

# OUR JOURNEY

JAPFA LTD | SUSTAINABILITY REPORT 2021

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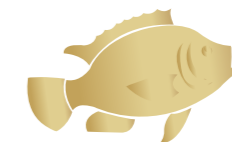
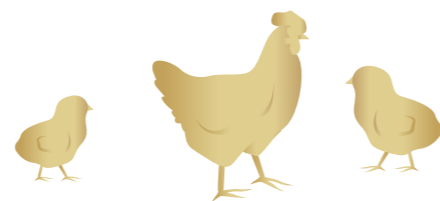


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# Our Sustainability Journey

This year marks our 50th anniversary. To celebrate this important milestone, we are pleased to publish the special edition of our 2021 sustainability report. We take a moment to reflect back on our journey in *Feeding Emerging Asia* by providing affordable staple proteins sustainably.

Sustainability that has been at the core in our business since the establishment of our Company. This philosophy is the driving force that motivates us to consistently nourish millions of people with nutritious proteins. People across our Company are increasingly embracing sustainability in their daily activities.

We are committed to contribute positively to our stakeholders by increasing the adoption of more sustainable practices in our operations. Together we can achieve **Growing Towards Mutual Prosperity** and attain long-term resilience in delivering nutritious proteins across emerging Asia.

The sustainability philosophy is embodied in our motto  
**Growing Towards Mutual Prosperity**

Commenced monitoring and reporting of our Indonesian poultry sustainability practices

1971

Mr Ferry Teguh Santosa established the business incorporating a broad sustainability philosophy

1990s



Our corporate logo, depicting a "happy person" reflects our commitment in building mutually rewarding relationships with stakeholders

2000

2017

2018

Expanded sustainability reporting scope to include poultry operations in Vietnam, Myanmar and India

2019

**Participated as a road tester in the Social LCA Project initiated by the UNEP Life Cycle Initiative and Social LC Alliance to contribute to the revised Social LCA guidelines**

We are the only company globally that represented the food and agricultural sector and Southeast Asia. The study focus on our contract farmer partnership programme in Indonesia. The study was completed in 2021

2020

- Established Sustainability Committee
- Developed Sustainability Pillars
- First vertically integrated poultry producer in Indonesia to formally conduct an environmental Life Cycle Assessment (LCA)**  
Initiated a cradle-to-gate LCA study for poultry operations in Indonesia
- Set up Japfa Sustainability Reporting System (JSRS), a platform to collect data and monitor the Company's environmental, social and financial performance
- Expanded sustainability reporting scope to include aquaculture

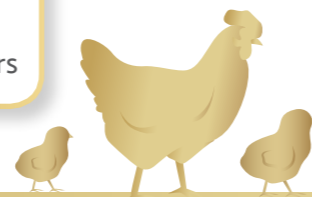
2021

- PT Japfa Tbk issued a US\$350 million Sustainability-Linked Bond (SLB), which is the first of its kind in the agri-food industry globally and the first US\$-denominated SLB issuance from Southeast Asia**

The results of the environmental LCA formed the basis for our Sustainability-Linked Financing Framework and Sustainability Performance Targets (SPTs) which became the focus of our SLB

- Commenced a supplier survey on sustainability

It is our mission to be a leading, trustworthy provider of affordable nutritious proteins in emerging Asia, contributing to the **UN Sustainable Development Goal 2: Zero Hunger**, to achieve food security, improve nutrition and promote sustainable agriculture.



## Foreword from Our CEO

GRI 102-14

Dear Stakeholders,

2021 was a special year for the Japfa Group as we celebrated our 50th anniversary. This milestone encourages us to reflect on the challenges and the achievements which have made us one of the leading animal protein producers in emerging Asia.

### Continuing to deliver in 2021

The year had been challenging especially in the face of the persisting global pandemic, rising geopolitical tensions and climate change issues. Despite the challenges, Japfa delivered a solid performance as we surpassed the US\$4 billion milestone in revenue. Despite high feed raw material costs impacting margins, EBITDA stood solid at above the US\$500 million mark. This demonstrates the resilience of our business model in being agile in adapting to difficult situations. I take this opportunity to thank all of our people across our vertically integrated operations and across countries for their unwavering dedication and contribution in this tough year.

### Sustainability ingrained in our heritage

When Mr Ferry Santosa, our founder, established Japfa 50 years ago, he subtly brought in a sustainability philosophy, which was subsequently embodied in the vision of **Growing Towards Mutual Prosperity**.

The agri-food business is inevitably subject to cyclicity which can affect revenue and



profitability. Our sustainability philosophy has created a resilient approach to business that has carried Japfa through several agri-food cycles over the past fifty years.

### Reinforcing Sustainability

We now look to sharpen our focus and further deepen our commitment to sustainability within our business, people and in our operations. We believe that focusing on environmental, social and governance will enable us to overcome challenges and secure our fundamental existence.

We will reinforce sustainability through Embracing Technology and People Development initiatives.

### Embracing Technology

We adopt modern technology to improve our operational efficiency, so that we can utilise our resources more efficiently, lower cost of our operations and reduce the environmental footprint. Embracing technology and digitalisation should ultimately boost productivity. More recently, our digital assets have increased the connectivity of our people, so that they can work and collaborate

“We remain confident in our long-term outlook as we have set a solid foundation for future growth being one of the most efficient and low-cost producers, to provide safe, affordable staple protein foods to millions of people.”

effectively amid Covid-19 lockdowns and movement restrictions. We will keep exploring opportunities to use technology and latest developments in our business.

### People Development

One of the initiatives is to boost sustainability awareness through training and to instil sustainability in day-to-day activities. By enhancing the capacity of our people and using the experience over the past fifty years, we want to ensure that we can progress forward while ultimately remain grounded in **Feeding Emerging Asia**. For the past few years, we have set direction in the right course and built the foundation. We continuously facilitate our people with various training and development programmes to expand their capacity. This way, we could always have good people with the common goal to rise up to the occasion and lead Japfa, ready to face any challenges and take opportunities in the future.

### Future Outlook

With our strong fundamentals in sustainability, underpinned by our three key sustainability pillars – Efficient Production System, People Development and Improving Nutrition, I believe we are well-positioned to tackle future challenges.

Japfa operates in emerging Asia, which is home to more than 4 billion people, or 40% of the total world population, where malnutrition is still an issue. We remain confident in our long-term outlook as we have set a solid foundation for future growth being one of the most efficient and low-cost producers, to provide safe, affordable staple protein foods to millions of people.

As we move forward, we believe our approach to “produce locally for local consumption” enables us to take advantage of this opportunity and continue to provide affordable nutritious proteins. In addressing the world’s growing population, we believe there is always room for us to position our products as we race towards domestic self-sufficiency.

Finally, I would like to thank all our stakeholders in supporting Japfa over the last 50 years. We will continue to work closely with our stakeholders to ride through headwinds, emerge stronger and together build a strong and sustainable future.

**Tan Yong Nang**  
Chief Executive Officer

# Foreword from Our Sustainability Committee

GRI 102-14

Dear Stakeholders,

Looking at our sustainability journey, we are proud with what we have achieved in the last 50 years. Building on this solid foundation, we are moving forward to deepen our efforts in contributing towards improving nutrition and *Feeding Emerging Asia* in a sustainable manner.

With Japfa's approach to doing business which emphasizes mutual prosperity to all stakeholders, we trust that we have made a positive impact on many lives.

## Providing affordable protein food to millions

As a leading industrialised producer of protein staples, we have provided nutritious and affordable food to millions of people in emerging Asia.



## Making Japfa a great place to work for almost 40,000 diverse employees

Currently Japfa has employees spread across different geographies, who are the key contributors of our business success. With our employees we aim to create workplaces that respect each individual fairly and bring out the best in everyone. Our corporate culture influenced by the Company's motto of **Growing Towards Mutual Prosperity** is reflected by a relatively low employee turnover rate (12% in 2021).

“Our social impact has been life changing; we just didn't realise it.”

## Improving the livelihood of around 11,000 contract farmers

In 2021, we completed a Social Life Cycle Assessment (LCA) where we participated as a road tester for a UNEP Social LCA exercise, which has provided us with feedback on our contract farmers. The exercise provided proof that being a contract farmer with Japfa did improve the farmer's skill set, productivity, yields and ultimately economic livelihood.

The majority of Japfa's broiler chickens are produced by our contract farmers. In our Indonesian poultry operations, we currently have approximately 10,000 contract farmers under a contract farming arrangement with Japfa. These contract farmers, which are located throughout the country, run their own commercial broiler farms. Following the success in Indonesia, we have replicated this contract farming arrangement to Vietnam, India and Myanmar.

## Health and nutrition awareness to thousands of children in our flagship initiative Japfa for Kids

Our Japfa for Kids programme strives to educate young school children below 12 on the importance of a balanced diet for proper nutrition, so they can grow up healthily. The programme has benefited more than 11,000 children directly in 2021. We also conduct other key community initiatives including scholarship programmes on higher agricultural education, nature conservation and community empowerment.

## Environmental focus areas

Our Life Cycle Assessment identified environmental focus areas, including wastewater and water management. In 2021, our subsidiary PT Japfa Tbk issued the first US\$-denominated Sustainability-Linked Bond (SLB) in Southeast Asia, which was also the first of its kind in the world for the agri-food industry. The targets set by the SLB were aimed at improving water circularity through the recycling of wastewater, to help reduce water withdrawal and conserve clean water that is essential to a healthy life.

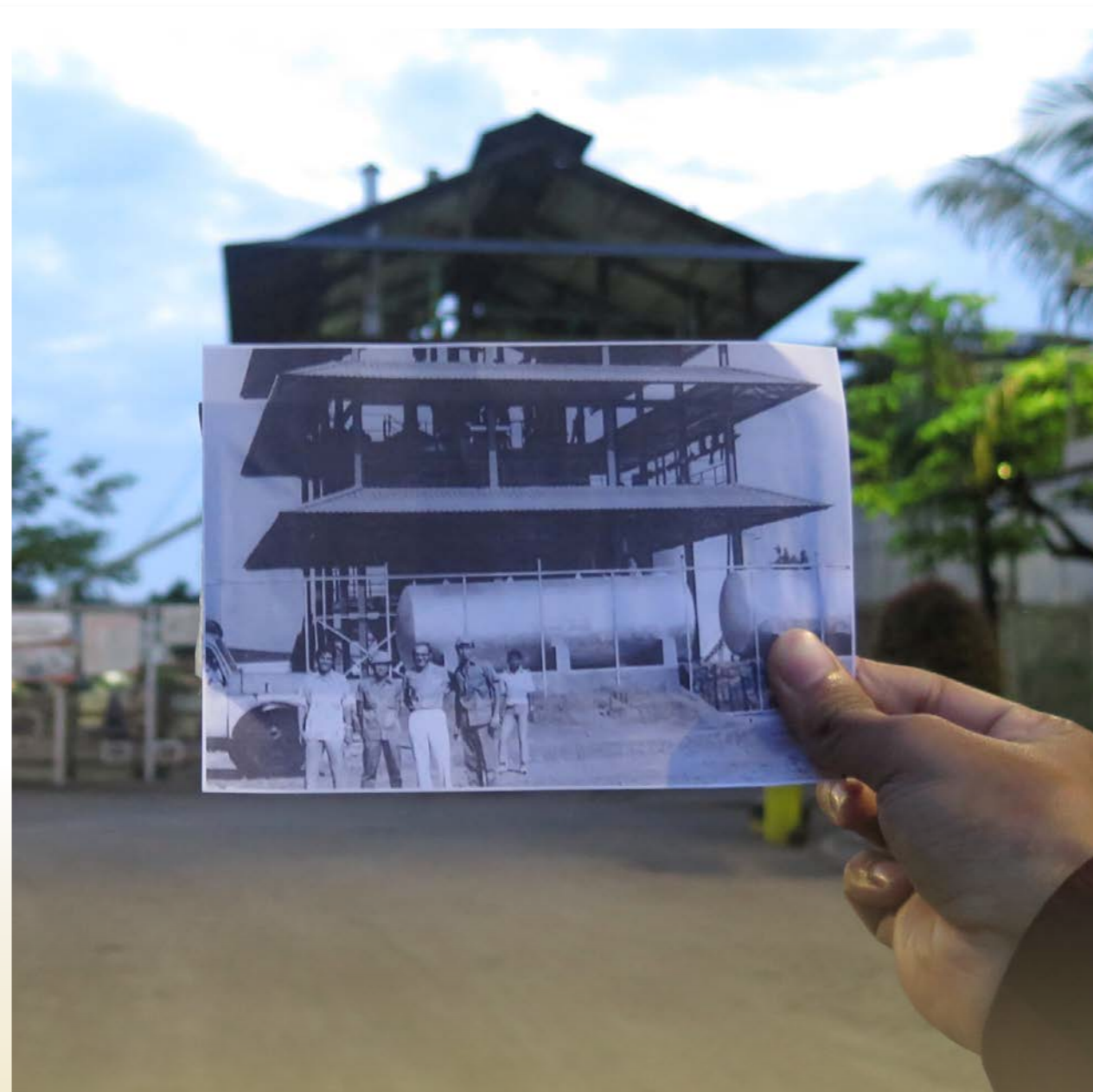
We are pleased with our progress and accomplishments in the past year. On behalf of the Sustainability Committee and Sustainability Sub-Committees, we take this opportunity to thank our Sustainability Champions for their relentless efforts in making a difference.

Japfa has come a long way on its sustainability journey and we look forward to shaping a more resilient and sustainable future.

**Kevin Monteiro**  
Sustainability Committee

# 1

## About Us



For more info, scan here:



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. We are a public company listed on the Singapore Exchange. [GRI 102-1, GRI 102-5]

Headquartered in Singapore, we employ about 40,000 people across an integrated network of modern farming, processing and distribution facilities in Indonesia, Vietnam, Myanmar, India and China. We specialise in producing protein staples (poultry, beef, swine and aquaculture), quality dairy and packaged food that nourish millions of people.

Over the past five decades we have grown to become leaders in multiple protein foods by embracing an integrated industrialised approach to farming and food production across the entire value chain. Our large-scale standardised operations allow us to consistently produce high quality proteins and to replicate our business model across different markets and protein types.

Our business is vertically integrated from animal feed production and breeding to commercial farming and food processing. This creates tremendous opportunities for us to capture value

at different points along the agri-food chain while providing our customers with greater food security and traceability.

We use superior breeds and adopt a sophisticated approach to animal husbandry, animal health, nutrition and welfare – all of which reinforce the quality of our products and achieve high production yields. We place a strong focus on biosecurity with stringent operating procedures and have forged strategic alliances with global leaders in breeding research.





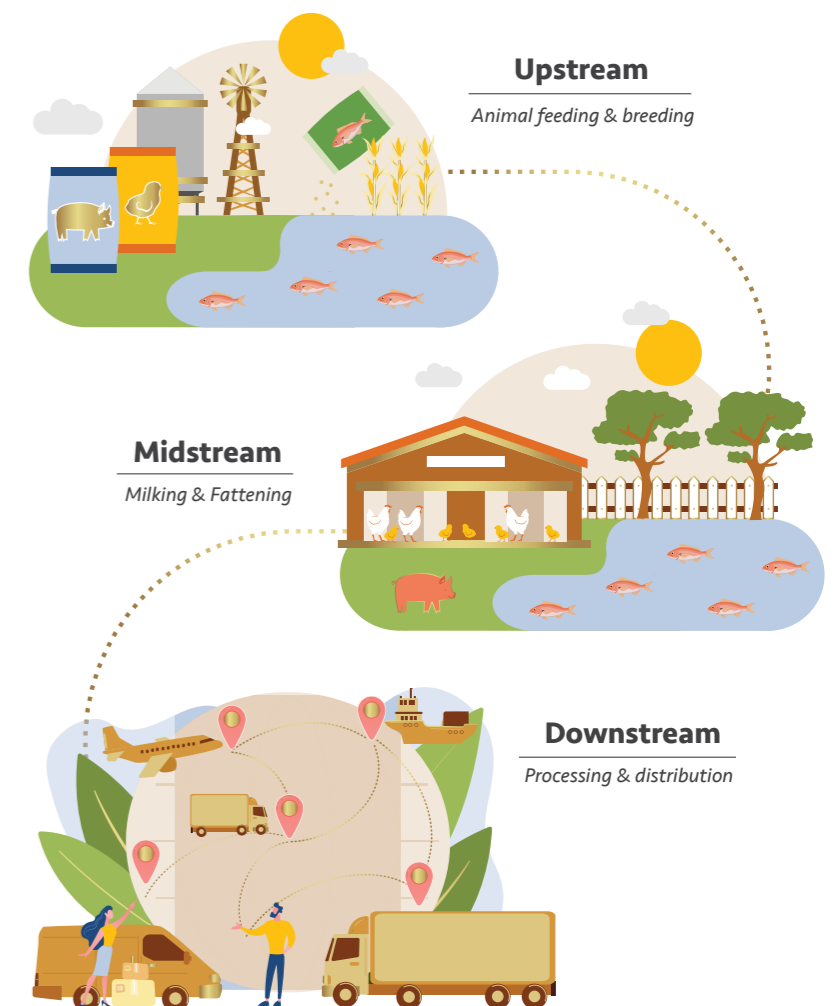
Today, we are the second largest poultry company in Indonesia and have replicated our integrated industrialised business model for poultry operations in India, Vietnam and Myanmar and for swine operations in Vietnam. We leverage on the high quality of our raw materials to produce premium and mass-market consumer branded food products under leading brands such as So Good in Indonesia. We are one of the leading producers of premium raw milk in China, with one of the highest milk yields and nutritional standards in the market. We grew our protein swine, which was launched in 2012, into a robust industrialised swine value chain, a three-tiered pyramid starting from the Great-Grand Parent (pure breeding) level.

Given the growing affluence of our target middle- and lower-income consumer groups, we expect protein food consumption 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, which together account for more than 40% of the world's total population. We plan to forge ahead with our strategy of expanding across multiple protein segments in these high growth emerging Asian markets by replicating our integrated industrialised business model. Our purpose is to find new efficient ways to feed emerging Asia in a sustainable way.

## Our Business Model

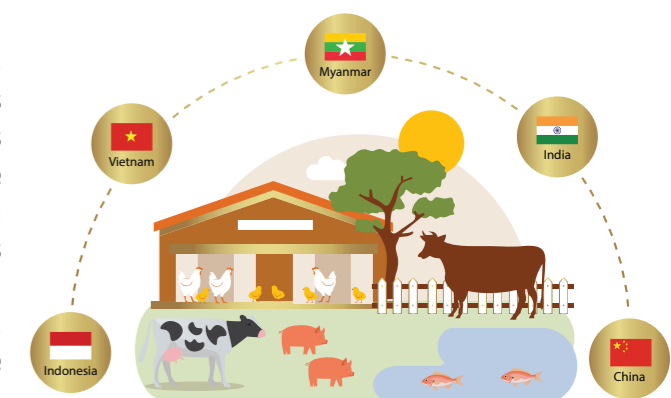
### Vertically Integrated Business Model

We drive expansion by replicating our integrated industrialised business model. This covers the value chain of protein production from animal feed and breeding to fattening and consumer products. We leverage our strength in feed, which is the backbone of our business, as well as our core competencies in large scale operations, technology, animal health, standardisation and replication. We build solid breeding pyramids through a scientific approach and leverage our strong farming mentality, strict biosecurity protocols and operational expertise to consistently produce high-quality proteins.



### Diversification Across Five Proteins, Five Countries

In line with our purpose of **Feeding Emerging Asia**, Japfa's growth strategy is to diversify and expand across multiple protein segments in multiple emerging markets in Asia, building a portfolio of uncorrelated revenue and profit streams. We focus on staple animal proteins: poultry, swine, beef, aquaculture and dairy. Our strategy is based on capturing the high growth potential for protein consumption in five key markets namely Indonesia, Vietnam, Myanmar, India and China. Together, these markets account for more than 40% of the world's total population.




# Our Values

GRI 102-16


## Vision

### Growing Towards Mutual Prosperity

Our Corporate Culture & Responsibility holds vital sustainable and growth-oriented relationships built on trust and integrity. **Growing Towards Mutual Prosperity** is the vision which we practice and uphold with Japfa’s various stakeholder groups.



**With Shareholders,** our goal is to achieve consistently superior investment returns




**With Employees,** we identify and develop programmes that bring out the best in everyone




**With Suppliers,** we adopt fair and ethical business practices



**With Customers,** we focus on delivering quality products and services at competitive prices



**With Business Partners,** we work to reinforce each other’s core competence



**With Local Communities,** we actively strive to be a good neighbor by engaging in social programmes that address specific needs

## 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**”

## Clarification

### Leading

- Top of mind
- Reference point by Industry
- A continuing process
- Ahead of competition

### Dependable

- Dependable to all partners, farmers, consumers & staff
- Consistent, traceable, good quality, safe, disease free products
- Responsible to the community & environment

### Protein Foods

- Emphasis on poultry, livestock & marine proteins
- Including key upstream operations of feed, livestock breeding & raising, vaccines etc.
- Food grade, for human consumption

### Affordable

- Cater mainly to the masses
- Not the cheapest, but good value
- Role in alleviation of food shortages
- Efficient protein converter, leading to reasonable long-term profit for business sustainability

### Excellent Teamwork

- Co-operate & support each other even without being asked
- Seamless coordination
- Operate as 1 unit
- Differences in opinions encouraged but move as a team

### Proven Experience

Experienced in farming and emerging economies

### Relevant Stakeholder

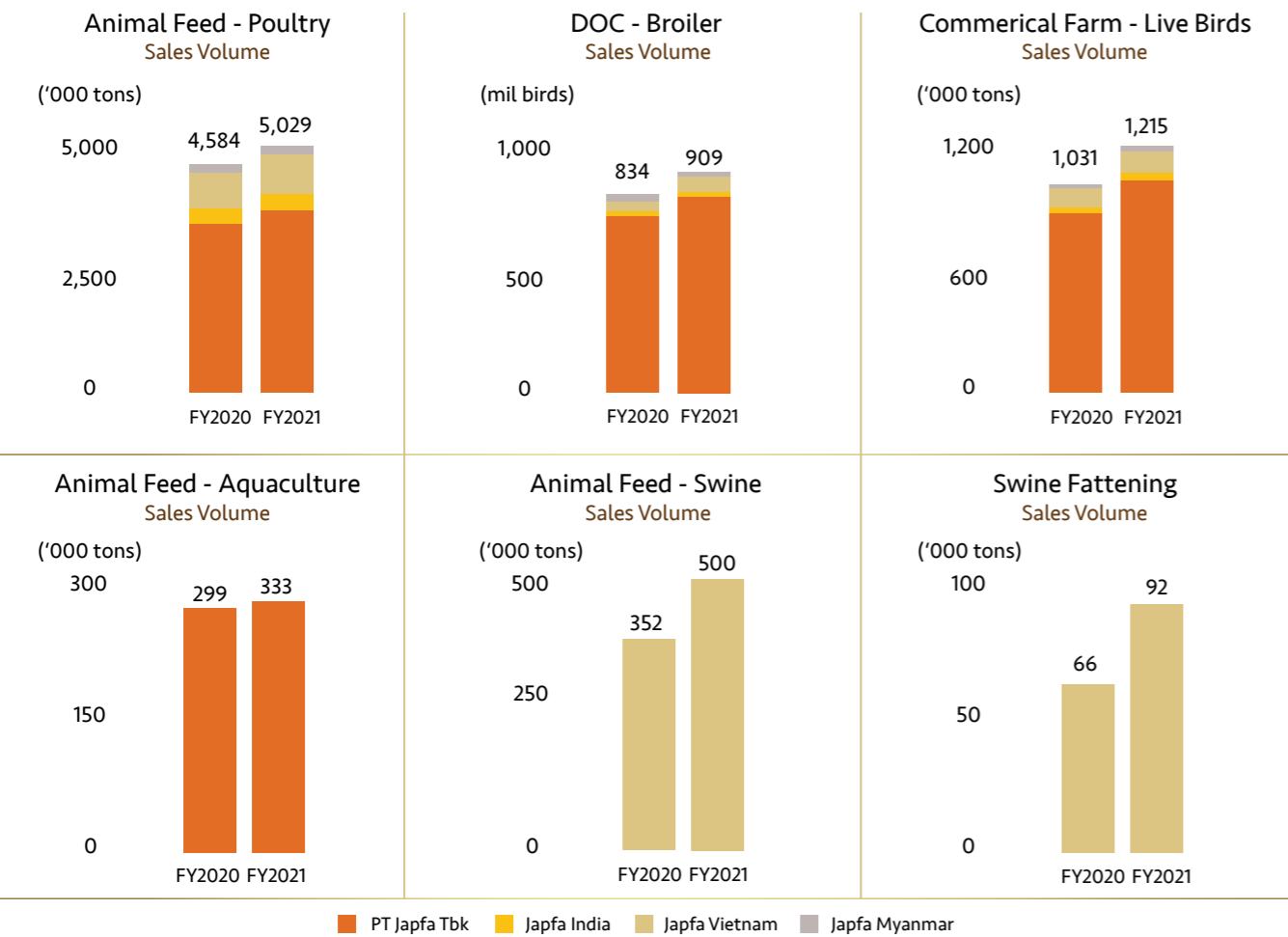
- Staff
- Contract Farmers
- Customers
- Suppliers
- Shareholders
- Community



