



FKS Food & Agri Sustainability Report 2021

TABLE OF CONTENT

About This Report	03
CEO Message	04
About FKS Food & Agri	06
Our ESG Approach	14
Managing Our Environmental Footprint	20
Caring for Our Employees	31
Strengthening Our Communities	39
Prioritising Quality and Safety	46
GRI Content Index	51

Integrity



Caring



Commitment



About This Report

Welcome to our first Sustainability Report. Our report aims to communicate our key initiatives and focus areas for 2021 where we believe are material to our stakeholders and business partners. The reporting exercise is an important facet of our commitment to greater transparency and accountability to our stakeholders.

Reporting Framework

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards where the GRI content index can be found at the end of the report.

In preparing this report, we applied the reporting principles of the GRI of stakeholder inclusiveness, sustainability context, materiality, and completeness. To ensure the quality of our report, we have applied GRI principles of accuracy, balance, clarity, comparability, reliability, and timeliness.

We have started mapping material issues through our engagement with stakeholders and have discussed them in this report.

Scope of the Report

Given that majority of our operational activities and workforce are

concentrated in Indonesia and Brazil, much of the information provided in this report pertains to these region. As a limitation, no comparative data on previous years are provided since this is the first sustainability report. Overall qualitative and quantitative data on our joint venture operations are excluded from this report.

Data and assurance

We have not sought external assurance for our reporting this year, all data included in this report has been subjected to internal review as part of our reporting process.

Contact and Feedback

We welcome inputs from stakeholders and readers to improve the quality of our report. For questions, comments, feedback, and additional information, please contact us.

FKS Food and Agri

10 Collyer Quay

#15-08 Ocean Financial Centre

Singapore 049315

P : +65 6511 3070

E : sustainability@fksgroup.com

CEO Message

Dear Stakeholders,

We are pleased to introduce our inaugural FKS Food and Agri's Sustainability report. I hope readers will find a transparent overview of our business, ongoing Environmental, Social and Governance ('ESG') efforts, and, most importantly, our ESG commitment. Given the integration of the FKS FA operations, we may be in the early stages of our sustainability journey. Nevertheless, we will strive to make meaningful strides in ESG and improve our reporting as we mature over time. We will continue refining our framework and embed ESG considerations into our business strategy and decisions.

The New Norm

2021 remained a challenging year, with unpredictable resurgence in Covid-19 cases resulting in the reimposition of travel restrictions and movement controls in countries, disrupting operations and supply chains. To navigate through these challenges, our people's health and safety remained our top priority. At FKS FA, we continue with our flexible working arrangement and allow our employees to work from home. For those required to be on-site, we continue to observe strict distancing measures, take preventative

measures and establish safe working measures aligned with the latest government regulations. To ensure the general well-being of our people, we engaged speakers and hosted webinars on managing interpersonal stress and published a quarterly employee newsletter to keep our employees in the know on significant developments within the Group.

Mapping Environmental Impact

Despite the many challenges faced by our operations in 2021, ESG remained a key priority for us. Recognising that, we engaged third-party consultants to review our internal controls on ESG matters and to conduct life cycle assessments (LCA) to map the environmental impact of our operations. As recommended by our reviewer, to create awareness of ESG topics, we organised training for our employees from various businesses. For our ESG reporting, we adopted a reporting framework aligned with internal standards and conducted a more robust materiality assessment to determine key issues to prioritise. Through the LCA, we have mapped our environmental footprint, including Scope 1 and Scope 2 greenhouse gas ('GHG') emissions from our operations. We are looking to establish our GHG emission baseline and implement GHG reduction strategies to support global climate ambitions.

Supporting Our Communities

We are also mindful of the impact that the pandemic had on the livelihoods of surrounding communities. On top of our regular community development initiatives, we also worked closely with the local authorities to provide food to the underprivileged communities, distribute personal protective equipment, including face masks and sanitisers to local communities. To support the national vaccination programme, we made available some of our facilities to be used as vaccination centres.

Looking Ahead

In 2022, we established an ESG Steering Committee to oversee the Group's ESG strategy and framework. Our leadership team from the respective businesses will take a more direct role in integrating ESG into business strategies and decision-making processes. We are hopeful with the gradual easing of travel restrictions domestically as well as internationally, we will regain momentum in implementing our ESG strategies and initiatives. We look forward to partnering with multi-stakeholders to improve underprivileged communities' livelihoods, protect the environment, and create impactful and lasting change.

Lastly, I would like to take the opportunity to thank our employees, business partners, and stakeholders for staying with us in these challenging times. I look forward to your continued support as we embark on our sustainability journey.

Chandy Kusuma

Executive Director and Group Chief Executive Officer





| About FKS Food & Agri

Business Overview

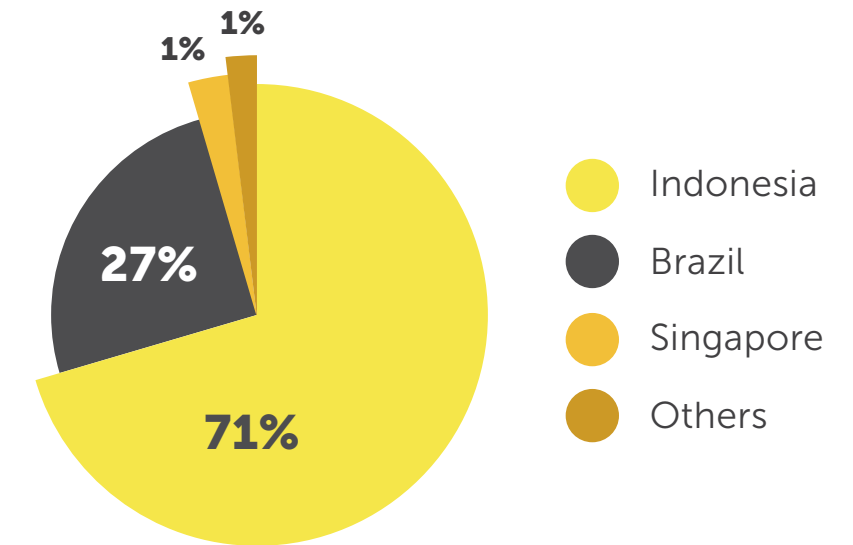
FKS Food and Agri ('FKS FA' or the 'Company' and together with its subsidiaries, the 'Group') is a private limited company and headquartered in Singapore. Established in 1992, FKS FA has grown into a leading food company with an integrated value chain network and presence across 10 countries.

FKS FA sources staple food and feed products from more than 20 countries across five continents for our customers globally. Through our logistics infrastructure in Vietnam and Indonesia, we offer port-to-warehouse solutions for the food and agricultural industry, hence contributing to increasing access to the distribution of food products to Southeast Asia.

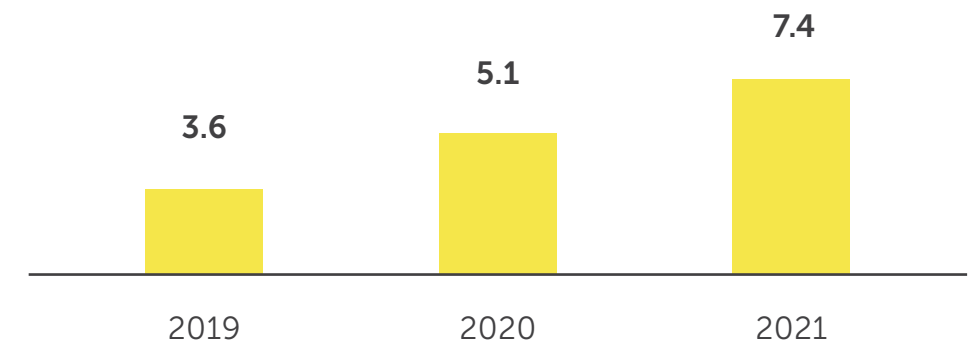
Backed by various production facilities and assets, we operate on a unique "farm-to-plate" business model, covering an extended value chain including producing, merchandising, shipping, processing, distribution and logistics, allowing us to capture various benefits across the value chain, improve margins and create operational efficiencies and synergies that are unique for the region.

Supported by a multinational team of over 6,500 employees, FKS FA is committed to conducting our business responsibly by minimising our environmental impact, caring for our employees and improving the livelihood of communities where we operate. These Environmental, Social and Governance ('ESG') priorities are embedded into our business strategies and business decisions.

