healthy lifestyle by encouraging people to consume a balanced diet which includes protein. By expanding our contract farming programme, we contribute in shortening the poultry supply chain which leads to cost reductions, driving poultry to become the primary choice for protein consumption due to its affordability. Throughout 2018 we have partnered with more than 9500 contract farmers.

[GRI 413-1]

Traceable and Sustainable Sourcing

Sustainable Supply of Raw Materials
Developing Our Contract Farmers

Traceability of Poultry

TRACEABILITY OF POULTRY

Ho Chi Minh City's Programme



INFORMATION

- Poultry Strain
- Breeding Period
- Name of Farm
- Feed
- Vaccination Schedule
- Other Important Information

Zalo Apps/
www.te-food.com



Due to our integrated operations, our chicken products are traceable to its origin. In Vietnam, we are enrolled in Ho Chi Minh City's programme for tracing the origin of poultry meat sold at retail outlets. Customers can now use the QR Code decoding applications from Zalo or from www.te-food.com to scan the electronic stamp on our chicken packages. The stamps contain information about the poultry strain, breeding period, name of farm, feed, vaccination schedule, when slaughtered and others. This approach improves food traceability and security across the supply chain.

7

Serving the Community

- | | | | | | |
|---------------------------------|-------------------------------------|--|-------------------------------|-----------------------------|-------------------------------|
| 72
JAPFA for Kids | 74
Prevention of Stunting | 75
Disaster Response Programme | 76
Waste Bank | 76
Blood Donation | 77
Japfa Chess Club |
| 78
JAPFA Green School | 78
Sanitation | 78
Infrastructure Development | 79
Japfa Foundation | | |

Serving the Community

In 2015, all United Nations member states adopted 2030 Agenda for Sustainable Development. At the heart of the agenda are the 17 Sustainable Development Goals (SDGs). These goals are an urgent call for action by all countries to form a global partnership to end poverty and other deprivations through strategies that improve health and education, reduce inequality, accelerate economic growth while tackling climate change and preserving our oceans and forests.

A goal that is aligned with Japfa is the Goal number 2: Zero Hunger. The United Nations reported that during 2018, world hunger appeared to be on the rise again, induced by natural disasters linked to climate change. The proportion of undernourished people worldwide increased 11% in 2016, which is equal to 815 million people worldwide¹. In 2017, 151 million children under the age of 5 suffered from stunting (low height for their age), 51 million suffer from wasting (low weight for height), and 38 million were overweight.

The SDGs target on food accessibility is to end malnutrition and improve agricultural productivity through rural infrastructure development and family farmers. These targets are in line with our vision of "Growing Towards Mutual Prosperity" where we nurture sustainable, growth-oriented relationships based on trust and integrity. Our strategy focuses on improving the well-being of the communities through education and health services as well as contributing through environmental advancement. We conducted a baseline study, community assessment and maintained a continuous

Our community development activities focus on facilitating access to affordable and nutritious proteins. We believe that to improve the well-being of our society, people need to understand the importance of a balanced diet. Based on this perspective, we developed programmes to improve rural children well-being and education to combat malnutrition

dialogue with the local communities, governments and all stakeholders to design an effective community development programme that meets the need of society. Our programme aims to establish independence in the local communities to ensure the continuity of the programme. Local communities and governments are invited to participate in each programme to build a sense of ownership and active participation on their part.

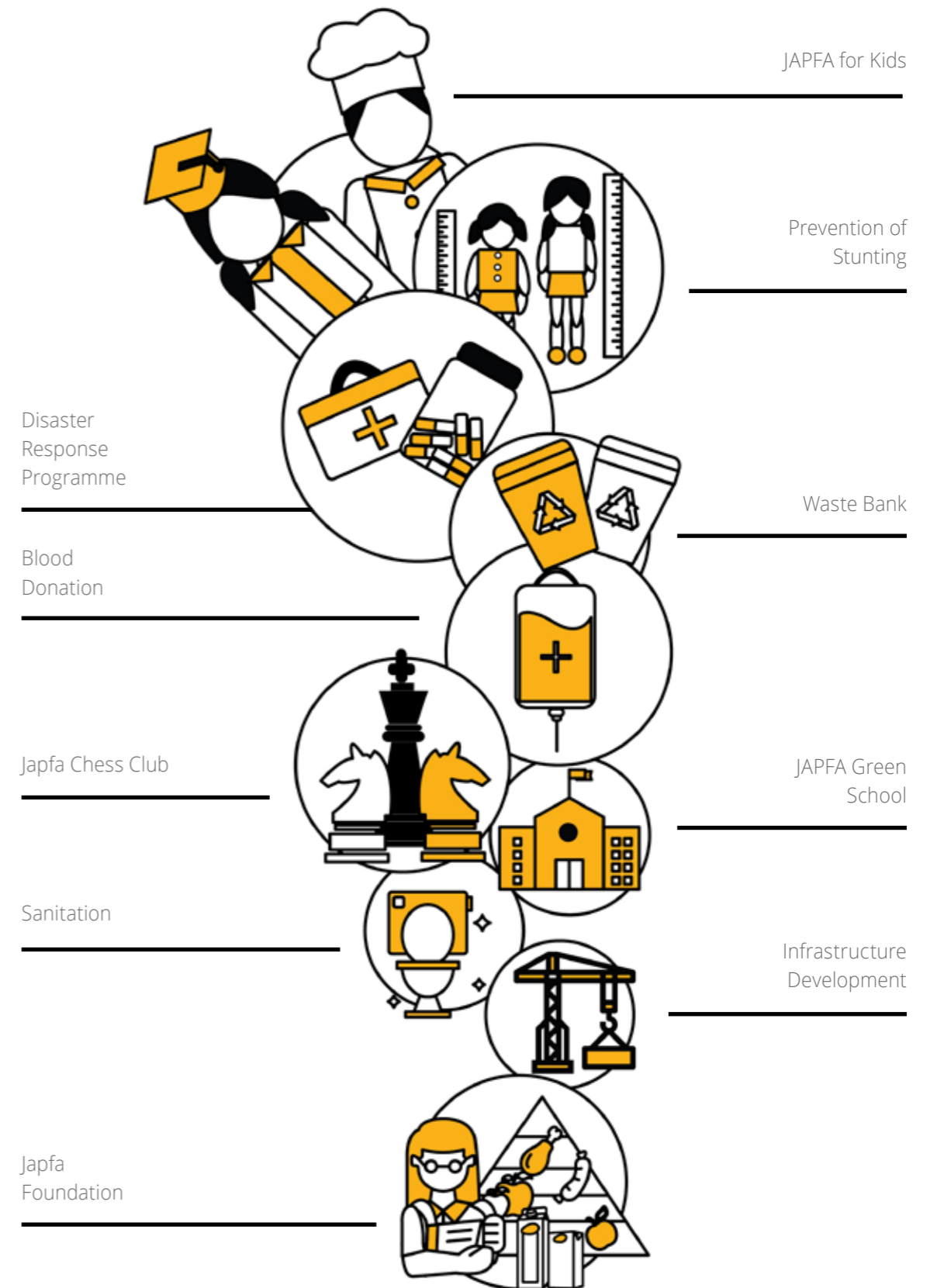
Our Social Investment Department mandates that every Japfa community development programme is built on a sustainable approach, both at the corporate level and at the level of the business unit. Each programme is evaluated by a Social Impact Index to ensure its effectiveness and efficiency.

We aim to implement community development programmes in our key operations throughout poultry regions by 2025. *[GRI 413-1]*

¹FAO, IFAD, UNICEF, WFP and WHO. 2017. The State of Food Security and Nutrition in the World 2017. Building resilience for peace and food security. Rome, FAO.

Why it matters?

Serving the Community



Our Approach

Serving the Community

JAPFA for Kids

- Prevention of Stunting
- Disaster Response Programme
- Waste Bank
- Blood Donation
- Japfa Chess Club
- JAPFA Green School
- Sanitation
- Infrastructure Development
- Japfa Foundation

