

More, please





More, please
Food Security

Japfa Ltd
Sustainability Report 2023

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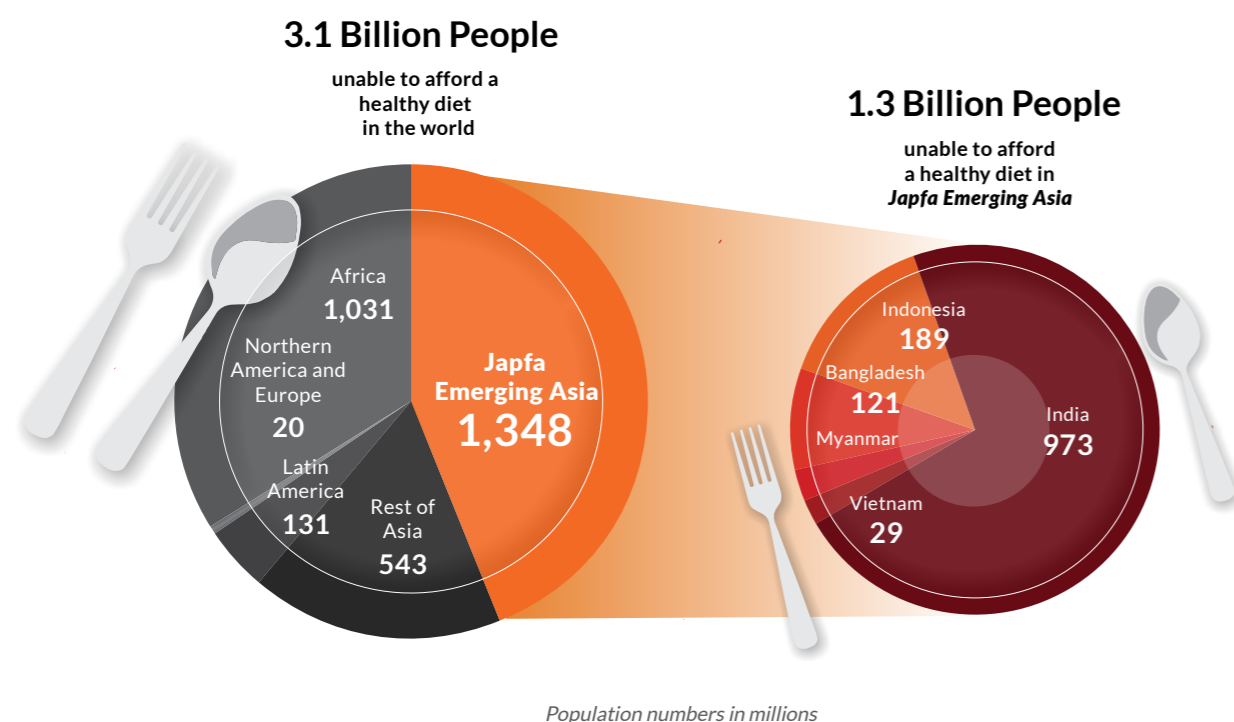
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About Our Theme

More, please

Food Security

Food plays an important role in our lives. Food not only provides nourishment for our bodies, it also serves as a bridge that brings people together, allowing us to form connections and deepen relationships.



Food security manifests differently in different countries and income bands

In Singapore, food insecurity may mean the absence of fresh chicken for chicken rice.

In several emerging economies, food insecurity is defined by the inability to have a healthy diet.

A report from the Food and Agriculture Organization (FAO) highlighted that over 3.1 billion people were unable to access a nutritious diet due to affordability constraints¹.

In the countries where Japfa operates, people in the low-income band struggle to put food on their plates. This category accounts for almost 1.3 billion people living in Indonesia, Vietnam, Myanmar, India and Bangladesh, where we produce food for domestic consumption (*Japfa Emerging Asia*).

¹ Food and Agriculture of the United Nations. (2023). The state of food security and nutrition in the world. Food and Agriculture Organization (FAO) <https://data.unicef.org/wp-content/uploads/2023/07/SOFI-2023.pdf>

Today, food insecurity is exacerbated with the rising costs of a healthy diet

Geopolitical instability, high energy prices and a high interest rate environment have driven up costs of daily staples, shrinking consumer purchasing power.

The inflationary pressures that have risen since 2022 are driving food costs up, making it more difficult for people to afford a proper diet, especially those in the low-income band.

Sometimes, a simple request for staple protein foods can be confronted with the harsh reality of affordability and/or availability issues. There are significant hurdles for many in gaining access to necessary and preferred foods. This underscores the need to address the challenge of producing affordable, nutritious food, accessible to the masses to meet their basic needs of a healthy diet.

Our role in food security

As outlined in the FAO report, food insecurity is evidenced by individuals or households facing challenges in accessing safe and nutritious food supply for their overall well-being.

As a key player in Asia's agri-food sector, we understand our responsibility to supply affordable staple proteins in a way that is efficient, sustainable, and preserves future resources.



A plate of chicken rice from Singapore

Foreword from Our CEO

Dear Stakeholders,

The global agri-food industry is grappling with formidable challenges in 2023, from unpredictable weather to geopolitical tensions disrupting global food supply chains. The nexus of extreme weather events, social conflicts, and escalating energy costs adds an element of uncertainty to the crucial task of ensuring food supply for all. There has also been a shift in consumer preferences and evolving regulations that underscores the imperative for more sustainable and ethical practices in the agri-food sector. In Japfa's emerging markets, this has reduced demand for protein staples requiring Japfa to adapt its operations and tame its growth aspirations while remaining steadfast in our focus of feeding millions with affordable proteins.

Amidst these complexities, Japfa's commitment to sustainability, embedded in its vision, values and Sustainability Pillars, resonates even more with our aim to **Feeding Emerging Asia**. The group's philosophy, ingrained since its inception, serves as a guiding force in navigating the delicate balance between meeting present demands and safeguarding future resources.

This year's sustainability report theme, "More, please", encapsulates our overarching mission to provide food security for the region. This is in line with our steadfast support towards United Nations Sustainable Development Goal (SDG) #2 - Zero Hunger:

To end hunger, achieve food security, improve nutrition, and promote sustainable agriculture. Through an efficient production system, Japfa strives to reduce waste, mitigate carbon emission, and improve food availability to the huge population living in **Japfa Emerging Asia**.

These values and vision are not mere rhetoric but concretely expressed in our tangible, science-based sustainability targets. Building on the Japfa Sustainability Targets we established in 2022, the year 2023 sees the formulation of action plans, drawing on the experiences from our successes and lessons learnt from challenges, with a commitment emanating from top management cascading down to operational levels.

In our day-to-day operations, we continue to leverage technological advancements, functioning as a cohesive and forward-looking entity dedicated to purposeful navigation in response to evolving market dynamics. We take deliberate measures to address issues that are of relevance and significance to us. Our strategic initiatives encompass the environmental, social, and governance framework, spanning across the short, medium, and long-term horizons in line with the Japfa Sustainability Targets. Through the action plans, we aspire to drive the Group towards achieving our Net Zero Target by 2050.



At Japfa, we approach our sustainability journey with a spirit of determination, aiming to foster opportunities, mutual prosperity, and trust. Our goal is to build a sustainable future for all, illuminated by the guiding principle of "leave no one behind", ensuring circularity and working towards a more inclusive and regenerative world.

Japfa's established targets, action plans, and arrays of efforts this year represent a concerted effort with the goal of bringing impactful changes within our Company, people, and the planet.

On behalf of the Japfa Group, I would like to extend my gratitude to all our stakeholders for their trust and confidence in this mission. Thank you for demonstrating resilience in the face of challenges and holding up to our core value of efficiently providing essential proteins to millions of people. As we continue to grow and evolve, our aspiration is that every endeavour will contribute to the enhancement of the communities we are part of, leading to a brighter and more sustainable tomorrow. (GRI 2-22)

Tan Yong Nang
Chief Executive Officer

Foreword from Our Sustainability Committee

Dear Stakeholders,

We are pleased to share with you our 2023 Japfa Sustainability Report, which covers how we manage our environmental responsibilities and outlines our social initiatives.

Environmental Responsibilities

In 2023, we made progress on Japfa's Sustainability Targets by setting comprehensive and tangible near-term action plans. Action plans are spearheaded by senior management in the Sustainability Sub-Committee and to be rolled out by Sustainability Champions. We continue the collaborative process across the Japfa Group, encompassing a range of our people from different skill sets, functions, operational units, and countries, to organise sustainability efforts into realistic targets and granular action plans.

An integral component of our sustainability targets and action plans is the Japfa Sustainability Reporting System (JSRS). Further developments were made to JSRS in an effort to establish a reliable digital database, with analytics, that will provide tools for assessment and decision-making:

a. Data Collection

JSRS was established in 2019, as a collaborative project between our Human Resource and Information Technology departments, to set up an in-house database system to collect and track human resource and sustainability data.

b. Data Analytics

In 2023, we further developed:

- An application for data processing & analysis
- Source of data is from JSRS
- Flexible & ease of use
- Has interactive reports to monitor performance of sustainability parameters

c. Dashboard

A dashboard feature was added to provide reports/summaries for management overview and supervision, creating a friendly interface between data, analytics, and end-users.

d. Data Integrity

At the start of 2023, we revisited the reporting structure for JSRS and appointed appropriate Person-in-Charge (PIC) in the operating units across the Group to oversee the data collection and verification. The PIC structure significantly improved timely data collection and uploading into the JSRS database. In 2024, we will work to improve data accuracy, using the analytic features of JSRS to identify data anomalies, and then to follow up with a deep dive into identifying and fixing underlying issues.

Social Initiatives

2023 was a year of economic uncertainty, with inflation driving up the cost of basic consumer staples. Those in the low-income band were particularly affected, putting many people in a cost-of-living crisis. This would mean less nutritious meal and sometimes, fewer meals each day.

Today, there are many around the world struggling with the inflationary pressures on basic living costs. Food insecurity is becoming critical for those in the low-income band, emphasising the need for meaningful social programmes. The UN SDG #2 of "Zero Hunger" features prominently in how we think about our social responsibilities. One area where we make a difference in many lives is our flagship CSR programme - Japfa for Kids.

Japfa for Kids programme was enhanced in 2023. Adapting to COVID-19, we now focus on individual schools instead of large gatherings. An essential improvement is the "impact assessment" aspect, identifying potentially undernourished primary school children. A 3-month structured programme

is then implemented, monitoring each student's BMI regularly until programme completion. This approach ensures a more targeted and effective intervention for improving the health and well-being of students.

More, please

The world is currently facing a cost-of-living issue. Many people living on this planet do not have access to a healthy diet due to the multifaceted issues in the global food chain. Our core business as an industrialised protein producer could not be more important to address some of the pressing food issues, especially with the efficient use of resources. Our approach to "produce locally, consume locally" strengthens activities that align with our interrelated Sustainability Pillars. Through our deep understanding of each

local context, we can improve the efficient use of resources and produce affordable nutritious proteins for local consumption in each country where we operate.

This year's sustainability report theme of "More, please" encapsulates our broader mission and is a reminder to us, as a staple protein producer, of our role in food security in each country we operate.

We would like to sincerely thank all stakeholders who walk alongside us on this sustainability journey. Looking forward, we are optimistic that together, we can achieve our goals, aiming for a better future.

Kevin Monteiro
Sustainability Committee

2023 Highlights

Japfa Sets Sustainability Action Plans

Japfa has taken proactive steps towards sustainability by establishing clear targets in 2022 and has now progressed to the implementation phase with the development of comprehensive action plans. These plans are designed to ensure alignment with our sustainability goals and are executed through a structured approach that involves departmental leaders and key operational personnel. By engaging stakeholders at various levels of the organisation, we aim to drive meaningful change and achieve measurable progress towards our sustainability objectives.

Enhancing Japfa Sustainability Reporting System

In 2023, Japfa made significant enhancements to its Sustainability Reporting System (JSRS) to bolster the implementation of sustainability initiatives. These improvements were centred around the establishment of a robust digital database equipped with advanced analytics capabilities for enhanced data collection and monitoring. Additionally, a user-friendly dashboard was introduced to facilitate efficient management oversight and streamline the tracking of sustainability metrics. These upgrades signify our commitment to transparency, accountability, and continuous improvement in our sustainability efforts.

Embedding sustainability into the Japfa Capital Commitment (CapCom) System

In 2023, we further strengthened our CapCom system to provide enhanced monitoring capabilities for capital investments and expenditures associated with our sustainability initiatives. These investments are strategically organised in line with our three Japfa Sustainability Pillars. By integrating sustainability costs into our capital expenditure monitoring framework, we ensure better alignment of financial resources with our sustainability objectives. This enhancement underscores our commitment to responsible resource management and the pursuit of long-term sustainable growth.



Constructing More Water Recycling Facilities

We are pleased to report that we are on track to fulfill our commitment under the Sustainability-Linked Bond. As at date of this report, we have successfully completed 8 out of 9 water recycling facilities, demonstrating our dedication to sustainable practices and environmental stewardship. These achievements underscore our ongoing efforts to meet our sustainability targets and contribute positively to the communities and environments in which we operate.

Initiate Life Cycle Assessment for Swine Operations

Expanding our environmental footprint measurement, we have initiated a life cycle assessment (LCA) for a new protein which is our swine operations in Vietnam. This proactive step demonstrates our commitment to comprehensive sustainability practices and enables us to better understand and mitigate our environmental impact across diverse product lines. By conducting LCAs, we aim to foster transparency, improve resource efficiency, and drive continuous improvement in our operations.



Japfa at a Glance

Japfa Ltd, also referred to as "Japfa," "We," or the "Company," along with our subsidiaries (the "Group"), stands as a prominent pan-Asian industrialised agri-food company committed to the mission of **Feeding Emerging Asia** through affordable nutritious proteins. Our core expertise lies in the production of staple protein sources such as poultry, swine, and aquaculture, as well as packaged food that nourishes and sustains millions of people. (GRI 2-1, 2-6)

Our headquarter is located in Singapore, and we employ a workforce of more than 37,000 individuals from various backgrounds, operating an integrated network of modern farming, processing, and distribution facilities in Indonesia, Vietnam, Myanmar, India, and Bangladesh. We implement an integrated industrialised approach that encompasses farming and food production, from animal feed production, commercial farming to food processing. (GRI 2-1)

At Japfa, our commitment to excellence starts with the selection of superior breeds and extends to meticulous animal husbandry, health, nutrition, and welfare practices. This holistic approach ensures the quality of our products and enables us to achieve consistently high production yields. Central to our operations is a steadfast emphasis on biosecurity, underpinned by rigorous operating procedures and strategic partnerships with leading global experts in breeding research.

With over fifty years of experience, we have honed our expertise to conduct extensive operations aimed at producing premium-quality proteins. This wealth of knowledge and capability allows us to replicate our success in other markets and across various protein sources. Maintaining our unwavering commitment to quality and innovation, we continue to set industry standards and drive sustainable growth in the protein sector. In this report, we refer to Japfa Ltd using few terms for clarity:

- a. Japfa/the Company/We: Japfa Ltd
- b. PT Japfa Tbk: PT Japfa Comfeed Indonesia Tbk
- c. Japfa Vietnam: Company's operations in Vietnam
- d. Japfa Myanmar: Company's operations in Myanmar
- e. Japfa India: Company's operations in India

Our Vision and Mission

Vision

Growing Towards Mutual Prosperity

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



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



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



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



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



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



With **Local Communities**, we actively strive to be a good neighbor by engaging in social programs 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

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

Protein Foods

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

Excellent Teamwork

- Cooperate & 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

Stakeholders

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

Sustainability Journey

1971

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

1990

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

2000

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

2017

Commenced monitoring and reporting of our Indonesian poultry sustainability practices

2018

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

2019

- 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

2020

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 were 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

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

2022

- **Set Japfa Sustainability Targets that portrays commitment on sustainability through measurable and tangible targets**
- Established a **Supplier Code of Conduct** and conducted a survey on suppliers' sustainability practices
- Started the process of **upscaling our LCA on poultry operations in Indonesia** and preparation for an LCA for swine operations in Vietnam
- Implemented the **Sustainability-Related Investment Guideline** to facilitate sustainable investments across the Group
- PT Japfa Tbk signed a **Sustainability-Linked Loan (SLL)** with Bank Negara Indonesia (BNI)

2023

- **Japfa sets Japfa Sustainability Action Plans**
- **Enhancing JSRS**
- Embedding sustainability into the **Japfa Capital Commitment system**
- **Initiated LCA for our swine operations in Vietnam**

Japfa's Role in Contributing to UN Sustainable Development Goals (SDGs)

As one of the leading animal protein producers in emerging Asia, Japfa plays a pivotal role in advancing the United Nations Sustainable Development Goal (SDG) towards food security (SDG Goal 2: Zero Hunger). By promoting responsible consumption and production (SDG 12), we strive to minimise the environmental impact, support efficient use of resources and reduce food waste. Japfa also contributes to economic growth (SDG 8) by creating employment opportunities and fostering partnerships with various stakeholders. Japfa is committed to ethical and sustainable practices which are integral to achieving a healthier, more resilient, and environmentally conscious global community.

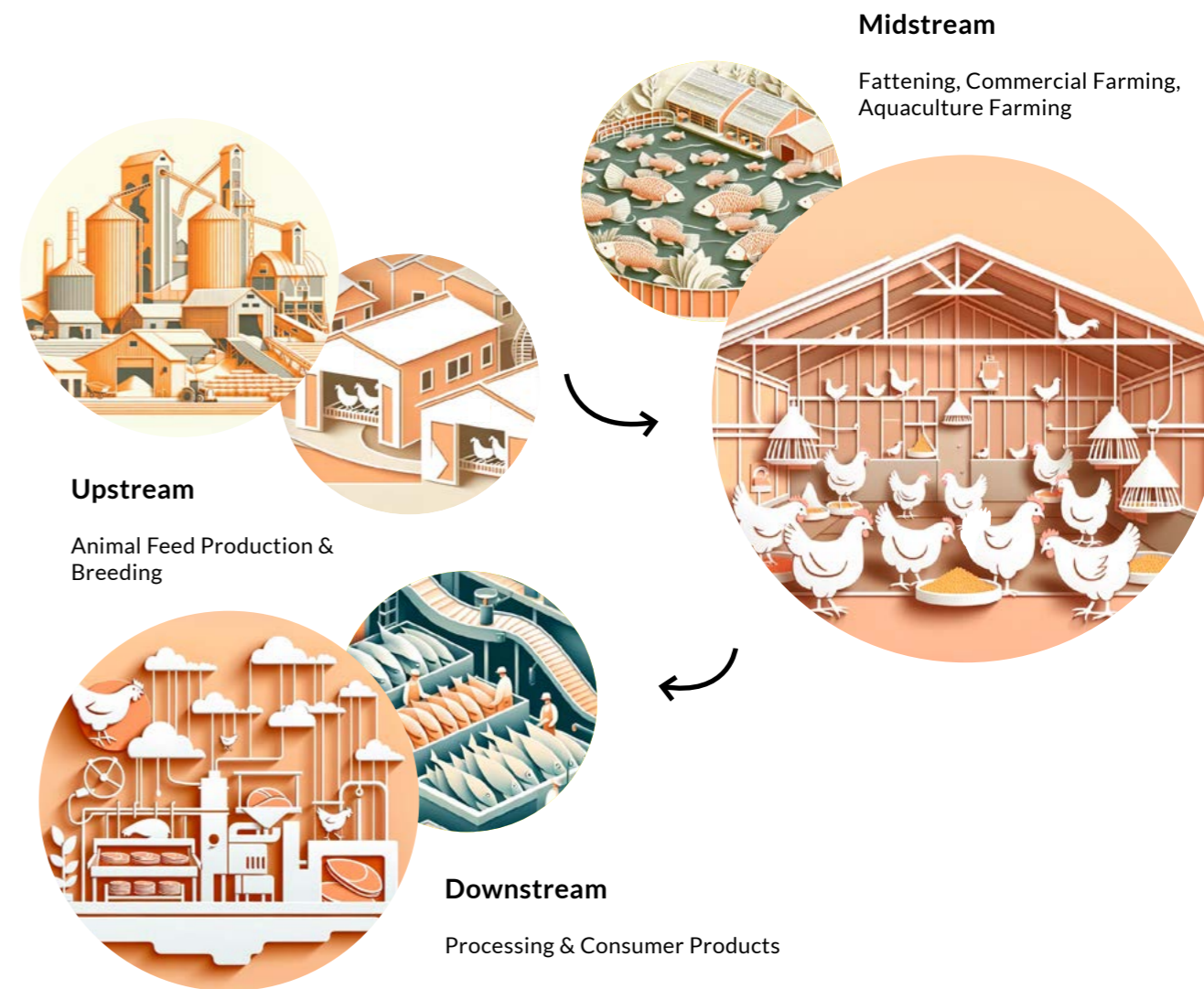


Our Operations

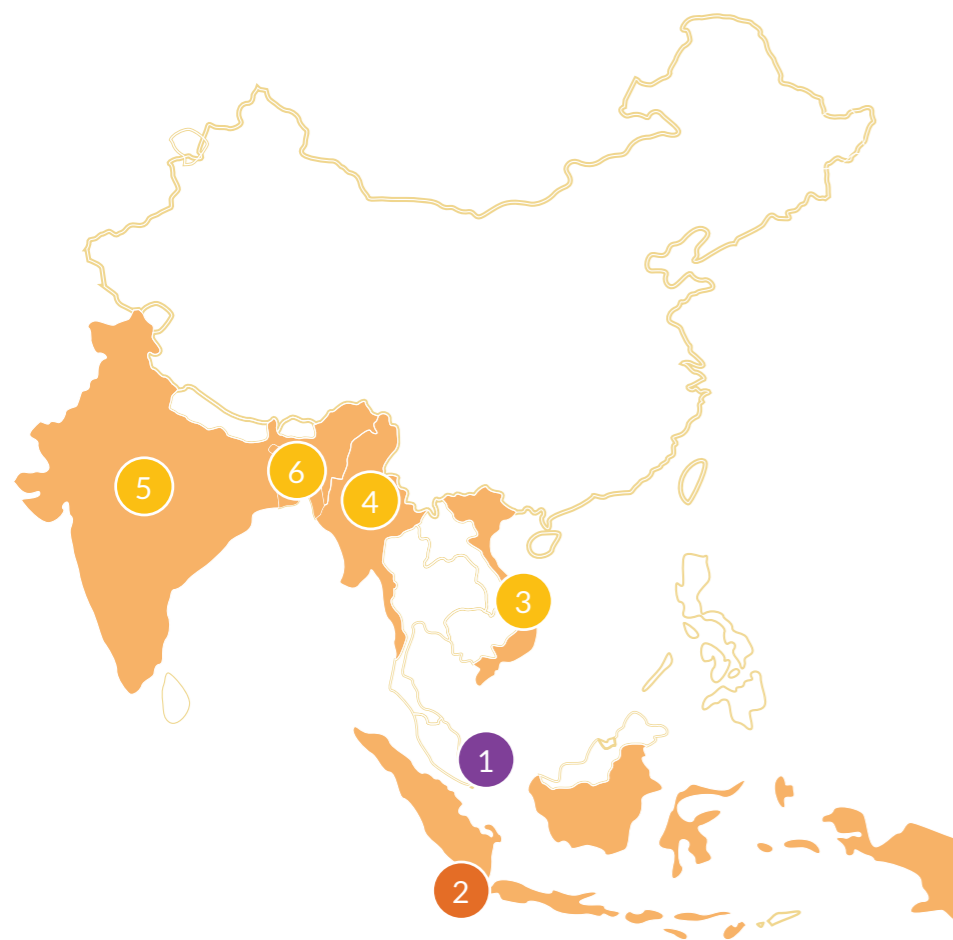
Our market leader position in **Japfa Emerging Asia** allows us to provide millions of people with safe, affordable, nutritious proteins to sustain populations across Asia.

Creating Quality Products with Vertically-Integrated Business Model

Japfa's vertically-integrated business model involves tight control across the various production stages, from the livestock genetics and animal feed production in upstream, to fattening in the midstream, and the final products delivered to our customers. Our integrated and industrialised approach ensures the consistency and quality of the products, which has enabled us to maintain high-quality protein foods for the millions of people living in emerging Asia. (GRI 2-6)



Scale of Operations



Location of Operations and Number of Employees

GRI 2-7

Male	2022	2023
Permanent	17,229	17,219
Contract	14,731	13,948
Female	2022	2023
Permanent	3,962	4,163
Contract	2,670	2,338
Total	2022	2023
Male	31,960	31,167
Female	6,632	6,501
Total Employees		
	2022	2023
	38,592	37,668

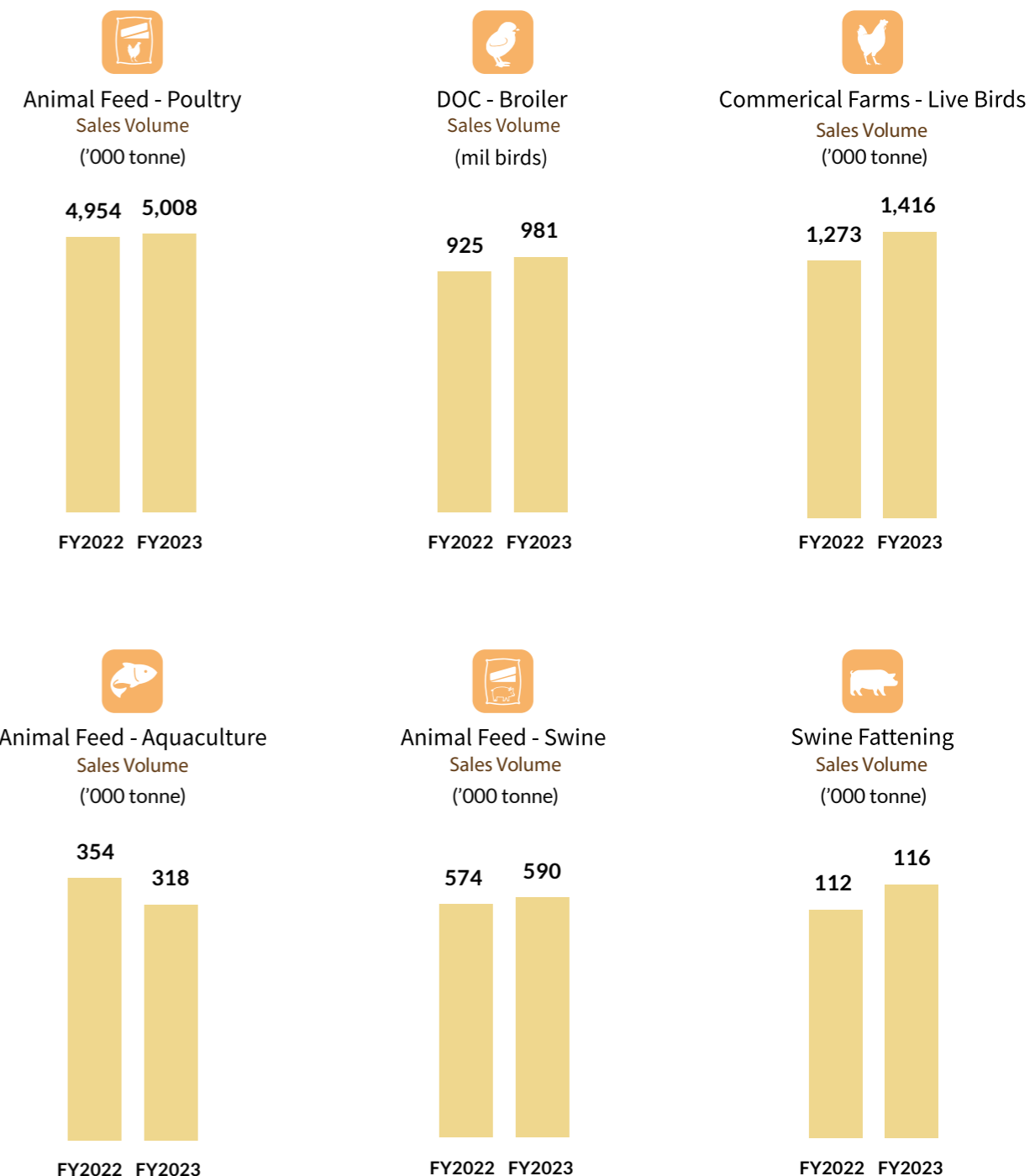
Total Number of Employees by Region in 2023

Region	Permanent	Contract
1 Singapore (HQ)	47	4
2 Indonesia	17,844	12,528
3 Vietnam	1,887	3,734
4 Myanmar	830	20
5 India	681	-
6 Bangladesh	93	-

Japfa maintains a structured data collection process, using SAP Human Capital (HCM) system, to efficiently manage our human resources information. The above data are recorded as of 31 December 2023, reflecting Japfa's headcount, comprising full-time employees, including both permanent and contract workers. Notably, we do not engage workers who are not formal employees. (GRI 2-8)

There has been a minor decrease in our overall employee numbers in 2023 compared to the year before. (GRI 2-7)

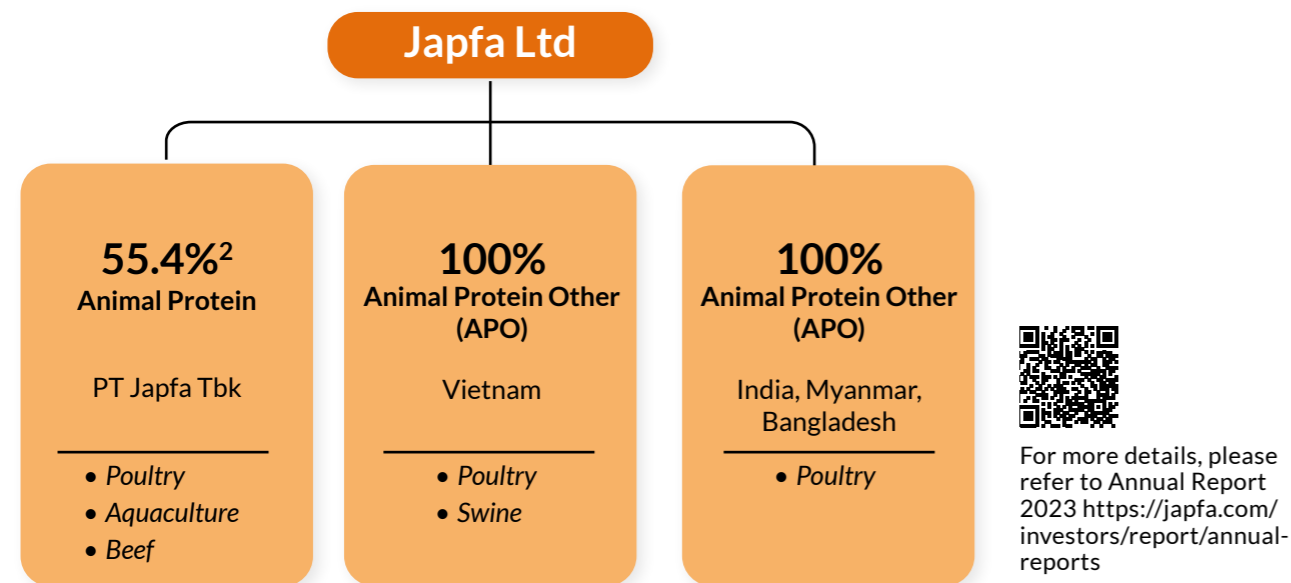
Animal Protein Operational Performance



Group Structure

Our heritage stems from the poultry business in Indonesia more than 50 years ago and leveraging on that experience, we have replicated poultry operations in other countries and added another protein staple, swine.

We remain focused on countries in emerging Asia. Our Group structure comprises our operations in Indonesia (PT Japfa Tbk) and the Animal Protein Other (APO) segments in Vietnam, India, Myanmar, and Bangladesh. (GRI 2-1)



² As of 31 December 2023.



PT Japfa Tbk GP Hatchery in Wanayasa, Indonesia

Animal Proteins Across Five Countries

Our adoption of a vertically-integrated agri-food business model, characterised by an industrialised approach, has propelled Japfa to become the second-largest poultry company in Indonesia. Leveraging this expertise, we have successfully replicated our model for poultry operations across Vietnam, India, Myanmar, and Bangladesh. This expansion has enabled us to reach a broader consumer base and positions us well on our journey towards **Feeding Emerging Asia**.



A typical chicken dish

Meeting the Demand for Staple Animal Proteins

As one of the leading animal protein producers in emerging Asia, we anticipate there will be a surge in protein food consumption as the economies grow. We focus on capitalising on the increasing demand for animal protein in the emerging economies where we operate, pursuing strategy of expansion across various protein sectors within these high-growth Asian markets, as well as finding a strategic approach to produce sustainably across the supply chain.

Through the utilisation of this comprehensive strategy, we are poised to nourish people with safe affordable staple protein foods.