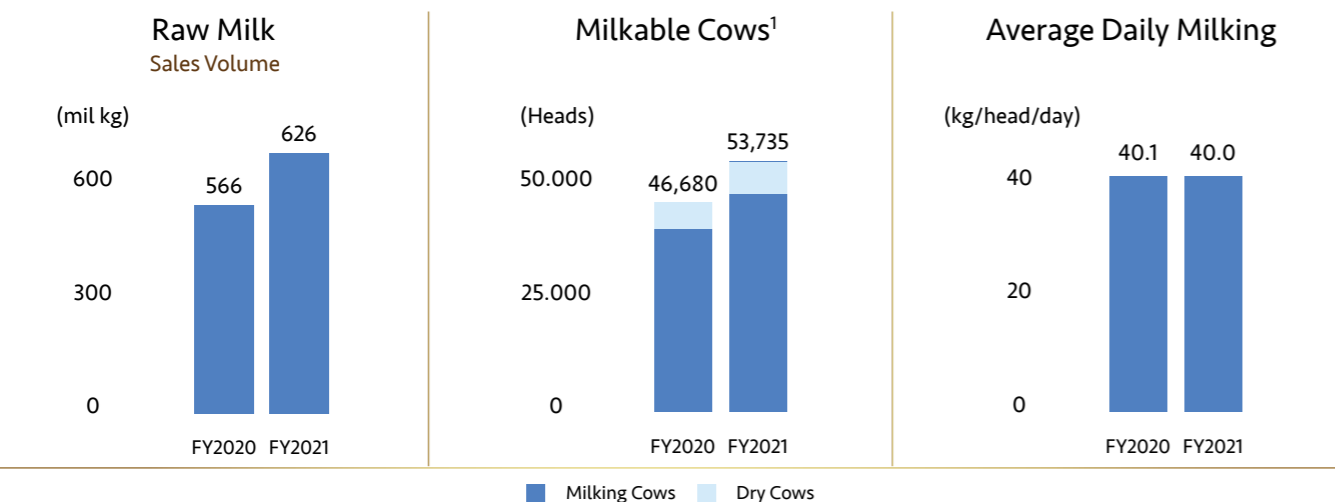
## Scale of Operations

GRI 102-2, GRI 102-7

### Animal Protein - Operational Performance



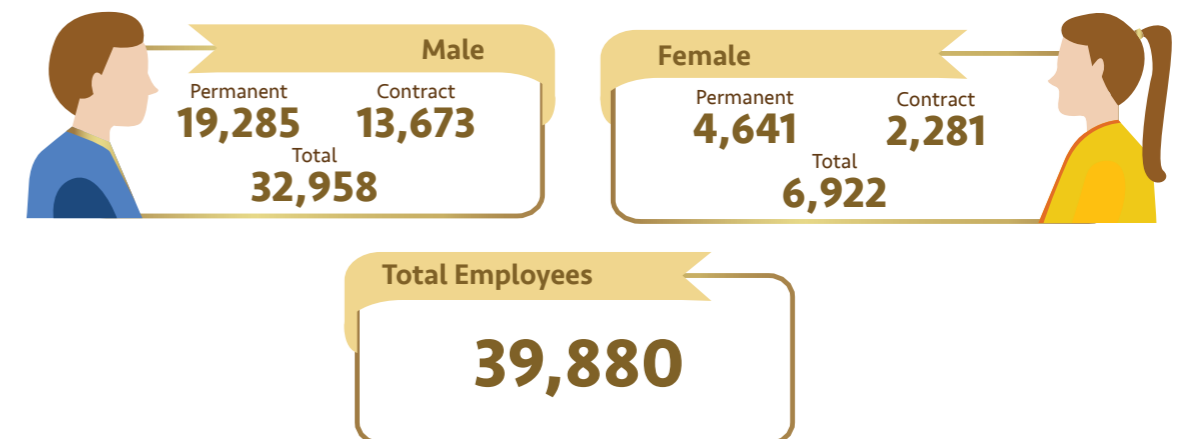
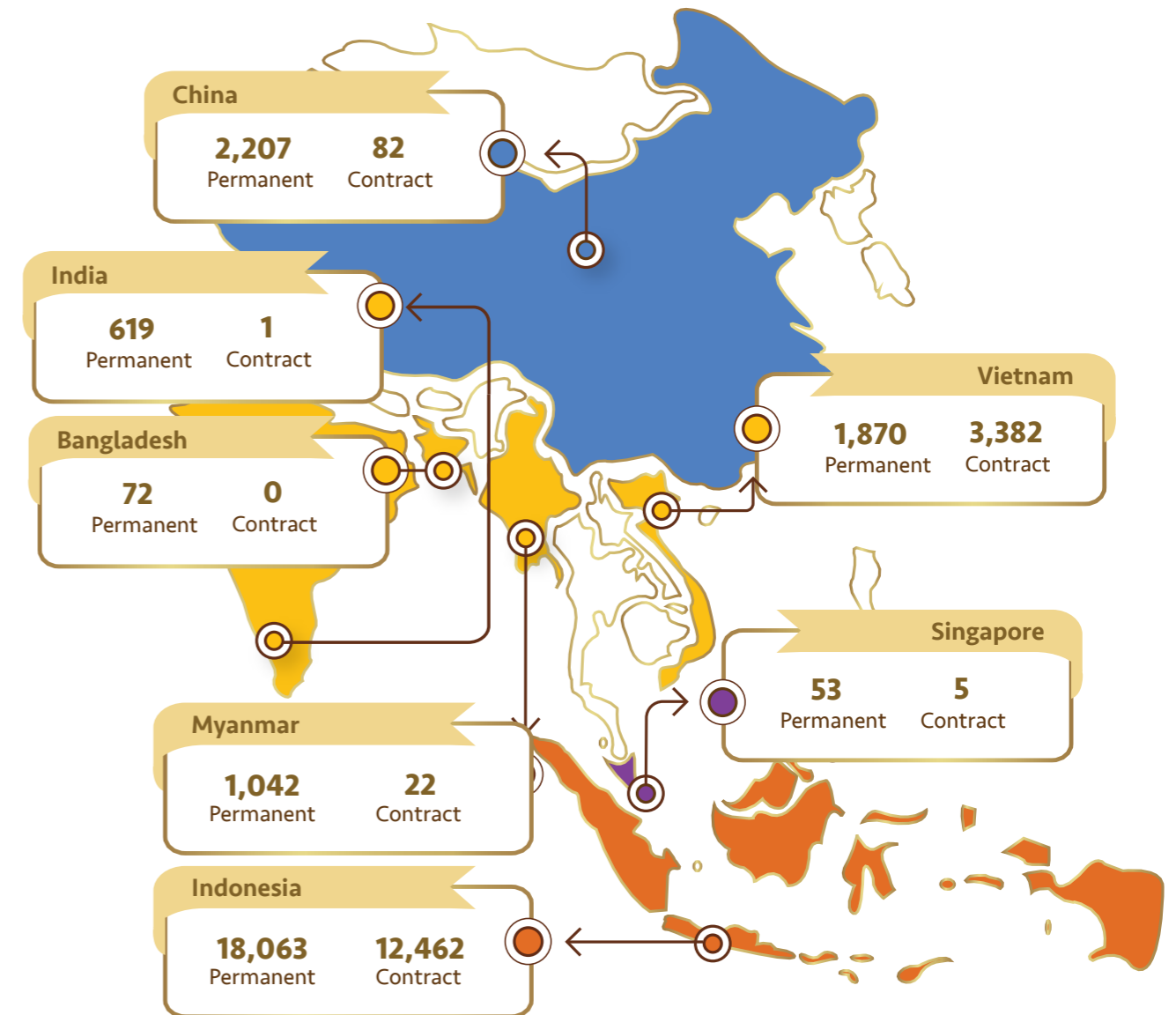
### Dairy - Operational Performance



<sup>1</sup> Number of milkable cows as at the end of the year.  
Note: Total dairy herd population (which includes heifers and calves) in China as at 31 December 2021: 106,174 heads.

## Total Employees\*

GRI 102-4, GRI 102-7, GRI 102-8

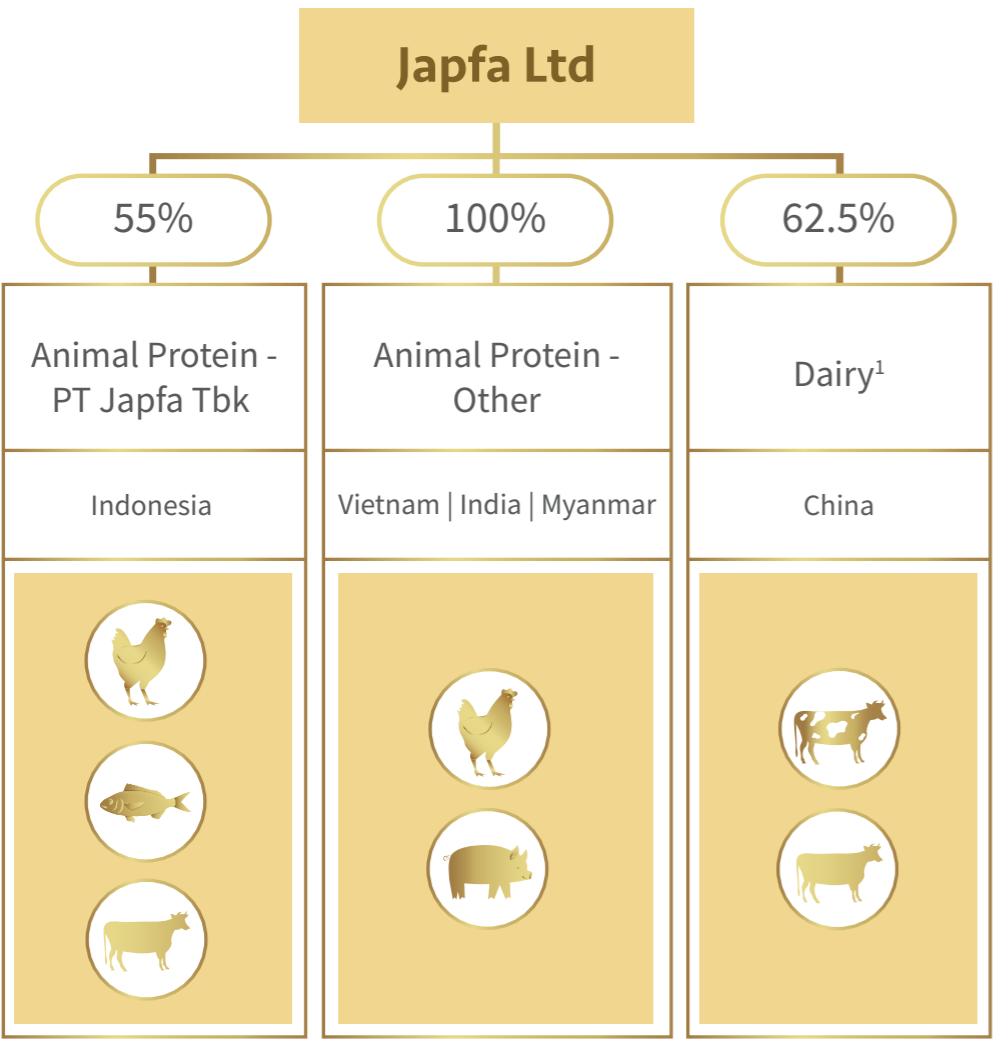


\* All employees are full time. Data is compiled from Company's SAP HCM system and spreadsheet.

# Group Structure

GRI 102-5, GRI 102-10

Fifty years of operation and counting, we continue to strive to provide affordable nutritious protein to as many people as possible in locations where we operate. We continue to evolve and adapt along with the growing market.



1. Japfa retains 62.5% of Dairy-China following the disposal of 25% interest to Meiji Co. Ltd., 5% interest to Genki Forest Technology Group Holdings Limited, 2.5% interest to Honest Dairy Group Co. Ltd. and 5% interest to New Hope Dairy Co., Ltd.

This diagram is for illustrative purposes only as at 31 December 2021.

# Our Business Segments

GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7

## Animal Protein - PT Japfa Tbk

### Indonesia

In Indonesia, we run our animal protein operations under IDX-listed PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk"), our 55.0%-owned<sup>1</sup> subsidiary.

Under this business segment, we produce quality animal proteins, namely poultry,

beef and aquaculture, branded food. We are a large-scale producer of specially formulated animal feed. We partner with world-leading genetics companies to breed high performance parent livestock in modern farm facilities using advanced management systems.



### Poultry

We are the second largest poultry<sup>2</sup> company in Indonesia, producing premium-quality feed for sale to customers as well as for internal use in our farms. Our core brands Comfeed and Benefeed are widely recognised in the market for their consistent quality, their suitability for local conditions as well as their ability to provide optimum nutrition to livestock, which translates to better profits for farmers.

We also deliver high performance Day-Old-Chicks ("DOCs") in collaboration with world leading poultry genetics company Aviagen. Tapping on our strong expertise in industrialised farming, our commercial broiler farms are a key provider of a staple protein food in Indonesia. Our downstream consumer food products are manufactured mainly using our own animal proteins as raw materials, which

ensures consistency in food safety, quality and reliability. As such, our ready-to-eat and ready-to-cook processed food products under the So Good and So Nice brands are widely enjoyed by families across Indonesia.

- 16 feed mills
- 75 poultry breeding farms
- 30 central hatcheries
- 16 slaughterhouses and primary processing plants
- Over 100 company-owned commercial farms
- Around 10,000 contract commercial farms

1. As of 31 December 2021.  
2. By poultry feed and DOC production (Source: Frost & Sullivan, 2021).

## Our Business Segments

### Animal Protein - PT Japfa Tbk continued



#### Aquaculture

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

As part of our industrialised farming model, we are looking to improve our shrimp breeding capabilities. In 2021, we commenced the operation of our Shrimp Broodstock Multiplication Centre, a joint venture company with Hendrix Genetics Aquaculture B.V.

To support our vision to become a total solutions company in the aquaculture industry, we established the Aquaculture Technology Development Department (ATD), an animal health team and the Japfa Aquaculture Research and Development Center (JARDC).

- 5 feed mills
- 9 shrimp hatcheries
- 3 freshwater fish hatcheries
- 3 cold storage and processing plants



#### Beef

The beef business unit is run by the Company's subsidiary, PT Santosa Agrindo (Santori) which is involved in integrated cattle farming from beef cattle breeding, fattening and abattoir to value-added meat production.

In 2021, Santori refocused its operations by prioritising the integrated premium meat business under the Tokusen Wagyu Beef brand and other value-added meat products.

- 3 beef cattle feedlots
- 1 processing operation

### Animal Protein - Other

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

In 2021, we made significant strides in the expansion of our operations in Vietnam. As part of the company's strategy to expand our feed business, we started the construction of our seventh feedmill. We also put into operation a swine breeding farm, which has been designed and built with state-of-the art technologies and equipment. Finally, we commenced the construction of a new slaughterhouse and meat processing factory.



#### Vietnam

##### Feed

- 6 feed mills (poultry and swine feed)

##### Poultry

- 2 Grand Parent ("GP") farms
- 20 Parent Stock ("PS") farms
- 3 central hatcheries
- Over 1,000 company-managed and contract commercial farms

##### Swine

- 3 Great Grand Parent ("GGP") farms
- 8 GP farms
- 28 PS farms
- Over 400 company-managed and contract fattening farms



#### Bangladesh

##### Poultry

- 1 poultry feed mill



#### India

##### Poultry

- 6 poultry feed mills
- 1 poultry breeding farm
- 2 hatcheries
- Over 120 contract commercial farms



#### Myanmar

##### Poultry

- 2 poultry feed mills
- 3 poultry breeding farms
- 2 hatcheries
- 4 layer egg commercial farms
- 5 company-managed commercial farms

## Our Business Segments

### Dairy

#### China

Under this segment, we operate dairy and beef businesses in China. These two businesses are complementary to each other and synergistic in nature.



### Dairy

We own 10 world-class dairy farms that are designed and equipped to meet and surpass both local and international standards in productivity and biosecurity. These include two new state-of-the-art dairy farms in Shandong China, which we had acquired in July 2021, with a total capacity of approximately 16,000 heads of cattle. This acquisition also included two additional sites of land in Shandong that can potentially be further developed.

We produce premium raw milk mainly for sale to leading dairy companies in China. Our premium raw milk consistently tops the market in terms of quality, nutrition and safety and our Holstein cattle produce one of the highest milk yields in the market.

We work closely with U.S. animal welfare auditors to promote the well-being of our cattle as we believe that happy cows are healthier cows. We focus on cow comfort by managing both heat and cold stress and paying careful attention to genetic improvements.

In 2021, we forged new partnerships with three Chinese strategic investors through the sale of a total 12.5% equity stake in AustAsia, which runs our China dairy operations, to Genki Forest (5%), New Hope Dairy (5%) and Honest Dairy Group (2.5%). Previously in 2020, we forged a strategic partnership with Meiji, which acquired a 25.0% stake in AustAsia. With these agreements Japfa added strategic milk processors as shareholders of AustAsia and further strengthened its position into the largest independent raw milk producer in China. Today, Japfa remains the single largest shareholder of Dairy-China with a 62.5% shareholding and continues to control and manage its farming operations in China.

With our downstream products, under the brand 澳亚牧场 (AustAsia), we have entered various foodservice channels including coffee, milk tea and bakeries by riding on the rising demand for traceable, premium dairy products in China.

#### Dairy

- 10 dairy farms
- 106,174 heads of Holstein cattle
- Average daily milk yield of 40.0 kg per head



### Beef

We run our beef farming operations out of two fattening farms in China. It is a synergistic business with our dairy operations in many ways such as the use of the dairy herd as breeder for cattle stock, which enables us to leverage our dairy genetic expertise to improve productivity. We also enjoy cost efficiencies through economies of scale and optimisation of resources such as land.

As consumer affluence and preference for animal protein are increasing, there is huge potential for us to become a reliable and consistent supplier of premium beef, including F1 Wagyu and Angus.

#### Beef

- 2 fattening farms

## Economic Performance

GRI 201-1, GRI 419-1

Embedding sustainability efforts in our business strategy boosts our confidence to maintain healthy economic growth in the long run. The 3P (People, Planet and Profit) approach helps us to ensure balance in our operations whereby we minimise any harm to people and the planet whilst creating optimum value for all stakeholders.

In FY 2021, Japfa posted an upturn in revenue to US\$4.6 billion, a 19.9% year-on-year (“y-o-y”) growth from US\$3.9 billion in the previous financial year (“FY2020”), driven mainly by recovery of sales after a wave of the Covid-19 pandemic across the Group.

### Direct Economic Value Generated and Distributed (USD Millions)

Direct Economic Value Generated	2020	2021
Revenue	3,868.3	4,636.4
Interest Income	6.5	3.4
Net Other Income/(Expenses)	52.1	(68.5)
<b>Total</b>	<b>3,926.9</b>	<b>4,571.2</b>
Economic Value Distributed	2020	2021
Operating Cost (Cost of sales, SG&A exclude staff cost)	3,083.6	3,869.7
Employee wages and benefits	420.9	434.6
Payment to providers of equity capital - dividends	14.9	166.2
Community Investment		
Corporate Social Responsibility (CSR)	1.3	0.5
Edufarmers Foundation (Formerly Japfa Foundation)	0.6	0.6
Payment to government	25.8	65.2
<b>Total</b>	<b>3,547.1</b>	<b>4,536.8</b>
Economic Value Retained	2020	2021
<b>Economic Value Retained</b>	<b>379.8</b>	<b>34.4</b>

### About Our Data

- Correction on the total value distributed in 2020, as a result of CSR and Edufarmers Foundation data correction.
- Exchange rate:
  - » 2020: Rp 14,625.3/USD; VND 23,326.0/USD; MMK 1,368.0/USD; and INR 74.1/USD
  - » 2021: Rp 14,344.9/USD; VND 23,023.6/USD; MMK 1,630.9/USD; and INR 73.9/USD

During the reporting period, we complied with all laws and regulations in the social and economic area. [GRI 419-1]

# Corporate Governance

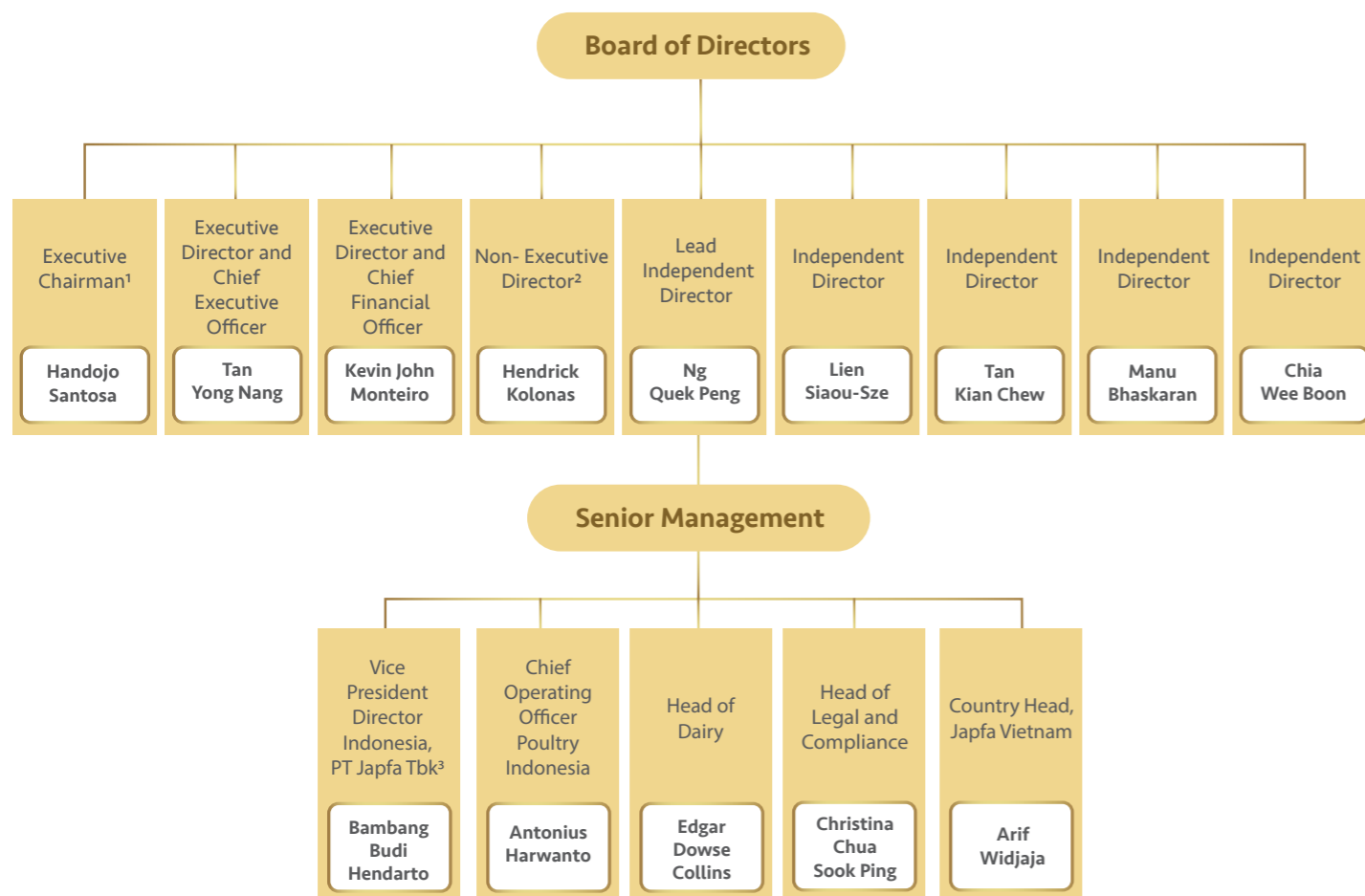
GRI 102-11, GRI 102-15, GRI 102-18, GRI 205-1, GRI 205-2

Good corporate governance helps create and foster sustainability values into our operations. Our sustainability practices are cemented through company policies to ensure good corporate governance can be implemented throughout the Group.

Complemented by our 50 years of experience, we remain relevant and motivated in moving towards a more sustainable future. Combined with new

technology and digitalisation, we utilise the full potential of our years of knowledge and experience in moving forward by implementing Good Corporate Governance.

We have complied with all core principles of the Code of Corporate Governance 2018 and will regularly review its governance policies and practices to track the developments in best practices and regulations.



1. Mr Renaldo Santosa was appointed as an alternate Director to Mr Handojo Santosa on 15 April 2021.
2. Mr Hendrick Kolonas is considered a non-executive in FY2021, having only held a position with an indirect subsidiary and was not involved in day-to-day management of the Group.
3. Mr Hendarto retired during 2021.

## Risk Management

GRI 102-11, GRI 102-15

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders. This includes climate-related risks which can hamper Japfa's operations. The risks identified and assessed along with the recommended risk mitigation actions are recorded and reviewed periodically.

## Animal Disease

The company applies rigorous biosecurity protocols to mitigate the risk of major outbreaks of diseases, including having an in-house animal vaccine research and production facility.

## Pandemic

The pandemic has affected many facets of Japfa's operations globally. Japfa ensures that all business operations follow local government regulations regarding health and safety protocols to protect our people and our animals, placing their safety at the forefront and to be able to continue providing safe, nutritious staple food for the masses.

## Competition

Japfa prioritises product quality and product efficiency throughout its value chain from upstream breeding to midstream fattening and downstream food processing as well as building good relationships with its customers. This anchors Japfa's sustainable position as a key player in the countries where we operate in.

## Foreign Currency Fluctuations

Japfa engages in hedging transactions whenever feasible to mitigate the impact from foreign currency fluctuation.

“

**Japfa conducts a risk assessment process and internal audits to identify potential risks within the organisation and take pre-emptive measures accordingly.**

## Prices and Availability of Raw Materials

The risk of raw material price fluctuation is mitigated by the ability to pass on any price changes to our feed selling prices. We also encourage local farmers to grow the raw material crops used in our operations.

## Environment

Climate change poses an inevitable risk to our operations. We mitigate these climate uncertainties by creating innovative sustainable solutions.



## Internal Audit and Control

Japfa has an Internal Audit (IA) function to review and monitor operations to ensure the adequacy and effectiveness of internal controls, adhering to the Company's policies and procedures and complying with laws and regulations.

The head of IA reports directly to Japfa's Chief Executive Officer and to the Audit and Risk Committee (ARC). A quarterly report is prepared and presented to the ARC by the head of IA. Audits are selected and prioritised based on IA's risk assessment process which continually assesses and calibrates operational risks within the company. The IA Plan for the year and changes to the plan are approved by the ARC.

Despite the pandemic and travel restrictions in 2021, we have conducted internal audits of 34 business units covering all the business segments in Indonesia, which constitute 10% of the entire operations. [GRI 205-1]

An external audit by Ernst & Young was also conducted to strengthen our governance and provide better support to mitigate risks.

Scan the QR code for further details on the Company's Audit and Risk Committee.



## Code of Conduct and Anti-Corruption Policy

We advocate ethical and professional behaviour among our employees and this is governed by our Code of Conduct.

Our Code of Conduct applies to all organisational levels across the Group and aims to create a safe and healthy work culture. We expect our employees to be responsible and to maintain Japfa's reputation when acting on behalf of the Company. Our whistle-blowing system, JAPFALERT, provides a channel to report any violations of our code of ethics or other illegal behaviour. [GRI 102-17]

The system is available to all stakeholders, and we guarantee all reports submitted are handled with the utmost confidentiality. The Code of Conduct also covers our Anti-Corruption/Anti-Bribery Policy which all employees are briefed upon their appointment. [GRI 205-2]

## Diversity Policy

Japfa embraces diversity and inclusion within our Company. We employ all competent individuals regardless of gender, race, and beliefs as we prioritise their capabilities and potential contribution to Japfa. A diversified and inclusive environment brings about variety of background, knowledge, skills and expertise which is highly beneficial for our organisation.

