

SUSTAINABILITY REPORT 2023

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ABOUT THIS REPORT

This sustainability report is the first report published by Myanma Awba Group. The report reflects our commitment to our stakeholders as we aim to act responsibly and transparently.

This report covers all of Myanma Awba Group's busineses and entities. It includes the non-financial performance of our Group through quantitative data and qualitative information describing our actions, progress and results. All the quantitative data covers April 2022 to March 2023 (FY22/23) unless stated otherwise. The qualitative information covers the period from January 2022 to March 2023.

The data disclosed has not been audited by a third party.

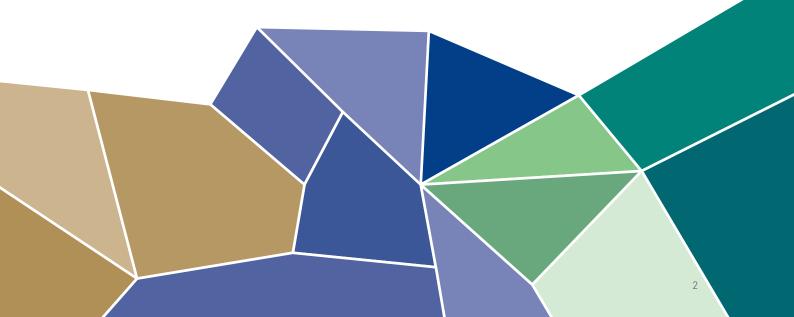
Our non-financial reporting is aligned with the Global Reporting Initiative (GRI) Standards and will follow the GRI Sector Standard for Agriculture before 2024.

This report has been reviewed and validated by the Myanma Awba Group management on 24 February 2024.

Our website can be accessed for additional information related to our <u>governance</u> and <u>sustainability</u>.

By convention, in this report:

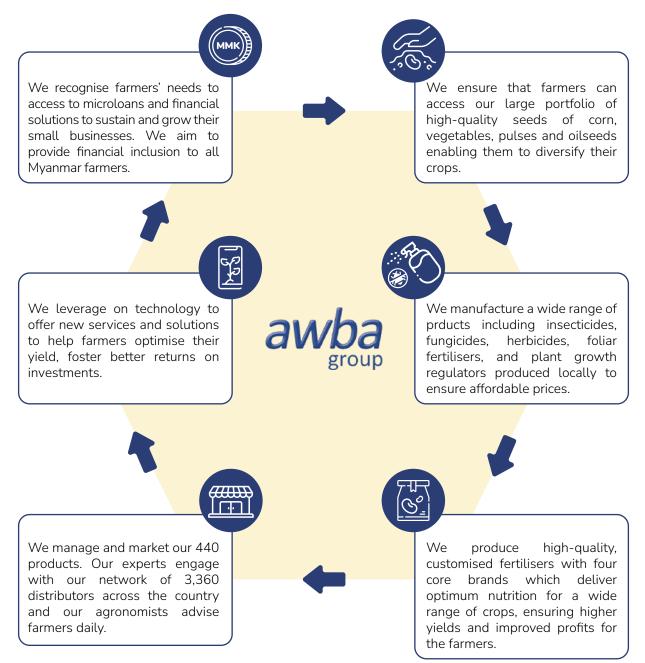
- "we", "Myanma Awba Group" and "MAG" are equivalent.
- "Last year" and "2023" refer to FY22/23.
- "2022" refers to FY21/22.
- "2021" refers to FY20/21.



ABOUT US

Established in 1995, Myanma Awba Group is a family-owned group of companies.¹ We are Myanmar's largest manufacturer and distributor of agricultural technology, with a focus on crop protection, crop nutrition and high-quality seeds.

Our main activities are detailed below:



Our corporate governance

<u>More information is available on our website</u>, especially on our Board of Directors, its recent activities, etc.

STRATEGIC REPORT

Leadership statement



Dear readers,

Agriculture is crucial for Myanmar. Farmers are the backbone of our economy: their work provides our country and people with food and jobs. Between January and December 2022, the agricultural sector accounted for 22% of Myanmar's GDP and generated over 3 billion USD, ranking third after the gas and garment sectors. Every day, 7.1+ million Myanmar farmers work tirelessly to provide us with rice, vegetables and beans, which represent up to 75% of the calorie intake for Myanmar people and up to 50.8% of their daily expenditure.²

Farmers' contribution and its importance to Myanmar people motivates us to deliver our mission: providing sustainable, high-quality solutions and services to Myanmar's farmers and creating opportunities to enrich and empower rural farming communities. This motivates our 2,600 staff across our Group of companies daily: we push ourselves to serve Myanmar farmers better, ensuring their access to high-quality and cost-efficient agri-products, finance and expertise. Today, we are glad to support Myanmar farmers with our extensive network of 3,360+ distributors and 446 products and solutions specifically designed to help them cultivate their crops.