Animal Protein - PT Japfa Tbk

In Indonesia, we run our animal protein operations through IDX-listed PT Japfa Comfeed Indonesia Tbk (PT Japfa Tbk), our 55.4%-owned subsidiary.

Under PT Japfa Tbk, we produce high-quality animal proteins, namely poultry, aquaculture, and beef, as well as branded consumer foods, and 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 with advanced management systems.

Animal Protein - Other

The Animal Protein Other (APO) segment covers Japfa's operations in Vietnam, India, Myanmar and Bangladesh, where we produce quality animal feed, poultry and swine. We have successfully replicated our industrialised, vertically-integrated business model for poultry production across these emerging Asian markets. Likewise, we leveraged on our core competences in protein production to establish swine operations in Vietnam.

Our APO operations constitute a key part of the Group's diversification strategy to ensure long-term sustainable earnings.

We also strive to become one of the market leaders for colour bird in Vietnam, which meets the preference of Vietnamese people for the traditional local chicken. In Vietnam, we also produce swine feed and have built a modern industrialised swine breeding

This collaborative effort, complemented by the adoption of state-of-the art agricultural techniques and collaboration with world-leading genetics companies, ensures the consistent quality and enhanced performance of our parent livestock. Recognising the dietary and religious considerations of the Indonesian market, we proudly hold Halal certification for our slaughterhouses and food processing establishments.

pyramid starting from the Great Grand Parent level. This allows us to produce sufficient stock to develop a vertically-integrated system to support our swine business. Japfa has a joint venture with Hypor, one of the world's leading genetics companies for swine, to produce highly selected pure-line genetic breeding stock to enhance performance and swine genetics suited for the tropical climate and consumer preference. As part of our long-term downstream strategy, we commenced operations at a new poultry slaughterhouse and are constructing a vaccine factory, leveraging on our strong track record in vaccine research and production by Vaksindo in Indonesia.

In India, we invest in technology and mobile applications to ease our operations and diversify our products, such as cattle feed. In Myanmar, despite ongoing political issues, we continue to operate our business with a dedicated team on the ground.



Detail regarding scale of our operations can be found in Annual Report 2023
<https://japfa.com/investors/report/annual-reports>

Economic Performance

In 2023, we are challenged by many issues, including the aftermath of COVID-19, geopolitical issues, inflationary pressures and a rising cost of living which affect our economic performance in the countries where we operate. We stand strong and are able to fulfil our role as an animal protein producer in Emerging Asia. (GRI 201-1)

in million USD

Direct Economic Value Generated	2022	2023
Revenue	4,363.8	4,428.9
Interest Income	3.8	5.6
Other Net Income/(Expenses)	(96.0)	(115.1)
Total	4,271.5	4,319.4
Economic Value Distributed	2022	2023
Operating Cost (Cost of sales, SG&A exclude staff cost)	3,839.5	3,917.5
Employee wages and benefits	367.8	391.0
Payment to providers of equity capital - dividends	21.9	15.2
Community Investment	1.0	1.5
Payment to government	48.9	28.8
Total	4,279.1	4,354.1
Economic Value Retained	2022	2023
Economic Value Retained	(7.6)	(34.7)

Embedding Sustainability into the Japfa Capital Commitment System

Japfa is committed to roll out sustainability-related investments across our operations to build a sustainable business for our Group. In 2023, a total US\$24.0 million was invested into sustainability-related initiatives, where more than half was invested into further boost our efficient production system including: i) building new closed-house commercial farms, ii) wastewater management, iii) to improve animal health and welfare, and iv) new technologies to improve our operational efficiency.



Efficient Production System
US\$12.7 million



People Development
US\$10.8 million



Improving Nutrition
US\$ 0.5 million

Business Ethics

As a significant player in the field of protein production in Asia with more than 37,000 employees, ethical business practices are foundational to our operations, shaping our interactions with employees, suppliers, and stakeholders.

Japfa Ltd is a publicly listed company on the Singapore Exchange and complies with the applicable laws and regulations, as well as reinforcing good business ethics. (GRI 2-27, 206-1) Our compliance with the Code of Corporate Governance 2018 and a structured organisation, enables us to run a well-governed Company.



Japfa Group's HR Department Annual Meeting

Employee Code of Conduct

We encourage our employees to act in an ethical and professional manner based on our Employee Code of Conduct. This Code of Conduct also includes Japfa policy against corruption. Based on internal audit results in 2023, there were no cases of corruption in the Company's operations which had a material impact on the financial results. (GRI 205-1, 205-3)

Japfa directs all of our employees to act in a professional manner to ensure a work culture that upholds ethics and integrity. In the onboarding process, we include this Employee Code of Conduct as induction material. (GRI 2-24)

To ensure that our company policy and code of conduct are in place, we have a whistle-blowing system called JAPFALERT to report any misconduct without fear of reprisal. (GRI 2-23, 2-26)

Our organisation has established a group-wide Employee Code of Conduct policy that encompasses Anti-Corruption measures. This policy is accessible to all staff members and is incorporated into the orientation programme for all new employees. (GRI 205-2)



Feed raw material warehouse in PT Japfa Tbk

Engaging with Our Suppliers

Our business ethics extends beyond our operations. As suppliers also hold a significant role in our supply chain, we try to maintain a close relationship with them to ensure responsible and sustainable procurement practices throughout the Group.


Supplier Code of Conduct

Our Supplier Code of Conduct is a significant step towards ensuring that sustainability practices are upheld throughout our supply chain. By integrating it into our corporate governance framework, we have set clear expectations for our suppliers, aligning them with Japfa's values and goals towards sustainability. (GRI 2-24) It is essential for our suppliers to adhere to the same standards of sustainability and corporate responsibility.

Implementing a Supplier Code of Conduct strengthens our sustainability commitment, ensuring alignment with Japfa's standards and good corporate governance. (GRI 2-23, 407-1, 408-1, 409-1)

Supplier Survey

This year, we ran a Supplier Survey for the second year in a row. By having a Supplier Survey, we want to align our sustainability efforts with our suppliers, which will be used to better engage with our suppliers. In 2023, we observed that some of our suppliers have adopted sustainability practices which were raised in our survey. More than 50% of our assessed suppliers have confirmed that they are not associated with deforestation issues, have implemented Environmental Management Systems, and have integrated sustainability practices at the group and management level, demonstrating a structured approach to environmental responsibility.

 Details regarding Japfa Supplier Code of Conduct can be found in <https://japfa.com/sustainability/supplier-code-of-conduct>

Japfa Diversity Policy

Japfa's corporate culture is built on the principles of diversity and inclusivity, which we believe yields multifaceted benefits. Equal and fair opportunities are given to all employees based on their capability, skill, and performance, regardless of individual background aspects such as gender, age, religion, and other characteristics. Embracing a variety of perspectives, experiences, and backgrounds fosters innovation and creativity, leading to more effective problem-solving and decision-making. Our commitment to a diverse and inclusive environment not only promotes higher levels of employee satisfaction and engagement, but also contributes to a positive corporate culture. At Japfa, we are dedicated to creating a conducive environment where our people feel comfortable and are encouraged to bring out the best in themselves, embedded in our Japfa Diversity Policy. (GRI 2-23)



Japfa India Christmas Day Celebration

Associations

Collaboration is key on our sustainability journey. We work with diverse partners, both nationally and internationally, who share our commitment to sustainability goals. Together, we strive for meaningful impact beyond what one can achieve alone. (GRI 2-28)



PT Japfa Tbk

 Indonesian Employer's Association (APINDO) DKI Jakarta	 Indonesian Fishery Producers Processing and Marketing Association (AP51)	 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)	 Indonesian Aquaculture Society (MAI)
 Indonesian Poultry Science Society (MIPI)	 Chamber of Commerce and Industry (KADIN) South Jakarta	 Indonesian Poultry Veterinary Association (ADHPI)	 Indonesia CSR Society	



Japfa India

 CLEMA of India	 Bombay Chamber of Commerce	 Maharashtra Poultry Breeders Association	<ul style="list-style-type: none"> • All-India representative of livestock industry • Poultry Breeders Welfare Association (PBWA)
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Japfa Bangladesh

- Feed Industries Association Bangladesh (FIAB)
- Gazipur Chamber Of Commerce & Industry (GCCl)



Japfa Vietnam

- FDI Enterprise Association

2

Task Force on Climate-Related Financial Disclosures (TCFD)

Japfa has a long and rich history in animal protein production, spanning over five decades. Throughout this time, we have consistently demonstrated resilience in providing essential protein staples to communities across Japfa Emerging Asia. Japfa recognises the importance of building a sustainable business, as embedded in our vision, **Growing Towards Mutual Prosperity**. This is getting more pressing amid the global challenges posed by climate change. Since its establishment in 1971, Japfa, has been and remains committed to its sustainability philosophy, working closely with stakeholders to advance key sustainability objectives.



Aerial view of Bomo Aqua Farm, Indonesia

In line with Singapore Exchange (SGX) requirements, Japfa has proactively responded to climate-related reporting requirements for public listed companies since 2022. This year, we have taken further steps to embrace the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). This report aims to share multiple facets encompassing governance, strategy, risk management, metrics and targets, offering a comprehensive insight into Japfa's commitment to sustainability practices and climate-related disclosures.

Core Elements of Recommended Climate-Related Financial Disclosures



Governance

The Organization's governance around climate-related risks and opportunities

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Governance

TCFD-Govt-a, TCFD-Govt-b

We firmly believe in the purpose of providing affordable nutritious protein especially in the emerging countries where we operate. Despite the difficulties faced, our people understand the significance of our responsibilities and remain united in our mission and values.

Organisational Structure

Our corporate DNA has embedded a sustainability mindset from our founder since its establishment. This corporate culture reinforced by an effective leadership, fosters efficient communication and smoothens operations, forming a stable foundation across the group. This strong corporate culture, coupled with cohesive teamwork, serves as a solid bedrock to our operations to guide us through challenging times, enabling us to weather tough situations and emerge even stronger.

The inspirational leadership at Japfa guides like a beacon in the great ocean, particularly in times of adversity. We strengthen the trust amongst our employees, fortifying our organisation's governance and reinforcing our determination to pursue and capitalise on opportunities for sustainable initiatives to improve ourselves.

In 2023, there were some changes in our organisational structure with the passing of our beloved ex-Chairman and retirement of directors per SGX Singapore Exchange Regulation on tenure of directorship. (GRI 2-9)

Amid challenges, our dedicated teams stand united behind a common cause – to provide nutritious essential proteins affordable and accessible to the people, in support of the United Nations Sustainable Development Goal 2 (SDG 2): Zero Hunger.



Eating lunch together at a Japfa-assisted school in Indonesia

We firmly believe in the purpose of providing affordable nutritious protein especially in the emerging Asia where we operate. Despite the challenges faced, our people understand the significance of social impact and remain united in our mission and values.



Further details of the Japfa Ltd Board of Directors can be found in our Annual Report 2023 <https://japfa.com/investors/report/annual-reports> (GRI 2-9)

Sustainability Committee

TCFD-Govt-a, TCFD-Govt-b



Climate-related risks and opportunities are integral parts of Japfa's governance structure, overseen by our dedicated Sustainability Committee (SC). Instituted formally in 2018, the SC, comprising the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), embodies our pledge to sustainability. (GRI 2-12)

The SC periodically reports to the Board of Directors (Board) in strategic decision-making and the formulation of sustainability plans. (GRI 2-9, 2-13)

The Sustainability Committee assumes a pivotal role in the management of sustainability issues, including those pertaining to climate considerations. It plays a central part in executing our sustainability strategy, consistent with our sustainability pillars across the Group (GRI 2-13). Working alongside the various Sustainability Sub-Committees, the SC devises strategic plans that encompass both immediate and long-term sustainability objectives.

As demonstrated in this sustainability report, the SC oversees the publication process, providing valuable insights to the Board regarding impact management (GRI 2-12, 2-13, 2-14). Regular updates from the SC ensures that the Board remains informed about the progress of our sustainability initiatives, including target setting and associated action plans (GRI 2-12). This continuous communication enables the Board to effectively address critical operational aspects, thereby promoting a positive impact on the environment and society as a whole.

At Japfa, our Sustainability Committee (CEO and CFO) drives our commitment to climate-conscious governance. This Committee, along with the Sustainability Sub-Committees, plays a vital role in managing sustainability and climate considerations to devise strategic plans for immediate to long-term goals.

The Sustainability Committee's Roles and Responsibilities:

- Establish and proposing sustainable development policy and direction to the Board of Directors for approval
- Approving the Sustainability Report annually (GRI 2-14)
- Developing sustainability strategies with timeframes
- Appointing Sustainability Sub-Committees, as considered appropriate, for implementation of sustainability strategies within operational divisions
- Evaluating and assessing the results of the implementation of sustainability strategies, give advice for its development and report to the Board of Directors at least once a year (GRI 2-13)
- Reviewing and approving KPIs and SPTs of sustainability-linked transactions

Sustainability Champions

TCFD-Govt-a, TCFD-Govt-b

Our Sustainability Champions, representing various departments, skill sets, and regions, are crucial in realising our sustainability vision. These individuals demonstrate a strong dedication to driving sustainability within the Group and have the ability to make impactful changes within their areas of responsibility.

Many members of both the Sustainability Sub-Committee and Sustainability Champions hold managerial positions and are tasked with seamlessly integrating sustainability considerations into their area of responsibilities. This approach not only influences our workforce from the top down but also strengthens the initiatives they bring forth to senior management.

Sustainability Committee



Tan Yong Nang
Chief Executive Officer



Kevin John Monteiro³
Chief Financial Officer

Sustainability Coordinating Sub-Committee



Tan Kai Loon Jasper
Head of Corporate HR
Japfa Ltd



Danny Wong
Financial Controller
Japfa Ltd



Aileen Wee
Head of Investor Relations
& Sustainability
Japfa Ltd



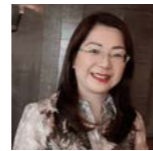
Bambang Widjaja
Group Head
Equity Markets
Japfa Ltd



Eddy Widadi
Head of Corporate HR
PT Japfa Tbk



Erwin Djohan
Financial Controller
PT Japfa Tbk



Elvina Apandi Hermansyah
Head of Investor Relations
& Sustainability
PT Japfa Tbk

Sustainability Sub-Committee



Renaldo Santosa
Chairman
Sustainability Committee
PT Japfa Tbk



Antonius Harwanto
Chief Operating Officer
Poultry Indonesia
PT Japfa Tbk



Leo Handoko Laksono
Finance Director
PT Japfa Tbk



Aldrian Irvan Kolonas
Deputy Head
SBU Grains Trading
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 &
Project Development
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 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



Teguh Yodiantara Prajitno
Head of SBU
Animal Health &
Livestock Equipment
PT Japfa Tbk



Benjamin Soenadi Abednego
Head of SBU
Edible Oil Plastic Bag
& Industrial Estate
PT Japfa Tbk



Tan Ho Liat Clemens⁴
Commercial Director
South Asia and
Indochina



Arif Widjaja⁵
Country Head
Japfa Vietnam



Mark Gerald Eman
Country Head
Japfa Myanmar



Prasad Chittaranjan Wagh
Country Head
Japfa India

Sustainability Champions Across the Group



Rachmat Indrajaya
Corporate Affairs
Director
PT Japfa Tbk



Slamet Widodo
Deputy Head
Production Commercial
Poultry Division
PT Japfa Tbk



Valeria Montesoro
Vice President
Corporate
Communications
Japfa Ltd



Chan Geok Hong Anna
HR Business Partner
Outside Indonesia
Japfa Ltd



Sri Rejeki Muji Andayani
HR Business Partner
Indonesia
PT Japfa Tbk



Christina Kucita
Investor Relations &
Sustainability
Admin Support
PT Japfa Tbk



Franciscus Reza Paul Adam
Deputy Head
Corporate IT
PT Japfa Tbk



Retno Artsanti Alif
Head of
Social Investment
Corporate Affairs
PT Japfa Tbk



Antonius Brian Suherman
Sustainability
Initiatives Manager
Outside Indonesia
PT Japfa Tbk



Irman Ruhimat Syam
Sustainability
Initiatives Manager
PT Japfa Tbk



Rizqal Hade
Head of HR
Digitalization
PT Japfa Tbk



Sri Iswandari Sahabi Manoppo
Data & Analytical
Manager
PT Japfa Tbk



Toto Handoyo
Assistant to
HR Business Partner
PT Japfa Tbk



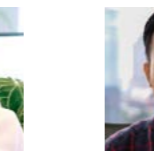
Derda Ariesza
HR Business Partner
Outside Indonesia,
PT Japfa Tbk



Rina Firdausy
HR Business Partner
PT Japfa Tbk



Zakhrinaldi Jumnasti
HR Business Partner
PT Japfa Tbk



Mikael Paul
HR Business Partner
PT Japfa Tbk



Dirk BW Djatmiko
Head of
Consumer Food
Division Indonesia
PT Japfa Tbk



Wira Adhitama A
Financial Controller
Consumer Food
Indonesia Division
PT Japfa Tbk



Asrul Ointu
Head of
Manufacturing
Consumer Food Division
PT Japfa Tbk

Consumer Food

Aquaculture



Ardi Budiono
Head of
Aquaculture Division
PT Japfa Tbk



Jenny Budiati
Head of
SBU Aqua Processing
PT Japfa Tbk



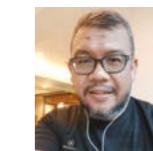
Jonny Susanto
Financial Controller
Aquaculture Division
PT Japfa Tbk



Budhi Rahyono
Head of
HR & GA
Downstream
Operations
PT Japfa Tbk



Reno Yusril
Deputy Head
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

Japfa Vietnam



Sanjeev Kumar⁶
Head of
South Operation
Japfa Vietnam



Nguyen Chi Cong⁷
Head of
North Operation
Japfa Vietnam



Nguyen Cong Phuong
Head of
Feed Operation
South
Japfa Vietnam



Le Van Long
Head of
Feed Operation North
Japfa Vietnam



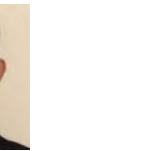
Samir Bhiwapurkar
Head of
HR & GA
Japfa India



Vidyasagar A
Financial Controller
Japfa India



Yin Yin Myint
Head of
HR & GA
Japfa Myanmar



Riyadi
Head of Engineer
& Maintenance
Japfa Myanmar

Japfa India

Japfa Myanmar

³ Member of the Asia Pacific Chapter of the Accounting for Sustainability (A4S) Chief Financial Officers Leadership Network since 2021. Represents Japfa Ltd as founding member of SGListCos Ltd (SGListCos), an association that represents all SGX listed companies, where he sits on its ESG Advisory Panel. Mr Monteiro is SGListCos representative on the Sustainability Reporting Advisory Committee (SRAC) which advises on the sustainability reporting roadmap for Singapore-incorporated companies.

⁴ Mr. Tan assumed the role of Acting Country Head, Japfa Vietnam on 1 January 2024.

⁵ Mr. Widjaja assumed the role of Deputy Chief Operating Officer, PT Japfa Tbk on 1 January 2024.

⁶ Mr. Kumar assumed the role of Head of Poultry, Japfa Vietnam on 1 January 2024

⁷ Mr. Nguyen Chi Cong assumed the role of Head of Swine, Japfa Vietnam on 1 January 2024

Strategy and Risk Management

TCFD-Str-a, TCFD-Str-b, TCFD-Str-c, TCFD-Risk-a, TCFD-Risk-b, TCFD-Risk-c

Japfa's business core is providing affordable protein foods in the Emerging Asia, and the Group is committed to addressing global challenges such as ensuring food security in the countries where we operate in. As we continue to develop into future-ready and resilient businesses, climate change is at the heart of these difficulties and Japfa has recognised its material impacts on our business, people and the planet.

Climate-Related Risks and Opportunities



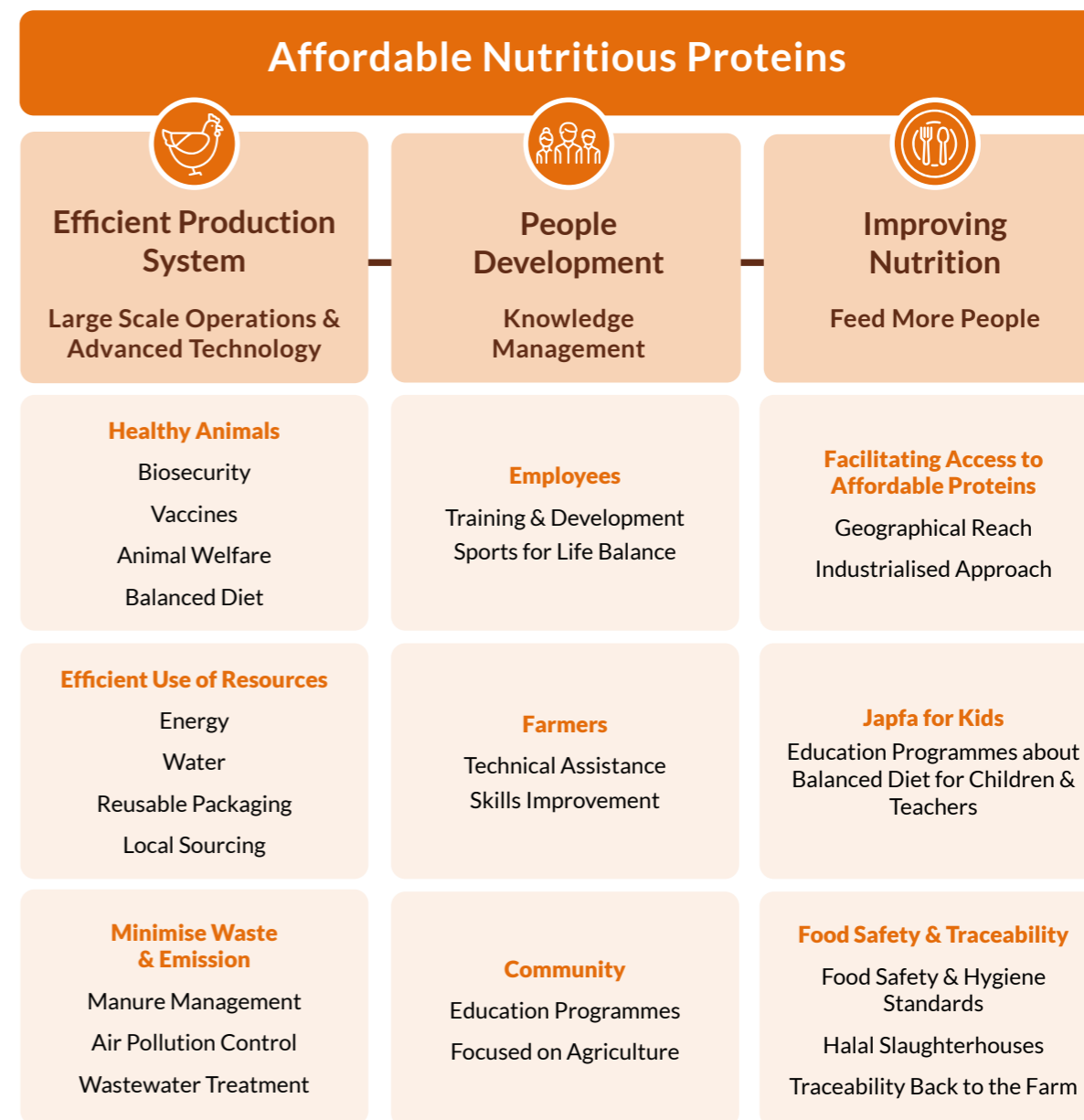
Japfa Sustainability Pillars

Looking at the climate-related risks and opportunities we have identified, Japfa has seamlessly incorporated them into our current decision-making processes and overarching strategic planning. These strategies are centred around both climate change mitigation and adaptation, consistently guided by the Japfa Sustainability Pillars established in 2018. This highlights our long-standing commitment to integrating sustainability principles into our operations from an early stage.

The Sustainability Pillars were developed by the Sustainability Committee, in consultation with senior management and approved by the Board. Comprising various distinct elements, these pillars serve as a guiding framework for setting the Group's sustainability performance objectives, defining performance indicators, planning the sustainability budget, and monitoring implementation and performances. (TCFD-Str-b)

Japfa Sustainability Pillars are the foundation upon which we roll out our sustainability strategies. Under these pillars, we focus on large-scale operations, utilising advanced technology for efficient production, investing in people development, and expanding geographical reach to improve nutrition.

Sustainability Pillars



Efficient Production System: At the core of our operations, the Efficient Production System pillar serves as the basis of our operational framework. Within this pillar, we emphasise on aspects such as animal health, resource utilisation, and the reduction of waste and emission. This supports us in maintaining cost-effective operations while delivering affordable nutritious products to the people across **Japfa Emerging Asia**.

People Development: The People Development pillar at Japfa centres on the stakeholders within our ecosystem, encompassing employees, farmers, and communities. We continuously invest in their development, equipping them with training programmes, technical skill support, and a range of other initiatives, aligning with our overarching vision of **Growing Towards Mutual Prosperity**.

Improving Nutrition: This pillar outlines our commitment to increasing food access in **Japfa Emerging Asia**. Leveraging our industrialised and vertically integrated operations, we strive to enhance people's access to cost-effective, nutritious proteins. Simultaneously, we work towards ensuring food security and implementing traceability measures to guarantee food safety. Our cornerstone CSR initiative, Japfa for Kids, is guided by this pillar, where we educate young children on the significance of a balanced diet, aiming to improve the nutrition and overall development of these future leaders.

Enterprise Risk Management System

TCFD-Risk-a, TCFD-Risk-b, TCFD-Risk-c

We have implemented an Enterprise Risk Management (ERM) system to address risks affecting our business, including climate-related risks following the guidelines outlined in ISO 31000:2018 Risk Management. This systematic approach involves the implementation of policies, procedures, and practices related to various aspects such as communication, consultation, context establishment for risk assessment, treatment, monitoring, review, recording, and reporting. (TCFD-Risk-a)

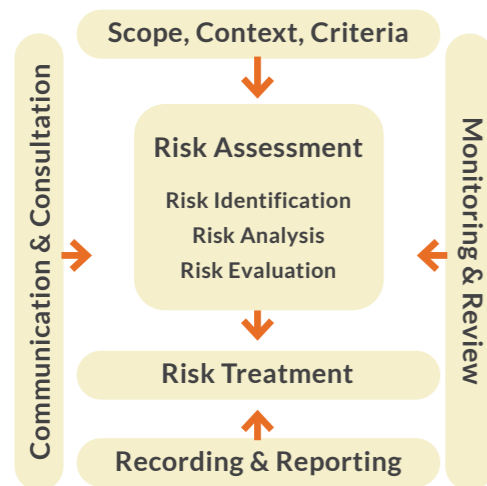
✓ The Purpose of ERM Framework

To assist Japfa in integrating a risk management process into its activities, functions and operations

✓ Principles of Risk Management

- Integrated into business processes and decision-making
- Dynamic
- Systematic, structured and timely
- Accounts for human and cultural factors
- Inclusive
- Facilitates continuous improvement

✓ Risk Management Process



✓ Risk Appetite

By implementing and replicating an integrated industrialised approach to farming and food production, Japfa has grown consistently with all stakeholders. Japfa will continue to pursue growth opportunities within our risk capacity, including diversification across multiple proteins in Asian emerging markets

✓ Risk Categories

Technology

- Data Protection
- Cyber Security
- IT Infrastructure
- IT Implementation
- IT Reliability & Continuity
- IT Governance & Compliance
- Business Continuity
- Innovation

Compliance

- Regulatory Environment
- Taxes, Duties & Tariffs

Environmental, Social, Governance

- Country
- Government
- Political
- Social
- Economic
- Disaster

Financial

- Funding
- Liquidity
- Foreign Exchange
- Financial Reporting
- Insurance

Business

- Competition
- Marketing / Advertising
- Disease
- Customer Demand
- Mergers & Acquisitions
- Joint Venture & Business Collaboration
- Long Term Investments
- Reputation

Operational

- Product Safety
- Overreliance on Supplier / Customer
- Contractual
- Product Quality
- Supply Chain
- Business Continuity
- Efficiency
- Infrastructure - Facility

People

- HR Policies & Processes
- People Development
- Succession Planning

We are thrilled to announce that our Head of Internal Control, Mr. Edward Loo, has successfully completed the Sustainability and Climate Risk course (SCR) offered by the Global Association of Risk Professionals. Edward has demonstrated remarkable dedication and this achievement not only enhances his personal proficiency but also significantly strengthens the expertise and operational competence of our Management Risk Committee (MRC). Congratulations!

Guidelines from the ERM framework are incorporated into our day-to-day business operations and are being continuously refined. Oversight of this process lies with the Management Risk Committee (MRC), which conducts thorough assessments and reviews of operational risks. Regular updates on these assessments are provided to top management and business heads, empowering them with insights into potential risks and facilitating informed decision-making to mitigate the impact of climate change (TCFD-Risk-b). Based on the outcomes of these assessments, our sustainability teams collaboratively develop sustainable initiatives aimed at tackling the challenges and enhancing programmes to foster a more efficient production system while reducing our environmental footprint. The results of these initiatives are presented to the Board annually by the Sustainability Committee. (GRI 2-16)

Climate-Related Risk Register

TCFD-Risk-a, TCFD-Risk-c

We maintain a climate-related risk register where we identify and evaluate potential risks stemming from climate change within our operations.

These assessed risks encompass both transition risks and physical risks, spanning policy and legal, technological, market, and reputational aspects, as well as acute and chronic risks. The time horizons of these potential risks and their potential financial impacts have also been assessed and determined. Guided by the Japfa Sustainability Pillars, the

potential risks and opportunities outlined in our climate-related risk register have been evaluated and categorised across short-term (up to 2030), medium-term (up to 2040), and long-term (up to 2050) horizons (TCFD-Str-a).

The MRC has affirmed that Environmental, Social, and Governance (ESG) factors pertinent to our business have been identified, monitored, and effectively handled by management throughout the reporting period of FY2023, with ongoing monitoring planned (TCFD-Risk-c).



Use of closed-house in PT Japfa Tbk to mitigate climate risks

Climate-Related Risk Assessment Completed as at 31 December 2023

TCFD-Str-a, TCFD-Str-b, GRI 201-2

Risk Type	Climate-Related Risks	Time Horizons	Climate-Related Risks	Potential Financial Impact
Transition Risk	Policy & Legal	Medium to long-term	<ul style="list-style-type: none"> Climate-related and emission reporting obligations Increased rigorous actions by government to reduce GHG emission, e.g. carbon tax 	Increased cost of compliance including assessment and verification
	Changes in laws and regulations are outside our direct control			
	Technology	Short to medium-term	Use of industrialised automated farming systems to mitigate environmental impacts	<ul style="list-style-type: none"> Increased cost of investment Increased production efficiency
	As an industrialised agri-food company, we are continuously making investments in the latest technology, e.g. closed house farming system			
	Market	Short to long-term	<ul style="list-style-type: none"> The increase of raw materials' cost due to climate-related events and geopolitical events Customers requiring certified supply chain Inability to obtain reliable and affordable renewable energy 	<ul style="list-style-type: none"> The increased cost of raw materials and certifications could impact Japfa's sales and may experience financial losses Increased expenditure due to higher cost and availability of renewable energy
	Changes in market's conditions are outside our direct control			
	Reputation	Short-term	Global pressure on the CO ₂ emission produced by animal protein industry	Reduced revenues due to shift away from certain animal proteins
Poultry, which is the single largest revenue contributor in Japfa, is a low carbon emitter compared to other staple animal protein alternatives. Mitigating the misconception of the climate-related risk of poultry is important				
Physical Risk	Acute	Short to medium-term	Natural disasters, e.g. typhoon, could affect our operations	<ul style="list-style-type: none"> Increased operating costs Cost to repair damaged assets Increased capex investment to mitigate the risks of natural disasters Increased cost of insurance coverage
	Natural disasters are outside direct control			
	Chronic	Medium to long-term	Increasingly high temperature in Japfa Emerging Asia countries could impact: <ul style="list-style-type: none"> Animal comfort and general welfare Increased risks of diseases Increasing water scarcity in operational areas Coastal degradation and rising sea levels	<ul style="list-style-type: none"> Increased cost of improving animal welfare Higher biosecurity cost Increased cost of water through recycling or acquiring fresh water Likely higher purchase cost of new land
We take measures to anticipate and mitigate the effect of climate change through our sustainability initiatives and action plans, e.g. closed house system, inhouse vaccine research and production facilities, and water recycling facilities				

Assessed Climate-Related Opportunities

TCFD-Str-a, TCFD-Str-b, GRI 201-2

Opportunity Type	Climate-Related Risks	Potential Financial Impact	Time Horizon		
			Up To 2030	Up To 2040	Up To 2050
Resource Efficiency	<ul style="list-style-type: none"> Digitalisations and analytics of Japfa sustainability data (JSRS) Establishing more efficient poultry closed-house system Enhanced input efficiency using precision farming Use of superior genetics to improve productivity Waste reduction and utilisation Improved water and wastewater management systems Prioritise use of local raw materials to reduce logistic's carbon footprint 	<ul style="list-style-type: none"> Higher initial capex investment for more advanced technology Lower operating costs through efficiency gains and cost reductions Increase production capacity 	Short to long-term		
Energy Source	<ul style="list-style-type: none"> Aiming to reach Zero Coal by transitioning to cleaner energy Widening source of renewable energy 	<ul style="list-style-type: none"> Reduce exposure to future fossil fuel price increases Reduce exposure to GHG emission and potential cost of carbon Potential increase in prices of renewable energy sources 	Long-term		
Products and Services	<ul style="list-style-type: none"> Developing local poultry breeds through selection of genetics to meet consumer's preference Sharing knowledge to contract farmers on farming practices to mitigate climate change 	<ul style="list-style-type: none"> Increase revenue through market differentiation Improve market positioning by meeting consumer's preference for local breeds Increase profits from improved farming practices by our contract farmers 	Medium to long-term		
Markets	<ul style="list-style-type: none"> Access to new equity and debt funding sources Support food security in emerging markets as we produce locally for local consumption by providing accessible and affordable proteins for the masses in areas where Japfa operates 	<ul style="list-style-type: none"> Expansion and diversification of our equity investor base Expansion and diversification of debt providers and funding instruments including sustainability-linked bonds and loans Increase revenues with improved protein consumption in Asian emerging economies 	Short to long-term		
Resilience	<ul style="list-style-type: none"> Continue providing staple animal protein foods in each country we operate Use of local raw materials to enhance supply chain resilience Climate-resilient closed-house system to mitigate climate change Stringent biosecurity protocols to mitigate risks of diseases Focus on the continuous development of our people 	<ul style="list-style-type: none"> Potential savings from risk mitigation measures Reduced dependence on imported raw materials which reduces risks of supply chain disruptions 	Medium to long-term		

Japfa's Climate Change Adaptation Plans and Programmes

TCFD-Str-b

Japfa has skillfully capitalised on available opportunities while proactively tackling associated risks through adaptation programmes and Action Plans aimed at achieving Sustainability Targets. The Company's strategic approach encompasses both ongoing initiatives and forthcoming measures, all geared towards mitigating and adapting to the impact of climate change. This forward-looking perspective underscores Japfa's dedication to seizing present opportunities and ensuring resilience within our industry.

