

SUSTAINABILITY REPORT 2023

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ABOUT THIS REPORT

About This Report

We are proud to present our second sustainability report. This report sets out FKS Food and Agri ("FKS FA")'s key sustainability initiatives and focus areas which are most significant to our stakeholders and business partners. We are pleased to uphold our commitment to greater transparency and accountability to our stakeholders.

Reporting Framework

This report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards, adhering specifically to the GRI 13 sector standard designed for the agricultural industry. Recognised internationally as a robust reporting framework, the GRI principles guide our approach, focusing on stakeholder inclusiveness, sustainability context, materiality, and completeness. By adhering to these principles, we aim to ensure the quality and reliability of the data and information presented within this report. This approach provides stakeholders with an accurate, balanced, clear, comparable, and timely representation of our ESG performance.

Scope of the Report

This report offers a view of our Company's global operations, including the activities of subsidiaries within the FKS FA group of companies. Reported information centres on operational endeavours and workforce activities concentrated in Indonesia, Singapore and Brazil. Quantitative and qualitative

data pertaining to our joint venture operations are excluded from this report.

The data and information provided herein reflect the Company's performance spanning across two years, from January 1st, 2022, to December 31st, 2023, unless stated otherwise. To facilitate clear data comparison, standardised units of measurement have been consistently utilised throughout the document, with any required conversion factors detailed in relevant sections.

Data and Assurance

While external assurance for our reporting has not been sought this year, we will progressively prepare for external assurance for our future sustainability reporting.

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.

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CEO Message

Dear Stakeholders,

We are pleased to share our sustainability report, providing an overview of our sustainability strategy and progress over the past two years. It is our aim to transparently communicate the Group's commitments, and the steps we have taken to get there. As a leading integrated agriculture and food business with operations spanning across the food value chain, we are learning about how we can make a positive impact on Environmental, Social, and Governance ("ESG") issues for each of our subsidiaries.

Following disruptions caused by COVID-19 restrictions in 2021, FKS FA and our subsidiaries have demonstrated resilience, with financial performance showing signs of stabilisation in 2022 and 2023. As we look forward, we remain optimistic about the Company's future and are actively exploring new growth opportunities.

In the realm of sustainability, the agricultural sector faces a dual challenge: increasing food production alongside reducing resource depletion and environmental impact. Regulatory pressures on sustainability reporting are also rising. We recognise that operating sustainably is not just a trend but a fundamental pillar of responsible business.

To ensure FKS FA remains well-prepared in this evolving landscape, we are committed to refining our sustainability framework. This will involve integrating ESG considerations into our core business strategy and decision-making processes.

Integrating ESG into FKS' Operations

This year, we significantly strengthened our commitment to ESG by establishing dedicated ESG Champions for key areas like energy and water, as well as food safety, employee well-being, and safety protocols and community. To further embed ESG principles within our organisation, we integrated ESG Key Performance Indicators into our Balanced Scorecard, aligning incentives with our sustainability aims.

We have also prioritised several internal capacity building through ESG-related training programs, a dedicated ESG awareness newsletter, and collaborative engagement with our operations teams. Additionally, we invested in carbon management training and sought external expertise from leading specialists to understand our environmental impacts. Finally, we actively engaged with stakeholders, including our bankers, to gather valuable feedback on key ESG matters. By engaging with a broad set of stakeholders, we have deepened

sustainability conversations at FKS FA, and built momentum to our sustainability efforts.

Strengthening Corporate Governance

Integrity is at the heart of the FKS Way, guiding our ethical business practices. To empower transparency and strengthen our corporate governance, we have launched FKS SpeakUp, a whistleblowing ("WB") program, which allows our stakeholders to report concerns about misconduct, including financial wrongdoing, unethical behaviour, or policy violations. Fostering a culture of open communication and ethical behavior, we have successfully informed all employees of the new WB policy and will actively monitor the platform to ensure all concerns raised are appropriately addressed through remedial or disciplinary actions. Our WB policy acts as a critical risk management tool, helping FKS to identify and address potential issues before they escalate. Additionally, it represents a step forward for us in solidifying our commitment to accountability, which allows us to build trust with our stakeholders.

Developing Our Communities

Reaching beyond our own walls, FKS FA champions a brighter future for the communities we connect

with. We believe everyone deserves equal chance to get better future. We have launched a series of impactful social initiatives focused on education and empowerment. Through FKS Inspire, an internship program that partners with vocational schools in Indonesia, we provide a comprehensive training series that equips students with the technical and soft skills they need to thrive in their chosen fields.

Similarly, our FKS Empower program enables young people to build independent and self-sufficient lives, with a focus on teenagers living in orphanages across Indonesia. By building strong partnerships, we seek to uplift and nurture the communities we operate in, reflecting our core values of responsibility and shared prosperity.

Managing Our Environmental Impact

At FKS FA, we recognise our role in the food value chain and our responsibility to minimise our environmental impact. We are committed to reducing the contribution of our food processing, and port business and logistics operations to climate change and are taking concrete steps in carbon management to achieve this. We have embarked on a carbon accounting journey to gain a clear picture of our emissions across our operations. We are actively collecting environmental data to consolidate the Group's GHG inventory, focusing on the material emission contributors in our operations. This data will help to establish a robust and trustworthy baseline which will guide us to set

ambitious yet realistic targets for the group and our subsidiaries. Ultimately, we aim to strengthen our climate strategy, so we can accurately monitor our progress and implement suitable initiatives to minimise our environmental impact. Beyond that, we are also exploring renewable energy options for our operations, aiming to reduce our reliance on fossil fuels and contribute to a more sustainable future.

Looking Ahead

As we move ahead in our sustainability journey, we are committed towards further integrating ESG principles into our operations by focusing on decarbonisation initiatives, optimising efficiencies, and responsible business practices during growth.

We will continue to explore partnerships with stakeholders to amplify our impact. We believe that true progress is achieved collectively, and by working together, we can create meaningful change for the environment and society.

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 headquartered in Singapore. Established in 1992, FKS FA has emerged as a leading food company with an integrated value chain network and a presence spanning 9 countries. The FKS FA Group of companies consists of:

- FKS Multi Agro
- Tiete Agroindustrial
- Enerfo Group
- Tene Group
- FKS Food and Ingredients

With the aim of increasing access to the distribution of food products to Southeast Asia, FKS FA procures staple food and feed products from over 15 countries across five continents to serve over 500 customers globally. Leveraging our logistics infrastructure in Vietnam and Indonesia, we provide end-to-end solutions from port to warehouse for the food and agricultural industry.

We operate on a distinctive farm-to-plate business model, supported by our diverse production facilities and assets that make up an extensive value chain, comprising production, merchandising, shipping, processing, distribution, and logistics. This approach enables us to seize numerous advantages throughout the value chain, improve margins, and generate operational efficiencies and synergies unique to the region.

FKS FA is dedicated to conducting business responsibly by reducing our environmental footprint, prioritising employee well-being, and enhancing the welfare of communities where we operate. With the support of our multinational team comprising over 5,900 employees, we collaborate to integrate these ESG priorities effectively into our business strategies and decisions.



USD 5.4 billion
in Revenue



5,942
Employees Worldwide

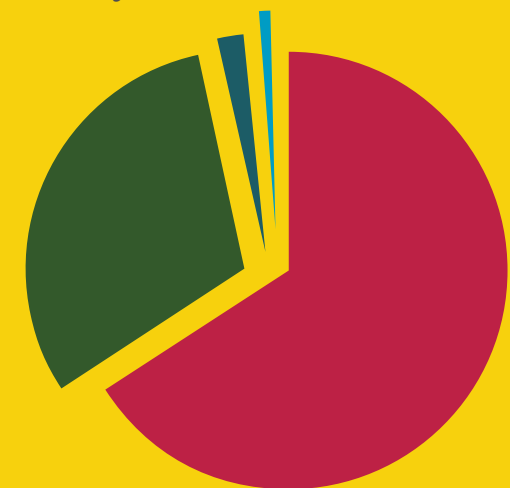
Group Employees by Country

66%
Indonesia

32%
Brazil

1%
Singapore

1%
Rest of World



Our Vision, Mission and 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



Our FKS Way



Integrity

Do the right thing regardless of consequences



Caring

Care for employees, customers and communities



Commitment

Fulfilling commitments to our stakeholders



Our Value Chain

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.



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 sold to 3rd parties or further processed by our food processing operations into various consumer food products including noodles, dry vermicelli and savoury snacks.



End Users

We protect our consumers by prioritising product quality and safety.



Plantation

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



Shipping and Port Logistics

We ship commodities globally to our customers. We also manage ports logistics in 4 key ports in Indonesia and Vietnam as well as store dry bulk commodities in our warehouses in Vietnam, Malaysia, and Indonesia.



Distribution

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

Our Milestone



1992

Established PT Fishindo Kusuma Sejahtera



2000

Started importing and distributing soybean meal and animal feed ingredients



2002

Listed PT FKS Multi Agro Tbk on the Indonesia Stock Exchange



2003

Developed two refineries in Indonesia under Tene, with a combined annual capacity of 1.2 million tonnes



2010

Established Enerfo, the merchandising arm of FKS FA in Singapore



2011

Entered into the flour milling industry through a joint venture with reputable partners establishing PT Bungasari Flour Mills Indonesia



2013

Established Omega Shipping, the shipping arm of the FKS FA



2014

Expanded our merchandising arm by establishing Enerfo Sugar in Singapore, United Kingdom and Brazil



2023

Entered into rice milling industry through a joint venture with PT Berill Jaya Sejahtera



2020

Completed a majority stake acquisition of Tiete Agroindustrial S.A., a sugarcane plantation and milling operations in Brazil



2020

Acquired a majority stake in consumer food company, PT Tiga Pilar Sejahtera Food Tbk (now known as PT FKS Food Sejahtera)



2018

Established PT Padi Flour Nusantara to produce rice flour and glutinous rice flour



2017

FKS Logistics Vietnam was established to provide logistics and warehousing services in Vietnam



2015

Enerfo Vietnam was established to penetrate into the Vietnam's growing animal feed industry



2014

Entered into a joint venture with Tereos S.A. to produce corn starch, sweeteners, and its derivatives

Our Products

Pantry Essentials and Consumer Food Products

We offer essential pantry products, including rice flour, wheat flour, corn starch, and refined sugars like icing and caster sugar. Our award-winning snacks feature savour extruded snacks, instant snack noodles, biscuits, and candies. Additionally, we provide quality-certified dry noodles, vermicelli, instant vermicelli, and rice products for daily cooking needs.