## Associations

GRI 102-13

We want to continuously promote and improve with the best and sustainable practices in our industry. We collaborate with national and international institutions to support these common goals.

### PT Japfa Tbk

- Indonesian Employers' Association (APINDO) DKI Jakarta
- Indonesian Fishery Producers Processing and Marketing Association (APSI)
- Indonesian Feedmills Association (GPMT)
- Shrimp Club Indonesia (SCI)
- Indonesian Poultry Breeders Association (GPPU)
- Indonesian Veterinary Medicine Association (ASOHI)
- Association of Indonesian Poultry Slaughterhouses (ARPHUIN)
- Veterinary Public Health Association (ASKESMAVETI)
- Indonesian Poultry Farmers Association (PINSAR)
- Indonesia Aquaculture Society (MAI)
- Indonesian Poultry Science Society (MIPI)
- Chamber of Commerce and Industry (KADIN)
- Indonesian Food and Beverage Producers Association (GAPMMI)

- National Meat Processors Association (NAMPA)
- Association of Chef Professionals (ACP)
- Modern Market Suppliers Association (AP3MI)
- Asian Venture Philanthropy Network (AVPN)
- Cluster for Food and Nutrition Security in Filantropi Indonesia (FI)
- Indonesia CSR Society

### Japfa Comfeed Vietnam Limited Company

- FDI Enterprise Association

### 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)

## Reference of Standard Practice

In an attempt to operate in the most sustainable way, we look upon national and global standards and guidelines to help us determine the most suitable practice in each location we operate in, such as Good Corporate Governance, Aviagen's Animal Welfare Goals and Principles, and Best Aquaculture Practices.



## Sustainability at Japfa



Japfa's commitment to sustainability is cemented in the Company's vision *Growing Towards Mutual Prosperity* since it was established more than 50 years ago. Japfa's operations pay attention to its impact on the environment and society as a manifestation of this commitment. We strive to grow our sustainable practices and seek ways to further enhance our contribution to the environment and society.

### Key Sustainability Achievements in 2021

- **PT Japfa Tbk Issued Sustainability-Linked Bonds (SLB)**

One of our biggest sustainability milestones was the issuance of PT Japfa Tbk SLB that was upsized from from US\$250 million to US\$350 million at a lower coupon of 5.375% p.a. maturing in 2026.

The SLB was pegged to Sustainability Performance Targets (SPT) linked to wastewater treatment, recycling and ultimately to improve water circularity and reduce water withdrawal. This SLB is the first of its kind in the world by an agri-food company.

- » The first SLB of its kind for the agri-food industry globally
- » The first US\$-denominated SLB issuance from Southeast Asia



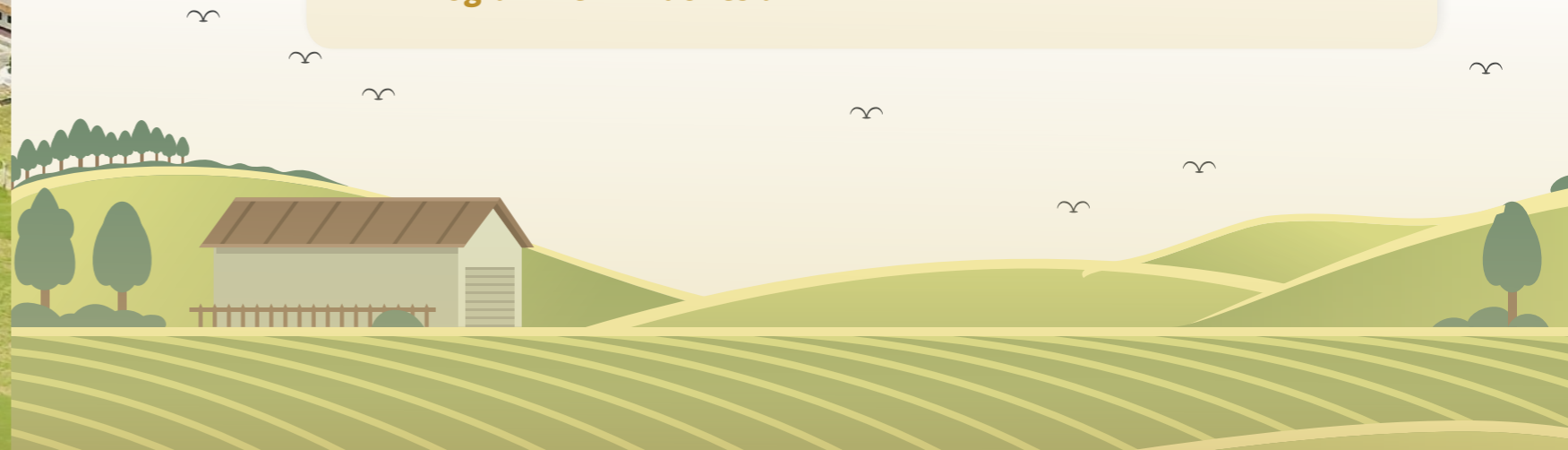
Our Sustainability-Linked Financing Framework and the Second Party Opinion from Vigeo Eiris (V.E) are available under the Sustainability Reports section of PT Japfa Tbk's website.

Scan the QR code above or visit the link to access the documents

<https://japfacomfeed.co.id/en/investors/sustainability-report>

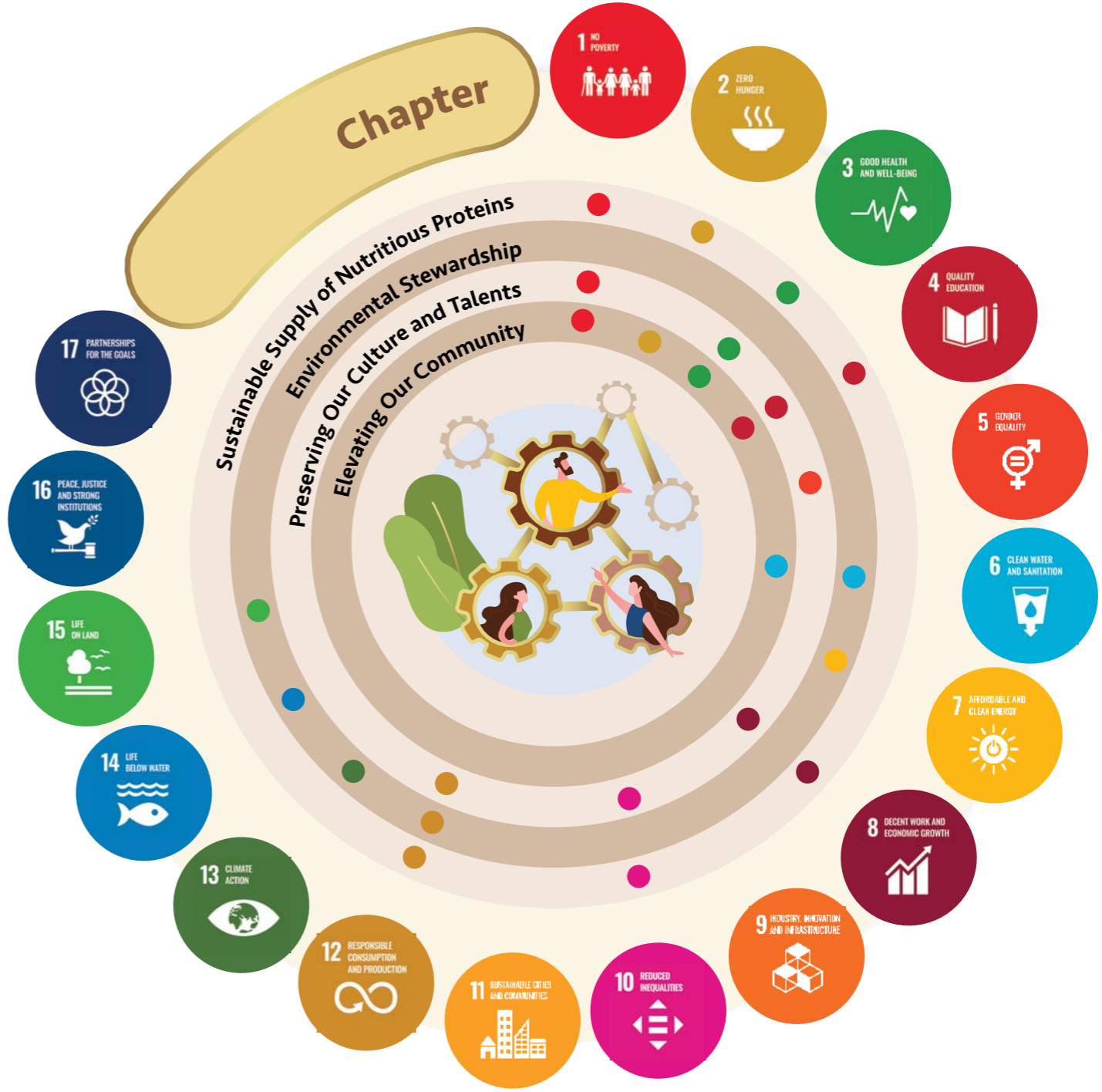
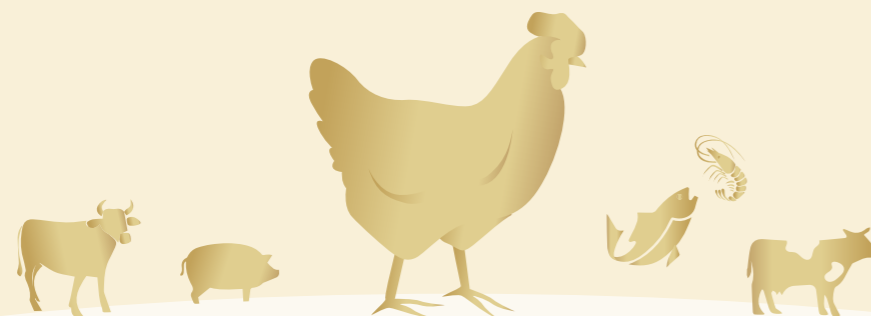
- **Completed Social Life Cycle Assessment for Contract Farmer Partnership Programme in Indonesia**

- **Commenced a supplier survey on sustainability**



# Contribution to UN Sustainable Development Goals (SDGs)

As we operate in emerging countries, we focus our sustainability efforts on activities that contribute towards promoting *Zero Hunger* (SDG 2) and providing affordable nutritious proteins for the people while considering the environment and elevating the lives of our society.

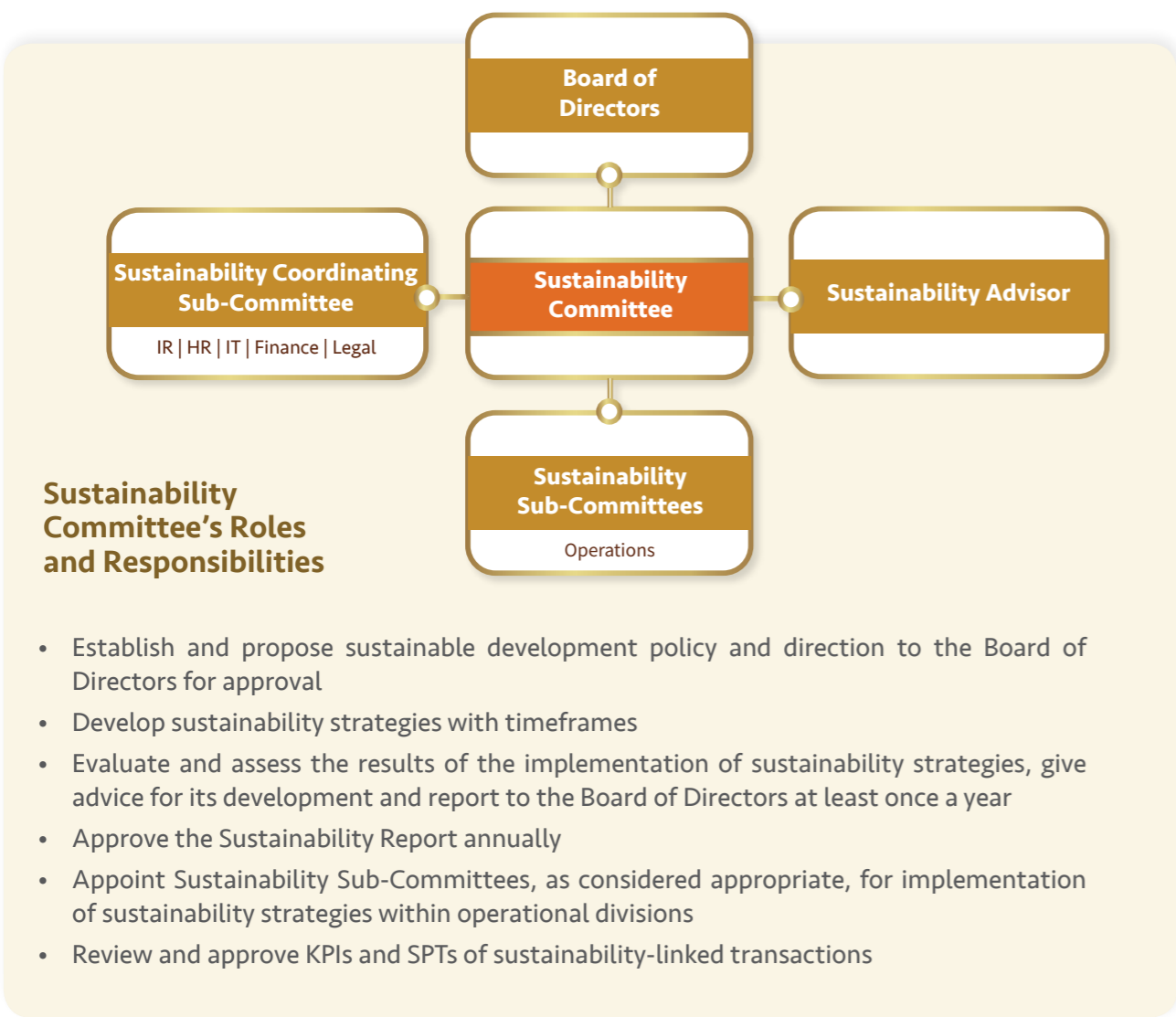


# Sustainability Committee

In 2018, we established a Sustainability Committee (SC) to strengthen our commitment and guide the implementation of sustainability best practices. The Committee provides advice and assists the Board of Directors in strategic decision-making concerning sustainability matters and long-term planning and also facilitates sustainability initiatives.

The Sustainability Committee comprises the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). In addition, there is a Sustainability

Sub-Committee and Sustainability Coordinating Sub-Committee. The Sustainability Sub-Committee comprises representatives from our operations across countries. The members are our sustainability champions who encourage the adoption of a sustainability mindset throughout Japfa. Our Sustainability Committee is responsible for rolling out our sustainability pillars, documenting our progress, and identifying critical areas for further development.



# Sustainability Pillars



# Our Sustainability Champions

“

We want to celebrate our Sustainability Champions for their efforts in implementing our sustainability values throughout the Company.

## Sustainability Committee



Tan Yong Nang

Chief Executive Officer



Kevin John Monteiro<sup>1</sup>

Chief Financial Officer

## Sustainability Coordinating Sub-Committee



Erwin Djohan

Financial Controller,  
PT Japfa Tbk



Danny Wong

Financial Controller,  
Japfa Ltd



Tan Kai Loon Jasper

Head of Corporate HR,  
Japfa Ltd



Eddy Widadi

Head of Corporate HR,  
PT Japfa Tbk



Elvina Apandi Hermansyah

Investor Relations,  
PT Japfa Tbk



Aileen Wee

Investor Relations,  
Japfa Ltd

## Sustainability Champions Across the Group



Valeria Montesoro

Corporate Communications  
Consultant,  
Japfa Ltd



Sri Rejeki Muji Andayani

HR Business Partner  
Indonesia,  
PT Japfa Tbk



Christina Kucita

Investor Relations  
Admin Support,  
PT Japfa Tbk



Franciscus Paul Adam

Deputy Head of  
Corporate IT,  
PT Japfa Tbk



Antonius Brian Suherman

HR Digitalization  
Development  
Manager,  
PT Japfa Tbk



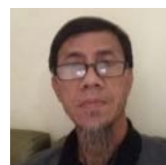
Sri Iswandari Sahabi Manoppo

Data & Analytical  
Manager,  
PT Japfa Tbk



Toto Handoyo

HR Business Partner  
Outside Indonesia,  
PT Japfa Tbk



Yulianto

Head of Industrial  
Relations, Corp. HR,  
PT Japfa Tbk



Irman Ruhimat Syam

OHS & Environment  
Manager,  
PT Japfa Tbk



Dirk BW Djatmiko

Head of Consumer Food  
Indonesia Division,  
PT Japfa Tbk



Wira Adhitama A

Financial Controller,  
Consumer Food  
Indonesia Division,  
PT Japfa Tbk



Asrul Ointu

Head of Manufacturing  
Consumer Food  
Indonesia Division,  
PT Japfa Tbk

## Sustainability Sub-Committee



Antonius Harwanto

Chief Operating  
Officer Poultry  
Indonesia  
Operation



Leo Handoko Laksono

Finance Director,  
PT Japfa Tbk



Budiarto Soebijanto

Head of Feed  
Division,  
PT Japfa Tbk



Wali Muhammad

Head of HR & GA  
Poultry,  
PT Japfa Tbk



Hendro

Financial Controller  
Poultry,  
PT Japfa Tbk



Herman

Head of Production  
Poultry Feed Division,  
PT Japfa Tbk



Dian Susanto

Head of Feed Operations  
East Java & BJM Area  
Poultry Feed Division,  
PT Japfa Tbk



Anwar Tandiono

Head of Feed  
Operations  
Sumatera Poultry  
Feed Division,  
PT Japfa Tbk



Daniel Iki

Head of Production  
Poultry Breeding  
Division,  
PT Japfa Tbk



Achmad Dawami

Deputy Head  
Commercial Poultry  
Division,  
PT Japfa Tbk



Bambang Heru Wardoyo

Head of Production  
Commercial Poultry  
Division,  
PT Japfa Tbk



Widihartomo Tri Kuncoro

Head of Poultry  
Processing Division,  
PT Japfa Tbk



Teguh Yodiantara Prajitno

Head of SBU  
AHLE (Animal  
Health & Livestock  
Equipment),  
PT Japfa Tbk



Aldrian Irvan Kolonas

Deputy Head SBU  
Grains Trading,  
PT Japfa Tbk



Benjamin S Abednego

Head of SBU Edible  
Oil, Plastic Bag &  
Industrial Estate,  
PT Japfa Tbk



Clemens Tan

Commercial  
Director,  
South Asia and  
Indochina



Arif Widjaja

Country Head,  
Japfa Vietnam



Mark Gerald Eman

Managing Director,  
Japfa Myanmar



Prasad Chittaranjan Wagh

Managing Director,  
Japfa India



Ardi Budiono

Head of  
Aquaculture  
Division,  
PT Japfa Tbk



Jenny Budiati

Head of Tilapia &  
Seafood Further  
Processed,  
PT Japfa Tbk



Jonny Susanto

Financial Controller  
Aquaculture  
Division,  
PT Japfa Tbk



Budhi Rahyono

Head of HR &  
GA Aquaculture  
Division,  
PT Japfa Tbk



Zaenal Arifin

EHS Security  
Manager  
Aquaculture  
Division,  
PT Japfa Tbk



Indira Nuranissa Ardiwidjaja

Communication &  
Employee Engagement  
Aquaculture Division,  
PT Japfa Tbk



Vidyasagar A

Financial Controller,  
Japfa India



Samir Bhiwapurkar

Head of HR & GA,  
Japfa India



Benny Hidayat

Head of Marketing  
& Sales,  
Japfa Myanmar



Hla Phone

Plant Manager  
South Feed,  
Japfa Myanmar



Sanjeev Kumar

Head of South  
Operation,  
Japfa Vietnam



Nguyen Chi Cong

Head of North  
Operation,  
Japfa Vietnam



Nguyen Cong Phuong

Head of Feed South,  
Japfa Vietnam

<sup>1</sup> Member of the Asia Pacific Chapter of the Accounting for Sustainability (A4S) Chief Financial Officers Leadership Network since 2021

# Understanding Our Stakeholders

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44

“

We listen to our stakeholders in determining our focus areas to further improve our sustainability activities and continuously create value to our stakeholders.

The Covid-19 pandemic in 2020/2021 limited physical interactions with our stakeholders. However, Japfa stays committed to continuing communication with stakeholders to maintain the relationships and trust. Japfa conducts all communications with stakeholders within the law and regulations regarding health protocols set by each government department during the Covid-19 pandemic.

## Farmers

- The company guides our farmers to help them achieve optimal productivity and yields. We conduct regular visits and make phone calls to our farmers to help their poultry management and discuss their performance.

## Local Community Organisations

- Japfa conducts various Corporate Social Responsibility (CSR) activities in collaboration with local organisations through social mapping results. Japfa keeps in touch with local organisations semi-annually or whenever needed to conduct various CSR activities and environmental conservation.

## Associations

- Building relationships with association members in the industry allows us to discuss, align and then provide inputs to the government. We meet during quarterly meetings or when needed to network and attend joint events such as community development.

## Employees

- At Japfa, the Company and our people grow together as one. Open communication with employees allows Japfa to synergise and work in unity. We have regular dialogues with our employees regarding their day to day work, performance reports and career development. Employee safety and well-being is a key focus amid the coronavirus pandemic.

## Customers

- Constant communication allows Japfa to understand our customers' needs and maintain their trust. Communication can be customer surveys, customer service hotlines and other online means. Product information is disseminated through our frontline staff and also available on our websites.

## Investors

- Open communication with our investors allows transparency regarding Japfa's performance and strengthen trust. We conduct quarterly update calls, annual general meetings as well as ad hoc meetings when needed to update our business performance.

## Suppliers

- Japfa actively pursues long-term relationships with suppliers to ensure a responsible and sustainable supply chain based on responsible and sustainable business practices. Constant communication with our suppliers is key to ensure our requirements and standards for raw materials are met to maintain the quality, affordability and availability of our raw materials.

## Distributors

- Japfa oversees the continual supply and quality of our products through ongoing engagement with our distributors. We engage them regularly to check their sales performance and ensure smooth and proper operations.

## Government

- Japfa ensures compliance with regulations and licenses required by the government and also supports government initiatives related to the industry. We conduct annual meetings and also ad hoc meeting with the government to ensure alignment with rules and regulation.

## Stakeholder Engagement



# Reporting Practice

GRI 102-45, GRI 102-46, GRI 102-47, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54

The Sustainability Report highlights our commitment to engage our stakeholders in our sustainability journey, illustrates our strategies, reviews and highlights our environmental, social and economic performance-related activities along with their outcomes. This report also acts as an internal verification and assessment system. We have published Sustainability Report annually since 2017. Our last report was published on 27 May 2021. This is our fifth report covering the reporting period from 1 January to 31 December 2021. [GRI 102-50, GRI 102-51, GRI 102-52]

## Reporting Scope

Similar to previous years, poultry and aquaculture operations remains the focus of our report. Our poultry operations is the largest in scale and sales volumes, hence its impact are more significant in our Group, compared to other proteins. Meanwhile, rising global demand for sustainable aquaculture motivates us to implement sustainability initiatives in our operational activities.

Financial data presented in this report is a consolidation for Japfa Group. For the scope of employee-related quantitative data has been expanded to include all operations in the Company, except Bangladesh and China. While the environment data covers only poultry operations in Indonesia, Vietnam, Myanmar and India, and aquaculture operations in Indonesia. [GRI 102-45]

“

The agricultural sector is often considered to pose a high risk to climate change. However, not every operation within the agricultural sector has the same magnitude of impact.

In Japfa, our vertically integrated poultry operations account for over 70% of revenue<sup>1</sup>.

Poultry, compared to other animal proteins, contributes the least to global warming potential<sup>2</sup>.

We stay prudent and conducted our Life Cycle Assessment to provide science-based information for our decision makers.

<sup>1</sup> Based on the gross revenue before elimination of inter-segment sales within the vertically integrated poultry operations  
<sup>2</sup> M. de Vries and I. J. M. de Boer, "Comparing environmental impacts for livestock products: A review of life cycle assessments," Livest. Sci., vol. 128, no. 1-3, pp. 1-11, 2010

## GRI Sustainability Reporting Standards

This report has been prepared in accordance with the GRI Standards: Core option. GRI's Food Processing Sector Guidelines are also used for our sector disclosure requirements. [GRI 102-54]

We applied the GRI's ten reporting principles to define the content and quality of the report. The four reporting principles that must be met when determining the report's content are stakeholder inclusiveness, the context of sustainability, materiality and completeness. The other six reporting principles comprise accuracy, balance, clarity, comparability, reliability and timeliness.

## Task Force on Climate-related Financial Disclosure (TCFD)

Japfa also prepares this report in accordance with TCFD standards. TCFD allows clear, comprehensive,

high-quality information on the impacts of climate change for the public and is widely used internationally.