Group Employees by Country



Revenue – US\$b



Our Vision, Mission, & Values



Vision

Bridging potential to success



Mission

We develop and orchestrate a trusted combination of people, infrastructure and processes across the value chain on behalf of partners and customers

FKS Way



Integrity

Do the right thing regardless of consequences



Caring

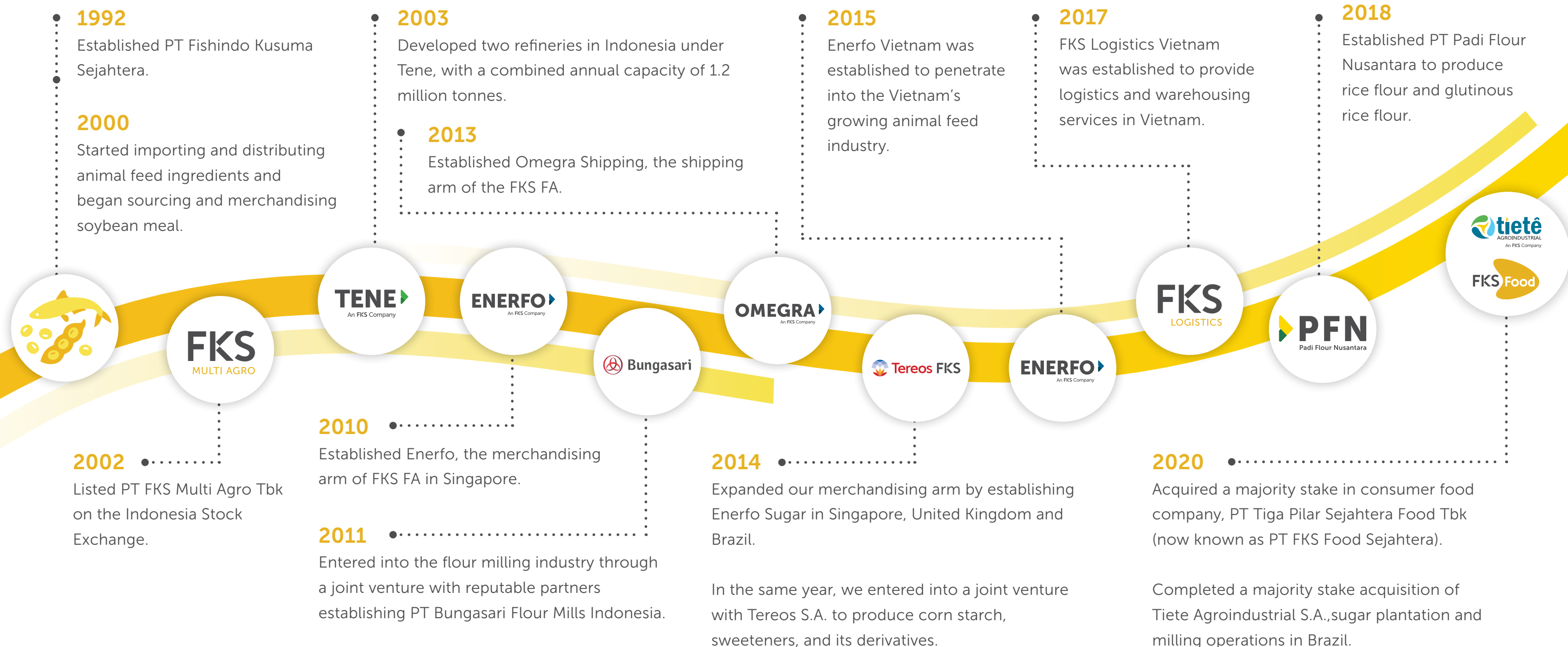
Care for employees, customers and communities



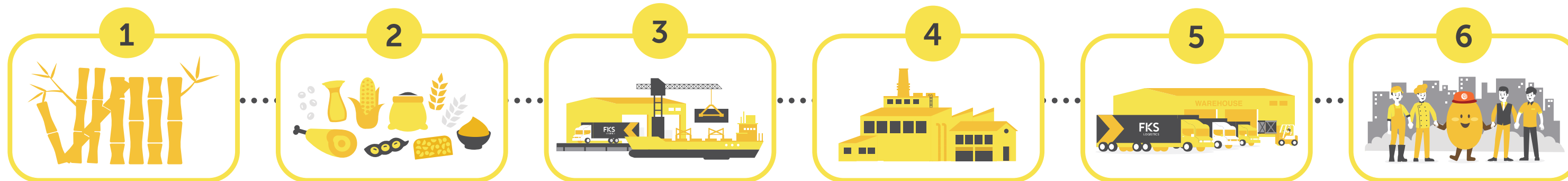
Commitment

Fulfilling commitments to our stakeholders

FKS Food & Agri Milestones



Our Value Chain



Plantation

We operate two sugar cane plantations and mills in Sao Paulo, Brazil producing raw sugar, ethanol and electricity.

Merchandising

We source various grain and oilseeds as well as raw sugar for our processing needs in Indonesia as well as for our 3rd party customers.

Shipping and Port Logistics

We ship commodities globally to our customers. We also manage ports logistics in 3 key ports in Indonesia and store dry bulk commodities in our warehouses in Vietnam and Indonesia.

Food Processing

We process raw sugar into refined sugar and through our joint venture operations, we process wheat into wheat flour, corn into corn starch and rice into rice flour.

Wheat flour, corn starch and refined sugar are further processed by our food processing operations into various consumer food products including noodles, dry vermicelli and savoury snacks.

Distribution

We distribute our consumer food products as well as dry bulk commodities to customers including small medium enterprises and retail customers.

Industrial and Retail Customers

We protect our customers by prioritising product quality and safety.