Risk Type	Climate-Related Risks	Time Horizons	Climate-Related Risks	Adaptation Plans and Programmes
Transition Risk	Policy & Legal	Medium to long-term	<ul style="list-style-type: none"> Climate-related and emission reporting obligation Increased rigorous actions by government to reduce GHG emission, e.g. carbon tax 	Digitalisation and data analytics of sustainability data using JSRS: Utilise digital tools to ensure compliance with evolving policy and legal requirements regarding sustainability reporting and climate-related disclosures
	Technology	Short to medium-term	Use of industrialised automated farming system to mitigate environmental impacts	<ul style="list-style-type: none"> Establish more efficient poultry closed-house system Enhance input efficiency using precision farming Use of superior genetics to improve productivity and resilience Develop resilient closed-house systems to mitigate climate change impacts
	Market	Short to Long-Term	<ul style="list-style-type: none"> The increase of raw materials' cost due to climate-related events and geopolitical events Customers requiring certified supply chain Inability to obtain reliable and affordable renewable energy 	<ul style="list-style-type: none"> Prioritise use of local raw materials to reduce logistic carbon footprint Develop local poultry breeds through selection of genetics to adapt to long-term climatic changes Ensure supply chain resilience by sharing knowledge with contract farmers on practices to mitigate climate change impacts
	Reputation	Short-term	Global pressure on the CO ₂ emission produced by animal protein industry	<ul style="list-style-type: none"> Share knowledge to mitigate climate change impacts and demonstrate corporate responsibility Support food security in emerging markets, enhancing the Company's reputation as a provider of sustainable and accessible protein
Physical Risk	Acute	Short to medium-term	Natural disasters, eg typhoon, could affect our operations	Upgrade infrastructure to withstand extreme weather events to support business continuity
	Chronic	Medium to long-term	<p>Increasingly high temperature in Japfa Emerging Asia countries could impact:</p> <ul style="list-style-type: none"> animal comfort and general welfare increased risks of diseases <p>increasing water scarcity in operational areas</p> <p>coastal degradation and rising sea levels</p>	<ul style="list-style-type: none"> Optimise water use and implement improved water management systems to address water scarcity Transition to cleaner energy sources, aiming for Zero Coal and widening the source of renewable energy to address chronic risks associated with energy supply and climate change

Strategic Opportunity and Risks

TCFD-Str-c

Analysis of Resilience to Climate Scenarios

Utilising the climate data from the IPCC's 2014 report⁸ as interpreted by CBC⁹, we have conducted a general analysis to assess the potential impact of climate change on our operations. We have conducted rapid climate scenarios of global temperature increases by 2° C to ascertain the corresponding risks and opportunities that may emerge. Focusing on Asia, where Japfa operates, we anticipate various impacts such as varying degrees of extreme heat, water scarcity, and flooding, each posing significant challenges to our operations.

A 2°C temperature increase exacerbates water resource scarcity to a medium severity level. Simultaneously, the risk of extreme heat events intensifies to a very high severity, demanding immediate and robust adaptation measures to safeguard agriculture, livestock, and the workforce. Additionally, flooding reaches a high severity threshold, emphasising the imperative for reinforced flood defenses and resilient infrastructure.

Extreme Heat

Extreme heat poses a significant threat to our livestock's welfare, jeopardising their health and impacting final products.

Action Taken

To counteract this, we have implemented closed-house systems for our poultry operations. These systems create a controlled environment that protects animals from the stress and health risks associated with high temperatures.

Our Goal

Our goal is to have 100% of our Company-managed farms equipped with closed-house systems, as outlined in our Sustainability Target. This proactive measure is essential for preserving the health and productivity of our animals amidst the escalating temperatures driven by climate change.



⁸ IPCC, 2014. Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, pp. 151.

⁹ This Synthesis Report is derived from the contributions of the three Working Groups of the Intergovernmental Panel on Climate Change (IPCC) and encompasses pertinent Special Reports. It offers a consolidated perspective on climate change, representing the concluding segment of the IPCC's Fifth Assessment Report (AR5).

⁹ How a 2° C temperature increase could change the planet. (2012). How a 2° C temperature increase could change the planet. www.cbc.ca. https://www.cbc.ca/news2/interactives/2degrees/

Limited Water Supply

We have conducted a thorough water footprint analysis, employing the Life Cycle Assessment (LCA) framework and adhering to the Water Use in Life Cycle Assessment (WULCA) methodology, as per ISO 14046 standards. This meticulous assessment has enabled us to identify water-intensive operations within our Company and pinpoint regions facing water scarcity.

Action Taken

The outcomes of this analysis have played a crucial role in defining the key performance indicators (KPIs) for our Sustainability-Linked Bond. By 2023, we have already achieved significant progress by constructing eight out of the targeted nine water recycling facilities across various operational units.

In essence, our approach to water resource management goes beyond merely identifying risks associated with water scarcity. We are actively taking steps to mitigate these risks, implementing solutions that promote water conservation and uphold the sustainability of our operations amid fluctuating water availability challenges.



Flooding

Japfa adopts a proactive approach to flood risk management by meticulously choosing locations that are safe from flooding prior to establishing any operational facilities. This proactive measure aims to minimise potential disruptions and damages that may result from such natural disasters, showcasing our commitment to resilience and operational continuity.

Action Taken

Moving forward, we are dedicated to enhancing our assessments to identify operations susceptible to flooding and submersion due to climate change. This will entail conducting comprehensive evaluations of both existing and prospective sites, integrating climate projection data and flood risk assessments. By doing so, we aim to fortify our infrastructure and operations, ensuring resilience in the face of evolving environmental conditions.



Other Strategies and Measures

TCFD-Risk-c

Japfa applies various scientific-backed approaches in our strategy and risk management.

1 LCA

LCA is a key element in our strategic and risk management approach by providing a systematic and evidence-based framework for understanding environmental and climate-related risks. It starts by quantifying the carbon footprint of our products or services, helping us identify climate risks associated with greenhouse gas (GHG) emission across the entire stages like production, transportation, use, and disposal.

This holistic view includes factors beyond GHG emission, such as water use and resource depletion. Recently, we have scaled up our LCA processes, incorporating extensive data sets captured in the Japfa Sustainability Reporting System (JSRS) from all poultry operations in Indonesia. This expansion enables us to pinpoint areas for improvement and better address emerging challenges.

We will use LCA to facilitate scenario analysis, allowing us to assess the environmental impacts of potential changes in production processes or operational practices. This practical approach aligns with our broader strategy for effectively managing climate-related risks. In essence, LCA serves as a grounded and pragmatic tool, in navigating the complexities of climate risks.

2 Social Life Cycle Assessment

In 2021, Japfa participated in a programme by the United Nations Environment Programme (UNEP) to conduct an SLCA study. The study conducted in Indonesia serves several crucial purposes for Japfa. It aims to identify both positive and negative social impacts of our products, offering valuable insights into the socio-economic dimensions of our offerings. Through this study, we learned the social risks that may arise within our operations and assist us to strengthen the socio-economic aspects of our contract farmers' partnership scheme encompassing various aspects such as working conditions, child labour, health and safety.

3 Sustainability-Linked Financing Framework

We recognise the paramount importance of integrating sustainability into our day-to-day operations and understand that sustainable finance plays a pivotal role in driving this agenda forward. Our commitment to this belief is concretely expressed through the implementation of our Sustainability-Linked Financing Framework.

This Framework, aligned with the Japfa Sustainability Pillars, forms the cornerstone for our sustainability-linked financing instruments, including Sustainability-Linked Bonds (SLB) and Sustainability-Linked Loans (SLL). These financial mechanisms not only reinforce our unwavering dedication to sustainability initiatives but also serve as a means to actively engage our stakeholders in our collective journey towards establishing a sustainable business.

4 Sustainability-Related Investment Guideline

Our Sustainability-Related Investment Guideline serves as a valuable tool for enhancing our financial and strategic decision-making processes. It facilitates the allocation of capital to investments that align closely with our sustainability pillars, thereby contributing to the establishment of a resilient and sustainable business model into the future. This guideline has been crafted to identify and prioritise projects and initiatives that meet sustainability criteria when benchmarked against our historical practices as well as industry standards.

5 Capital Commitment (CapCom) System

In 2023, we have refined the CapCom system to track capital investments and expenditures supporting our sustainability initiatives. The sustainability-related investments and expenses are categorised according to the three Japfa Sustainability Pillars, to better monitor and control capital allocation and application of funds.

Metrics and Targets

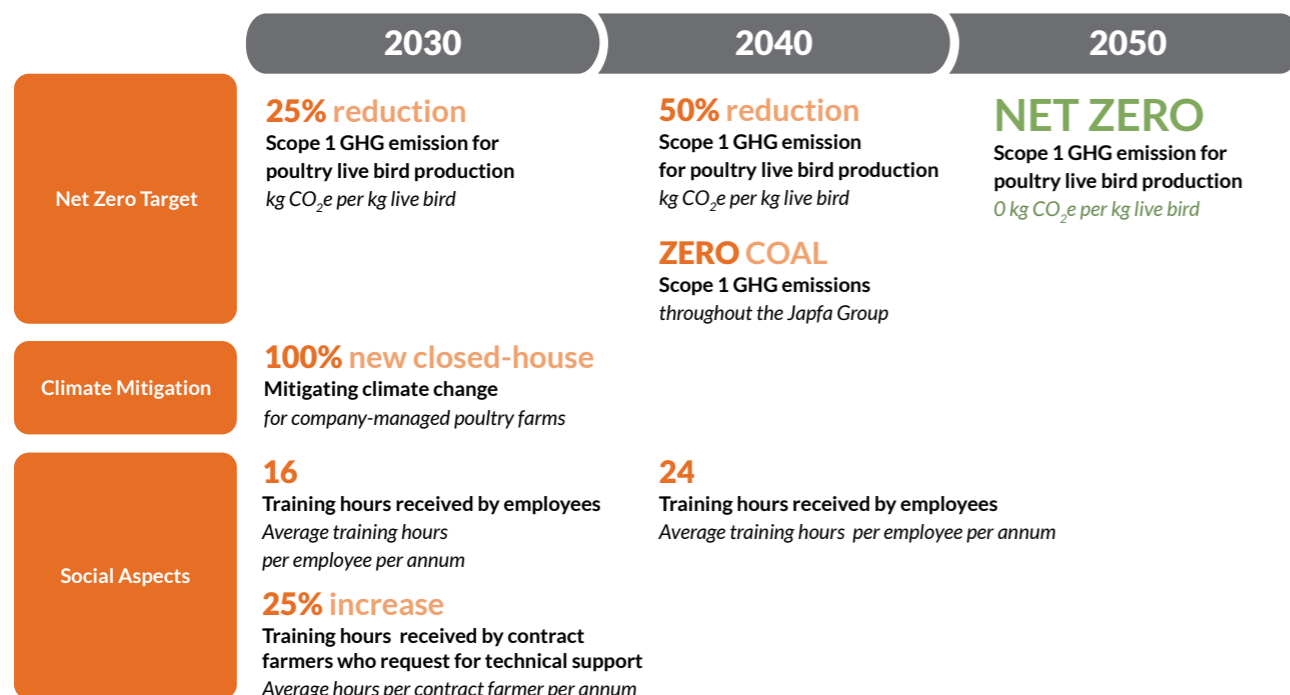
TCFD-Metrics-a, TCFD-Metrics-b, TCFD-Metrics-c

Since its inception, Japfa has embraced a sustainability philosophy that has evolved and matured over the years, seamlessly integrating into our day-to-day operations and strategic decision-making processes. Today, our sustainability progress has expanded and continues to evolve, manifesting in various activities across our organisation.

Sustainability Targets

TCFD-Metrics-c

The formulation of the Japfa Sustainability Targets is a close collaboration with the Board of Directors, senior management, and relevant business units within the Group. Together, we design targets that are measurable, attainable, relevant, and time-bound, tailored to address the specific challenges and opportunities within our business.



Japfa's Sustainability Targets comprise two fundamental dimensions: the environmental and social. The environmental aspect is integral to our commitment to emission reduction and climate risk mitigation. These environmental targets stem from the quantitative, science-based results of LCA.

Our emission target within Scope 1 utilises baseline data from 2022 and is calculated based on per kilogram of live bird, reflecting our commitment to

transparent communication of our environmental impact and emission reduction progress. Environmental targets are derived from quantitative science-based LCA results.

The social dimension emphasises employee and contract farmers training, enabling them to make sustainable decisions within the Company and enhance poultry productivity through sustainable practices.

Global Recognition for Japfa's Science-Based Sustainability Targets at the Life Cycle Management (LCM) Conference

Japfa proudly participated in the Life Cycle Management (LCM) conference held in Lille, France. We delivered a presentation on the meticulous formulation of Japfa Sustainability Targets, showcasing our method of establishing a baseline and enhancing the application of Life Cycle Assessment (LCA) within PT Japfa Tbk. Our aim was to deepen understanding of our operations' environmental impact among hundreds of LCA experts and participants from 44 countries.

We emphasised the importance of a feasible baseline scenario, which involves assessing activities typical

to each product category, serving as a reference point for evaluating current operational initiatives. Our analysis identified optimal waste utilisation and treatment as a crucial area for improvement. To address this, we developed an LCA scenario model for waste management, facilitating the selection of the most effective waste treatment scenario based on LCA outcomes.

This structured approach enables evidence-based strategies to enhance environmental sustainability and operational efficiency by minimising waste throughout the product life cycle.

Sustainability Targets Public Consultation

Concurrently, we engaged in a public consultation at the conference, seeking valuable input and feedback on our targets, which was met with a positive response. This underscores our commitment to climate action and mitigating the adverse effects of our operations. Through the pursuit of these targets, we are dedicated to making a meaningful contribution to food security in a responsible and sustainable manner.

At the LCM conference, we showcased our sustainability objectives and the rigorous, science-based methodology behind them to an international audience of prominent global LCA experts and members of international technical committees from 44 nations. The favorable reception we received validated the robust, scientific foundation of our targets.

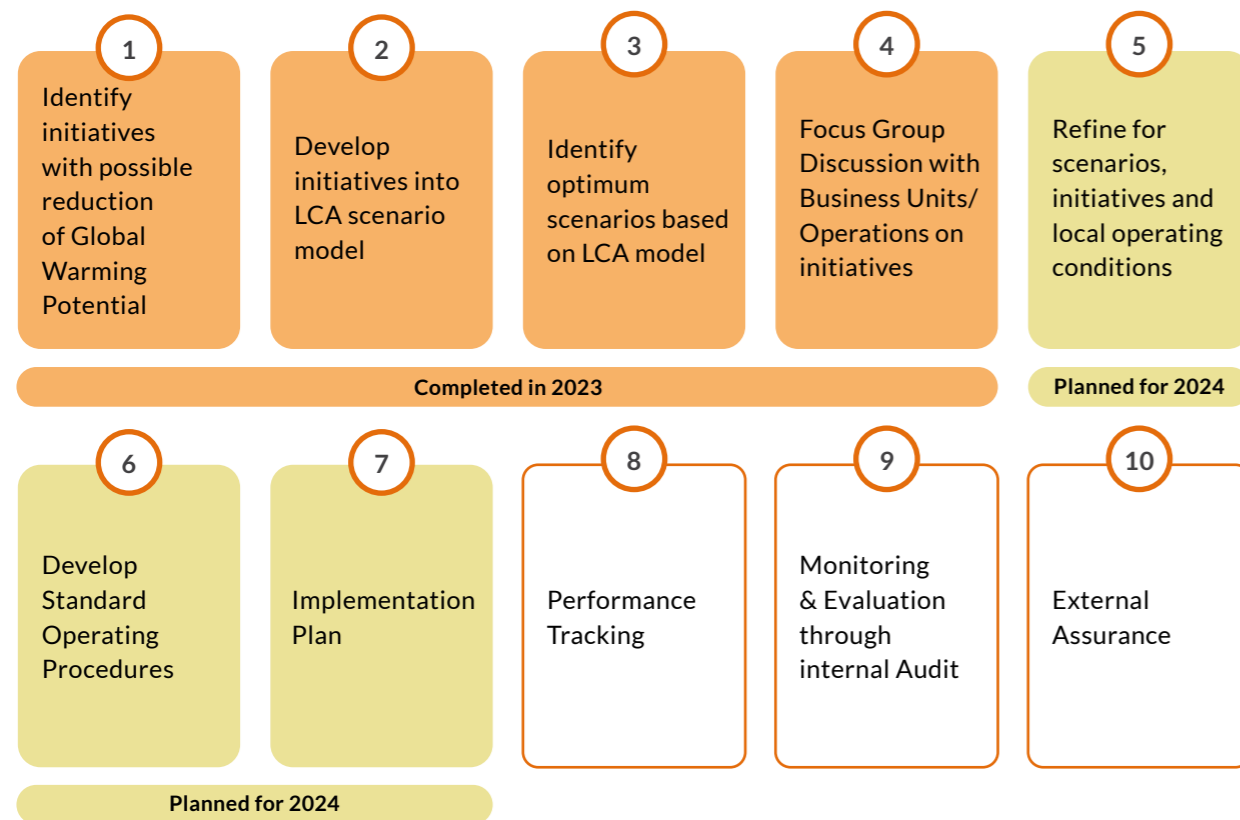


Japfa presents its Sustainability Targets at the Life Cycle Management (LCM) Conference In Lille, France in September 2023

Roadmap to Our Action Plans

TCFD-Metrics-a

Monitoring and supervision are integral to this process, with designated personnel overseeing the progress of implementing approved action plans. Our commitment to transparency extends to consistently reporting our advancements to stakeholders through sustainability reports. To facilitate continuous progress, we have implemented sustainability performance monitoring within our business operations.



Through these robust measures, we aspire to foster and strengthen collaborative partnerships with our stakeholders, forging a collective path towards a more sustainable future.

To achieve our Sustainability Targets, we have initiated a structured sequence of steps aimed at developing results-oriented action plans. Beginning with focus group discussions involving departmental leaders and key individuals responsible for operational units, we uncovered a range of initiatives and programmes. The next crucial step in this process involves identifying the necessary resources to execute these action plans. The culmination of these efforts is a comprehensive compilation of action plans, which will be presented for further discussion and approval by the Sustainability Committee.

Sustainability-Linked Bond Targets

In 2021, Japfa issued the first-ever Sustainability-Linked Bond (SLB) in the agri-food sector globally. The SLB target was specifically aimed at constructing nine water recycling facilities in our Indonesia poultry operations by December 2024.

In 2023, we constructed three water recycling facilities at Magelang, Medan, and Boyolali slaughterhouses. Japfa is on track to meet its SLB targets and has to-date completed the construction of 8 out of the 9 water recycling facilities.

These facilities play a vital role in our sustainability endeavors by repurposing water for various purposes, including machine utilities, sanitation in production areas, and domestic uses. The completion of these water recycling facilities has undergone external verification to ensure their effectiveness and adherence to standards.

Our Metrics

TCFD-Metrics-b

In tracking our environmental performance and upholding sustainability commitments, we adhere to the Greenhouse Gas Protocol (GHG Protocol) to accurately measure and report both direct (Scope 1) and indirect (Scope 2) emissions. In addition to tracking direct (Scope 1) and indirect (Scope 2) emission, Japfa is actively involved in assessing and measuring the broader impact of our activities through Scope 3 emission. This comprehensive approach allows us to evaluate and address the environmental footprint across the entire value chain. Our reporting utilises location-based and market-based methods, underscoring Japfa's commitment to transparent and standardised metrics in line with international best practices for environmental responsibility. (GRI 305-1, 305-2, 305-3)

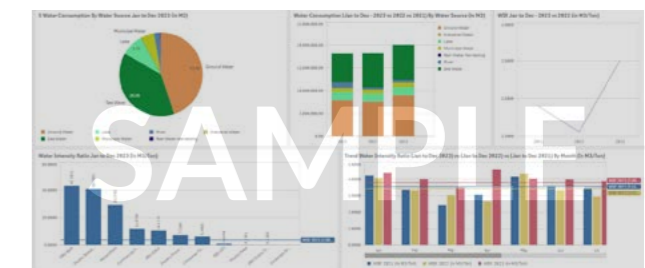
	2022	2023
Scope 1 GHG Emission (Direct)	93,206	105,412
Scope 2 GHG Emission (Energy Indirect)	586,165	644,842
Scope 3 GHG Emission (Other Indirect)	16,821,995	17,713,410

unit = tonne CO₂e

Further details of our environmental data can be found on **Chapter 5**.

Japfa uses JSRS, its in-house system as a tool to collect sustainability data from various divisions across the Group, such as electricity, waste, water, and human resource metrics. In 2023, analytical features and a dashboard (see diagram) were added as tools for impact assessment and to support decision-making. Data integrity is also the focus to ensure data quality and accuracy.

More information can be found on **page 92**.



JSRS Interface - the above figures are from test system. For illustration purposes only

3

How We Report

As a leading animal protein producer in Emerging Asia, sustainability has been an integral part of our corporate philosophy from day one. Since then, our approach to sustainability has evolved over the years, resulting in a spectrum of initiatives and programmes that are integrated into our daily operations. With the growing focus on climate impact and the heightened awareness of sustainability issues, it is imperative for us to articulate our commitment through comprehensive sustainability reports.

This sustainability report outlines our strategies and assesses the impact of our environmental, social, and economic initiatives, presenting the tangible results of our efforts. This standalone report, the seventh in our series, released on 1 April 2024 and is published separately from Annual Report 2023. It aligns with our financial reporting period, which covers 1 January to 31 December 2023. (GRI 2-3)

Our emphasis on sustainability reporting is driven by our steadfast commitment to transparently convey our sustainability initiative and achievements. The development of our sustainability report involves active engagement with stakeholders, fostering collaboration that positively impacts the environment. This comprehensive report serves as a vital tool to assess the progress we have made on our ongoing sustainability journey. We conduct annual assessments to review our sustainability reporting process, ensuring accuracy and identifying areas for improvement in both our reporting process and overall sustainability performance.

This report can be accessed and downloaded from our website. We welcome any inquiries, recommendations, or feedback related to this report, and can be submitted using the contact information provided in. (GRI 2-3)

We welcome all inquiries, recommendations, and feedback concerning this report and they can be submitted to our Head Office.



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Company Registration Number:
200819599W

Understanding Our Stakeholders

Our Company nurtures a long lasting and constructive relationship with our stakeholders across diverse sectors, categorising them as individuals, groups, or organisations that influence or are influenced by our business. This encompasses a wide spectrum, including suppliers, local communities, customers, financial institutions, and government. (GRI 2-29)



Farmers

Japfa consistently interacts with farmers through **scheduled physical visits** and telephone conversations as well as **ad hoc meetings**. Through these meetings, we provide guidance on farming practices and assist in resolving any operational issues that may arise.



Local Community Organisations

As an integral part of our corporate responsibility, we actively engage and contribute to our communities. Through collaborating with local stakeholders, we organise initiatives guided by the insights from social mapping results. Additionally, we maintain regular communication with relevant organisations, conducting **semi-annual** meetings to address programme implementation and associated issues as needed.



Employees

Our employees undergo continuous development through regular communication, training programmes, and health initiatives. This communication is facilitated through **diverse channels, including Japfa Link, Berkas Magazine, and the Japfa Newsletter**.



Associations

We take a proactive approach to engage with industry associations. During these interactions, we actively participate in discussions on policies and business trends alongside fellow members. We contribute our inputs to the government through **quarterly association meetings or as needed**, aligning with industry standards.



Suppliers

Maintaining robust relationships with our suppliers is crucial to our commitment to producing high-quality staple food products. We engage in **constant communication** to ensure that the raw materials we source consistently meet our stringent criteria. This commitment is reinforced by the implementation of our Supplier Code of Conduct, enabling us to responsibly and sustainably produce affordable and nutritious proteins. Through annual supplier surveys, we aim to align efforts by identifying their sustainability practices which ultimately we hope will lessen our Scope 3 impact on the environment.



Investors

We adhere to a structured calendar of **quarterly conference calls** (on a voluntary basis) and **annual general meetings** with our investors. In addition, we proactively arrange **ad hoc** meetings as necessary. This commitment to communication is aimed at delivering transparent and comprehensive updates on our performance, ensuring our investors are well-informed.



Bankers

On a voluntary basis, we hold quarterly conference calls and physical meetings to inform our bankers of the group's financial results and operational updates. In addition, we proactively arrange **ad hoc** meetings as necessary. This commitment to communication is aimed at delivering transparent and comprehensive updates on our performance, ensuring our bankers are kept up-to-date.



Government

Japfa complies with the diverse regulations and requirements of the local authorities in our operational areas. We establish periodic communication channels with government entities, typically occurring on a **semi-annual basis**, but **as frequently as necessary**. For instance, we engage during coordination of trade systems or dissemination of government regulations.



Customers

We uphold the trust of our customers through both **regular and ad hoc** communication channels. This includes customer surveys and hotlines, allowing us to listen to their feedback and address their specific needs (GRI 2-25).



Distributors




We **regularly** interact with our distributors to monitor the performance of our products and sales. This ongoing engagement ensures the safe and efficient delivery of our products to the customers.

Scope of the Report and Our Data

Japfa's primary business lies in our poultry operations, contributing a substantial **85%** of our total revenue and exerting the most significant impact within our operations. Mindful of the impact of our operations, we continuously refine the efficiency of our productions and align with evolving consumer preferences for affordable, nutritious proteins that are also sustainable.

In order to publish a report that best reflects our business, this sustainability report focuses on our poultry and aquaculture operations (GRI 2-2).

The data coverage in this report encompasses:

- 
Financial data:
 a consolidation for Japfa Group in FY 2023
- 
Employee-related quantitative data:
 all operations in the Company. There is a restatement of total working hours in Japfa Vietnam, Japfa India, and Japfa Myanmar, which correlates with the injury rate in 2022 due to further analysis and data cleansing. (GRI 2-4)
- 
Environmental data:
 poultry operations in Indonesia, Vietnam, Myanmar, India and Bangladesh, as well as aquaculture operations in Indonesia. Our commitment to enhancing data quality is an ongoing effort aimed at gaining a deeper understanding of our environmental performance. This is achieved through data cleansing processes and keep improving our measurement tools. The fifth chapter of this report includes updated statements regarding the 2022 environmental data. (GRI 2-4)



PT Japfa Tbk Annual General Meeting in 2023

Reporting Standards

Japfa Ltd has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023 and the GRI's Sector Standards for Agriculture, Aquaculture, and Fishing.

While we conduct internal reviews of our sustainability data, external assurance is planned for the future (GRI 2-5). This year's report also incorporates the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendation for industry alignment. (GRI 2-5)

How We Determine Material Topics

In order to attain a thorough understanding of the material topics within our operations, we implement a comprehensive materiality assessment throughout the Group by collecting input from both our external stakeholders. We also examine data derived from a variety of sources, encompassing internal and external reports relevant to our business activities. This approach underscores our commitment to actively engage with our stakeholders in the development of our sustainability reports, which we aim to also strengthen our partnerships.

The assessment begins with identifying the environmental and social impacts of our operations, both positive and negative that may influence the environment or people. This is then incorporated in the Company's risk assessment result, Life Cycle Assessment (LCA) and Social LCA (SLCA).

Armed with this knowledge, we proceed to conduct surveys for both external and internal stakeholders, ensuring a diverse range of perspectives are considered, resulting in topics that matter most to our stakeholders and ranking them. Concurrently, we mapped the topics with the GRI standards.

We finalise the list of material topics, representing a focused agenda of priorities that we believe are crucial to our Company's performance and our stakeholders' interests. The final process is the validation and approval from our Sustainability Committee. This validation ensures that the material topics are not only relevant and accurate but also aligned with our Company's vision and values. (GRI 3-1)

Identification of Potential Environmental, Social and Human Rights Impacts



Quantitative and Qualitative Data Collection

- 1 Develop materiality survey and focus group discussion questions
- 2 Gather the voice of internal and external stakeholders
 - a. Stakeholder selection
 - b. Survey to internal and external stakeholders
 - c. Focus Group Discussion with internal/ external stakeholders
- 3 Consolidate topics of ongoing discussion with stakeholders
- 4 Identify environmental/ social impact hotspot from the result of LCA study

Analysis of Results

- 1 Analyse and measure the results based on discussion with financial and internal sustainability team from across the business, sustainability consultant, and in consultation with management
- 2 Identify the top 10 material topics based on the most significant impact of SLCA, LCA, and stakeholders to the industry and the Company

Validation and Approval

Validation and approval of material topics by Sustainability Committee. (GRI 3-1)

Material Topics

The material issues we identify are assessed and aligned with critical impact areas in our LCA and SLCA studies. This analysis allows us to discern the ten material topics that affect both people and the planet.

This year, new material topics emerged from the survey results. While many of the main ideas from 2022 continued, there were marked shifts in the order of priorities. The top five topics from 2022 remain with slight differences on the rankings. These focus on providing safe and nutritious food, ensuring our products are safe, adhering to principles of work ethics, and standing firm against corruption.

New areas of focus have also surfaced this year, partnering with suppliers and contract farmers,

and emphasising traceability in product labels. The survey also underlined areas like waste and wastewater management, as well as a robust approach to occupational health and safety, remaining at the forefront of our priorities for the year. The survey indicates that our Company's focus this year is touching on various dimensions of sustainability. (GRI 3-2)

Increasing Number of Materiality Survey Respondents

This year, we managed to increase the number of respondents to join our survey to better reflect our materiality topics. We gathered 274 stakeholders from both internal and external, an increase from 259 in last year's survey.