We welcome any input and feedback. Share your comments or questions on our sustainability activities to the Company Secretary at our headquarter [GRI 102-3, GRI 102-53]:

**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**

## Defining What Matters Most



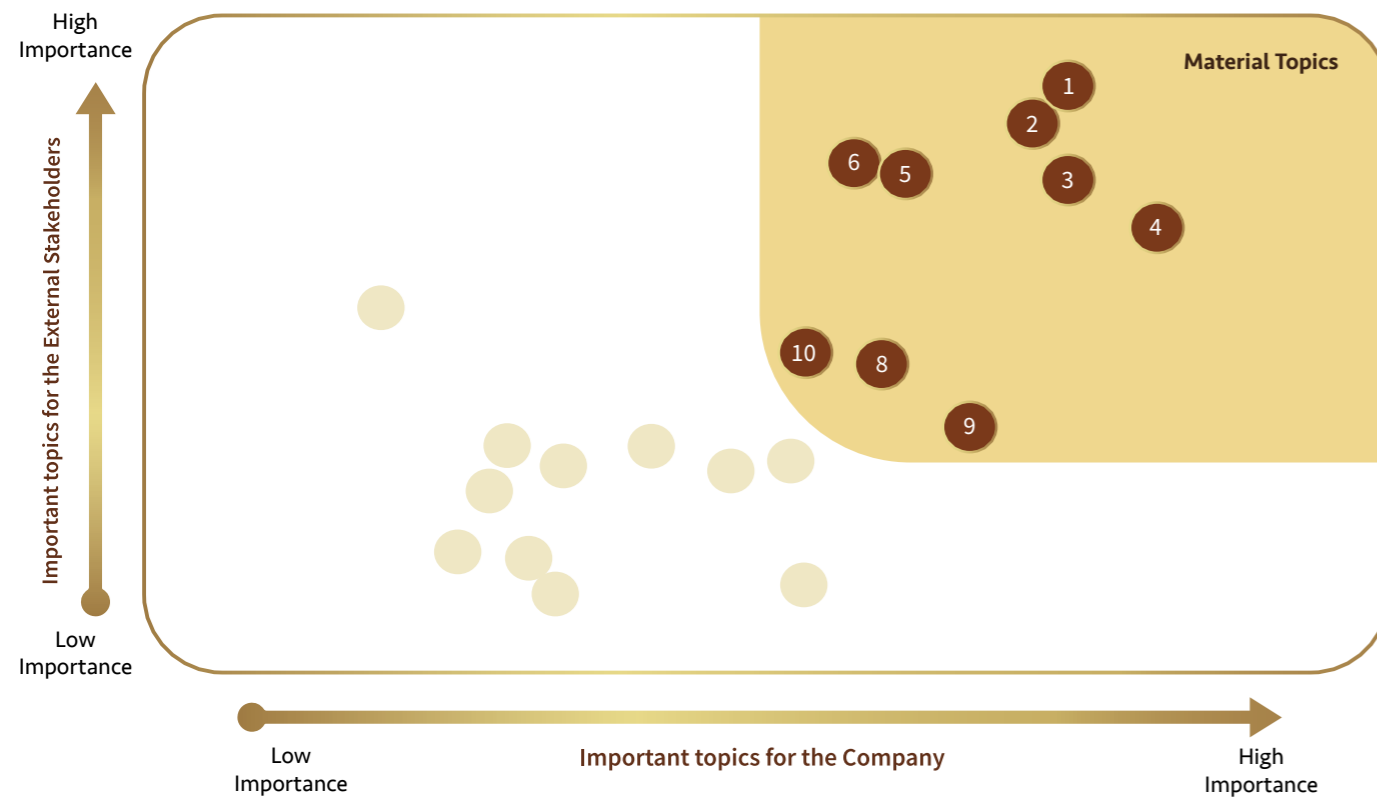
“

We conducted a materiality assessment involving 166 internal and external stakeholders.

There are ten materiality topics to focus on in 2021, chosen from the result of the stakeholder survey. The materiality topics were then linked with GRI Standards. Each topic was designated within our supply chain and its boundaries. The topic boundaries describe the location of impact for a material topic and Japfa's involvement. Japfa could be directly involved through its activities or indirectly through its business relations with other entities. The impact was then classified into: caused by, contributed by and linked to activities through a business relationship. These topic boundaries provided insights for risk assessment and implementing a precautionary approach for the business. In 2021, there were no significant changes from the previous reporting periods on the material topics and topic boundaries. [GRI 102-49]

## Materiality Matrix

10 material topics were highlighted as high priority by internal and external stakeholders



- |  |  |
|--|--|
| <b>1 Food safety</b>   | <b>6 Work ethics and integrity</b>   |
| <b>2 Providing access to nutritious and affordable food</b>  | <b>7 Reliable distribution</b>   |
| <b>3 Anti-corruption</b>                                     | <b>8 Employee's health and safety</b>                                      |
| <b>4 Traceable suppliers</b>                                 | <b>9 Company financial performance and strategy to anticipate pandemic</b> |
| <b>5 Resource efficient and responsible waste management</b> | <b>10 Animal welfare</b>   |

## Our Material Topics and Their Boundaries

No	Materiality	GRI Topic linked	Suppliers	Japfa Ltd	Japfa Regional Poultry & Aquaculture	Farmer Partners	Customers
1	Food safety	Customer Health and Safety, Food Processing					
2	Providing access to nutritious and affordable food	Local Communities, Customer Health and Safety					
3	Anti-corruption	Anti-corruption					
4	Traceable suppliers	Supplier Environmental Assessment, Supplier Social Assessment					
5	Resource efficient and responsible waste management	Energy, Waste, Water and Effluents					
6	Work ethics and integrity	Anti-corruption, Diversity, and Equal Opportunities					
7	Reliable distribution	Indirect Economic Impacts					
8	Employees health and safety	Occupational Health and Safety					
9	Company financial performance and strategy to anticipate pandemic	Economic Performance, Risk Mangement					
10	Animal welfare	Animal welfare					



**Caused by:** The cause of the topic which has direct control to avoid or mitigate impacts



**Contributed by:** Contributor to the topic, have influence but no direct control to avoid or mitigate impacts



**Linked to:** Related to the causes and/or contributor of the topic due to business relationships, thus only has indirect influence to avoid or mitigate impacts

# 3 Sustainable Supply of Nutritious Proteins



[GRI 102, GRI 204, GRI 413, GRI 416, GRI 417, FP 10, FP 12, FP 13]

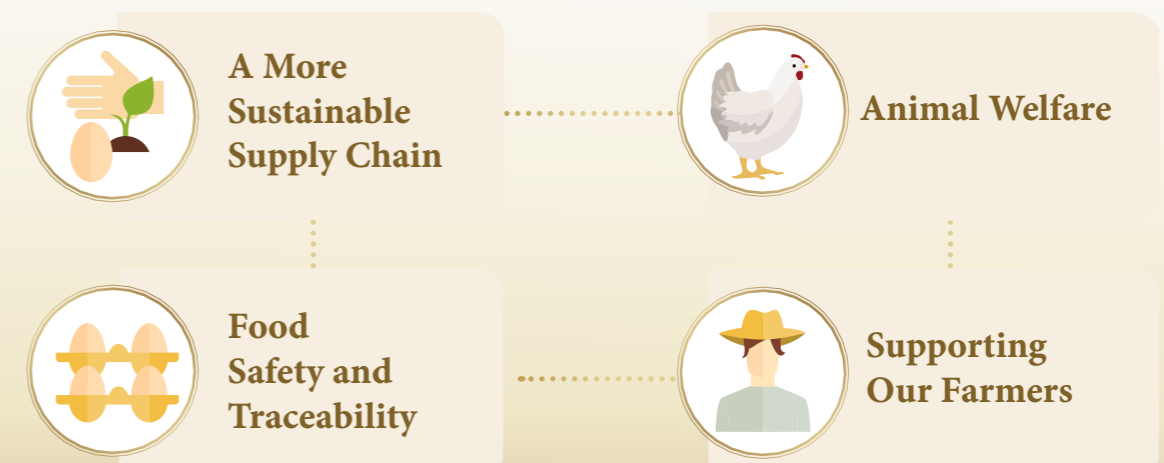


A balanced diet is essential for the overall well-being and good health of mankind. A healthy diet provides the necessary nutrition, such as carbohydrate, protein, fibre and vitamins, in appropriate quantities and proportions. In the emerging countries that Japfa operates in, the predominant staples in the people's diet are rice, other grains and cereals, which contain low amounts of usable protein. Protein is especially important for growth and body repair cells, yet in emerging Asia there are still many people who do not get enough protein intake due to food insecurity causing malnutrition and other health issues.

Since 1971, we have dedicated ourselves to **Feeding Emerging Asia** by providing staple essential animal proteins that are safe, nutritious, affordable and sustainable for the people. We continuously work towards our vision through an integrated, industrialised approach to farming that leverages technology and innovation. We also uphold animal welfare principles, as we believe that happy animals are healthier animals and naturally more productive.

Over the years we have progressed further in our production practises by paying attention to animal welfare and adopting, sustainable farming practises guided by good governance and environmental considerations, to produce nutritious proteins sustainably.

## Our Approach



# A More Sustainable Supply Chain

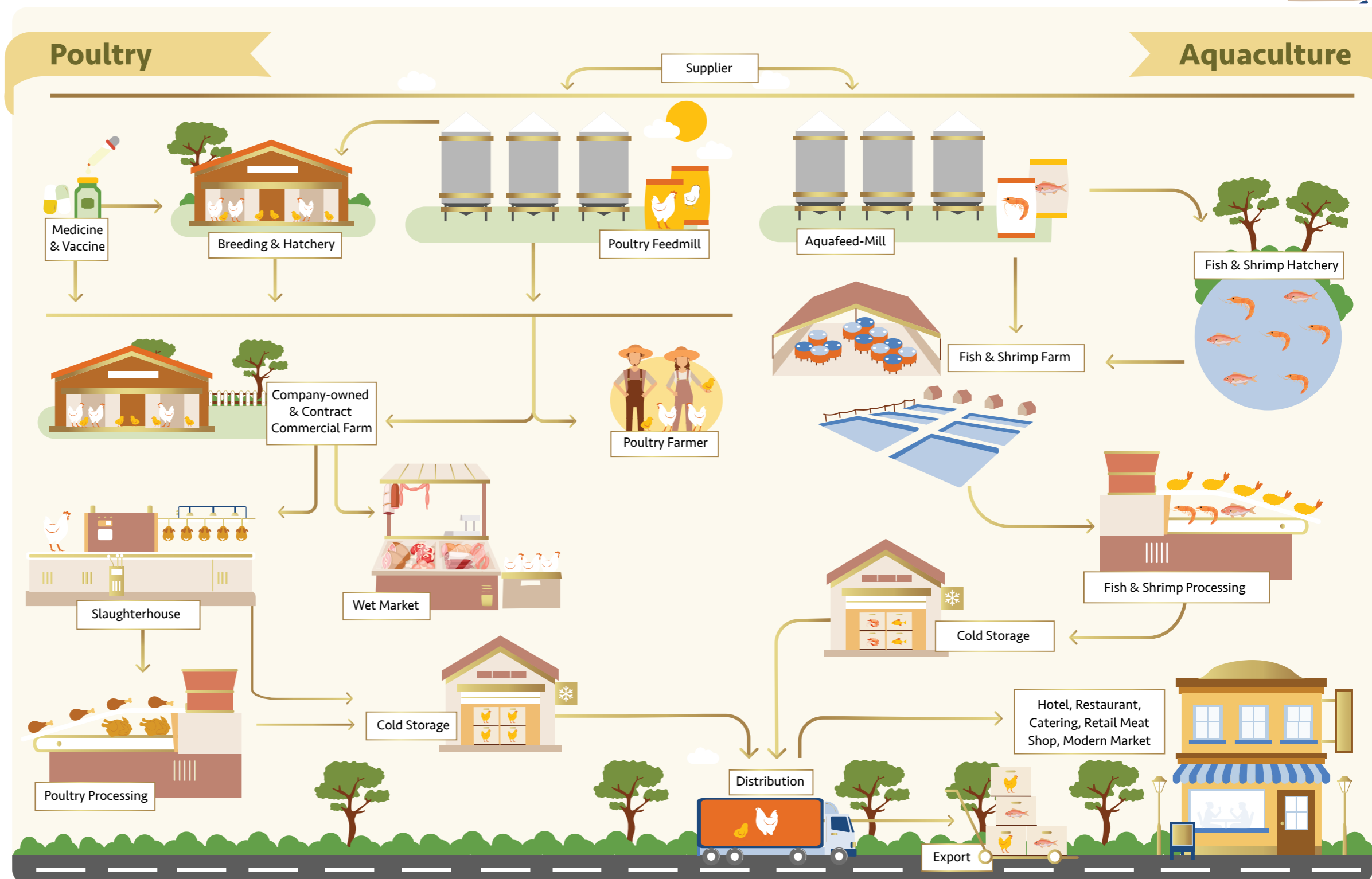
GRI 102-9

Our value chain is supported by suppliers worldwide for quality raw materials, products or services. We are working on improving the traceability of our suppliers and introducing them to more responsible sourcing and production through our procurement practice and supplier engagement.

“

Vertical integration allows traceability, in economic, environmental and social aspects, which is key to a sustainable supply chain.

Our vertically integrated business model covers the entire value chain of protein production, from animal feed and breeding to fattening to downstream consumer products.



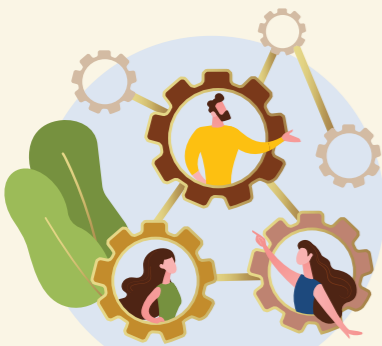
# Embracing Our Suppliers



We are constantly reforming how we engage our suppliers by instilling good production practices throughout our supply chain.

In our efforts to enhance our supplier engagement, we initiated a Supplier Sustainability Survey in 2021, which is in addition to our existing stringent supplier requirements that focused more on quality and economics. Through this survey, we aim to further engage our suppliers, especially those in industries which may potentially bear higher risk and impact to the environment and social aspects. We believe this is fundamental to reinforce the traceability and sustainability of our supply chain.

## Initiated a Supplier Sustainability Survey



### Communication

Established dialogues on sustainability issues such as environmental management and human rights, to increase awareness among our suppliers and understand their approach towards the issues.



### Mapping

Conducted a supplier sustainability survey to better understand our suppliers' practices in social and environmental aspects, including their level of commitment to such practices. The results will be used to develop and enhance our supplier engagement on sustainability to further mitigate risks in our supply chain.

In 2021, we rolled out our first supplier sustainability survey with our major suppliers. We plan to gradually extend this survey to other suppliers across our various operations.

## Addressing Potential Deforestation Risk in Our Supply Chain

None of our operations are located on deforested land, yet we are conscious of potential deforestation risk in our supply chain. In particular, from the supply of the soybean meal that is used as raw materials for our animal feed production. Soybean meal itself is a by-product from soybean oil extraction that is repurposed as animal feed. In our survey conducted with soybean meal suppliers, we raised the topic of origin of soybeans to create awareness about deforestation.

“For some of our aquafeed products, we enhance traceability by sourcing soybean meal certified by ProTerra or The Roundtable of Responsible Soy (RTRS).”



## Preserving Ocean Sustainability through Fishmeal-Free Feed and Sustainable Fisheries Certified Raw Material Supplies

As part of our contribution to protect the marine and freshwater ecosystem, we focus on optimising the use of fishmeal and fish oil in our aquafeed.

**Marine Stewardship Council (MSC) and International Fishmeal and Fish Oil Organisation (IFFO) certified fish oil and fishmeal supplies**

This ensures that the supplies uphold the principles for sustainable fisheries resources.

**Fishmeal-free in most of our freshwater fish feed with only 1% of fish oil**

We successfully reduced the use of fish oil in this feed by 0.2% in 2021.

**Fishmeal optimisation in shrimp feed**

Through our in-house research, we also strive to optimise the use of the fishmeal supplies in our superior shrimp feed.

## Boosting Local Sourcing



Our approach “Produce locally, consume locally” has been beneficial in mitigating disruptions to the global supply chain during the Covid-19 pandemic.

In the second year of the Covid-19 pandemic, disruptions to the global supply chain continued with movement restrictions across the globe. This accentuates the importance of local procurement within the countries where we operate in.

### What We Do



## Promoting Vietnamese Colour Chickens

Vietnam enjoys rich natural resources and favourable conditions for agricultural development including poultry production. It is essential to conserve native breeds such as the coloured chickens, which is a part of the country’s culture as it is often used for local festivals and religious activities. Coloured chicken is also one of the prominent sources of protein and provides income for locals in the rural areas. In line with the Vietnamese government conservation efforts, our subsidiary Japfa Vietnam actively promotes the breeding of coloured chickens to prevent them from becoming endangered. We provide local farmers with coloured chicken Day-Old-Chicks (“DOC”) to grow locally.

In 2021, our focus was on improving efficiency and developing good farming practices for breeding of the local coloured chickens. We shared our knowledge and provided technical support to local farmers as part of our efforts to preserve the culture and lineage of Vietnamese coloured chickens.



“  
In 2021, approximately 3.5 million DOC of colored chicken were raised monthly.

The native breed has its natural adaptation to the local environment, which is the basis of its sustainable existence. We develop specialised feed formulation to ensure the nutrition meets the specific needs of these local breed of chickens.

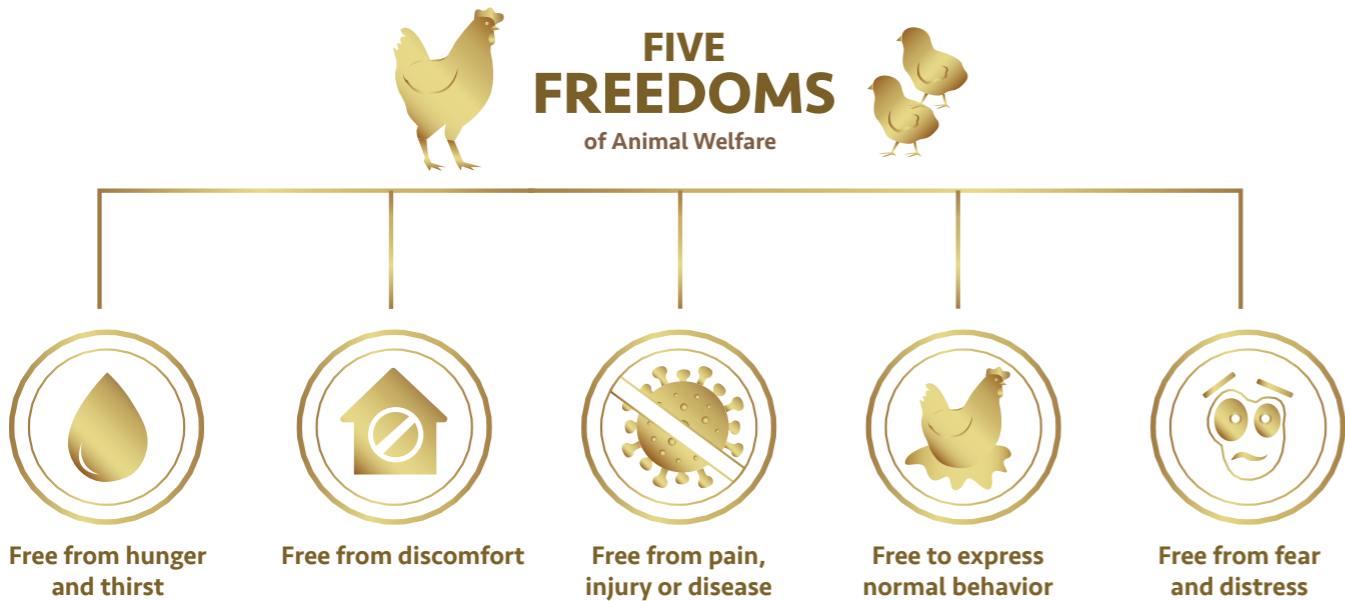
# Animal Welfare

GRI 102-13, GRI 102-15, GRI 205-1



As one of the leading animal protein producers, we are committed to provide the best possible care for the animals we raise. Not only is the welfare of our animals a critical success factor, but we also believe happy and healthy livestock will be more productive. There are various measures we adopt to provide appropriate care for our animals to grow healthy, which in turn contributes to better food safety and security maintain food safety and security while reducing harm to the environment.

“Across Japfa’s operations, we adopt the Five Fundamental Freedoms of Welfare which is globally recognised as the gold standard in animal welfare.



The Five Freedoms reference: Brambell FWR. (1965). Report of the Technical Committee of Enquiry into the Welfare of Livestock Kept under Intensive Conditions; HMSO: London, U.K

# Health Protection and Proper Nutrition

## Stringent Biosecurity Protocols

Stringent biosecurity is key to protect our livestock from infectious diseases. Our operations adopt three components of biosecurity, namely isolation, traffic control, and sanitation, which enable us to optimally lower the risks from the threat of diseases and pests infecting our livestock. At sensitive units, such as breeding farms, we implement a more rigorous three-zone biosecurity standard.

In Indonesia, we have been improving our biosecurity by applying a three-zone biosecurity standard at most of company-owned commercial farms. Whereas in South Vietnam, this standard has already been implemented in all company-owned and contract poultry commercial farms.

### High Risk Area

It is mandatory for vehicles, workers and visitors from all areas outside the farms to go through the first stage of farm biosecurity process, i.e disinfectant spraying.

### Medium Risk Area

- Includes the area within the farm where office, staff rest areas, and parking area (supporting facilities) are located.
- All belongings are fumigated in specialised compartments.
- Workers and visitors must shower and change their clothes and footwear to those provided for entering the medium-risk area.

### Low Risk Area

- A highly secure area where the livestock are housed.
- Workers and visitors must take a dip in disinfectant bath, shower, and change their clothes and footwear to those provided for entering the low-risk area.
- All belongings are fumigated in specialised compartments.
- Before entering the animal house, workers and visitors must change their clothes again to sterilised uniforms to be used inside the house.

We are constantly exploring how to enhance biosecurity to provide the most conducive environment for animal health in our operations.

- In 2021, we progressively increased the adoption of the closed-house system for commercial farms in Indonesia and India. The closed-house system is effective in preventing the transmission of diseases from the external environment with the use of air filtration systems and protection walls.
- In Vietnam, we installed an auto nest system in our hatchery in the North area to reduce direct handling, which is prone to disease transmission.
- In addition to physical measures, we also focus attention on our control and monitoring management; for example, we conduct a regular quality assurance in shrimp hatchery operations in Indonesia to monitor and ensure biosecurity practices are observed in the units.

Other biosecurity measures at our facilities include the following:

- Freshwater is further purified before use as drinking water for the animals or habitat for aquaculture animals
- Regular cleaning of farms and ponds, including manure handling
- Isolation of sick animals
- Separation of feed and drinking water at poultry farms to avoid risk of cross-contamination
- Regular Salmonella sample testing at poultry breeding farms and slaughterhouses

“

**Our biosecurity system is in line with good farming practises and Hazard Analysis Critical Control Point (HACCP) principles.**

During the Covid-19 pandemic, our already stringent biosecurity practices were further tightened to prevent and reduce the transmission of the novel coronavirus in our premises. In addition to the screening process which included body temperature checks and hand washing of workers and visitors, the number of people entering our operation was also restricted. For example, in our hatchery in Myanmar, we only allowed a designated driver to pick up the day-old-chicks.



## Animal Vaccination Programme

As a preventive measure, we vaccinate our animals mainly to protect them from highly contagious diseases such as Newcastle Disease, Infectious Bronchitis, Avian Influenza and Marek's Disease, which infects poultry. Vaccination will help reduce the pain and fatality risk when the animals are infected as the vaccine boosts their immune systems. A better immune system also minimises heat stress risk on our birds, which is essential to mitigate the impact from rising temperatures. These efforts not only keep our birds healthy, but also helps to reduce veterinary and medicine costs, making our products more competitive and affordable.

Our animals are vaccinated regularly under the supervision of a veterinarian. We endeavour to minimise direct handling when administering the vaccines to the animals. In North Vietnam, we implemented an in-ovo vaccination method in 2021. This technique increases the freedom from distress by reducing contact with day-old chicks after hatching. We also enforce a one-time vaccination programme in India whenever possible. The vaccination programme is adjusted for each operating unit's unique challenges. Certain areas may have a higher risk of contagion. For example, in India, we need to increase the dosage of Marek vaccine and administer Salmonella vaccine.

### Our In-House Vaccine Production

- For poultry, we use in-house vaccines that are produced in Indonesia by Vaksindo, our subsidiary under PT Japfa Tbk, with almost 40 years of experience in developing poultry vaccines.
- Our poultry vaccine is a result of intensive research in a high-technology diagnostic laboratory
- The production facilities in Indonesia are equipped with cutting-edge technology and are certified with Biosafety Level 3 certification, ISO 9001:2015, as Good Manufacturing Practice
- In 2021, we established a vaccine production unit in India, encouraging local production and reducing the environmental impacts of Indonesia's exports
- In Myanmar, Vaksindo works with our local experts to develop and produce vaccines by utilising our hi-tech laboratory locally
- Through the collaboration between our Aquaculture Division and Vaksindo, since 2020, we have been developing a vaccine to enhance the survival rate of tilapia fish in Sumatra, Indonesia. We are currently in the on-site trial stage and targeting to finish our research by 2022



## Essential Nutrients for Optimal Health

Balanced nutrition for livestock is the product of harmony between the finest balanced diet formulations and precise feeding programmes. We continuously conduct research to provide a balanced composition that fulfils animal nutritional needs and is in accordance with its digestive abilities. By embracing advanced technology in our research centres and feed mills, such as Near Infrared Reflectance (NIR) technology, we can efficiently produce high-quality feed that minimises wasted nutrients and materials.

For example, we feed our chickens a low-protein diet. Low protein diets are good for the animals and environmentally friendly as this diet reduces excessive material consumption and also nitrogen and phosphorus content in the animal’s manure that potentially harms the environment. Similarly, we also optimise the phosphorus content in our aquafeed to prevent algal blooming.

“

Our animal feed is free from antibiotic growth promoters and contains alternative substances such as enzymes, prebiotics, medium or short chain fatty acids, and essential oils that optimise growth.



Feeding programmes on farms are also crucial to ensure our livestock receives proper nutrition in the right amount and time. For our poultry operations, we take the following steps to ensure that our livestock is free from hunger and thirst:

- Provide food and drinking water for our day-old-chicks during transportation
- Feeder and drinking water pots or lines are provided in sufficient quantities and evenly distributed inside the barns
- A grading system to avoid unfair competition between large and small birds

## Advanced Research Centres and Laboratory for Animal Nutrition



### Japfa Poultry Research Farm (JPRF), Indonesia

The biggest in-house poultry research infrastructure in the Asia-Pacific region

### Japfa Aquaculture Research and Development Center (JARDC), Indonesia

Research and development centre for aquaculture that collaborates with leading aquaculture universities, Japan’s Kindai University and Universiti Malaysia Sabah



### National Accredited Board for Lab Testing (NABL) certified laboratories, India

Where trust, quality, competence of laboratories in India are concerned, our quality control laboratories for feed in the country is certified by NABL that assures the balance of nutrient composition in our animal feed is accurately checked before being fed to animals

## Antibiotics for Sick Chickens

FP12



As our operations are geographically located in areas with a high risk of disease, antibiotics remain one of the most effective ways to treat infected livestock. Across our operations, antibiotics are only used when there is health risk to animals as prescribed by veterinarians, and we ensure the appropriate dosage is given for each sick animal. We do not administer preventive antibiotics to healthy chickens. To boost immunity in animals, we use probiotics in our nutrition for the chickens. As part of good farming practice, we provide a clean environment and better nutrients to our animals, which keep them in optimum health.