Our Products



Staple Food and Feed



Pantry Essentials and Consumer Food Products

Our Services



Stevedoring and Port Handling

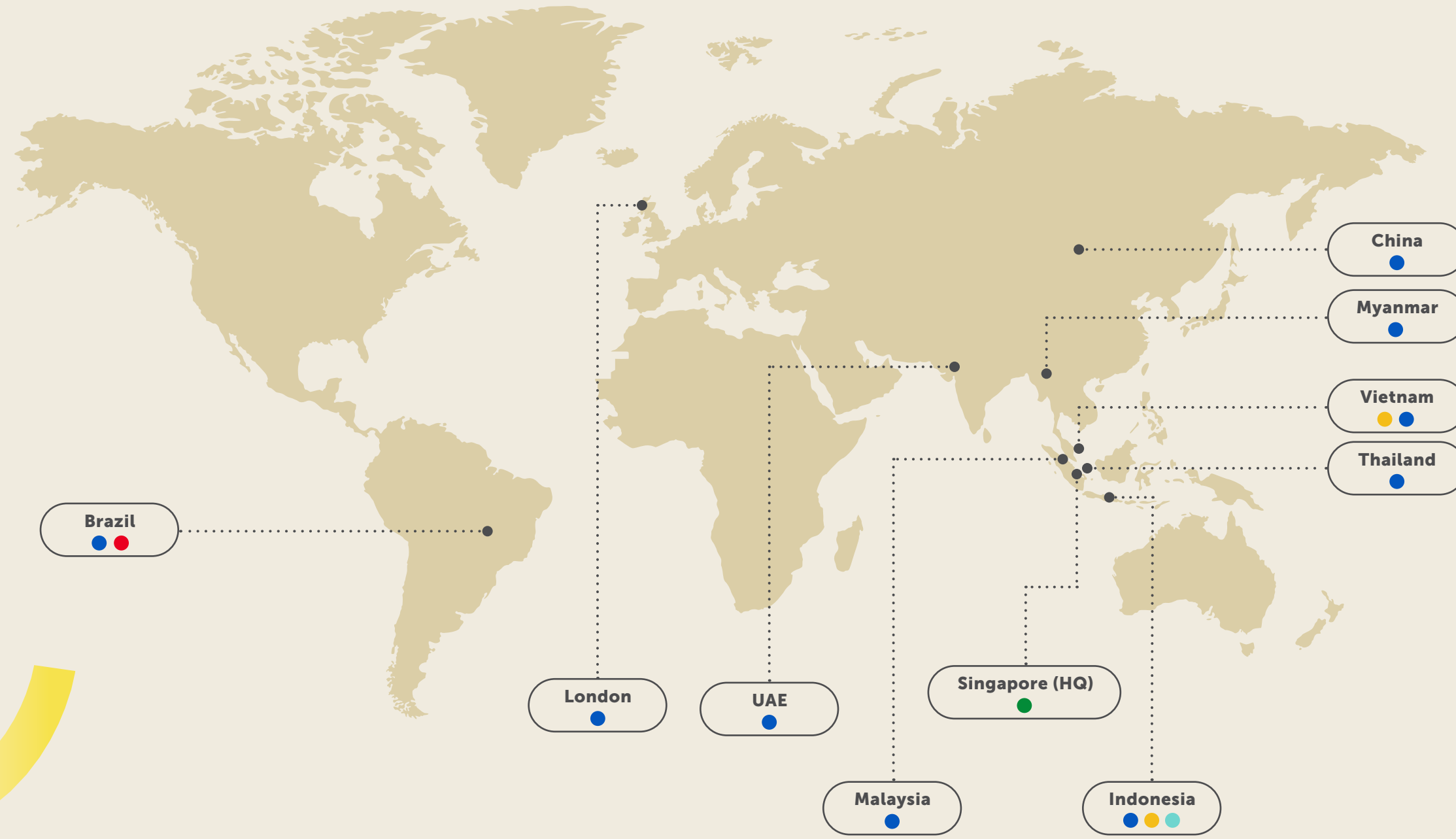


Warehousing



Transportation

Our Global Operations



25
Warehouses
Globally



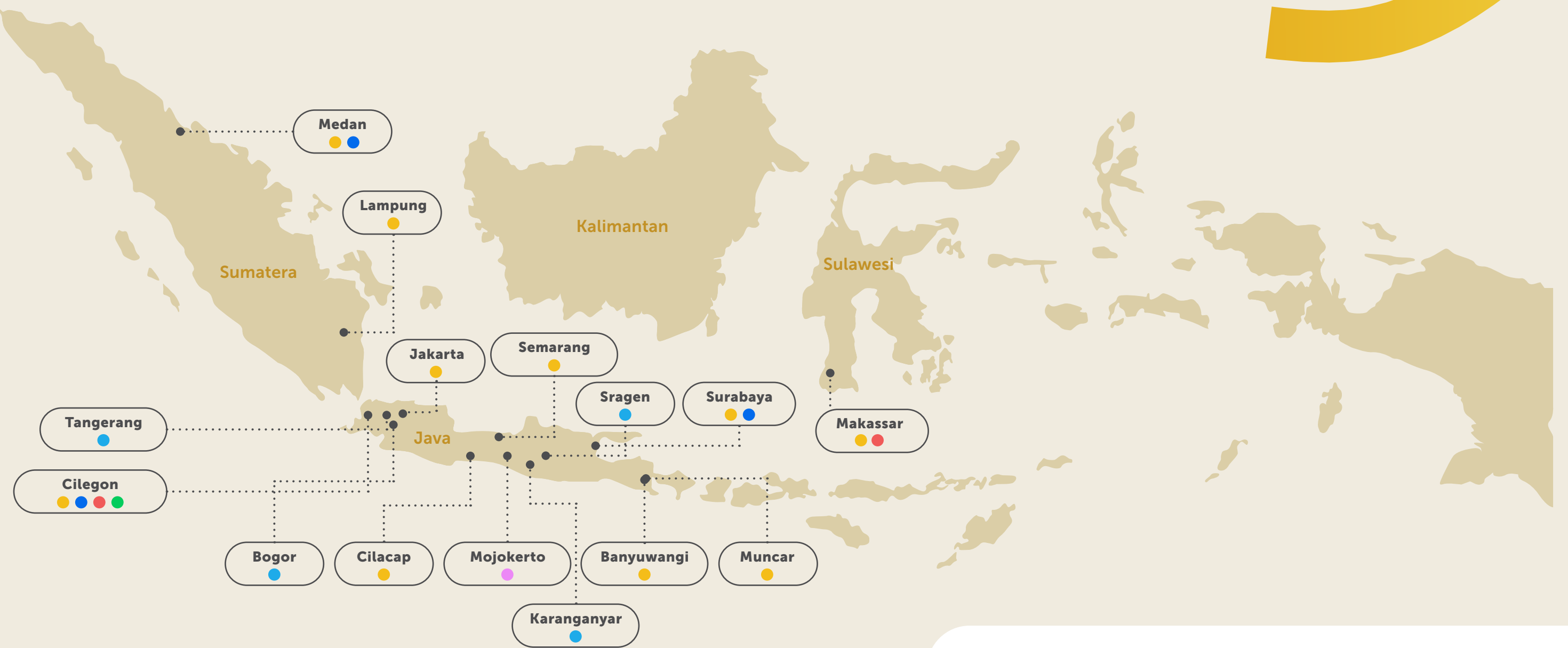
10
Offices
Worldwide



10
Processing
Plants

- Headquarters
- Warehouse
- Branch Office
- Sugarcane Plantation
- Food Processing

Our Indonesia Operations



- Warehouse (yellow dot)
- Sugar Refinery (red dot)
- Snacking / Cooking Food Processing Plant (blue dot)
- Port Facility (blue dot)
- Icing Sugar Processing Plant (green dot)
- Rice Flour Processing Plant (purple dot)



| Our ESG approach

Sustainability Governance

The Board of Directors ('Board') of FKS FA comprises of five directors that oversee the Company's management and affairs, and is also responsible for protecting and enhancing long-term shareholder value and returns. The Board's primary functions is to approve the Company's key business strategies, financial objectives, annual budget, financial results, significant investments and divestments as well as funding proposals.

ESG priorities are embedded in the Group's operations and overseen by the ESG Steering Committee (the 'Committee'). The Committee comprises the Group Chief Executive Director, Group Chief Operating Officer, Group Chief Financial Officer, Chief Human Resource Officer and Group Chief Administrative Officer. In addition, we have the ESG core team as the sub-committee driving ESG agenda and strategies, mapping ESG risks, and evaluating performances. The ESG core team is supported by members across all operational units.

Board Composition

<p>2 Executive Directors</p>	<p>3 Non-Executive Directors</p>
<p>3 Male</p>	<p>2 Female</p>

Sustainability Governance Structure



Ethical Business Conduct

Integrity is part of our Corporate Culture, the FKS Way. Having integrity is crucial and it is important that we do the right thing no matter what circumstances we are in. This commitment is evident through our Code of Conduct (the 'Code'), which applies to all our employees. The Code serves a guide to our employees to conduct day-to-day business ethically, with integrity and in compliance with applicable rules and regulations.

To ensure our employees are well versed with the Code, we organise refresher training to remind employees of the Code. During the onboarding process, new employees are briefed and requested to acknowledge receipt of the Code.



Being good includes, among others, the responsibility to adhere to applicable laws and regulations, strive to drive a positive impact on local communities and commit to conducting economical, socially and environmentally friendly business.



The Company is responsible for the workplace environment, occupational health and safety as well as security, quality and product stewardship and ensuring compliance with the internal controls, financial reporting, data storage and audits.



Being honest includes not tolerating bribery or taking bribes and complying with all laws and regulations related to Anti-Monopoly, Business Competition and Anti-Money Laundering that apply globally where the Company operates.



All employees are expected to avoid conflict of interest wherever possible where our interests could inappropriately influence business judgment, objectivity, or loyalty in conducting business activities for the Company.

ESG Strategy

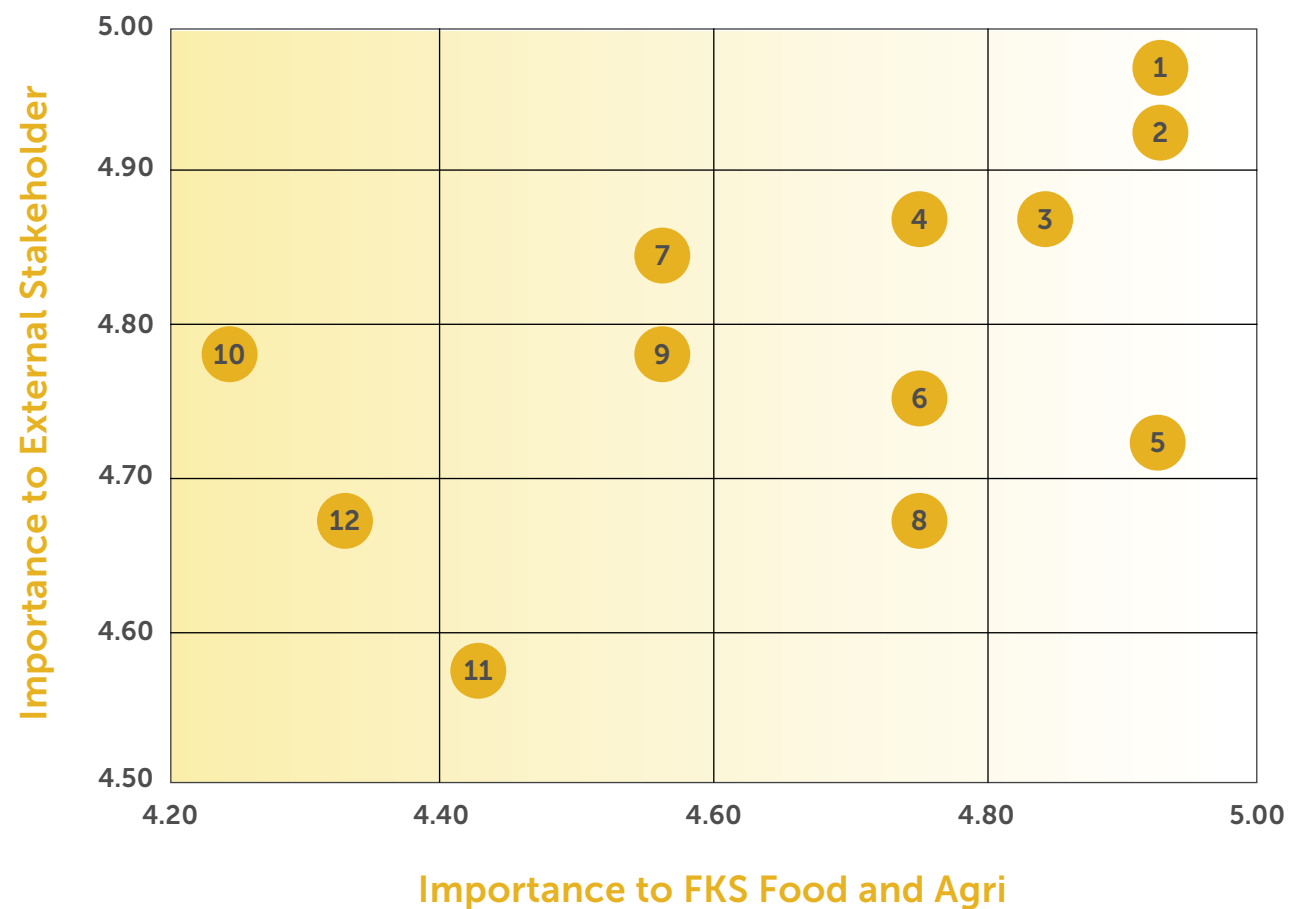
In developing our ESG strategy, we mapped our environmental footprint, gathered insights from stakeholders to identify key focus areas through an in-depth materiality assessment and performed benchmarking analysis. We have also identified our key contributions to the Sustainable Development Goals through our products and operations.



To provide food safety and food security, we implement good environmental management while ensuring a healthy, safe and secure workplace that support the building of strong communities.

