

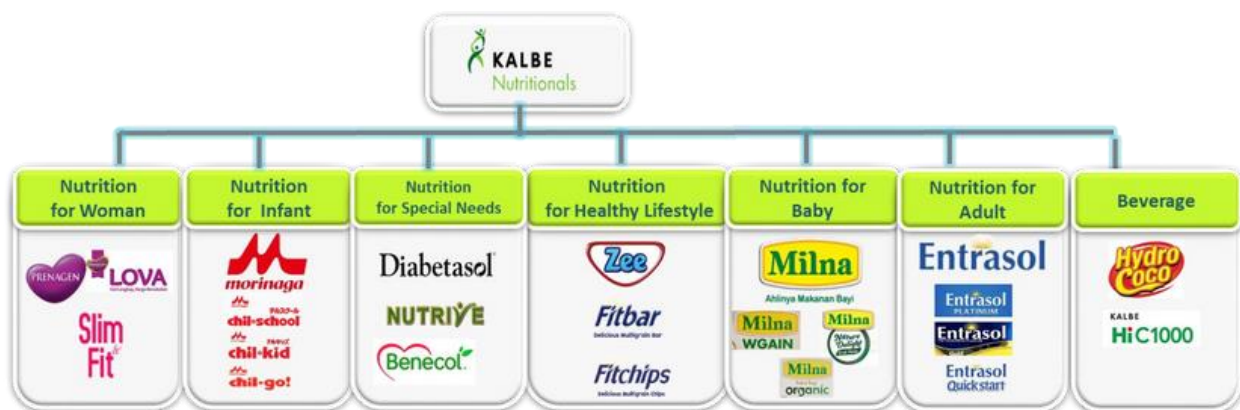
1. Company Profile



PT Sanghiang Perkasa (SHP) is one of the subsidiaries of PT Kalbe Farma which is a pharmaceutical industry company. In 1982, PT Kalbe Farma officially established PT Sanghiang Perkasa which focuses on the nutrition industry, recently known as Kalbe Nutritionals. PT Sanghiang Perkasa Manufacture is located in Pulo Lentut (Pulo Gadung Industrial Estate) with the

first product baby food for ages 6 months and above. That product successful step led PT Sanghiang Perkasa to further research the issue of pregnant women who often vomited so that the nutrients in her body were reduced. After a fairly long research of about three years, PT Sanghiang Perkasa finally launched the nutrition product for the first pregnant women in Indonesia, which until now has become the market leader for pregnant nutrition milk. Because of the increasing market demand, since 2015, PT Sanghiang Perkasa – Kalbe Nutritionals relocated to Indotaisei Industrial Area, Sector 1A - Blok Q2, Cikampek, Karawang, West Java, to expand its production capacity. This factory has a larger capacity than the older factory, Cikampek Factory total land area 50.000 m² and total building 64.000 m² with total production capacity about 20.000 tons/year.

PT Sanghiang Perkasa also implemented the Lean SCM Project to support its business processes since 2015. In 2016, the company's manufacturing facility in Cikampek upgraded ISO 22000 to FSSC 22000 for Food Safety System Certification and implemented Lean Human Capital and Lean Marketing & Distribution Initial Project. The operation of the New Oracle System (with ABC Costing) has been carried out since 2017. PT Sanghiang Perkasa holds Kalbe Panca Sradha as corporate values to all Kalbe people, which are Trust, Mindfulness, Innovation, Strive to be the best, Interconnectedness. Based on Panca Sradha, Kalbe always strives to provide benefits and added value to all its stakeholders, which are employees, customers, business partners, suppliers, banks, government, shareholders, and the environment.