Antibiotics that are administered to sick animals in our operations also conform to the local regulations in the countries we operate. In Vietnam, the Ministry of Agriculture follows OIE (World Organisation for Animal Health) standards. Our aquaculture animals are antibiotic-free as we only use natural ingredients and harmless chemical substances for medication.

“

**Antibiotics are only used when there is a health risk to animals as prescribed by veterinarians. We do not administer preventive antibiotics to healthy chickens.**

### Safe and Nutritious Proteins Without Antimicrobial Resistance

- Antibiotics given only to sick animals as prescribed by veterinarian
- Internal and external audit on antibiotic residues
- Raising farmers' awareness on antibiotics usage
- Actively supervising the use of antibiotics in contract farms by providing alternatives such as vitamins and herbs



## Comfortable Housing

### Poultry Houses

The changing climates in the different markets where we operate pose a challenge. Extreme heat, rain, floods, typhoon occurrences affect the animals that we care for and may cause unnecessary distress. Our closed-house system demonstrates our ability to address farming challenges in Asia —the climatic variation, high disease risk, and predator threats that endanger animal welfare. The environmental control system in the closed-house system provides sufficient comfort for chickens to grow naturally and actively with lower mortality.

In 2021, our operations in Vietnam and India were affected by the changes in the local climate. In Vietnam, we reduced the density inside the barn by 8% per m<sup>2</sup> for breeder and colour chickens, and 35% per m<sup>2</sup> for broiler chickens to maintain their comfort level and allow them to roam and express their natural behaviour more freely.

Due to extreme rain and flooding, we have relocated our farms in India that used to reside near rivers. High humidity and climatic changes with seasons also led us to accelerate the implementation of our closed-house system in company-owned farms. We have hasten the pace of the implementation of closed-housed farming across regions in preparation for future climate challenges, which will directly impact the comfort and health of our livestock.

The shelter is carefully designed with advanced technology and other appropriate tools to provide the chickens with the best comfort. The comfort and cleanliness of the living environment are key aspects that allow our livestock to thrive. We are committed to continuously improve our animal housing systems, considering the characteristics of each animal, the operating environment, and pre-empting future environmental challenges.



“

**Our farms ensure a favourable living environment for our chickens that fulfil the five freedoms of animal welfare.**



The basic components in our farms that ensure a favourable living environment for poultry that fulfil all five freedoms of animal welfare include the following:

#### **Freedom from hunger and thirst**

- Sufficient quantities and uniform distribution of feeder and drinking water pots or lines
- Automatic pan feeders

#### **Freedom from discomfort**

- Appropriate density setting
- Adequate lighting intensity
- Environmental control system (with closed-house automation technologies)
- System includes exhaust fans, heater, cooling system, controller, sensor to detect wind speed, CO<sub>2</sub> and NH<sub>3</sub> level, as well as humidity

#### **Freedom from pain, injury and disease**

- Feet friendly and hygienic slatted flooring
- Nipple drinking system, which prevents wet manure
- Adequate density that prevents disease vulnerability and cannibalism

#### **Freedom to express normal behaviour**

- Bath dusting area
- Nest box in breeding and layer farms
- Comfortable stock density that allows chickens to roam

#### **Freedom from fear and distress**

- Shields surround poultry houses for protection against external environmental threats, including bad weather and predators

## Aquaculture Farms

The water quality in our aquaculture farms is always monitored as it is tremendously important for our aquaculture animals to thrive. The steps we take to provide stable water quality are as follows:

- Water treatment and testing before use in shrimp ponds
- Low-phosphorus feed to avoid algae growth disrupting the water ecosystem
- Facilities and work equipment maintenance and cleanliness
- Using tilapia floating cage nets in the water depth of  $\geq 100$  m allowing fish faeces and food residue to decompose naturally
- Real-time monitoring with in-house mobile applications QC Sharp and STT Mobile

“

**We continuously monitor the physical and chemical conditions of our aquatic ecosystems to ensure that it is an optimal environment for animal health.**

We also control the population in our ponds to avoid overcrowding and allow sufficient space for our aquaculture to swim freely. This methodology ensures that the pond condition is comfortable and suits the comfort needs of our fish and shrimp population, resulting in low stress levels and better growth.

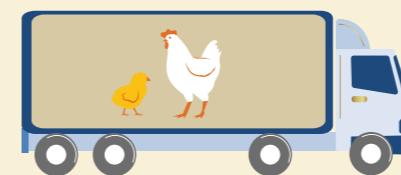
Read more about the water management for our aquaculture farm in PT Japfa Tbk’s sustainability report 2021 on page 65 and 66.



## Safe Handling

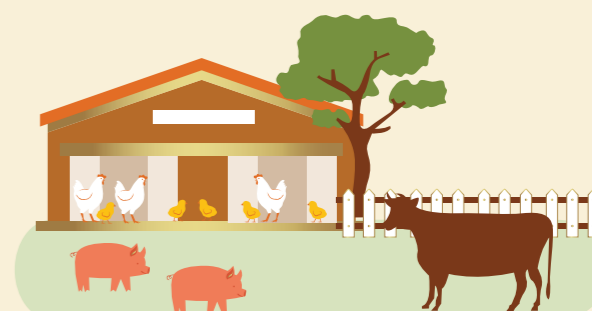
FP10, FP13

We continuously improve livestock control and reduce excessive handling that will lead to stress for the animals. Our workers and contract farmers are trained regularly and supervised to carry out proper animal handling.



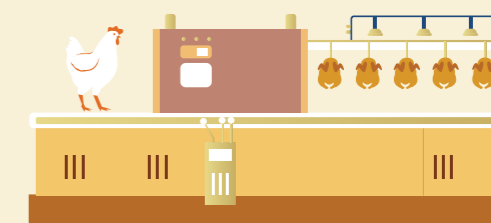
### During Transportation

- Optimising travel route and duration at the maximum of  $\pm 300$  km or 6 hours (assuming not taking the highway)
- Air conditioned or ventilated chick vans and lorries in addition to adequate feed and water to minimise distress during transportation



### At Farm

Gentle handling during loading/unloading, harvesting and treatment



### At Poultry Slaughterhouse

- Resting upon arrival
- Stunning before slaughtering to ensure animal is unconscious and cannot feel pain

### At Hatchery

- In poultry operations, we apply:
  - Semi to a full automation system
  - Vaccination programme to reduce handling during the growing period in farms
  - Beak trimming with infrared technology only for layer chickens to prevent cannibalism
- We always promote the natural behaviour of chickens. Chickens living in flocks naturally develops pecking order and may injure other chickens. To protect chickens from injury during their interaction with its flock, we conduct beak trimming to certain types of chicken using infrared technology. This technology is beneficial in delivering a painless and precise result
- In aquaculture operations, we promote the prohibition of eyestalk ablation on female shrimp broodstock

# Food Safety and Traceability

GRI 416-1, GRI 416-2, GRI 417-1, GRI 417-2, GRI 417-3



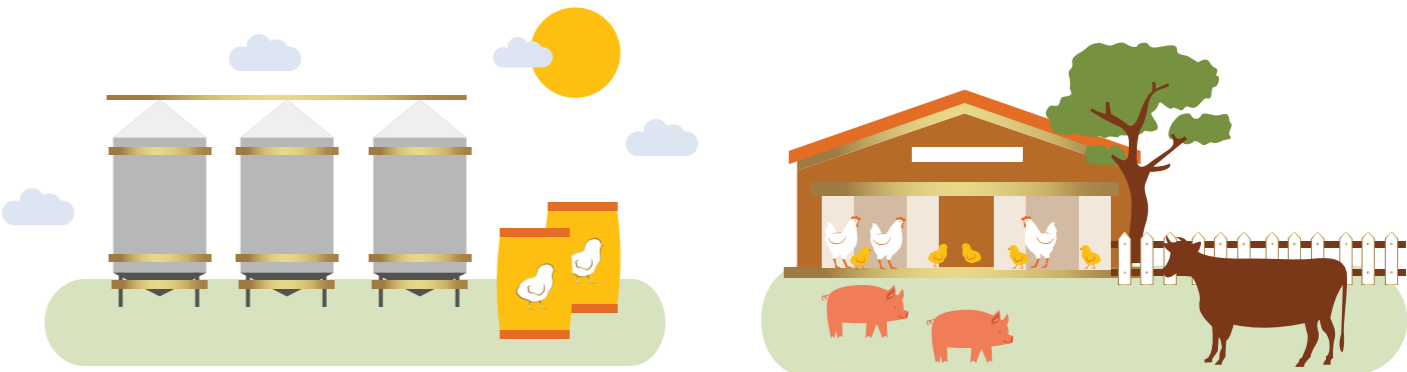
It is our commitment to provide the best animal protein for **Feeding Emerging Asia**. Our integrated business model, from feed production and farming to food processing, gives us the ability to ensure the food safety of all of our products. We have full control of the entire process from the selection of superior genetics, raw materials for our animal feed, providing a safe, clean environment for our livestock to establishing production facilities with a strict food safety management system. Our vertically-integrated operations allow traceability and ensure food security for our customers [GRI 416-1]. During 2021, we are pleased to note that we did not receive any negative feedback regarding the health and safety of our customers on our products and services. [GRI 416-2]

We produce high-quality and nutritious proteins for consumption from a productive and resource-efficient production system while upholding animal welfare. This is part of our approach to consistently provide affordable and nutritious proteins for the masses. We develop standard operating procedures (SOP) which enable us to replicate our successful blueprint and processes in different areas and locations. Our SOP adheres to various standards, guidelines and recommendations to ensure that our animals raised in a safe and humane manner:

- Indonesian Government Regulation No. 95 Year 2012 (Peraturan Pemerintah No. 95 Tahun 2012) on veterinary public health and animal welfare.

In delivering our products or services, we always aim to provide clear and transparent information to our customers. For example, on our feed packaging there are information about ingredients, nutritional values, quality, freshness, direction of use and expiry date [GRI 417-1]. Our packaging strictly adheres to regulations on labelling and marketing communication of our products. [GRI 417-2, GRI 417-3].

## Ensuring Food Safety in Our Operations

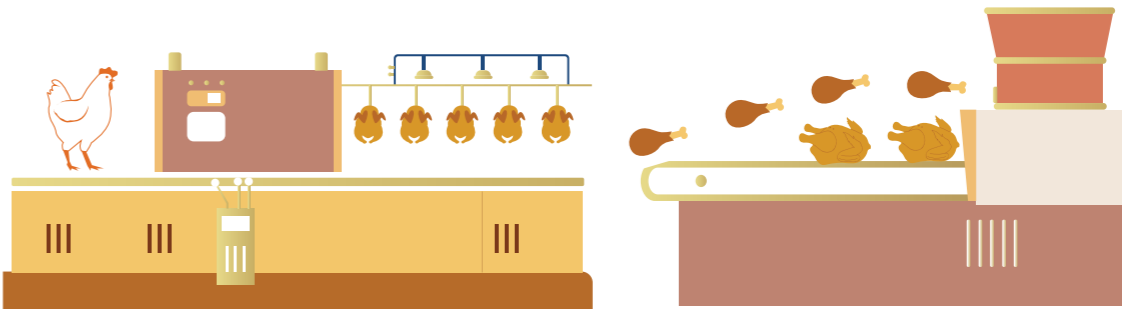


### Feedmill

- ISO 9001:2015
- Good Manufacturing Practice
- Best Aquaculture Practice
- ISO 22000 & Hazard Analysis and Critical Control Point (HACCP)
- No growth promoters

### Farm

- Good Farming Practice
- VietGAHP<sup>1</sup>
- No antibiotic residues, mandatory withdrawal before harvesting on recovered sick chicken



### Slaughterhouse and Food Processing

- |   |                               |
|---|-------------------------------|
| • HACCP                                   | • Halal <sup>2</sup>          |
| • Food Safety System Certification (FSSC) | • Good Manufacturing Practice |
| ISO 22000:2005                            | • BPOM                        |
| • Veterinary Control Number (NKV)         | • TE-FOOD <sup>1</sup>        |

<sup>1</sup> Only applicable in Vietnam  
<sup>2</sup> Indonesia, Myanmar and India. In Vietnam, we are currently constructing our own slaughterhouse and aim to obtain halal certification

# Supporting Our Farmers

GRI 413-1

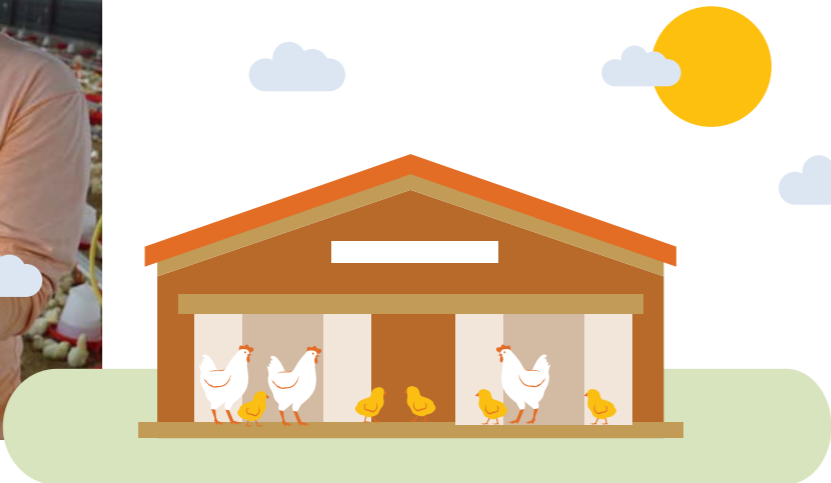
## Poultry Contract Farming Programme

“

Living the vision of *Growing Towards Mutual Prosperity*, we support each other through collaboration in raising our livestock.

In the poultry commercial farm business units, apart from operating our company-owned commercial farms, we also work with contract farmers under a profit-sharing programme. Living the vision of *Growing Towards Mutual Prosperity*, we support each other through collaboration in raising our livestock. Fair partnership, knowledge sharing and technical assistance on good farming practices are part of our approach to help the farmers produce a sustainable supply of nutritious proteins while improving their livelihood.

We supply day-old-chicks, feed, medicines, vaccines, chemicals, technical assistance, veterinary, and after sales service, while contract farmers provide hen houses, farming equipment and tools, and workers. The specific terms and arrangements of each country may differ. We may include additional assistance for contract farmers with capital limitations, such as farm equipment credits and recommendations to financial institutions. We provide incentives to farmers who perform well so as to appreciate and motivate them and their peers to achieve better results.



“

Over the years, we have successfully replicated our poultry contract farming scheme across regions where we operate.

In 2021, even though the world was gradually recovering from the disruption of Covid-19, certain regions were still suffering from its adverse impact. For example, in Vietnam, farmers and workers from leading local commodities, such as paper and coffee, had to halt their production due to export cancellation as a result of strict movement restrictions. Hence, they faced income insecurity. With our “produce locally, consume locally” approach, our poultry contract farming programme offers an arrangement that allows these farmers to have a more stable source of income while contributing to local food security.



### Our Poultry Contract Farmers Coverage

4 countries

Around 11,000 contract farmers





### KAVAS for Small Shrimp Farmers

Kawasan Vannamei STP or STP Vannamei Area ("KAVAS") is our dedicated partnership programme for small-scale traditional shrimp farmers in Indonesia. We supply shrimp fries, feed and technical advice in good aquaculture practices and technology applications, while the farmers provide the ponds and workers. By the end of 2021, the programme had engaged with 400 shrimp farmers from various locations in the country.

## Complete Farmer Assistance

We are always looking for ways to assist farmers in resolving their farming challenges, even amid the Covid-19 pandemic. Our additional initiatives in 2021 include:

- Proposed national standards of minimalist WWTP design for shrimp ponds to the Indonesian Ministry of Maritime Affairs and Fisheries, together with the Indonesian Shrimp Forum
- Developed observation technology for aquaculture farmers using global satellite together with Japfa Feeds the Future challenge 2021 winner — Sea Warden
- Added mobile lab units to reach out more shrimp farmers
- Intensified teleguidance implementation during the Covid-19 lockdown period
- Improved one-on-one interaction between farmers and our internal experts

“

**As part of our total farming solution, we provide contract and independent farmers assistance from our professional technical service teams to help them improve their farming skills.**

Scan the QR Code below to visit PT Japfa Tbk's website and see the complete list of farmer assistance, from farm or pond management, feeding programme, harvest data analysis, and many more.



**Poultry**




**Aquaculture**


## Knowledge Management

To achieve extensive sustainable farming practices, we believe knowledge sharing is essential so that the information and knowhow is made accessible to every one of our contract farmers. We conduct various activities to help farmers sharpen their competence in good farming practices, whether taught by internal experts or information exchange with fellow farmers. The topics addressed in our knowledge-sharing programmes include but not limited to the following:

- Seasonal management
- Feeding programme
- Animal welfare (biosecurity, density, air control and lighting)

- Antibiotic use
- Occupational health and safety
- Environmental management (manure, dust, and wastewater treatment)

The implementation in each region may differ according to farmer characteristics. We focus on the most effective way to reach out to them. For example, in North Vietnam, training for farmers is concentrated in one province, while in the South, we need to penetrate into small districts. At PT Japfa Tbk, we also offer a joint operation programme where we provide opportunities for new contract farmers to learn and be directly involved at our company-owned commercial farms.

### Japfa Neeti

Our Japfa Neeti programme aims to share farming strategies to assist farmers to resolve local challenges in India, such as seasonal farming management (density, ventilation and lighting setting) and disease control.

### Ciomas Adisatwa Youtube Channel

In 2021, our commercial farm unit in Indonesia launched a Youtube channel to share critical farming tips such as good biosecurity practices.

Find us at :



Website:  
**[japfaindia.com/japfaneeti.html](http://japfaindia.com/japfaneeti.html)**

Facebook & Youtube:  
**JAPFA India**



Summer Management by Dr. Manju  
- Japfa Neeti

Youtube:  
**PT. CIOMAS ADISATWA, Official Channel**



Biosecurity Management at  
Commercial Farm

# Social Life Cycle Assessment on Our Farmer Partnership Programme

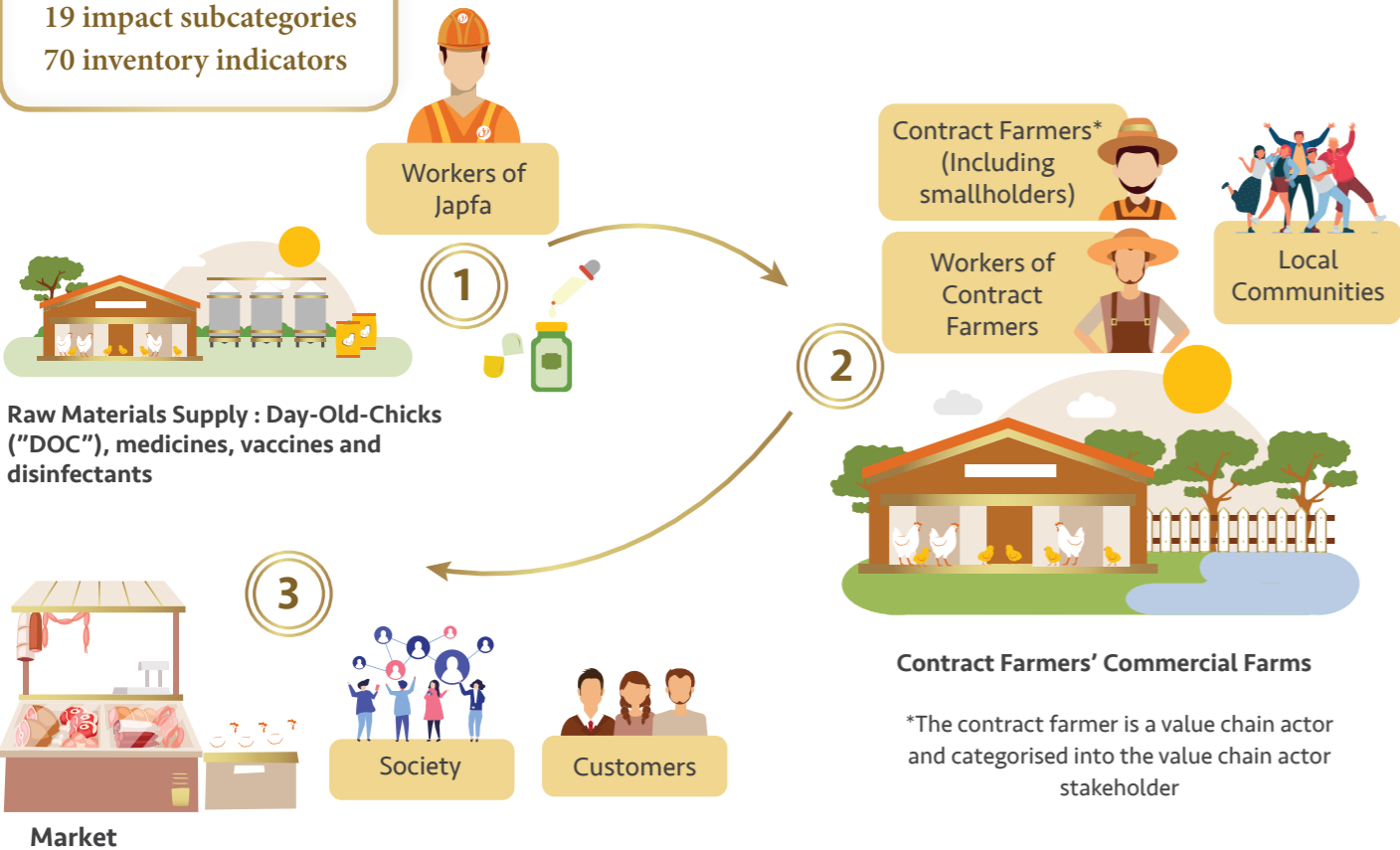
GRI 102-12

Our subsidiary PT Japfa Tbk has collaborated with around 10,000 local poultry farmers in Indonesia to produce commercial live birds through a partnership programme that provides a substantial socioeconomic contribution to the farmers.

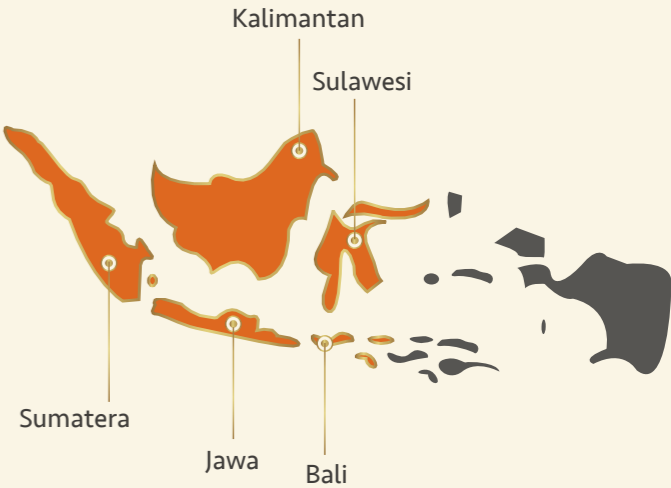
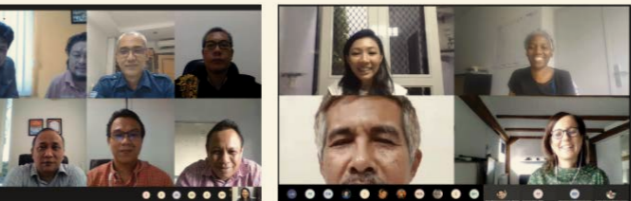
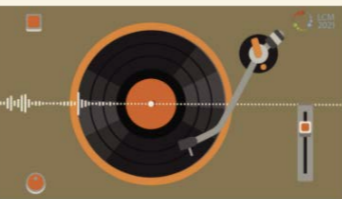
“To identify the potential social impact of the farmer partnership programme, Japfa participated as one of the road testers for the revised UNEP guidelines of Social Life Cycle Assessment. We are the only company globally that represented the food and agricultural sector and Southeast Asia.

## Scope

6 stakeholder categories  
19 impact subcategories  
70 inventory indicators



## Data Collection



348

Respondents

5

Islands of Indonesian archipelago

18

Provinces

Due to the COVID-19 pandemic in 2020 to 2021, all discussions and data collection were conducted through online media, utilising video conferencing system and telephone calls.

The assessment covered 19 impact subcategories and 70 inventory indicators. Results showed that the social performance towards farmer partners, Japfa’s workers, local community, society and consumers was relatively in compliance with applicable regulations and/or relevant standard operating procedures for the poultry industry. In addition, the results also indicated progress beyond compliance for the same stakeholder categories. The assessment has identified focus areas where we can take action to improve or enhance the social performance of our contract partnerships. Based on the hotspots identified for example, weak policy on OHS and working hours implemented by contract farmers, we can widen our farmer training programmes to include social responsibility awareness, in addition to technical support. The results of the assessment were presented at the

10th Life Cycle Management Conference, which was held on 5-8 September 2021 in Stuttgart, Germany.

We also shared our experience in implementing the New UNEP 2020 S-LCA Guidelines in a hybrid event held in Brussels on December 2021, organised by the UN Environment Programme (UNEP) Life Cycle Initiative and Social LC Alliance, hosted by Belgium Ministry of Climate, Environment, Sustainable Development and Green Deal of Belgium and Québec Ministry of the Environment and the Fight Against Climate Change. Mr Kevin Monteiro, Japfa’s Chief Financial Officer and also Sustainability Committee represented Japfa in that event.

Information regarding the publication of detailed study results will be updated on the website.

# 4

## Environmental Stewardship

[GRI 302, GRI 303, GRI 305, GRI 306]



The effect of climate change is impacting people worldwide with extreme weather, water scarcity and many more, posing risks to the agricultural sector and global food security. We acknowledge that accelerated action to combat climate change and its impact is everyone's responsibility. At Japfa, our action begins with environmental stewardship by producing efficiently to reduce our environmental footprint. We have always strived to be responsible by optimising the use of resources and minimising waste and emissions, which we believe helps significantly in tackling the climate change challenge.

We adopt the life cycle thinking and utilise Life Cycle Assessment (LCA) to identify our environmental focus areas quantitatively using a science-based approach. The key focus areas identified by the LCA on our largest operation, poultry, are water and waste issues. We will prioritise our efforts on these issues while also continuously improving our overall operations. We aim to minimise the negative environmental impact from our production system and instead make more positive environmental impact.

Through responsible business practices, we are committed to conserve natural resources and protect the earth, while also sustainably producing affordable nutritious proteins for people today and in the future. During the reporting period, there were no significant fines or non-monetary sanctions for noncompliance with environmental laws and regulations. [GRI 307-1]

### Our Approach



# Conserving Water

GRI 102-11, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

“

As water is essential for life, we protect water resources by using water responsibly in our operations.