Materiality

We reached out to our stakeholders through questionnaires that we have prepared, and stakeholders' opinions were obtained on the relevant key material issues of the Group. Input from internal and external stakeholders was gathered and ranked to form a matrix. Twelve top materiality topics were identified and mapped in accordance with the GRI Standards.










Each material topic we identified may be caused by the Group, contributed by our suppliers or customers, or linked to our activities through business relationships.

No	Materiality Topic	Company	Supplier	Consumer
1	Employee Health and Safety	●		
2	Fair employment practices	●		
3	Product quality and food safety	●	●	●
4	Governance and ethics	●	●	●
5	Responsible Supply Chain	●	●	
6	Waste Management	●	●	●
7	Risk Management	●	●	
8	Regulatory Compliance	●	●	
9	Training and Development	●		
10	Water Consumption	●	●	
11	Energy and Emissions	●	●	●
12	Food Security	●	●	●

● Caused ● Contributed ● Linked

Stakeholder Engagement

We seek to enhance our stakeholder engagement with various stakeholder groups through open communication, exchanges, and feedback. This enables us to better understand their concerns and needs, which in return helps us to develop solutions to address their needs. In 2021, we strive to maintain contact with our stakeholders and engage them despite movement restrictions due to the Covid-19 pandemic. Our primary stakeholders and our communication strategies are listed in the table below.

 Bank & Financial Institutions	 Communities	 Customers and consumers	 Employees	 Regulatory bodies (Government)	 Shareholders	 Suppliers
<p>Engagement Method</p> <ul style="list-style-type: none"> • Website • One-on-one communications <p>Topics and concerns</p> <ul style="list-style-type: none"> • Financial performance • ESG commitments and initiatives 	<p>Engagement Method</p> <ul style="list-style-type: none"> • Continuous dialogue • Meetings • Community and company events <p>Topics and concerns</p> <ul style="list-style-type: none"> • Access to employment opportunities • Health and prosperity of community 	<p>Engagement Method</p> <ul style="list-style-type: none"> • One-on-one communications • Social media engagement <p>Topics and concerns</p> <ul style="list-style-type: none"> • Food safety • Product quality • Responsible Sourcing 	<p>Engagement Method</p> <ul style="list-style-type: none"> • Newsletters • Townhalls, coffee meetings • Performance review • Employee engagement survey <p>Topics and concerns</p> <ul style="list-style-type: none"> • Health and safety • Operational and financial performance • Career development • Pay and benefits 	<p>Engagement Method</p> <ul style="list-style-type: none"> • Formal letters • Meeting • Multi-stakeholder forum <p>Topics and concerns</p> <ul style="list-style-type: none"> • Regular compliance • Collaboration to provide aid to communities during Covid-19 	<p>Engagement Method</p> <ul style="list-style-type: none"> • Annual general meeting • Quarterly meeting • Continuous dialogue <p>Topics and concerns</p> <ul style="list-style-type: none"> • Operational and financial performance • ESG commitments and initiatives 	<p>Engagement Method</p> <ul style="list-style-type: none"> • Continuous dialogue • Industry events <p>Topics and concerns</p> <ul style="list-style-type: none"> • Financial performance • Supplier code of conduct



Managing Our Environmental Footprint

Mapping Our Environmental Impact

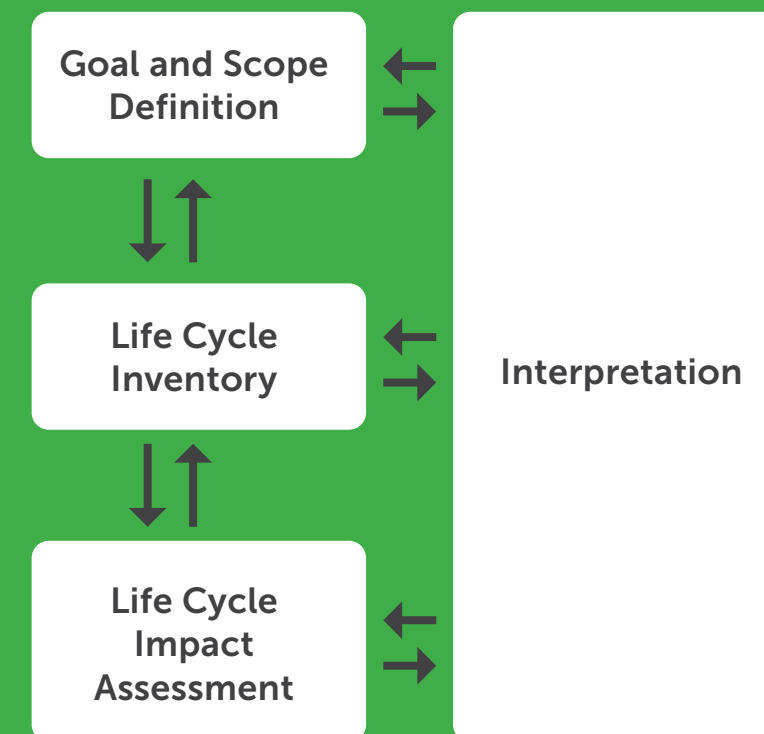
Recognising that every product we produce has its own environmental impact, by identifying these impacts can help us mitigate and manage our ESG risks. A good mitigation strategy is also essential in ensuring we play our part in protecting our planet and our operations are future-ready as the world transitions to a low-carbon economy.

In 2021, FKS FA initiated a Life Cycle Assessment (LCA), a science-based study based on the ISO 14040:2006 to quantify the inputs and outputs of a production system and its potential environmental impacts associated throughout its life cycle. The assessment involves all stages of a product, from raw material extraction, transportation and shipping, manufacturing, packaging, distribution, consumer use and disposal. To quantify our environmental impacts, our consultant used over 90% of the Company's data from our sugar plantation and mills, shipping, port, warehousing, manufacturing and land distribution to consumer usage. The rest of the data are from proxy data of companies in the same sector.

LCA aims to identify processes in the value chain of a product with the most significant environmental impact. Undertaking the LCA demonstrates our ESG commitment to strengthening our operations and determining opportunities to improve our environmental performance.

Having completed the assessment, we can also pursue verification of the LCA results by an accredited certification body to have our products registered with the International Environmental Production Declaration ('EPD') in the future. With EPD, consumers can access transparent and detailed information on the environmental performance of the product.

LCA Framework (ISO 14040:2006)



Mapping Our Environmental Impact

The Company's investment in the automation of its stevedoring operations and cleaner diesel-engine vehicles has improved its environmental performance for its port, warehousing, and distribution businesses.

Our stevedoring operation has evolved from first unloading the cargo by crane and then transporting it by trucks from the jetty to the warehouse to automation involving continuous mechanical unloader and conveyor belt. The automation resulted in a speedy discharge of dry bulk cargo by 2 to 3 times faster than conventional speed, thus reducing vessel idle time docking at the port for discharging. The automation also replaced the need for trucks to transport the dry bulk cargo to warehouses and reduced overall diesel consumption. All these activities have proven to reduce our environmental footprint.

The Company operates a fleet of trucks compliant with European emission standards – Euro IV, with lower and more stringent exhaust pollution limits. Coupled with our route optimisation practices, our distribution has lower emissions as compared to conventional distribution in Indonesia.

Our LCA result also indicated that our energy-intensive food processing operations has the biggest environmental footprint. The coal consumption to generate heat or steam for processing has shown to be a dominating factor.

Moving forward, the Company will focus on reducing its carbon footprint by improving operation and energy efficiencies, investing in the usage of cleaner energy and exploring carbon offsetting projects.



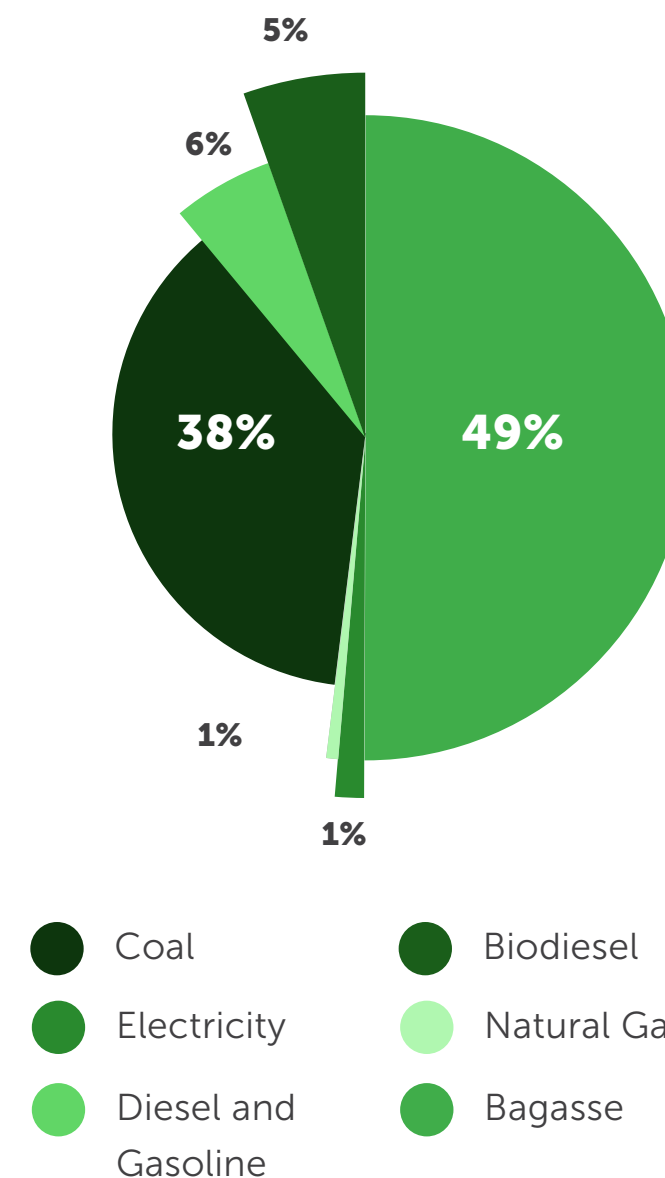
Energy Management

We recognise that our food processing businesses are energy-intensive operations. Approximately 50% of the Group’s energy consumption comes from renewable energy, bagasse, a by-product of the sugar milling process. Bagasse is used as boiler fuel in our sugar mills in Brazil. In 2021, we consumed over 774,000 of bagasse, amounting to 6,300,000 Gigajoule (‘GJ’) of energy.