Staple Food and Feed

We source and distribute a wide range of staple food and feed products, including soybeans, soybean meal, wheat, corn, dried distilled grains, various rendered meal products, and feed additives.



Our Services

Stevedoring and Port Handling

We play a pivotal role in the supply chain by providing reliable, high-quality port handling and stevedoring services. Our operations ensure efficient transfer from ship to dock to the transit warehouse across three key gateways in Indonesia: Belawan, Cilegon, and Teluk Lamong, covering dry bulk commodities comprises food and feed ingredients.



Warehousing

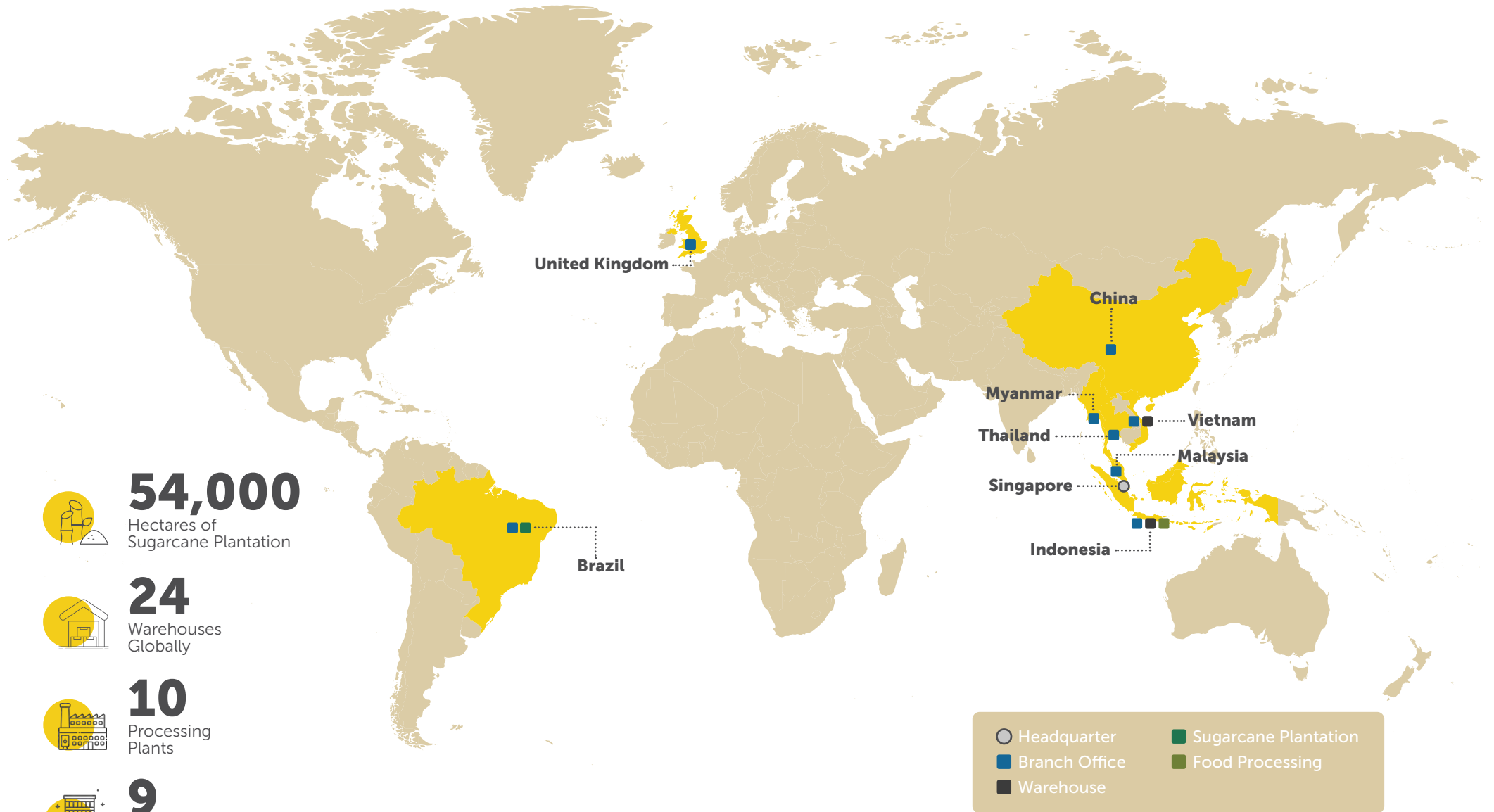
Our warehouses, strategically located near ports, significantly enhance our logistics services – offering unparalleled nationwide distribution coverage across Sumatera, West Java, Central Java, East Java, and South Sulawesi.

Transportation

We manage a modern transportation service that prioritises cleanliness, safety, and reliability. Currently, our fleet of 95 trucks offers both bulk and bagged land transport solutions, seamlessly connecting ports to our warehouses within our integrated value chain.



Our Global Operations



54,000
Hectares of
Sugarcane Plantation



24
Warehouses
Globally



10
Processing
Plants



9
Offices
Worldwide

Our Indonesia Operations



 **23**
Warehouses

 **3**
Port Facilities

 **95**
Fleet of Trucks

 **8**
Processing Plants

 Warehouse	 Rice Flour Processing Plant
 Port Facility	 Consumer Food & Staple Food
 Sugar Refinery	 Icing Sugar Processing Plant



OUR ESG APPROACH

Our Sustainability Milestone

2016



Established FKS Foundation for social responsibility initiatives for the Group



2016

Published our Supplier Code of Conduct for Enerfo Group

2017



Launched education sponsorship program for high school students in West Java



2017

Started collaboration with IPB to improve crop yields for communities in Tanjung Jabong

2018



Established internal ESG Reporting Framework



2019

Expanded education sponsorship to over 2,400 students, now including sanitation infrastructure

2020



Focused on COVID-19 outreach by donating ventilators, rapid test kits, and financial aid totaling US\$ 1.4m



2022

Launched FKS Inspire — Education outreach program for vocational students



2022

Established FKS FA Group ESG Strategy and ESG Steering Committee

2022



FKS Multi Agro published its 1st Sustainability Report



2021

Installed 2.4 MWp solar panel for our JV operation for flour milling in Medan

2021



Launched Indonesia Teaching Fellowship Program, a training program for teachers



2021

Commenced mapping environmental impact through lifecycle assessment across our Group

2021



FKS Food Sejahtera published their 1st Sustainability Report

2022



FKS Food and Agri published its 1st Sustainability Report for the Group



2022

Obtained ISCC certification for Enerfo Group

2023



Launched FKS Empower — Education outreach program for underprivileged children



2023

FKS Group roll out waste management campaign

2023



Launched Tempeh Training Program



2023

Launched a whistleblowing policy for the Group

Sustainability Governance

FKS FA prioritises strong corporate governance and a comprehensive approach to environmental, social, and governance (“ESG”) issues. Our Board of Directors, comprised of six members, oversees the Company’s management, strategic direction, and long-term shareholder value creation. The primary role of the Board is to set strategic direction of the Group and to endorse the Company’s key business strategies, financial objectives, annual budget, financial outcomes, major investments, and divestments, along with funding proposals.

The Board has established several committees, such as the Audit Committee, Remuneration Committee, and Risk Management Committee, to discharge its responsibilities. These committees, composed of Board members, regularly report their activities to the Board. Recognising the importance of ESG matters, FKS FA provides Board members with ESG-related trainings to ensure their competence on sustainability topics. In 2023, two executive directors participated in a carbon management workshop.

The ESG Steering Committee (the “Committee”) champions sustainability efforts across the company. Comprising three members of the Board and senior leadership from various departments (Group Chief Executive Officer, Group Chief Operating Officer, Group Chief Financial Officer, Chief Human Resource Officer and Group Chief Administrative

Board Composition



Officer), the Committee oversees the integration of ESG priorities into our operations. They assign project leads for critical topics like energy management, water management, food safety, employee well-being, and corporate governance.

The ESG strategy approved by the Steering Committee will then be communicated by the ESG Core Team, which acts as a sub-committee dedicated to driving the development and implementation of ESG strategies. The ESG Core Team provides regular reporting to the ESG Steering Committee during bi-monthly meetings to ensure that they remain well-informed on sustainability matters. This team, with members from across various operational units, identifies and assesses ESG risks while evaluating overall company performance in these areas. The ESG Core Team nominates ESG Champions in each of FKS FA’s subsidiaries, working with them to implement and monitor subsidiary-level initiatives.

This multi-tiered structure underscores FKS FA’s commitment to effective sustainability practices. By equipping our Board with knowledge, forming dedicated committees, and fostering collaboration across the organisation, FKS FA is well positioned to make meaningful strides in navigating the evolving landscape of environmental and social responsibility.

Sustainability Governance Structure

ESG Steering Committee

- Oversees FKS FA's ESG strategy, framework, risks, performance, targets and practices
- Evaluates and approves ESG material topics

ESG Core Team

- Manages daily oversight of ESG-related matter
- Leads the execution of ESG initiatives and strategies
- Maintains close engagement with internal and external stakeholders

ESG Champion

- ◆ Health, Safety, and Environment
- ◆ Operations
- ◆ Human Resources
- ◆ Research and Development
- ◆ Finance and Accounting
- ◆ Legal and Corporate Secretarial

- Provides direct support, updated information, and data to ESG Core Team
- Supports the implementation of ESG initiatives



Materiality

A cornerstone that guides the development of our ESG strategy is our materiality assessment process, which is a strategic tool that helps us identify the sustainability topics that matter most – the issues that have the greatest potential impact on FKS FA, both environmentally and socially, as well as on our stakeholders and the communities we operate in. Understanding these material topics allows us to tailor our ESG strategy accordingly, ensuring it effectively addresses the areas where we can create the most positive impact while mitigating potential risks.

We conducted our materiality assessment in accordance with GRI 3: Material Topics 2021. We derived an initial list of 15 material topics through a landscape scan, taking reference to global and sector specific reporting standards, such as the GRI 13: Agriculture Aquaculture and Fishing Sectors 2022 Standard, as well as companies with similar operations to our business.

These material topics were assessed and prioritised from the perspective of both financial and impact materiality, through an extensive stakeholder survey process. We engaged our employees, customers, regulators, suppliers and business partners, and their inputs were consolidated and analysed. The resulting prioritisation was rationalised by the ESG Core Team, before being signed-off by our ESG Steering Committee.