Internal stakeholders

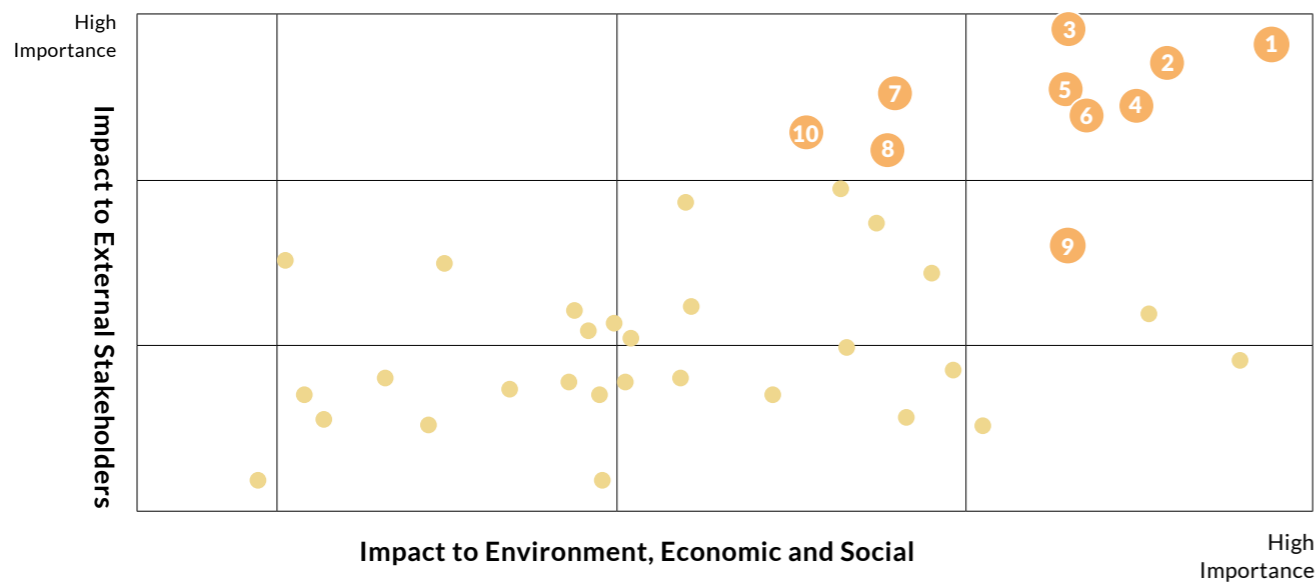
Includes other key employees across the group

External stakeholders

Include our customers, communities surrounding our operations, suppliers, distributors, contract farmers, banks, analysts and investors/shareholders

Materiality Matrix

Our materiality matrix serves as a framework for the further elaboration presented in this report. Subsequent chapters delve into Japfa's management of material topics, outlining our commitments and activities in 2023 aimed at maximising beneficial impacts and mitigating adverse ones. These programmes undergo continual evaluation to improve their effectiveness and ensure stakeholder engagement.



Topic Boundaries

We examined the influence of each topic on our supply chain to gain a deeper insight into our risk management approach. Japfa's potential involvement can manifest either through its direct actions or indirectly via its business interactions with other entities.



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



Contributed by
The contributor to the topic, has influence but no direct control to avoid or mitigate impacts



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

GRI 3-2

Material Topics	GRI	Suppliers	Japfa Ltd	Japfa Regional Poultry & Aquaculture	Contract Farmers	Customers
1 Providing Nutritious and Affordable Food	Food Security Animal health and welfare					
2 Consumer Health and Safety	Food Safety					
3 Food Safety Certification	Food Safety					
4 Managing Product Recall	Supply chain traceability					
5 Upholding an Anti-corruption Policy	Anti-corruption					
6 Adhering to Ethical Working Principles	<ul style="list-style-type: none"> Non-Discrimination and Equal Opportunity Employment practices Living income and livingwage 					
7 Efficient Use of Resources for Climate Resilience	<ul style="list-style-type: none"> Climate adaptation and resilience Water and effluents Waste 					
8 Responsible Suppliers and Contract Farmers	<ul style="list-style-type: none"> Forced or compulsory labour Child labour 					
9 Occupational Health and Safety	Occupational Health and Safety					
10 Food Traceability and Product Labelling	Food Safety					

The subsequent chapters will dig deeper into these material topics, elaborating on how Japfa manages and addresses these concerns. Not only will the actions focus on addressing these matters, but they will also illustrate how we endeavour to reduce the adverse impacts stemming from our operations. Furthermore, in collaboration with our stakeholders, we are committed to playing a role in climate change mitigation.

4 Contributing to Improving Nutrition

Within the context of Asia and its varied nations, the issue of food security presents itself as a complex challenge. Due to conflicts and climate change, 1.9 billion people in Asia are unable to afford healthy diet¹⁰, as indicated by the FAO's State of Food Security and Nutrition report. Food security comprises various dimensions, with availability and accessibility being prominent among them. These dimensions encompass not only the presence of food but also the ease with which communities can access it.

As an agri-food company, **Feeding Emerging Asia** is our calling. We employ strategies, aligned with the Improving Nutrition pillar, to produce safe, nutritious, and affordable staple protein food, making them accessible to the masses. This commitment is reflected in our materiality topics, demonstrating the care and concern of our stakeholders across the Group.

The existence of food and its accessibility for enhancing nutrition in Asia goes beyond immediate sustenance, taking into account the nutritional requirements of future generations. We place a strong emphasis on enhancing the nutrition of future generations, recognising the profound and lifelong impact children's nutrition can have on their health and development.

The absence of essential nutrition in children can lead to malnutrition, contributing to stunted growth, weakened immune systems, and impaired cognitive progress, as highlighted by UNICEF¹¹. We have the responsibility to prioritise the cultivation of future leaders and promote nutritional awareness amongst the young. Initiatives like "Japfa for Kids" aim to educate the next generation about the importance of balanced diets and optimal nutrition, empowering children to develop as healthy individuals capable of realising their aspirations and contributing to the well-being of society.



¹⁰Food and Agriculture Organization of the United Nations. (2023). The state of food security and nutrition in the world. <https://www.fao.org/3/cc3017en/cc3017en.pdf>
¹¹ United Nations Children's Fund. (2019). The State of The World's Children. <https://www.unicef.org/media/60806/file/SOWC-2019.pdf>

JAPFA Sustainability Pillars

Improving Nutrition
Feed More People

Our Approach



Expanding Access to Nutritious and Affordable Proteins



Ensuring Food Safety and Traceability



Supporting Future Generations through Japfa for Kids

Expanding Access to Nutritious and Affordable Proteins

We provide access to nutritious animal protein by implementing an industrialised farming approach across Japfa Emerging Asia.



Downstream Processing at PT Japfa Tbk

The Industrialised Approach

Our industrialised approach serves as a catalyst for promoting sustainable business practices within the agri-food industry. This approach prioritises essential aspects of food safety through the integration of technology and innovation, emphasising efficient resource allocation in vertically integrated business operations. Implementing an industrialised approach to farming enables us to operate on a larger scale, capitalising on economies of scale. As a result, we can produce food securely, implement controlled processes, minimise waste production, and cultivate more responsible relationships with our surrounding environment.

Geographic Scope

Food security in Asia is a prominent and intricate concern, influenced by various factors that contribute to its complexity. The region faces challenges in maintaining an adequate food supply, driven by issues such as climate change, population growth, and geopolitical tensions. These interrelated factors create a multifaceted landscape that requires comprehensive and sustainable strategies to address the evolving dynamics of food security in Asia.

As one of the leading animal protein producers, food security is at the heart of our business. We consistently supply safe, nutritious animal protein to communities across diverse regions of the Asian continent. Our impactful contribution spans across a wide geographical reach, covering Indonesia, Vietnam, Myanmar, India and Bangladesh.

Accessible through Various Retail Channels

The extensive footprint of our operations is evident to our customers, as our range of animal feed, day-old chicks (DOCs), and consumer products have successfully penetrated the markets, securing a market share of 20-25% in **Japfa Emerging Asia**¹². Our products are accessible through various market channels, including traditional outlets, modern retailers, and online platforms.

¹² Frost & Sullivan Analysis, 2021



PT Japfa Tbk Live Bird's Export to Singapore

Exporting Our Products to Neighbouring Countries and Asia

Today, we are still expanding our presence, actively working to serve the growing demand for high-quality animal protein. In 2023, our Indonesian subsidiary, PT Japfa Tbk, reached a new milestone by successfully exporting live birds to Singapore. This accomplishment marks a significant breakthrough as it is the first time live birds have been exported to Singapore from Indonesia. This venture demonstrates our commitment to animal welfare and providing high-quality products.

In addition, we have successfully expanded our poultry distribution to now reach Brunei Darussalam and Timor Leste. This expansion showcases the increasing popularity of Japfa's high-quality poultry products. Simultaneously, our aquaculture operations in Indonesia have also achieved another milestone of exporting shrimp fry to both Timor Leste and Taiwan. This accomplishment underscores the Company's commitment to sustainable farming practices and strict adherence to local and international standards.

Supporting Local Agricultural Development

In India, we produce largely animal feed for poultry and cattle. As part of our expansion initiatives, we are setting up a new slaughterhouse and a modern chicken processing centre, further solidifying our presence in the region.

efforts underscore our commitment to supporting local government initiatives on establishing a disease-free zone, creating potential opportunities for exports in the future.

In Vietnam, Japfa has made substantial investments in a large slaughterhouse located in the Binh Phuoc area. It has also made investments in the development of a new modern hatchery facility in Dak Lak. These

These strategic initiatives exemplify our dedication to meeting the needs of our customers and our pledge to contribute to the Sustainable Development Goal Number 2: Zero Hunger

Did You Know?

Shrimp fry, refers to the juvenile stage of shrimps, often used as a term for shrimp seeds or larvae¹³. Selecting high-quality shrimp fry is crucial for successful shrimp farming.

¹³ Fishery. (2023). Quality Benur, The Key to Success in Vannamei Shrimp Cultivation. <https://efishery.com/en/resources/benur-udang-berkualitas-budidaya-sukses/>

Ensuring Food Safety and Traceability

Food safety is a crucial component of food security, as access to safe and uncontaminated food is fundamental for maintaining good health and preventing illness.

In the context of emerging Asia, the challenge extends beyond the mere availability of food, there is a growing concern due to the surge in e-commerce and online food services, necessitating comprehensive measures to prevent contamination during storage, transport, and delivery. This involves maintaining proper temperatures, ensuring safe packaging, prioritising sanitation, and providing accurate information on origin and contents of the products, commonly known as traceability¹⁴. The evolving landscape of the food system demands a comprehensive, multi-stakeholder strategy to ensure the availability of safe and healthy food in emerging Asia. At Japfa, we employ a vertically integrated approach that ensures food safety and traceability throughout our supply chain, from upstream to the downstream, as we continuously strive to enhance the nutrition of communities sustainably.

Upholding Food Safety

Japfa consistently maintains rigorous food safety standards to ensure that our products meet the highest safety requirements. Our commitment to food safety is comprehensive and includes:



Optimal farm management, incorporating robust biosecurity measures



Adherence to stringent manufacturing practices throughout the production process. This involves production in facilities that meet safety requirements and the meticulous selection of top-quality raw materials based on strict criteria



Maintaining the necessary certifications to guarantee food safety

In our unwavering commitment to ensuring the highest safety and quality standards at every production stage, we have embarked on a new initiative to establish a new dedicated laboratory at a slaughterhouse unit in Sadang. This laboratory focuses on microbiology testing and the assurance of microbiological quality in our slaughterhouse products. Through this facility, we enhance the precision and accuracy of our product testing, ensuring that the products reaching consumers are safe. Meanwhile in India, our feed mills have achieved various certifications, such as accreditation from the National Accreditation Board for Testing and Calibration Laboratory (NABL) for our feed mill in Supa.

Proper Product Labelling

In our product labeling protocols, we ensure that essential information, including nutritional values, correct usage instructions, and expiration dates, is clearly presented to inform customers and consumers. (GRI 417-1)

Various Audits Related to Food Safety

We conducted audits on various standards such as Good Farming Practices, Best Aquaculture Practices (BAP), and Food Safety System Certification (FSSC), focusing on animal welfare which significantly affects the results of our food products, as well as the animal feed and consumer products to ensure the health and safety impact on consumers. (GRI 416-1)

¹⁴ Food and Agriculture Organization of the United Nations. (2023). The state of food security and nutrition in the world. <https://www.fao.org/3/cc3017en/cc3017en.pdf>

At Japfa, our production facilities have obtained various certifications to ensure food safety, including:



Feed Mills

- ISO 22000:2018 & Hazard Analysis and Critical Control Point (HACCP)
- NABL Accreditation
- Good Manufacturing Practices
- Best Aquaculture Practices
- ISO 9001 : 2015
- ISO 14001 : 2015


Slaughterhouses and Food Processing Facilities

- Halal (in Indonesia, Myanmar and India)
- National Agency of Drug and Food Control
- Veterinary Control Number
- FSSC 22000
- MSC CoC (Marine Stewardship Council Chain of Custody)
- BRC (British Retail Consortium) Certification
- BIS (Bureau of Indian Standards) Certification

Farms

- Good Farming Practices
- VietGAP
- ISO 9001

In 2023, there were no incidents of non-compliance related to the health and safety impacts of our products and services. This includes aspects related to the marketing and labelling of our products. (GRI 416-2, 417-2, 417-3)

 Further details on certifications can be found in our Annual Report 2023 <https://japfa.com/investors/report/annual-reports>

Ensuring Traceability

As a vertically integrated company, Japfa has established a comprehensive value chain from animal feed production to consumer products. This integrated approach ensures product traceability from farm to the customers. In the upstream process, we forge partnerships with our suppliers, actively promoting the traceability of raw materials. Our priority lies in collaborating with suppliers certified for traceability and sustainability, particularly for products like soybean meal (SBM). By closely monitoring each production stage in adherence to the highest quality and safety standards, Japfa ensures transparency and integrity in every product delivered to customers.

Our consumer products come with informative labels which include barcodes with details such as production dates, serial numbers, expiry dates and the farm/plant it originates from. These labels not only serve as a valuable source of information for customers but also contribute to reinforcing the transparency and traceability in our product supply chain. Such practices empower our customers to make informed choices and enhance their confidence in the quality and authenticity of our products.

Establishing Two-way Communication with Customers

Our commitment to traceability extends to our customers, and we ensure transparent communication about the origin and journey of our products in the event of any concerns or inquiries, following established Standard Operating Procedures (SOP). This practice is consistently applied across the countries where we operate. Typically, inquiries are received through various channels, including direct interactions during visits by our sales team, interviews, and customer calls to the Company. The feedback process encompasses several key steps. It involves receiving and recording feedback information, classifying and checking details, and if necessary, taking samples of the subject product. Following that, the information and samples are transferred and escalated to the relevant departments to find out the root cause of the issue. The team then evaluates the feedback, determines appropriate solutions, and closely monitors and measures customer satisfaction. (GRI 2-25)

In Ho Chi Minh, Vietnam, we adhere to government regulations that promote traceability of the food products from hatchery and farms using a digital application. With this application, the customers can scan the products to show the original farms or hatchery.

In Myanmar, our poultry operations have implemented a barcode system on Day Old Chick (DOC) boxes, offering customers a direct avenue to address concerns. By scanning the QR code, we can quickly identify the farm responsible for the product, enhancing transparency and customer satisfaction. Our steadfast commitment to enhancing farm and hatchery practices is reflected in tangible results, with customer complaints experiencing a notable reduction. In 2023, the complaints have significantly decreased to 7%. This achievement underscores our dedication to continuous improvement and meeting customer expectations. (GRI 417-1)

Regular Training on Customer Service

To enhance our team's capabilities, regular training is conducted to keep them updated on latest good practices and customer service techniques. This ensures that they can effectively address customers' feedback and concerns. At Japfa, we highly value the input and feedback from our customers, using it as an assessment tool to continually improve our product quality and services. Additionally, our team is provided with training materials and guidebooks to help them effectively address common issues.

Nurturing Future Generations: Japfa for Kids



Physical activities at a Japfa-assisted school

The future of our world lies in the hands of our children, each one a precious soul deserving the opportunity to reach their full potential. Recognising that a balanced diet is not just a choice but a crucial instrument in child development and a shield against the pervasive issue of stunting, particularly in emerging countries, is vital. Malnutrition poses a threat to children's well-being, development, and introduces the potential for additional health risks.

At Japfa, we take our responsibility as producers of staple protein food seriously. We actively engage in educating the next generation about the importance of balanced nutrition and healthy lifestyles through our flagship corporate social responsibility (CSR) programme, Japfa for Kids. Our commitment extends beyond that to creating a brighter, healthier future for all generations, especially those in rural areas. (GRI 203-1)

Nurturing Children in the Aspects of Balanced Nutrition and Healthy Lifestyle

The Convention on the Rights of the Child, an international human rights treaty that focuses specifically on the rights of children, explicitly asserts that every child, up to the age of 18, possesses fundamental rights, including the right to access healthy and adequate nutrition. However, a stark reality comes into light from a 2019 UNICEF report, revealing that on a broader scale, 2 out of 3 children aged 6 to 23 months do not receive the essential range of balanced nutrients recommended for their optimal growth¹⁵. This reflects the challenges and disparities in ensuring that children worldwide have access to the nutrition necessary for their well-being and development.

Early nutritional deficiencies can heighten the risk of later overweight and obesity, particularly when children and their families struggle with unbalanced diets and insufficient physical activity¹⁶. The growing prevalence of excess weight and obesity among children and adolescents emphasises the critical importance of promoting healthy eating habits, especially among school-age children.

Japfa for Kids - Our Flagship CSR programme

At Japfa, we recognise the children's rights and are dedicated to enhance children's nutrition through education on balanced nutrition and fostering healthy lifestyle habits. Through our longstanding CSR programme, Japfa for Kids, established since 2008, we focus on supporting children affected by malnutrition and undernutrition, ensuring their access to a healthy future.

Our aim at Japfa for Kids is to equip children with the essential knowledge to make informed food choices, thereby positively impacting their health. In 2023, Japfa involved 87 elementary schools across six provinces, underscoring our dedication to educating and promoting healthy behaviours among the younger generation.

¹⁵ United Nations Children's Fund and United Nations Special Rapporteur on the Right to Food, 'Protecting Children's Right to a Healthy Food Environment', UNICEF and United Nations Human Rights Council, Geneva, November 2019.

¹⁶ Indonesia: Overweight and obesity on the rise in all age and income groups. (n.d.). <https://www.unicef.org/indonesia/press-releases/indonesia-overweight-and-obesity-rise-all-age-and-income-groups>

Japfa for Kids' Reach in Indonesia in 2023



Our overall scope coverage in 2023 included 87 schools with a total of 13,060 students. Upon completion of the screening process, 1,683 students were covered by the Japfa for Kids intervention programme. These 1,683 students were measured for their weights and heights at baseline until endline.

One Egg Each Day for 3 Months

Japfa's "One Day One Egg" programme directly addresses malnutrition and undernourishment is designed to improve the nutritional well-being of malnourished and undernourished children through regular egg consumption.



Elementary School Students Eating Eggs during Japfa for Kids Activities

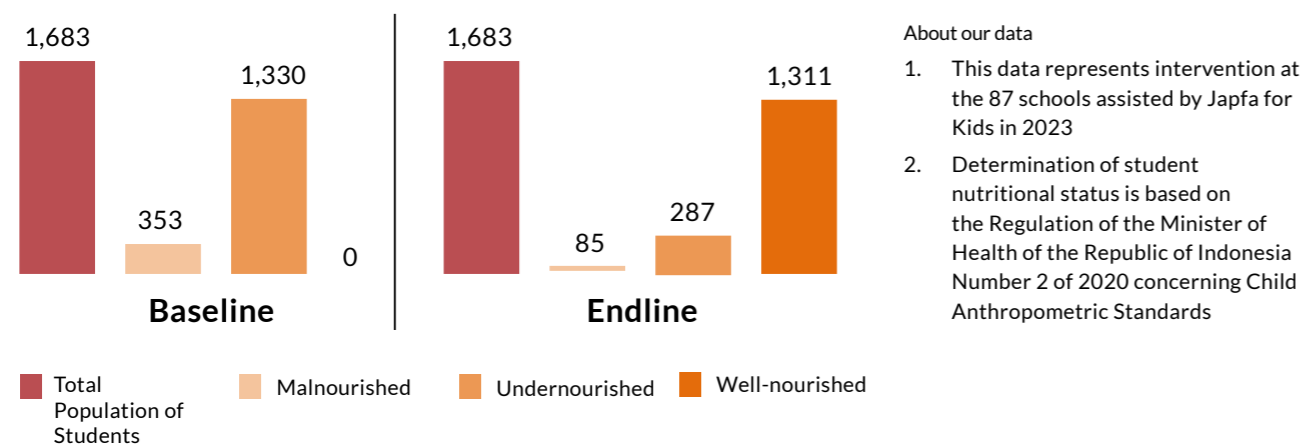
Over a span of three months, Japfa provides one egg daily to each of the 1,683 children identified as malnourished and undernourished. The distribution of eggs was coordinated through designated agents at schools or local centres, allowing parents of the identified children to collect the eggs for their nutritional needs. We monitor egg consumption by tracking the lunches brought by the children to school, ensuring they have a well-balanced meal that includes these eggs. This approach not only addresses their immediate nutritional requirements but also creates awareness of the importance of balance to the parents and fosters a consistent habit of consuming a balanced diet.

Japfa for Kids Application

In 2023, to ensure the programme's effectiveness, we actively monitor progress, which is tracked by the teachers using the Japfa for Kids application. This application serves as a tool for recording details

such as egg distribution, students' height and weight, and observations of their school meals, while also documenting various other activities. The students' BMIs are monitored from baseline to endline.

Nutritional Status of Students who Received Intervention from the Japfa for Kids Programme



Bringing Positive Change for The Children

Post the implementation of the Japfa for Kids programme, it was observed that the students made positive progress as their nutritional status improved from malnourished/undernourished to well-nourished. Furthermore, evidence showed changes in the students' knowledge and behaviour relating to balanced diet and physical health.

In 2023, the Japfa for Kids programme successfully lifted 1,311 students to a well-nourished status from a undernourished/malnourished status.



Joining the Japfa for Kids programme has been insightful, significantly impacting our approach to nutrition and physical health. We have uncovered malnutrition issues in students and learned the vital role of a balanced diet and physical activity in promoting healthier lifestyle choices. This experience has encouraged dietary variety and the practice of bringing packed lunches. I value being part of this initiative and support its growth to educate and empower communities for healthier living.

Robiatul Adawiyah
A Principal in Deli Serdang District



Japfa Healthy Day

In addition to offering direct nutritional support to malnourished and undernourished children, we actively promote healthy lifestyle practices across all 87 schools through the Japfa Healthy Day initiative. Grounded in the 4 Pillars of Balanced Nutrition programme, as outlined by the Ministry of Health of the Republic of Indonesia, it covers:

- Active lifestyle and exercise
- Consuming a diverse diet
- Maintaining an ideal body weight
- Having a clean and healthy lifestyle

We organised a series of contests to promote healthy living, including a video challenge on Hand Washing and Sanitation (HWS) techniques, a cooking competition for egg-based recipes, and a photography contest showcasing nutritious toddler meal. Prizes, like educational toys, were awarded to the most outstanding participants.



Handwashing with soap

Promoting Healthy Behavior Practices in Schools

Japfa Healthy Day involves a diverse array of health-focused activities, conducted in collaboration with local schools. Our approach starts with health screenings in partnership with nearby health centres, where students' weight and height are measured.

Subsequently, we offer education on the principles of balanced nutrition, following the "Balanced Diet" model, and instil practices of a clean and healthy lifestyle. This lifestyle encompasses essential habits like regular handwashing with soap, nail care, proper garbage disposal, and active involvement in community service initiatives.



5S-Based School Governance

Implementing 5S-Based School Governance

The 5S concept, originating from Japan, comprises five stages: seiri/sort, seiton/set in order, seiso/shine, seiketsu/standardise, and shitsuke/sustain. Widely adopted across various industries, this concept aims to reduce waste and enhance productivity by maintaining a clean work environment. Drawing inspiration from this concept, we have implemented 5S in schools supported by Japfa, creating clean and healthy environments conducive to children's growth.



Exercise activities in Japfa-assisted Schools

Exercise Together

We understand the importance of physical activities for children's physical health and mental well-being. Our "Exercise Together" programme actively involves school children in exercise activities. This programme also incorporates group activities to foster bonding among the participating children.

Through Japfa Healthy Day, we strive to instil these pillars as integral components of the daily lives of the children, fostering a holistic approach to health and well-being.



We express our appreciation for the children participating in Japfa-assisted schools through the Japfa for Kids Awards 2023. During this award ceremony, we organised a range of individual and group competitions, including creative writing, colouring, school management and "Balanced Diet" exercise.

Mitigating Stunting Cases in Children under 5 years old

In collaboration with the Edu Farmers International Foundation (Edufarmers Foundation), Japfa is committed to addressing child malnutrition in children under the age of five through the Santosa untuk Anak Nusantara (SAN programme). In this initiative, we provide subsidised eggs to parents, alleviating the financial burden for those whose children are affected by stunting and making it more affordable to provide eggs to their children's daily diet at home. (GRI 203-1, 203-2)

The distribution of eggs is facilitated by local community health workers (*posyandu* cadres), and the beneficiaries are required to get their weight and height monitored monthly. To encourage parents to submit their children's progress, we have a reward system to motivate them.

Additionally, we conduct educational sessions for parents on proper nutrition for infants and children affected by stunting. Through this education, we aim to empower parents to maintain healthy dietary practices at home, even after their children have recovered from stunting. In 2023, we reached various cities/districts in Indonesia, including:



As a result of the intervention under the SAN programme, the stunting has been reduced by 17.1%.



Mother and child participant of SAN programme

5

Efficient Production System

With the global population projected to reach 9.7 billion by 2050¹⁷, the demand for food is set to surge. This poses a challenge of meeting nutritional needs of billions in a sustainable manner.

As a leading agri-food producer in emerging Asia, we acknowledge the urgent need to provide accessible and cost-effective essential proteins to billions while safeguarding the planet's finite resources. This growing threat is intensifying as we see the detrimental effects manifesting in the form of food security and affordability.

Japfa has set ambitious sustainability targets in 2022, focusing on resource efficiency and waste reduction throughout our production process. Our approach involves genetic selection, optimal nutrition, and modern farming practices. Large-scale, standardised operations, economies of scale, and local sourcing of raw materials (where feasible) are key features. We integrate technology at every stage to optimise energy and resource utilisation, reducing our environmental footprint.

Leveraging our vertically-integrated business model, we unlock the full potential of our value chain, making essential staples accessible. In a world where food security and sustainability are paramount, our efficient production system is not just a strategy—it is a lifeline, delivering nutritious protein staples while protecting the future of our planet.

JAPFA Sustainability Pillars

Efficient Production System

Large Scale Operations & Advanced Technology

Our Approach



Upholding Animal Welfare



Efficient Use of Energy and Resources



Emission and Waste Minimisation



¹⁷ United Nations. (2023, September 15). 2023 Theme: Unleashing the power of gender equality: Uplifting the voices of women and girls to unlock our world's infinite possibilities. <https://www.un.org/en/observances/world-population-day>



Japfa employee checking on animal

Upholding Animal Welfare

Ensuring the well-being of its livestock is integral to Japfa's commitment to sustainable and ethical agricultural practices. It also ensures the production of an affordable balanced diet in a welfare-friendly manner. Properly addressing the needs of the livestock not only promotes good health and productivity but also prevents losses for the business. Japfa is dedicated to uphold high animal welfare standards, and seamlessly integrate these carefully-planned measures into our daily operations. (GRI 2-23)

Five Freedoms of Animal Welfare¹⁸



Freedom from hunger and thirst



Freedom from discomfort



Freedom from pain, injury or disease



Freedom to express normal behaviour



Freedom from fear and distress

Our commitment to animal welfare is evident through various initiatives. We provide safe and nurturing habitats for our livestock, ensuring strict biosecurity protocols to protect the animals from viruses and diseases which tend to be more prevalent in the tropical climates of Asia. Daily health assessments are carried out and optimal nutrition is provided by our own animal feed, meticulously formulated to best suit the local environment and requirements. We responsibly manage the use of antibiotics and vaccines while harnessing the full potential of animal genetics for their well-being.

¹⁸ Farm Animal Welfare Council. (2009, April 16). Five freedoms. <https://webarchive.nationalarchives.gov.uk/ukgwa/20121010012427/http://www.fawc.org.uk/freedoms.htm>

Biosecurity Protocols Implementation

Biosecurity is paramount in protecting livestock from diseases and contaminants that pose a threat to animal health. Our stringent biosecurity practices, implemented across our operations in five countries, safeguard the health of the livestock, leading to high-quality food sources for consumers. Even in the post-pandemic era, we continue to have rigorous protocols to protect both our animals and employees.

Isolation

The strategic placements of our farms are carefully selected to adhere to the concept of isolation to minimise the risk of disease transmission. This is also aligned with local government rulings on farming zones and proper certification.

Proper Sanitation

Ensuring proper sanitation is a key practice to maintain cleanliness and prevent contamination of people, vehicles, raw materials, and equipment. This includes specific measures such as:

- Implementing a tire bath ensures that every truck undergoes a thorough washing and disinfection process before entering the factory or farm areas.
- Implementing the isolation of sick animals
- Going through showers, sterilisation, clothes change, fumigation of equipment, to minimise the risk of introducing contaminants, particularly in the highly restricted Green Zones



Biosecurity Measure - Truck washing and sanitation

Traffic Control

Limiting access to farm premises is a crucial step in biosecurity. In our poultry operations, a three-zone system efficiently controls traffic flow:

- Red Zone:** Encompasses parking, security post
- Yellow Zone:** Designated for office spaces
- Green Zone:** Dedicated for livestock accommodation

Standardised visitor protocols are enforced to restrict entry to our farm premises only to authorised personnel and vehicles after obtaining prior approvals. This protocol involves securing approvals from relevant authorities, and is consistently applied across all locations. For instance, in our India operations, approval from both the farm manager and the poultry health team is required, and a thorough visitor history record is maintained to ensure the health and safety of our flocks.

All In All Out

In Vietnam, we implement the "All In All Out" system, using a farm management software for farm entry requests. Internal employees need to seek approval from the Head of Operations, while external visitors require approvals from Department Heads.

Additional biosecurity protocols for our aquaculture operations in Indonesia:



Broodstock Selection

We prioritise animal welfare by selecting quality broodstock from specific genetic strain to ensure desirable traits, promote overall well-being, and uphold sustainable and ethical animal farming practices.



Isolation and Routine Health Checks (Shrimp Hatchery)

In our shrimp hatchery, a strict 14-day quarantine precedes the brooding process, accompanied by routine health assessments using Polymerase Chain Reaction (PCR) technology to verify disease-free status.



Aquaculture Disease Mitigation

Disease mitigation in aquaculture involves water quality, proper disposal of deceased fish and shrimp, and utilising registered feed ingredients approved by the Ministry of Marine Affairs and Fisheries of Republic of Indonesia (KKP) in alignment with different stages in the life cycle of the fishes and shrimp.

Rigorous Sanitation in Processing Facilities

Our commitment to rigorous sanitation protocols extends beyond farms to include various poultry and aquaculture processing facilities. In these locations, we adhere to stringent hygiene standards, mandating hand washing and the use of custom clothing. These measures are essential to ensure cleanliness and mitigate any risk of contamination, particularly in the crucial realm of food production.

In our fish processing units, we uphold strict standards of aquaculture hygiene by using precision systems and carefully calibrated dosages for water sterilisation. This essential disinfection process is meticulously executed to eliminate harmful microorganisms, guaranteeing that our water quality consistently meets the stringent requirements of our operations. By prioritising precision in water sterilisation, we ensure the safety and integrity of our products, maintaining our commitment to delivering the highest quality seafood to our customers.



Seafood product packaging process

Comfortable Farms

In the face of current extreme climate conditions impacting all living beings, including animals, Japfa recognises the potential adverse effects from environmental factors such as temperature, water, air quality and pressure, humidity as well as light on animal health¹⁹. In 2023, regions where Japfa operates experienced heat waves, with projections indicating potential increases due to uncertain climate changes. This directly affects the welfare of our animals, especially broilers and layers.

Japfa remains steadfast to creating a nurturing farm environment that effectively addresses climate change challenges. We firmly believe that prioritising the safety and comfort of our animals is pivotal, influencing their welfare and contributing to good yields.

Mitigating Climate Change through Closed-House Systems

Mitigating the impact of climate change is a priority for Japfa, and we have implemented closed-house farms equipped with advanced technologies to control the microclimate. In these closed-house farms, we can regulate temperature, humidity, wind speed, and monitor CO₂ levels using sensors throughout the entire poultry farm. The transition to a closed-house system across our owned and Company-managed farms allow us to adapt to changing climate conditions.

In India, we have implemented various measures to ensure the well-being and comfort of our chickens throughout the year. Cooling pads are provided during summer, while in winter, we maintain a comfortable temperature inside the closed house

with a ventilation system. Special equipment, such as heaters, is in place to address anomalies and to ensure consistent temperature. Our focus this year aims to balance the use of ventilation while ensuring warmth. Additionally, we have incorporated slatted flooring and a deep litter system to enhance the comfort of the chickens, promote cleanliness, and simplify manure management.

We utilise cooling rooms for hatching eggs, maintaining a stable temperature and environment suitable for the eggs to hatch. This approach reflects our commitment to creating a conducive environment for the chickens, considering the climate and their impact on the well-being of the animals.



Inside a closed-house system at PT Japfa Tbk

¹⁹National Academies Press (US). (1981). Poultry. Effect of Environment on Nutrient Requirements of Domestic Animals - NCBI Bookshelf. <https://www.ncbi.nlm.nih.gov/books/NBK232332/>

Maintaining Water Quality in Aquaculture

Ensuring a good quality water environment is crucial for the health of our aquatic animals. We have implemented a range of good practices to maintain optimal water quality, including:



Proper Sterilisation

Employing proper sterilisation methods to eliminate harmful microorganisms in tilapia fish processing units.