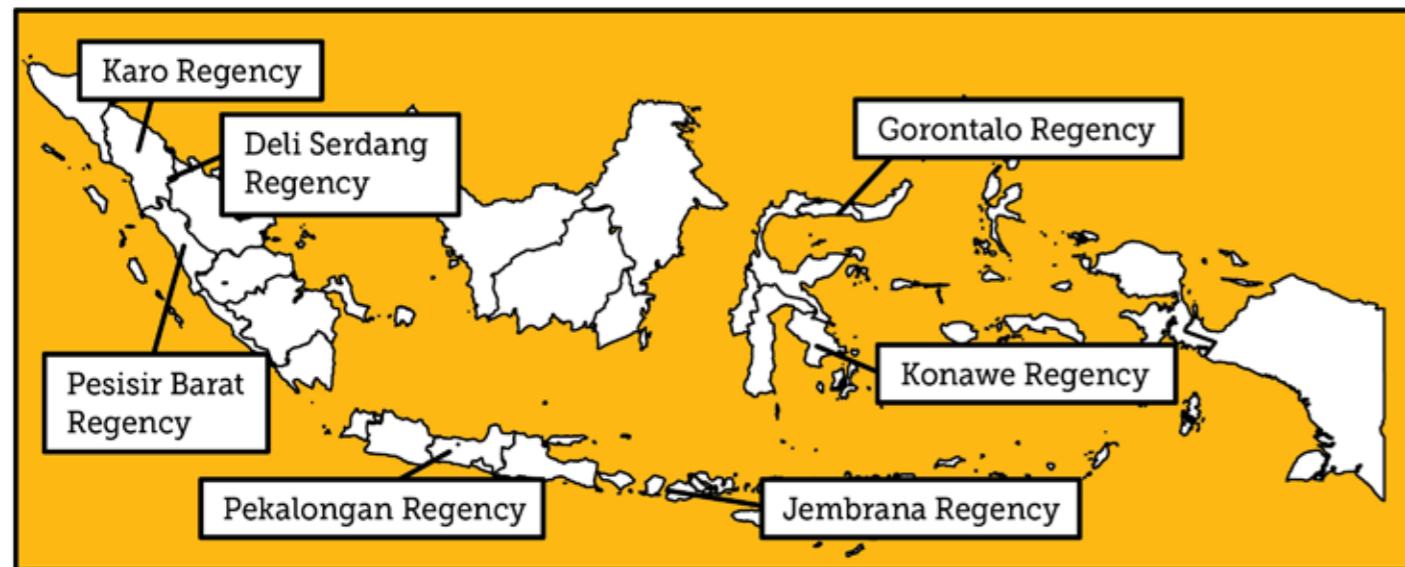
JAPFA FOR KIDS

Core Programme: Awareness of a Balanced Diet

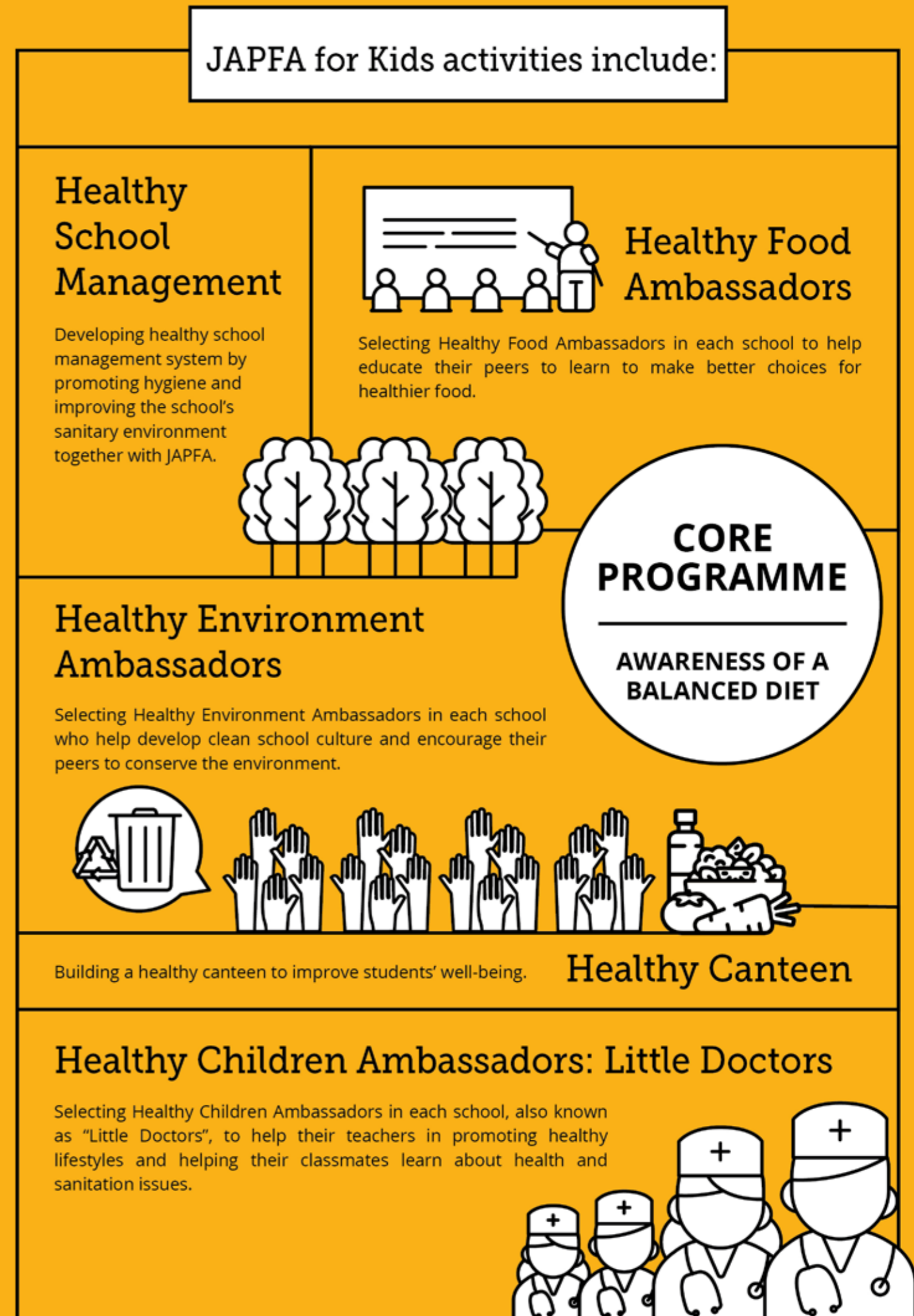
As malnutrition is one of the biggest issues surrounding children, especially in rural areas, it is essential to develop understanding on the importance of nutrition, health and sanitation from a young age.

Through our JAPFA for Kids programme, we mainly aim to foster the children's desire and ability to live clean and healthily. Our commitment is to build clean, healthy and

green schools through education and mentoring with the aim of achieving the Adiwiyata award. The Adiwiyata School Programme encourages schools to adopt respectful behaviors towards the environment. This programme is a joint programme between The Indonesian Ministry of Environment and Forestry and the Ministry of Education to promote environmental education, within the framework of a programme for education for sustainable development.



In 2018, JAPFA For Kids reached 9,095 students and 677 teachers from 62 schools spread over seven municipals in six provinces.



Serving the Community

JAPFA for Kids

Prevention of Stunting

Disaster Response Programme
Waste Bank
Blood Donation
Japfa Chess Club
JAPFA Green School
Sanitation
Infrastructure Development
Japfa Foundation

PREVENTION OF STUNTING



Stunting is the failure to reach one's potential growth caused by chronic malnutrition and repeated illness during childhood. It can permanently limit a child's physical and cognitive capacity and cause lifelong damage. PT Japfa Tbk actively promotes healthy nutrition to reduce childhood stunting by using schools as the center of stunting prevention programmes.

This programme was started in 2018 with the communities of Siosar, North Sumatra. Siosar was selected since it was

a relocation area for Mount Sinabung communities which were affected from the volcanic eruptions. We taught the community, especially mothers, on health and nutrition issues. Adequate complementary feeding is critical to support optimal physical growth and brain development in children. In 2018, together with Puskesmas (local government's clinic) and the Ministry of Health of Indonesia in that region, we provided nutritious food to improve the wellbeing of expecting and breastfeeding mothers and children.

Serving the Community

JAPFA for Kids

Prevention of Stunting

Disaster Response Programme

Waste Bank
Blood Donation
Japfa Chess Club
JAPFA Green School
Sanitation
Infrastructure Development
Japfa Foundation

DISASTER RESPONSE PROGRAMME

In September 2018, a significant earthquake rocked Lombok, Indonesia. The Meteorological, Climatological, and Geophysical Agency (BMKG) initially reported that the quake had a magnitude of 7.0. As a result, thousands of people were displaced and tens of thousands of homes destroyed.

PT Japfa Tbk worked hard in providing aid such as tents, staple food and basic need supplies, and medicines with a total amount of Rp 350 million. PT Japfa Tbk also conducted emergency response activities for natural disasters in Palu on 28 September 2018.

The disaster engulfed a number of locations in Central Sulawesi. Japfa Foundation's involvement was proven by the Emergency Rescue (ER) team arrival at the disaster area. The ER teams provided support in the form of rescue and medical assistance and also collaborated with 118 independent teams, The Collapsed Structure Search and Rescue (CSSR) Team, and The Emergency Medics team. We quickly established a "JAPFA Peduli" (JAPFA Cares) team to provide food, clean water, medication, blankets, tents, and medical examinations. The assistance provided was worth Rp 950 million.



Serving the Community

JAPFA for Kids
Prevention of Stunting
Disaster Response Programme

Waste Bank

Blood Donation

Japfa Chess Club
JAPFA Green School
Sanitation
Infrastructure Development
Japfa Foundation

WASTE BANK

The main goal of waste bank is to accommodate the community in reducing, reusing and recycling of waste. Simultaneously, the programme can help local people grow a “savings” account through the recycling of waste. People who are interested to join the waste bank programme need to collect recyclable wastes including packages, paper and plastics containers/bottles to the “bank” where the wastes are weighed and valued in monetary terms.

Through the implementation of the waste bank programme, we are also supporting the Indonesian Government’s programme to reduce waste and change people’s attitude towards the environment. During 2018, the waste bank programme has resulted in the reduction of 10 tons of waste, and managed to convert 2 tons of organic waste into useful and much needed fertilizer. A total of Rp 10.5 million worth of waste was registered in our waste bank. [\[GRI 203-2\]](#)



BLOOD DONATION

PT Japfa Tbk worked in partnership with the Indonesian Red Cross to conduct regular blood donation drives from staff and workers. In 2018, PT Japfa Tbk’s Sragen Unit received an award from the Indonesian Red Cross (PMI) as a company that had the greatest number of participants that donated blood and for donating 6,000 litres of blood.

Serving the Community

JAPFA for Kids
Prevention of Stunting
Disaster Response Programme
Waste Bank
Blood Donation

Japfa Chess Club

JAPFA Green School
Sanitation
Infrastructure Development
Japfa Foundation

JAPFA CHESS CLUB

In 2018, PT Japfa Tbk has been strengthening its support for the most talented members of the chess society in Indonesia. Our goal is to increase the Elo rating (international chess rating system) of each individual player, that will in turn increase the position of Indonesia ranking in the international chess federation. Through Japfa Chess Club, we are also looking for new chess prodigies and talents.

For this purpose, PT Japfa Tbk is working in partnership with Percasi (Indonesian Chess Federation) and also the Ministry of Youth and Sport. In April 2018, JAPFA supported international tournaments entitled “JAPFA Grandmaster &

Women Grandmaster Tournaments” in Solo, Central Java which was followed by several countries such as USA, China, Russia, Serbia, France, Georgia, Romania, the Philippines, Vietnam and Indonesia.

The tournament in the GM group was won by GM Timur Gareyev from USA and WGM Ketil Tsatsalashvili from Georgia. PT Japfa Tbk also supports Indonesian chess teams at the Chess Olympics in Batumi, Georgia. The men’s team was ranked 57th out of 185 countries and the women’s team was ranked 35th out of 150 countries. Both of them rose 12 places from the 2016 Olympics in Baku, Azerbaijan.



Serving the Community

JAPFA for Kids
Stunting Prevention
Disaster Response Programme
Waste Bank
Blood Donation
Japfa Chess Club

JAPFA Green School

Sanitation

Infrastructure Development

Japfa Foundation

JAPFA GREEN SCHOOL

JAPFA Green School programme was held in Indonesia, which started in 10 Public Elementary Schools around JAPFA Feedmills located in Cikupa and Cikande. This programme aimed to build clean and green schools. Throughout 2018, we assisted 10 elementary schools to change and improve the hygiene management as well as reduce inorganic waste and the utilization of organic waste. Each school has been trained to develop a waste-sorting culture. Later, inorganic waste is used for handicrafts, while organic waste is processed into compost and used for creating school gardens.



INFRASTRUCTURE DEVELOPMENT

Social infrastructure development projects were conducted in India. Since 2017 we have renovated school buildings around Supa, where we modernized the classrooms, computer laboratories and toilets. In 2018, we expanded our coverage to Bihar and Vaishali and in addition to modernizing the school furniture, we provided sanitation equipment to improve sanitation and the health of students. Our farms, especially in Myanmar, are mostly located in remote areas where electricity and road infrastructure may not be established by the municipalities.

