PRESS RELEASE

Unofficial English Translation

PT Japfa Tbk launches first sustainability-linked bond in the agri-food industry globally and successfully places US$350 million

- **PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk") has placed the first, US$-denominated sustainability-linked bond ("SLB") from Southeast Asia, and the first of its kind in the agri-food industry globally.**
- **The issue was over 3 times oversubscribed, demonstrating the investor confidence in PT Japfa Tbk.**
- **The SLB sets an environmental Key Performance Indicator ("KPI") which is linked to water recycling and wastewater management at poultry operations to improve water circularity and reduce water withdrawal.**

Jakarta, 16 March 2021 – PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk"), one of Indonesia's leading agri-food companies listed on the IDX, today announced that it has successfully priced US$350million Senior Fixed Rate Sustainability-Linked Bond ("SLB") with a 5.375% coupon maturing in 2026. The SLBs are listed on the SGX-Singapore Stock Exchange.

The SLB is the first of its kind in the agri-food industry and the first US$ denominated SLB issuance from Southeast Asia.

With this issue, PT Japfa Tbk further reinforces its commitment to sustainability and the alignment of its sustainability strategy to the United Nations Sustainable Development Goals ("UN SDGs"), especially UN SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

PT Japfa Tbk aims to contribute towards the UN SDG 2 by producing nutritious, safe and affordable staple protein foods through an Efficient Production System (one of the Group's three sustainability pillars) that, in turn, can be achieved by ensuring, among others, the efficient use of resources and waste minimisation.

PT Japfa Tbk has conducted a Life Cycle Assessment ("LCA") which commenced in 2019. The LCA is a formal science-based assessment of the Company's vertically integrated production cycle from feed to chicken products sold. The study aims to provide a better understanding of the impacts associated with PT Japfa Tbk's products and identifies opportunities to improve the environmental performance of its products at various stages in their life cycle. On the basis of the LCA, wastewater treatment and water management have been identified as key focus areas where positive impact can be made.

Tan Yong Nang, Director of PT Japfa Tbk, said: "This SLB is the third bond issuance of PT Japfa Tbk and, once again, we are pleased with the positive response we received from the market. This is a testament to our prudent financial approach, with a balanced debt profile and efficient capex management, as well as our ability to continue to deliver solid results even amid persisting challenging conditions due to Covid-19. The SLB is an additional catalyst to achieve our sustainability targets and an opportunity for our investors and stakeholders to partner with us to drive the change towards a sustainable future".

The net proceeds of the issue will be used to repay the existing US$250 million notes due 2022 and for general corporate purposes, including but not limited to capex, working capital and debt refinancing.

The SLB prioritises an environmental KPI that is linked to the achievement of a Sustainability Performance Target ("SPT") 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 and, ultimately, improve water circularity and reduce water withdrawal.

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.

The achievement of the SPT will be validated by a certification of completion from the building contractor. Investors will be entitled to receive a 25bps coupon step-up if the SPT is not met, applicable to the remaining interest periods. If the SPT is met, there will be no coupon adjustment.

PT Japfa Tbk has received a Second Party Opinion from Vigeo Eiris (V.E), a global leader in ESG assessments, which assessed as "Robust" both the relevance of the KPI and the ambitiousness of the SPT. Vigeo Eiris (V.E) confirmed that the SLB is aligned with the core components of the International Capital Market Association's (ICMA) Sustainability-Linked Bond Principles 2020.

PT Japfa Tbk will seek verification on the performance against the KPIs by a qualified external verifier at least once a year and will disclose the progress on the KPI and SPT in its annual Sustainability Report, which will be posted on its website. PT Japfa Tbk's Sustainability-Linked Financing Framework and the Second Party Opinion from Vigeo Eiris (V.E) are available under the Sustainability Reports section of the PT Japfa Tbk website https://japfacomfeed.co.id/en/investors/sustainability-report.

The SLB issue is assigned a provisional rating of BB- by Standard & Poor's and BB- by Fitch.

Joint Global Coordinators and Joint Sustainability-linked Bond Structuring Advisors are Credit Suisse and DBS Bank Ltd.

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About PT Japfa Comfeed Indonesia Tbk

PT Japfa Comfeed Indonesia Tbk ("PT Japfa Tbk") is one of Indonesia's leading agri-food companies listed on the IDX. Our integrated production includes animal feed manufacturing, poultry breeding, commercial production of broilers, fish, shrimp and beef; as well as value added food processing, trading and other activities. In line with our value of "Growing towards mutual prosperity", we aim at supporting and contributing to the development of the community.
For more information, please visit www.japfacomfeed.co.id

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