Water Disinfection Methods

Utilising various water disinfection methods, such as ozone treatment, ultrafiltration, and ultraviolet (UV) treatment, in shrimp hatcheries to maintain water quality standards.



Site Selection for Aquaculture

Considering factors like geographical spacing and maintaining optimal water flow during the selection of aquaculture sites.



Regular Water Quality Monitoring

Conducting monthly monitoring of water quality, including physical, chemical, and microbiological assessment. Parameters assessed include temperature, oxygen content, pH level, phosphorus and nitrogen content, particularly crucial for fish or shrimp cultivation. This comprehensive monitoring approach ensures that the water conditions remain conducive to the well-being of the aquatic animals.



Fish ponds in Banyuwangi

Maintaining Animal Health Across the Group

We adopt a holistic approach to ensure the health of our animals, emphasising responsible use of vaccines and antibiotics, along with health monitoring.

Controlled Use of Antibiotics and Vaccines

In the agricultural sector, prudent use of antibiotics is imperative to combat the threat of antibiotic resistance. Overuse or misuse of antibiotics can lead to the development of drug-resistant bacteria, posing risks to food safety and human health. Responsible use of antibiotics along with good animal husbandry practices including the right use of vaccines strikes balance between disease prevention, treatment, and concerns about antimicrobial resistance, animal welfare, and sustainable farming practices.

Vaccination for Animal Health

We take preventive measures including the safe administration of vaccines at appropriate life stages, to ensure the protection of newborn chicks from day one. Early vaccination eliminates the need for additional doses during their rearing period, reducing stress levels. Vaccines against diseases such as Avian Influenza, infectious Bursal Diseases, Infectious Bronchitis and Newcastle Disease are administered at the appropriate stage of their life cycles.

As a total solution agri-food company, Japfa promotes access to animal vaccines through Vaksindo, a subsidiary under PT Japfa Tbk. Vaksindo conducts research and development and manufactures a range of livestock vaccines, primarily focusing on poultry. These vaccines are widely used in hatcheries, breeding farms, and commercial farms, with ongoing efforts to make vaccines accessible for our farmers nationwide.

Vaksindo had the privilege to engage with the President of the Philippines, addressing various aspects related to avian flu management in Indonesia, with a focus on the efficacy of vaccinations. During this conversation, Vaksindo shared insights on preventative measures, early identification strategies, and quarantine protocols specially designed to combat Avian Influenza. This engagement underscores the international recognition of Vaksindo's commitment to ensuring animal health in Indonesia and beyond.



Producing Local Vaccine in Vietnam

In Vietnam, we have established a dedicated unit for local vaccine production, reducing the need for extensive transportation and logistics, thereby mitigating environmental impacts associated with imported vaccines while simultaneously promoting local production.

Antibiotics to Help Sick Animals

Climate change heightens the risk of diseases in livestock by compromising their immune systems, and creating favourable conditions for pathogen growth. Japfa adopts proactive measures when our livestock falls ill, involving the isolation of sick animals and the administration of prescribed antibiotics obtained from veterinarians. We have dedicated veterinary professionals and laboratories that oversees antibiotic limits, ensuring antibiotics usage. Across other countries of operation, a shift is made towards Antibiotic Growth Promoter (AGP)-free practices or free from AGP residues, aligning with a commitment to responsible and sustainable antibiotic usage and applicable regulations.

Digital Drug Prescription System

In Indonesia, a digital drug prescription system is implemented to ensure the responsible use of antibiotics. The digital prescription system aids in monitoring usage trends and aims to minimise antibiotic use over time.



PT Japfa Tbk parent stock farm



In Indonesia, our products are entirely free from AGP. In Vietnam and India, our products are free from any AGP residue. Furthermore in India, we are also actively transitioning to non-AGP.

Animal Health Monitoring

Japfa ensures the well-being of the animals by applying standardised health monitoring and proper handling at every stage of the production.

Poultry Operations



Body Weight Checks

Regularly measuring the body weight of our animals to track their growth.



Mortality Rate Monitoring

Closely monitoring mortality rates of our poultry to ensure that our flock populations are healthy and free of disease.



Feed Consumption Management

Managing our poultry feed consumption based on age-specific standards to ensure uniform growth and size among our animals.



Hygiene Management

Conducting assessments by random sampling to make sure that our poultry farms are clean.



Blood Sample Monitoring

Regularly monitoring antibody levels to monitor the health of our colour bird in Vietnam operations through blood samples. Blood samples are taken every three months to monitor antibody presence and prevent main diseases.

Aquaculture Operations



Health Monitoring

- In shrimp hatchery, Fry Health Monitoring occurs twice daily, checking shrimp activity, development, length, appetite, and mortality. We also conduct polymerase chain reaction (PCR) checks to assess health throughout the production chain.
- Fish Health Monitoring is conducted regularly in fish farming which includes assessments of physical condition, appetite, movement, and mortality. Cage nets are also regularly maintained for cleanliness.



Holistic Care Approach

- Prioritises natural care and preventative measures. Recognising that diseases often emerge from disruptions in the ecosystem, we focus on enhancing water quality. This involves control of critical parameters like temperature, oxygen levels, and pH in the ponds.
- We integrate the use of prebiotics and probiotics into the shrimp's diet. This approach is designed to bolster their immune systems.



Optimising and Selecting the Best Genes

- We select climate-suited shrimp broodstock, collaborating with Hendrix Genetics for local breeding. Genetics that suit the local climate will adapt better which reduces stress on the shrimp broodstock.
- For aquaculture, the Aquaculture Research Centre partners with Kindai University and Universiti Malaysia Sabah for intensive research on breeding and feed optimisation.

Careful Animal Handling

We practise delicate care in managing animals across the entire process, which include loading or unloading process, transportation, and ethical slaughtering, with a commitment to prioritise the safety and comfort of the animals.



Healthy livestock



Maintaining Cleanliness and Minimum Handling

Our trained staff expertly manage Day-Old Chicks (DOCs), prioritising cleanliness to provide a comfortable and hygienic environment for them. In India, we have adopted a one-time handling approach, particularly during vaccination to reduce the stress. In aquaculture operations, we minimise direct handling during the breeding process. We recognise the importance of reducing multiple handling instances to minimise stress on the aquatic animals.



Ensuring Comfort in DOC Transportation

During the distribution of DOCs, our top priority is ensuring their comfort. To achieve this, we utilize specially designed chick vans equipped with ventilation systems. These vans are specifically tailored to provide optimal conditions for the chicks throughout the journey, ensuring they remain comfortable and stress-free.



Efficient Route for Distribution

Our DOCs are delivered using the most efficient distribution routes between our hatcheries to our customers. Our packing and logistic processes prioritise the safety and comfort of the chicks to minimise stress during transportation. We plan delivery routes for live birds, taking into account the distance and travel time from farms, to reduce stress experienced by the birds.



Comfortable Harvesting Process

Our harvesting process in poultry and aquaculture operations is executed by skilled, trained employees. In addition, in fish breeding we use the volumetric method to minimise the time spent outside their habitat during the harvesting process.



Ethical Slaughtering Practices

We adhere to ethical slaughtering practices in accordance with Halal procedures. Our chickens undergo stunning procedures to ensure humane treatment, rendering them unconscious and preventing any pain during the process.



Strict Procedures in Shipping

In our shrimp hatchery operations, standard operating procedures (SOPs) are in place to minimise stress during the shipping.

Nutrient-Rich Feeds for Animal Well-Being

Nutrient-rich feed plays a crucial role in enhancing animal health by supplying essential vitamins, minerals, and protein needed for their growth. A well-balanced diet not only supports their physical development but also boosts their immune system, lowering the risk of diseases. Maintaining healthy animals is vital for optimising their performance, preventing losses, and ensuring reliable food security.

Poultry Feed

In developing our feed, we have taken important steps:

Selecting Quality Raw Materials

Japfa maintains uniform standards across its global operations, with a strong emphasis on rigorous quality and responsible sourcing practices in both procurement and feed operations. We prioritise the selection of high-quality raw materials and engage with suppliers who meet stringent criteria, including certifications and background checks, to ensure transparency and accountability.

To mitigate deforestation risks associated with soybean meal, a crucial ingredient in our animal feed production, we take proactive measures to inform all our suppliers. This is achieved through requiring them to sign our Supplier Code of Conduct. Additionally, to enhance transparency and accountability, every shipment of raw materials requires a Certificate of Origin. These measures underscore our commitment to responsible sourcing practices and environmental sustainability.



Quality check on raw material

Rigorous Quality Control on Raw Material Selection

Across the Group, upon delivery to our feed mill, our Quality Control (QC) teams carefully inspect each batch of raw materials. If any materials fail to meet our specifications, they are promptly returned to the suppliers. Similarly, before our finished products are dispatched to customers, they undergo rigorous laboratory testing to ensure compliance with our standards. Good quality feeds will contribute to the welfare of the livestock and in turn food security for the people.

Additionally, we maintain regular visits to our vendors' manufacturing units, which allows us to gain insights into their testing methods while familiarising them with our standard procedures. This approach not only facilitates vendors in recognising areas for necessary process improvements but also educates them on upholding Japfa's quality standards and product requirements.

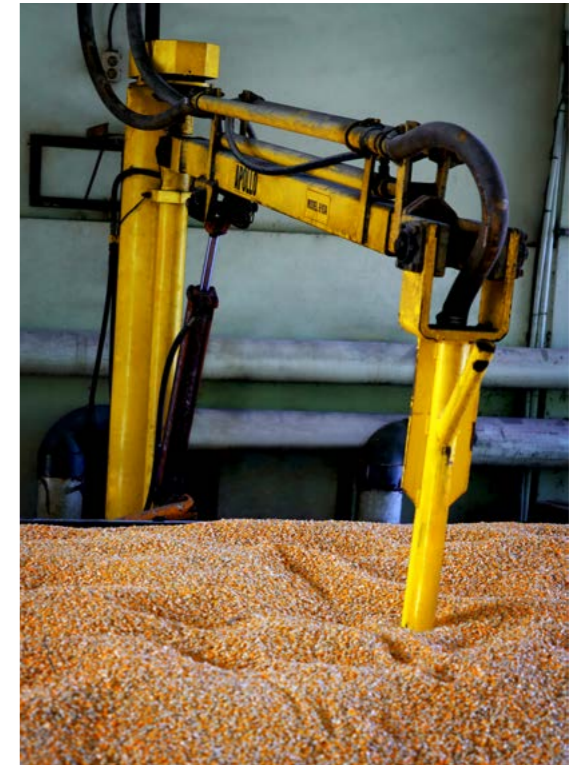
Continuous Research on Raw Materials

In our commitment to crafting high-quality feed for our animals, we engage in extensive research and prioritise the use of eco-friendly materials. To ensure the quality of raw materials, our feed mills are equipped with laboratories where thorough checks are conducted. Our studies have been featured in journals dedicated to animal science, including the Journal of Poultry Science, Journal of Applied Poultry Research, and the Feed and Biotechnology Journal.

The Group's dedication to research is evident. For example, in Vietnam, we focus on developing and optimising low-protein diets tailored specifically for broilers during their growth phase. By formulating and fine-tuning these diets, we aim to provide broilers with the essential nutrition needed to support their growth and overall health.

In India, we use the Near-Infrared Spectroscopy (NIR) method, a non-invasive spectroscopy technique that enables us to determine the chemical composition of compounds or solutions. This method enhances the accuracy of our research while also reducing the use of chemicals, thereby protecting the environment.

Through thorough research, we formulate feed containing a blend of probiotics and antibiotics in accordance with government regulations. It is important to note that these formulations are designed to ensure that no residue remains in the final product, thereby complying with strict regulatory standards.



Extracting corn samples for laboratory check

The journals can be accessed in the following links:

- <https://www.sciencedirect.com/science/article/pii/S1056617120301409#:~:text=The%20birds%20also%20responded%20to,rate%2C%20mFCR%2C%20and%20PI>
- <https://poultryscience.org/>
- <https://jasbsci.biomedcentral.com/articles/10.1186/s40104-020-00535-1>
- <https://www.scielo.br/j/rbca/a/M5GV9pTCwpmS4pxgM8Z66Ld/>

Implementation of Precision Feeding Concept

By implementing the precision feeding concept, we effectively control and minimise excessive feeding, thereby reducing the risk of soil, air, and water contamination. For instance, in Vietnam, we are actively investigating the reduction of phosphorus content in our nutritional formulations for chickens, demonstrating responsible phosphorus management. Additionally, we have tailored our feeding programmes, including specially designed programmes for colour bird, to enhance growth and performance levels.



Precision feeding at Japfa farms

Aquafeed

Japfa Aquaculture Research Station (JARS)

In 2023, our commitment is also reflected once again by obtaining an SNI ISO/IEC 17025:2017 compliant Nutrition Lab on Japfa Aquaculture Research Station (JARS) in Gresik, Indonesia. This initiative stems from our vision as a total solution company, aiming to promote research and development activities within an internationally accredited laboratory. Within this laboratory, we will conduct extensive analysis of diverse raw materials and feed components within the aquaculture sector. In 2023, we commenced a pilot project for research and development at the Purwakarta feed unit.

Feed Management in Tilapia Farming

In our tilapia farming operations, we implement feed management practices aimed at preserving water quality and minimising waste from feed. This includes utilising low-phosphorus feed to prevent water pollution caused by excessive fish feed waste. Additionally, we employ floating feed types and utilise feed retaining nets to mitigate wave disturbance, while feed broadcaster machines ensure even distribution. We take pride in our registration with the Ministry of Marine Affairs and Fisheries (KKP), underscoring our commitment to delivering the finest feed formulations to meet the diverse needs of our customers.



Congratulations to our aquaculture units in Nagara, Anyer, and Banyuwangi for achieving BAP certification in 2023!

Expanding Polychaeta Farming

Suri Tani Pemuka (STP) expanded polychaeta farming facilities to three new units in Anyer (Banten), Banyuwangi, and Aceh. Polychaeta, a nutrient-rich fresh worm feed, plays a crucial role in supporting the growth and health of shrimp broodstock. The expansion of polychaeta farming helps to stabilise the fluctuating supply of naturally caught polychaete, which is essential for maintaining a consistent and high-quality diet for our shrimp broodstock.

By effectively tackling challenges related to supply fluctuations and disease susceptibility associated with obtaining polychaeta directly from nature, we can significantly improve the final quality of shrimp.

Good Farming Standard Practices

We adhere to various national and global standards to ensure that our activities are conducted according to best practices. Japfa operates within guidelines such as Good Corporate Governance, Aviagen's Animal Welfare Goals and Principles, and Best Aquaculture Practices.

Aviagen, a member of the European Forum of Farm Animal Breeders (EFFAB), has adopted the Code of Good Practice for Responsible Breeding, Code-EFABAR, which we also follow as part of our commitment to responsible farming practices. (GRI 2-23)

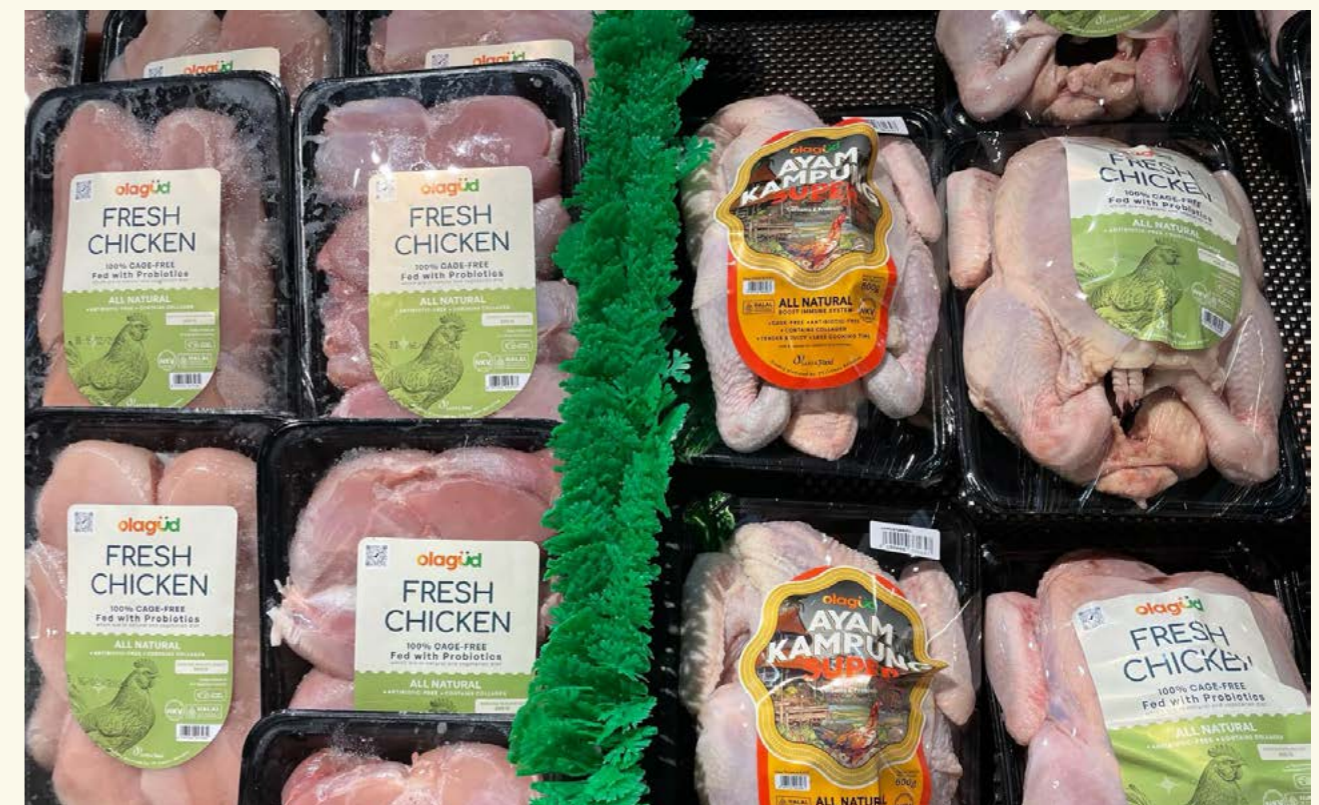
Delivering Animal Protein of Customers' Choice: Ayam Kampung Super and Colour Bird

Japfa chooses the best genetics to produce good animal protein for the masses. Through good animal husbandry practices, we ensure that our animals can adapt to the environment and living conditions, especially due to climate change (GRI 304-3, 304-4).

Recognising the diversity of our consumers across different countries we operate in, we are dedicated to delivering animal proteins tailored to their taste preferences. In Indonesia, we have "Ayam Kampung Super" - a product of Japfa Food, a crossbreed combining Pelung chicken and Hubbard chicken. This innovation allows us to provide consumers

with a cost-effective and consistently high-quality alternative which is preferred by Indonesian consumers.

In Vietnam, colour bird hold significant cultural and heritage value. In support of the Vietnamese government's conservation initiatives, we rear colour bird, which are a preferred animal protein in Vietnam. Our efforts to support the conservation involve the use of technology during rearing, such as in ovo vaccination and helping farmers to improve feeding mechanisms. This has led to the adoption of a more popular raising method for colored birds in closed-house systems.



We meticulously select the most productive genetics for our commercial broilers, pullets, and layer chickens, ensuring that these traits align with local climates and consumer preferences. This careful selection process allows us to deliver the highest quality products to our customers.





Aerial view of PT Japfa Tbk's feed mill

Efficient Use of Energy and Resources

As a leading animal protein producer in emerging Asia, we are dedicated to fulfilling food demands while managing energy and resources efficiently and responsibly within our production system. This commitment stems from our acknowledgment of the finite nature of energy resources, motivating us to combat climate change as part of our mission.

Efficient management of energy and resources serves as a cornerstone within our production framework. This holistic approach encompasses various strategies, including the optimisation of local and alternative resources, seamless integration of machinery and technology, and a steadfast commitment to the responsible stewardship of water resources across our operations.

These strategies work synergistically to minimise our environmental footprint while aligning to the UN SDG, Japfa Sustainability Targets, and our Sustainability Pillar: Efficient Production System.

Optimising Local and Alternative Sources to Mitigate Climate Change

We are committed to ongoing research into local and alternative raw materials with the primary goals of reducing carbon emissions by shortening transportation distances while maintaining product quality. This is crucial because transporting goods over extensive distances significantly increases the carbon footprint and adds to expenses, ultimately impacting the affordability of our products for the masses.

Our commitment remains unwavering despite the challenges posed by geopolitical issues and the natural seasonality of agricultural crops intertwined with traditional farming practices. These factors can lead to fluctuations in both the quantity and availability of local and raw materials from one year to the next.

Nevertheless, we persist in identifying suitable materials across our operations in the countries where we operate.



In Indonesia and Myanmar, our poultry production has increased utilisation of local ingredients, among them are **copra, rice bran, wheat bran, broken rice, or palm kernel cake**. This shift has reduced reliance on imported raw materials, while preserving feed quality. Our vaccine production has innovatively utilised rice hulls as an alternative in premix production.



In Myanmar, we further localised our supply chain by sourcing **local soybean seeds** for soybean cake and crude oil production. This not only reduces our import dependence but also supports local agriculture and businesses.



In aquaculture, we increased domestic raw materials utilisation for aquafeed, and we have successfully replaced fish oil, either partially or entirely, with local vegetable oil in the feed for certain species.



We transitioned from degummed soybean oil to **coconut oil** as a more cost-effective and alternative option in Vietnam. This change is in line with our commitment to resource efficiency and cost-effective production, ensuring our products remain affordable without compromising on quality.

Proportion of local sourcing of raw materials across our operation (GRI 204-1)*:



*) Local sourcing at Japfa encompasses local raw materials and suppliers based in the same geographic market as the Company, which may include community surrounding, operations, a region within a country or a country.

Optimising Productivity through Technology

We are committed to continuous improvement through technological adoption, aiming to streamline our operations and stay ahead of the curve in our industries by upgrading machines which enhance our output products and bring a more positive environmental impact as well as cost advantages.

Advancing Feed Production through Equipment Upgrades

We are continuously enhancing our feed production capabilities through equipment upgrades. In several animal feed units in Indonesia, we have improved workflow processes in the grinding areas and dosing systems. These enhancements have resulted in shorter grinding processes and reduced electricity consumption. Additionally, we have implemented a fingerprint system in the bins to ensure that only authorised personnel can modify production details. This helps to minimise the risk of cross-contamination and production errors, leading to cost savings and preventing losses.

Furthermore, outdated machinery in our aquafeed divisions, such as grinders and dryers, have been replaced with newer, higher-efficiency models equipped with sensors to further reduce electricity consumption. These upgrades contribute to our commitment to efficiency and sustainability in feed production.

Expeller Machine Investment for Soybean Cake Production

We have invested in an expeller machine to produce our soybean cake, which has enabled us to replace the need for Soybean Meal (SBM). By sourcing soybean seeds, we have diversified our raw material base in Myanmar. This investment not only enhances our production capabilities but also contributes to our strategic goal of broadening our raw material sourcing options, especially sourcing from local raw materials.

Installing Chain Conveyor in Animal Feed Units

Since 2022, we have initiated chain conveyors to transport raw materials from warehouses to production areas in various animal feed units in Indonesia, including Sragen, Grobogan, Cikande, and Medan. In 2023, we expanded this initiative to other units. The adoption of chain conveyors has significantly reduced production downtime, which was a challenge with the previous use of haul trucks. Additionally, this transition has led to a decrease in raw material spillage, resulting in enhanced productivity across these units.

Implementing Boiler Economiser and Cyclones

We have implemented several measures to enhance energy efficiency and reduce emissions in our operations. One such measure is the use of a boiler economiser on the flue to recover heat and preheat water before it enters the boiler. This significantly decreases boiler energy consumption and aids in emission reduction.

Additionally, cyclones are employed in dust collector intakes across all animal feed units to mitigate particulate emissions. These cyclones effectively capture dust particles, helping to minimise emissions and maintain air quality standards.

These initiatives demonstrate our commitment to sustainable practices and environmental stewardship in our operations.

Transitioning to Lower Energy Technology

We are transitioning to energy-efficient LED lamps across farms and offices in Indonesia's aquaculture division and Myanmar. This aligns with our overarching objective of reducing energy consumption, as LED lamps consume less electricity compared to conventional lighting sources.

In India, we have implemented energy-saving practices by installing lamps with motion sensors and timers in feed mills, warehouses, and offices. Furthermore, we have installed solar street lighting in two of the feed mills, with plans for further expansion. These initiatives underscore our commitment to sustainability and environmental stewardship across our operations.

Enhancing Efficiency through SOP Refinement

We are continuously refining our standard operating procedures (SOP) with a focus on making small adjustments that yield significant impacts. For instance, in the hatching process in India, we have implemented strategic arrangements aimed at optimising efficiency. These enhancements reflect our commitment to continuous improvement and operational excellence across all aspects of our operations.

Innovative Systems and Data Integration Across Operations

In the globalised landscape, data integration is crucial for providing our teams with access to vital performance metrics. At Japfa, we continually invent systems and applications to ease the complex operations. This helps us to make informed decision-making and process optimisation.



Setter machine in Poultry Hatchery Unit

Enterprise Resource Planning (ERP) System

In Indonesia, our ongoing efforts include integrating data from poultry breeding facilities into our ERP system. This system meticulously records daily hatchery and breeding operations, encompassing aspects such as depletion, mortality, medicines, and vaccine usage. The securely stored data enables automated measurements and facilitates tracking of cost of goods sold. We plan to expand and enhance this system across additional units this year as part of our continuous development initiatives.

Simultaneously in India, we are in the process of enhancing our operations through the integration of premix SAP and Non-Dosing PLC-SAP. This initiative is aimed at optimising our resources effectively.

Our poultry division integrates with SAP and offers a digital mobile application, the CGF Application, to employees including branch managers, area managers, and line supervisors. This innovative application simplifies data input, particularly for chicken body weight records, ensuring efficient updates within the system. Automation extends beyond production to the invoice data recording process, streamlining and enhancing efficiency, resulting in a reduction in annual man-days efforts.

Import Material Monitoring System (IMMS)

In Indonesia, we utilise the Import Material Monitoring System (IMMS), which has been fully implemented across all ports this year. This system assists each port in monitoring container shipments, resulting in improved cost efficiency and strengthened inter-departmental coordination for warehouse management. The successful implementation of IMMS was supported by our dedicated team, responsible for overseeing deployment across all ports in Indonesia. This team actively monitors progress and continually refines the implementation process. They conduct on-site visits to each operational port, engaging with operational teams to address any potential issues that may arise.

Moving forward, we plan to expand the use of IMMS to other departments, specifically in our fish and shrimp feed operations, further enhancing our monitoring and coordination capabilities across our supply chain.

Smart Factory System in Feed Mill Units

We have implemented a Smart Factory System in feed production in Indonesia. This system allows for better data storage and easier access to production data which enhances traceability.

The system enables real-time data analysis, speeding up decision-making and acting as an early warning system for any potential issues. This approach is more efficient than older methods that relied on manual data review and monthly meetings, allowing for quicker decision-making based on accurate data, and reduces paper use with paperless reports. By the end of 2023, it has been implemented across all animal feed units.

Boosting Customer Interaction through Sales Innovations

In Indonesia, our aquaculture team is driving two key initiatives aimed at improving market presence and sales monitoring within the aquaculture sector:

- **Business Intersection Dashboard Customer Dashboard project:** This project focuses on identifying overlapping customers between the aquafeed and hatchery subdivisions. By pinpointing these intersections, we can develop new strategies to tap into previously untapped segments of the market.
- **Sales Marketing for Shrimp Hatchery application (SM4SH):** This application is designed to monitor sales of shrimp-related products. It tracks data from order placement to billing and payment, providing valuable insights into sales performance and customer trends within the shrimp hatchery segment.

These initiatives underscore our commitment to leveraging technology and data analytics to optimise our operations and drive growth in the aquaculture sector.

In Myanmar, we are enhancing customer engagement and satisfaction through updates to the Japfa Best Sales Application. These improvements include an upgraded delivery system and an improved payment menu, making the app more user-friendly and convenient for customers. Concurrently, in India, we have implemented a Sales Order System with a mobile application, benefiting customers, distributors, and sales teams. This innovation provides direct access to place orders with Japfa, with integrated internal mobile systems ensuring seamless order processing.

Logistics Innovations

In Indonesia, our logistics operations have undergone significant enhancements aimed at ensuring efficiency, safety, and environmental responsibility through various applications, such as:

- **X-LOCATE Tracking Application:** Implemented nationwide, X-LOCATE enables real-time monitoring of DOCs and shrimp fry deliveries, utilising the Vehicle Tracking System (VTS) to track van location, temperature, fan condition, and speed. This system guarantees the safe arrival of deliveries to our customers.
- **Japfa Vehicle Optimisation System (J-VOS):** We employ J-VOS which is integrated with GPS to optimise fleet routes, timing, and fuel usage, thereby improving transportation resource management and minimising carbon footprint.
- **Radio Frequency Identification (RFID) Truck In and Out System:** In our quest for innovation, we have introduced the RFID Truck In and Out system at our Sragen feed unit in Indonesia. This system digitally identifies trucks and drivers upon entry, facilitating real-time tracking within the operational area. By enhancing accuracy, efficiency, and security, this system helps reduce errors and paper consumption, streamlining our operations for improved performance.

Meanwhile, in India, we have implemented a Vehicle Management System (VMS) to track truck movements and enforce document checks for driver licences and cargo details. This integrated system ensures precise vehicle management during arrivals and departures, minimising the risk of damage and harmonising data flow across our operations.



Loading DOC at PT Japfa Tbk

Effective Communication and Customer Interaction Tools Using Broadcast Messaging and CRM Applications

In Indonesia, we have implemented a broadcast messaging app, initially piloted in Purwakarta aquaculture, to enhance communication between our sales team and customers. This application aims to boost sales by directly promoting our fish and shrimp feed products to agents and customers.

Similarly, in Vietnam, we have the Customer Relationship Management Japfa Comfeed Vietnam (CRM JCV) application to streamline and enhance customer interactions. This tool enables efficient tracking of customer interactions, feedback management, and personalised communication. Through CRM JCV, we reinforce our commitment to building lasting customer relationships with a responsive and streamlined approach.

Quality Control Shrimp Hatchery Accurate Rapid Programme (QC Sharp)

QC Sharp is a system focused on enhancing quality control in Indonesia shrimp farming. It monitors temperature, water quality, food, shrimp growth, and other factors impacting shrimp quality and growth in hatcheries. Our system helps internal team to identify issues, allowing them to take timely actions to maintain quality, productivity, and operational efficiency in shrimp farming. The data server operates in the cloud for optimal effectiveness, scalability, and security.

Robotic Process Automation (RPA)

This year, Japfa Vietnam has improved payment efficiency and accuracy through RPA, by automating the 3-way matching process for invoices, receipts, and purchase orders to improve payment accuracy and speed simultaneously reducing manual work in SAP system.



We have a Japfa IT blueprint to establish a comprehensive digital infrastructure within the production system for sustainable business performance and growth.

Implementation of Management Information (MI) 2.0

In Vietnam, our feed business operations in the North and South regions underwent a successful transition to Management Information (MI) 2.0. This initiative facilitates the daily generation of management information, providing precise data segregation and access control for each region. The system centralises data from various silo systems into a data lake and establishes automated workflows, streamlining the traditionally time-consuming processes within accounting and finance teams.

Shrimp Technical Team (STT) and FTT (Fish Technical Team) Mobile

Japfa has developed STT and FTT Mobile, android-based applications, for technicians working in shrimp and fish farming. These apps enable technicians to efficiently track and document their regular visits, while also monitoring crucial aspects like water quality, growth of shrimp, consumption of feed, and overall performance of the hatcheries.



Water sampling at PT Japfa Tbk shrimp hatchery

Refined Packaging

In 2023, our subsidiary in Indonesia developed an innovative way to produce thinner packaging design, effectively reducing the initial volume by 70%. This design replaces the previous packaging, reducing the consumption of packaging materials and yielding cost reductions.

In Myanmar, we have implemented refined packaging practices for Day-Old Chicks (DOCs). The packaging for our customers is designed using carton boxes, and we proactively engaged with our customers to explore the possibility of selling these carton boxes to third parties. We also utilise reusable plastic for our internal farm operations.

Durable Bags for Reuse Purposes

In our operations in India, we use recyclable polypropylene (PP) bags equipped with necessary labels. These bags are durable, allowing them to be resold to vendors for reuse in agricultural purposes by farmers and suppliers. This approach promotes sustainability by reducing waste and extending the lifespan of packaging materials.