Through our operations, we facilitate access to road transport and electricity for the surrounding local communities, which indirectly improve their livelihoods. We have done some Corporate Social Responsibility (CSR) actions such as supports road maintenance i Chaw Gone Wah Net Chaung Monastery, providing funding to Myanmar Badminton Federation and social welfare fund for villages in Mandalay. Also, by partnering with Livestock, Breeding and Veterinary Department (LBVD), we support their veterinary research programmes.

SANITATION

The JAPFA Community Sanitation Programme was conducted in Duyungan Sub-District, Sragen Regency, Indonesia. This programme was targeted at people who do not have toilets in their homes. In 2018, through the company's business unit in Sragen district, we have built 40 toilets for 40 families that did not have a toilet. With this achievement, all households around our facilities will have proper sanitation. We provided seed funding for building the toilets. Our community beneficiaries were then asked to contribute labour to build toilets in other houses in the village.

Serving the Community

JAPFA for Kids
Prevention of Stunting
Disaster Response Programme
Waste Bank
Blood Donation
Japfa Chess Club
JAPFA Green School
Sanitation

Infrastructure Development

Japfa Foundation

JAPFA FOUNDATION

Towards Sustainability Goals

Background

In line with our vision to "Maximise our youth's potential through education, nutrition & sports development", the JAPFA Foundation, which was established in 2015, continuously developed and implemented various sustainable social programmes. Since the beginning, besides achieving corporate goals, the Foundation's concept is to create programmes that are also able to achieve the Sustainable Development Goals (SDGs).

The 2030 Agenda for Sustainable Development / SDGs

The SDGs are implemented with universal, integrated and inclusive principles to ensure that "No One is Left Behind". In relation to the SDGs, the Foundation's programmes aim to achieve SDG number 2-Zero Hunger, 4-Quality Education, and 17-Partnership. In 2018, the Foundation's goals were realised through two main pillars of contribution i.e. agricultural education and a nutritional improvement.

Moreover, several socially-strategic initiatives were also implemented. For all of those programmes during the 2017-2018 period, the Foundation spent USD 2.2 million, an increase compared to 2015-2016 expenditure of USD 1.5 million. The following are the two key pillar programmes and two initiatives organised by the JAPFA Foundation in 2018:

Agricultural Education

This programme was chosen as it is in accordance with Japfa's core business. The hope is that through agricultural education and agribusiness development, a young generation of agriculture professionals will be produced, and that new knowledge in this field could be obtained. One of the agricultural education programmes is a partnership with Vocational Schools of Agribusiness, Agrotechnology, Livestock and Aquaculture in various regions in Indonesia.

In 2018, we partnered at least 13 Vocational Schools that are located in North Sumatra, Lampung, West Java, Central Java, East Java, South Kalimantan, South Sulawesi and East Nusa Tenggara. These schools were chosen because of their strategic locations and function in developing the economy and the younger generation in the communities. In partnership with the Vocational Schools, we implemented a Grand Design of Vocational-level Agriculture Education Development as a blueprint to strengthen the principals' and teachers' performances, improve the school's management, and foster a Teaching Factory as well as sustainable business units. The programme has been approved and acknowledged by the Ministry of National Development Planning, the Ministry of Education and Culture, and the Provincial Government, as is in line with the Central Government goals.

Serving the Community

- JAPFA for Kids
- Prevention of Stunting
- Disaster Response Programme
- Waste Bank
- Blood Donation
- Japfa Chess Club
- JAPFA Green School
- Sanitation
- Infrastructure Development

Japfa Foundation

Nutritional Improvement

While global nutrition levels continue to grow, nutritional deficiencies are still prevalent in Indonesia. Thus, a solution is required through collaboration between government, the private sector, and the academia. In this case, the academia have an important role in making new breakthroughs in the field of nutrition.

In relation to nutritional improvement, the Foundation has a NutriTEEN (Nutritionist TEEN) programme that focuses on selecting a nutrition ambassador for teenagers. These ambassadors are high school students who are active, care about nutrition, live a healthy lifestyle, and deserve to be a role model for other teenagers.

The NutriTEEN ambassadors are assigned to spread information regarding nutritional balance to other students in schools and the wider communities. The Foundation is in collaboration with the 1000 Days Fund, an international organisation that actively combats stunting issues in three locations in Indonesia i.e. East Nusa Tenggara, East Java, and DKI Jakarta. This programme is a cross-sector collaboration with the government, the private sector, academia, and the community.

Through the distribution of 10,000 height measurement tools for 10,000 houses, we aim to reduce stunting rates by 22% in 2020. Through the "Indonesia Creative Nutrition Project" event, we also provide opportunities to develop start-ups and NGOs with good and sustainable concepts of social entrepreneurship to alleviate nutritional issues. Starting from 2018, they are implementing social entrepreneurship, and their success will be measured in the future using a SROI (Social Return on Investment).



Social-Strategic Approach

In realising its programmes, the Foundation always strives for a socially-strategic approach, thus both the community and the Foundation can grow together. The Foundation has opened two Community Open Space Initiatives (COSI) in Pejaten Timur, Jakarta and Kemantren Village, Lamongan Regency, East Java. COSI is a community center where the Foundation develops agricultural and nutrition education through a sustainable approach, so that communities can also give their support. In COSI, the Foundation conducts training, has a discussion room and space for social entrepreneurship, and also teaches young children about start-ups and incubators, and promotes their products through an online marketplace as well as social media. This is part of the Foundation's effort to align its programmes with the development of Industry 4.0.

8

Growing Together with Our Stakeholders

84	86	86	86
Economic Performance of the Group	Anti-Corruption Policy	Internal Audit	Whistleblowing System

Growing Together with Our Stakeholders

Building strong relationships with our stakeholders has always been a key part of the Group's business approach. As one of the leading agri-food companies in the region, the Group is determined to always put forward stakeholders' satisfaction. We contribute to people's lives in the countries which we operate in by providing nutritious and affordable animal protein staples, encouraging entrepreneurship, partnering and empowering farmers, creating jobs, and paying taxes which go towards national economic development.

The Group's achievements so far have been triggered by our vertically-integrated business model. We have more than 38,000 employees across our network of industrialised farms. The Group continues to develop the competency of our human resources to support the Group in delivering only the best performance and outcome. The Group also provides employment opportunities beyond the farms through building relationship and partnering with our local farmer. Through this cooperation, our local farmers contribute to the economic growth in their operating regions, through the provision of food protein, job creation and local tax contributions.

Despite the macroeconomic uncertainties and cyclicity of the agri-food business, Japfa's ability to deliver revenue and earnings growth in FY2018 underlines its strong positioning as a low cost and efficient producer of staple proteins in Emerging Asia.

We strive to achieve our goals by having a strong corporate governance structure, anti-corruption policy, effective internal audit function, whistleblowing system and a robust risk assessment process.

Why it matters?



Economic Performance of the Group



Anti-Corruption Policy



Internal Audit



Whistleblowing System

Growing Together with Our Stakeholders

Economic Performance of the Group

Anti-Corruption Policy
Internal Audit
Whistleblowing System

ECONOMIC PERFORMANCE OF THE GROUP

A positive financial performance had been recorded by the Group. In 2018, revenue increased by 11% to US\$3.5 billion, from US\$3.2 billion in FY2017. EBITDA improved by 58% to US\$457.0 million, from US\$290.0 million in FY2017, while Core PATMI w/o Forex rose to US\$121.9 million, from US\$15.7 million in FY2017.

The Animal Protein PT Japfa Tbk segment reinforced its position as the largest contributor to the Group's business, accounting for 67% of revenue. Although Indonesia encountered the depreciation of the Indonesian Rupiah (IDR), our revenue increased in 2018. This was mainly attributed to higher sales volumes for feed and DOC, coupled with higher average selling prices (ASPs) across the poultry business.

The Group's Dairy segment revenue increased significantly by 18% y-o-y to US\$408.7 million and operating profit increased 7% y-o-y to US\$71.8 million driven by higher milk

yields and volumes. Improvements were also recorded in the downstream business as sales volumes of extended shelf life (ESL) products in Southeast Asia increased alongside higher advertising and promotions (A&P) investments to increase brand visibility and capture greater market share.

Animal Protein Other (APO), which refers to the Group's animal protein operations in Vietnam, Myanmar and India, recorded a 23% y-o-y revenue growth to US\$583.1 million, and a turnaround of operating profit to US\$33.1 million, from a loss of US\$26.9 million in the previous year.

This growth was the result of improved profitability in Vietnam's operations and solid growth of feed sales volume in India's operations which increased by 17% y-o-y. Japfa Ltd also recorded an increase in sales volumes of Consumer Food for frozen and ambient food products by approximately 8% and 29% respectively. *[GRI 201-1]*

- We define **"EBITDA"** as profit before tax from continuing operations, excluding interest income, finance costs, depreciation of property, plant and equipment, depreciation of investment properties and amortisation of intangible assets, and also excluding changes in fair value of biological assets and derivatives which relate to foreign exchange hedging and foreign exchange adjustments gains/(losses).
- We derived "Core PATMI" from "Profit Attributable to Owners of the Parent, Net of Tax" by excluding changes in fair value of biological assets (net of tax) and derivatives, and by excluding extraordinary items attributable to owners of the parent.
"Core PATMI w/o Forex" is an estimate derived from Core PATMI by excluding foreign exchange gains/losses (before tax) attributable to the owners of the parent. We have not made an estimate of the tax impact on foreign exchange gains/losses. This is because the majority of the gains/losses are unrealised and arise from the translation of USD bonds in PT Japfa Tbk and USD loans in Dairy, which have no tax implication.