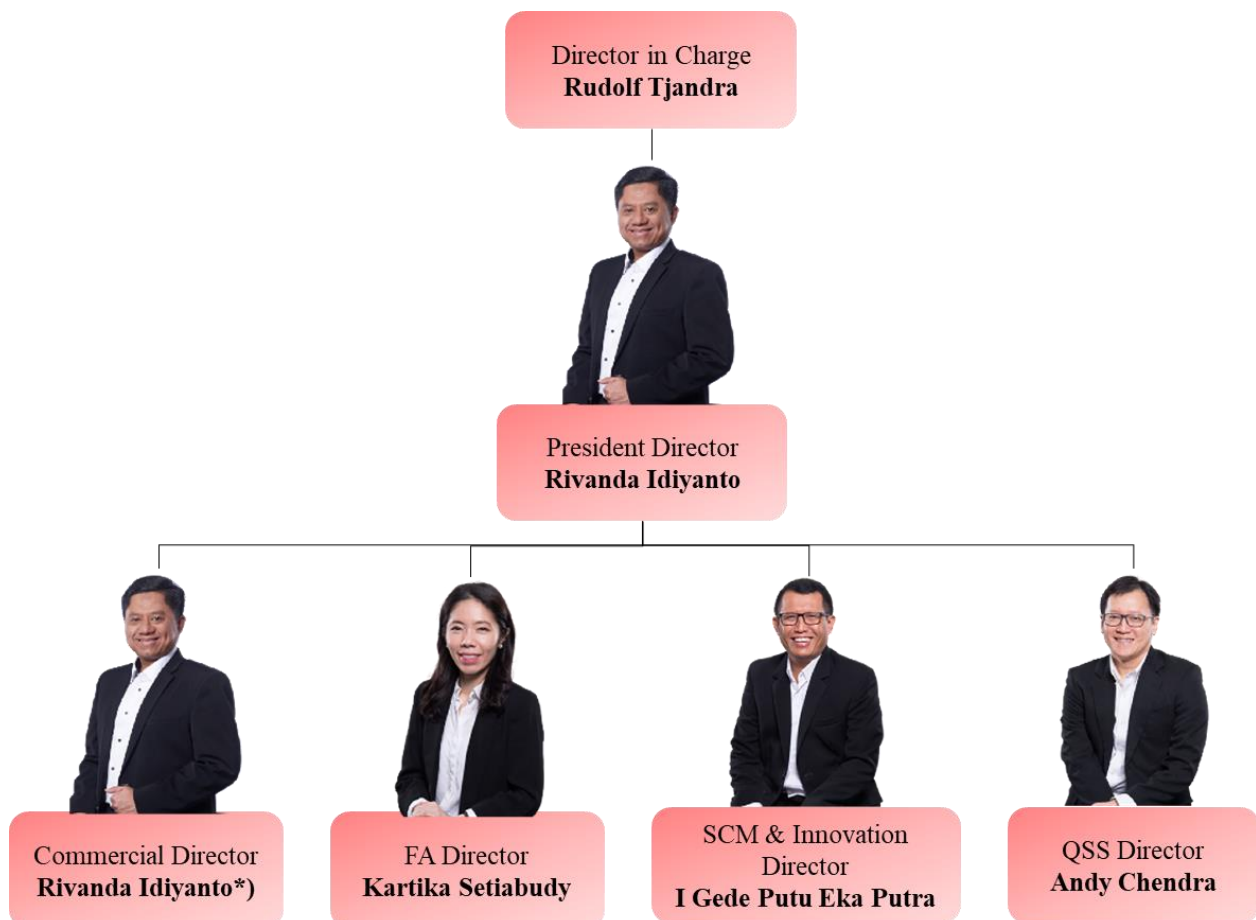


PT Sanghiang Perkasa – Kalbe Nutritionals, has more than 22 brand products and 33 variants. Many variance and product that PT Sanghiang Perkasa have was created because of market demand. Align with Kalbe Nutritionals Business that is Nutrition Solutions in Every Stage of Human Life Cycle, PT Sanghiang Perkasa's products start from an early age (infants & toddlers) to the elderly products. There are 7 business lines of the company which consist of Nutrition for Woman, Nutrition for Infant, Nutrition for Special Needs, Nutrition for Lifestyle, Nutrition for Baby, Nutrition for Adult, and Beverage.

1. Company Profile

Our products are prepared as nutrition solutions in every human life cycle from womb to tomb. Some of the superior products with large volume and sales are mainly powder milk products such as Prenagen, Diabetasol, Entrasol, Morinaga, Zee, Milna, etc. Soon, those products will be focused to developed into *Mega Brand Products* as our source of the company growth engine. This strategic focus on brand development is in line with PT Sanghiang Perkasa' long-term goal to maintain its leadership in the nutrition industry. The company continues to invest in innovation and explore new opportunities to expand its product portfolio while adhering to high quality standards. Through these efforts, PT Sanghiang Perkasa aims to remain a reliable partner in meeting the nutritional needs of the people of Indonesia and beyond, ensuring that people of all ages can lead healthier lives.