Sources	Amount (GJ)
Bagasse (renewal energy)	6,308,029
Coal	4,861,012
Diesel and Gasoline	706,538
Biodiesel	683,676
Electricity	189,259
Natural Gas	92,897
Total Energy Consumption	12,841,411

In 2021, through the LCA we have mapped our environmental footprint, including Scope 1 and Scope 2 GHG emissions from our operations. We are looking to establish our GHG emission baseline and implement GHG reduction strategies to support global climate ambitions.

Energy Consumption



Water and Wastewater Management

We believe that water is a shared resource, and we give utmost consideration to the utilisation of this shared resources.

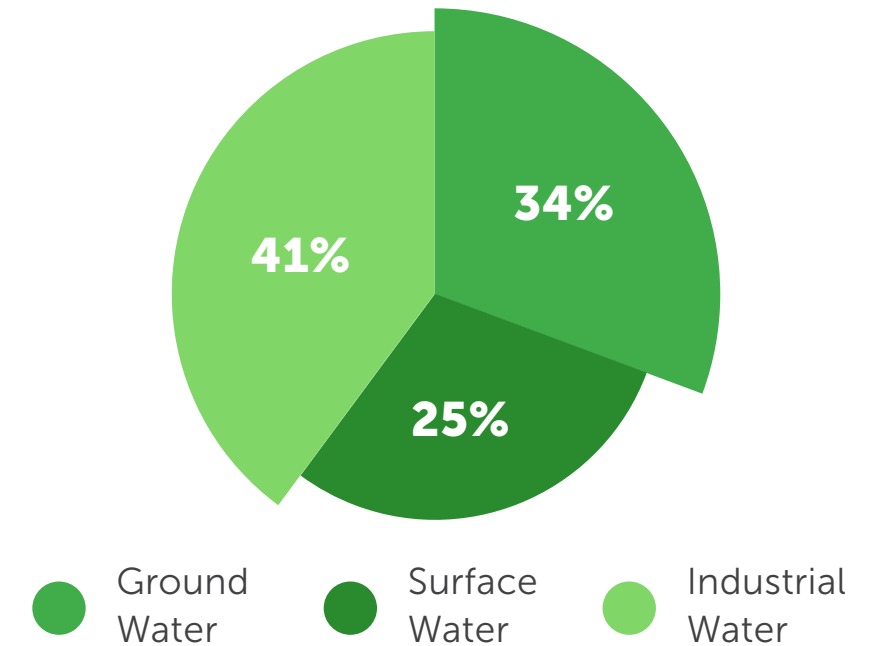
Water is primarily used in the sugar milling, sugar refinery as well as our food processing businesses. In 2021, the Group consumed over 3,201,703 m³ of water. Our main water from freshwater sources, surface water and industrial water.

As water plays a vital role in supporting the Group’s operational activities, we have initiated water optimisation programmes and installed wastewater treatment facilities in our operations. Residual water from the sugar milling process are reused in the plantation to replenish soil nutrients as well as for irrigation purposes, a total of 775,038 m³ of water was recycled. Wastewater from our sugar refinery and other food processing plants are reused and treated before discharge. With our various water saving and recycling initiatives, our sugar refinery had reduced its water consumption per ton of sugar melted by 55%.

Periodic audits and regular checks are performed to identify substances in the water discharge to ensure compliance with limits specified in local regulations where we operate. During the reporting period, we have complied with the applicable water and wastewater management regulations.

Apart from the water used in our factories and production facilities, we are also mindful of ocean pollution risk in our port and shipping operation. We will ensure that our operational activities are in compliance with applicable regulations including supporting the sustainable management of oceans.

Water Withdrawal Source



	Amount (m ³)
Total water withdrawal	4,271,784
Total water discharge	1,070,081
Total water consumption (total water withdrawal – total water discharge)	3,201,703

Waste Management and Treatment

Waste generated from our operations is disposed of responsibly and, where possible, recovered, reused and recycled to minimise our environmental footprint. Wastes are classified into hazardous and non-hazardous waste.

The primary non-hazardous waste from our operations includes organic waste, food waste, paper, plastic and other domestic waste. The organic waste such as vinasse, bagasse, filter pie, boiler ash generated during the milling process are channeled back to the plantation as fertilisers to replenish soil nutrients. Food waste from our processing plants is recovered and often reprocessed into food products. Waste that cannot be reprocessed is sold to local feed millers and reused as animal feed.

The Group ensures its compliance to meet national regulations in the management and disposal of its hazardous waste. Hazardous waste generated from our operations includes metal scrap, waste resin, used oil and lubricants, chemical packaging, filters and electric waste. All hazardous waste is segregated and stored within secure temporary storage facilities. Licensed third parties collect hazardous waste for proper disposal according to national regulations.



Sustainable Packaging

Packaging used for food products is crucial in maintaining food safety and quality and having good packaging helps to preserve food and minimise food wastage. While the packaging is essential, we are also mindful that product packaging, especially plastic, has become the center of global attention and is a major pollutant exacerbating many environmental issues.

Our sustainable packaging strategy is focused on reducing packaging weight, improving packaging designs and increasing recyclable content in our packaging materials. Our research and development teams are working to source for recyclable materials and develop sustainable packaging that minimise our overall waste footprint. Currently, the packaging of our consumer staple food products is 100% recyclable material. The team is still working to find suitable recyclable materials for our snacking products.

In 2021, by replacing the inner packaging of one of our snack products and altering the dimension and thickness of our packaging, we have successfully reduced the volume of our primary packaging by up to 7%.

Looking ahead, we will explore collaboration with external parties to increase recycling of our packaging and at the same time eliminate unnecessary packaging waste and keeping tabs on emerging technologies in recycling.



The packaging of our consumer staple food products is 100% recyclable.

Addressing Climate Change

Extreme weather events, water scarcity, and other effects of climate change threaten people worldwide and affect global food security. To play our part in addressing climate change, we implemented various emissions reduction initiatives.

Modern Port Operations

As a leading food and feed supplier in Indonesia, our strength lies in the fast discharging of dry bulk cargo from our port to the warehouse and subsequently distributed to our customers and consumers. With our modern integrated port operations, we have reduced port congestion and truck waiting time at our warehouses to load cargo for distribution. We have also reduced food losses during transportation, thus improving food security. Our port revitalisation investments have resulted in the reduction of CO2 emissions by 36% in 2021.

Low Emission Distributions

Our trucking operations manage 95 fleets of low-emissions trucks with better combustion and fuel distribution. These Euro IV compliant trucks have approximately 7X lower emissions than average trucks used in Indonesia. Our trucks are powered using palm-based biodiesel, a renewable energy source widely used in Indonesia.

Efficient Food Processing

Energy production and consumption in our food processing operations are the main contributors to our greenhouse gas emissions. Energy efficiency is, therefore, key to addressing climate change. With various initiatives implemented in the past few years, we saw significant improvements in our energy efficiencies. Coal consumed in our sugar refineries per ton of sugar melted had reduced by 28%. Other initiatives to save energy for our operations include installing transparent roofs in storage warehouses to reduce lighting requirements, using LED lights in our port operations, and conducting regular maintenance for boilers, heavy equipment and vehicles.

Solar Panel

Last year, our flour processing joint venture operations, Bungasari, kickstarted their first solar project in Medan. Bungasari is the first flour mill in Indonesia to use renewable energy source for its processing needs. Solar panels are installed on the rooftop of the plants to harness solar energy.

Once it is fully operational, the solar panel system can produce approximately 2.9 million kilo-watt-hour per year of electricity which equates to energy use of almost 47,000 small home. It also enables Bungasari to reduce their carbon footprint by 69 tons of carbon per year.

FKS FA will continue to work closely with our business partners to explore cleaner energy usage for our own operations as well as those joint-venture operations.



Organic Waste Recycling

Tiete, our Brazilian sugar plantation recycles its cane bagasse, a by-product of crushing sugarcane, as a main source of fuel powering its mills. The mills are cogeneration plants that generate electricity and produce steam for consumption simultaneously. Excess electricity generated are sold to the grid or third parties. In 2021 during the cane crushing season, we exported 48,921 MWh to national grids.

In addition to bagasse, vinasse a by-product of the distillation process of the sugarcane juice, filter pies which comes from the filtration of the cane juice and ash from burning of bagasse are also channeled back to the plantation as natural fertilisers. It helps replenish soil nutrients and reducing Tiete’s reliance on mineral fertilisers.