Growing Together with Our Stakeholders

Economic Performance of the Group

Anti-Corruption Policy
Internal Audit
Whistleblowing System

Japfa Ltd FY2018 | Direct Economic Value Generated and Distributed *[GRI 201-1]*

i. Direct Economic Value Generated US\$ million

Revenue	3,533.3
Interest Income	4.2
(-) Other expense net of other income	102.4
TOTAL	3,435.1

ii. Economic Value Distributed

Operating cost (Cost of sales, SG&A exclude staff cost and CSR and Japfa Foundation)	2,843.1
Employees wages and benefits	346.5
Payment to providers of capital (dividend paid by Japfa Ltd)	6.5
CSR ¹	1.0
Japfa Foundation	0.9
Payment to Government (Corporate income tax paid)	72.2
TOTAL	3,270.2

iii. Economic Value Retained

Economic value retained	164.9
-------------------------	-------

¹Exchange rate:
1 US Dollar = 14,481 Indonesian Rupiah
1 US Dollar = 1,549.3 Myanmar Kyats

Growing Together with Our Stakeholders

Economic Performance of the Group

Anti-Corruption Policy

Internal Audit

Whistleblowing System

ANTI-CORRUPTION POLICY

The Company recognises that corruption is an unlawful practice which will only damage the company's reputation and disrupt its performance. Therefore, to create a clean, transparent and accountable environment, we have established anti-corruption policies in our business units and headquarters, which are tested by our Internal Audit Unit. We also work with Ernst and Young, as our auditors, to exchange and discuss information related to current issues in our industry. Japfa continuously strives to reiterate to both its management and employees to not engage in corruption. As of the end of 2018, Japfa Ltd has communicated anti-

corruption policies and procedures to members of the governance bodies in Indonesia, Vietnam, China, Myanmar, India. We have communicated the Company's anti-corruption policies and procedures to 43% of the total employees in PT Japfa Tbk, 62% of the total employees in Japfa Vietnam, 100% of the total employees in Japfa Myanmar and China and 96% of the total employees in Japfa India. Furthermore, 6% of our total employees in PT Japfa Tbk have taken anti-corruption training as well as 55% in Japfa Vietnam and 46% in Japfa India. Similar training for Japfa Myanmar will be scheduled for 2019. [\[GRI 205-2\]](#)

INTERNAL AUDIT

Japfa's internal control processes and systems are reviewed by the Internal Audit (IA) function. Results of internal audit reviews provide management with opportunities to improve internal controls within their processes, which will help management achieve their objectives. The Head of IA reports to the Audit Committee of the Board of Directors of Japfa Ltd, as well as to Japfa Ltd's Chief Executive Officer.

The Head of IA meets the AC Chairman and provides quarterly update to the Audit Committee. There are approximately 350 auditable business units and IA audits approximately 35 business units (10%) annually. These audits were selected and prioritized based on IA's risk assessment process. The Internal Audit Plan is approved by the Audit Committee of the Board of Directors. [\[GRI 205-1, GRI 205-2, GRI 206-1\]](#)

WHISTLEBLOWING SYSTEM

As part of the Company's commitment to implement Good Corporate Governance and ensure business practices are based on integrity, the Company has established a Whistleblowing System. The Whistleblowing System provides employees and external stakeholders with a communication channel to report fraud, criminal acts, and violations of corporate regulations and code of conduct, which involve the Company's employees and/or affiliated parties. The existence of the Whistleblowing System is

expected to encourage employees to report suspected violations without fear of retaliation, discrimination, or suffering any loss. The Company's Whistleblowing System is called JAPFALERT and was developed internally by Japfa Ltd. JAPFALERT posters are posted in numerous business units and provide detail instructions, including the website and password, on how to file a report. Further details about the Whistleblowing System are included in the Company's Annual Report. [\[GRI 205-2, GRI 2016-1\]](#)

9

Governance

89 Organisational Structure

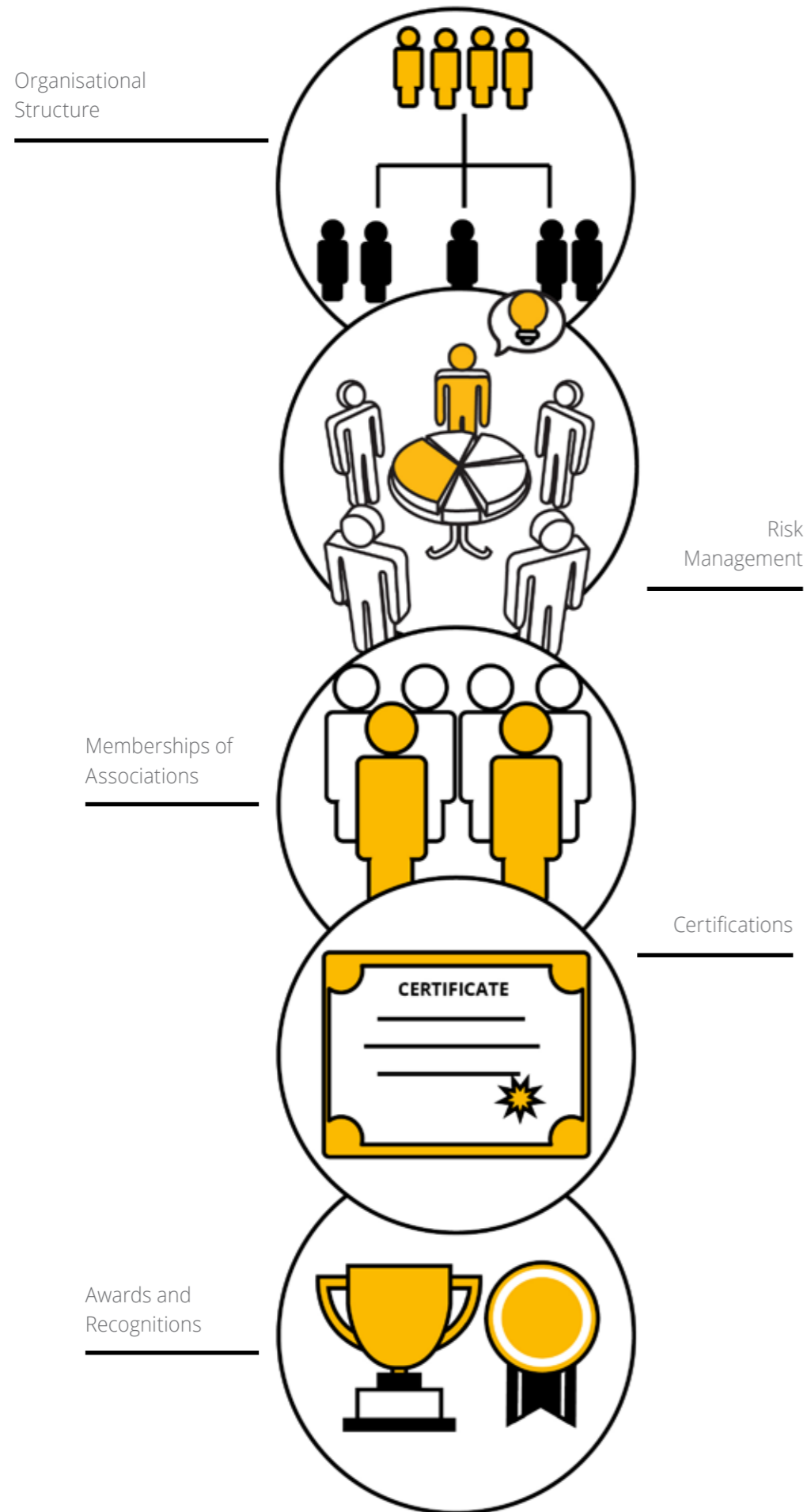
91 Risk Management

92 Memberships of Associations

93 Certifications

98 Awards and Recognitions

Our Approach



Governance

Organisational Structure

- Risk Management
- Memberships of Associations
- Certifications
- Awards and Recognitions

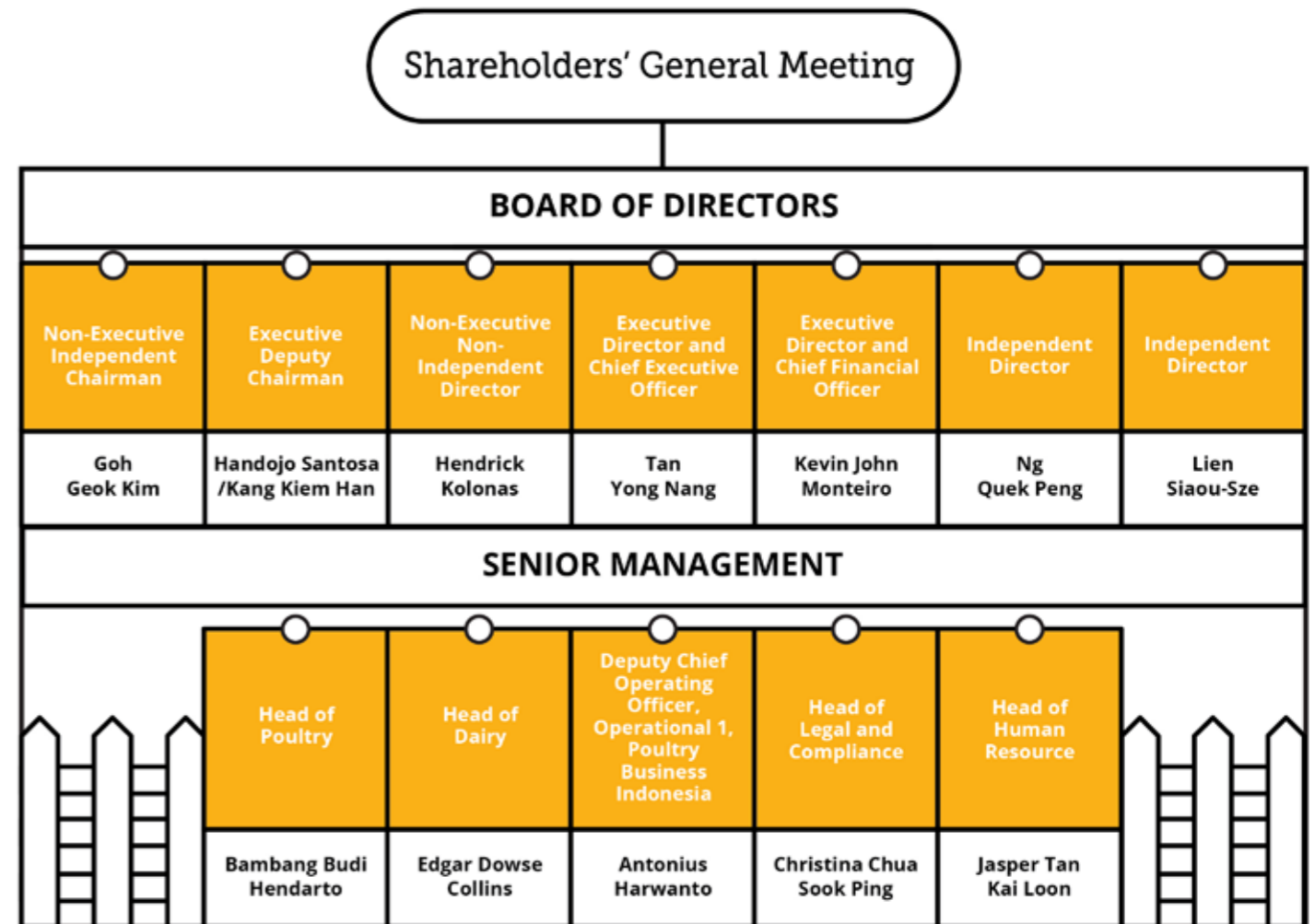
ORGANISATIONAL STRUCTURE

Japfa Ltd ("Japfa" or the "Company", and together with its subsidiaries, the "Group") is committed to maintaining good corporate governance and business integrity in the Group's business activities, so as to deliver long-term and sustained value for its stakeholders.