Utilising Recycled Materials for Packaging

In our vaccine production, we have initiated a shift towards the utilisation of recycled materials for packaging. This initiative not only renders our packaging more efficient but also maintains the quality and integrity of the plastic materials used. This environmentally-conscious shift aims to contribute to waste reduction efforts and aligns with our dedication to environmental stewardship by utilising fewer materials in our packaging.

Halal Certified Packaging

In Indonesia, we adhere to a comprehensive set of procedures to ensure full compliance with Halal certification standards for our feed packaging. These procedures cover every aspect of our operations, from material procurement to the production process, ensuring that our products meet the required standards and deliver quality while maintaining Halal certification.



Finished goods warehouse in PT Japfa Tbk feed mill

Water Stewardship

Water, an essential shared resource, is crucial for human survival. UNESCO reports that over 70% of groundwater and 92% of flow water and rainwater are currently utilised in agriculture, farming, and food production²⁰. As the demand for water increases, efficient water management becomes imperative. Japfa recognises this challenge and is committed to conserving water across our operations to address water-related risks, particularly in areas with water scarcity, in line with our sustainability goals. (GRI 303-1)

LCA-Based Sustainability Performance Target

At Japfa, we have set a Sustainability Performance Target for the Sustainability-linked Bond (SLB) issued in 2021. This SLB entails the construction of nine recycling facilities within various slaughterhouses and a hatchery unit by end of 2024. Our SLB is based on a Life Cycle Assessment (LCA) conducted using the cradle-to-gate method, encompassing the entire journey from animal feed production to the sale of poultry products within the domestic market.

The outcomes of this LCA highlight water and waste as environmental concerns in our operations. Furthermore, our SLB is also based on water scarcity footprint assessment, which helped determine the strategic placement of our recycling facilities. The results of this water scarcity assessment have received a "Robust" result from a second-party opinion. Hence, we are actively implementing strategic measures to mitigate environmental challenges in alignment with the Company's sustainability objectives.

Constructed 8 Water Recycling Facilities

Between 2021 and 2022, we established five recycling facilities, aligning with our commitments as specified in the Sustainability-Linked Bonds (SLB). In 2023, we completed the construction of three new recycling facilities. These facilities were subject to an audit by an external auditor.

In 2023, our water recycling facilities in Cikupa, Subang, Lampung, Wonoayu, Pemalang, Magelang, Medan, and Boyolali successfully recycled 161 megalitres of water. Over the period from 2021 to 2023, we recycled a total of 202 megalitres of wastewater*. Water from these recycling facilities serves various purposes including utility functions such as condenser cooling, flushing toilets, and watering plants.

*) The estimation of recyclable water from the eight water recycling facilities is determined upon the completion of construction for each unit.



Detail regarding Water Recycling Facilities can be found in our PT Japfa Tbk website <https://www.japfacomfeed.co.id/id-sustainable-finance>

²⁰ Water and Ethics: Water in Agriculture UNESCO, <https://unesdoc.unesco.org/ark:/48223/pf0000136354>

Responsible Water Usage

At Japfa, we recognise the importance of water as a vital resource, and we adhere to government regulations for water withdrawal, usage, and effluent quality standards. Across the countries where we operate, we have various means to conserve water. (GRI 303-1, 303-2, 303-3, 303-5)

Rainwater Harvesting

We have implemented rainwater harvesting in various units across Indonesia to minimise the groundwater withdrawals. The collected rainwater is treated to meet our standards for different usages.

Wastewater Treatment Facilities

We treat wastewater in wastewater treatment facilities according to regulatory standards before releasing it into water bodies. (GRI 303-2) For example, our India feed mills are equipped with Sewage Treatment Plants (STPs) to treat wastewater, which is then used for gardening purposes.

Measure Water Withdrawal

Flow meters are installed across our operations to monitor and maintain sustainable groundwater withdrawal rates, mitigating the risk of groundwater resource depletion.

Reverse Osmosis

Reverse osmosis systems are installed in some sites to ensure better water purification and safety standards. These systems enhance the quality of water used in critical areas like slaughterhouses and processing units, where there is food contact, as well as in feed mill boilers to prevent scaling and enhance efficiency. This investment underscores our commitment to maintaining top-tier hygiene and operational efficiency across our facilities.

Water Withdrawal

GRI 303-3

unit = megalitre

Source	2022	2023
Ground water - Fresh water	8,200	9,724
Surface Water (River, Lake) - Other water	2,013	2,061
Sea water - Other water	7,541	7,728
Rainwater - Fresh water	35	43
Third-party water (municipal industrial) - Fresh water	1,110	1,395
Total water withdrawal	18,899	20,951

About our data

- The data includes production, offices, and domestic usage
- 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)

In 2023, we observed a rise in water withdrawal/consumption, due to:

- the inclusion of offices and domestic usage
- the expansion of the JSRS scope (Bangladesh) and inclusion of new units for reporting
- sanitation maintenance and heighten biosecurity measures in farms
- ongoing data cleansing

Managing Wastewater

Efficient wastewater management is a pivotal aspect of our sustainability initiatives at Japfa. In Indonesia, we have incorporated root blowers in various poultry operations to enhance wastewater quality. Dewatering and sedimentation equipment has been deployed in several units, reducing waste by separating excess liquid from solids that eases the processing of the wastewater. (GRI 303-1, 303-2)

GRI 303-4

unit = megalitre

Water Discharge by Quality and Destination	2022	2023	Destination
Total Poultry	1,829	2,141	Drainage and surface Water Bodies
- Fresh water	1,782	2,096	
- Other water	48	45	
Total Aquaculture	275	442	Sea and surface water bodies
- Fresh water	274	434	
- Other water	0	8	
Total Water Discharged	2,104	2,583	Drainage, sea and surface water bodies

About our data

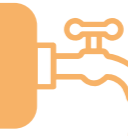
- The data includes production (excluding India and Bangladesh)
- Freshwater (total dissolved solid/TDS ≤ 1,000 mg/L)
- Treated non-consumable water (TDS > 1,000 mg/L)

Our wastewater quality tests align with government regulations and relevant standards. In 2023, there is an increase of water discharge due to new units included for reporting purposes.

Water Consumption

GRI 303-5

unit = megalitre



About our data

- Water consumption = water withdrawal - water discharge

Water Circularity with Aquaponics

One of our research areas is to develop resource-efficient farming practices through aquaponics. This integrated approach combines fish farming and crop cultivation using wastewater containing fish waste as a medium and natural fertiliser.

Our initial experiments were focused on fruits and vegetables, expanding our crop diversity this year to include melon, mustard greens, cayenne pepper, curly red pepper, rose tomato, and eggplant. Looking ahead, we aim to introduce chilli cultivation through aquaponics to our local farmer customers to help them improve their productivity and income streams.

To further enhance our aquaponic methods, we have implemented a water recirculation system this year. Additionally, we have taken an advanced step by introducing a Recirculating Aquaculture System (RAS), enabling us to recycle water for use in our catfish cultivation ponds. These initiatives demonstrate our commitment to sustainable agriculture and innovation in farming practices.





Biogas treatment facility in Commercial Farm unit

Emission and Waste Minimisation

Transitioning to Renewable Energy Sources

As a responsible agri-food company with a substantial market presence, Japfa proactively undertakes diverse initiatives aimed at reducing waste and emission, aligning with our commitment to addressing food security and mitigating the risks of climate change.

Our drive to minimise emission goes hand-in-hand with our mission to provide safe, affordable proteins to Emerging Asia. By enhancing efficiency and reducing our carbon footprint, we are not only meeting the demands of the present but also securing a sustainable future for generations to come.

Reducing Emission Footprint

With the setting of our sustainability targets in 2022, this year is the time when we rolled up our sleeves to deep dive into the formulation of action plans. One of the key points to our action plans is the reduction of our emission footprint. Under one our Sustainability Pillar; Efficient Production System, we are diligently working to minimise our emission across all facets of our operations.

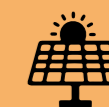
Transitioning to renewable energy sources where feasible, is a key aspect of our sustainability strategy, particularly in countries like Indonesia, Vietnam, Myanmar, and India where we operate. We utilise various biomass resources, including rice husks, wood waste, candlenut shells, firewood, and palm kernels, in our feed mills and consumer food operations to support our business while reducing our environmental impact.

One way to achieve Net Zero emissions is by transiting to clean, renewable energy. In the process, it will also reduce fly ash bottom ash (FABA) waste and emissions.

In Myanmar, we use rice husks pellets instead of coal for boilers and repurpose FABA as fertiliser for the community. In Vietnam, we use wood for our boilers, while in India, we opt for briquette and solid fuel boilers to reduce our carbon footprint and sulfur emissions.

Solar panels are also installed to power our head office in India and seven farms in Vietnam. (GRI 305-5)

We are steadfastly continuing our shift to more cleaner low-emission energy alternatives. We successfully achieved a 21% reduction in coal consumption throughout our poultry and aquaculture operations in PT Japfa Tbk compared to 2022.



Another example of our commitment to reducing emissions is streamlining our distribution channels. For instance, in Vietnam, we have constructed warehouses closer to farms and situated the corn driers close to the production premises. This strategic approach minimises transportation distances and helps lower emissions associated with the transportation of goods, contributing to our sustainability goals.

“Fighting Idle Energy” Campaign

The Animal Feed Division in Indonesia has established a specialised team to develop and implement the “Fighting Idle Energy” campaign. This campaign aims to cut down on inefficient energy usage across different facilities. The team is currently in the conceptualising and planning stage, targeted to be launched in 2024.

Measuring Emission and Effluent

Throughout the Group, effective monitoring of our environmental impact is paramount, and one way we achieve this is by measuring our energy consumption.

For instance, in Japfa India, we utilise a temperature monitoring system at our pellet cooler. This system enables us to finely adjust product moisture levels based on climate conditions, thereby optimising energy usage. Additionally, across the Group, we have implemented monitoring tools for various other machines, including reclining, grinding, and hammer mills. These initiatives reflect our commitment to sustainability and efficient resource management across all our operations.

Japfa Sustainability Reporting System (JSRS)

We leverage JSRS, our internal system, to gather and consolidate a range of sustainability-related data from various divisions, including electricity usage, waste, water, and employee statistics.

This in-house application is securely housed and can only be accessed through the Company's internal network, ensuring the utmost data security. The JSRS is in line with the most recent GRI standards and adhere to the guidelines set by the Japfa Sustainability Committee.

Our current focus is on refining data quality and to provide intensive training on JSRS to enhance precision and capture information more effectively and accurately. Through these efforts, we have improved the timeliness, accuracy, and transparency of our data collection, thereby streamlining our decision-making processes.

At start of 2023, PICs were appointed in each of the operating units to oversee data collection and verification. This structure significantly improved timely data collection and uploading to JSRS.

In 2024, we will work to improve data accuracy, using data analytics to identify anomalies and then follow up with deep dive to identify and fix underlying issues.

Japfa Sustainalytics

Japfa Sustainalytics is an in-house platform that we use to analyse data collected through JSRS, including data related to the employees. This year, we successfully rolled out its implementation across all countries where we operate. This has enabled us to improve our accuracy and timeliness reporting. Using JSRS, our supervisors and management can not only monitor processes and efficiency, but also analyse it critically. This platform acts as a tool for comprehensive overview and highlighting key areas for improvement.



JSRS Interface - the above figures are from test system. For illustration purposes only.

Congratulations to the Consumer Food Division for being the Best Submitter of JSRS Data of the year!

This achievement underscores their outstanding achievements in project completion, rapid approval processes, and precise data reporting. It also showcases a bottom-up approach, reflecting the unit's commitment to environmental stewardship, coupled with cost savings and enhanced performance.



Reducing Emission Footprint

Energy Consumption within The Organisation

Non-Renewable Energy

Category	2022	2023
Electricity ¹	36% 1,973,441 GJ	36.9% 2,170,987 GJ
Liquefied Natural Gas (LNG) ²	6.8% 374,441 GJ	7.3% 427,221 GJ
Compressed Natural Gas (CNG) ²	4.4% 242,975 GJ	6.8% 397,928 GJ
Liquefied Petroleum Gas (LPG) ³	2.1% 116,072 GJ	2.3% 133,816 GJ
Coal ⁴	3.3% 181,712 GJ	2.4% 142,331 GJ
Diesel Oil ⁵	7.1% 386,884 GJ	7.1% 416,331 GJ
Gasoline Fuel ⁶	0.1% 4,984 GJ	0.1% 4,658 GJ
Total Non-Renewable Energy	59.9% 3,280,509 GJ	62.7% 3,693,272 GJ

Renewable Energy

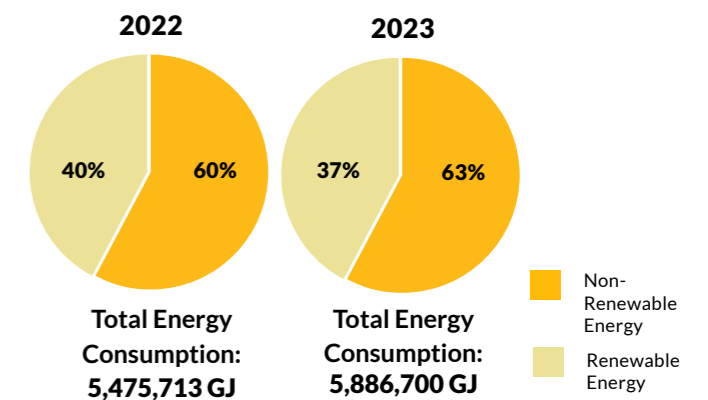
GRI 302-1

Category	2022	2023
Palm Kernel Shell ⁷	24.2% 1,322,911 GJ	20.0% 1,174,573 GJ
Palm Fiber ⁸	0.0% 497 GJ	0.0% 0 GJ
Candlenut Shell ⁹	1.6% 86,612 GJ	1.9% 109,276 GJ
Firewood ¹⁰	12.5% 686,329 GJ	9.3% 545,208 GJ
Rice Husk ¹¹	1.8% 98,855 GJ	2.7% 156,755 GJ
Solar Panel ¹²	0.0% 0 GJ	3.5% 207,616 GJ
Total Renewable Energy	40.09% 2,195,204 GJ	37.26% 2,193,428 GJ

Energy Consumption Outside the Organisation

We consider the energy consumed indirectly within our supply chain which is sourced from renewable energy. (GRI 302-2)

Total Energy Consumption Outside the Organisation in 2023
8,358 GJ



About our data

- Convert to MJ by standard methodology based on School of Oceanography, University of Washington, 1 kWh of electricity = 3.6 MJ
- Convert to MJ, 1 MMBTU = 1,055.06 MJ
- Convert to MJ standard methodology based on Ministry of Energy and Mineral Resources, calorific value of LPG = 47.27 MJ/kg
- Convert to MJ standard methodology based on Ministry of Energy and Mineral Resources, calorific value of coal = 23.45 MJ/kg
- Convert to MJ by standard methodology based on School of Oceanography, University of Washington, 1 litre of diesel oil = 36.4 MJ
- Convert to MJ by standard methodology based on School of Oceanography, University of Washington, 1 litre of gasoline = 35 MJ
- Convert to MJ standard methodology based on suppliers data, calorific value of palm kernel shell = 17.22 MJ/kg
- Convert to MJ standard methodology based on suppliers data, calorific value of palm fiber = 11.34 MJ/kg
- Convert to MJ standard methodology based on research of Efendi et. al., calorific value of candlenut shell = 25.46 MJ/kg
- Convert to MJ standard methodology based on World Agroforestry Centre, calorific value of firewood = 19.61 MJ/kg
- Convert to MJ standard methodology based on IRRRI, calorific value of rice husk = 15.06 MJ/kg
- Convert to MJ by standard methodology based on School of Oceanography, University of Washington, 1 kWh of electricity = 3.6 MJ

There is a decrease in renewable energy (palm kernel shell and firewood) usage due to a decrease in production and construction affecting the machineries using renewable energy sources.

There is an increase in CNG due to the expansion scope for reporting purposes (including Bangladesh).

We continue to improve the data quality by conducting data cleansing in our JSRS database using Japfa Sustainalytics.

Greenhouse Gases (GHG) Emission

TCFD-Metrics-b, GRI 305-1, 305-2, 305-3

unit = tonne CO₂e



	2022	2023
Scope 1 GHG Emission (Direct)	93,206	105,412
Scope 2 GHG Emission (Energy Indirect)	586,165	644,842
Scope 3 GHG Emission (Other Indirect)	16,821,995 ⁴	17,713,410 ⁵

About our data

- Emission calculation uses SimaPro LCA software and the emission factors based on IPCC 100a method
- Scope 1: is based on the energy consumption (excluding electricity) within the operational units in Indonesia, Vietnam, Myanmar, India, and Bangladesh covering poultry and aquaculture operations. This calculation includes offices and other non-operational units
- Scope 2: is based on the electricity consumption (sourced from electricity providers) within the operational units in Indonesia, Vietnam, Myanmar, India, and Bangladesh covering poultry and aquaculture operations. This calculation includes offices and other non-operational units
- Scope 3: Estimation of the poultry operational activities based on data collected from JSRS and data collected from poultry LCA. This calculation does not include aquaculture operations. In 2022, the model was improved that included changes to the use of a more appropriate allocation database. The data included in the calculation are the production and transportation of raw materials, supporting materials, and energy (excluding electricity in Scope 2), as well as waste processing. The calculation does not include consumer products, business travel, employee transportation to/from the office, and downstream emission from consumer food processing
- Scope 3: The estimation of poultry operations is calculated based on the production data of 2023 and the extrapolation of the Indonesia's LCA project data from 2022, as we are currently developing a Scope 3 Calculator. In the Indonesia's LCA project of 2022, the study focused on the production line of broiler chickens up to the slaughtering process and includes the feed mill production, as well as Supporting Units such as vaccines and plastic bags. The data covered include production activities and part of the transportation of raw materials, supporting materials, and energy (excluding electricity in Scope 2), waste processing, and energy domestic usage. The calculation does not include processed meat products, business travel, employee commuting, and downstream emissions from consumer
- Scope 3: In 2023, the calculation includes offices and domestic usage
- Emission intensity is in progress to be determined since the Company has a variety of products from feed to processed products (GRI 305-4)
- We continue to improve on the data quality by conducting data cleansing of our JSRS database using Japfa Sustainabilitytics

Non-Hazardous Waste Utilisation and Hazardous Waste Management

Waste by Type And Disposal Method (GRI 306-2, 306-3, 306-4, 306-5)

unit = tonne

Total Waste Generated	2022	2023	Management of Non-Hazardous Waste	2022	2023
Non-Hazardous Waste	128,272	122,152	Diverted from disposal		
Hazardous Waste	1,710	2,340	Reused	3,361	4,983
Total Waste Generated	129,982	124,492	Recycled	416	7
Management of Hazardous Waste	2022	2023	Composting	256	133
Distributed to licensed third-party	1,710	2,340	Distributed to third-party	117,377	110,534
			- Donated/given	68,624	67,005
			- Sold	48,753	43,529
			Total Diverted from Disposal	121,410	115,657
			Directed to disposal		
			Incinerated	3,142	3,072
			Landfill	3,721	3,423
			Total Directed to Disposal	6,863	6,495

About our data

- The data includes production for all countries and domestic for Indonesia only
- The data covers Indonesia, Vietnam, and Myanmar
- We continue to improve the data quality by conducting data cleansing in our JSRS database using Japfa Sustainabilitytics

Innovative Solutions for Waste Management

Japfa aims to minimise or eliminate waste through optimising resource efficiency, promoting reuse, and recycling, and implementing a structured and traceable waste management system. At Japfa, we have multiple approaches to handling waste according to its type and origins, beginning with waste segregation. We collaborate with various stakeholders, including government entities, universities, and vendors, to manage waste responsibly. This includes efforts to repurpose waste into useful products and minimise the amount of waste sent to landfills. (GRI 306-1, 306-2)



Repurposing Organic Waste

At our office in India, we segregate food waste to be dispatched to local composting facilities, whereas by-products such as corn cobs are repurposed as boiler fuel. In Myanmar, we also sell and converted feed spillage to pig farmers to be utilised as pig feed. The dead chickens are converted by a third-party into fish feed.



Turning Manure into Fertiliser

Our farm manure can be repurposed to benefit the environment. It contains valuable nutrients like nitrogen, potassium, and phosphorus that enhance soil health. For example, in India we send our manure to licensed third-party processors for conversion into fertiliser.

Similarly in Vietnam, the manure is handed to third-party processors who will recycle into valuable fertilisers. Additionally, in Indonesia, we have a biodigester with a daily capacity of 3-4.5 tonnes to convert manure into fertiliser. This solution not only minimises the environmental impact of farm waste but also effectively addresses the issue of manure disposal. This year, out of 115,657 tonnes of non hazardous waste diverted from disposal, 77% comes from manure. These initiatives underscore our commitment to improve circularity and responsible waste management across our operations.



Enhancing Soil with Biomass Ash

The by-product of our biomass briquette combustion contains plant material and minerals, offering soil benefits. In India, we utilise a mechanical dust collector to gather ash from broiler farm chimneys, free of hazardous content, for direct soil blending. This approach demonstrates a holistic approach to waste management, leveraging by-products to improve soil health while reducing environmental impact.



Polypropylene (PP) Bag Recycling Initiative

Japfa utilises Polypropylene (PP) bags, which is renowned for their recyclability. In India, these bags are transformed into plastic granules for use in manufacturing other goods, showcasing our dedication to sustainable waste management.



Dedicated Recycling Areas in Woven Bag Production

In Indonesia and Myanmar, Japfa has taken a proactive step in waste management by establishing dedicated recycling areas within our woven bag production. This initiative improves handling processes and enhances the efficiency of recycling bag waste. We also reuse plastic bags wherever feasible.

Rendering Machines for Hatchery Debris

We invest in rendering machines to convert hatchery by-products into valuable materials which can be recycled and reused.

Solid Waste Management in Myanmar

Working with the government's Waste Management Department, we utilise solid waste, domestic waste, and ashes as construction materials to build residential areas.

BSF Maggot Programme

In collaboration with Universitas Gadjah Mada (UGM) in Indonesia, we aim to promote zero-waste farming by using black soldier fly (BSF) maggots as bioconversion agents, turning poultry waste into nutrient-rich larvae for catfish feed.



Maggot Teaching Farm

Zero Waste

We strive to achieve a zero-waste approach to minimise wastage and work towards creating a circular economy where resources are used efficiently and continuously recycled or reused.

From Head to Tail

In our tilapia production process, we ensure that every part of the fish is utilised efficiently. This includes not only the meat and fillets but also various by-products such as the head, belly meat, skin, and scales. The fish head is considered a local delicacy, while the belly meat is exported to Taiwan for use in Taiwanese dishes such as belly kabayaki. Fish skin and scales are valuable raw materials used in collagen and gelatine production.

Furthermore, fish frames and intestines are utilised in fish oil and fish meal production, contributing to the circular use of resources. Additionally, trimming meat can be processed into value-added products like meatballs and fish nuggets, demonstrating our commitment to maximising resource utilisation and minimising waste throughout our production processes.



PT Japfa Tbk Tilapia production process

6

People Development

Japfa value its people. From employees, farmers to communities, they are the core of food production, distribution, and consumption. At Japfa, empowering people is not just talk. Recognising its vital role in food security, Japfa invests in initiatives that equip employees, contract farmers, and communities with the resources needed to thrive by sharing knowledge and fostering collaboration.

Investing in employees

We invest in our employees, prioritising health and safety, supporting their growth through training and development, use of digitalisation as well as nurturing an inclusive working environment. This has equipped Japfa with knowledgeable and resilient employees.

Supporting our farmers and local communities

Our success would not be possible without the partnership of our farmers. We share knowledge, expertise, and support, empowering them to achieve higher productivity and provide better livelihood for their families. This mutually beneficial approach strengthens local communities and ensures our consumers receive affordable and nutritious staple protein foods. Together we work towards our vision of mutual prosperity.

Imagine food security as a big field, nurtured by the hands of dedicated people. Japfa empowers these hands, providing the tools and support they need to cultivate a bountiful harvest, not just for today, but for generations to come.

JAPFA
Sustainability Pillars

People Development
Knowledge Management

Our Approach



Employees



Contract Farmers



Communities



Japfa Sports Day Celebration in Vietnam

Employees

Encouraging and supporting the growth of employees within a company is not only a strategic move but also a fundamental component of our success. By fostering employee development and engaging with them, we cultivate motivated workforces, enhancing their skills and knowledge, ultimately contributing to the overall productivity and innovation of the company.

Maintaining Health and Safety in the Workplace

At Japfa, ensuring the well-being of our employees is fundamental. This commitment drives our comprehensive approach to workplace health and safety in line with national standards in every country we operate in to protect the people within our premises (GRI 403-8).

We prioritise the safety and well-being of our employees and understand that each country has its unique regulations and requirements. In the countries where Japfa operates, the OHS protocols are adapted to suit both specific local requirements and environment, as well as global standards. This includes identifying workplace risks and developing OHS protocols aimed at preventing workplace injury and work-related illnesses. (GRI 2-23, 403-1)

Some localised OHSMS implemented include:

ISO 45001:2018 Occupational Health and Safety Management in Indonesia and India: This globally recognised standard guides our safety protocols

Hazard Identification, Risk Assessment & Determining Control (HIRADC) in Indonesia: Proactive measures like HIRADC minimise potential risks

Hazard and Operability Studies (HAZOP) in Vietnam: HAZOP identifies and mitigates operational hazards (GRI 403-2)

Infectious Disease Preparedness in Indonesia: Protects our workforce against emerging health threats

Annual Health Risk Assessment in aquaculture operations in Indonesia: Ensures safety of our employees in vulnerable environments

Occupational Health and Safety (OHS) Training

OHS training holds a key element to equip our workforce with the necessary skills to identify and manage potential hazards and keep them up-to-date with the latest safety procedures. Various training have been conducted in 2023, including (GRI 403-5):

- Conducting Japfa Group Health and Safety Forum including seminars related to work-related ill health, working at height and hot work
- Emergency Responses
- ISO 45001:2018 training in India and Indonesia
- Firefighting training
- First aid training
- Workplace Safety Training
- Safety driving
- OHS certified training from external parties
- Certified Sustainability Safety Training by the Confederation of Indian Industries
- Emergency Evacuation Training
- 5S training across the Group
- Talk show on diseases to raise awareness by doctors

Empowered Workforce, Effective Management

To oversee OHS implementation, we have established OHS Committees across all countries, represented by almost 10% of our workforce. These committees actively manage every aspect of employee health and safety. (GRI 403-4)



Employees from PT Japfa Tbk

Taking Care of Our Employee's Wellness: A Holistic Approach

Prioritising the health and well-being of our employees is ingrained in Japfa's culture. We go beyond compliance with safety regulations to actively nurture a healthy and fulfilling work environment. (GRI 403-3, 403-6)

Comprehensive Medical Support:

- **Widespread Access:** In-house health clinics are established in several units of our feed mills in Vietnam, to facilitate convenient access to medical assistance for our employees
- **Preventive measures:** We prioritise the health of our employees by offering annual health checkups. Furthermore, our operations are equipped with essential safety measures such as fire extinguishers, Personal Protective Equipment (PPE), first aid kits, workplace safety signage, and fire alarms
- **Innovative Solutions:** In India, we embrace digital solutions like the LOOP mobile application, providing online consultations and wellness advice. This not only enhances accessibility for our employees but also extends support to their families. Monthly doctor visits and annual health camps further contribute to safeguarding the overall health of our employees

Holistic Well-being Initiatives:

- **Prioritising Mental Health:** Recognising the importance of mental well-being, we provide online meditation and yoga sessions, engaging with hundreds of employees actively in these practices
- **Support Amid Challenges:** In a politically sensitive setting environment of Myanmar, the safety of our employees is of paramount importance. To address this, we offer dedicated transport for commuting to and from work. Regular well-being assessments are conducted, ensuring proactive monitoring of their health. Swift access to medical assistance is made available to those in need. Additionally, we address their fundamental nutritional needs by sending food supplies to the various units

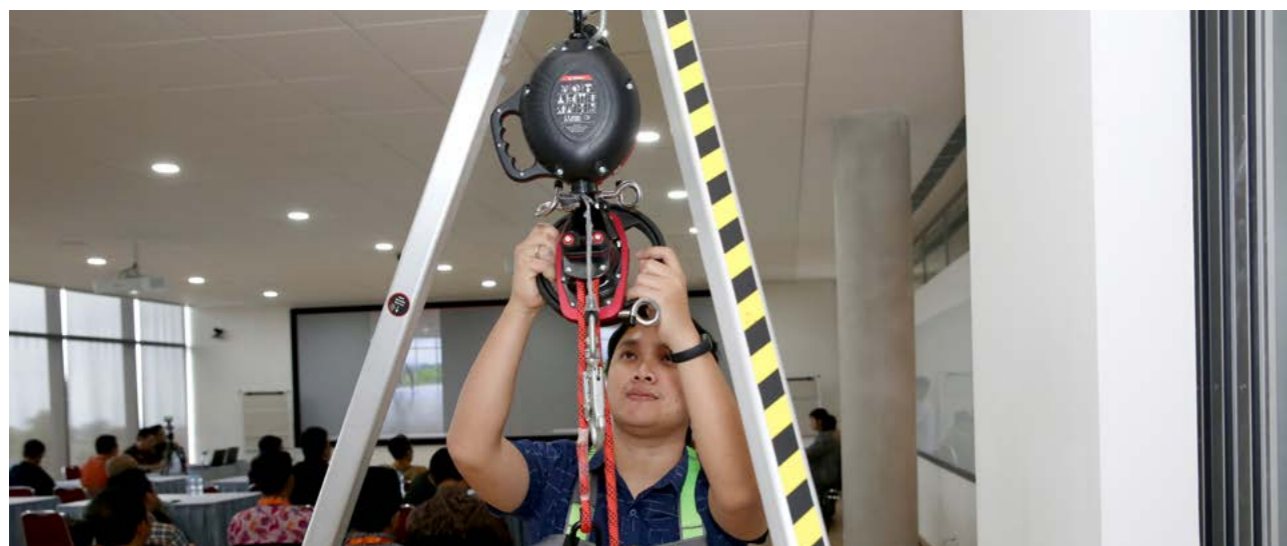
Continual Improvement through Rigorous Audits

Regular internal and external audits are carried out to assess the effectiveness of our OHSMS. For example, in Indonesia, 5 units underwent internal audits, and 3 of them have been supplemented by external assessments to meticulously monitor and optimise working conditions. These audits consider various factors such as chemical (NH₃, H₂S), physical (noise, lighting, temperature, dust, and vibration), ergonomic aspects, psychological well-being, and biological factors.

Coupled with mandated assessments that we consistently meet, these audits ensure the ongoing

effectiveness and high standards of our occupational health and safety protocols.

Japfa is dedicated to fostering a workplace environment where employees not only feel secure but also valued and supported. Through accessible healthcare, the promotion of preventive measures, and a focus on nurturing mental well-being, we aim to adopt a holistic approach that goes beyond mere safety measures. This commitment is rooted in our belief that a happy and healthy workforce is also a more productive one.



OHS Training at PT Japfa Tbk

Protecting Partners and Beyond: A Safety Culture Across the Supply Chain

At Japfa, our commitment to health and safety transcends our own employees. We extend this responsibility to our valued business partners which is communicated through our Supplier Code of Conduct. This Code emphasises the shared responsibility for prioritising employee well-being by ensuring safe and healthy work environments throughout our supply chain.

Through annual Supplier Surveys, we engage with our suppliers to assess their sustainability practices, including their approach to occupational health and safety within their operations. This ongoing dialogue allows us to identify areas for improvement and where we can encourage more attention towards good sustainable practices. (GRI 403-4)

Work-related Injuries Management

- Swift Response**

We understand that accidents, though regrettable, can happen. When they do, we prioritise prompt attention and care for any injured employees. This not only ensures their well-being but also demonstrates the Company's commitment to their safety.

- Thorough Investigations**

For work-related accidents, thorough investigations will be conducted to identify the root causes. This valuable information allows us to swiftly implement corrective measures and prevent similar situations from occurring in the future.