Water is an indispensable part of everyone’s life, and it is the key to a healthy life. While it is a fundamental human need, today, many people struggle to access clean water because of climate change that has affected water availability.

In our operations, water is a vital resource for healthy animal growth and produce food safely. As a business that consumes water, we are responsible for ensuring water security for our operations and communities. We are committed to managing our consumption through various initiatives.

## Water Recycling to Mitigate Water Scarcity

As a part of water conservation efforts, we are committed to recycle water so that we can reduce freshwater or groundwater withdrawal and minimise pollution from our wastewater. In 2021, through our recently released SLB, we commenced a project to add water recycling facilities in our operations.

### The First of Its Kind Sustainability-Linked Bond to Improve Water Circularity

Following the hotspots results of our LCA on our main poultry operations in Indonesia, our subsidiary PT Japfa Tbk, launched an SLB that focuses on water sustainability in March 2021.

Our SLB prioritises an environmental KPI that is linked to the achievement of a water-related Sustainability Performance Target (“SPT”). The SPT is to minimise the impact related to water pollution from untreated wastewater by reducing eutrophication potential through the management,

treatment and/or recycling and utilisation of wastewater to ultimately, improve water circularity and reduce water withdrawal. The SPTs were assessed as “Robust” by independent opinion from Vigeo Eiris, which is part of Moody’s ESG Solutions.

The SPT is that, over the next 3 years and 9 months from the date of the SLB issuance, PT Japfa Tbk will construct 8 water recycling facilities (out of 15 slaughterhouses) under its poultry operations; and 1 water recycling facility at a hatchery within the poultry breeding unit.

“

In respect to our SPT, we are pleased to report that we have substantially completed the construction of 2 water recycling facilities.<sup>1</sup>

<sup>1</sup> The external verification report will be issued after the first year anniversary of the SLB issuance and will be posted on the PT Japfa Tbk website.

## Rainwater Harvesting

We are increasing our focus on water efficiency as water scarcity is a global issue affecting emerging Asia, including some of the areas where we operate. We can mitigate this issue by reducing our reliance on groundwater and freshwater resources through the implementation of rainwater harvesting solutions in our units. By 2021, we installed rainwater harvesting system in our units:

### Feedmills:

- Cikande and Buduran (Sidoarjo), Indonesia
- Jagdishpur and Bihar Feedmills, India

### Breeding farms:

- Breeding farms in Parungkuda, Cipunagara, Garut, Kronjo, and Wanayasa, Indonesia

### Broiler farms:

- 2 commercial farms in South Vietnam

### Aquaculture:

- Tilapia processing plant Simalungun, Indonesia
- Seafood Value Added in Cirebon, Indonesia

## Improving Water Quality

For aquaculture, the quality of water is critical to fish health as water is their habitat. Each aquatic species requires specific water qualities to grow, thrive and reproduce. We continuously monitor the physical and chemical conditions of our aquatic ecosystems to ensure that it is an optimal environment for animal health.

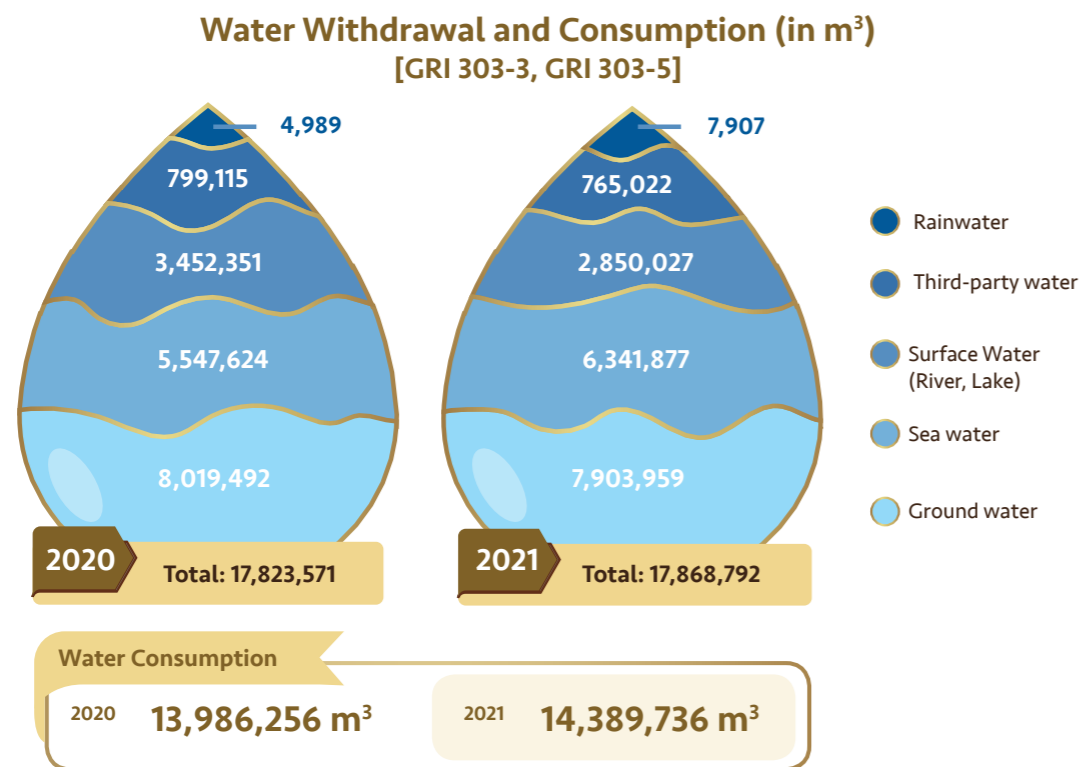
### Our initiatives:

- Expanded the utilisation of ozones and Poly Aluminium Chloride (PAC) for water purification in shrimp unit of aquaculture division in Indonesia
- Applied reverse osmosis technology in:
  - Feedmill operation in Mandalay, Myanmar
  - Commercial farms in Yangon, Myanmar
  - Broiler farms in India
  - Poultry feedmill in Indonesia
  - Tilapia farms in Indonesia
- Reduced wasted aquafeed through the implementation of aquafeed broadcaster system at Tilapia operation in Indonesia. The system reduced water pollution.

## Water Consumption Efficiency

We continuously explore ways to minimise water consumption and especially to avoid water wastage in our production process. The following are some of our initiatives that helped us improve the efficiency of our water consumption.

- Good housekeeping and routine maintenance to prevent leakage
- Reusing boiler condensate as boiler feed water in all feed mills
- Utilising automatic blowdown for boilers in feed mills in Indonesia
- Utilising nipple drinking systems in all our poultry farms
- Utilising foot pedal control valve faucet to control water consumption and improve sanitation in slaughterhouses
- Monitoring and improving the efficiency of steam consumption



### About Our Data

- Water withdrawal data for 2020 is restated and included So Good Food Operations
- Water sourced from groundwater, rainwater and third-party water are assumed to be freshwater (Total dissolved solid/TDS < 1,000 mg/L)
- Surface water and seawater are considered as treated non-consumable water (TDS > 1,000 mg/L)
- Water withdrawal and consumption data do not include India Poultry

## Wastewater Treatment

GRI 303-2, GRI 303-4

“

Having wastewater management as one of our key areas to improve environmental performance, we are motivated to manage our wastewater even better.

Most wastewater from our production is treated in our own treatment facilities. The treated wastewater is discharged into the nearest water body only when the quality meets the regulatory standards. This means it will not harm the environment, for example causing eutrophication, where excess nutrients impair freshwater and coastal marine ecosystems.

### Our 2021 Commitments

#### Water recycling facilities to reuse treated wastewater

- As the SPT for our SLB, details mentioned in page 72
- Installed at an eel farm and started the construction at an aquafeed mill in Indonesia

#### Recycled 90% of wastewater at vaccine plant

The recycled water was used in suitable processes with the same water quality.

#### Installed root blower system at slaughterhouses

To increase dissolved oxygen and improve treated wastewater quality in Lampung, Medan, and Sidoarjo, Indonesia.

### Utilising Wastewater to Grow Vegetables

Aquaponics is a project initiated by our aquaculture division in Indonesia. In this project, we utilise wastewater directly from the aquaculture farm to grow vegetables. The wastewater from the aquaculture farm is rich in useful nutrients to cultivate plants organically without additional inorganic fertilisers. This is an environmentally friendly, natural food-growing method that harnesses the best attributes of aquaculture and hydroponic systems, and promotes a circular economy.





Results of our aquaponics trials

In 2021, we focused on building the greenhouse for our pilot, improving the transportation of wastewater from fish farm to greenhouse and experimenting for the development of best cultivation method. After the pilot, we intend to promote this wastewater utilisation method to local aquaculture farmers, so they can achieve more from their farming activities.



### Water Discharge by Quality and Destination (in m<sup>3</sup>)

[GRI 303-4]

Water Discharged by Quality and Destination	Amount (m <sup>3</sup> )		Destination
	2020	2021	
 <b>Total Poultry</b>	<b>1,717,634</b>	<b>1,520,334</b>	Drainage, River
	Freshwater	1,687,889	
	Treated non-consumable water	29,745	
 <b>Total Aquaculture</b>	<b>2,119,681</b>	<b>1,958,722</b>	Drainage, River, Sea
	Freshwater	2,084,329	
	Treated non-consumable water	35,352	
<b>Total Water Discharged</b>	<b>3,837,315.5</b>	<b>3,479,056</b>	Drainage, River, Sea

### About Our Data

- Freshwater (Total dissolved solid/TDS < 1,000 mg/L). Treated non-consumable water (TDS > 1,000 mg/L)
- The data above excludes India Poultry

# Climate Action

Improving our energy efficiency is directly correlated to the reduction of our carbon footprint. We closely monitor energy consumption within our operations and continuously aim to lower it.

In 2021, we continued to focus on energy management, including the use of renewable energy, energy efficiency and cleaner production.

## Utilisation of Renewable Energy

Carbon dioxide released from burning fossil fuels is one of the main contributors to climate change. To mitigate the issue, we are pursuing net-zero carbon emission by adopting a carbon neutral approach. We mainly focus on the use of renewable and cleaner energy in our operations.

### Biomass

In Indonesia, we optimise energy consumption by using biomass that is abundant in the region. The biomass we use is sourced from *agriculture waste* such as candle nut shells, palm kernel shells and palm fibres. We use it at operations that are energy intensive such as feedmill, corn dryer units and aquaculture cold storage. During the reporting period, we increased the utilisation of this renewal energy source in our feedmill units. With our recent biogas project we aim to utilise the methane gas from chicken manure as an energy source for the operation.



### Solar Photovoltaic Systems

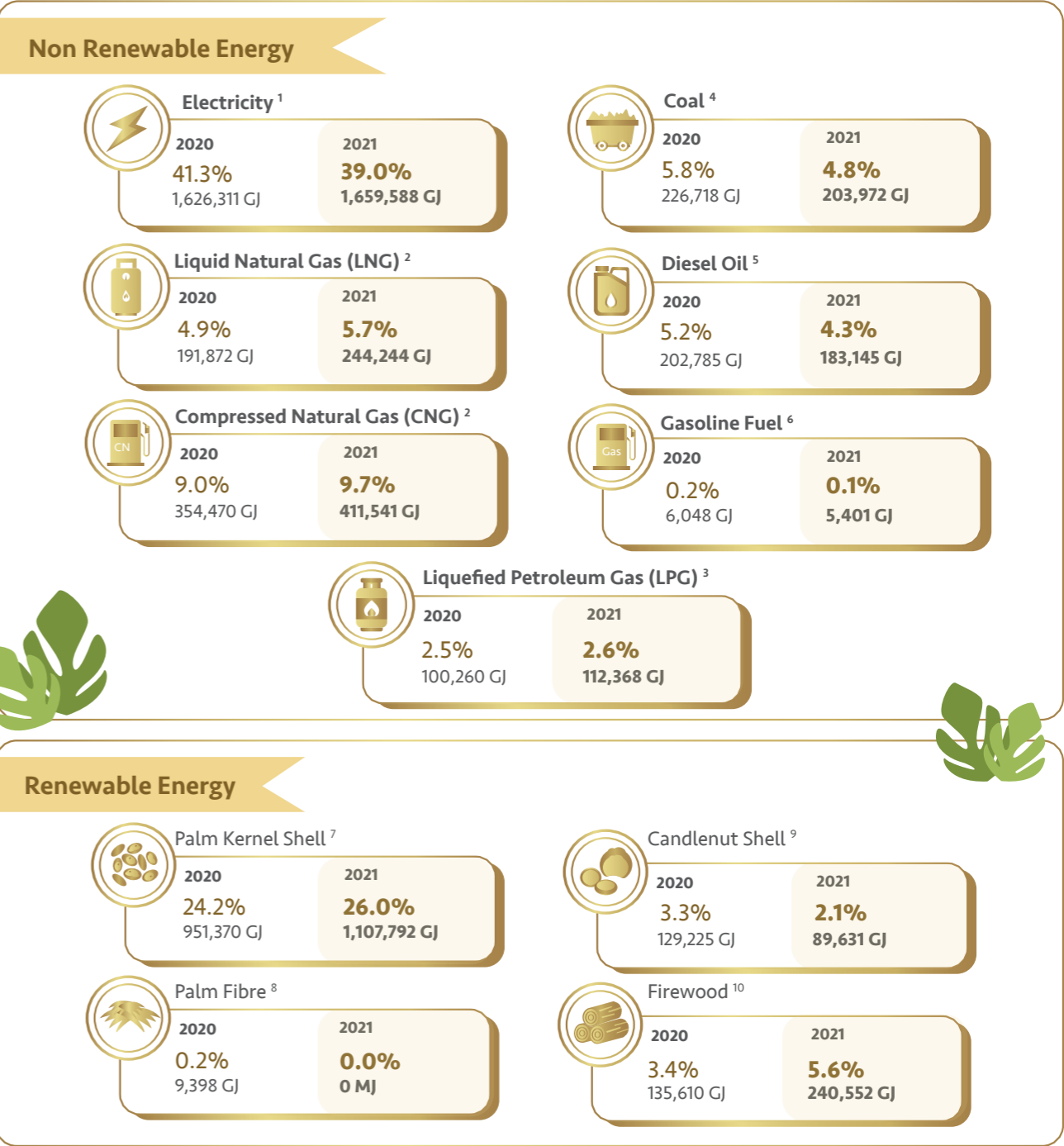
Located in Southeast Asia, our operations are blessed with natural sunlight, which is an abundant resource of clean energy. We are working to harness more solar energy for our operations. The ongoing Covid-19 pandemic had delayed our plans but we target to install one solar panel unit throughout our operations in Indonesia, India and Myanmar in the near future.

Based on our experience in our commercial poultry farm in Myanmar, the installation of a solar panel system without battery replaced the grid electricity consumption during the day and saved ±30% of electricity cost in 2021. The solar panels enabled us to achieve more CO<sub>2</sub> reductions and to be more economically efficient.

“  
In 2021, we commenced a pilot project on biogas production in one of our commercial poultry farms in Indonesia.

In Vietnam, we continued to help the owners of our rented commercial poultry farms to install solar panels on the farms. Installation was completed in two rental farms in 2021. The solar panels in each farm has 1.2 MW capacity. We believe this is a meaningful project, as the electricity generated is sold to the local power grid, contributing to cleaner energy sources in the country.

## Energy Consumption with Japfa Poultry and Tbk Aquaculture Operations [GRI 302-1]



1. Convert to MJ by standard based on International Energy Agency, 1 kWh of electricity = 3.6 MJ  
2. Convert to MJ based on International Energy Agency, 1 MMBTU = 1,055.06 MJ  
3. Convert to MJ based on International Energy Agency, calorific value of LPG = 50.08 MJ/kg  
4. Convert to MJ based on International Energy Agency, calorific value of coal = 20.65 MJ/kg  
5. Convert to MJ based on International Energy Agency, 1 liter of diesel oil = 38.53 MJ/L  
6. Convert to MJ based on International Energy Agency, 1 liter of gasoline = 34.89 MJ/L  
7. Convert to MJ standard methodology based on suppliers data., calorific value of palm kernel shell = 17.22 MJ/kg  
8. Convert to MJ standard methodology based on suppliers data., calorific value of palm fibre = 11.34 MJ/kg  
9. Convert to MJ standard methodology based on research of Efendi et al., calorific value of candlenut shell = 25.46 MJ/kg  
10. Convert to MJ standard methodology based on World Agroforestry Centre, calorific value of firewood = 19.61 MJ/kg

• There is a restatement for the non-renewable energy data of 2020, because of the changes on energy conversion factor using International Energy Agency data. [GRI 102-48]

• Energy intensity has not been calculated at the point of publishing this report. We are evaluating the most appropriate methodology to represent our products, ranging from feed to consumer products [GRI 302-3].

# Improving Energy Efficiency

## Process Automation

Automatic systems enable us to better monitor and more accurately control our energy consumption. For example, air speed sensors in our closed-house poultry farms help to adjust fan speed automatically, so that the fans do not need to continuously run at high speed and will change according to the air condition in the farms.

The use of automatic systems improve productivity and we can produce more with the same amount of energy or even less. In 2021, we adopted process automation to boost energy efficiency in our operations.

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Implementing process automation in our operations helps us to improve energy efficiency, productivity, product hygiene and cleanliness, as well as reduce materials wastage.

## Cleaner Production Approach to Reduce Energy Consumption

### Change from conventional dryer to closed system and direct burner in aquafeed mills

In 2021, four of our aquafeed mills in Indonesia changed their conventional dryers to better systems. In the Purwakarta aquafeed mill, this resulted in ±22% reduction of gas consumption.

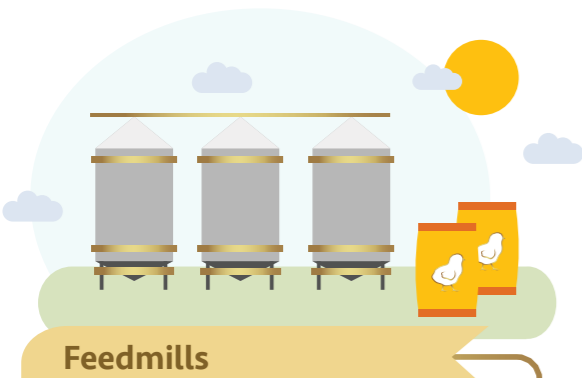
### Equipment modification to optimise the use of retained heat in return condensate

In all of our aquafeed mills in Indonesia, we started to focus on maximising the retained heat in the condensate. This enabled us to use less energy to heat our boilers.





### Utilising transparent galvalume roofs to allow natural lights and minimise use of lamps

This modification helped our animal feedmill in Sragen, Indonesia reduce their electricity consumption for lightings during the day time.

## Automated Processes Across Our Operations






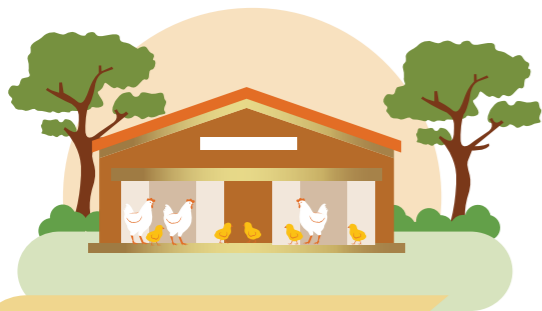
### Feedmills

- Silo/automatic feeder 
- Automated dosing 
- Bagging machine 
- Automatic blowdown 



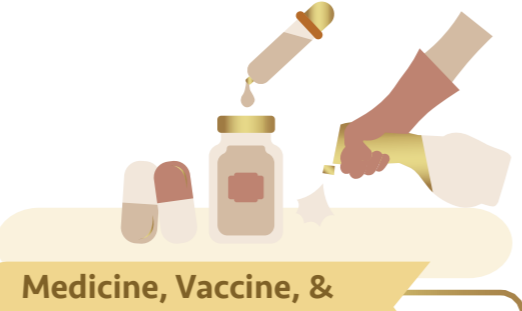
### Hatcheries

- Fully automated hatcheries  
- Automated candling 







### Breeding Farms

- Controlled ventilation   
- Humidity & temperature control   
- Automatic feeder  
- Autonest system 



### Medicine, Vaccine, & Disinfectants

- Automated packaging line production 
- Automated filling line production 
- Automated harvesting line production 
- Automated disinfectant line production 

## Digitalisation

In an effort to minimise energy consumption, we also aim to optimise process efficiency. One way to achieve this is the implementation of industrial internet of things (IIOT) in our feedmills in Indonesia. IIOT is a digital approach that combines smart sensors and actuators to enhance manufacturing and industrial processes. IIOT enhances important processes including making automatic maintenance and reporting, data collection, analytics, and smart grid optimisation easier, allowing us to monitor production efficiency at all times. The system, which has been adopted in the feedmill unit in Sragen, Indonesia, enables us to efficiently control the use of resources such as electricity, water, and materials.

In 2021, our breeding farms in Indonesia, focused on the distribution process. Distribution has been one of the significant contributors to global carbon footprint. We have used a distribution optimisation system called J-VOS (Japfa Vehicle Optimization System) that is GPS based. This system enables us to monitor our distribution process comprehensively, including:

- Routes and delivery times
- Chick van movement
- Chick van fuel consumption

## Numerous Advantages Have Resulted From J-VOS

- Reducing carbon footprint
- Less paper used
- Load capacity optimisation
- Increasing delivery rates
- Faster delivery of below 6 hours for guaranteed quality
- Better report evaluation



In optimising our distribution process, we also have always been aiming to make our vertically integrated operations as close as possible to each other, and to the markets. In 2021, for example, we moved some of our farms in India to be closer to the feedmill and our customers in Mumbai area. This initiative enabled us not only to increase access to nutritious food, but also to reduce the carbon footprint with the more efficient distribution routes.

# Monitoring Emissions

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-7

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In 2021, we extended the scope of our monitoring to include Other Indirect (Scope 3) greenhouse gases emissions. We are continuing to study the various parameters that affect Scope 3 to further refine the data.

## Greenhouse Gases (GHG) Emissions

	2020	2021
Direct (Scope 1) GHG Emissions	75,888 Tons CO <sub>2</sub> eq	80,060 Tons CO <sub>2</sub> eq
Energy Indirect (Scope 2) GHG Emissions	444,844 Tons CO <sub>2</sub> eq	454,236 Tons CO <sub>2</sub> eq
Other Indirect (Scope 3) GHG Emissions	N/A	10,825,139 Tons CO <sub>2</sub> eq
Data Source (Number of operational units)	289	302

### About Our Data

- Emission calculation is using SimaPro LCA software and the emission factors based on IPCC 100a method.
- Scope 1: Based on the energy consumption (exclude electricity) within the organisation for poultry and aquaculture operations.
- Scope 2: Based on the purchased electricity consumed within the organisation for poultry and aquaculture operations.
- Scope 3: Estimated for the poultry operations in Indonesia, based on collected data from our LCA project. The data included in the estimation is the production and transportation of purchased raw materials, supporting materials and energy (excluded energy indirect - Scope 2). The calculation did not include waste utilisation, consumer products, business travel and employee commuting and downstream emissions. Business travel and employee commuting are excluded due to the movement restrictions during the Covid-19 pandemic.
- Emission intensity has not been calculated at the point of publishing this report. We are evaluating the most appropriate methodology to represent our products, ranging from feed to consumer products [GRI 305-4].



During the reporting period, we continued improving our emissions control, aiming for GHG and air pollution reduction. As previously discussed, the Group focused on utilising renewable and cleaner energy and improving energy efficiency. With the acceleration of digitalisation in our Company, we were also able to reduce travel as we adapted to working remotely by utilising cloud-based infrastructure, which contributes to reducing transport emissions from the employee commuting.

We recognise that operational processes such as feed manufacturing and boiler fuel incineration release emissions into the air, such as dust particles

or fly ashes. To mitigate this problem, all our feedmill units in Indonesia, India, Myanmar and Vietnam are installed with a dust collection system to reduce the amount of dust emitted into the air. We monitor the system on a continuous basis to ensure that the emissions comply with the prevailing quality standards.

In the Vietnam and Myanmar feedmills, we equipped our incineration machinery with a water spray system to help keep the dust from flying in the air. We also renewed our dust collector machine with a cyclone system. Not only does it enable us to absorb the dust generated by the boiler, this system also filters and reduces the amount of water required for the boiler.

Other Significant Air Emissions*	2020	2021
Nitrogen dioxide (NO <sub>2</sub> )	2,467.5 kg	4,321.0 kg
Sulfur dioxide (SO <sub>2</sub> )	1,990.7 kg	1,919.7 kg
Particulate Matter (PM)	1,037.6 kg	2,810.3 kg
Carbon monoxide (CO)	276.6 kg	416.8 kg

\*Data is only from poultry and aquaculture operations of PT Japfa Tbk. In 2021, there was a significant increase in operating hours and we did a measurement on more operating units that resulted in increase of air emissions compared to 2020.

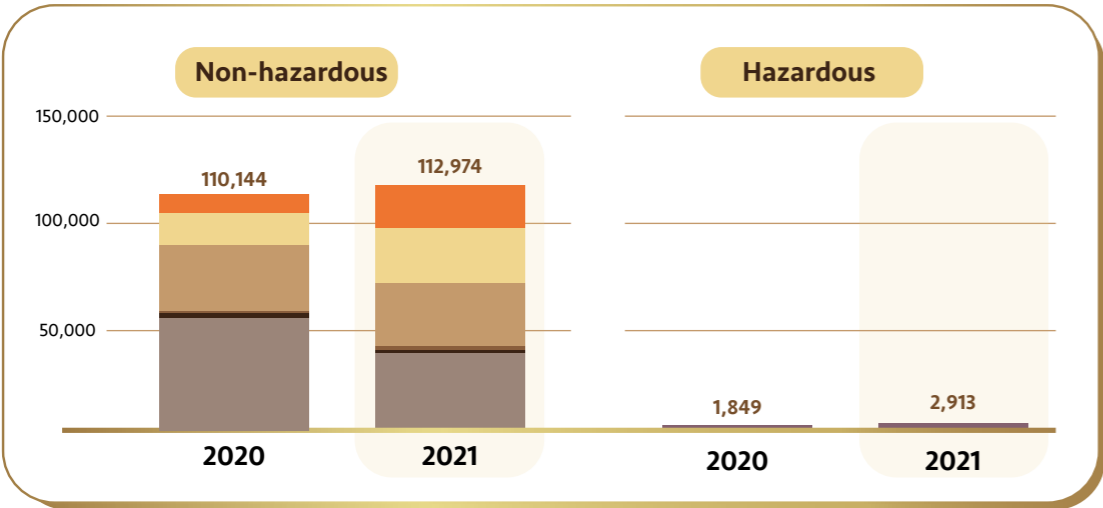
# Promoting Waste Utilisation

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

“Japfa is striving to enhance waste utilisation to minimise waste to landfill. Together with our local communities and third party contractors, we strive to convert more waste into usable resources.