Japfa has complied in all material aspects with the main principles and supporting guidelines of the 2012 Code, and will regularly review its governance policies and practices to track developments in market best practices and regulations.

This report lists out Japfa's corporate governance framework, with specific reference to the principles and guidelines of the revised Code of Corporate Governance 2012 (2012 Code) issued by the Monetary Authority of Singapore on 2 May 2012.

Our Corporate Governance report can be found in our Annual Report and the Group's website (www.japfa.com).

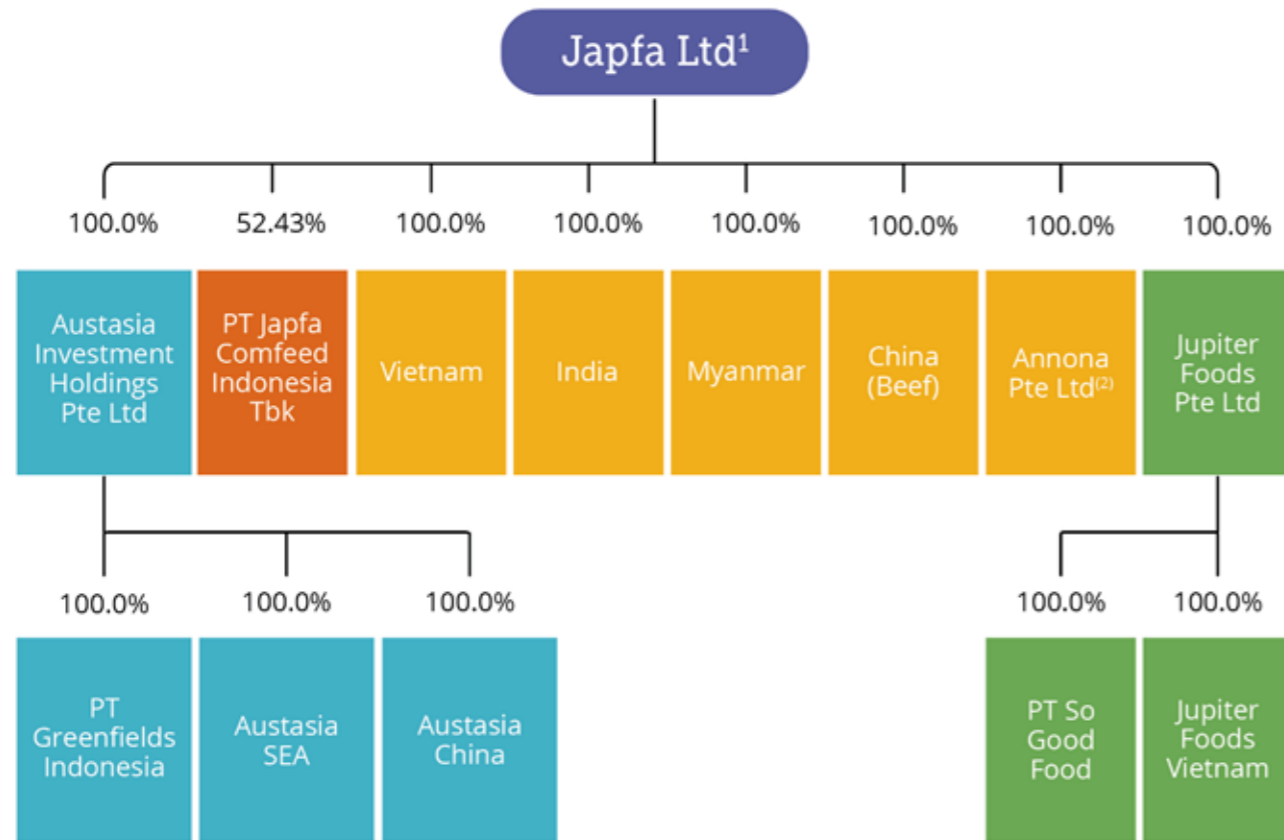


Governance

Organisational Structure

- Risk Management
- Memberships of Associations
- Certifications
- Awards and Recognitions

Japfa Ltd Group Structure³



- **Animal Protein - PT Japfa Tbk**
- **Dairy**
- **Animal Protein**
- **Consumer Food**

Note:
 1. Listed on SGX-ST
 2. Listed on IDX
 3. This diagram is for illustrative purposes only. For the detailed list of Japfa's entities, please refer to the audited consolidated financial statement, which is available at the Company's website.

Governance

Organisational Structure

- Risk Management**
- Memberships of Associations
- Certifications
- Awards and Recognitions

RISK MANAGEMENT

The Company implements risk management practices to handle risks effectively and carefully. Several risks faced by the Company in carrying out its business lines are as follows:



Livestock Disease Outbreak

A major disease outbreak may potentially result in a loss for the Company. In order to minimise this risk, the Company applies strict biosecurity measures, including the research and production of animal vaccines.



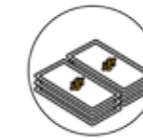
Prices and Availability of Raw Materials

To ensure the availability of raw materials we encourage local farmers to cultivate raw materials used in our operations. The risk of fluctuation in raw material prices is mitigated by the ability to pass on increases into our selling price for feed.



Competition

In maintaining its position in the face of industry competition, the Company continues to prioritise product quality, implement product efficiency from upstream to downstream, and establish good relationships with its customers, including providing them with on-time technical support.



Foreign Currency Fluctuations

Fluctuations in foreign currencies may also directly impact our business and results of operations. Where applicable, we enter into hedging transactions to mitigate the risk of fluctuations to significant foreign currency exposures.



Regulatory Environment

Changes in regulations and government policies could impact our business and operations. The Company continues to ensure that it is in compliance with the applicable laws and regulations in the countries where we operate.

Governance

MEMBERSHIPS OF ASSOCIATIONS

The Group is actively involved in organisational activities and associations. During the reporting period the Company is registered as a member of the following organisations. [GRI 102-13]

PT Japfa Comfeed Indonesia Tbk	
The Employers' Association of Indonesia (APINDO) DKI Jakarta Province	Indonesian Fishery Product Processing & Marketing Association (AP5I)
Indonesian Feedmills Association (GPMT)	Shrimp Club Indonesia (SCI)
Indonesian Poultry Breeding Companies Association (GPPU)	Indonesia Veterinary Medicines Association (ASOHI)
Indonesia Poultry Slaughterhouse Association (ARPHUIN)	Indonesia Association of Veterinary Public Health (ASKESMAVETI)
Indonesia Poultry Community Association (PINSAR)	Indonesia Aquaculture Society (MAI)
World Poultry Science Indonesia Branch (MIPI)	
PT Greenfields Indonesia	
Indonesian Food and Beverage Producers Association (GAPMMI)	Indonesia CSR Society (East Java Province)
The Employers' Association of Indonesia (APINDO) East Java Province	Indonesian Chamber of Commerce (KADIN)
Asosiasi Peternak Sapi Perah Indonesia (APSPI)	Farmer Association (AP2SRI = Asosiasi Peternak dan Pengadaan Susu Rakyat Indonesia)
Japfa Comfeed Vietnam Limited Company	
FDI Enterprise Association	
PT So Good Food Manufacturing	
Indonesian Food and Beverage Producers Association (GAPMMI)	National Meat Processors Association (NAMPA)
Association of Chef Professionals (ACP)	Modern Market Suppliers Association (AP3MI)
Japfa Foundation	
Asian Venture Philanthropy Network (AVPN)	Cluster for Food and Nutrition Security in Filantropi Indonesia (FI)
Indonesia CSR Society	
Japfa Comfeed India Pvt. Ltd.	
CLEMA of India	All-India representative of livestock industry
Bombay Chamber of Commerce	Association of Poultry Breeders
Poultry Breeders Welfare Association (PBWA)	

Governance

- Organisational Structure
- Risk Management
- Memberships of Associations
- Certifications**
- Awards and Recognitions

CERTIFICATIONS [GRI 102-12]

Animal Protein - PT Japfa Tbk

Quality Management System ISO 9001 : 2015

Certifying Institution
TUV Rheinland and SAI Global

Recipient A. Poultry Operation

- Feed Units in Medan, Padang, Lampung, Cikande, Cirebon, Sragen, Sidoarjo, Gedangan, Surabaya, Makassar, Grobogan and Banjarmasin;
- Grand Parent Farm Unit located in Wanayasa-Purwakarta.

- B. Aquaculture Division**
- Fish and Shrimp Feeds Unit in Purwakarta, Banyuwangi, Gresik, and Medan.

- C. Beef Cattle Division**
- Beef Cattle Feedlot in Bekri.

D. Trading and Others Division

- Woven plastic bag unit in Wonoayu;
- Edible Oil Unit in Nilam-Surabaya;
- Animal Health and Livestock Equipment Business Unit;
- Animal Vaccine Unit under PT Vaksindo Satwa Nusantara, at Gunung Putri- Bogor;
- Animal Health and Farm Supplies Unit under PT Agrinusa Jaya Sentosa in Klapanunggal-Bogor.

Environment Management System ISO 14001 : 2015

A. Feed Division

- Feed Unit in Sragen.

Recipient A. Beef Cattle Division

- Beef Cattle Feedlot in Bekri-Lampung Tengah.

Food Safety System Certification 22000:2005

Certifying Institution
SAI Global
Bureau Veritas

Recipient A. Poultry Processing Division

- Slaughterhouse (RPA) Unit in Balungbendo – Sidoarjo

B. Beef Cattle Division

- Processing Unit in Serang-Banten

Halal Certificate

Certifying Institution
Indonesia Ulama Council

Recipient A. Poultry Processing Division

- Chicken Slaughterhouse Units (RPA) in Medan, Parung-Bogor, Sadang- Purwakarta, Pabelan-Semarang, Balongbendo-Sidoarjo, Tabanan-Bali, Maros-Makasar, Bati-bati – Kalimantan Selatan and Lampung.