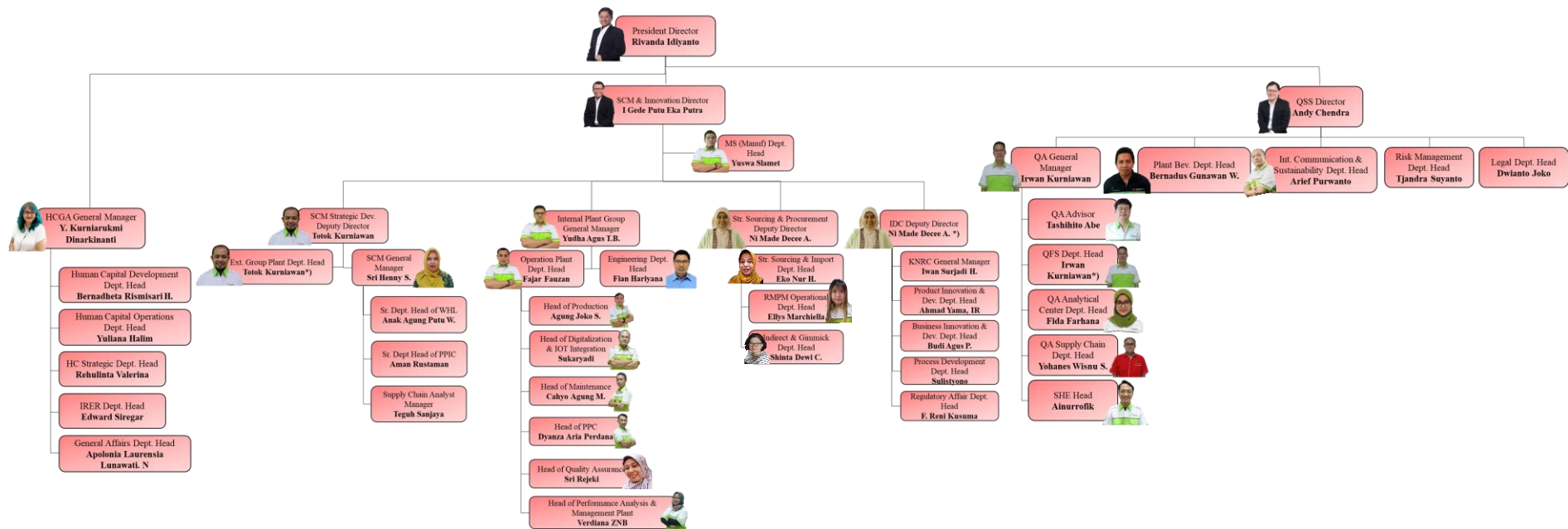
To manage and running our business, we set organizational structure as follow:
Board of Director, responsible to manage and leads every division to achieve Company Goals. Our company mission is “Providing Best Nutrition Solution for a Better Life” with vision “Leading Global Nutrition Company Driven by Innovation, Strong Brands, and Excellent Management”. There are 5 directorates in PT Sanghiang Perkasa, which are Commercial, Financial Accounting, SCM & Innovation, and Quality, Sustainability, and Support, and led by a director and director in charge.



1. Company Profile

PT. Sanghiang Perkasa Cikampek factory under coordination of Mr. I Gede Putu Eka Putra and Support by Mr. Andy Chendra and Mrs. Y. Kurniarikmi Dinarkinanti. Which is divided into several Department functions such as Management System (Manufacturing), SCM, WHL, PPIC, Sourcing and Procurement, Internal Plant, Eksternal Plant (Outsourcing), Innovation Development Center, QA, and HCGA.

Manufacturing & Support



1. Company Profile

As the company's effort in achieving optimal effectiveness and efficiency, top management has decided and supported the implementation of TPM in SHP since 2016. In 2022, PT Sanghiang Perkasa successfully obtained the TPM Excellence Award Category A. In carrying out TPM, PT Sanghiang Perkasa has its own organizational structure related to TPM. This TPM organizational structure consists of 8 TPM pillars, TPM Promotion, and under the coordination of Mr. I Gede Putu Eka Putra and Support by Mr. Andy Chendra.