Natural waste re-used in plantation and mills

Bagasse	774,847 tonnes
Vinasse	1,883,822 m ³
Filter Pies	347,036 tonnes
Boiler Ash	32,000 tonnes

As a sugar and ethanol producer in Brazil, Tietê Agroindustrial, actively participates RenovaBio, a Brazilian National Biofuel Programme supporting the reduction of green house gas emissions. The RenovaBio programme, recognises and encourages good agricultural and environmental best practices in the sugarcane production. In 2021, we produced 148,572 m³ of ethanol certified by RenovaBio programme.

Creating an Impact on the Environment

Tietê Agroindustrial, the Group's sugar cane plantation and processing plant in Brazil, recognises the importance of maintaining a harmonious move to next line between its operation and the environment it operates in. Preserving the environment has been engraved into the company as part of its values. To demonstrate its commitment to put the words into actions, Tietê Agroindustrial has initiated and sponsored numerous community projects that will have a dramatic impact on the environment. The two notable projects are highlighted here.

The Planting the Future Project is celebrated on Tree Day every year on September 21st. It aims to educate children about the importance of trees and how crucial it is that we take responsibility in preserving them. What could be better than instilling environmental education into the minds of the future generation? Aside from lectures, the project also allows the children to visit the company's industrial site and plant native tree seedlings in Permanent Preservation Areas. At the end of the event a celebration is held, where educational gifts and snacks are given to the children to congratulate them for making the world a greener place. As of today, the 6,020 children that have participated in this project have already planted – together with Tietê Agroindustrial's staff – more than 191,611 trees!

The Tietê Ecological Bank is held in celebration of the Environment Week which is held every year in the first week of June. The project distributes seedlings of native trees to Tietê Agroindustrial's employees.

To increase awareness, employees are encouraged to compete for prizes by posting photos of them planting their seedlings on their



social media. The most liked photo wins. Environmental preservation is trendy and the Ecological Bank project has resulted in the distribution of more than 1,010 seedlings to date!



| Caring for Our Employees

Our employees are our greatest asset and the bedrock of our success. We recognise that our employees' health, safety, and well-being will always be our priority for us to pursue our business goals and to continue growing our operations. With the unprecedented pandemic, how we operate our business must change in order not to compromise the health of our employees. In 2021, we continued to communicate and implement measures that prioritise health and safety at the same time creating a positive work environment for our employees.

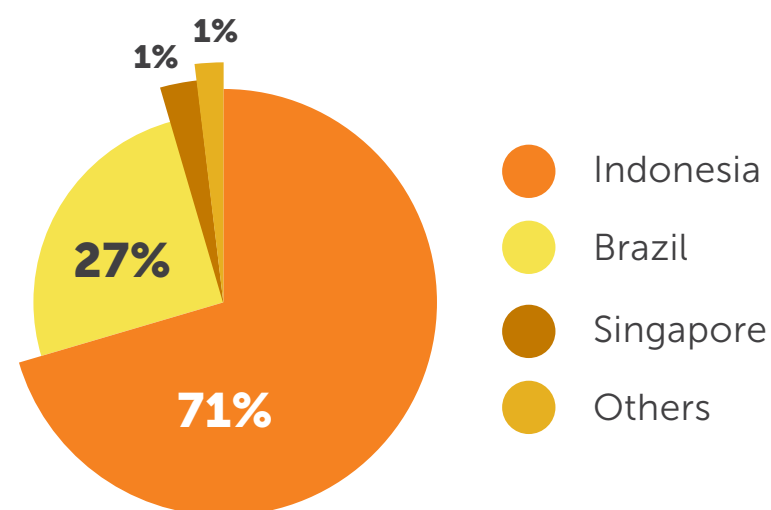
Employee Attraction, Retention, and Development

With more than 6,500 permanent employees across our operations, we are committed to being a responsible employer and investing to ensure we offer rewarding employment opportunities. This means promoting fair and favourable working conditions, respecting human rights, providing development opportunities for our employees and ensuring a safe working environment. Our employees are spread across 10 countries, with over 60% based in Southeast Asia. We are committed to hiring employees from the local talent pool, subject to suitability.

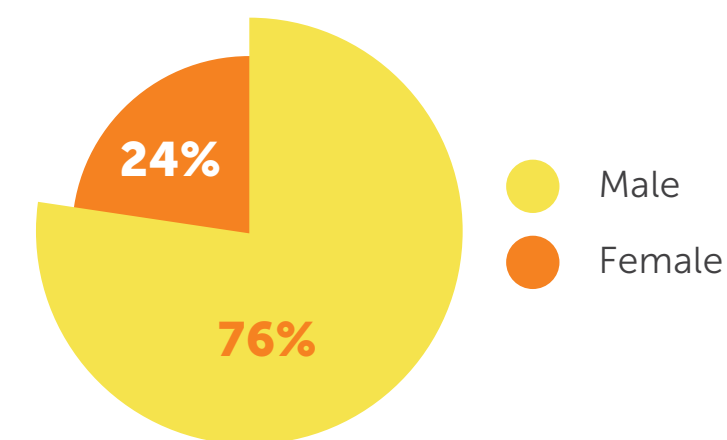
Profile of Our People

	2021
Permanent Employees	6,542
New Hires	1,341
New Hire Rate	22%
Turnover	1,372
Turnover rate	22%

Employee Demographics



Employee by Gender



Keeping Our Employees Healthy and Safe

Living with Covid-19 has become a norm for many of us, and it remains crucial to be vigilant and keep our employees safe. Protecting our employees is the right thing to do as it prevents the virus from spreading in our communities.



Flexible Working Arrangement

With the ongoing Covid-19 pandemic, in 2021 we continue to observe flexible working arrangements aligned with the applicable regulations. To facilitate work-from-home arrangements, we provide our employees with the necessary hardware and software for telecommuting.



Regular Testing

To minimise risk of transmission among our employees, for our food processing facilities, regular Covid-19 tests are performed on-site. For employees working in the office, safe distancing measures are observed at all times, face masks and hand sanitisers are provided.



FKS Care Kits

We distributed over 12,000 care kits to employees in the office, consisting of face masks, hand sanitisers, disinfectants, hand soap and health supplements, as part of extending our care for their health and safety. In Brazil, our plantation and mill operations distributed over 11,000 masks and 18,000 litres of sanitisers to our employees.



Awareness Campaign

Our human resources team regularly updates employees about the Covid-19 situation by sending emails and putting notices within the offices to remind employees on the latest update on safety measures required by the authorities.

Keeping Our Employees Healthy and Safe

During the pandemic, we continue to care for our employees' well-being by organising a range of programmes to address general health, exercising, nutrition and mental health. Some of our key initiatives :



Bite-sized Learning

We launch bite-sized learning for our employees as part of our engagement initiatives. In some of the sessions, we engaged third party specialist to talk about health and wellness, managing interpersonal stress and effective communications.



Webinar

Our Brazilian operations hosted a series of webinars on physical and mental health covering topics such as Covid care and vaccination, oral cancer awareness and prevention, lupus and alzheimer prevention, hepatitis care and prevention. Short videos of the webinars are also made available for our employees.



Newsletter Distribution

We started publishing quarterly newsletters to kept employees in the know on company updates and happenings, connecting them with the company despite not working directly on site.



Employee Appreciation Wall

Our employees in Indonesia operations held an appreciation wall initiative for five days, where employees are encouraged to write appreciation messages to each other to express gratitude.



Virtual Coffee Sessions

These virtual meetings serve as a platform for employees to meet each other, fill their time with meaningful sharing sessions, or attend webinars about topics such as personal finance and parenthood.

Cultivating a Safety Culture

We are committed to preventing injury and illness and ensuring our employees have healthy and safe working conditions. We have implemented the Occupational Health and Safety (OHS) Management System across our operations to reduce risk of health and safety incidents. OHS committees are established to maintain, monitor, and update our safety policies according to the latest requirements.

Having a process to identify work-related hazards and risks is crucial to ensure a healthy and safe workplace. To identify potential hazardous activities, we conduct risk assessments and where required, we further strengthen our safety measures, such as providing personal protective gear and providing daily reminders during safety briefings.

We believe in taking a preventative approach to safety by cultivating a safety culture within our operations. Safety key performance are monitored and measured as part of business performances.

We continue providing virtual and on-site OHS training to our employees throughout the year to keep them updated on the latest OHS developments. OHS topics covered including general work safety, basic security, chemical handling, health surveillance, and heat stress management.

Work-related Injury

Employees are reminded regularly to be vigilant and briefed during daily shift meetings on any potential health and safety issues. Accidents may still happen despite our best efforts to keep our people safe. When a work-related accident occurs, first aid treatment will be provided to the injured and if required transported to the nearest medical facility for treatment.

Investigation will then be carried out and recommended corrective actions will be taken to prevent a recurrence. We regret to report some incidents in our Indonesian operations that had resulted in minor injuries of our employees.

Type of Injury	2020	2021
Fatal	-	-
Moderate	17	14
Minor	48	-
Total	65	14
Lost Time Incident Rate	1.1	0.2

Data covers our permanent employees in our Indonesian operations only.