This multi-step approach ensured that our final list of material topics truly reflects the most significant environmental, social, and economic concerns for FKS FA, our stakeholders, and the broader context in which we operate. As a result of this exercise, we identified 13 topics of high importance to the Company. These topics, which were mapped based on their impact on our business and their significance to stakeholders, will form the focus of our sustainability strategy and reporting. This year's report reflects some key refinements to our material topics.

Horizon Scan

Global reporting standards and peers across our value chain were reviewed to derive 15 material topics and related descriptions



Survey Rollout

Internal and external stakeholders were invited to share their feedback on the importance of each material topic



Prioritisation

Survey rankings were analysed and rationalised by our external consultant, Paia and ESG Core Team



Validation

Finalise material topics for FKS FA's 2023 Sustainability Report

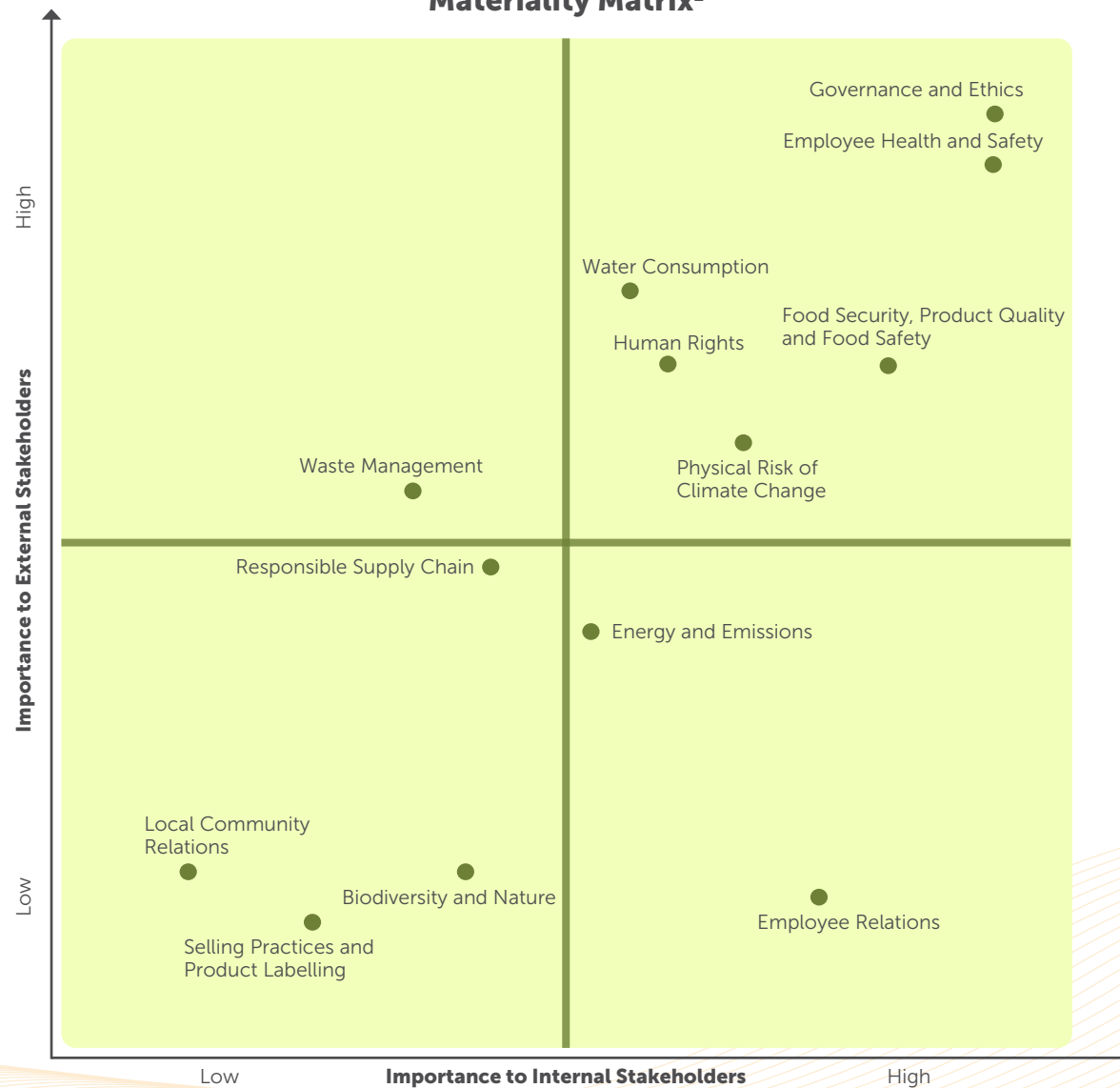
Recognising the interconnectedness of food security, product quality and food safety, we have combined them into a single material topic. In the food industry, these aspects are intricately linked. Ensuring food security relies on delivering high-quality products that meet rigorous safety standards. Conversely, consumers are less likely to trust a food source perceived as unsafe or unreliable. By combining these areas, we emphasise our commitment to a holistic food system that prioritises both the availability and integrity of our products.

We have also combined fair employment practices and talent development as one material topic and renamed it as employee relations. We undertake an integrated approach in creating a positive and supportive work environment where our employees can thrive and contribute to the success of the Company.

Lastly, we broadened the scope of the material topic, physical risks of climate change, to encompass both physical risks and transition risks. While the physical risks of climate change remain a significant concern to our operations and supply chain, we recognise the potential impact of policy changes and technological advancements might present to our business, amidst the evolving regulatory landscape.

By addressing both physical and transition risks, we seek to demonstrate our commitment to proactively adapt and navigate the challenges and opportunities presented by a changing climate.

Materiality Matrix¹



¹The materiality matrix depicts an overview of the quantitative inputs provided by our internal and external stakeholders through our materiality survey. It shows a relative comparison of the importance of all 13 material topics from both perspectives.

Our Sustainable Strategy

Our material topics form the core of our sustainability strategy, and we are pleased to communicate our commitments and goals to all stakeholders. These aims will guide our initiatives and allocation of resources, and serve as the benchmark against which we measure our progress.

In today's world, consumers are increasingly conscious of the environmental and social impact of the food they eat. At FKS FA, we recognise that the future of food is inextricably linked to environmental responsibility, social well-being, and strong governance. Our comprehensive ESG strategy reflects this commitment, focusing on four key pillars.

Our ESG strategy is purposefully aligned with relevant UN Sustainable Development Goals, specifically those related to food security, responsible consumption and production, and climate action. By integrating these global sustainability objectives into our operations, we contribute to a more sustainable food system for all.

Four Pillars of ESG

Food Safety and Food Security

Going beyond food safety standards and establishing a responsible supply chain



Environmental Management

Minimise environmental footprint from our operation



Healthy, Safe and Secure Workplace

Aim to provide safe and secure workplace to employee



Community Development

Built and grow with communities through partnerships



Stakeholder Engagement

FKS FA actively identifies and engages with a diverse array of stakeholders, whose perspectives are key to understanding our sustainable business strategy. Insights and feedback obtained from these stakeholders enable us to address the sustainability issues that matter most to our stakeholders. Through various communication channels, we strive to communicate openly and transparently with our stakeholders.

Shareholders	Employees	Financial Institutions	Communities	Customers	Government	Suppliers
						
<p>Mode of Engagements</p> <ul style="list-style-type: none"> Annual General Meeting Quarterly Meeting Continuous Dialogue 	<p>Mode of Engagements</p> <ul style="list-style-type: none"> Newsletter Townhall Performance Review Internal Meeting Emails 	<p>Mode of Engagements</p> <ul style="list-style-type: none"> Sustainability Report E-mails Meeting One-on-one communications 	<p>Mode of Engagements</p> <ul style="list-style-type: none"> Continuous Dialogue Meeting Community and Company Events 	<p>Mode of Engagements</p> <ul style="list-style-type: none"> One-on-one Communications Social Media Engagement 	<p>Mode of Engagements</p> <ul style="list-style-type: none"> Formal Letters Meeting Multi-stakeholder Forum 	<p>Mode of Engagements</p> <ul style="list-style-type: none"> Continuous Dialogue Industry Events
<p>Topics of Concern</p> <ul style="list-style-type: none"> Operational and Financial Performance ESG Commitments and Initiatives 	<p>Topics of Concern</p> <ul style="list-style-type: none"> Operational and Financial Performance Health and Safety Career Development Pay and Benefits 	<p>Topics of Concern</p> <ul style="list-style-type: none"> Financial Performance ESG Commitments and Initiatives 	<p>Topics of Concern</p> <ul style="list-style-type: none"> Access to Employment Opportunities Health and Prosperity of Community 	<p>Topics of Concern</p> <ul style="list-style-type: none"> Food Safety Product Quality Responsible Sourcing 	<p>Topics of Concern</p> <ul style="list-style-type: none"> Regular Compliance Provide Aid to Communities 	<p>Topics of Concern</p> <ul style="list-style-type: none"> Financial Performance Supplier Code of Conduct



BUILDING
TRUST WITH OUR
STAKEHOLDERS

Ethical Business Conduct

The FKS Way is exemplified by our core value of Integrity which drives our corporate culture. We are committed to conducting business ethically and with the highest degree of integrity. We believe responsible business practices starts with transparency and accountability.

We conduct ourselves fairly within the market, adhering to all relevant regulations and legal frameworks. We establish strict practices to prevent corruption and anti-competitive behaviour, fostering a level playing field for all.



These commitments to good governance are embedded within our Code of Conduct (the "Code"), which applies to all our employees.

All employees acknowledge receipt of the Code during the onboarding process, and regular refresher training is organised to reinforce employees' understanding of the Code. All our employees have received the Code of Conduct trainings.



FKS Code of Conduct



Our commitment to good governance extends beyond mere compliance. We strive for positive social and environmental impact in the communities where we operate. This commitment, coupled with our dedication to ethical practices, allows us to build trust with stakeholders and contribute to a more sustainable future for all.



Workplace environment and occupational health and safety is the Company's responsibility, along with security, quality, and product stewardship. We ensure the implementation of robust internal controls for our financial reporting, data storage, and audits.



Honesty in our business practices is paramount, and we maintain a strict stance on anti-bribery, anti-corruption and anti-money laundering laws, and regulations relating to countries where the Company operates.



Conflicts of interests where our business could inappropriately influence our judgement, objectivity, or loyalty in conducting business activities for the Company are to be avoided by all employees.