The summary of the main Initiatives in the Manufacturing Area can be summarized into the 3 points, which are:

1. Increase fulfillment
2. Reducing COST while still prioritizing Quality
3. Maximizing the Flexibility and Reliability of all our operations.

This strategy is implemented in accordance with the company's policy which wants to make PT Sanghiang Perkasa a leading global nutrition company that creates nutritional solutions in every stage of the human life cycle. This is achieved by applying the values of trust, mindfulness, innovation, strive to the best, and interconnectedness to all parts of Kalbe in running its business.



2. Milestone on the Journey of Manufacturing Excellence

Customer satisfaction is our main goal by producing the best products. But at the same time we also have to be able to compete with competitors in terms of Quality, Cost and Speed (Delivery). With the best Q, C, D we try to provide added value to be able to meet customer satisfaction.

We believe TPM with the implementation of its 8 pillars will guide us in the process of achieving Best in Quality, Best Cost, Best Speed and support the achievement of the company's Vision and Mission. TPM with 8 Pillars implementation convince us that it is the best system which could bring to our company goal. We were realized that we have to adopt and implement a system that would strengthen the strong point and eliminated weak points, so that we could achieve our goal.

- ✓ TPM base on philosophy “Mono zukuri wa hito zukuri”, the making of a product is the making of people.
- ✓ TPM has a very detail and systematic step (for short, medium, and long term planning).
- ✓ TPM has holistic and comprehension approach (consider all aspect of manufacturing operation).
- ✓ TPM focus on reduce all kind off loss on manufacturing operation (16 big losses), in order to achieve high quality product with low production cost)



Furthermore, in particular, we also convey our TPM Policy that we have committed as follows.

- ❖ Our Objective is to become a **World Class Manufacturing** by achieving Zero Losses, Flexible Processes, and competitive Operation Costs.
- ❖ The Strategies are:
 - Make sure the reliability and flexibility of production machines,
 - Pursuing Quick Win on process improvement,
 - Continuously improve the competency of all employees, and
 - Optimize reduce cost program by process Automation.

2. Milestone on the Journey of Manufacturing Excellence

This is our TPM Road Map refocusing on 2015 when factory relocation completed from Cakung to Cikampek (Indotaisei Industrial Area) until present.



We set TPM Master Plan until 2028 with some theme by medium plan development such as Quick Win (2017 – 2023); Zero Operation Loss (2024); and Half Cost Operation (2025); Establish in Operation (2026) and World Class Performance (2027-2028). Detail Key Initiatives Journey to Achieved World Class Manufacturing as follow:

	2017-2023	2024	2025	2026	2027-2028
Promotion	<ul style="list-style-type: none"> TPM 8 Pillars Implementation TPM Excellence Award Category A 	Accelerate TPM Culture Unique & Strategic	<ul style="list-style-type: none"> Accelerate TPM Culture Apply for TPM Special Award 	Leverage TPM Culture TPM KN Integration	TPM KN Way Of Working GLOBAL Recognition Apply for TPM World Class
FI Pillar	<ul style="list-style-type: none"> GAP Analysis Improvement Project 	<ul style="list-style-type: none"> Improvement Project Evaluation 	<ul style="list-style-type: none"> Improvement Project New Tools Approach 	<ul style="list-style-type: none"> Improvement Project Integrated Loss & Cost Tree 	<ul style="list-style-type: none"> Improvement Project Predictive & Digital Diagnostic
AM Pillar	AM Step 4	AM Step 5	<ul style="list-style-type: none"> AM Step 5 AM Step 6 	<ul style="list-style-type: none"> AM Step 6 AM Step 7 	AM Step 7
PM Pillar	Step 1-3	Step 4	Step 5	<ul style="list-style-type: none"> Step 5 Step 6 	Step 6
ET Pillar	<ul style="list-style-type: none"> Dojo Up Skill 	<ul style="list-style-type: none"> Up Skill IMC Up Skills IPC 	<ul style="list-style-type: none"> E-Learning Up Skill Training Facilities 	<ul style="list-style-type: none"> Up Skill Training Facilities Digital Literacy 	<ul style="list-style-type: none"> Up Skill TPM Competency
QM Pillar	Implementation QM Matrix All Line	<ul style="list-style-type: none"> Improve QA Level Digital Quality 	<ul style="list-style-type: none"> Improve QA Level (Human Free Decision) Zero Defect Line 	<ul style="list-style-type: none"> Improve QA Level (Human Free Decision) Half Quality Cost Reduction 	World Class Quality
EM Pillar	<ul style="list-style-type: none"> MP Information Smart Factory 4.0 Phase 1 	<ul style="list-style-type: none"> MP Information & LCC Smart Factory 4.0 Phase 2 	<ul style="list-style-type: none"> MP Information & LCC Smart Factory 4.0 Phase 2-3 	<ul style="list-style-type: none"> MP Information & LCC Smart Factory 4.0 Phase 3 	<ul style="list-style-type: none"> Flexible Production System Integrated E2E System
OSA Pillar	Develop Makigami & 5P	Improvement on Loss & Cost Tree	Smart Office Project	<ul style="list-style-type: none"> Smart Office Project Lean System 	<ul style="list-style-type: none"> Smart Office Project Supply Chain Integration
SHE Pillar	<ul style="list-style-type: none"> Safety Patrol ATEX & Karakuri 	Green Production Process	Green Factory (PROPER)	<ul style="list-style-type: none"> Green Ecosystem Social Mapping 	Challenging GOLD Environment - PROPER