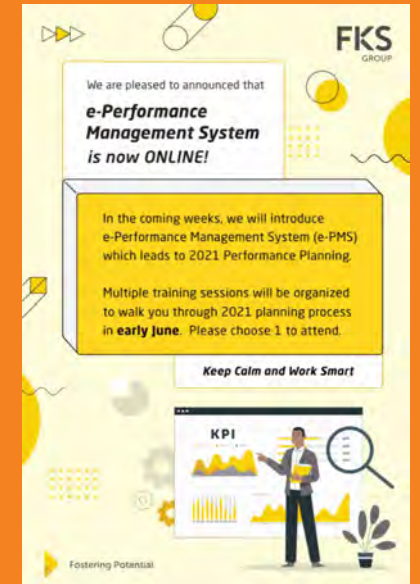
Promoting Diversity and Inclusion



We offer employment based on competency regardless of background, culture, race, gender, and personality. We respect every individual and believe in the unique value each employee can bring based on their unique background. Having an inclusive working environment enables a collaborative, supportive, and respectful culture that promotes participation and contribution from all our employees.

We do not tolerate any form of harassment, bullying, or discrimination. Additionally, we support one another in speaking up and reporting any issues without fear of retaliation because such allegations would be handled privately and thoroughly examined. We aim to create an environment where individuals are free to be authentic and share their respective viewpoints and ideas.

We provide every employee with equal career opportunities and transparent performance appraisals. In 2021, we launched our e-Performance Management System and introduced a more progressive feedback loop to encourage employees and managers to have more meaningful, ongoing performance and career-related discussions. We believe in rewarding talent and good performance through offering competitive remuneration. We also uphold fair and equitable remuneration values, seeking to remove biases or discrimination in our remuneration practices.

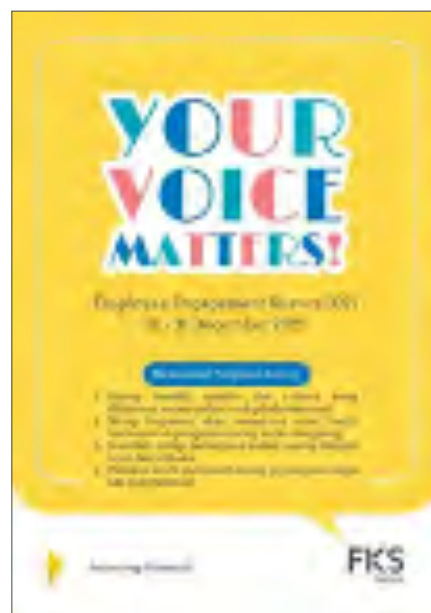


FKS Food and Agri provides compensation and benefits to our permanent employees, including :

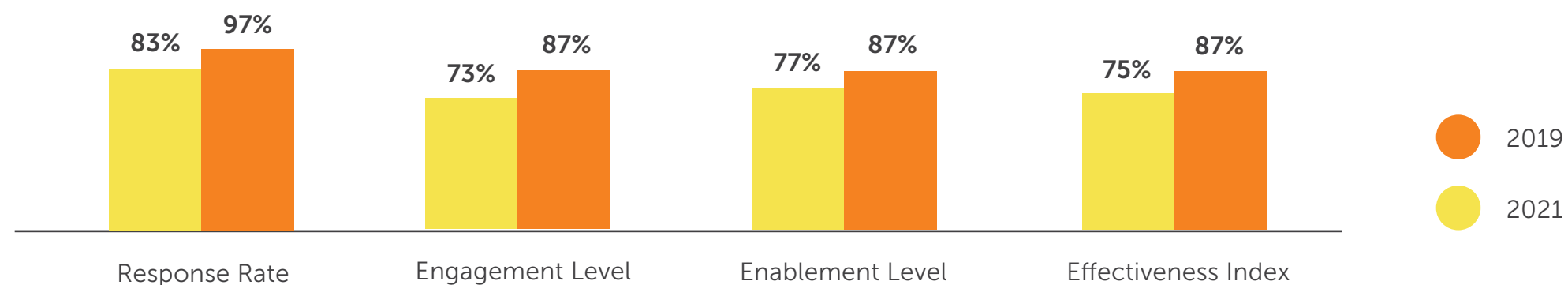
- Health care
- Parental leave
- Retirement provision
- Variable performance bonus

The compensation and benefits given to our employees may vary across industry and country of operations.

Employee Engagement Survey



In our pursuit of continuous improvement, we held our second Employee Engagement Survey in 2021. Through the survey, we hope to gauge the level of engagement employees have towards the Company, especially during the pandemic. We are pleased to find improvements in the overall response rate, engagement level, and enablement level.



Developing Our People



In 2021, we continue to provide a variety of training and development programme for our employees. On average, our employees attended 7 hours of training in 2021.

Key training conducted :

- Safety training for our operations team
- Sustainability reporting and life cycle assessment
- Leadership
- People management
- Effective communications

Our Achievement



Holding firm to our commitment and through our solid top-to-bottom collaboration, we grew stronger and thrived as a Group. We are proud to be voted Top 5 Employer of Choice in 2021 and Top 2 Pandemic Responses in 2021 in a survey conducted by Korn Ferry and SWA Magazine, where over 45,000 employees participated in providing feedback.





| Strengthening Our Communities

The local communities' acceptance and support are central to our businesses' long-term success. Regular engagement with the local communities is key to the success of our businesses. We strive to drive positive impacts in our community by implementing community development initiatives focused on education, infrastructure, and providing alternative livelihoods.

Our community programme are aligned with our Corporate Culture, the FKS Way. The pillars in FKS Way best describe that the programme are more than just engagement; they go beyond social boundaries to strengthen the entire community, leading to better community well-being. By growing our business, we can create new job opportunities and improve the livelihoods of the local communities.



Integrity



Caring



Commitment

Supporting communities amid the Covid-19 pandemic

The ongoing Covid-19 pandemic has caused major impacts across the world and our local communities. To support our government and local communities to prevent the spread of the virus, the Company carried out the following initiatives:

- Collaborated with local medical facilities by donating ventilators, personal protective gear and test kits as well as provided financial assistance amounting to US\$1.4 million
- Supplied over 5,000 FKS Care Kits which contain disposable masks, hand sanitizer, hand soap, personal disinfectant, and vitamins for tofu and tempeh producers.
- Provided our facility to be used as Covid Test and Vaccination Centre for the local government to do screening, monitoring and vaccination for over 500 people
- Supported the disinfection programme in the surrounding community area
- Donation food to various communities across our operations



Fostering Potential Through Education

At FKS, we recognise that education is crucial to community growth. We promote literacy for the next generation by improving communities' access to quality formal education. During the year, FKS Foundation continued its programme to provide supplemental tuition classes to underprivileged children.

Our employees based in Jakarta collectively spent over 250 hours giving tuition classes to 80 children from 4 to 16 years old. In addition to tuition classes, FKS Foundation also funded several of these children back to school. High school dropout youths are exceptionally high in West Java. To address the concern, FKS Foundation focused on

increasing the enrolment rates of these youths. In 2021, the support for all schools in the programme amounted USD 30,000 for 211 students.

To empower teachers, the Company collaborated with Ruangguru, an Indonesian online platform focused on providing non-formal education; the Company provided training to teachers to adapt to e-learning, home-based learning, and more interactive-based teaching methods. Conducted online, at least 50 teachers participated across 14 provinces in Indonesia.

To support the Indonesia Emas 2045 programme, our subsidiary FKS Multi Agro organised a Higher Thinking Order Skills (HOTS) workshop in 2021. This workshop aims to improve teachers' critical and creative thinking and teaching and communication skills. The workshops were held in February and November with the attendance of more than 50 teachers from various cities, such as Medan, Lampung, Makassar, Surabaya, Semarang, Banyumas, and Cilegon. After the workshop, we donated 2,000 books to teachers to facilitate ongoing learning on this subject.



Empowering Local Enterprises



Tempeh is a staple food in Indonesian cuisine. It is a more affordable source of protein compared to meat.

As a leading soybean supplier, to give back to our community we have invested in developing Tempe Park in 2021. Located in West Java, Tempe Park will serve as an education cum research centre to promote food safety and food hygiene in the tofu and tempeh industry.

By supporting these local enterprise, we hope to promote socio-economic development for local enterprises especially amongst women entrepreneur.



'Bola Bonanza', an app-based loyalty programme launched in 2020 to promote our soybeans amongst the local enterprises.

Bola Bonanza was launched as part of our corporate social responsibility initiatives to empower local enterprises in the tofu and tempeh industry.

Customers that purchased our soybean products will stand a chance to win attractive prizes from lucky draws. In 2021, our customers have received vehicles, motorcycles, and mobile phones from the lucky draw.



Our distribution operations, collaborated with the local association in Sukabumi and South Kalimantan to conduct culinary workshops in high schools. The workshop aims to cultivate the younger generation's interest in traditional Indonesian cakes, where we demonstrated the baking process for producing the cakes. A total of 575 students attended the culinary workshop.



Our food production subsidiary has a long-term community development programme where 13 hectares of our land are offered to local farmers rent-free for planting subsistence crops such as corn, potatoes, and vegetables. The initiative is a collaboration with the local government to improve the livelihood of farmers.

Investing in Public Infrastructure

Infrastructure development is fundamental to foster economic opportunities and improving living standards. Through regular engagement with the local communities including village leaders, we can better carry out initiatives to meet the needs of the people.