Whistleblowing Policy

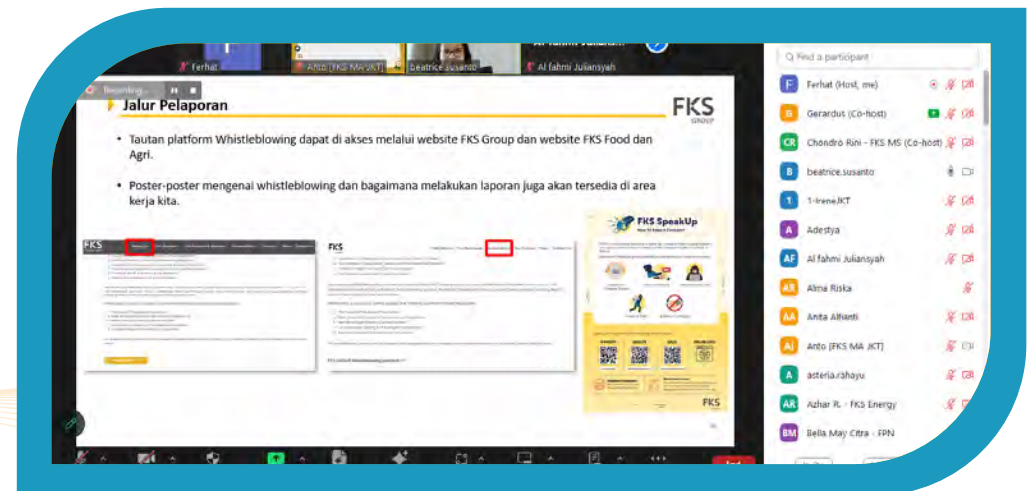
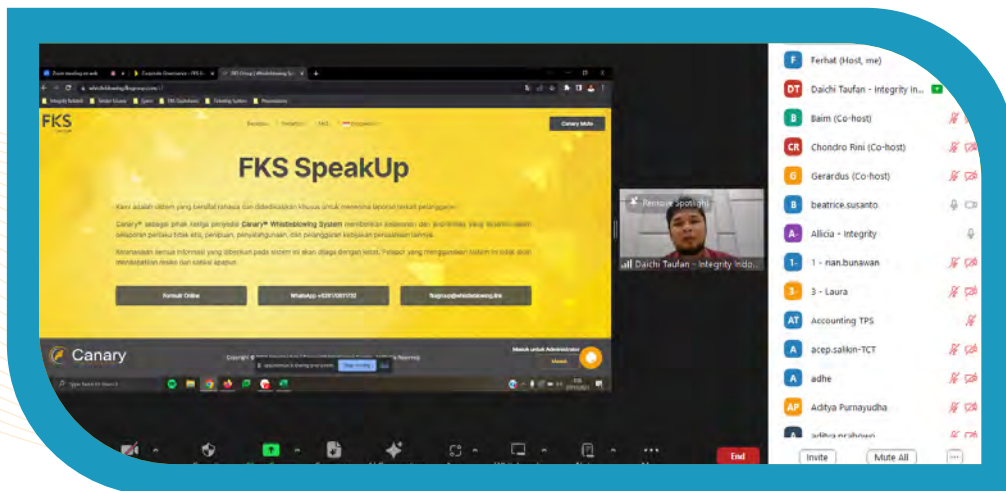
In November of 2023, FKS FA put in place a whistleblowing policy, FKS SpeakUp, that provides guidelines and procedures by which all our stakeholders can raise concerns or complaints about incidents of misconduct or violations of the Company's policies.

The whistleblowing policy encompasses concerns related to financial misconduct, unethical business practices and criminal offences or breaches of regulation. It also covers violations of Company policies, incidents of discrimination, harassment, or abuse, workplace health and safety threats, and the deliberate concealment of any misconduct.

Concerns may be raised through a confidential and dedicated online platform, externally managed by independent third-party. All whistleblowing reports will be reviewed before remedial or disciplinary actions are taken.

In 2023, we received a total 19 whistleblowing reports, relating to violations of the Company's policies. Majority of the whistleblowing cases originated from Tiete, our sugarcane plantation and milling operations in Brazil. All reported concerns were taken seriously and investigated thoroughly.

Each case was reviewed by the dedicated whistleblowing officer, and actions were taken to improve internal processes where relevant. For more information on our whistleblowing policy, please visit our [Corporate Governance webpage](#).



Food Security, Safety and Product Quality

As a food manufacturer and distributor, FKS FA recognises our vital role in ensuring food security, product quality and food safety. Providing access to sufficient, safe, and nutritious food for all is at the heart of FKS FA's commitment. We understand that food safety concerns the entire journey of food, from farm-to-plate, and robust management minimises the risk of contamination and product recalls. Additionally, we contribute to food security by enhancing the quantity, quality, and accessibility of food through our farming, milling, and food processing businesses. We are also committed to reducing food loss throughout our operations to further support global food security efforts.

Our Food Safety Management Systems

We prioritise consumer safety through a multi-layered approach. This includes implementing rigorous international standards like ISO 22000:2018, FSSC 22000, HACCP, Food Safety Culture, and Good Manufacturing Practices. Within our Indonesian operations, we also adhere to all relevant national regulations, including Halal certifications, the Indonesia National Standards, and National Agency of Drug and Food ("BPOM") certificate.

Risk assessments are performed on our day-to-day operations to identify and categorise potential threats within our operations, so that we actively ensure the robust management of food safety. Identified critical control points are then addressed

according to our strict protocols. Regular internal audits, hazard analysis, and risk assessments are conducted at least once annually to guarantee adherence to our high standards. Our audit scope encompasses FSSC requirements, Halal certification adherence, and hazard analysis. Additionally, our processing facilities maintain HACCP and FSSC certifications.

We are pleased to report that we have received zero incidents of food recall across our operations between 2022 to 2023.

Training Our Staff on Food Safety

Achieving and sustaining our rigorous safety standards requires discipline and commitment of our employees. To ensure everyone stays informed, we offer regular safety training led by external experts. These sessions keep employees updated on the latest regulations and safety practices. To verify the comprehension and effectiveness of training sessions, we conduct evaluations following each training.

Our training sessions covered the following topics:

- Food Safety Training
- FSSC 22000 Certification
- Halal Certification
- HACCP
- National Agency of Drug and Food
- Indonesia National Standard ("SNI")



Selling Practices and Product Labelling

We believe that informed consumers are empowered consumers. We are committed to providing complete, reliable, and comprehensive information through our food labelling practices. This transparency not only protects our customers, but also allows them to make informed choices that align with their dietary needs and values.

By prioritising clarity and accuracy, we protect ourselves from potential litigation or financial penalties, while also safeguarding our brand value.

Our labels are designed to be clear and easy to understand, giving you all the essential information you need right at your fingertips.

- **Nutritional content** of calories, fats, carbohydrates, proteins, vitamins, and minerals
- **Allergen** to highlight potential allergens to ensure consumer safety
- **QR codes** to provide additional product information, like BPOM and SNI approvals, further bolstering transparency

Our labels often provide helpful tips and information, including delicious recipe ideas featuring our products, instructions on how to store them for optimal freshness, and clear guidelines for proper recycling of our packaging.



Recipe Suggestions

Halal Certification

Ingredients
Nutrition Facts

QR Code
Barcode



Responsible Supply Chain

With a diverse supply chain of food ingredients and other raw materials sourced from different regions, FKS FA recognises that managing environmental and social concerns is key to our supply chain resilience. FKS FA has developed and enhanced our supplier screening process and strengthen our Supplier Code of Conduct, to ensure suppliers are committed to upholding and adhering to ethical standards, national and international legal frameworks and sustainable business practices.

Supplier Screening

FKS FA has established a risk management framework aimed at minimising and mitigating risks encountered in its operations including ESG-related reputational risks. This framework is designed to identify, quantify, manage, and mitigate various risks factors in our operations and supply chain. Within this framework, there is a Standard Operating Procedure ("SOP") that provides best practice guidelines for managing counterparty relationships and conducting thorough supplier due diligence.

FKS FA only engages with suppliers who meet our standards. Potential suppliers must undergo a screening process by completing the supplier information form and providing relevant documents. This includes both qualitative and quantitative information, ESG commitments and contact details of ESG personnel, and any available certifications. Our commitment to responsible counterparty

selection goes beyond just financial health. The Credit Risk Team meticulously evaluates potential suppliers through comprehensive reports that incorporate both financial and sustainability metrics.

For existing partnerships, we maintain a vigilant approach through regular monitoring and reviews. The frequency of review depends on the assigned risk category and the underlying trade structures.

Strengthening Collaboration with Suppliers

At FKS FA, we believe responsible business practices are essential for long-term success. This extends to our supply chain, where we partner with suppliers who share our commitment to ethics, sustainability, and legal compliance. As we strive to create a more sustainable supply chain, we recognise the evolving expectations of our stakeholders, such as customers, banks, and regulatory bodies, who are placing a growing emphasis on businesses operating with social and environmental responsibility at their core.

To meet these rising expectations and further strengthen our commitment to sustainability, we actively support our diverse business units in establishing clear expectations for their suppliers through the development of Supplier Codes of Conduct ("SCOC"). This approach allows each business unit to tailor their SCOC to their specific needs while upholding our shared commitment to

environmental and social responsibility.

Enerfo, the Group's merchandising arm, has strengthened its SCOC, reinforcing expectations for all supplier. The updated code outlines the shared principles promoting collaboration based on fairness, human rights, and environmental practices. It seeks to foster continuous and open dialogue with key suppliers to ensure alignment with Enerfo's sustainability and ethical standards. By focusing on key areas like business integrity, labor standards, environmental responsibility, and community engagement, the SCOC empowers Enerfo to work with responsible suppliers who share our commitment to a sustainable future.

In 2023, we sought feedback from internal stakeholders and have since made enhancements to align with current developments in responsible supply chain management. The SCOC is ready and will be launched in 2024.





MANAGING OUR
ENVIRONMENTAL
FOOTPRINT

FKS FA manages our environmental impact and recognises that identifying these impacts can help us mitigate and manage our ESG risks. As a responsible business, FKS FA aims to mitigate our environmental footprint, with an array of initiatives that target energy and emissions, water consumption and waste management. Committed to our sustainability journey, we aim to leverage innovation, efficiency and technology to support our endeavours.