- B. Beef Cattle Division**
- Meat Processing (Cold Storage) Unit located in Serang, Banten

- C. Aquaculture Division**
- Seafood Value-Added Processing Plant Unit in Cirebon

Establishment Number (NKV)

Certifying Institution
Regional Agriculture and Livestock Offices

Recipient A. Poultry Processing Division

- Chicken Slaughterhouse (RPA) Units in Medan, Parung-Bogor, Sadang- Purwakarta, Pabelan-Semarang, Balongbendo-Sidoarjo, Tabanan-Bali, Maros-Makasar, Bati-bati – Kalimantan Selatan and Lampung.

- B. Beef Cattle Division**
- Meat Processing (Cold Storage) Unit located in Serang, Banten
 - Aquaculture Division:
 - Processing(Cold Storage) Unit in Simalungun

Orthodox Union Letter of Certification

Certifying Institution
Union of Orthodox Jewish Congregations of America

Recipient Agriculture Unit

- Processing(Cold Storage) Unit in Simalungun and Cirebon

Good Manufacturing Practices (GMP) Certificate

Certifying Institution
Directorate General of Aquaculture of Ministry of Marine Affairs and Fisheries Republic of Indonesia

Recipient Animal Health and Livestock Equipment Business Unit

- PT Vaksindo Satwa Nusantara, Plant I and Plant II in Gunung Putri, Bogor.
- PT Agrinusa Jaya Sentosa (AJS), for plants located in Klapanunggal, Bogor.

Good Fish Breeding Practices (CPIB)

Certifying Institution
TUV Rheinland and SAI Global

Recipient Aquaculture Division

- Shrimp Hatchery in Canti - Lampung, Indramayu, Carita - Banten, Banyuwangi, Singaraja - Bali dan Negara – Bal
- Tilapia Fish Hatchery in Java – North Sumatera

Environment Management System ISO 14001 : 2015

Certifying Institution
TUV Rheinland and SAI Global

Recipient Aquaculture Division

- Sobo and Bomo fishponds in Banyuwangi, BAL fishpond in Situbondo, Tilapia floating net cages in Tigaras and Tambun Raya ; Tilapia Hatchery in Tana Jawa

Good Fish Quarantine Practices (SCKIB)

Certifying Institution
Indonesia's Fish Quarantine, Quality Control and Fishery Products Safety Agency (BKIPM)

Recipient Aquaculture Unit
Shrimp Hatcheries in Canti - Lampung, Indramayu, Carita, - Banten, Banyuwangi, and Singaraja – Bali and Negara – Bali

Best Aquaculture Practices (BAP)

Certifying Institution
Best Aquaculture Practices (BAP)

Recipient Aquaculture Division:

- Tilapia Fish Farming Unit in Simalungun.
- Sea Food Value Added Processing Plant in Cirebon.
- Aquafeed Units in Medan and Gresik
- Floating Net Cages in Toba Lake
- Tilapia Hatchery in Tana Jawa

Aquaculture Stewardship Council (ASC) Certificate

Certifying Institution
Conformity Assessment Body of Aquaculture Stewardship Council

Recipient Aquaculture Division
Tilapia Fish Farming Unit in Simalungun - North Sumatra

- Tilapia Processing Plant in Simalungun – North Sumatra

Chain Of Custody

Certifying Institution
Aquaculture Stewardship Council (ASC)

Recipient Aquaculture Division
Tilapia Processing Plant in Simalungun – North Sumatera

British Retail Consortium

Recipient Aquaculture Division

- Tilapia Cold Storage Unit in Simalungun-North Sumatra
- Seafood value added processing plant Unit in Cirebon

Avian Influenza (AI) Disease- Free Compartment Certificate

Certifying Institution
Directorate General of Livestock and Animal Health - Ministry of Agriculture of Republic of Indonesia

Recipient Poultry Operation

- Breeding Farm Units: Darangdan, GP Wanayasa (1,2,3,4), Subang (1,2,3,4), Wonosegoro-Boyolali, GP Pesawaran, Grati

(1,2,3,4), Bali (1,2), Makasar (1,3), Gisting (1,2), GP Bojong, Bogor, Bojong 2 Pawenang, Campang, GP Lampung

- Chicken Hatchery Units: Wanayasa, Subang,Sukabumi, Tenganan, Bali (1,2), Sukajawa Lampung, Makassar
- Commercial Farm Unit in Semarang.

Occupational Safety and Health Management System

Certifying Institution
1. TUV Rheinland
2. MSI

Recipient Feed Division
Feed Units in Sragen and Grobogan

BLUE PROPER (complied with Regulation)

Certifying Institution
Ministry of Environment and Forestry of the Republic of Indonesia

Recipient A. Poultry Operation

- Feed Units in Padang, Lampung, Cikande, Tangerang, Purwakarta, Cirebon,
- Sragen, Sidoarjo, Makassar.
- Hatchery Unit in

Sukajawa (Central Lampung).

- Chicken Slaughterhouse Unit in Makassar

B. Beef Cattle Unit

- Feedlot Unit Bekri (Lampung).

C. Aquaculture Unit

- Seafood Value Added Processing Plant Unit in Cirebon
- Tilapia Processing Plant Unit in Simalungun – North Sumatera

Hazard Analysis and Critical Control Point (HACCP)

Certifying Institution
Ministry of Environment and Forestry of the Republic of Indonesia

Recipient A. Poultry Processing Division

- Chicken Slaughterhouse (RPA) Units in Medan, Lampung, Parung, Pabelan, Jogja, Krian, Maros

B. Beef Cattle Division

- Meat Processing Unit (RPH) in Wabin

Halal Slaughtering Practice (Poultry) Competence Certification (JULEHA)

Recipient
• Japfa Vietnam

Certifying Institution
National Agency of Profession Certification

Recipient A. Poultry Processing Division

- Chicken Slaughterhouse (RPA) Units in Medan, Lampung, Parung, Pabelan, Jogja, Krian, Maros

B. Beef Cattle Division:

- Meat Processing Unit (RPH) in Wabin

Standar Nasional Indonesia (SNI)

Certifying Institution
National Standardization Agency (BSN)

Recipient

- SNI 7353:2013 : PS Layer
- SNI 7354:2008 : PS Broiler
- SNI 4868.2-2013 : FS Layer
- SNI 4868.1:2013 : FS Broiler

Animal Protein Other

Certificate of merit for valuable contribution to the common success of FDI's Association of Vinh Phuc province

Recipient
• Japfa Vietnam

ISO 22000:2005

Certifying Institution
SGS

Recipient

- Japfa Comfeed Vietnam - Limited Company

Hazard Analysis and Critical Control Point (HACCP) Codex Alimentarius

Certifying Institution
SGS, IAF, Bureau of Accreditation Vietnam

Recipient

- Japfa Comfeed Vietnam - Limited Company

Dairy

Business license

Certifying Institution
Dongying administration for industry and commerce

Industrial Product Production License (PET Steam-free Beverage Bottle)

Certifying Institution
Shandong Provincial Bureau of Quality and Technical Supervision

Dairy production license (Pasteurized milk,whipping cream, modified milk, sterilized milk, fermented milk)

Certifying Institution
Dongying Food and Drug Administration

Beverage production license Milk beverage, coffee based beverage) milk, sterilized milk, fermented milk)

Certifying Institution
Dongying Food and Drug Administration

Recipient
Food Union AustAsia Dairy Co., Ltd.

ISO 9001:2015 (Pasteurized milk)

Certifying Institution
Intertek China

Pasteurized milk, whipping cream, modified milk, sterilized milk, fermented milk)

Certifying Institution
Intertek China

Milk beverage, coffee based beverage

Certifying Institution
Intertek China

FSSC22000 v4.1 (Pasteurized milk)

Certifying Institution
Intertek China

Quality Management System ISO 9001:2015

Certifying Institution
SAI Global

Recipient
• Operation of dairy farm in Indonesia

Establishment Number (NKV)

Certifying Institution
Regional Agriculture and Livestock Offices

Recipient
• Unit Manufacturing Milk Processing Desa Palaan Kec. Ngajum Malang-Jawa Timur
• Unit Dairy Farm Dusun Maduarjo Desa Babadan Kec. Ngajum, Malang-East Java

Halal Certificate

Certifying Institution
Indonesia Ulama Council

Recipient
• Unit Manufacturing Milk Processing Desa Palaan, Kec. Ngajum Malang-East Java

BLUE PROPER (Complied with Regulation)

Certifying Institution
Ministry of Environment and Forestry of the Republic of Indonesia

Recipient
• Unit Dairy Farm 1 Malang

Food Safety System Certification 22000:2005

Certifying Institution
BSI

Recipient
• Unit Manufacturing Milk Processing Desa Palaan, Kec. Ngajum Malang-East Java

Consumer Food

Food Safety System Certification ISO 22000 : 2005

Certifying Institution
SAI Global

Recipient
Consumer Food Division:

• Ready To Eat (RTE) unit located in Cikupa
• Banten, Pesawaran
• Lampung, Boyolali and Wonoayu.
• Chicken Slaughterhouse unit located in Cikupa - Banten, Pesawaran
• Lampung, Boyolali and Wonoayu.
• Value Added Meat (VAM) unit located in Cikupa - Banten.

• Value Added Meat (VAM) unit located in Cikupa - Banten.
• Dairy Processing unit located in Boyolali.

Good Manufacturing Practices (GMP)

Certifying Institution
SAI Global

Recipient
Consumer Food Division:

• Ready To Eat (RTE) unit located in Cikupa - Banten
• Pesawaran - Lampung, Boyolali and Wonoayu
• Chicken Slaughterhouse unit located in Cikupa - Banten
• Pesawaran - Lampung, Boyolali and Wonoayu.
• Value Added Meat (VAM) unit located in Cikupa - Banten.
• Dairy Processing unit located in Boyolali.

Hazard Analysis and Critical Control Point (HACCP)

Certifying Institution
SAI Global

Recipient
Consumer Food Division:

• Ready To Eat (RTE) unit located in Cikupa - Banten.
• Pesawaran - Lampung, Boyolali and Wonoayu.
• Chicken Slaughterhouse unit located in Cikupa - Banten.

• Pesawaran - Lampung, Boyolali and Wonoayu.
• Value Added Meat (VAM) unit located in Cikupa - Banten.
• Dairy Processing unit located in Boyolali.

Halal Certificate

Certifying Institution
Indonesia Ulama Council

Recipient
Consumer Food Division:

• Ready To Eat (RTE) unit located in Cikupa - Banten,
• Pesawaran - Lampung, Boyolali and Wonoayu.
• Chicken Slaughterhouse unit located in Cikupa - Banten
• Pesawaran - Lampung, Boyolali, Cicurug - Sukabumi and Wonoayu.
• Value Added Meat (VAM) unit located in Cikupa - Banten.
• Dairy Processing unit located in Boyolali.