3. Benefits Achieved

The journey of TPM in SHP itself has experienced quite challenging dynamics. Especially during the factory relocation from Cakung to Cikampek on 2015, so that the implementation of TPM seems that we are re-starting from 2016. From 2022 (as Benchmark point), both tangible and intangible benefits perceived as the result of TPM implementation. Detail achievement record is available on TPM Award Assessment Achievement Sheet for KPI (Key Performance Indicator) or parameters that we have set.

In overall, performance indicator shows good achievement compared to Benchmark value. Some indicators show us good achievement on productivity that significantly increase approximately 42,2% from 2017, increase Overall Equipment Effectiveness from 73,75% in 2017 to 82,52% in 2024 YTD October, reduction on number of failure by 58,86% from 2017, and also In-line defect rate decreased from 0.17% in 2019 to 0.05% in 2024 YTD October.

In the other hand TPM also gave us intangible result such as:

- ☐ More comfort and bright workplace area with 5S enhancement
- ☐ Increased problem solving tools understanding and applications
- ☐ Strengthen Quality mindset in all process
- ☐ Sharing knowledge about TPM & 5S to others company
- ☐ Achievements on certification of Quality Management System, Food Safety Management System (FSMS/FSSC 22000), Safety and Environment Management System.

4. Key of our Manufacturing Excellence

Journey of TPM implementation in SHP – Kalbe Nutritionals gained so many great experiences. We believed that our achievement at this point are fundamentally support by Company Core Value application. **KALBE PANCA SRADHA** as five core value also very important to keep TPM journey implementation on the right track.

1. Trust is the Glue of Life

- a) We honor individuals and treat them as we want to be treated
- b) We believe that all individuals have the internal capacity to live the best of their lives and to contribute to their fullest potentials
- c) We value openness and honesty

2. Mindfulness is the Foundation of Our Action

- a) We are mindful of our stakeholders' needs
- b) We are mindful towards our communities and environment
- c) We uphold our values in every actions and decisions

3. Innovation is the Key to Our Success

- a) We place great value on entrepreneurship and becoming the 'first mover'
- b) We are passionate in improving better life through innovation based on consumers' needs using science and technology.
- c) We continuously invent new ways of doing business to win in the market

4. Strive to be the Best

- a) We inspire and enable people to achieve challenging goals
- b) We encourage excellent execution
- c) We promote continuous learning and improvement

5. Interconnectedness is a Universal Way of Life

- a) We promote multicultural team work in a fun and loving working climate
- b) We believe the success of our company depends on the well being of our employees and their families
- c) We contribute to our communities and use resources from our environment in a responsible manner for sustainability

TPM implementation became part of where best practice to apply core value at daily routine job and project. Consistently improve effectiveness and efficiency of all processes focusing on customer satisfaction. In practically on the shop floor, many problems, countermeasures, and corrective actions quickly handled using DMS (Daily Management System) method. It was great experiences that we feel the combination of TPM and Core Value implementation to improve company performance. Total Employee participation are mainly Key Success and challenge on the implementation.