We understand the potential impact of climate change on our operations and the broader environmental implications of our business. As such, we are committed to developing strategies to mitigate these risks and build a more resilient future.

Climate Change

At FKS FA, we understand that climate change is a significant threat to the global food system. Increased volatility in weather patterns, including more frequent and intense storms, droughts, and floods, can disrupt agricultural production and supply chains. These disruptions can damage crops, lead to harvest losses, and delay the distribution of essential agri-commodities.

However, we also recognise the importance of adapting to and capitalising on the opportunities presented by a changing climate.

By effectively identifying and managing climate-

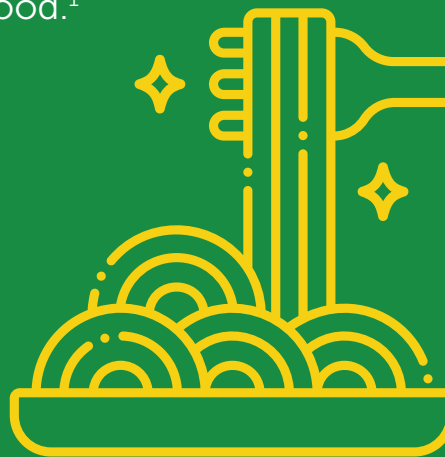
related risks, we can build resilience and ensure the long-term sustainability of our operations.

Staying ahead of evolving regulatory requirements, we are exploring the implementation of climate scenario analysis to assess potential risks and opportunities under different climate futures. This will allow us to make informed strategic decisions and ensure our business model remains resilient in the face of climate change.

Emissions

26%

of global greenhouse gas ("GHG") emission is produced from food.¹



¹Our World in Data, Environmental Impacts of Food Production, 2022

As a food producer and distributor, we are committed to reducing our contributions to climate change.

Taking a targeted approach, we conducted a Life Cycle Assessment ("LCA") in 2021 to identify key hotspot areas in our operations. Based on the findings from our comprehensive LCA, we identified that the sugar refining and food processing operations in Indonesia were significant contributors to our environmental impact. These insights have directly shaped our carbon management strategy, allowing us to target these units as key areas for carbon reduction efforts.

In 2023, we built on these insights by measuring our GHG emissions for these operations as well as our port logistics and distribution operations. We adopted the GHG Protocol, an internationally recognised framework for carbon accounting and reporting, to guide our emissions calculation methodology.

To ensure consistency and accuracy in our emissions inventory, we engaged a third-party consultant to conduct a workshop for our ESG Champions and senior management team. This workshop was essential in deepening our knowledge of GHG inventory process, scopes, and calculation methods.

We collaborate closely with the consultant to carry out a detailed GHG assessment. This includes defining our emissions boundaries, developing data collection process, and refining our inventory approach.

The GHG assessment confirmed the results of the LCA assessment, highlighting our sugar refining and food processing operations as major contributors to our environmental footprint. We also collaboratively explored various decarbonisation options, enabling us to assess potential strategies for reducing our carbon footprint and identifying effective emissions reduction measures.

While we initially focused on our primary emission sources, we are expanding our carbon footprint assessment to encompass all key operations, this will include additional business units, such as our sugarcane plantation and milling operations, as well as other food processing facilities. This broader scope will provide a more comprehensive view of our environmental impact and enable us to develop more effective and holistic decarbonisation strategies.

We are dedicated to enacting specific measures aimed at decreasing our overall GHG emissions. Our objective is to strengthen our sustainability initiatives and advance in mitigating our impact while addressing climate change risks throughout all aspects of our operations. Currently, we are

developing a roadmap for decarbonisation within our organisation, and we intend to gradually disclose our GHG baseline, emissions inventory and decarbonisation strategies in forthcoming reports.

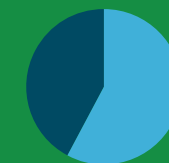
Energy Management

We are committed to prioritising renewable energy across our operations. At our sugarcane mills in Brazil, we repurpose bagasse—a by-product of the milling process—as boiler fuel to power the mills. We utilise cogeneration plants to produce both electricity and heat, primarily for our own operations. Any excess electricity will be sold to the grid.

In our Indonesian operations, we emphasise enhancing energy efficiency by focusing on heat recovery and other energy-saving measures.

In 2023, approximately 58% of the Group’s energy consumption came from renewable sources. The other 41% was sourced from non-renewable resources, including coal, diesel, natural gas, and petrol for vehicles, with the final 1% coming from electricity.

Energy Sources in 2023



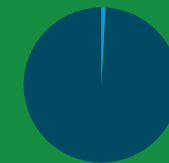
58%
Bagasse



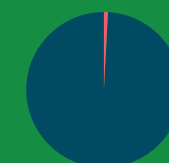
35%
Coal



5%
Diesel and Gasoline



1%
Electricity



1%
Natural Gas and LPG

In 2023, our sugarcane operations in Brazil had an increased production, leading to a rise in overall energy consumption. While this growth allows us to meet customer demand, we understand the environmental impact and are committed to responsible resource management.

While FKS FA's energy consumption and emissions generation pose challenges, they also act as catalysts for innovation and sustainable growth. We are addressing our energy-intensive operations by transitioning to energy-efficient systems and exploring renewable energy options as a replacement for electricity. We are excited to announce our plans to install solar panels with a combined capacity of up to 3 Mega Watt Peak ("MWp") across seven of our processing plants. This initiative will enable us to generate clean, renewable energy on-site, directly offsetting our electricity consumption. Beyond our own operations, our commitment to solar power is amplified by the existing capacity of our joint ventures. Together, our planned solar panel capacity reaches approximately 10 MWp.

Looking ahead, FKS FA aims to expand these efforts into logistics, employing fuel-efficient vehicles for moving commodities and finished consumer goods. We recognise that climate change continues to impact global food security, through reduced crop yields, water scarcity, food scarcity, and vulnerable livelihoods. We plan to assess climate-related risks and opportunities related to our business operations and value chain going forward.



Total Energy Consumption

Energy Consumption (GJ)



Bagasse (Renewable Energy)

Energy Consumption (GJ)



Coal

Energy Consumption (GJ)



Diesel and Gasoline

Energy Consumption (GJ)



Electricity

Energy Consumption (GJ)



Natural Gas

Energy Consumption (GJ)



LPG

Energy Consumption (GJ)



Mechanisation of Sugarcane Plantation

The future of harvesting lies in advanced mechanised operations. Tiete is actively exploring innovative equipment and techniques that streamline operations and enhance overall efficiency.

For instance, the implementation of a comprehensive telemetry online tracking and live monitoring system across the entire harvesting, loading, and transportation fleet.

This translates to real-time data on equipment performance and fuel consumption, enabling us to detect potential issues at our fingertips.

Our harvesting operations are also fully mechanised and equipped with cutting-edge GPS auto-pilot technology, ensuring accurate harvesting patterns, minimising yield losses and waste. These precision application technologies allow us to deliver essential fertilisers and chemical inputs exactly where and when they are needed.

Implementing highly mechanised and automated harvesting systems offer significant benefits and serve as powerful tools for optimising resource utilisation, minimising waste, and contributing to our emissions reduction goals. By leveraging real-time data and precision automation, we are not only enhancing efficiency and productivity, but also contributing to a more sustainable future for our business and the environment.



Harvesting



Loading



Transportation



GPS Auto-Pilot



Water Consumption

Food production accounts for 60% of our total water consumption. Water is vital across the food supply chain with 70% of freshwater withdrawals consumed for agricultural and food processing purposes—originating from freshwater sources, surface water and industrial waters.

Water has critical importance to our business. Recognising water as a shared resource, FKS FA is committed to optimising water usage and wastewater treatment throughout our facilities, while ensuring we meet stringent food safety and hygiene regulations.

FKS FA's water intensive operations are in sugar milling, and refining, and food processing. Beyond processing, we also use water for maintenance and cleaning purposes as part of our daily business operations.

Total Water Withdrawn, Discharged, and Consumed

Water Withdrawal (m³)



Water Discharge (m³)



Water Consumption (m³)



Water Withdrawal Sources

Surface Water (m³)



Ground Water (m³)



Industrial Water (m³)



Others (m³)



The Group's reliance on water solidifies our belief that water is a common and essential good. We aim to improve our water usage and wastewater treatment at our facilities. As part of responsible water use, we implement proper water treatment processes to prevent contaminants and pollutants from entering external water bodies.

We implement regular checks and audits to ensure that wastewater is properly treated and recycled wherever appropriate – in compliance with stringent local regulations. We also aim to transition to water efficient systems and reduce water consumption across our operations.

Recognising the necessity of water in global food production and security, FKS FA has taken steps to implement numerous water optimisation programmes to curtail our water usage. We implement a multi-pronged approach to water conservation. In our sugarcane plantation and milling operations, we have implemented a closed-loop system for wastewater from sugar processing. This wastewater, rich in nutrients and minerals, is not discarded but strategically recycled and reused for irrigation in our plantations. By reusing wastewater for irrigation, we significantly reduce our demand for freshwater resources, minimising our environmental footprint.

At all our food processing facilities, we employ a wastewater treatment plant to recycle and reuse water. Treated wastewater undergoes rigorous testing to ensure it meets all compliance standards before being released into any water body. We continuously assess and optimise our production processes to minimise water usage per unit of output.

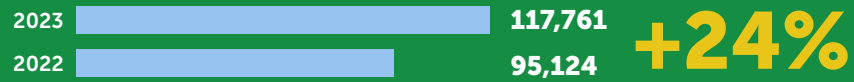
Trained personnel conduct regular visual inspections of piping systems, looking for signs of wear, corrosion, or damage to joints and connections. By conducting thorough and consistent maintenance checks, we can identify even the smallest abnormalities before they escalate into major leaks.



Providing Community Water Access

Acknowledging that water scarcity is a challenge across Indonesia, including the region where our consumer food company operate, the Company supports the community in gaining access to clean water. FKS Food Sejahtera ("FFS") collaborates with the regional water supply company to ensure clean water provision and distribution. FFS actively addressed water access issues by constructing crucial infrastructure for clean water distribution, including new wells, piping systems, and storage tanks. These efforts have benefitted over 830 households in the Sragen and Karanganyar areas.

Water Donated to Community (m³)



Company funded the construction of new wells to ensure clean water access for local villagers.



Waste Management

Around one-third of all food produced is either lost or wasted each year, and food waste makes up around half of global food system emissions. As a responsible business, FKS FA recognises our responsibility to reduce food and other wastage throughout our operations.