Establishment Number (NKV)

Certifying Institution
Regional Agriculture and Livestock Offices

Recipient
Consumer Food Division:

• Ready To Eat (RTE) unit located in Cikupa - Banten,
• Pesawaran - Lampung, Boyolali and Wonoayu.
• Chicken Slaughterhouse

unit located in Cikupa - Banten,
• Pesawaran - Lampung, Boyolali, Cicurug - Sukabumi and Wonoayu.
• Value Added Meat (VAM) unit located in Cikupa - Banten.
• Dairy Processing unit located in Boyolali.

BLUE PROPER (Complied with Regulation)

Certifying Institution
Ministry of Environment and Forestry of the Republic of Indonesia

Recipient
Consumer Food Division:

• Ready To Eat (RTE) unit located in Cikupa - Banten,
• Pesawaran - Lampung and Maros.
• Chicken Slaughterhouse unit located in Cikupa - Banten,
• Pesawaran - Lampung and Cicurug - Sukabumi.
• Value Added Meat (VAM) unit located in Cikupa - Banten.

Halal Slaughtering Practice (Poultry) Competence Certification (JULEHA)

Certifying Institution
• The Institute for Food, Drugs and Cosmetics Assesment, Indonesia

Council of Ulama - Banten
• The Institute for Food, Drugs and Cosmetics Assesment, Indonesia Council of Ulama - West Java
• The Institute for Food, Drugs and Cosmetics Assesment, Indonesia Council of Ulama - East Java
• The Institute for Food, Drugs and Cosmetics Assesment, Indonesia Council of Ulama-Special Region of Yogyakarta
• The National Professional Certification Agency (BNSP) LSP Keswan

Recipient
Consumer Food Division:

• Unit in Cikupa - Banten for Chicken Slaughterhouse.
• Unit in Cicurug - Sukabumi for Chicken Slaughterhouse.
• Unit in Wonoayu for Chicken Slaughterhouse.
• Unit in Boyolali for Chicken Slaughterhouse.
• Unit in Pesawaran - Lampung for Chicken Slaughterhouse.

Halal Supervisor Certification

Certifying Institution
The National Professional Certification Agency (BNSP) LSP

Recipient
Consumer Food Division:
• Unit in Pesawaran - Lampung for Ready To Eat (RTE) plant and Chicken Slaughterhouse located in Boyolali.

Halal Assurance System Status

Certifying Institution
Assessment, Indonesia Council of Ulama

Recipient
Consumer Food Division:

• Unit in Pesawaran - Lampung for Ready To Eat (RTE) plant and Chicken Slaughterhouse

Risk Management Programme

Certifying Institution
National Agency of Drug and Food Control - Republic of Indonesia

Recipient
Consumer Food Division:

• Ready To Eat (RTE) unit located in Cikupa - Banten,
• Pesawaran - Lampung, Boyolali and Wonoayu.
• Chicken Slaughterhouse unit located in Cikupa - Banten,
• Pesawaran - Lampung, Boyolali and Wonoayu.
• Value Added Meat (VAM) unit located in Cikupa - Banten.
• Dairy Processing unit located in Boyolali.

Governance

Organisational Structure
Risk Management
Memberships of Associations
Certifications

Awards and Recognitions

AWARDS AND RECOGNITIONS

The Group received numerous prizes and awards in 2018. Below is a list of the most important awards received during the year.

Zero Accident Award

Awarding Institution

- Kementerian Ketenagakerjaan Republik Indonesia
- Pemerintah Daerah
- Ministry of Manpower of Republic Indonesia
- Regional government

A. Feed Division

Feed Unit in Banjarmasin according to the Minister of Manpower Decree Number 160 of 2018 dated 30 July 2018 with 2,119,837 Zero Accident Working Hours from 1 January 2012 until 31 December 2017;

Feed Unit in Gedangan according to the Minister of Manpower Decree Number 160 of 2018 dated 30 July 2018 and East Java Governor Decree Number 560/6467/108.5/2017 of 2018 dated 12 January 2018 with 6,325,814 Zero Accident Working Hours from 1 July 2004 until 31 October 2017;

Feed Unit in Sidoarjo according to the Minister of Manpower Decree Number 160 of 2018 dated 30 July 2018 and the East Java Governor Decree Number 560/6467/108.5/2017 of 2018 dated 12 January 2018 with 9,827,775 Zero Accident Working Hours from 1 July 2004 until 31 October 2016;

Feed Unit in Margomulyo according to East Java Governor Decree No. 560/6467/108.5/2017 of 2018 dated 12 January 2018 with 670,402 Zero Accident Working Hours from 1 November 2016 until 31 October 2017;

B. Aquaculture Division

Fish and Shrimp Feeds Unit in Gresik According to the Minister of Manpower Decree Number 160 of 2018 dated 30 July 2018 and East Java Governor Decree;

Number 560/6467/108.5/2017 of 2018 dated 12 January 2018 with 11,077,385 Zero Accident Working Hours from 1 January 2006 until 31 October 2017;



Occupational Safety and Health System Principles

Feed Unit in Makassar obtained Governor Award Number:566/0705/Disnakertrans (14 February 2017)

The Best Social Business Innovation Company 2018, Category: Animal Feed

Awarding Institution:
PT Kuadran Satu Komunika (Warta Ekonomi)
Awarding Date:
27 September 2018
Recipient:
PT Japfa Comfeed Indonesia Tbk

Excellent Company for Business Process Innovation

Awarding Institution:
PT Kuadran Satu Komunika (Warta Ekonomi)
Awarding Date:
23 March 2018
Recipient:
PT Japfa Comfeed Indonesia Tbk

TOP Leader on CSR Commitment 2018

Awarding Institution:
PT Madani Solusi Internasional (TOP Business)
Awarding Date:
04 October 2018
Recipient:
PT Japfa Comfeed Indonesia Tbk

TOP CSR 2018 Sektor Agribusiness

Awarding Institution:
PT Madani Solusi Internasional (TOP Business)
Awarding Date:
04 October 2018
Recipient:
PT Japfa Comfeed Indonesia Tbk

100 Excellent Growth - Company

Awarding Institution:
Bisnis Indonesia
Awarding Date:
27 August 2018

Recipient:
PT Japfa Comfeed Indonesia Tbk

Ranks Padmamitra Awards 2018, Kategori Bidang Korban Bencana

Awarding Institution:
Kementerian Sosial
Awarding Date:
25 October 2018
Recipient:
PT Japfa Comfeed Indonesia Tbk

Unit Pengolahan Ikan terbaik (dalam menerapkan Manajemen Mutu terpadu (MMT))

Awarding Institution:
Gubernur Sumatra Utara
Awarding Date:
28 December 2018
Recipient:
PT Suri Tani Pemuka

Lampung Sustainability Award (LSA) 2018 Kategori ekonomi

Awarding Institution:
Pemprov Lampung & Forum CSR Lampung
Awarding Date:
07 December 2018
Recipient:
PT Santosa Agrindo

Corporate Social Responsibility (CSR) Award - Environment and Forestry Partnership

Awarding Institution:
Ministry of Environment and Forestry of the Republic of Indonesia
Recipient:
Unit in Pesawaran - Lampung for Ready To Eat (RTE) plant and Chicken Slaughterhouse.

Health & Safety Award - The Best Province of Banten

Awarding Institution:
Province of Banten
Recipient:
Unit in Cikupa - Banten



Sustainability Champions

"The core values of sustainability have always been embedded in our daily operations since the beginning. My father built this company over 45 years ago with the belief that we can only grow if we grow together with our employees, our business partners, our farmers and our suppliers"

Handojo Santosa
Executive Deputy Chairman | Japfa Ltd

Sustainability Committee

Member	Designation
Tan Yong Nang	Chief Executive Officer
Kevin John Monteiro	Chief Financial Officer

Sustainability Coordinating Sub-Committee

Member	Designation
Koesbyanto Setyadharna	Corporate Financial Controller
Erwin Djohan	Financial Controller, PT Japfa Tbk
Jasper Tan	Head of HR, Japfa Group
Eddy Widadi	Head of HR, PT Japfa Tbk
Danny Wong	Financial Controller, Japfa Group
Elvina A.H	Investor Relations Vice President, PT Japfa Tbk

Sustainability Sub-Committee for Poultry Operations

Member	Designation
Bambang Budi Hendarto	Chief Operating Officer, Operation 1 - Poultry Indonesia
Antonius Harwanto	Deputy Chief Operating Officer, Operation 1 - Poultry Indonesia
Budiarto Soebijanto	Head of Feed, PT Japfa Tbk
Jafet Karundeng	Head of Production Feed Division; Head of Project Development, PT Japfa Tbk
Yahja Djanggola	Head of Commercial Poultry, PT Japfa Tbk
Widihartomo Tri Kuncoro	Head of Poultry Processing, PT Japfa Tbk
Teguh Y. Prajitno	Head of SBU AHLE (Animal Head & Livestock Equipment), PT Japfa Tbk
Wali Muhammad	Head of HR & GA Poultry Indonesia, PT Japfa Tbk
Hendri	Financial Controller, PT Japfa Tbk
Daniel Iki	Head of Production, Poultry Breeding Division, PT Japfa Tbk
Arif Widjaja	Co-Country Head Japfa Vietnam
Junairi Sungkono	Co-Country Head Japfa Vietnam
Gerald Eman	Country Head Japfa Myanmar
Prasad Wagh	Country Head Japfa India

Other Sustainability Champions

Member	Designation
Sri Rejeki Muji Andayani	HR Business Partner Indonesia, PT Japfa Tbk
Christina Kucita	Investor Relations Admin Staff, PT Japfa Tbk
Franciscus Reza Paul Adam	Deputy Head of Corporate IT, PT Japfa Tbk
Antonius Brian Suherman	HR Digitalisation Manager, PT Japfa Tbk
Pham Van Tuan	Head of Human Resources and General Affairs, Japfa Vietnam
Vidyasagar A	Finance Controller, Japfa India
Johnny Adhinegara	Head of Feed Division, Japfa Myanmar
Yin Yin Myint	Head of HR & GA, Japfa Myanmar

Sustainable Development Goals (SDG) Compass

United Nations established 17 Sustainable Development Goals for 2030. As a leading pan-asian industrialized agri-food company, we believe that our operations give positive contributions to several SDG Goals. Below we reference the Sustainable Development Goals to the relevant sections of this sustainability report

3 Providing Affordable and Nutritious Protein



We contribute to reduce hunger and provide nutrition for our society through our efficient production system.