PT Japfa Tbk Health, Safety, and Environment National Forum

GRI 403-9

Type of Injury		Fatal	Heavy	Moderate	Light	Total Injury	Total Work Hours
2023							
PT Japfa Tbk	Number	1	7	201	101	310	72,586,365
	Rate (AFR)	0.01	0.10	2.78	1.40	4.29	
Japfa Myanmar	Number	0	0	1	0	1	2,069,154
	Rate (AFR)	0.00	0.00	0.48	0.00	0.48	
Japfa Vietnam	Number	0	0	1	0	1	3,353,894
	Rate (AFR)	0.00	0.00	0.30	0.00	0.30	
Japfa India	Number	0	0	0	0	0	848,023
	Rate (AFR)	0.00	0.00	0.00	0.00	0.00	
Japfa Bangladesh	Number	0	0	1	0	1	169,762
	Rate (AFR)	0.00	0.00	5.89	0.00	5.89	
2022							
PT Japfa Tbk	Number	0	2	127	33	162	61,780,217
	Rate (AFR)	0.00	0.03	2.06	0.53	2.62	
Japfa Myanmar	Number	0	0	1	0	1	2,166,373
	Rate (AFR)	0.00	0.00	0.46	0.00	0.53	
Japfa Vietnam	Number	0	0	0	0	0	3,391,142
	Rate (AFR)	0.00	0.00	0.00	0.00	0.00	
Japfa India	Number	0	0	0	0	0	857,375
	Rate (AFR)	0.00	0.00	0.00	0.00	0.00	

About our data

- Injury rate is measured based on 1,000,000 working hours
- Unsafe acts were the primary cause of work-related injuries in 2023. We consistently conduct evaluation to prevent their recurrence and encourage our employees to prioritise health and safety while complying with the Company's OHS policy and provided OHS training. (GRI 403-7)
- Regrettably, there was a single fatality in 2023. We are constantly improving our safety measures to avoid similar occurrences.
- The increase in reported data reflects enhanced employee awareness for reporting workplace accidents, encouraged by the Company's continuous efforts to encourage diligent incident reporting.

By building a strong safety culture within our own operations and extending it to our partners, Japfa strives to create a work environment where all employees feel protected and valued. This collaborative approach not only safeguards individuals but also contributes to a more sustainable and responsible supply chain.

Sustaining Diversity and Inclusivity

At Japfa, we embrace the power of diversity and inclusivity. We believe that fostering a workforce, with diverse backgrounds that mirror the richness of the emerging markets we are in, allows us to collaborate, innovate and thrive. Our commitment is upheld in the Japfa Diversity Policy, which promotes a fair and inclusive work environment for all, regardless of gender, age, religion or any other factors. (GRI 2-23)

Nurturing a Culture of Equality

We go beyond policies to actively cultivate a culture of acceptance and sense of belonging. This dedication manifests in initiatives like:

Training and Raising Awareness

Our Indonesia's poultry processing operations organise refresher training and social gatherings that promote connection and understanding across diverse backgrounds. (GRI 2-24)

Impartial Recruitment and Growth Opportunities

Our Diversity Policy is a vital guide to our recruitment processes, ensuring focus on skills and potential to drive career advancement.

Our recruitment procedures are characterised by transparency and impartiality, with competency being the main criterion for quality hiring.

Fair Compensation and Benefits

We offer consistent compensation, benefits, and training opportunities across the Group, even in challenging environments such as Myanmar.

Freedom of Association

We honour our employees' right to freedom of association and do not obstruct their participation in any lawful trade unions. (GRI 2-30)

Commitment to People with Disability

At Japfa, we believe that genuine inclusivity means embracing the diverse facets of human experiences. This commitment extends to actively supporting people with disability. In India, for instance, we provide alternative employment opportunities tailored to those with physical disabilities, fostering a work environment that is both supportive and accommodating. Meanwhile in Indonesia, we employ 63 people with disability across various units, recognising their unique capabilities and contributions.

Empowering People Living with HIV/AIDS (PLWHA)

In Indonesia, PLWHA continues to encounter difficulties, including discrimination, social isolation, or securing employment and support. At our Padang animal feed unit, we maintain a flexible work environment designed to assist employees dealing with HIV/AIDS. As an example, the Company provides access to antiretroviral therapy, subject to specific considerations, to preserve the health and quality of life of employees living with HIV/AIDS. We also prioritise HIV/AIDS prevention through the provision of clinics equipped with voluntary and confidential counselling and testing facilities, which play a pivotal role in raising awareness and facilitating early detection. (GRI 403-6)

Gender Equality in Japfa

In 2023, Japfa India took significant strides in promoting workplace diversity by establishing an Equal Opportunity Employer Policy. This proactive approach led to a notable increase in the percentage of female employees across various departments, elevating the representation doubled from 3% to almost 6% in a traditionally male-dominant industry.

A new policy was also introduced to further support employees. Female employees now have the option to two additional months of leave after their initial six months of maternity leave. This policy is aimed at providing flexibility and support for new mothers.

We extended our commitment to gender equality by actively promoting it during campus presentations, emphasising that Japfa is an inclusive, gender-neutral workplace that encourages diversity.

In Bangladesh, while we presently do not have any female employees as the operation is new; we are actively planning to hire female personnel to enhance gender diversity.

Ethical Labour Practices

We comply with labour regulations and are dedicated to operating ethically and with integrity. We do not condone practices such as child labour, forced labour, and breaches of human rights. (GRI 2-23, 408-1, 409-1)

Building Bridges to Foster Understanding

Given the diverse background of our employees in Vietnam, we engage in a comprehensive approach to foster understanding and integration among the people.

- **Cultural Exchange Programme:** By encouraging employees from different backgrounds to come together and share their cultural experiences to promote mutual understanding and appreciation, fostering a more harmonious and inclusive work environment where employees feel valued for their unique perspectives.
- **Language and Culture Classes:** Providing language and culture classes for new non-Vietnamese employees demonstrate our support to help them integrate into both the workplace and the local community. It helps to facilitate a smoother transition and promotes cross-cultural collaboration.
- **Community Development Investments:** With our growing presence in Vietnam, investing in the development of the local community shows our commitment to being a responsible corporate citizen. We believe in building goodwill and strengthening our relationships with local stakeholders by contributing to the growth and well-being of the local community.

These initiatives reflect our proactive approach to diversity, inclusion, and community engagement, which are essential components of sustainable and socially responsible business practices.

GRI 401-2, 401-3

Employees Category		Life Insurance	Healthcare	Disability and Invalidation Coverage	Parental Leave	Retirement Provision	Transportation
PT Japfa Tbk	Permanent	✓	✓	✓	✓	✓	✓
	Contract	✓	✓	✓	✓		✓
Japfa Vietnam	Permanent	✓	✓	✓	✓		✓
	Contract	✓	✓	✓	✓		✓
Japfa Myanmar	Permanent		✓		✓		✓
	Contract				✓		✓
Japfa India	Permanent	✓	✓	✓	✓	✓	✓
	Contract	✓	✓	✓	Only maternity according to local regulation		

Employee Hire and Turnover

GRI 401-1

Employee Hire & Turnover by Age Group	New Hire	Hire rate	Turnover	Turnover Rate	Total Headcount
2023					
age < 30	2,919	8%	2,353	7%	11,500
age 30-50	1,860	5%	2,325	6%	22,725
age > 50	109	0%	507	1%	3,443
Total	4,888	13%	5,185	14%	37,668
2022					
age < 30	4,096	11%	2,542	7%	12,637
age 30-50	2,333	6%	2,422	6%	22,582
age > 50	96	0%	502	1%	3,286
Total	6,525	17%	5,466	14%	38,505

Employee Hire & Turnover by Gender	New Hire	Hire rate	Turnover	Turnover Rate	Total Headcount
2023					
Male	3,863	10%	3,825	10%	31,167
Female	1,025	3%	1,360	4%	6,501
Total	4,888	13%	5,185	14%	37,668
2022					
Male	5,137	13%	3,916	10%	31,873
Female	1,388	4%	1,550	4%	6,632
Total	6,525	17%	5,466	14%	38,505

Age and Gender Diversity

GRI 405-1

2023	<30			30-50			>50			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Middle Management & Above	10	3	13	841	179	1,020	508	134	642	1,359	316	1,675
%	77%	23%	100%	82%	18%	100%	79%	21%	100%	81%	19%	100%
Operator & Junior Management	9,008	2,479	11,487	18,377	3,328	21,705	2,423	378	2,801	29,808	6,185	35,993
%	78%	22%	100%	85%	15%	100%	86%	14%	100%	83%	17%	100%
Total	9,018	2,482	11,500	19,218	3,507	22,725	2,931	512	3,443	31,167	6,501	37,668
%	78%	22%	100%	85%	15%	100%	85%	15%	100%	83%	17%	100%
2022	<30			30-50			>50			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Middle Management & Above	10	0	10	836	183	1,019	516	126	642	1,362	309	1,671
%	100%	0%	100%	82%	18%	100%	80%	20%	100%	82%	18%	100%
Operator & Junior Management	10,016	2,611	12,627	18,169	3,394	21,563	2,326	318	2,644	30,511	6,323	36,834
%	79%	21%	100%	84%	16%	100%	88%	12%	100%	83%	17%	100%
Total	10,026	2,611	12,637	19,005	3,577	22,582	2,842	444	3,286	31,873	6,632	38,505
%	79%	21%	100%	84%	16%	100%	86%	14%	100%	83%	17%	100%

Harnessing Technology for Human Resources Management

Japfa is dedicated to enhancing its science-based, methodological approaches towards sustainability, and refine its tools to evaluate and monitor its environmental and social barometers. The efforts to strengthen our workforce and optimise our value chain will evolve in tandem with the improvement of relevant data.



Food material and quality standards training in Japfa India

Japfa Personnel Action Sheet System (JPAS)

As part of our ongoing commitment to accelerating HR management through digitalisation, we have successfully developed JPAS. This system will digitise submissions of manual forms and streamline the approval process. JPAS will be rolled out phase by phases, starting in Indonesia to ensure its effectiveness.

Japfa Information Management System (JIMS)

As business grew, so did the volume of data it generated and the number of systems in which data were stored. Technology and digitalisation have allowed us to transform these challenges into opportunities. We have developed JIMS as a framework to ensure clear segregation, responsibility and control of information across the Japfa group. Japfa is now moving away from monthly reports compiled from multiple sources and consolidated manually, to fast, accurate and automated daily reporting. With the new process, we have eliminated past issues related to conflicting inconsistent information from various sources. This year, we deployed it in Vietnam and will be adopted in other countries in the following years.



Online training programmes will be seamlessly integrated into an e-learning platform. The easy access will facilitate “Anytime, Anywhere” learning for employees to improve their skills and capabilities. It will also provide a real-time view of employees’ training data, in terms of course attendance, scores and training hours clocked. Targeted to be launched in 2024.

Human Resource Digitalisation Across the Group

In addition to the previous systems, we have other digital solutions, aiming to ease the administrative processes related to employment.

For example:

Streamlining Employee Administration with JETS and JTIS

We have Japfa Electronic Travel System (JETS) to digitise the corporate travel process, and Japfa Time Integrated System (JTIS) to aid employees in tracking their working schedules.

Digital Efficiency with Electronic Signing

In Vietnam, we have an electronic signing system, which helps us to streamline various administration processes such as approval for farm visits in a timely manner. This system is accessible online and via a mobile application administration process which has helped us ease the administration process and reduce the use of paper documents.

Integrating Employee Data for Efficient Management

Japfa India has a digital platform to support us in human resource management. Complemented with the employees data that has been integrated into ERP, we will be able to collaborate, learn, and efficiently manage employees, facilitating streamlined human resource management through effective data monitoring.

This year also marks a milestone as we have mapped the entire life cycle of our employees within the Company. This initiative enables us to gain deeper insights into the evolving needs and preferences of our workforce at each stage of their journey with Japfa. This system encompasses the entire employee life cycle, from recruitment to separation, in a fully digitalised format, eliminating the need for hard copies and transitioning all processes to an online platform.



In India, Japfa employs a robust legal compliance system using software to monitor adherence to environmental, safety, and security standards in its feed mills and farms. This software facilitates audits, allowing compliance concerns to be escalated to senior management.

Fostering Employee Growth and Development

Employee training plays a pivotal role in our Company, as they contribute to skill enhancement and improved performance, ultimately leading to heightened productivity and work quality. At Japfa, we prioritise our employees as integral components of our sustainability targets, which encompass social aspects as well. Within these targets, we establish specific goals for training hours per employee, ensuring a continuous investment in their development. This approach reflects our commitment to fostering a skilled and motivated workforce, aligning with our broader sustainability targets. Meanwhile, engaging with our employees fosters teamwork, a sense of belonging and purpose, which contributes to a positive and motivated work environment.

Employee Training and Development

The success of our Company hinges on the capabilities of our employees. Our longstanding commitment to nurturing their skills has been reflected through the implementation of a comprehensive training and development programme, based on the Company's value called DOLPHIN and are provided through both offline and online platforms.

Our directors have undergone training on sustainability matters as prescribed by the Exchange. (GRI 2-17)



QSE fire safety training in Japfa India

Regular and Structured Training Programme Across the Group

We have consistently delivered a series of organised training sessions, covering the following components (GRI 404-2):

Corporate Development

Corporate development contains two programmes: development training and orientation. The development training segment encompasses the Middle Management Programme (MMP) and the Senior Management Programme (SMP), tailored to meet the specific needs of each managerial level. For instance, MMP delves into subjects such as Human Resource Management and Marketing Management, whereas SMP places emphasis on Leadership in the post-pandemic era and Cultivating a High-Quality and Inclusive Team Culture. In parallel, our orientation programme has a comprehensive induction process supplemented by the introduction of our DOLPHIN values.

Business Skills

This programme covers a range of training modules, including communication, leadership, personal development, teamwork, Quality, Safety, Environment (QSE) training, and vocational courses like pest control and farm management.

Retirement Readiness Programme: Empowering Employees for a Secured Future

Japfa aims to help employees to have a smooth transition through forums and seminars. To prepare our employees for retirement, we conduct seminars that cover various aspects of this significant life stage. These seminars focus on topics such as financial planning for retirement and the importance of having a well-structured retirement plan. Our goal is to empower our employees to make informed decisions as they approach retirement, thereby enabling them to enjoy a fulfilling and secure post-retirement life.

Training Programmes in Each Country

Japfa has scholarship initiatives in countries where we operate, such as in Indonesia, Vietnam and India. Through a sponsorship programme, we grant scholarships to selected employees to assist them in their pursuit of higher education. These scholarships are designed to enhance their skills in alignment with their career progression and self development. For instance, our operations in India have a scholarship programme aimed at our senior management. This programme enables them to gain advanced knowledge and expertise through an intensive three-year university education, ensuring that they remain essential to our Company's continued success and growth.

Indonesia

PT Japfa Tbk places a strong emphasis on employee growth and development through specific training programmes:

Specialised Training

We offer specialised training programmes designed to meet the specific needs of employees across different departments. For instance, our poultry unit annually conducts specialised training sessions focusing on biosecurity, sanitation, hygiene, and ventilation. Similarly, our aquaculture technicians receive training in shrimp and fish management, as well as interpersonal skills.

This year, we introduced a novel training initiative called ShopFloor, which brings together employees from various divisions within the Japfa Group. Through this programme, participants gain valuable insights and knowledge from both internal and external experts, aimed at enhancing their understanding of emerging challenges and trends.

Management Trainee Programme

In order to prepare the upcoming generation of leaders, Japfa implements a Management Trainee (MT) initiative that extends over several months and varies across different divisions. This programme imparts MT participants with the essential skills required for assuming roles as supervisors. For instance, within the aquaculture division, MT trainees undergo intensive training over several months. The performance of MTs will be evaluated to determine their adherence to competency standards. (GRI 404-2)



Participating in this programme has given me the opportunity to share experiences with management, accelerated career progression, and the chance to learn through visits to various STP hatchery units, each with its unique culture. This programme has enabled me to adapt effectively and fulfill responsibilities in new positions with confidence.

Cindy Lukyta Ratih Riyanto
MT Shrimp Hatchery Batch II



Cybersecurity Training

The integration of information technology into various aspects of daily life has introduced challenges, particularly concerning the misuse of information and communication technology. Consequently, there is a growing need to elevate cybersecurity awareness. Japfa has taken proactive steps by conducting campaigns, training sessions, surveys, and awareness programmes centred around data security.

Through various phishing simulation exercises, it was proven effective in boosting participant engagement and reducing click rates. A comprehensive analysis of these exercises has enabled us to identify knowledge gaps and areas requiring enhancement. As a result of these endeavors, there has been a noticeable improvement in employees' knowledge and awareness, fostering more prudent utilisation of technology.

Vietnam

In 2023, we have internal training programmes throughout the operations to enhance our employees skills, this includes:

- Food safety
- Fire protection
- K5 training
- Excellence communication
- HR for Non HR manager
- Delegation skills
- Onboarding programme
- Production management software
- Basic leadership
- Crisis management
- Sales Effectiveness Project training on Sales, Customer Segmentation and Insight Selling for the Sales Team for Go-Direct

Social Media Awareness

To ensure responsible and value-aligned online interactions, we train our team in the proper use of social media. This approach is part of our proactive efforts to boost our digital footprint and outreach. Through effective use of platforms like Facebook, where we have attracted around 10,000 followers, we have significantly enhanced our brand's visibility. This strategy underscores our commitment to maintaining our presence on social media with a sense of responsibility and adherence to our Company's principles and guidelines.

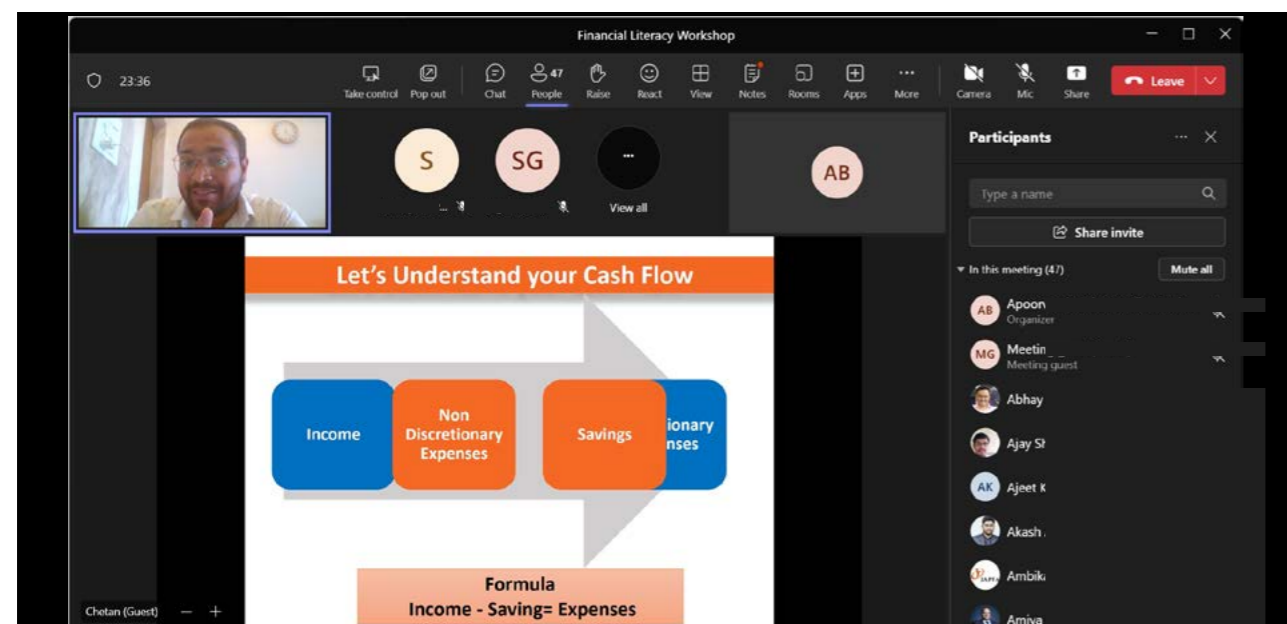
India

In our ongoing commitment to people development at Japfa India, we offer both classroom-based and online training opportunities. Through these platforms, we deliver a range of training programmes by inviting experts to deliver lectures on various topics. For instance, we recently organised a session on financial savings and hosted inspiring lectures aimed at motivating our employees. These lectures featured captivating stories relevant to Indian customs, helping our employees better relate to and implement the programme in their daily activities.

Recognising the unique characteristics of our workforce, many of whom are young and have a keen interest in sports, we invited a speaker from a sports background to share stories and lessons on effective leadership and team building. This served as a source of motivation for our employees, inspiring them to enhance their leadership skills and foster stronger teamwork within the organisation.

We also encourage our team to pursue specialised training programmes that align with their expertise and roles. For instance, individuals in our poultry division participate in training sessions focusing on shed management during the monsoon season, skill enhancement for food technicians, and workshops on setting Key Performance Indicators (KPIs) for Human Resources. In line with our commitment to supporting women in the workplace, we have conducted training sessions on the prevention of sexual harassment (POSH), and we are working towards establishing internal trainers within our India operations.

These comprehensive training initiatives underscore our commitment to fostering a skilled and motivated workforce at Japfa India. Such diverse training experiences not only enhance the capabilities of our team members but also contribute to their professional development, ultimately benefiting both our Company and their individual career growth. (GRI 404-2)



Japfa India financial awareness training

Myanmar

In Japfa Myanmar, where the social situation can be challenging and volatile, we have adapted to the situation and successfully prioritised and conducted a range of training programmes.

In line with the social aspect of the Japfa Sustainability Targets training that has been set, we roll out strategy, conducting open dialogues and the provision of real-world examples to facilitate effective learning.

We translated the modules into the local Myanmar language to ensure maximum comprehension and relevance for the workforce. In 2023, we managed to conduct various training, among them are:

- Leadership
- Communication
- Effective presentation
- Work ethics
- Conflict management
- Refresher training on the SOP
- Electrical training for engineer and workers
- Gemba Kaizen (continuous improvement)

Environmental Training

Japfa's Environmental Training instils a sustainability mindset, acting as a catalyst for employees with a commitment to and understanding of environmental issues. These individuals become our driving force, utilising the environmental data we collect to analyse and formulate initiatives for progress.

To empower our workforce with comprehensive knowledge in environmental management, our employees undergo competency certification. As of 2023, PT Japfa Tbk has conducted diverse training programmes, including:

- Hazardous waste management training
- Air pollution control training
- Wastewater management training

Academic and Enrichment Programmes

Japfa has scholarship initiatives in countries where we operate, such as in Indonesia, Vietnam and India. Through a sponsorship programme, we grant scholarships to selected employees to assist them in their pursuit of higher education. These scholarships are designed to enhance their skills in alignment with their career progression and self development.

Our operations in India have a scholarship programme aimed at our senior management. This programme enables them to gain advanced knowledge and expertise through an intensive three-year university education, ensuring that they remain essential to our Company's

Bangladesh

Japfa Bangladesh offers diverse training programmes in 2023 across levels. This year, we manage to conduct the following training programmes align with DOLPHIN value, including:

- Conflict management
- People KPI & Measurement
- Japfa Sustainability Report System
- Onboarding training
- Individual development plan
- Sales skill development programme
- Product knowledge for sales personnel
- Code of Conduct awareness-raising
- Microsoft Excel training
- DOLPHIN value awareness

continued success and growth. In Vietnam, we provide two scholarships for postgraduate programmes for selected employees.

We have also facilitated on-the-job training for our legal team members from Vietnam and India in Singapore, with a specialised focus on international legal law. Meanwhile, our Management Trainees in aquaculture have the opportunity to pursue further studies at Universiti Malaysia Sabah (UMS) and Kindai University, Japan to further develop their leadership capabilities. (GRI 404-2)

Japfa The Learning Center (JTLC)

Japfa is dedicated to nurturing employee growth through continuous learning and the cultivation of leadership abilities. At JTLC, our employees have access to a wealth of opportunities for knowledge expansion, professional networking, and engagement in research to enrich their personal and career journeys. (GRI 404-2)

JTLC serves as a dedicated training and development centre, equipped with facilities designed to support capacity building. Participants at JTLC not only gain insights into the historical background of Japfa's founding but also draw inspiration from it. Furthermore, JTLC is envisioned to evolve into a research and development centre. In 2023, we continue to enhance its facilities, reinforcing its role as an inclusive training centre.

The concept of JTLC seamlessly integrates with nature and conservation efforts, fostering awareness and appreciation for ecosystems. Taking inspiration from Pak Handojo's profound love for nature, our aim is to carry forward his legacy, serving as a beacon of motivation guiding us toward a harmonious coexistence with nature.

Beyond its primary role in training and development, JTLC is optimised to serve as a nexus for employee connectivity and socialisation, offering a holistic developmental experience. With a range of amenities including an auditorium, gymnasium, cafeteria, and ballroom, JTLC provides a conducive environment for comprehensive employee development.



Japfa The Learning Center

Average Training Hours Per Employee

Aligning with Japfa Sustainability Targets set in 2022, we are pleased to report that our training hours have increased from the year before on the joint efforts and contribution from the training department, employees with the support of the business heads. (GRI 404-1)

Unit = hours

Employee Category		2022	2023
Middle Management & Above	Male	12.7	14.1
	Female	15.9	12.2
	Total Average	13.3	13.7
	Total Training Hours	22,165	22,969
Operator & Junior Management	Male	2.2	5.5
	Female	4.3	10.1
	Total Average	2.6	6.3
	Total Training Hours	95,376	226,749

We conduct regular evaluations of performance and career development for all Japfa employees. (GRI 404-3)

Engaging Our Employees

At Japfa, we understand that an enduring company relies not only on the skills of its employees but also on the unity within the Company. Committed to fostering a culture of togetherness and appreciating our employees, we continuously engage with them through a diverse array of activities across the Group, aimed at cultivating a sense of camaraderie and involvement across all our operations.

One of our ways to engage with employees are communications through platforms, which are regularly convened to address issues with our employees. Through

these platforms, our top management gives guidance and updates on the Company's positions and strategies for employees going forward. These forums also serve as conduits for sharing corporate best practices, listening to employee feedback, and nurturing a culture of mutual understanding and transparency. In adapting to current times, these initiatives will continue both online and offline.

Across Japfa Group, there are various channels to communicate with our employees:

- Japfa Conversations
- Division Conversations
- Town Halls
- General Assemblies
- Employee Conferences
- Communication Forums
- Factory Meet
- Seminars



Employee engagement in Japfa India

These communication channels have proven invaluable in the countries we operate in, especially in Myanmar, where, despite the challenging political situation, Japfa steadfastly upholds its commitment to employee well-being. We have taken proactive measures to ensure our team understands the path forward, offering clear explanations of the current situation while cultivating resilience and unity among our workforce.

We utilise a communication application group for all department heads to share the latest information. This includes updates on government policies, changing regulations, and any other important announcements. This constant communication ensures a two-way flow of information, allowing us to stay updated on current affairs.

Japfa Publications



Japfa Newsletters

In addition to our regular communication channels, we publish periodic newsletters or magazines in Indonesia, Vietnam and India. These publications serve as platforms for expressing gratitude and recognising our employees for their significant contributions, sharing inspirational stories, best practices, department activities, and important business updates or calls to action.

Japfa Vietnam publishes a monthly newsletter as a key part of its internal communication strategy. We publish a monthly edition and one special edition of Tết (Vietnamese New Year), which features employees from various departments. This special edition celebrates the spirit of Tết and highlights the people who make our Company great.

In India we have Japfa Bites, a semi-annual publication which covers various activities in Japfa India every six months. Meanwhile, our Indonesian subsidiary publishes Berkat Magazine (bimonthly) and STP Newsletter called Water—an abbreviation of Warta Aquaculture Terkini or Latest Aquaculture

News—which compiles our latest corporate news, management views, success stories and best practices.

We consolidate these publications in Japfa Link, another platform that connects employees across the Group, enabling them to update the latest developments within the Company and interact across divisions or countries.

Through these multifaceted channels, we strive to create a conducive working environment where our employees can thrive and continually move forward as one to achieve mutual prosperity.

Other Engagement Programmes

Our engagement programmes are designed not only to facilitate communication with the employees, but also to support their overall well being including physical, mental health and hobbies. These programmes also encourage teamwork and healthy competition among the employees.

Across the Group, we managed to host various events that strengthen our unity, among them are:

-  Continue to organise the sport day in Vietnam
-  Arrange monthly feast in Bangladesh
-  Providing healthy meal and own-grown fruit in Bangladesh
-  Religious activities in Indonesia, India, Bangladesh
-  Creative Friday in India and Vietnam
-  Various sports activities and tournaments across the Group with prizes and trophies
-  Celebrate national and international days such as Independence Days, Women's Day, World Environment Day, International Yoga Day
-  Master Chef Competition in India
-  Playing traditional games such as *keram* in India or *chinlone* (cane ball) and *chaw ting* (bamboo climbing) in Myanmar
-  Visiting pagoda and sightseeing together in Myanmar
-  Watching movie together in Bangladesh
-  STP Radio #SAFESPACE, where our employees can share their stories or issues they face at work and outside
-  Living Our Values Awards in Indonesia Aquaculture Division



Japfa India contract farmer

Contract Farmers

Smallholder farmers in developing countries play a crucial role in food production, contributing a significant portion (60-80%) of the food supply. Despite their vital contribution, many of these farmers still live in poverty, even though they generate a substantial share (40-60%) of the overall rural income²¹. One of the primary challenges faced by smallholder farmers is the lack of access to education, information, and training. This dearth of resources often hinders their ability to adopt modern farming techniques, improve productivity, and access markets effectively. As a result, many smallholder farmers struggle to improve their livelihoods and break the cycle of poverty.

Guided by our vision of **Growing Towards Mutual Prosperity**, we try to address these barriers by providing support to these farmers in terms of education, information dissemination, and training to empower smallholder farmers to enhance their productivity, increase their incomes and improve their overall quality of life. (GRI 413-1)

²¹ Farming Systems and Poverty. (n.d.). www.fao.org. <https://www.fao.org/3/ac349e/ac349e03.html>

Partnering for Farming Success

Our commitment to supporting our contract farmers is central to our journey towards building a sustainable food supply chain. This influences the operational performance and ensures a high quality of the end products to the customers, which in turn contributes to our growth and competitiveness in the agri-food industry. Across Japfa Emerging Asia, we operate a diverse partnership scheme, equipping approximately 10,000 contract farmers with essentials such as DOCs, feed, medication, and technical guidance. This dedication extends beyond mere provision; it encapsulates our ethos of uplifting farmers through training and assistance. (GRI 203-1, 203-2, 413-1)

Uplifting Farmers through Training and Assistance

We prioritise investments in comprehensive training programmes designed to empower farmers with the knowledge and skills indispensable for excelling in their craft. Our commitment extends further through continuous assistance, technical guidance, and facilitation of access to the latest advancements in farming practices. Through these initiatives, we nurture a resilient partnership that will bring not only mutual growth and prosperity, but also sustainability and success for the agricultural ecosystem. (GRI 203-1, 203-2, 413-1)

Continuous Education for Contract Farmers Across the Group

In our Indonesian subsidiary, we spend a minimum of four hours per cycle to help our contract farmers. We actively engage with farmers to understand their challenges and provide practical solutions to address them. Apart from offering technical support to our partner farmers, we also invite them to visit our farms sharing our best practices to be applied in their farms. We use the Ciomas Commercial Farm (CCF) Recording application, which is continuously being enhanced to track field officers' visits and helps partner farmers continuously improve their knowledge and skills.

Our commitment to farmers in both India and Vietnam is manifested through continuous education, regular meetings, on-site visits, and seminars, which enable us to understand their challenges and collaborate effectively. In both regions, we share best practices on good farm management, including vaccination, ventilation, and cleaning techniques. Contract farmers also gain insights

into the feed milling process, with invitations to visit our feed mill to witness the manufacturing process and assess feed quality firsthand. Additionally, we conduct diverse motivational seminar sessions featuring external and internal speakers, fostering technical discussions, and enhancing understanding of Japfa's standards.

In Myanmar, Japfa continues to navigate a dynamic landscape, where regulations are subject to frequent changes, and market demand experiences fluctuations. These challenges are not unique to this industry in Myanmar, as other poultry companies in the region also confront similar obstacles. However, through adaptability and strategic decision-making, Japfa Myanmar remains committed to ensuring our presence through various training for farmers where feasible.

Apart from offering technical support, we will also recommend our good farmer partners to reputable banks if they require financial support.



PT Japfa Tbk contract farmers assistance



My Time as a Colour Bird Contract Farmer

Seventeen years back, I joined hands with Japfa in Yen Thinh village, Hanoi. From a single farm, we have now grown to three, covering 7-8 acres. Switching from broilers to colour bird was not just about looks; it meant healthier birds and easier care.



Japfa's fairness is clear — they share good chickens equitably. Quick payments within 3-5

days help to pay for immediate costs like electricity and labour. Knowing where I stand financially makes planning easier.

What sets Japfa apart is the lasting relationship. It is more than business; it is about growing together. Looking forward, I see chances for both Japfa and us farmers to earn more together.

Japfa changed my life. Because of them, I have a home, land, and a community. As I look back on 17 years, my wish is simple: for Japfa to keep growing, investing more, and making top-notch chickens that leave a mark worldwide.

Mr. Nguyen Manh Hai
Colour Bird Farmer -
Japfa Contract Farmer



Fian Putra Farm has been using STP feed for over 12 cycles. STP feed has consistent quality and a relatively good feed conversion ratio (FCR). They also offer comprehensive support and a skilled technical team.