Non-hazardous Waste

Our non-hazardous waste mainly includes organic, food and packaging waste. FKS FA's organic waste is generated during the sugar milling process and includes vinasse, bagasse, filter pie, and boiler ash. Rather than disposing, we reuse our organic waste as fertilisers and fuels in our plantations.

Bagasse, a by-product of crushing sugarcane, is used as a main source of fuel powering the mills, which are cogeneration plants that generate electricity and produce steam for consumption simultaneously. The food waste we generate is mostly reprocessed into food products or reused as animal feed at local feed millers.

FKS FA responsibly disposes of its non-hazardous waste, seeking to recover, reuse, and recycle these wastes where feasible to minimise our environmental footprint.



Non-hazardous Waste Generated (tonnes)



Organic Waste Types

Bagasse (tonnes)

Amount of Waste Generated



Vinasses (m³)

Amount of Waste Generated



Filter Pie (tonnes)

Amount of Waste Generated



Boiler Ash (tonnes)

Amount of Waste Generated





Promoting sustainability in sugarcane farming: Recycling organic waste through the application of vinasses and fertilisers, enhancing crop growth and soil health.

Hazardous Waste

Our hazardous waste includes pesticide containers, metal scrap, waste resin, used oil, and lubricants, chemical packaging, filters and electric waste, which require proper storage and disposal.

FKS FA ensures that we abide by any regulations on hazardous waste disposal and has the appropriate system in place. This includes proper storage facilities and engaging with licensed disposal vendors. FKS FA conscientiously manages and disposes our hazardous wastes through licensed third parties.



Hazardous Waste Generated (tonnes)



Biodiversity and Nature

As a food business, our success is intrinsically linked to the health of the ecosystems upon which we depend on. Sugarcane plantations, like many agricultural operations, rely on a robust foundation of ecosystem services - soil health, pest control, and water regulation. Disruptions to these services can create significant upstream risks, impacting our operational efficiency, legal compliance, and brand reputation.

The challenges presented by nature and biodiversity are not unique to FKS FA. They are systemic issues facing the entire food industry. We believe that all food businesses have a vital role to play in addressing these challenges.

Recognising the interconnected nature of climate change and biodiversity, we are expanding our focus to address both challenges. By identifying our dependencies on ecosystem services, and implementing careful pesticide management, we seek to better manage nature-related, legal or reputational risks. This includes the preservation and enhancement of biodiversity and natural ecosystems in and around our operational areas.





CARING FOR
OUR PEOPLE

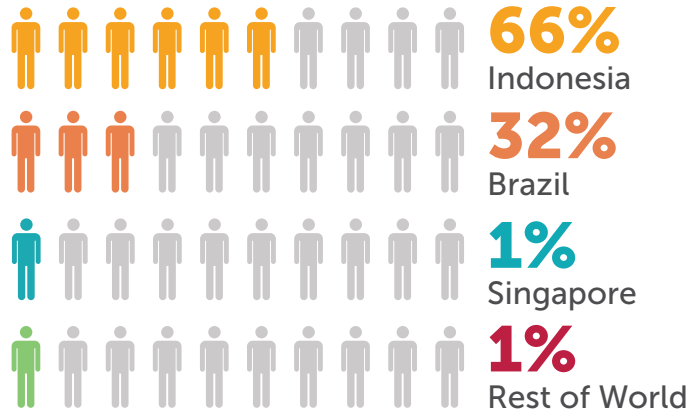
FKS FA relies on communities around us for our workforce, our customers and our suppliers. We believe that investing in our people both internally and externally is vital in fostering goodwill and building trust. Within the Company, FKS FA promotes diversity, inclusion, fair compensation, and equal opportunity as core principles in our Company policies. Our initiatives include providing training and growth opportunities as well as maintaining the health and safety of our employees. As we continue to expand and grow, FKS FA ensures that all its employees have fair and favourable working conditions, have access to career and personal development opportunities and a safe working environment.



Employee Relations

FKS FA prides in being a responsible employer, committed to respecting human rights and developing a conducive work environment for all employees. Our employees are spread across 9 countries, with over 68% based in Southeast Asia. We endeavour to recruit from our local communities, where suitable.

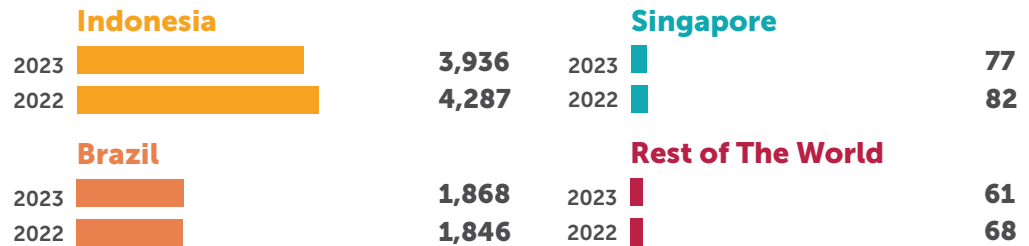
Our People's Profile 2023



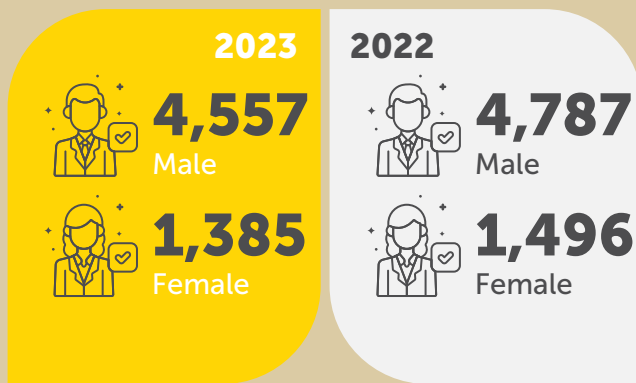
Total Employees



Distribution of Employee per Region



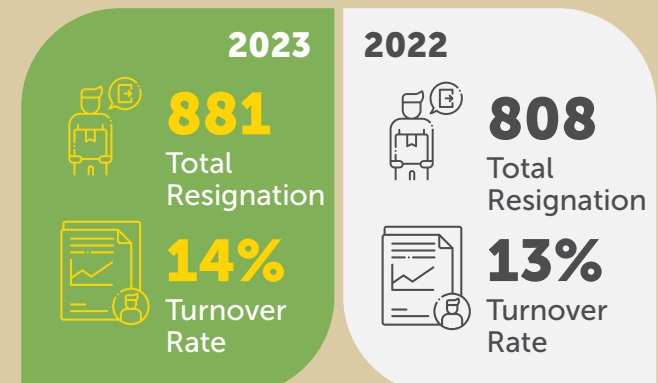
Employees by Gender¹



New Hires and New Hire Rate



Resignation and Turnover Rate



¹ The high proportion of males to females is attributed to the challenging working conditions that our employees in Brazil and Indonesia are exposed to, including tasks such as operating heavy machinery and equipment, etc. These physically demanding roles are typically assumed by males, causing the disparity in gender representation in our workforce.

FKS Voice: Turning Feedback into Action

At FKS Group, we value our employees' insights and recognise their importance in driving our growth and success. Through the FKS Voice survey in 2022, we gathered feedback that has shaped out strategic decisions and led to meaningful changes within the organisation.

The survey results highlighted our strengths, such as a strong understanding of corporate values and recognition of our leaders' commitment to development and effectiveness in team management. The survey also pointed out areas needing attention, especially career opportunities and training and development.

In response to this feedback, we implemented several key improvements in 2023. To enhance career opportunities, we developed a comprehensive Promotion Policy and provided more clarity on promotion pathways.



To enhance training and development, we organised the "All About Learning and Development" webinar series. These webinars focused on comprehensive learning approach, combining experiential learning, peer learning and formal education training. Additionally, we increased the frequency of training sessions to provide more opportunities for skill enhancement and career advancement.

We also introduced an employee rotation program to support career development. This program broadens employees' exposure across different business areas, helping them develop diverse skills and prepare for future leadership roles. Recognising and appreciating our employees is crucial for maintaining motivation and morale. In 2022 and 2023, we held appreciation events to honor promoted employees.

By integrating the feedback from the FKS Voice survey into actionable initiatives, the Group demonstrates its commitment to improving the employee experience and fostering a supportive, engaging, and growth-oriented environment for all.

A promotional poster for the FKS Voice survey. At the top left is the FKS GROUP logo. Below it is a large yellow speech bubble containing the text "THE VOICE" in bold black letters, with the tagline "Because Your Voice Matters!" in a smaller font below it. To the right of the speech bubble is an illustration of a man and a woman in business casual attire talking. The man is holding a document and pointing at it, while the woman is holding a folder. There are speech bubbles around them. Below the illustration, the text reads "Voice Your Mind!" followed by "Take the opportunity to give your open and honest opinion to help us improve as employees and for FKS Group as a company". The survey dates are listed as "2022 23 DEC to 2023 13 JAN". At the bottom, there are three columns of small text: "The survey will be conducted internally using a Microsoft Form", "In order to protect your privacy and confidentiality, the result will only be accessible by HR and BU Head of each business unit in the form of an aggregated result", and "Make sure you answer all of the questions". A link "https://tinyurl.com/SurveyTheVoice2022-10" is provided. The bottom of the poster features the tagline "Because Your Voice Matters!" in a yellow banner.

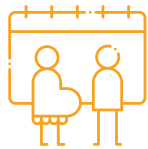
Fair Compensation and Benefits

At FKS FA, we are committed to recognising and rewarding talent and performance. We provide competitive remuneration and compensation packages, guided by our beliefs in fairness and equity. We strive to ensure that all our employees are compensated fairly and transparently, eliminating any room for bias or discrimination.

We provide the following compensation and benefits to our permanent employees:



**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 Wellness

Employee wellness is essential for fostering a supportive and productive work environment. Our Human Resource (“HR”) teams play a vital role in promoting wellness by planning and executing various events that enhance team camaraderie and employee engagement across all our offices throughout the year. Through team-building activities, social events, and volunteer opportunities, we strive to foster a sense of community and belonging among our employees globally. At the same time, these initiatives help promote a positive work culture while create opportunities for employees to relax outside of their daily work responsibilities.

Recognising the importance of work-life balance in maintaining overall wellness, our Company offers flexible work arrangements and generous leave policies to help employees balance their professional and personal lives. By providing these benefits, we aim to create a work environment where employees feel valued and supported in all aspects of their lives.