8 Growing Together with Our Stakeholders

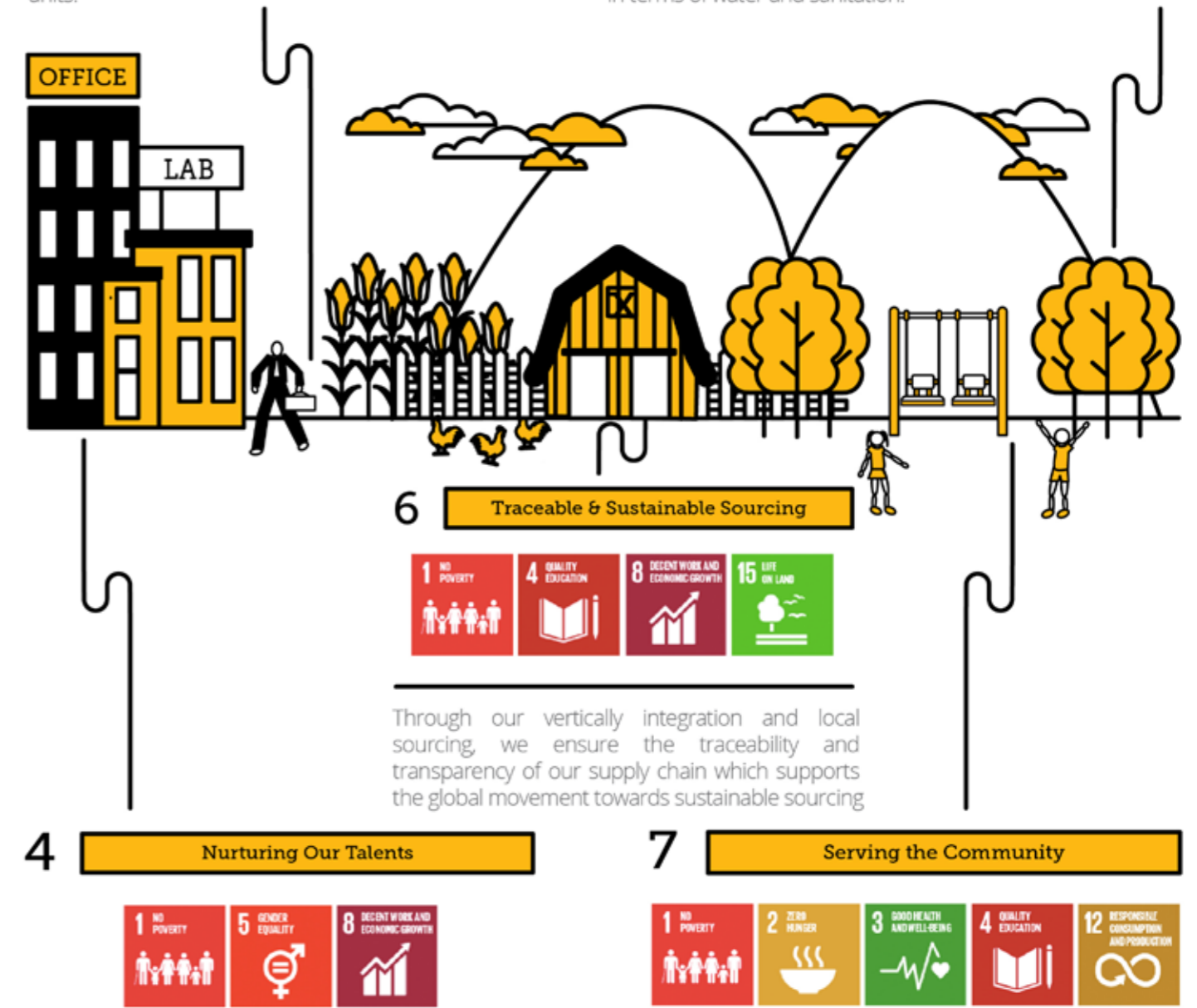


We create jobs to reduce poverty and support infrastructure development around our operating units.

5 Green Productivity



Although we are industrialized, we always strive to prioritizing environmental aspects in each of our business units, especially in terms of water and sanitation.



6 Traceable & Sustainable Sourcing



Through our vertically integration and local sourcing, we ensure the traceability and transparency of our supply chain which supports the global movement towards sustainable sourcing

4 Nurturing Our Talents



Through our large scale operations, we create jobs

7 Serving the Community



Together with our society, we build a better Asia

GRI Standard 2016	Disclosure	Page Number(s) and/or URL(s)	Omission	
General Disclosures				
GRI 102: General Disclosures	102-1	Name of the organization	11	-
	102-2	Activities, brands, products, and services	14, 19-22	-
	102-3	Location of headquarters	24	-
	102-4	Location of operations	11, 16	-
	102-5	Ownership and legal form	11, 90	-
	102-6	Markets served	11	-
	102-7	Scale of the organization	16-22	-
	102-8	Information on employees and other workers	16-17	-
	102-9	Supply chain	30	-
	102-10	Significant changes to the organization and its supply chain	24	-
	102-11	Precautionary principle or approach	4-5, 7-8, 91	-
	102-12	External initiatives	93-97	-
	102-13	Membership of associations	92	-
	102-14	Statement from senior decision-maker	4-5	-
	102-16	Values, principles, standards, and norms of behavior	12-13	-
	102-18	Governance structure	90	-
	102-40	List of stakeholder groups	12-13, 26-27	-
	102-41	Collective bargaining agreements	46	-
	102-42	Identifying and selecting stakeholders	12-13, 25, 28	-
	102-43	Approach to stakeholder engagement	26-27	-
102-44	Key topics and concerns raised	12, 26-27	-	
102-45	Entities included in the consolidated financial statements	25	-	
102-46	Defining report content and topic Boundaries	25, 29	-	
102-47	List of material topics	28-29	-	

GRI Content Index

GRI 102: General Disclosures	102-48	Restatements of information	24	-
	102-49	Changes in reporting	24	-
	102-50	Reporting period	24	-
	102-51	Date of most recent report	24	-
	102-52	Reporting cycle	24	-
	102-53	Contact point for questions regarding the report	24	-
	102-54	Claims of reporting in accordance with the GRI Standards	24	-
	102-55	GRI content index	104-109	-
102-56	External assurance	24	-	

Economic

GRI Standard 2016	Disclosure	Page Number(s) and/or URL(s)	Omission	
Economic Performance				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	82	-
	103-2	The management approach and its components	84	-
	103-3	Evaluation of the management approach	84	-
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	85	-
Indirect Economic Impacts				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	70	-
	103-2	The management approach and its components	72, 78-80	-
	103-3	Evaluation of the management approach	72, 78-80	-
GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	72, 78-80	-
	203-2	Significant indirect economic impacts	78	-
Anti-Corruption				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	86	-
	103-2	The management approach and its components	86	-
	103-3	Evaluation of the management approach	86	-

GRI Content Index

GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	86	-
	205-2	Communication and training about anti-corruption policies and procedures	86	-
Anti-Competitive Behaviour				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	86	-
	103-2	The management approach and its components	86	-
	103-3	Evaluation of the management approach	86	-
GRI 206: Anti-Competitive Behaviour	206-1	Anti competitive behavior	86	-
Environment				
GRI Standard 2016		Disclosure	Page Number(s) and/or URL(s)	Omission
Materials				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	39	-
	103-2	The management approach and its components	39	-
	103-3	Evaluation of the management approach	39	-
GRI 301: Materials	301-3	Reclaimed products and their packaging material	39	-
Energy				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	60	-
	103-2	The management approach and its components	60	-
	103-3	Evaluation of the management approach	60	-
GRI 302: Energy	302-1	Energy consumption within the organization	61-62	-
Water				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	59	-
	103-2	The management approach and its components	59	-
	103-3	Evaluation of the management approach	59	-
GRI 303: Water	303-1	Water withdrawal by source	60	-

Biodiversity				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	63	-
	103-2	The management approach and its components	63	-
	103-3	Evaluation of the management approach	63	-
GRI 304: Biodiversity	304-3	Habitats protected or restored	63	-
Emissions				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	58	-
	103-2	The management approach and its components	58	-
	103-3	Evaluation of the management approach	58	-
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	58	-
	305-2	Energy indirect (Scope 2) GHG emissions	58	-
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	58	-
Effluents and Waste				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	57, 59	-
	103-2	The management approach and its components	57, 59	-
	103-3	Evaluation of the management approach	57, 59	-
GRI 306: Effluents and Waste	306-1	Water discharge by quality and destination	60	-
	306-2	Waste by type and disposal method	57	-
	306-4	Transport of hazardous waste	57	-
Social				
GRI Standard 2016		Disclosure	Page Number(s) and/or URL(s)	Omission
Employment				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	45, 49	-
	103-2	The management approach and its components	45, 49	-
	103-3	Evaluation of the management approach	45, 49	-

GRI 401: Employment	401-1	New employee hires and employee turnover	47	-
GRI 401: Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	49	-
Occupational Health and Safety				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	50	-
	103-2	The management approach and its components	50	-
	103-3	Evaluation of the management approach	50	-
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	50	-
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	51	-
Training and Education				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	52-54	-
	103-2	The management approach and its components	52-54	-
	103-3	Evaluation of the management approach	52-54	-
GRI 404: Training and Education	404-1	Average hours of training per year per employee	54	-
	404-2	Programmes for upgrading employee skills and transition assistance programmes	53	-
Diversity and Equal Opportunity				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	45-46, 48	-
	103-2	The management approach and its components	45-46, 48	-
	103-3	Evaluation of the management approach	45-46, 48	-
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	48	-
Security Practices				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	50	-
	103-2	The management approach and its components	50	-
	103-3	Evaluation of the management approach	50	-
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	50	-

Local Communities				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	67, 70	-
	103-2	The management approach and its components	67, 70-80	-
	103-3	Evaluation of the management approach	67, 70	-
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	67, 70	-
Customer Health and Safety				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	34, 41	-
	103-2	The management approach and its components	34, 41	-
	103-3	Evaluation of the management approach	34, 41	-
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	34, 41	-
Marketing and Labeling				
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundaries	41	-
	103-2	The management approach and its components	41	-
	103-3	Evaluation of the management approach	41	-
GRI 417: Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	41	-
Food Processing Sectors Disclosure				
GRI G4		Disclosure	Page Number(s) and/or URL(s)	Omission
	FP10	Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic	38	-
	FP12	Policies and practices on an antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type	26	-
	FP13	Total number of incident of significant non-compliance with laws and regulations, and adherence with voluntary standard related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals	39	-



Japfa Ltd

391B Orchard Road, #18-08

Ngee Ann City, Tower B

Singapore 238874

Tel : (65) 6735 0031

Fax : (65) 6735 4465

(Company Registration Number: 200819599W)

www.japfa.com