



Pioneering Sustainable Agri-Food in Asia

When the late Mr Ferry Teguh Santosa decided to give up his engineering degree and start trading automotive parts, he had only one goal: earn enough money to marry his sweetheart.

He not only succeeded, but went on to build an empire. His early success led to a multi-city venture in automotive workshop. With growing momentum, he expanded into multiple industries, including the extraction of coconut oil from copra, the dried coconut kernel. He later ventured into animal feed, establishing Java Pelletizing Factory in 1971 – later shortened to “Japfa”. From there, Japfa expanded into chicken farming and grew to become Indonesia’s second-largest poultry company.

Fifty years on, Japfa Group is a multinational agri-food company supplying about 20 per cent of staple protein in its key Asian markets through its integrated value chain. Apart from chicken, the agri-food player also has a foothold in the production of pork, beef, fish, and even less-traditional protein sources like eel.

In fact, it recently hit a milestone in 2024 when researchers at the Group’s Aquaculture Research Center in East Java, Indonesia successfully hatched 70,000 tropical eel larvae^[1]. As eel reproduction in captivity has long been a scientific challenge, this breakthrough could potentially help to meet consumer demand while protecting the species in the wild.

[1] <https://www.japfacomfeed.co.id/japfa-group-announces-breakthrough-with-successful-first-step-in-tropical-eel-reproduction-a-groundbreaking-achievement-in-aquaculture-and-conservation>

This achievement reflects Japfa's longstanding commitment to innovation and it is all the more impressive since Japan is traditionally the best in aquaculture and eel breeding research.

"To us, being a food pioneer is about vision: seeing needs ahead of time and delivering solutions that last. It's about the persistent ambition to build a business from Asia that is world-class," said Ms Gabriella Santosa, Director and Chief Operating Officer, Corporate Shared Services at Japfa, which is headquartered in Singapore.

The company has found a key banking partner in DBS, with their relationship spanning more than 15 years. "Banks that have visibility into our operations in different countries, that understand agriculture and its cyclicity, are important to us," said Mr Kevin Monteiro, Director and Chief Financial Officer at Japfa.

"DBS is not a fair-weather bank. They work with us through business cycles because they understand our industry."

Building the Japfa brand

When Mr Santosa passed the reins to his son, Mr Handojo Santosa, the younger Santosa was determined to put his own stamp on the company.

He took the business out of Indonesia, expanding operations in India and Vietnam, and entering new proteins like swine in Vietnam in 2012. He even started dairy milk production in Indonesia in 1997.

"Most people thought it was a crazy move...since cows love cold weather and hate hot weather," said Mr Monteiro. "But to his credit, he persevered and delivered a US\$1.3 billion dairy business."

Mr Handojo Santosa didn't stop there.

"He had the ambition to list in Singapore, because he wanted to position an Indonesian-born company on a regional stage and Singapore provided the right ecosystem to support Japfa's growth," said Ms Santosa, who is Mr Handojo Santosa's daughter. As a strong domestic bank anchored in Singapore, DBS supported the listing as underwriter for Japfa's Initial Public Listing in 2014.

This helped Japfa tap the country's thriving financial system and strategic regional access. Meanwhile, DBS became Japfa's banking partner in several countries beyond Singapore. "DBS' footprint in Asia matches our footprint almost to a T," said Mr Monteiro.

Doing things right

One guiding principle for Japfa throughout its growth has been to do things properly, even when this is more costly and difficult. Nowhere this is more visible than in the company's approach to Environmental, Social, and Governance (ESG).

From the outset, Mr Ferry Santosa instilled^[2] a philosophy of sustainability in the company. But he preferred action over talk, which was why sustainability initiatives did not feature prominently in Japfa's annual reports until 2017, when the firm published its first Sustainability Report.

In 2019, Japfa also became the first poultry company in Indonesia to initiate a life-cycle assessment of its chicken farms. The science-based assessment took two years to complete and identified the "hotspots" where practices could be improved. One finding stood out: Chickens drink a lot of water – up to about 1 litre a day^[3] per chicken.

To mitigate this, Japfa took measures, such as recycling water in water-scarce regions in 2021, even though this meant incurring higher operational costs. This was done not because the business faced an existential risk, but because it was the proper way of doing things, said Mr Monteiro.

That same year, the company worked with DBS to launch the agri-food industry's first sustainability-linked bond. Although it wanted to incorporate social key performance indicators (KPIs) into the bond, these were not regarded as core to the business then and there were very few precedents for social KPIs at the time, said Mr Monteiro.

Nevertheless, Japfa continued advocating for the inclusion of social KPIs, which were eventually incorporated into a sustainability-linked loan (SLL) it secured from DBS and Dutch bank Rabobank in June 2025. Worth US\$150 million^[4], the SLL is tied to key ESG targets for Japfa, including improving access to nutrition, raising awareness about a balanced diet, and building healthy habits via its flagship CSR programme, Japfa for Kids^[5].

"DBS has stood alongside us on this sustainability journey," said Mr Monteiro, adding that Japfa would need a strong banking partner alongside it as protein consumption continued to expand in emerging Asia.

[2] <https://www.japfa.com/>

[3] https://chookmanor.co.nz/blogs/news/how-much-water-do-chickens-drink-what-size-drinker-will-i-need?srsId=AfmBOoo_XPiE2ZyKtBKToqxtvBtwB9tVkZw36XbtFp2Xd55t5o8Y5E6b

[4] https://www.dbs.com/newsroom/Japfa_Ltd_secures_US150_million_Sustainability_Linked_Loan_from_DBS_and_Rabobank_affirms_its_commitment_to_environmental_and_social_goals

[5] <https://www.japfa.com/our-values/japfa-for-kids>



Reflecting on Japfa's 50-year journey, Ms Santosa said: "I hope that people see how food is so much more than what is served on a plate or products in a supermarket. There's so much more that goes into it: all the behind-the-scenes work, all the innovation and technology from feed all the way to consumers who rely on us."

"Our responsibility is to honour what is entrusted to us and do things excellently at every stage."