TPM Award Assessment Achievement Sheet

Company	PT. Sanghiang Perkasa - Kalbe Nutritionals					
Plant name	PT. Sanghiang Perkasa - Kalbe Nutritionals					
TPM Slogan/Objectives	TPM Satu Hati Satu Jiwa.. Mantap (TPM One Heart One Soul.. Great)					
Year when TPM activity started	2013					
Year of benchmarking	2017 (BM 1), 2022 (BM 2)					

Category	Index (Calculation Formula)	Unit	Benchmark 1 (2017)	Benchmark 2 (2022)	Actual Status 2024 (YTD oct)	Target 2025
S	Number of work-related accidents requiring days off work	Cases/ year	1	1	1	0
S	Number of work-related accidents not requiring days off work	Cases/ year	5	0	0	0
C	Conversion Cost	Cost/Kilogram	Rp 7.534	Rp5.094	Rp 5.144	Rp 5.100
P	Productivity	Ton/Man	3,27	3,90	4,65	5,0
P	OEE (or Overall Plant Efficiency)	%	73,75%	81,02%	82,52%	85,00%
P	Number of breakdowns (NOF)	Breakdowns/ year	3909	2376	1608	1188
P	MTBF	Hour	11,45	11,1	11,5	18
P	MTTR		0,85	0,79	0,66	0,50
P	NMS (Model Line)	Number/year	3077	2522	1546	1261
P	NMS (All Line) *)	Number/year	16752 *)	9654	6887	4827
Q	Customer complaints Index	ppm	0,27	0,12	0,13	0,1
Q	In-line defect rate, scrap *)	%	0,17% *)	0,10%	0,05%	0,05%
D	Production Lead time *)	Days	3,7 *)	2,6	2,2	2,2
D	Delivery performance	%	97,50%	99,80%	99,70%	99,80%
M	Number of Employee Suggestions	Number/year	4,89	5,5	8	10
M	MPI (Maintenance Prevention Information) **)	Number/year	N/A	7	10	15
M	Number of Internal Trainer	Number/year	19	54	53	54
E	Reduce CO2 Emission (berdasarkan saving energy) ***)	ton CO2-eq	N/A	N/A	2183,1	1716
Other	<p><Specify achievements not expressible in numerical terms></p> <p>1. Do you have a program where all employees can participate in TPM? By Daily Management System (DMS), every employee can participate in TPM activity such as shift hand over, daily meeting performance of 8 big losses, weekly meeting TPM Circle Group (Small Group Activity), 5S activity, Edumeeet (Education Meeting), etc.</p> <p>2. Do you have a program allowing employees to be recognized their achievements? We have a program to recognized employee achievement such as TPM Award for TPM Players, TPM Best Circle/Group, Kaizen Olympic - KN GREAT Award (Best Suggestion System, Best Quality Control Circle team, Best Trainer), KN Impresif, Kalbe Innovation, Visual Board, Dashboard, National Kaizen Exhibition (TKMPN) etc.</p> <p>3. Are top management involved in the audit/verification of completion of TPM pillar steps? Yes. Every steps of implementation should be reviewed by Top Management before continue to the next step. Top Management assess the results and process of activity before passed each steps of implementation.</p> <p>4. Are all pillar activity boards displayed and reviewed by top management? Yes. We have had Visual Board for pillar activity that regularly reviewed. On the Journey, Pillar (8 Pillars) Visual Board also evolve from physical board into digital visual Dashboard that more flexibel to access by Top Management. The journey of Visual Board as follow : 2018 : Visual Board at Gallery View 2019 : Visual Board at Production area 2020 : Visual Board evolve into Digital Visual Dashboard (Start) 2023 : Visual Board Digital Version (All)</p>					
Note :	<p>*) Data Benchmark from 2019 (Start implement)</p> <p>**) New KPI Pillar EM</p> <p>***) New KPI Pillar SHE</p>					

Note: Have the indices covered all important items related to PQCDMS measures being undertaken in the entirety of the subject to be assessed. Note all indices in the TPM