Despite of our efforts to reduce the amount of waste to the landfill, the movement restrictions due to Covid-19 have impeded better utilisation of our waste. As a result, there was an increased amount of waste being incinerated, disposed, and sent to the landfills.

Amount of Waste Generated (in Tons)



Treatment Methods	2020 <sup>1</sup>	2021
Total Waste Diverted from Disposal	88,547	73,071
Utilisation of Waste (Internal and External)	53,900	39,633
Recycle <sup>2</sup>	175	6
Composting	43	68
Distributed to Third-Party (Non Hazardous)	32,580	30,450
Distributed to Third-Party (Hazardous)	1,849	2,913
Total Waste Directed to Disposal	23,445	43,050
Incineration/Disposed	15,544	26,086
Throw to the landfills	7,901	16,731
Total Waste Generated	111,993	115,887

1. Data for 2020 is restated due to an error in unit conversion  
2. In 2021, we improved our production process in Binh Thuan feedmill, Vietnam, which helped us to significantly reduce waste. As a result, the amount of waste recycled were also reduced.

Replaced paper labels and leaflets with QR codes at Vaksindo

Eggshell waste for maggot cultivation at Vaksindo in Indonesia, in collaboration with local community

Reclaimed used vaccine bottles as Extended Producers Responsibility collaborating with registered waste management services [GRI 301-3]

Reused rice husks litters through fermentation by adding micro-organisms to remove bacteria at Company-owned commercial farms in Indonesia

Using fly ash bricks as material substitution to clay bricks for construction in India

Training and certification of hazardous waste management for Japfa employees in Indonesia

Better process control by monitoring material loss in storage due to extreme temperature (food loss prevention) with standardised operating procedures at warehouses in India

Utilisation of biomass waste into fertilisers and eco-enzymes at Lampung Feedmill in Indonesia

Using egg tray recycling as a biofilm media in WWTP in Wanayasa Hatchery, Purwakarta Hatchery, Subang Hatchery & Garut Hatchery, Indonesia

Cartridge infusion optimisation to reduce electronic waste at Padang Feedmill in Indonesia

Used hazardous product packaging made into pots in Cirebon Feedmill, Indonesia

Reused bags from agricultural activities by our farmers in India Feedmill

Repurposed dried wood or litter as fertilisers by sending it to third parties at Vietnam Poultry Farms

Utilisation of tilapia skin waste exported for collagen-based cosmetic production at Tilapia & Seafood Further Processing in Indonesia

Repurposed fish carcass as fertilisers and fishmeal by the local community

Our Waste Handling Initiatives in 2021

# 5

## Preserving Our Culture & Talents



[GRI 401, GRI 403, GRI 404, GRI 405]



The long-term commitment of our employees and stakeholders has long been the key driver of our achievements. We are proud to grow alongside our people and we continue to support them in various ways. The health and safety of our people is of the utmost importance for our Company. Hence, we ensure that their well-being is taken care of and we provide a safe and productive work environment. To encourage our people to grow professionally, we provide platforms for our people to express their opinions, we give them opportunities to develop their talents and to display their talents.

2021 marks Japfa's 50th anniversary and we are delighted to commemorate this milestone with our employees, customers, business partners, and shareholders. Our 50 years of experience has given us a wealth of knowledge and established a strong corporate culture that we will continue to nurture. As a protein producer that operates in multiple countries in Asia, we embrace the diversity of our workforce across backgrounds and cultures. We leverage technology to ensure a successful transfer of knowledge and skills critical to our business and to our sustainability goals across generations to

ensure that we will always have good people leading JAPFA.

As our business grows, there is a need to clearly define our values and align our people with them. We identified 7 Japfa People Values, known as "DOLPHIN" - Drive, Organisational Thinking, Leadership, Professionalism, Honesty, Innovative Thinking, and Nurturing. We cultivate these values through human capital development initiatives to achieve our vision of **Growing Towards Mutual Prosperity**.

### Our Approach



“

DOLPHIN values are our anchor in human capital development to achieve our vision of *Growing Towards Mutual Prosperity*.

### DOLPHIN - 7 Japfa People Values



Drive



Organisational Thinking



Leadership



Professionalism



Honesty



Innovation



Nurturing



## Inclusivity and Diversity

GRI 102-17, GRI 205-2, GRI 208-1, GRI 401-1, GRI 405-1, GRI 405-2

As we operate in many countries in Asia, embracing diversity is one of our priorities. We take pride in our diverse and multicultural workforce and we create an environment that brings out the best in our employees and encourages them to reach their full potential. We view diversity as an important factor to increase creativity, productivity and motivation.

### Practices Across the Group

#### Empowering Women in Vietnam and Myanmar

Traditionally, the agricultural sector is male dominated due to the nature of the work and cultural bias. In Japfa, women are given the same opportunity and platform to perform. In Vietnam and Myanmar, the majority of the workers in our farms are women. Within our Group, 15.4% of our Sustainability Champions, 18.8% of our middle management and above are women, and 14.3% are in the Directors/Executives.

#### Respecting Women's Rights in India

To ensure a safe environment for our people, any kind of discrimination or inappropriate behaviour is not tolerated. In India, we facilitate education and communication initiatives, as well as an advisory group as mandated by the government to provide a safe working environment for our female employees. These initiatives are also applicable for everyone in our Group and our business partners.

#### Supporting Workers with Disability in Indonesia

We hire employees based on their capabilities and do not discriminate against their disabilities. To provide a proper work environment for employees with disabilities, we incorporate the local regulations and laws into our Company policy and offer support

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Our employment process focuses on the competencies, skills and values of the candidates, regardless of gender, age, race and sociocultural background. These principles are covered in our Japfa Diversity Policy.



for our colleagues with disabilities, for example, by providing prosthesis for employees with hand or leg amputation to improve their mobility.

At the moment, we employ 32 employees with disabilities in Indonesia. They are assigned to suitable job functions based on their competencies.

Freedom of Association and Collective Bargaining

We always strive to adhere to the applicable labour laws and regulations. We do not restrict our employees from participating in any registered (legal) labour organisations as they are entitled to exercise their freedom of association. [GRI 102-41]

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Japfa is against child labour, forced labour and any practices breaching human rights.

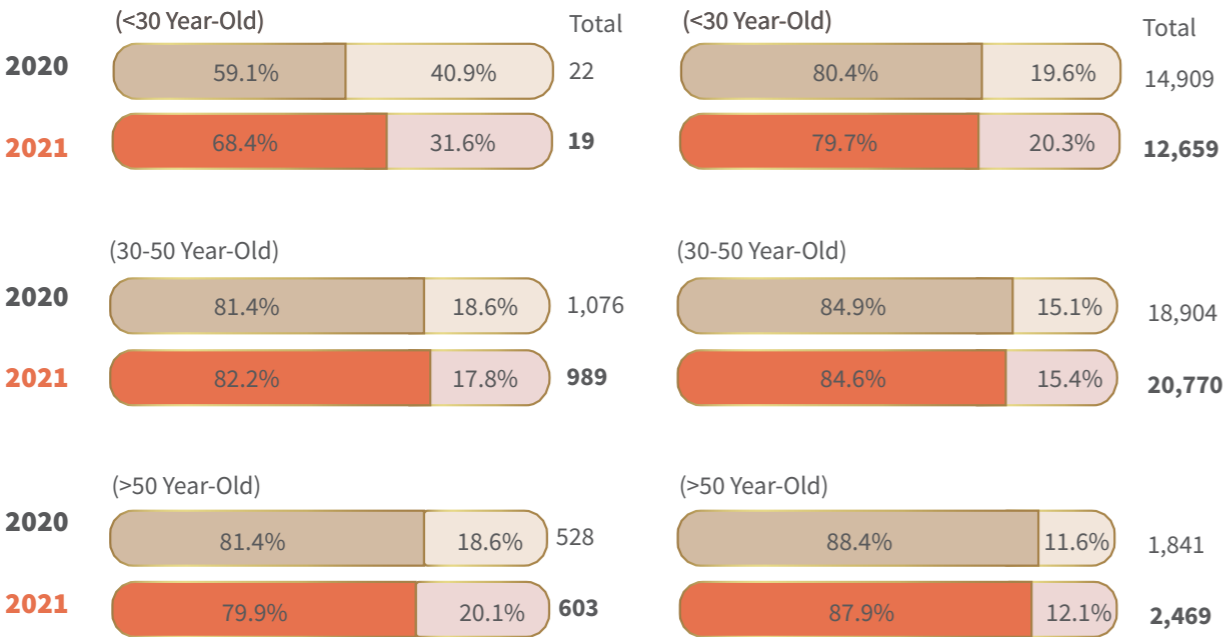
As stated by our hiring rules, all our workers must be of legal age to work.

Age and Gender Diversity

Male Female

Middle Management and Above

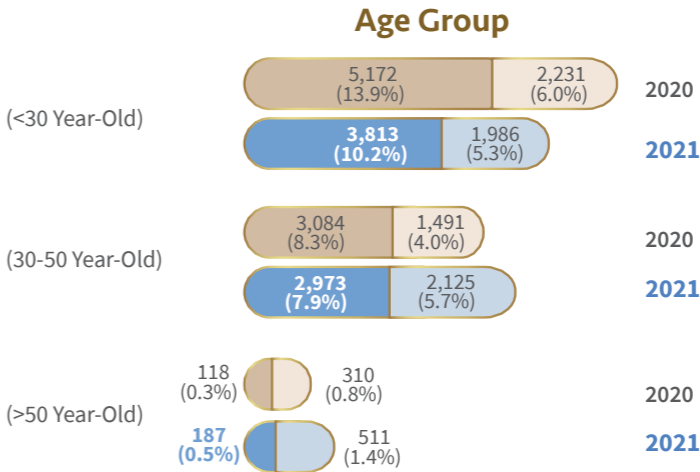
Operator and Junior Management



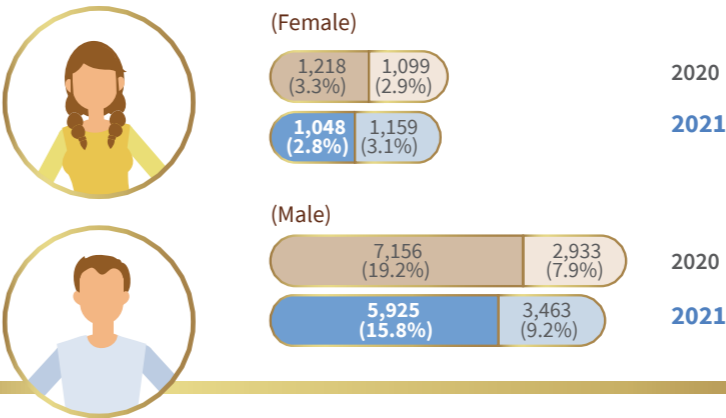
About Our Data:  
• All employee data in this chapter includes all operations in the Company (except Bangladesh and China).

New Employee Hires and Turnover

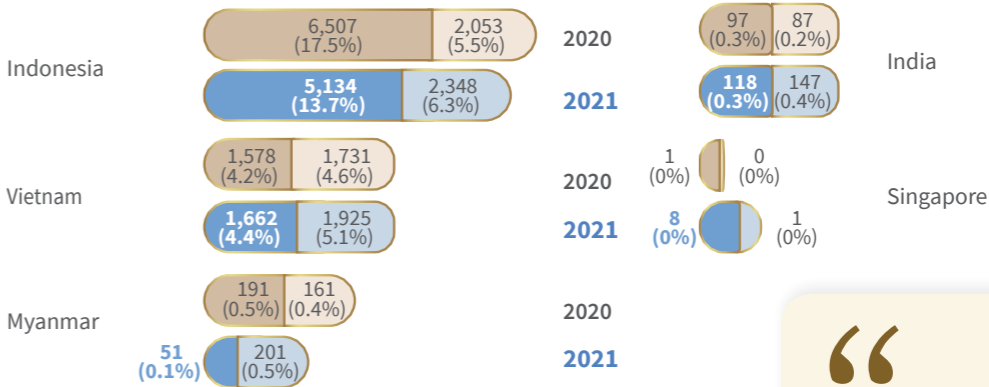
Recruitment Exit



Gender



Region



“

In 2021, our average employee turnover rate is 12%.



# Prioritising Health and Safety

GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9

Occupational Health and Safety (OHS) is a top priority. We have an OHS management system across our activities to ensure safe workplace conditions for all of our employees. Our OHS management system was developed by identifying the potential workplace risks and taking preventive measures throughout our operations.

We systematically identify work risks in our operations by following certain hazard identification and assessment methodologies which are different in each country yet aimed at achieving the same goal of employee safety. For example, in Indonesia, we follow the Hazard Identification, Risk Assessment and Determining Control (HIRADC) methodology, while in Vietnam we adhere to the Hazard and Operability Study (HAZOP) in our risk management. The outcome is then used as the basis of our strategy in eliminating factors leading to serious injuries. In our operations in India, the results are used to develop our LIFE GEAR (LIFE - Life Altering Injury

and Fatality Elimination; GEAR - Get Equip to Avoid Risk) strategy, where we have determined required safety behaviours for high risk activities that will prevent serious injuries or fatalities.



While we make every effort to provide a safe working environment for our employees, accidents may still occur. In the event of an accident, we offer necessary medical treatment to our employees and will conduct investigations to determine the cause of the accident. We also take further measures to prevent similar incidents from happening again by re-examining our processes and action plans.

We deeply regret that in 2021 there were two fatalities in Indonesia arising from motorvehicle accidents. Additional safety measures have since been implemented to minimise the risk of recurrence.



## OHS Commitment

- Safety campaigns and OHS training
- Health and safety committee comprising employee representatives
- Health risk assessment in all units by in-house doctors
- Internal monitoring by licensed OHS Specialists at PT Japfa Tbk
- Internal and external OHS audits for selected units in accordance to government regulations
- Engage our OHS Committee through consultation and regular meetings
- Encourage our business partners to comply with OHS regulations

## Our OHS Training Programmes

- First Aid Officer Training
- Class A - D Fire Extinguisher Training
- Basic OHS Training
- Advanced OHS Training
- Hazard Identification, Risk Assessment and Determining Control (HIRADC)
- Lead Auditor ISO 45001:2018 Certification

## Work Related Injuries

Type of Injury		2020						2021					
		Fatal	Heavy	Moderate	Light	Total	Number of Hours Worked	Fatal	Heavy	Moderate	Light	Total	Number of Hours Worked
 PT Japfa Tbk	Number	2	1	170	35	208	62,237,239	2	2	181	22	207	68,569,743
	Rate	0.0	0.0	2.4	0.5	2.9		0.03	0.03	2.7	0.3	3.1	
 Japfa Vietnam	Number	0	0	15	0	15	5,280,200	0	0	0	0	0	5,040,945
	Rate	0.2	0.0	1.6	0.8	2.6		0.0	0.0	0.0	0.0	0.0	
 Japfa Myanmar	Number	0	15	0	0	15	3,359,003	0	0	0	0	0	2,689,282
	Rate	0.0	4.5	0.0	0.0	4.5		0.0	0.0	0.0	0.0	0.0	
 Japfa India	Number	0	0	0	0	0	1,327,068	0	1	0	0	1	1,234,464
	Rate	0.0	0.0	0.0	0.0	0.0		0.0	0.81	0.0	0.0	0.81	

Rate of Work-Related Injury = 
$$\frac{\text{Number of Work-Related Injuries} \times 1,000,000}{\text{Number of Hours Worked}}$$

## Caring for Our Employees during Covid-19 Pandemic



The Covid-19 pandemic has reinforced the importance of health and safety standards in protecting our employee's well-being. In 2021, our health and safety protocols were complemented by additional initiatives to minimise the impact from the ongoing pandemic.

We were able to contain the Covid-19 cases across our operations in every country through:

- Monitoring and tracking the number of quarantined and confirmed cases. In 2021, only 10% cases of our workforce were confirmed Covid-19 positive and the Company took swift action once cases were reported
- Encouraging, tracking and monitoring the vaccination status of our employees
- Regular reminders to employees on Covid-19 safety measures
- Ensuring that employees follow the health protocols



### Covid-19 Prevention at Our Workplace

- Incorporating Covid-19 protocols
- Regular Covid-19 testing for workers and drivers in areas with high risk of infections
- Improving sanitation
- Providing personal protection equipment (e.g. masks, face masks)
- Implementing physical distancing
- Monitoring employees' health records, in particular those who are in self-isolation, in recovery and have recovered
- Built canteen in a feedmill that follows the Covid-19 protocols and sanitation
- Providing on-site employees with extra nutritious foods and vitamins to boost their immune systems
- Providing quarantine accommodation for our employees and their families. In Myanmar, we have a Japfa Quarantine Centre in both upper and lower Myanmar with 60 beds in total
- Opened fever clinic in Myanmar for screening and testing patients with Covid-19 symptoms



## Stay Healthy Together

### Covid-19 Vaccination

In 2021, we actively encouraged Covid-19 vaccination among our employees. To help speed up vaccine rollout in our markets including Indonesia, Myanmar and Vietnam we bought our own supplies of vaccines. We monitored each of our employee's vaccination status by requiring them to upload their vaccination certificate to the Company's portal. As of 31 December 2021, 99.2% of our employees across the Group have been vaccinated.



### Health Promotion

In addition to the awareness on occupational health and safety, we believe it is also important to increase the awareness of general healthcare to our employees. At Japfa, we have numerous health promotion programmes to support and teach our employees to take a better care of themselves both physically and mentally. In 2021, our programmes included:

- Health and wellness seminars led by healthcare professionals
- Regular general medical check-ups
- Sports activities<sup>1</sup>: meditation, zumba, virtual marathon, basketball, badminton, gym exercise
- Cooking competitions
- Regular emails to staff introducing on virtual games and wellness messages

<sup>1</sup> In Myanmar, due to the political crisis, the programmes were placed on hold in 2021

### Japfa Care

During the Covid-19 pandemic, Japfa took great care of our employees and their families, especially during the peak of the second wave in Indonesia in July 2021. We provided support, in particular to our employees and their family members who were impacted with Covid-19.



# People Development

GRI 404-1, GRI 404-2

Aside from caring for the health and safety of our employees, we continued to ensure our employee’s professional development. All employees were provided with equal opportunities to learn new skills that would benefit them throughout their career with us until retirement. Across the Group, we provide corporate development programmes that include orientation, development and pre-pension training programme.

Due to prevailing Covid-19 restrictions, most of the trainings were conducted virtually. We continued to develop our talents while maintaining safety protocols which led us to embrace digitalisation and adopt new online technology. We applied two online training methods:

- Live Facilitator-Led trainings via Online platforms
- Blended Learning: Self Learning and Facilitator-led Live Online training

## Corporate Development Programmes

### Orientation Programmes:

- Induction Programme for all New Employees was conducted
- With our new and improved definition of People Values – DOLPHIN, an awareness training was conducted online for our employees across Japfa

### Development Programmes:

- **Foundation Programme (FP)** — This programme aims to equip our employees with principles in management, leadership, cross-functional knowledge and a “transformative” mindset.  
  
In 2021, we successfully conducted the online live training in India for 23 participants across various locations.
- **Middle Management Programme (MMP)** — Now known as e-MMP and available online via a self-learning section and a facilitator-led section for each course. This programme aims to broaden participants’ knowledge and strengthen their ability to take on responsibilities at the middle managerial level.  
  
In 2020, a total of 80 participants from India, China, Bangladesh and Vietnam had registered for it. In 2021, 140 participants from Indonesia registered. Participants had the flexibility to attend the courses online and then subscribe to the facilitator-led training.
- **Senior Management Programme (SMP)** — This training aims to improve our senior managers’ capabilities in strategic thinking, analysing the competitive business environment and market position strengthening. This training has been postponed since the pandemic began in 2020.

**Pre-Pension Training** — The training covers fundamental topics that help employees to mentally and physically prepare for retirement and includes topics such as financial planning and business development planning. Our participants in 2021:

- 105 participants for financial planning
- 5,581 participants for Business Skills Programme



In keeping with safety protocols during the Covid-19 pandemic, most of the trainings were conducted online, except for three that were conducted face-to-face.

In addition to Group-wide training programmes, each country has their own programmes tailored to local requirements. The programmes are developed based on local conditions.

## Tailored Local Training Activities

### Indonesia

50 hazardous waste management staff from the production sites enrolled in external professional certificate training programmes. We also had two employees who participated in external training that focused on understanding the sustainability reporting requirements of the Indonesia Financial Services Authority regulations.

### Myanmar

The training we hosted varied from ISO 9001:2015 awareness, soft-skills to problem analysis & decision choice (PADC) training. However, due to the internet cut-off during the political crisis, we were unable to conduct the training for almost four months. During this time, we encouraged our employees to build high morale and continue to stay productive.

### Vietnam

We developed new trainings on code of conduct and the Company’s regulations and policies. These trainings are important to ensure all of our employees understand the Company’s expectation of them.

### India

We have at least six training programmes every month. The programmes include financial and mental health training, and public speaking to improve their business communication.



## Average Hours of Training per Employee



### Middle Management and Above

2020	
Male 3.7	Female 4.7
2021	
Male 4.9	Female 7.9

### Operator and Junior Management

2020	
Male 1.9	Female 3.9
2021	
Male 2.9	Female 4.4

## Digital Recruitment Process in India

All recruitment processes were conducted online using digital platforms. In 2021, we also required our new recruits to be fully vaccinated and to show proof of vaccination. If there is a medical condition that prevents them from being vaccinated, they must submit supporting documents.

# Employee Engagement

GRI 401-3

“

This year we celebrated Japfa’s 50th anniversary in all countries of operations. To express our appreciation for the employees who contributed to this significant milestones, various activities were organised for our staff throughout the year.

In Indonesia, we had multiple events from talent shows, creative and sport competitions, to team lunch with traditional dishes. Similarly, In Myanmar and Vietnam we also celebrated the anniversary by having a lunch together with our employees. In Vietnam, we also held games for employees such as cooking competition. In India, we did a sustainability walk initiative for this anniversary.



## Celebration with Traditional Indonesian Dish “Nasi Tumpeng” in Indonesia and Myanmar



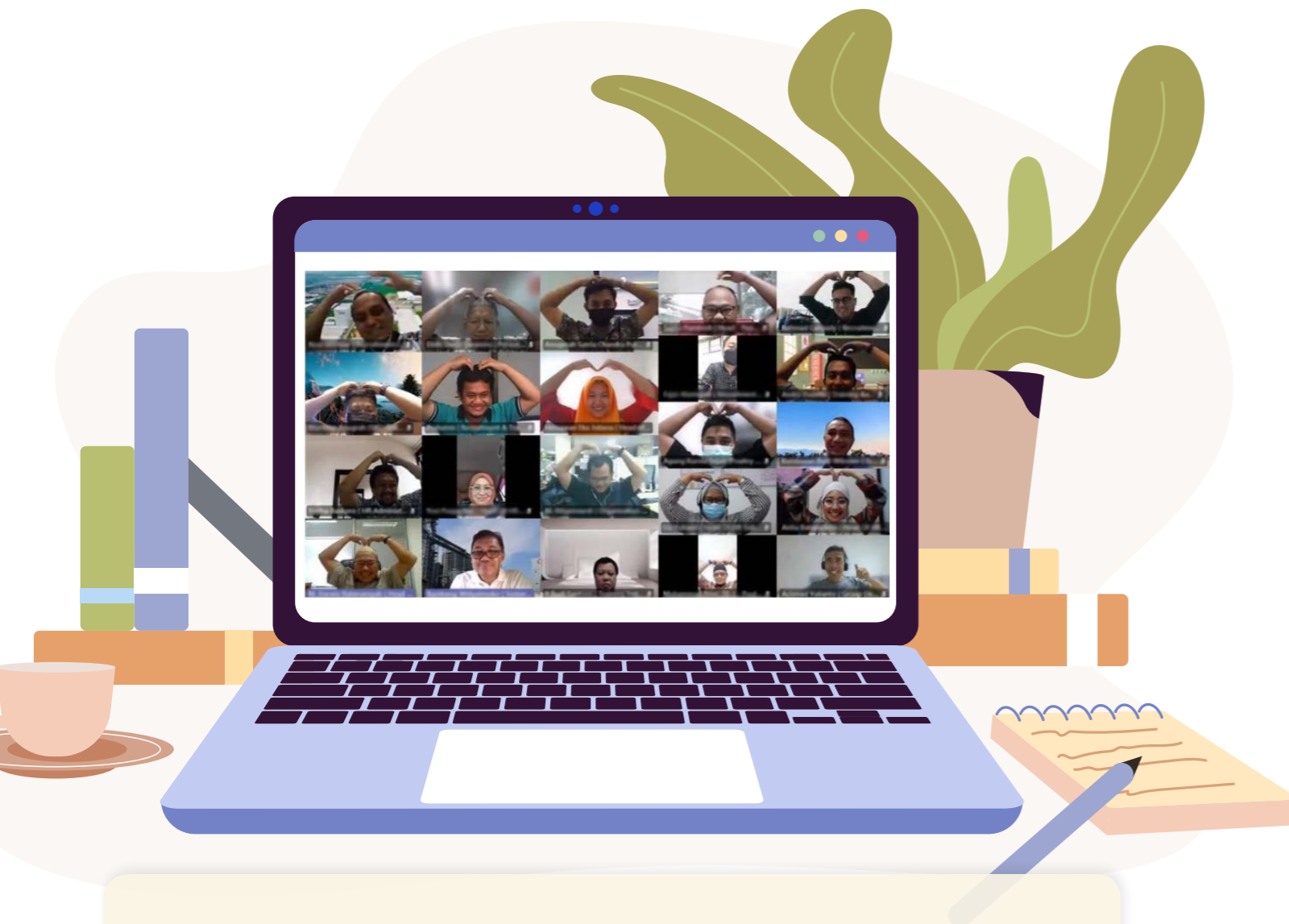
## Sustainability Walk and Ride in India



## We celebrated the 50th anniversary with a cooking competition in Japfa Vietnam



## Staying Connected with JAPFA Connect



“

Amid the uncertainties posed by the Covid-19 pandemic, we strived to keep our employees connected and informed about Company's updates on critical pandemic issues. We accelerated our digital transformation process by developing JAPFA Connect to support working remotely in our internal collaborative digital workspace and continue to push our internal communications digitally.