- ✔ Installed streetlights on roads surrounding our facilities and the villages
- ✔ Constructed new water wells, piping, and water tanks to ensure a constant supply of clean water to 750 local communities living near our food processing plant
- ✔ Repaired and carried out regular maintenance of roads connecting to local villages
- ✔ Supported local Muslims in Makassar by upgrading the repairing a mosque used by 1,500 communities
- ✔ Collaborated with the local Ministry of Environment and Forestry to carry out maintenance of a botanical garden located near the processing plant



Maintenance and repairs of road used by local communities



To support local Muslims, we upgraded and repaired the roof of a mosque.

Giving Back to the Community

To support our local communities in 2021, we implemented the following initiatives

- ✔ Distributed 3,200 food packages through local authorities to neighboring communities
- ✔ Donated 3,000 kilograms of chicken eggs to 3,500 residents in orphanages and nursing homes around our port operations in Indonesia
- ✔ Distributed tempeh products to over 400 people affected by Covid-19 in our warehousing operations in Indonesia
- ✔ Participated in festive celebration with communities and provided financial assistance of approximately USD30,000 to local villages celebrating the Muslim festivity the Eid al-Adha
- ✔ Provided financial assistance to four Posyandu, community-based initiative under the Ministry of Health of Indonesia, supported over 200 toddlers and young children
- ✔ Extended financial assistance amounted to USD34,000 to various social organisations including the elderly with Alzheimer and supported hospitals by driving blood donation campaign
- ✔ Collaborated with the local municipalities in Brazil to collect winter clothing for donation to the poor in our community



To celebrate Indonesia's Independence Day, our food processing company holds a yearly community event where we provide free food, play games, and distribute goodie bag to the local communities.



Financial assistance provided to social organisations in Brazil.

Empowering Local Farmers while Improving Food Security

To support Indonesia's agenda to improve food security and reducing reliance on imports, FKS FA through its subsidiary collaborated with a few Farmers' Association to assist farmers in food crop cultivation in villagers located in the Jambi Province of Indonesia.

In this programme, we focus to help farmer improve their crop yield through better irrigation system and implementation of good crop cultivation practices.

Since 2017, we are assisted over 300 farmers in crop cultivation and the harvested crop will be sold to the Company at market prevailing market prices. By selling their crop to us directly, the farmers' income have improved by 30%.



Corn harvested after improvements in irrigation of land and implementation of good crop cultivation practices.



| Prioritising Quality and Food Safety

Protecting Consumer Health

ESG at FKS FA extends to our commitment to protecting society, including our customers, by providing safe and nutritious food. Our commitment is evident through various efforts within our operations, from sourcing responsible materials to safe and standardised processing.

Food Safety Policy

We promote the safety of our products by implementing robust standards such as ISO 22000:18, FSSC 22000, Food Safety Culture, and Good Manufacturing Practice. Operating in Indonesia, we also comply with national regulations, including Halal certifications and Indonesia National Standards.

Realising that customers' health and safety are our top priority, we are determined to continuously improve the safety of our products by assessing the potential risks in our daily operations. If we find any risks, we will declare them Critical Control Point, which will be addressed according to our strict standards.

Our operations are audited periodically to guarantee that our standards are being implemented. Internal audits, hazard analysis, and risk assessment are carried out at least once a year. Our audit scope includes FSSC, halal certification, hazard analysis, and risk assessment. Our processing facilities

are HACCP and FSSC certified.

Traceability of food ingredients

At FKS FA, we prioritise the traceability of raw materials to its source for our food production business unit. By doing this, we want to manage any potential product recall better and trace the reason for the recall at ease.

Food Safety Training

In ensuring that our stringent safety standards are implemented accordingly across our operations requires discipline and commitment from all our employees. Regular safety training conducted by external parties are provided across our operations to keep our employees updated on the new regulation and safety standards. At the end of each training, an evaluation will be carried out to ensure our employees understand the content and purpose of the training.

During the year, the following health and safety training were carried out

- Food safety training
- HACCP
- GMP training
- FSSC 22000 certification requirement
- Halal certification



Food Labeling

At FKS, we are committed to providing complete, reliable, and comprehensive information on our food products on the food labels of our products. It is crucial to help customers make informed decisions before purchasing and consuming our food products.

To protect our consumers, it is essential to be transparent by providing nutritional value and content of potential allergens in the food product. Our products labelling generally contains the following information:

- Ingredients and raw material content
- Nutrition facts
- Recipe or cooking instructions
- Allergens
- Manufacturing and expiry date

In addition, to encourage responsible disposal of waste, we include in our food packaging recycling information and responsible disposal.



Food Labelling

Food labeling for our pantry essential product



Ingredients and Allergen

Recipe

- Recycling of packaging
- Responsible disposal
- Weight
- Bar code for traceability

QR code



Halal certification



Cooking instructions

Nutritional values

Customer Service & Satisfaction

With customers as our top priority, it becomes our responsibility to go beyond their expectations. As a responsible producer, we are open to all inputs, including customer complaints and feedback. We have established various communication channels through different platforms to ensure our customers can reach us quickly and easily.

Through the various communication channels, we strengthen our engagement with our customers, fostering more trust and brand loyalty. It is an excellent opportunity for us to engage with our customers.

For our consumer food company, we have policies established to ensure we respond to our customer's feedback promptly within 48 hours of receiving their feedback.

In 2021, we received 28 complaints from our customers. Immediate actions were taken to address the complaints. Feedbacks were also provided to the respective departments to prevent the same incidents from happening in the future.



| GRI Content Index

GRI Standard	Disclosure	Page
General Disclosures		
GRI 102: General Disclosures	102-1 Name of the organization	3 and 7
	102-2 Activities, brands, products, and services	10 and 11
	102-3 Location of headquarters	3 and 12
	102-4 Location of operations	12 to 13
	102-5 Ownership and legal form	7
	102-6 Markets served	7
	102-7 Scale of the organization	9, 12 to 13
	102-8 Information on employees and other workers	7 and 32
	102-9 Supply chain	10
	102-14 Statement from senior decision-maker	4 to 5
	102-16 Values, principles, standards, and norms of behavior	8 and 15
	102-18 Governance structure	15
	102-40 List of stakeholder groups	19
	102-42 Identifying and selecting stakeholders	19
	102-43 Approach to stakeholder engagement	19
	102-44 Key topics and concerns raised	18
	102-46 Defining report content and topic Boundaries	3 and 18
	102-47 List of material topics	18
	102-50 Reporting period	3
	102-53 Contact point for questions regarding the report	3
	102-54 Claims of reporting in accordance with the GRI Standards	3
	102-55 GRI content index	51 to 53
	102-56 External assurance	3

GRI Standard	Disclosure	Page
Economic		
Indirect Economic Impacts		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	39
	103-2 The management approach and its components	39
GRI 203: Indirect Economic Impacts	103-3 Evaluation of the management approach	39
	203-1 Infrastructure investments and services supported	40 to 44
Environment		
Energy		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	23
	103-2 The management approach and its components	23
	103-3 Evaluation of the management approach	23
GRI 302: Energy	302-1 Energy consumption within the organization	23
Water & Effluents		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	24
	103-2 The management approach and its components	24
	103-3 Evaluation of the management approach	24
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	24
	303-2 Water withdrawal	24
	303-3 Water Discharge	24
	303-4 Water consumption	24
Waste		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	25 and 30
	103-2 The management approach and its components	25 and 30
	103-3 Evaluation of the management approach	25 and 30
GRI 306: Waste	306-1 Water discharge by quality and destination	24, 25 and 30
	306-2 Waste by type and disposal method	25 and 30
	306-4 Transport of hazardous waste	25 and 30

GRI Standard	Disclosure	Page
Social		
Employment		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	32
	103-2 The management approach and its components	32
	103-3 Evaluation of the management approach	32
GRI 401: Employment	401-1 New employee hires and employee turnover	32
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	32 and 36
Occupational Health & Safety		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	35
	103-2 The management approach and its components	35
	103-3 Evaluation of the management approach	35
GRI 403: Occupational Health & Safety	403-1 Occupational health and safety management system	35
	403-2 Hazard identification, risk assessment, and incident investigation	35
	403-3 Worker participation, consultation, and communication on occupational health and safety	35
	403-5 Worker training on occupational health and safety	35 and 37
	403-9 Work-related injuries	35
Training and Education		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	37
	103-2 The management approach and its components	37
	103-3 Evaluation of the management approach	37
GRI 404: Training and Education	404-2 Programs for upgrading employee skills and transition assistance programs	37
Diversity and Equal Opportunity		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	36
	103-2 The management approach and its components	36
	103-3 Evaluation of the management approach	36
GRI 405: Diversity and Equal Opportunities	405-1 Diversity of governance bodies and employees	36
Local Communities		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	40
	103-2 The management approach and its components	40
	103-3 Evaluation of the management approach	40
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	40 to 45

GRI Standard	Disclosure	Page
Social		
Customer Health and Safety		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	47
	103-2 The management approach and its components	47
	103-3 Evaluation of the management approach	47
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	47
Occupational Health & Safety		
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundaries	48
	103-2 The management approach and its components	48
	103-3 Evaluation of the management approach	48
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	48 to 49
	417-2 Incidents of non-compliance concerning product and service information and labeling	47
	417-3 Incidents of non-compliance concerning marketing communications	47



FKS Food and Agri

10 Collyer Quay

#15-08 Ocean Financial Centre

Singapore 049315

P : +65 6511 3070

E : sustainability@fksgroup.com

www.fksfoodagri.com