M. Safrudin
CV. Fian Putra



Technical Support for Our Aquaculture Farmers

Our aquaculture operations provide comprehensive training to our customer farmers. We have various programmes to support them under "Customer Farm's Technician Training Bootcamp". In the bootcamp this year farm technicians and operators are invited to study at our operations and provided with technical materials and sustainable practices in aquaculture. Through this programme, we want to contribute to the advancement of sustainable aquaculture while helping farmers achieve success with us. (GRI 413-1)

In addition to training, we have group discussions for shrimp and fish farmers with our technical experts. An example is the information we share about optimal methodologies on shrimp farming using ultraviolet disinfection equipment as it frequently lacks adequate explanatory support. We also impart knowledge and insights into the proper use of disinfection and introduce more eco-friendly techniques.

Our steadfast commitment to fostering sustainable aquaculture is demonstrated through the tailored design and installation of UV disinfection systems in 15 shrimp ponds. One such pond has taken an extra step by integrating an advanced oxidation process to combat toxic plankton and viral diseases. Additionally, we have achieved a breakthrough by developing a prototype UV disinfection system that is 50% more cost-effective than conventional UV disinfection equipment in Indonesia.



STP established the Aquaculture Technology & Development (ATD) unit in 2023, designed to back its own operations and offer comprehensive solutions to the customers. ATD's role is centred on advancing aquaculture technologies, conducting research and production, and employing Geographic Information System (GIS) for spatial planning analysis to evaluate potential fish and shrimp farming locations.



Japfa Vietnam Care and Share Programme

Communities

At Japfa, we live by the vision of **Growing Towards Mutual Prosperity**, not only within our Company but also with our stakeholders, including the community, which we are part of. Through initiatives in education, environmental protection, sports, and various social programmes, we actively support and collaborate with them as we strive towards collective progress with Japfa. (GRI 203-1, 203-2, 413-1)

Nurturing Tomorrow Farmer Leaders through Education

The rapidly growing poultry and fisheries sectors require competent individuals with a sustainable mindset. At Japfa, we have educational programmes designed with the primary goal of preparing the younger generation to apply their acquired knowledge during their academic years. Through these programmes, we aim to equip future leaders with practical experience before they enter the professional world, enabling them to apply their expertise in building a sustainable food industry.

Teaching Farms

Japfa has established programmes aimed at providing students in the field of animal husbandry at Universitas Gadjah Mada (UGM), Universitas Syiah Kuala, Universitas Brawijaya, and Al-Barokah Islamic Boarding School with a comprehensive learning experience. At our Teaching Farm, we impart practical knowledge encompassing animal care, health monitoring, biosecurity measures, and the intricacies of farm business management.

Japfa's Teaching Farm consists of:



5

Closed-house farms



7

Open-house farms



1

Chicken Slaughterhouse



Learning experiences for the students in Teaching Farm

Research Farm

Japfa has formed a new partnership with the School of Veterinary Medicine and Biomedical Sciences (Sekolah Kedokteran Hewan dan Biosains), IPB University in 2023. In this partnership, Japfa provides the university with a closed-house for poultry health research, addressing the theoretical and practical gap within the poultry industry. This strategic initiative bolsters our dedication to preparing graduates for successful careers in the poultry industry. The donated facility serves a multifaceted purpose, supporting educational, research, and community engagement.

Synergized Aquaculture Innovative Learning (SAIL)

In Indonesia, the SAIL programme has been running since 2020, and is a key part of our human resource strategy to attract top graduates from Indonesia. It offers students practical project experience guided by aquaculture divisions experts, preparing them for the workforce and fostering valuable connections.

This year, the SAIL programme has expanded to 25 universities, allowing more students to gain valuable exposure on the industry. In total, we have supported 275 SAIL programme participants since its first batch in 2020. We are proud that nine SAIL graduates have started their careers with Japfa as management trainees.



The SAIL programme offered me numerous new insights into aquaculture, providing knowledge that went beyond what I had learnt in my university courses. It also presented me with fresh experiences in a different setting, necessitating adaptation to a variety of individuals. Engaging in the SAIL programme at ATD highlighted areas where I can potentially grow, spurring me on to develop and upgrade myself. Throughout the SAIL experience, we were prompted not only to enhance our technical skills but also to cultivate soft skills that align with the Company's values: being purposeful, responsible, and relentless. These principles have proved invaluable, not just during the programme but in my everyday life as well. I am thankful to the mentors who have supported me and my colleagues up to this point. For the future of the SAIL programme, I hope it continues to advance and surpass its previous iterations.

Hanifa Insani
SAIL participant at
the Aquaculture Research Center in Banyuwangi



Bertani untuk Negeri (BUN)

Bertani Untuk Negeri The BUN is a long-standing collaboration between Edufarmers Foundation and Japfa, where we recruit agriculture students to assist farmers and breeders. Through this scheme, students gain practical experience by applying their academic knowledge to real-world challenges, sharing best farming practices with Japfa's partners and clients. In our seventh batch, the number of participating breeders, farmers, and students has continually increased, reaching 2,660 breeders and farmers and 656 students in 2023.

To ensure the programme's positive impact on both breeders and students, we assess their skills using baselines and end-of-year evaluations. These assessments focus on improvements in knowledge and soft skills application for students as well as enhancements in productivity, knowledge, adoption of standard operating procedures for breeders.



”



The SAIL programme has helped me tremendously in discovering my potential within the fisheries sector, particularly in aquaculture. It has enabled me to actively hone both my soft and hard skills, especially those related to aquaculture management, fish health management, research ethics, data analysis, collaborative problem-solving, time management, team management, communication, English proficiency, and public speaking. This development was supported by exceptional mentors with expertise in their respective fields. The SAIL programme stands out as one of the premier initiatives among all the programmes available through the Internship and Independent Study (MSIB) scheme. I hope the SAIL programme continues to thrive and lead by expanding its collaborative learning-based programmes. Wishing ongoing success for SAIL and STP in advancing Indonesia's fisheries industry!

Devin Mahardhika Kristyawan
from Universitas Brawijaya ARC,
Eel Research

”



Fish harvesting in STP Pond

STP Teaching Programme

The STP Teaching Programme aims to facilitate a knowledge exchange between STP and educational institutions in the field of aquaculture. Through the STP Teaching Programme, we provide students access to learn about best practices and technologies in aquaculture. Heads of divisions and departments involved in the STP Teaching initiative have visited institutions such as UGM, Universitas Diponegoro, and the IPB Vocational School to share their knowledge and expertise.



Japfa Vietnam's Internship Programme

Internship Programme

The growing appeal of banking and administration careers among the younger generation in Vietnam has prompted us to highlight the diverse and promising opportunities in agriculture through our internship programme. We strategically partnered with universities in the country to establish a career-launching internship initiative to provide practical experience to students and showcase the agricultural sector's potential.

In the North, our programme collaborates with the Vietnam Agriculture University, Thai Nguyen University of Agriculture and Forestry, and Hung Vuong University. While in the South, we engage

students from Can Tho Agriculture University, Vietnam National University of Forestry, and the Agriculture and Fisheries Faculty of Tra Vinh University.

Spanning across three months, these internships have involved over 50 students specialising in animal health, veterinary sciences, and agriculture. It offers hands-on farm experience and visits to our facilities, providing students with a comprehensive understanding of the agricultural industry. Demonstrating our commitment to nurturing future talent, we also provide scholarships and financial support to participating students. To further demonstrate our dedication, we also offer scholarships and financial support to the students.

Participating in NAPS Programme

Japfa's commitment to nurturing young talent and promoting employment in India is exemplified through our participation in the National Apprentice Promotion Scheme (NAPS) initiated by the government. The NAPS programme is designed to provide valuable work experience to the youth and offer them potential permanent employment opportunities, aiming to bolster the nation's workforce by increasing the number of employable individuals and enhancing the pool of skilled labour.

Under this scheme, the government facilitates on-the-job training (OJT) and skill development within our Company. In 2023, Japfa actively engaged in the NAPS programme by enrolling 50 trainees. These young individuals received hands-on training in different fields, including finance, food, and HR. This training not only equips them with valuable skills but also opens doors for future permanent employment opportunities within our Company in the agriculture industry.

Preserving Our Nature

We believe genuine well-being arises when communities prosper with us, not only in terms of economic but also in the healthy environment and harmonious coexistence for current and future generations. Japfa has programmes specifically designed to address the environmental aspects.

Waste Bank

The waste bank programme is designed to foster community engagement, generate income through the collection of household waste, and also empower women by actively involving them in waste sorting, recycling, and community organising. Rather than being sent to landfills, this waste is either processed further or sold to recycling facilities. This initiative addresses concerns identified in our social mapping efforts and is aimed at creating sustainable villages where residents maintain a clean environment and demonstrate environmental stewardship.

Income Generation

Japfa collaborated with local communities to develop two waste banks, Kecik and SiRepi, in Sragen. At these waste banks, we collect household waste and share knowledge on sorting inorganic and organic waste, enabling the community to independently manage it. Inorganic waste is sold to the waste banks, providing additional income for locals while the organic waste is processed into fertiliser and used on demonstration plots for agricultural planting to generate income. (GRI 203-2)

In 2023, SiRepi became a legal cooperative entity under the guidance of the Sragen District Cooperative Office. Meanwhile, Kecik waste bank operates as a

village group under the supervision of the Sragen District Environment Office. Today, these two waste banks have supported branding their villages as “Waste Bank Villages”.

Empowerment of Women and the Young

Beyond addressing waste issues and boosting the economy, we observed that most members of these waste banks are women and young people. We seize this opportunity to provide training for their empowerment and today, both Kecik and SiRepi waste banks are chaired by women.

Sustainable Tourism

We have gone further with Bank Sampah Kecik by partnering with the Sragen District Government to develop the Sragen Harmoni Hijau City Forest into an eco-education tourism centre. Adopting Conservation by Consumption, we integrate community-based waste management with sustainable tourism in Sragen. We have also added a children's playground, contributing to Sragen's development as a child-friendly district.

Today, we are proud to note that both waste banks continue to see improvements each day, with the number of waste bank customers increasing from the previous year. The success of these waste banks has led us to replicate the model this year in Cirebon, under the name 'Berkah Mulya Waste Bank'.



Waste Banks in Numbers



Planting Trees and Distributing Dustbins

To foster a healthier environment in communities where we operate, we plant trees surrounding our operations as necessitated or voluntarily by the local communities. For example, in India, we planted 3,000 forest trees in Pedgaon and Maharashtra, which align with the government's programme to maximise water absorption into the ground.

In Bangladesh, Japfa planted trees and distributed dustbins to promote a cleaner and healthier environment within the local community.

“Act For Sustainable Aquaculture” Campaign

We believe in the collective responsibility of preserving aquatic ecosystems and invite individuals, communities, and stakeholders to join us through our “Act for Sustainable Aquaculture” campaign. In this campaign we encourage concrete actions to support sustainable aquaculture and ensure a lasting food supply for future generations.

Water Conservation Campaign

Innovative ideas are submitted by our employees in a contest centred around the theme of “Water Conservation”. Selected proposals will be funded and implemented by STP and the employees will receive recognition for their contributions.

Mangrove Planting

Our shrimp hatchery unit planted 2,000 mangrove trees in Makassar (South Sulawesi), 500 mangrove seedlings in Buleleng (Bali) as the winner of Water Conservation initiatives and an additional 500 mangrove seedlings in Situbondo (East Java). Mangroves play a crucial role in maintaining the balance of marine ecosystems. In addition to protecting coastlines from erosion and flooding, mangrove roots also serve as a habitat for fish and various marine species. This activity represents STP's commitment to contributing to a more sustainable marine ecosystem.

Planting Coastal she-oak

In 2023, Japfa planted 50 Coastal she-oak (*Casuarina equisetifolia*) in Banyuwangi. Coastal she-oak offers a variety of benefits: its strong roots can reduce soil erosion and support the preservation of water flow in areas prone to flooding. Additionally, this tree plays a vital role in maintaining water quality by absorbing pollutants and facilitating water infiltration into the ground.



Japfa Tbk's coral planting activity

Coral Planting

Together with residents near STP's operational area, we join hands with the coral communities in Jembarana dan Buleleng. 200 coral reefs were planted around our shrimp hatchery operational area to preserve and enhance the sustainability of the marine ecosystem in that vicinity. By planting these corals, we aim to provide a safe and sustainable habitat for various marine species.

Organising STP Fish-Eating Festival

National Fish-eating Day, established by the Ministry of Maritime Affairs and Fisheries, is celebrated on November 21. In alignment with this initiative, STP has donated 2,000 fish-based meal, mainly consisting of tilapia and catfish sourced from our clients, to local communities and elementary schools near our Purwakarta unit in West Java. This collaboration with the Purwakarta District Military Command (KODIM TNI AD Purwakarta Regency) is part of our efforts to address stunting in the regions where we operate.

Biofloc

Biofloc is a sustainable and environmentally friendly aquaculture system. In this system, microorganisms like bacteria are used to clean water from organic waste produced by fish or other aquatic organisms. This system results in good water quality, reduces the negative environmental impact of aquaculture, and can increase production efficiency.

Over the past few years, this biofloc innovation has assisted local communities around our operations in more sustainable fish farming. This year, we are evaluating the biofloc ponds previously established. We conduct assessments and provide solutions such as relocation to ensure the maintenance of the biofloc ponds.

Other Social Outreach

Recognising the interdependence of our operations with the wider community, Japfa strives to make a meaningful impact through social responsibility. Being a prominent player in the agri-food industry, we have a range of social outreach initiatives, aligning them with our core business as an animal protein producer. Through our diverse social outreach programmes, we aim not only to ensure the well-being of our stakeholders but also to create a lasting and sustainable impact on the communities we serve.

Enhancing Access to Education and Sports

Japfa India understands that some young individuals may face challenges during their pursuit of education, let alone to express their hobbies. We extended our assistance by donating bicycles to school children who face long journeys to access education. We also donated sports equipment such as t-shirts, shoes, and volleyballs to various schools in Maharashtra. This support aims to ease their access to learning opportunities, while nurturing passions for sports.

Cheap Food Movement

In these tough economic times, Japfa is dedicated to supplying affordable, high-quality chicken meat, focusing on helping those in need. We partner with DKI Jakarta's National Food Agency (Badan Pangan Nasional) and organise a Cheap Food Movement, executing discounted Chicken Meat Market Operations across various regions. By selling fresh chicken carcasses at reduced prices, we aim to help communities to access chicken meat, which in turn also enhances the livelihood of Japfa's contract farmers.

Aid Packages and Donations

Across various Japfa units, we provide different types of aid to those in need. For instance, the fish and shrimp feed unit in Lampung offered assistance to local residents near the factory in Sukajaya Village, Katibung Sub-District, South Lampung Regency. This included 120 packages, comprising 70 grocery packages for underprivileged or elderly residents and 50 donations for orphaned children. Additionally, during festive occasions, we extend various gestures of goodwill to residents around our operational areas.

Distributing Tilapia Fish Seeds in Serang

In a collaborative effort with Ciherang Village in the Serang District, Wabin Jayatama has contributed 650 tilapia fish seeds for distribution in the Ciherang River. This initiative not only aims to enhance the tilapia fish population but also serves to educate the local community about the significance of keeping the river clean and steering clear of harmful fishing practices.

Japfa Peduli (Japfa Cares)

As active members of the community, we recognise the multitude of social challenges encountered on a daily basis. Through our Japfa Cares programme, we are committed to making a positive difference by primarily assisting those in need during times of hardship, such as natural disasters. We collaborate closely with various stakeholders to extend support wherever it is needed most.

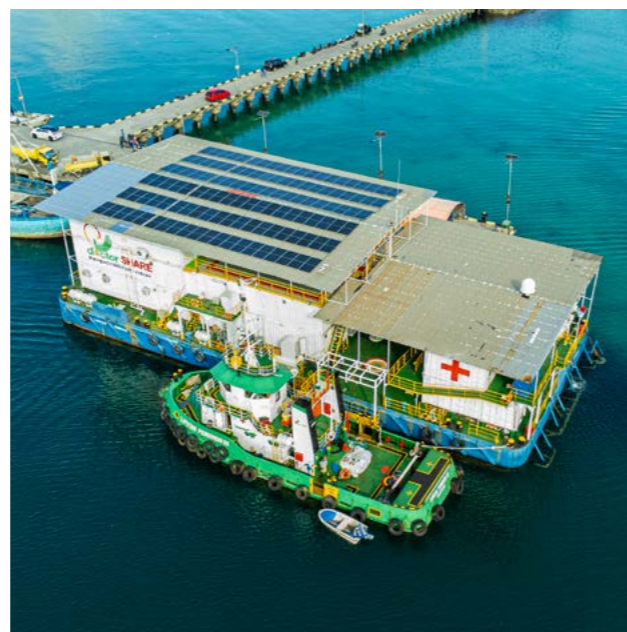
Building Classrooms

As part of our commitment to enhancing community infrastructure, we have taken initiatives to build classrooms in different locations. In 2023, at the Pedgaon Slaughterhouse, a new location where Japfa expanded its business, we responded to the needs of local communities by building classrooms to support the children's education. (GRI 203-1)

Solar-powered Floating Hospital to deliver Medical Assistance to Remote Communities

Japfa undertook an innovative solution to install solar photovoltaic (PV) panels on Dr. Lie Floating Hospital (RSA Nusa Waluya II), to address healthcare and humanitarian needs, particularly to remote or island communities. This effort involved the placement of 120 solar PV panels on the floating hospital, producing 52.8 KW of electrical power, ensuring continuous and reliable energy supply, a critical component in healthcare settings for powering medical equipment, lighting, and communication systems. The use of solar energy also cuts down fossil fuel consumption by approximately 20%.

Japfa also donated animal protein foods, including 300 kg of chicken and 300 kg of eggs, aiding in meeting the nutritional requirements of the healthcare staff onboard. This integrated approach not only improves access to healthcare and nutrition but also demonstrates a commitment to environmental sustainability and resilience in serving vulnerable populations.



RSA Nusa Waluya II

Miles for Smiles: Japfa's 'Moving Forward' Run for Education

Our effort this year is also supported by the Moving Forward Virtual Run. The "Moving Forward" virtual run is an event for Japfa Vietnam employees to celebrate their 27th anniversary. During 14 days, participants are required to complete a minimum distance of 27 km and each kilometre covered by participants, Japfa will contribute for 1,000 VND towards the Japfa for Education programme, underscoring our dedication to educational initiatives while also encouraging team bonding and physical health. The competition includes prize categories for the top three male and female participants, as well as recognition for the top 10 influencers who excel in this event.

We are pleased that the "Moving Forward" virtual run garnered 554 registrations, resulting in a cumulative distance of 33,865 kilometres covered. This initiative raised a sum of 41,922,090 VND, which will be allocated to our budget for distributing 300 gift packages including notebooks and backpacks to children in the northern region. Overall, the Japfa for Education programme has successfully distributed 700 gift packages, furthering our investment in the region's educational development.

Japfa for Education

Japfa Vietnam's "Japfa for Education" programme is dedicated to supporting educational facilities within communities. This year, our team visited four kindergartens in Binh Phuoc province, enhancing them with new playground equipment and providing children with ergonomic gift kits designed to prevent hunchbacks, as well as nutritious snacks. This initiative has been made viable by the generous contributions from our partners and customers in Binh Phuoc.



Playground for kids from Japfa Vietnam

Supporting Financially-Disadvantaged Families

Japfa Vietnam joined forces with the Youth Union of the Department of Livestock Production to offer assistance to 100 financially disadvantaged households in Lam Binh district, Tuyen Quang province. This collaboration involved the donation of 5,000 colour bird and 2.5 tons of animal feed. The donation programme was rolled out in two phases, reaching a total of 10,000 chickens. During the event, Japfa Vietnam provided each household with 50 vaccinated colour DOCs and 25 kilograms of animal feed. The Company's technical experts also delivered training and guidance on the proper care and biosecurity knowledge to raise the chickens, ensuring efficient growth.



Japfa Care & Share Programme in Vietnam

Spreading Joy to Orphaned Children

In the spirit of fostering happiness and togetherness, our employees at the Pune office in India celebrate Raksha Bandhan, a Hindu festival that symbolises the love and protection shared between brothers and sisters. This celebration involves the exchange of gifts, which our team shared with 200 orphaned children from the local orphanage.

During the Christmas holiday, we visited an orphanage where our employees will spend time with the children and share a "Happy Gifting Box". The box would be filled with bags, pens, stationery, and other items.

Providing Disaster Relief

Amid flooding disasters in Myanmar, we collaborated with the Ministry of Livestock to donate 565 bags of rice and 3,000 eggs to families impacted by the flood to provide essential sustenance. Japfa was proud to contribute to the cause.

In addition Japfa, along with other companies, joined hands to repair a damaged road due to the bad weather. This collaborative endeavour aims to improve accessibility and infrastructure, ensuring a more resilient community in the face of adversity.

Supporting Nutrition for Underprivileged Communities

In Bangladesh, we recognise the importance of nourishment for the underprivileged, and thus, we have taken steps to offer healthy meal to impoverished school students. These actions underscore our dedication to making a positive impact on the lives of those in need, promoting inclusivity and better nutrition in our communities.

Shrimp Estate Launch and Aquaculture Village Development

STP participated in two initiatives with the Indonesian government. The first was the launch of the Shrimp Estate by Indonesia's Ministry of Marine Affairs and Fisheries in Kebumen, where STP contributed 3.2 million Vannamei shrimp fry from its Indramayu Shrimp hatchery Unit, aiming to boost efficient shrimp production and enhance shrimp export figures. The second initiative was the Aquaculture Village development programme that focuses on local practices. In this programme, STP supplied floating feed to the Jayapura Regency in Papua Province. This support is geared towards strengthening local community efforts in biofloc system tilapia farming.

Sharing Love with Communities

Over the past year, we have undertaken a dedicated campaign aimed at supporting disadvantaged workers. Our initiatives have been coordinated in partnership with the Trade Union of Industrial Parks in Vinh Phuc Province, Vietnam.

Our campaign has not only improved the Tét holiday experience for these individuals and families but has also supplied them with vital food items. As part of our contributions this year, we donated 10,000 eggs, further extending our support to those in need. Overall, our efforts have positively affected the lives of 1,000 beneficiaries who have benefited from these resources.

Advancing Indonesia through the Chess Sport



Independence Day Celebration Chess Tournament hosted by PT Japfa Tbk

Chess, one of the oldest games, not only enriches intellect but is also deeply rooted in culture, blending elements of sports, reasoning, and art. For over 20 years, Japfa has been a steadfast supporter of chess in Indonesia. We have identified numerous talented chess players capable of enhancing Indonesia's reputation on the international stage and offer guidance, organise prestigious competitions, and foster the development of young chess talents across the country.

Japfa Chess Club

In response to the strong interest in chess among our employees, Japfa established the Japfa Chess Club. This club allows employees to enhance their chess skills, foster healthy competition, and strengthen workplace relationships. We have regular chess training sessions for employees and to participate in competitions such as the Japfa Chess Festival.

Japfa's commitment to chess in Indonesia extends to mentoring students at Japfa for Kids schools. Over the years, 266 students from Japfa's affiliated schools have joined the Japfa Chess Club, undergoing rigorous selection and participating in chess tournaments, including the Student Chess Festival and Japfa for Kids Awards 2023.



Japfa for Kids chess training



Japfa Chess Festival in 2023

Japfa Chess Festival

Japfa collaborates with the Indonesian Chess Association (Percasi) to organise the Japfa Chess Festival (JCF) 2023, a decade-long chess competition. This event aims to identify and nurture talented chess players to represent Indonesia internationally. JCF stands out for its inclusive nature, welcoming participants of all ages and skill levels, from Grandmasters to amateurs.

It includes various age categories, from juniors under 18, 14 and 10 to veterans over 55, both male and female. Alongside individual categories, JCF also features team categories for chess clubs and employees. Employees have the opportunity to compete in inter-company categories and vie for the Japfa Best Chess Award JCF even provides a platform for amateur participants like officials, referees and journalists. This comprehensive chess festival promotes skill development and inclusivity in the world of chess.

Beyond JCF, we organise various tournaments throughout 2023, including the Japfa Ramadhan Cup, Japfa FIDE Rated Tournament, Japfa Chess Festival, and Japfa Christmas Cup, with hundreds of participants joining the event every year.



In 2023, Japfa also collaborated with Universitas Gunadarma to develop a chess robot, an innovative step that combines artificial intelligence with the game of chess. The chess robot will play an integral role in our training programmes, designed to train our employees and provide learning opportunities for children.

This robot was trialled at the Japfa Chess Festival in October 2023. In the tournament, our robot was showcased and tested directly by chess players as a sparring partner.

This illustrates our commitment to integrating technology into various aspects of life, even in the game of chess, which demands strategic thinking.

GRI Index

GRI Standard	Disclosure	Page	Omission		
			Requirement(s) Omitted	Reason	Explanation
General Disclosure					
GRI 2: General Disclosures 2021	2-1	Organizational details	SR: 12, 20 AR: 26-35		
	2-2	Entities included in the organization's sustainability reporting	50		
	2-3	Reporting period, frequency and contact point	48		
	2-4	Restatements of information	50		
	2-5	External assurance	50		
	2-6	Activities, value chain and other business relationships	12		
	2-7	Employees	18		
	2-8	Workers who are not employees	18		
	2-9	Governance structure and composition	SR: 31 AR: 42-48		
	2-10	Nomination and selection of the highest governance body	AR: 54-55		
	2-11	Chair of the highest governance body	AR: 49		
	2-12	Role of the highest governance body in overseeing the management of impacts	SR: 31 AR: 49		
	2-13	Delegation of responsibility for managing impacts	31		
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	2-17	Collective knowledge of the highest governance body	SR: 109 AR: 54		

GRI Standard	Disclosure	Page	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	AR: 54		
	2-19	Remuneration policies	AR: 54-55		
	2-20	Process to determine remuneration	AR: 54-55		
	2-21	Annual total compensation ratio	AR: 56-57		
	2-22	Statement on sustainable development strategy	6-7		
	2-23	Policy commitments	24-26, 67, 78, 100, 104-105		
	2-24	Embedding policy commitments	24-26, 104		
	2-25	Processes to remediate negative impacts	SR: 49, 59 AR: 61		
	2-26	Mechanisms for seeking advice and raising concerns	24		
	2-27	Compliance with laws and regulations	24		
	2-28	Membership associations	27		
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GRI 3: Material Topics 2021	3-1	Process to determine material topics	51		
	3-2	List of material topics	51-52		

GRI Standard		Disclosure	Page	GRI Sector Standard Ref. No
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GRI 3: Material Topics 2021	3-3	Food security	54	13.9.1
	3-3	Animal health and welfare	67-78	13.11.1
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GRI 3: Material Topics 2021	3-3	Food safety	54, 57-58	13.10.1
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	57	13.10.2
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	58	13.10.3
Additional Disclosures	N/A	SOP on traceability	59	-
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GRI 3: Material Topics 2021	3-3	Food safety	57	13.10.1
N/A		List of food safety certifications	58	-
Managing product recalls due to product health and safety				
GRI 3: Material Topics 2021	3-3	Supply chain traceability	59	13.23.1
N/A		SOP on traceability	59	-
Upholding an anti-corruption policy				
GRI 3: Material Topics 2021	3-3	Anti-corruption	24	13.26.1
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	24	13.26.2
	205-2	Communication and training about anti-corruption policies and procedures	24	13.26.3
	205-3	Confirmed incidents of corruption and actions taken	24	13.26.4
Adhering to Ethical Working Principles				
GRI 3: Material Topics 2021	3-3	Non-discrimination and equal opportunity	104-105	13.15.1
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	106	13.15.2
GRI 3: Material Topics 2021	3-3	Employment practices	98-117	13.20.1

GRI Standard		Disclosure	Page	GRI Sector Standard Ref. No
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GRI 2: General Disclosures 2021	2-23	Policy Commitments	100	-
	2-26	Mechanisms for seeking advice and raising concerns	24	-
Efficient Use of Resources for Climate Resilience				
GRI 305: Emissions 2016	3-3	Emissions	90-92	13.1.1
	305-1	Direct (Scope 1) GHG emissions	47, 94	13.1.2
	305-2	Energy indirect (Scope 2) GHG emissions	47, 94	13.1.3
	305-3	Other indirect (Scope 3) GHG emissions	47, 94	13.1.4
	305-4	GHG emissions intensity	94	13.1.5
	305-5	Reduction of GHG emissions	91	13.1.6
GRI 3: Material Topics 2021	3-3	Climate adaptation and resilience	34-47,	13.2.1
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	38-39	13.2.2
GRI 3: Material Topics 2021	3-3	Water and effluents	87-89	13.7.1
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	87-89	13.7.2
	303-2	Management of water discharge-related impacts	89	13.7.3
	303-3	Water withdrawal	88	13.7.4
	303-4	Water discharge	89	13.7.5
	303-5	Water consumption	89	13.7.6
GRI 3: Material Topics 2021	3-3	Waste	95-97	13.8.1
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	95-97	13.8.2
	306-2	Management of significant waste-related impacts	94-97	13.8.3
	306-3	Waste generated	94	13.8.4
	306-4	Waste diverted from disposal	94	13.8.5
	306-5	Waste directed to disposal	94	13.8.6
Responsible Suppliers and Contract Farmers				
GRI 3: Material Topics 2021	3-3	Forced or compulsory labour	25, 105	13.16.1

GRI Standard		Disclosure	Page	GRI Sector Standard Ref. No
GRI 409: Forced or Compulsory Labor	409-1	Forced or Compulsory Labor	25, 105	13.16.2
GRI 3: Material Topics 2021	3-3	Child labour	25, 105	13.17.1
GRI 408: Child Labour	408-1	Child labour	25, 105	13.17.2
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GRI 3: Material Topics 2021	3-3	Occupational Health and Safety	100-102	13.19.1
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	100	13.19.2
	403-2	Occupational health and safety management system	102	13.19.3
	403-3	Occupational health services	101	13.19.4
	403-4	Worker participation, consultation, and communication on occupational health and safety	101-102	13.19.5
	403-5	Worker training on occupational health and safety	100	13.19.6
	403-6	Promotion of worker health	101, 104	13.19.7
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	103	13.19.8
	403-8	Workers covered by an occupational health and safety management system	100	13.19.9
	403-9	Work-related injuries	103	13.19.10
Information of food safety and traceability on product labelling				
GRI 3: Material Topics 2021	3-3	Food safety	57-59	13.10.1
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	57, 59	-
	417-2	Incidents of non-compliance concerning product and service information and labeling	58	-
	417-3	Incidents of non-compliance concerning marketing communications	58	-
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	81	-

GRI Standard		Disclosure	Page	GRI Sector Standard Ref. No
Other Material Topics Beyond the Top 10 Material Topics that the Company Addressed				
GRI 302: Energy	302-1	Energy consumption within the organisation	93	-
	302-2	Energy consumption outside of the organisation	93	-
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	23	13.22.2
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	60-65, 119, 121,	13.22.3
	203-2	Significant indirect economic impacts	65, 119, 126	13.22.4
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Japfa's poultry and aquaculture farms as well as operational areas are not located in conservation areas, nor deforested land.	13.3.2
	304-3	Habitats protected or restored	79	13.3.4
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	79 Gallus gallus is listed as Least Concern according to International Union for Conservation of Nature's Red List of Threatened Species	-
	401-1	New employee hires and employee turnover	106	-
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	105	-
	404-1	Average hours of training per year per employee	115	-
GRI 404: Training and Education 2016	404-2	Programmes for upgrading employee skills and transition	110-114	-
	404-3	Percentage of employees receiving regular performance and career development reviews	115	-
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	25	13.18.2
GRI 413: Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	118-133	13.12.2
GRI 206: Perilaku Anti-persaingan 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SR: 24	13.25.2

Topics in the Applicable GRI Agriculture Aquaculture and Fishing Sectors Determined as Not Material		
Topic 13.4	Natural ecosystem conversion	Irrelevant
Topic 13.5	Soil health	Irrelevant
Topic 13.6	Pesticides use	Irrelevant
Topic 13.13	Land and resource rights	Japfa's poultry and aquaculture operations, along with their operational sites, are not situated within conservation zones or on land that has been deforested.
Topic 13.14	Rights of indigenous peoples	Irrelevant
Topic 13.24	Public policy	Irrelevant

TCFD Index

TCFD Recommendations		Code	Page
Governance			
a)	Describe the board's oversight of climate-related risks and opportunities.	TCFD-Govt-a	30-33
b)	Describe management's role in assessing and managing climate-related risks and opportunities.	TCFD-Govt-b	30-33
Strategy			
a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	TCFD-Str-a	34-35, 38-39
b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	TCFD-Str-b	34-35, 38-40
c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	TCFD-Str-c	34-35, 41
Risk Management			
a)	Describe the organization's processes for identifying and assessing climate-related risks.	TCFD-Risk-a	34, 36-37
b)	Describe the organization's processes for managing climate-related risks.	TCFD-Risk-b	34, 36-37
c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	TCFD-Risk-c	34, 36-37, 43
Metrics & Targets			
a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	TCFD-Metrics-a	44, 46
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emission, and the related risks.	TCFD-Metrics-b	44, 47, 94
c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	TCFD-Metrics-c	44

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