### Objective

JAPFA Connect aims to provide a fast and efficient way for our employees to receive information from the Company



### Content

Through JAPFA Connect, employees receive information about Covid-19, healthy lifestyle tips, as well as company policies, corporate and divisional developments, and digital activation that employees can participate in



### Practical and Easy

JAPFA Connect is a practical channel for communication as it is accessible anywhere through the Company's digital workspace application.



### Quick and Accurate

JAPFA Connect is continuously updated with accurate information from reliable sources and contents vetted and fact-checked by our Internal Communications team.



Employee Benefits

GRI 401-2

In deciding on fair remuneration, for both permanent and non-permanent employees, we consider the level of job position, years of service, and individual performance evaluation results without gender bias.

Our employee benefit initiatives may vary to meet different needs in each of the countries we operate in. For example in India, we showed our appreciation for farm workers who exceeded expectations through an award and recognition programme called Japfa Heroes. This programme is one of the initiatives to keep morale high during the pandemic. Special incentives were also announced for the feed and farm teams working through the pandemic. In addition, we increased the insurance coverage for our employees and their family members to

enhance the protection benefits. This scheme benefitted approximately 80 employees and 103 family members.

“

We are committed to provide fair remuneration and allowance to all our employees.

Benefits Provided to Our Employees

All Grade Employee Category		Life Insurance	Healthcare	Disability and Invalidity Coverage	Parental Leave	Retirement Provision	Transportation
 PT Japfa Tbk	Permanent	★	★	★	★	★	★
	Contract	★	★	★	★		★
 Japfa Vietnam	Permanent	★	★	★	★	★	★
	Contract	★	★	★	★	★	★
 Japfa Myanmar	Permanent	★	★	★	★	★	★
	Contract		★		★		★
 Japfa India	Permanent	★	★	★	★	★	★
	Contract		★	★	★	★	

Human Resource Digitalisation


With almost 40,000 employees in six countries, a robust human capital management system is vital for us to effectively manage our teams wherever they are. We use the SAP Human Capital Management (HCM) system as our master data platform for our employee-related information such as personnel administration, payrolls and performance indicators.

The data provided by the SAP HCM system is also used to support Japfa Sustainability Reporting System, which facilitates the collection of critical sustainability data related to unit operations and people, such as work-related injuries, and our environmental performance data.


SAP HCM has been implemented across our operations except in India due to a complex licensing procedure in the country. As an alternative, we work with a local trusted employee management service provider in India.

Moving forward, we aim to have a more digitised working environment to improve our productivity and efficiency. In 2021, we commenced an electronic system for pay slip, overtime, and travel requests in our biggest operation area - Indonesia. It is our main target to optimise the integration of our operations into the SAP HCM by leveraging digitalisation.




**Business Intelligence Human Capital Management (BIHCM)**

BIHCM is a digital dashboard based on human capital employed to optimise costs, boost employee productivity, and create a positive working environment. This is accomplished by providing thorough analytical data that leads to targeted corrective actions, improvements, and decisions.

**Japfa Performance System**

The Japfa Performance System is an online system that is convenient and effective in setting employee KPIs as well as mid-year and year-end performance reviews. This system also supports employee performance ratings more quickly and precisely.

**Japfa Sustainability Reporting System**

We created the Japfa Sustainability Reporting System (JSRS) to enable us to collect data on OHS, environmental performance, and employment from all divisions and operational units in order to make necessary improvements and generate a sustainability report that meets GRI requirements. In 2021, we added an environmental costs module to collect specific data on our spending to improve our environmental performance. In 2021, we developed a sustainability data analytics system on our JSRS.

# 6

## Elevating Our Community



[GRI 203, GRI 413]



In alignment with the United Nation's Sustainable Development Goal 2: Zero Hunger, our efforts have always been to provide affordable nutritious staple protein food. In the countries we operate in, adequate nutrition is vital in addressing health issues such as micro and macro malnutrition. That is why our community development programmes mainly focus on building a healthy society by advocating healthy living. Aside from that, we also have activities to help local communities maximise their potential, so they can improve their economic and social conditions.

Japfa maintains a good relationship with our local communities by interacting with them regularly to find out what they need so that we can provide the most suitable support for them to thrive. Our method for community development centres on education. We believe it will provide a long-term impact of our programmes for the community. We also believe in cultivating the next generation of farmers who can carry on our mission to make affordable staple proteins accessible to the people sustainably.

In 2021, our focus areas were health education programmes for elementary school students, and farming education for university students and farmers; environmental conservation; Japfa chess club; entrepreneurship programmes; and disaster in response programmes that included Covid-19 assistance.

### Our Approach



Education



Environment



Sports



Other Social Outreach



Covid-19 Assistance

# Education

GRI 203-1, GRI 203-2

## Japfa for Kids



Not only does Japfa aim to be a reliable provider of safe and affordable staple proteins to millions in emerging Asia, we also recognise we can contribute to the local communities.

Our flagship CSR programme, Japfa for Kids, is a long-term social programme that seeks to improve knowledge and make a positive impact on children's well-being. Our Japfa for Kids programmes are carried out in Indonesia and India whereby projects are tailored to suit the needs within each country.

### Indonesia

Undeterred by the Covid-19 pandemic, Japfa remains committed to its Clean and Healthy Behaviour (PHBS) programme and to promote the consumption of nutritious food for Indonesian children especially those living in rural areas. We also reformulated the Anak Indonesia Bersih dan Sehat programme (Clean and Healthy Indonesian Children) to ensure continuous rollout of the activities amid Covid-19 restrictions.

We teach school children about nutrition and balanced diets, and good hygiene in everyday life with a clear purpose to promote lasting social change in their lifestyles. To promote PHBS, we conducted campaigns and assistance for both students and teachers in nine-month mentoring programme. Our strategy to cultivate clean and healthy living habits was to work with schools to promote clean behaviors, nutritious balanced diets, and the application of 5S — a system for organizing spaces so activities can be performed efficiently, effectively, and safely. Previously, teachers were assisted by external field facilitators in adapting to the new conditions and to be more creative and interactive in delivering their lessons. In 2021, we had our employees from the social investment department engage directly with the teachers.

These employees have the knowledge and skills to guide the teachers and by adopting this approach the efficiency of the programme is further enhanced through the direct interaction.

Due to Covid-19 movement restrictions, the monitoring, checks and some training programmes were performed remotely.



### Beneficiaries in 2021

**11,561** Kids — across **6** Locations

**720** Ambassadors of Healthy Food, Healthy Kid and Healthy Environment



Under the Japfa for Kids, we also continued our Pos Pelayanan Terpadu Sehat (Health Centres) dan Berdaya programme. In 2021, we focused to combat stunting issues through the "Kelompok Ibu Cerdas Cegah Stunting". This programme focus on improving the living quality of mothers and children by educating the mothers about healthy living



behaviours and balance diets that are important to prevent stunting on their children. We conducted the programme in collaboration with local health centres. This programme aligns with the Indonesian government's mission to reduce stunting in the country.

### India

In India, we focus on providing proper learning facilities, including infrastructure and study materials. More schools have been constructed and renovated near the farms. This year, we donated learning equipment and assistive devices to children with disabilities.



## Teaching Farm

To support agriculture education, we cooperated with three Indonesian universities, namely Gajah Mada University, Brawijaya University and Syiah Kuala University (Unsyiah) to construct Teaching Farms which can be used as laboratories for students to research on chicken farming and processing. Adaptations were made to activities conducted in the teaching farm so as to adhere to Covid-19 protocols for the safety and health of teachers and students.



### Our Teaching Farm Facilities

- 4 Closed-House Farms
- 6 Open House Farms
- 1 Post Harvest Lab (Slaughterhouse)





## Synergized Aquaculture Innovative Learning

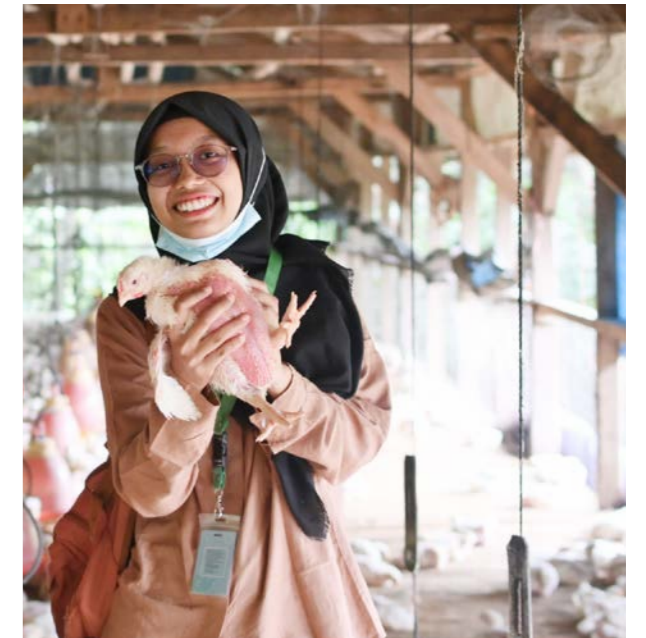
We provide opportunities for university students to gain work experience at our operations and enhance their knowledge on aquaculture through our Synergized Aquaculture Innovative Learning (SAIL) programme that is established by PT Suri Tani Pemuka, Japfa's aquaculture division.

In 2021, we partnered with Ministry of Education, Culture, Research and Technology (MoECRT) to offer our SAIL as part of the ministry's Kampus Merdeka programme. There were 70 students from 14 universities joined our 6-months SAIL programme. This year's focus was to facilitate students learning both in class and on aquaculture farms to enhance their skills to become a skilled Shrimp Farm Technician.

## Edufarmers Foundation

To better reflect our objective to develop the community, by raising the knowledge and competencies of local farmers and to attract more young people to join the profession, we formally changed the name of Japfa Foundation to Edufarmers Foundation.

The Edufarmers Foundation aims to forge advancements in Indonesia's agricultural industry by promoting youth participation. We believe that the future of the industry lies in the hands and skills of young farmers. In order to attract and retain such individuals, the Japfa Foundation is working on establishing a framework that seeks to raise the professionalism of the industry through education and professional improvements.

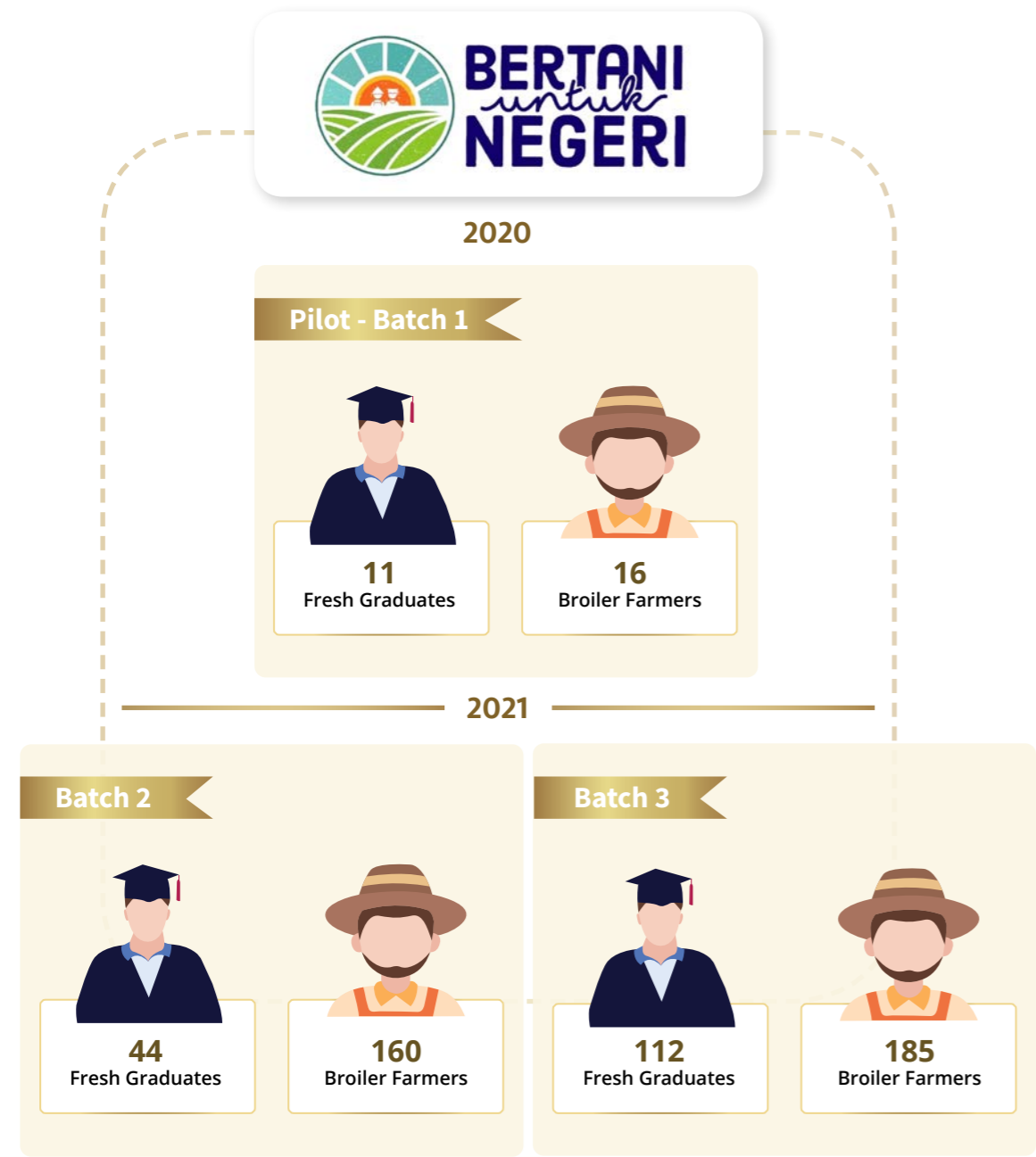


### Bertani Untuk Negeri (Farming for the Nation)

The Bertani Untuk Negeri programme is set up with the objective to play a role in addressing the global concern for succession in the agriculture industry. We aim to encourage more young people to join the agriculture industry by helping them to see a future in the profession. The programme seeks to equip them with the skills and capabilities to adapt to modern farming methods and to pave the way for them to potentially become entrepreneurs with their own agri-businesses. Bertani Untuk Negeri has conducted two programmes for the best alumni from animal husbandry and veterinary degree programmes in Indonesia.



Our Participants



Through Bertani Untuk Negeri, we hope to mobilise the next generation of young Indonesians to work together with farmers to transfer knowledge and technology to our contract farmers, especially those with small capacity, in increasing the productivity of their farms. Throughout the programme, our contract farmers can learn, innovate, and adopt more optimal and efficient farming management practices. Better performance helps smaller contract farmers gain easier access to capital which can in turn be deployed to further improve their farms.

In 2021, our focus areas were West Java, Banten and East Java of Indonesia. We also participated in MoECRT's Kampus Merdeka Programme and partnered with 27 universities.

To measure the effectiveness of our programme, we always perform activity impact measurements by assessing participants' skills from baseline, midline, and endline. This helps us to understand our impact and continuously improve our programme.

BUN Testimonials



"I like all topics discussed in the FFS BUN programme, they helped enhance my farming knowledge and experience, which I can practice on my farm."

Mr. Taufik, Poultry Farmer Partner for BUN

"BUN is a forum for collaboration between young people and smallholder farmers to share knowledge and good practices in broiler chicken management in order to improve welfare. Participants were given various training in both soft and hard skills, which I find very useful. BUN is a suitable place for young people who want to learn and develop businesses in the livestock and agriculture sector."



Nazirah, Participant of BUN Batch 1, from Aceh, Indonesia

**Education for Corn and Rice Female Farmers, in collaboration with Corteva and Grow Asia**

This new project aims to help female corn and rice farmers in East Java, Central Java, East Nusa Tenggara, and West Nusa Tenggara in Indonesia improve their livelihoods through better agricultural practices, increased productivity, which in turn translating into higher incomes for the household. Mentoring and training are used to educate the farmers, which is also supported by PRISMA organisation.

The farmers are taught through mentoring and training. Some of the training topics include:

- Financial literacy:
  - Managing family finances and crop yields
- Sales and marketing:
  - Differentiating types of harvests
  - Ensuring harvests are received and meets the required quality
  - How to find other alternative channels and how to seal the deal so that later it will increase their income



## Fish Farming with Biofloc

In Purwakarta, we took the initiative to build a biofloc pond with the help of the local community. The local communities were also taught how to farm aquaculture animals using biofloc technology.

Biofloc systems, which were originally designed as a natural way to filter water, are becoming increasingly popular as a low-cost approach to clean the wastewater of fish and shrimp farms, conserve feed inputs, utilise the wastewater during production and let beneficial bacterial colonies proliferate in culture water. Biofloc principles require no initial investment, merely sunlight, a carbohydrate source, and aeration.

As the biofloc system promotes more efficient water usage, we target to double the number of biofloc ponds by the next reporting period.



# Environment

## Japfa Green Schools

With the help of parents and teachers, our Japfa Green School programme aims to raise environmental awareness among the teachers at students at schools. Through this initiative, we hope to encourage them to create healthy school by implementing Japfa Green School Management Model. For example, by planting plants and vegetables and good waste management practice.

In 2021, we conducted an online training for 64 students from 10 schools. Various activities were taught in this session, including gardening techniques, waste management, and energy conservation. The materials were created carefully and environmental facilitators were present to assist its implementation. During the programme, students were also given log books for recording

lessons learnt. This booklet can also be used by the Social Investment team as a tool to track whether they had completed the activities assigned to them. Most children had to use their parents' mobile phones to communicate daily through an online messenger group. Parents are indirectly involved in the activity since students can share the results of their gardens with them.

Plants and vegetables from the garden are eventually harvested and the students can cook their own meal using produced vegetables to create a balanced meal following the "Isi Piringku" - a balanced diet plate guide by the Indonesian Ministry of Health. The guide illustrates the recommended proportions of food groups to be consumed in each meal to achieve a balance diets.

Children who has gained adequate knowledge to maintain their own gardens grew by 13% by end of the programme that is six months long.

### Beneficiaries

**10 Japfa Green Schools**

**7** schools in Cikande and **3** schools in Cikupa, Indonesia, with students from ages 8 to 11 as the main beneficiaries



## Trees Planting Programme for the Community

GRI 304-3

This year commemorates Japfa's 50th anniversary. Japfa India celebrated by organising a Sustainability Walk across its units in October and launched a green campaign to increase awareness in the Company's sustainability initiatives and the efforts taken. Part of the green campaign also included tree planting in the new feedmill.

In Myanmar, we also worked with the government on a tree-planting project, contributing over 500 trees. Hardwood trees and sunflowers were among the flora that will be planted.



## Mangrove and Coral Restoration

GRI 203-1, GRI 203-2, GRI 304-3

In recognition of a healthy biodiversity, Japfa initiated several efforts such as mangrove planting and coral restoration.

In Gebang Village, mangrove planting programme has begun since 2017. The area has now been successfully developed into an eco-friendly tourism area that in 2021, Japfa officially handed over the area to the local government for further management. Japfa also contribute to develop aquaculture and restock its marine life which exhibited promising results. We also facilitate various trainings including to cultivate the local species and area preservation

We have also initiated mangrove planting activities with local government in Anyer. During the event, we also to cleaned up the beach from waste. In Banyuwangi, we also planted corals with the local fisherman group as an attempt to restore the marine area.

We look forward to the day that this area will develop and can function optimally to maintain the sustainability, harmony, and balance of the ecosystem.



## Sports

### Japfa Chess Club

Japfa Chess Club was formed in 2000. The Club was set up to offer consistent and steady support for Indonesians to hone their skills for chess and prepare young athletes to continue the footsteps of Indonesia's leading Grandmaster in the international arena. We trained students at 10 schools which comprise of:

- Six Japfa for Kids schools
- 4 locations of target schools: 2 schools in Yogyakarta & 2 schools in Padang



#### Our 2021 Focus

- Built a system where the curriculum was laid out to be more structured
- Implemented teaching management so that we can deliver lessons effectively
- Provided tutorial materials and assignments for the club members and trained students
- Recruited more young chess players, especially in Japfa for Kids programme areas
- Encouraged our employees who are chess masters to train young chess players



We realised that each individual had a different starting chess ability so a tiered curriculum was created. The levels are:

- Basic
- Intermediate
- Advance

The tiered curriculum was initially implemented for employees and replicated for the school programmes too.

- In the first six months, participants should know basic chess theory and opening theories
- In the 7 - 12 months, participants are taught to make strategies in playing chess

### Tournament

Since 2000, we have been working with the Indonesia Chess Federation (PB Percasi). Various championships have been held and Indonesian chess accomplishments have been achieved. In 2021, four Indonesian chess players were selected to compete in the 2021 Chess World Cup in Sochi, Russia. For the first time in history, Indonesia had four male and female chess players to qualify for the Chess World Cup at the same time. The FIDE World Cup featured GM Susanto Megaranto and IM Mohamad Ervan, while the FIDE Women's World Cup included WGM Irene Kharisma Sukandar and WGM Medina Warda Aulia.

We host annual Japfa Chess Tournament as a form of leisure activity for our employees, at the same time, to discover new chess professionals and even Grand Masters amongst us. Various employees of the Japfa Group participated in this internal tournament which was conducted in stages starting at the regional to the international level. Since 2020, this tournament was held virtually due to the Covid-19 pandemic.



## Other Social Outreach

### Japfa Peduli (Japfa Cares)

The Japfa Peduli Programme is an initiative by PT Japfa Tbk to help the community in disaster recovery. Japfa Peduli is established in 2017, as a continuation of the Japfa's disaster response programme to better coordinate necessary emergency assistance to reach the affected communities quickly.

In July 2021, flash floods hit six sub-districts in Madapangga District, Bima, Indonesia, with dozens of educational, health, worship places, and other public facilities affected. Japfa Peduli acted swiftly to distribute food packages to 400 families in seven villages.

In early December 2021, the Mount Semeru volcano in Indonesia had its largest eruption in recent history, causing an avalanche of hot clouds and heavy ashfall. Tens of thousands of people in East Java's Lumajang and Malang regencies were affected. Residents in the Semeru mountain area were forced to flee from their homes. Japfa Peduli responded swiftly to supply community necessities, including medicine, tents, eggs, frozen chicken, emergency tents, and medical assistance, for the affected residents.



## Care & Share

On April 23, Japfa Vietnam's "Care & Share" event focusing on Employee Social Responsibility, was officially launched in Binh Xuyen district with more than 30 participants from Vinh Phuc Feed Mill.

Coordinating with representatives of Binh Xuyen People's Committee and Red Cross Organisation, the Company gifted 40 care packages, 10 wheelchairs, and over 130 meals for people in need. Planning ahead, Japfa Vietnam aims to carry out more nationwide activities to support and contribute to the local communities and environment.



## Donation of 80,000 Chickens

In early 2021, Japfa donated 80,000 day-old-chicks to households in Quang Binh province, Vietnam to support the recovery and development of areas affected by natural disasters and floods. Japfa Vietnam also donated more than VND 800 million to build school infrastructure and provide necessities to students in Quang Ngai and Tra Bong areas to give them a better environment to learn.



## Toba Tilapia MSME Development Programme



In order to accelerate the Lake Toba development as a Super Priority Tourism Destination (DPSP), a strong synergy is needed between the government, entrepreneurs, and the community working hand in hand. The Toba Tilapia Micro, Small Medium Enterprise (MSME) Development Programme is initiated by our Indonesia subsidiary PT Suri Tani Pemuka in support of the tourism development in the Lake Toba area.

Various efforts were made to strengthen the community and to facilitate tourism activities. This social responsibility programme involves a series of activities, from training on hygiene practices, to improvement on shop cleanliness and quality of the food and drinks served.

Currently, STP has started to implement the programme around the company's operational area, which is Simalungun and starting from the Tigras Port area with three shop pilot projects, namely the Kedai Kopi Bintang Rizki, Kedai Makan Sabila, and Kedai Makan Sangga Boi. STP will monitor and evaluate this programme to continuously develop and refine for the next stage of implementation.

We strive to provide the widest possible benefits to the surrounding community. Through the Toba Tilapia MSME Development Programme, we help and assist local communities to make Lake Toba as a world class tourist destination.

# Covid-19 Assistance for Communities in Need

## Indonesia

Our operations flourish with the community and it has become one of the Company's focus areas to assist and support the community, especially during the Covid-19 pandemic. As Japfa's ongoing commitment to its stakeholders in disaster response situations, we have implemented disaster response efforts quickly and properly in mitigating Covid-19 through various activities, among others. We encourage the provision of assistance by utilising what we have, namely, from internal resources. This year, we covered wider areas with more activities, although the number of beneficiaries decreased.

In addition, we also provide a disaster response implemented through community empowerment programme, such as:

1. Kampung Tangguh Programme in eight sub-districts
2. Animal protein food assistance to communities in East Java and Central Java
3. Vaccination Programme in Purwokerto



## India

We are working closely with the community where we communicate our CSR initiatives through regular dialogue. As a form of support, eggs and groceries were donated for people underprivileged and to an orphanage around the farm. Located near our area, there is a Covid-19 Centre where our workers who are tested positive for the virus are also quarantined there. We donated personal protection equipment, such as masks, hand sanitiser and groceries to the Centre.



## Vietnam

We continue to support the community in the fight against Covid-19. In addition to giving out food supplies, in June, Japfa Vietnam handed over US\$1 million (VND 23 billion) to the Central Committee of the Vietnam Fatherland Front, contributing to the Covid-19 vaccine fund. Through this donation, Japfa Vietnam hopes to join hands with the national government to speed up the Covid-19 vaccination program, create a premise for economic recovery and development.



“

The 2021 political crisis in Myanmar disrupted the Covid-19 pandemic countermeasures in the country. Japfa Myanmar provided assistance and delivered humanitarian aid from the Indonesian government.

## Myanmar

We provided the local community with essentials including masks, face shield, and oxygen that was high in demand during the second wave in 2021. We also provided the surrounding community with rice, eggs, as well as donated MMK3.5 million to the country to help Covid-19 prevention and treatment. On September 2021, alongside the Indonesian Diplomat in Yangon, the Managing Director of Japfa Myanmar delivered first hand humanitarian aid worth US\$200,000 from the Indonesian government to the Myanmar Red Cross Society.



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