Overall, our efforts towards organising company-wide social events and flexible work arrangements are integral to our commitment to a holistic approach to employee wellness.

Training and Development

Talent attraction and development are essential for organisations in achieving their business goals. This includes a company's approach to training and upgrading employee skills, and performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination.

FKS FA offers trainings across a wide range of topics such as leadership, people management, carbon reporting and management, and many more to encourage their adaptability in the dynamic business landscape.

These training programs are developed to best address employee growth needs and demands. On average, our employees attended 8.4 hours of training per employee in 2022, and 9.6 hours of training per employee in 2023.

Our training programs include:

- Safety Training
- Sustainability Awareness
- People Management
- Effective Communications
- Leadership
- Financial Reporting



Nurturing Talent

At FKS FA, our commitment to nurturing talent is exemplified through two key programs: the Star Employees program and the LEAP Program. These initiatives are designed to systematically identify, develop, and retain talented and competent employees as valuable assets to our organisation.

We began with the Star Employees program, a one-year initiative where training was conducted in-house by our leadership team. This program focuses on identifying and managing talented employees.

Building on the foundation of the Star Employees program, we launched the LEAP Program in 2023 to further enhance our training efforts through external collaboration. The LEAP Program is a flagship 4-year program designed to nurture internal talent for key leadership roles within FKS FA. Developed in collaboration with IPMI International Business School, this premier program combines classroom learning with expert mentorship, on the job training and hands-on project management.

The LEAP Program represents a strategic investment in the Company's future leadership. By developing potential employees through a structured and comprehensive approach, we not only enhance our leadership capabilities but also seek to demonstrate our strong commitment to the professional growth of our workforce.

By integrating these programs, FKS FA ensures a continuous pipeline of well-trained and highly capable leaders who are ready to take on future challenges and drive the Company towards sustained success.



Digitalisation

In 2023, we embarked on our HR digital transformation roadmap. This transformation is being implemented in phases, beginning with Indonesia and Singapore, and gradually extending to our other offices to meet local needs.

Digital transformation is essential for organisation as it provides accurate data and enhances overall data management. It also improves workforce management and overall performance by leveraging technology to streamline processes and increase efficiency. This transformation increases efficiency by automating processes, reducing errors, management and analytics, facilitating informed decision-making. Moreover, it enhances the employee experience with self-service portals for managing personal information, benefits, and performance, leading to higher job satisfaction and engagement.

To support learning, our HR Portal offers a digital repository with modules on various soft skills, aiding in professional development and employee satisfaction. Our new application, introduced in phases, currently features modules for leave management, attendance tracking, performance management, recruitment and onboarding, and learning management. Future phases will add more modules tailored to regional needs.



Employee Volunteering

At FKS FA, we believe employee engagement goes beyond work. We foster a culture that empowers employees to contribute to a more sustainable future through various social responsibility initiatives. Our dedicated ESG team and HR team collaborate on impactful volunteering activities. These include blood donation drives, tree planting, beach clean-ups, and community area clean-ups. These efforts allow employees to make a tangible difference while fostering teamwork and personal growth.

We actively build positive relationships with local communities by organising cultural celebrations and creating volunteer opportunities. Our employees volunteer as teachers for vocational students, visit orphanages, and share their expertise through vocational skills training, youth mentorship programs, and sustainability workshops. These engagements provide a deeper understanding of social and environmental issues, allowing employees to integrate ESG into their daily work.

By fostering meaningful engagement, we cultivate a more motivated and satisfied workforce. This translates to increased job satisfaction and ultimately drives individual and organisational success.



Employee Health and Safety

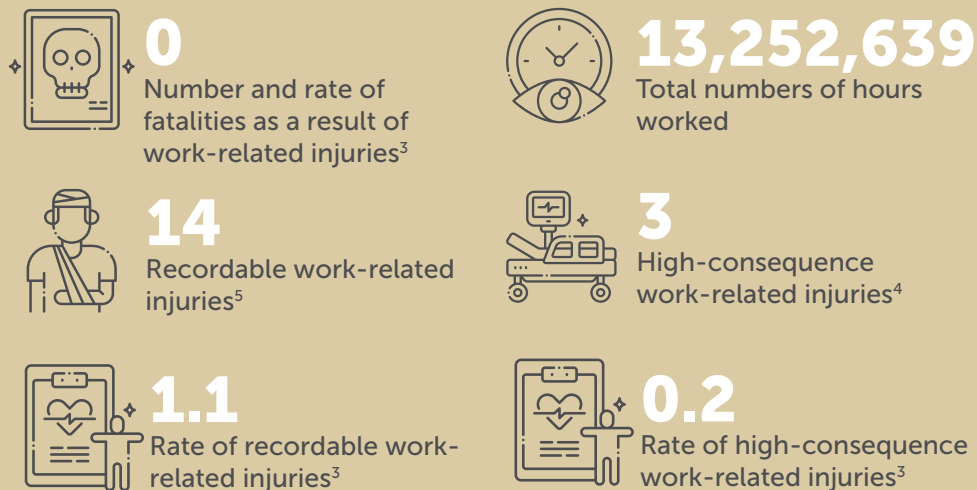
At FKS FA, we recognise that a healthy and safe working environment is a fundamental right at work¹. FKS FA is committed to protecting our employees from injury or illness and ensuring employees' wellbeing. Effective health and safety management begins with understanding risks to injury and illness. Potential hazards across our business include road safety risks in our trucking operations, slips, trips and falls in our office operations, noise and air pollution health impacts in our port operations, and mechanical injuries for our sugarcane plantation and food processing workers.

We believe that a preventative approach to safety is the optimal way to ensure workplace safety for our employees. We implement robust Occupational Health and Safety ("OHS") management systems across our operations, which are internally audited. These systems encompass risk assessment, trainings, investigations and performance monitoring. We have developed OHS committees that will oversee and update policies with evolving regulatory requirements.

To strengthen our overall culture of health and safety, we provide protective gear and regular safety briefings. We provide both virtual and on-site OHS training to our employees on a range of topics including general work safety, basic security, chemical handling, health surveillance, and heat stress management. Finally, we monitor safety indicators as part of assessing our business performance.



Breakdown of Fatalities and Work-related Injuries Recorded² in 2023



Breakdown of Fatalities and Work-related Injuries Recorded² in 2022



Employees are reminded regularly to be vigilant and briefed during daily shift meetings on any potential health and safety issues. Should any incident occur, we administer first aid, followed up with an investigation and implementation of corrective actions.

In 2023, we recorded three unfortunate major injuries involving three employees. Our investigation revealed that these incidents stemmed from a lack of proper authorisation and adherence to established procedures. Taking a proactive approach, FKS FA has implemented several corrective actions including stricter reinforcement of the SOPs and provision of comprehensive training on safety awareness.

FKS FA remains committed to fostering a culture of safety where all employees prioritise safe work practices and uphold the high standards of occupational health and safety. These corrective actions are part of our ongoing commitment to improving workplace safety and ensuring the well-being of our employees.

¹ International Labour Organisation (“ILO”) framework of fundamental principles and rights at work

² Injury data and rates recorded are representative of employees in plantations, warehouses, and processing plants; office staff are excluded

³ Rate of Fatalities = No. of Fatalities per 1,000,000 hours worked

⁴ High-consequence work-related injuries: work-related injury that results in major injuries and > 30 days of lost work

⁵ Recordable work-related injury, that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness

Human Rights

Human rights and land rights risks could exist throughout FKS FA's value chain, from our plantations to logistics to processing activities. FKS FA is committed to promoting fair, ethical, and positive relations with our workforce, respecting human and labour rights.

Respecting Human and Labour Rights

We uphold the highest standards of human and labour rights across all our operations. This includes adhering to national and international labour laws, ensuring fair wages and working conditions, and prohibiting child labour and forced labour.

We believe that a well-informed and empowered workforce is essential for creating a truly ethical workplace. Our commitment is demonstrably outlined in our comprehensive Code of Conduct and enforced through our whistleblowing policy, FKS SpeakUp, which allows employees to raise concerns about potential violations of human rights, labour laws, or ethical standards without fear of retaliation.

For more details, please refer to Ethical Business Conduct, pg 25 to 26.

Diversity and Inclusion

Further, FKS FA recognises that inclusive workspaces and teams have been shown to contribute to increased company productivity. FKS FA believes in merit-based rewards regardless of background, and this translates into our fair employment practices. We trust that diverse backgrounds and perspectives coming together creates an innovative, creative and collaborative work environment.

We do not condone or tolerate any form of harassment, bullying, or discrimination and are firm believers in promoting trust and fairness in the workplace. FKS FA encourages employees to report any incidents of this behavior and assures proper investigations of any and every allegation. Through policies, training and action against misconduct, we aim to encourage our employees to be comfortable and share their respective viewpoints and ideas.



Freedom of Association and Collective Bargaining

At FKS FA, we uphold our employees' right to freedom of association and participation in labour unions to communicate their expectations and aspirations. We believe that freedom of association and collective bargaining are essential rights that support a healthy, fair, and inclusive workplace. Through collective bargaining, our employees can collectively negotiate for improved working conditions, fair wages, and other important employment-related matters.

In Indonesia, majority of our workforce and our entire workforce in Brazil, are covered by collective bargaining agreements. These collective bargaining agreements address various aspects such as working hours, remuneration, social security and welfare, health and safety conditions in the workplace and employment termination. Typically, these agreements are renegotiated every two years for Indonesia, and annually in Brazil. Given the specific needs of each subsidiary or business unit, the terms of our collective bargaining agreements may vary across our operations. Outside of Brazil and Indonesia, our employees do not currently belong to any labour unions.

To foster an inclusive decision-making process, we hold regular discussions and meetings with labour unions. These engagements provide valuable opportunities to gather feedback, recommendations, and integrating aspirations into new agreements.





EMPOWERING
OUR LOCAL
COMMUNITIES

Beyond investing in our communities internally, FKS FA believes investing externally in our customers and suppliers is also vital in fostering goodwill and building trust. Building strong relationships with local communities is essential for our long-term success. Community engagement allows us to support local initiatives and contribute to the well-being of the communities we serve, strengthening our social license to operate.

Our community development initiatives focus on improving livelihoods and enhancing quality of life through education, infrastructure, and livelihood projects. FKS FA is a firm advocate for the right to education and right to work, empowering local enterprises through educational and upskilling initiatives.



FKS Inspire

We are pleased to share our FKS Inspire program, launched in 2022, which aims to cultivate a pool of skilled vocational students through a 6-month training series including both soft and technical skills, supplemented by a 1-month apprentice program in our operations. FKS Inspire bridges the gap between the education sector and the industry sector, fostering collaboration and practical learning.

The pilot project, conducted in collaboration with a local social enterprise and a vocational school near the Group’s operational area, saw over 40 students participating in comprehensive training. Students also underwent on-the-job training, with some securing internships within the Group and others finding employment from other companies.

Encouraged by the positive results and enthusiasm from schools, teachers, and students, management has decided to expand the FKS Inspire program to four additional cities: Medan, Cilegon, Solo, and Makassar. The second batch of the program will involve a larger collaboration with the Ministry of Education and Culture of Indonesia to reach vocational schools in these designated cities.

This program is aiming to scale to 5,000 students by 2030 in collaboration with a growing number of vocational schools. We encourage our employees to actively participate by providing training to the vocational schools involved, further strengthening the bridge between education and industry.



FKS Empower

FKS Empower, initiated in early 2023 aims to enhance the livelihoods of children in orphanages and create job opportunities for them.

The program was first launched in Jakarta and has since expanded to Semarang and Solo, impacting a total of 214 children. Over 80 teenagers from orphanages have received training in tempeh production as part of this initiative. FKS Empower also focuses on skill-building, enabling teenagers to attain an independent and self-sufficient future.

As part of this community development effort, FKS FA employees will conduct skill workshops that include basic cooking, packaging design, and digital marketing. We believe strongly in developing future-ready skill sets within our local communities to improve their livelihoods.



Tempe Park

Tempe Park embodies a pioneering initiative in our sustainability efforts, celebrating Tempe - Indonesia's authentic heritage food crafted primarily from soybeans- for its cultural and economic significance. Spanning 5.8 hectares in West Java, Tempe Park is envisioned as a sustainable edu-park and centre of excellence, dedicated to Research and Development ("R&D"), and as a training hub for new and existing producers of tempeh and its derivatives across Indonesia.

In line with our commitment to sustainability, Tempe Park currently utilises solar panels to partially generate electricity, with the goal of it becoming the primary energy source in the future. This commitment extends to responsible waste management practices, with plans to construct a wastewater treatment plant to manage tempe production wastewater. Our goal is to deliver



over 100,000 training hours to Tempe craftsmen nationwide. This extensive program at Tempe Park aims to elevate production standards, enhance product quality, refine taste and cleanliness, and drive innovation in Tempe manufacturing methods.

In collaboration with the U.S. Soybean Export Council, FKS FA has provided training to over 100 micro, small, and medium-sized enterprises that produce tofu and tempeh.

This comprehensive program focused on hygienic production methods, ensuring the safety and quality of their products. It also fostered an understanding of sustainable tempeh production and its broader impact on society and the environment. As form of commitment to development and innovation, we have gradually constructed core facilities at Tempe Park, including laboratories, training centres, and function rooms.



These facilities support various activities aimed at advancing Tempe production:

- **Training and Skills Development:** Offering workshops and seminars covering food hygiene and SOPs, safety, production efficiency, packaging, knowledge transfer, financial literacy, and marketing skills.
- **Research and Collaboration:** Partnering with industry experts, educators, and researchers to continuously enhance Tempe production practices through knowledge sharing alongside R&D.
- **Better Market Access:** Providing assistance to production cooperatives in obtaining product certification and distribution permits such as BPOM and Halal to boost their business profile, expanding their market access and increasing potential for increased financing.

Tempe Park endeavours to significantly boost the welfare and professional advancement of Tempe craftsmen nationwide. With hopes of mirroring the success of Tempe Park and fostering a broader impact on the national tempe industry, FKS FA is developing a cooperation plan with small tempe producers to replicate similar programs in other locations.

Our objective is to ensure they are well-prepared to meet evolving market demands and sustain Indonesia’s culinary heritage effectively.



FKS Sustainable Farming

FKS FA, committed to supporting Indonesia's goal of self-sufficiency in food production, has partnered with Bogor Agricultural University ("IPB") and Farmers' Associations. This collaborative initiative empowers farmers in Jambi Province villages through improved food crop cultivation techniques.

The program focuses on converting underutilised, poorly irrigated swampy land into productive fields. Combining IPB's research expertise with intensive training and hands-on support for farmers, the program unlocks the land's agricultural potential for rice and corn cultivation.



Since its inception in 2017, the program has successfully converted acidic, non-arable land into fertile ground for crop cultivation. Over 300 farmers have seen their crop yields increase by up to three times compared to traditional methods, thanks to the program. This additional boost in productivity has led to a 30-40% increase in income for participating partners.

Moreover, the program has created employment opportunities for more than 500 farmers, revitalised local farming communities, and contributed to regional economic development.



GRI CONTENT INDEX

GRI Content Index

FKS FA has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2023, with reference to GRI 2021 Standards, GRI 13 Agriculture Aquaculture and Fishing Sectors 2022 Sector Standard.

General Disclosures

Organisational Profile

GRI 2: General Disclosures 2021	2-1	Organisational Details	About FKS Food & Agri, Pg. 8
	2-2	Entities Included in the Organisation’s Sustainability Reporting	About This Report, Pg. 4
	2-3	Reporting Period, Frequency, and Contact Point	
	2-4	Restatements of Information	
	2-5	External Assurance	
	2-6	Activities, Value-chain, and Other Business Relationship	About FKS Food & Agri, Pg. 8-15
	2-7	Employees	Caring For Our People – Employee Relations, Pg. 43
	2-9	Governance Structure and Composition	Our ESG Approach – Sustainability Governance, Pg. 18-19
	2-11	Chair of the Highest Governance Body	
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	
	2-13	Delegation of Responsibility for Managing Impacts	
	2-14	Role of the Highest Governance Body in Sustainability Reporting	
	2-16	Communication of Critical Concerns	Building Trust With Our Stakeholders – Ethical Business Conduct, Pg. 25
	2-17	Collective Knowledge of the Highest Governance Body	Our ESG Approach – Sustainability Governance, Pg. 18-19
	2-19	Remuneration Policies	Our remuneration committee conducts an annual review of the remuneration of employees related to the Directors and Substantial Shareholders to ensure
	2-20	Process to Determine Remuneration	

2-22	Statement on Sustainable Development Strategy	CEO Message, Pg.5-6
2-23	Policy Commitments	Building Trust With Our Stakeholders – Ethical Business Conduct, Pg.25-26
2-24	Embedding Policy Commitments	Caring For Our People – Human Rights, Pg. 52
2-25	Processes to Remediate Negative Impacts	Building Trust With Our Stakeholders – Ethical Business Conduct, Pg. 25-26
2-26	Mechanisms for Seeking Advice and Raising Concerns	
2-27	Compliance with Laws and Regulations	FKS FA is fully compliant with all applicable laws and regulations in the regions we operate. We are pleased to report that there were no instances of non-compliance recorded for the reporting period.
2-29	Approach to Stakeholders Engagement	Our ESG Approach – Stakeholder Engagement, Pg. 23
2-30	Collective Bargaining Agreements	Caring For Our People – Human Rights – Freedom of Association and Collective Bargaining, Pg. 53

Topic Specific Disclosure

GRI 3: Material Topics 2021	3-1	Process to Determine Material Topics	Our ESG Approach – Materiality, Pg. 20-21
	3-2	List of Material Topics	

Governance: Ethical Business Conduct

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Building Trust With Our Stakeholders – Ethical Business Conduct, Pg. 25-26
GRI 205: Anti-corruption 2016	205-2	Communication and Training About Anti-corruption Policies and Procedures	
	205-3	Confirmed Incidents of Corruption and Actions Taken	We are pleased to report that we have recorded zero incidents of corruption across all our operations for FY 2022 and FY 2023.

that their remuneration packages are in line with the staff remuneration guidelines.

For more details, please visit FKS's website, <https://fksfoodagri.com/about-us/corporate-governance/>

Governance: Food Security, Safety, and Product Quality

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Building Trust With Our Stakeholders — Food Security, Safety and Product Quality, Pg. 27
GRI 416: Customer Health and Safety 2016	416-2	Incidents of Non-compliance Concerning The Health and Safety Impacts of Products and Services	

Governance: Selling Practices and Product Labelling

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Building Trust With Our Stakeholders — Selling Practices and Product Labelling, Pg. 28
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Governance: Responsible Supply Chain

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Building Trust With Our Stakeholders — Responsible Supply Chain, Pg. 29
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Environmental: Climate Change

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Managing Our Environmental Footprint — Climate Change, Pg. 31
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Environmental: Energy and Emissions

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Managing Our Environmental Footprint — Emissions, Pg. 31-32
GRI 302: Energy 2016	302-1	Energy Consumption within the Organisation	Managing Our Environmental Footprint — Energy Management, Pg. 32-33
	302-4	Reduction of Energy Consumption	

Environmental: Water Consumption

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Managing Our Environmental Footprint — Water Consumption, Pg. 35-37
GRI 303: Water and Effluents 2018	303-1	Interaction with Water as a Shared Source	
	303-2	Management of Water Discharge-related Impacts	
	303-3	Water Withdrawal	
	303-4	Water Discharge	
	303-5	Water Consumption	

Environmental: Waste Management

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Managing Our Environmental Footprint — Waste Management, Pg. 38-39
GRI 306: Waste 2020	306-1	Waste Generation and Significant Waste-related Impacts	
	306-2	Management of Significant Waste-related Impacts	
	306-3	Waste Generated	
	306-4	Waste Diverted from Disposal	
	306-5	Waste Directed to Disposal	

Environmental: Biodiversity and Nature

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Managing Our Environmental Footprint — Biodiversity and Nature, Pg. 40
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Social: Employee Relations

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Caring For Our People, Pg. 42-48
GRI 401: Employment 2016	401-1	New Employee Hires and Employee Turnover	Caring For Our People — Employee Relations, Pg. 43-45
	401-2	Benefits Provided to Full-time Employees that are not Provided to Temporary or Part-time Employees	
GRI 404: Training and Education 2016	404-2	Average Hours of Training per Year per Employee	Caring For Our People — Training and Development, Pg. 46

Social: Human Rights

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Caring For Our People — Human Rights, Pg. 52
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Social: Empowering Our Local Community

GRI 3: Material Topics 2021	3-3	Management of Material Topics	Empowering Our Local Community, Pg. 55-60
GRI 413: Local Communities 2016	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	



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