² For more details, please refer to these two reports published in 2023 by the Central Statistical Organization: *Quarterly Statistics Bulleting, 2022-2023 (Q4)* and *Myanmar Agricultural Statistics (2013-2014 to 2021-2022).* Doing business responsibly in Myanmar is challenging, and we have to face numerous hurdles: securing our imports of raw materials; distributing our products across the country, even in conflict-affected areas; and ensuring the safety of our people and distributors and the integrity of our assets – these are some of the challenges we have to deal with daily. And I would like to express my gratitude to all our people: their dedication to our cause humbles me, and I am grateful for their hard work: the resilience of our business is the best proof of their commitment.

Sustainability is not a gimmick for us: Myanmar farmers are already experiencing the consequences of climate change, and we understand it represents some risks and business opportunities. We are therefore working to develop new solutions based on a more circular economy, such as organic fertilisers, and are looking to invest in reducing our energy costs. We also aim to ensure that the farmers use all our products responsibly to minimise the environmental impacts of our products as much as possible.

Despite these difficulties, at Myanma Awba Group, we are all committed to always acting as a trustworthy partner. We acknowledge that transparency might be difficult today, but we also understand that our stakeholders expect us to be accountable and to operate according to international standards. That is why we started to disclose more information about our operations in 2022, to structure our sustainability strategy, and to engage more proactively. And it is why, with this first sustainability report, we are glad to share our results and progress.

Please do not hesitate to contact our chief sustainability officer if you would like more information about this report or have some feedback. This will help us improve our programme. We thank you in advance!

Yours Sincerely, **U THADOE HEIN** Group CEO

Our business: creating value for Myanmar by empowering Myanmar farmers

Agriculture is crucial for Myanmar, accounting in 2022 for:

- 22% of Myanmar's GDP³
- 18% of export value⁴
- 48.8% of employment⁵

Every day farmers across the country work hard to produce cereals, fruits and vegetables. They are essential to nourishing Myanmar people, and sustaining Myanmar's economy and social fabric.

We can leverage the expertise of our people to develop new products and formulas.

- A dedicated R&D team
- 440+ products in our portfolio

We have developed 46 new products since October 2022. We aim to minimize the environmental footprint of our operations and reduce the impacts of our activities.

We served 320,000 customers between October 2022 and March 2023.

- 3,360+ distributors located in 10 States and Regions
- 74,800+ farmers trained to use our products efficiently and responsibly

We partner with a network of distributors and rely on the expertise of our agronomists to engage daily with the farmers across the country and to advise them on how best to use our products.

We provide Myanmar farmers with a wide range of solutions.

14 business units

awba

2,600 staff driven by one goal

The synergies between our business units enable us to provide farmers with solutions to access the right products – to source seeds, agrochemicals, fertilisers, etc. – and to enable them to finance their activities.

We manufacture high-quality agrochemical products in Myanmar.

- 1 factory located in Hmawbi
- 127,000 tons of materials processed

MMK

We monitor the quality of our production and ensure that the safety of our operations and environmental impacts are always monitored and systematically managed.

We provide solutions to our clients to finance their operations.

- 58,000+ farmers work with MAHA Agriculture Microfinance, our micro-finance institution
- Our non-banking financial institution, ZEGA Finance, serves 1,300+ customers

As a responsible company, we can access international funds and then offer our clients financial solutions that will enable them to operate. Through MAHA Agriculture Microfinance , we can mobilize up to 55.4 billion MMK.

³ Central Statistical Organization, *Quarterly Statistics Bulletin, 2022-2023 (Q4)*, 2023.

⁵ Ministry of Labour, Annual Labour Force Survey 2017, 2017.

⁴ Central Statistical Organization, *Myanmar Agricultural Statistics* (2013-2014 to 2021-2022), 2023.

Embedding sustainability in our core business

A strategic approach

Sustainability must be connected to our core business: farmers rely on fertile soil and a thriving environment to cultivate their crops.

Furthermore, as a manufacturer of agrochemical products and fertilisers, we acknowledge we are responsible for not harming biodiversity and ensuring our products are safe and used responsibly. And, as an employer, we aim to provide our people with good working conditions and rewarding careers.

For us, sustainability and responsible business conduct can help us to:

- Anticipate and mitigate the consequences of climate change. Myanmar is one of the countries in the world most vulnerable to climate change, and agriculture will be very much impacted.
- Innovate by designing new products with a lower environmental footprint. The Group is looking to develop new products such as organic fertilisers and to invest in solutions fostering the circular economy and green farming.
- Save costs by reducing, for instance, our energy consumption, as securing a constant power supply source is more complicated and costly in Myanmar.
- Safeguard one of our most critical assets: our stakeholders' trust. We operate in a fragile environment affected by multiple crises, and our accountability is essential to demonstrating that we are a trustworthy corporate player, especially in ensuring access to international funds.

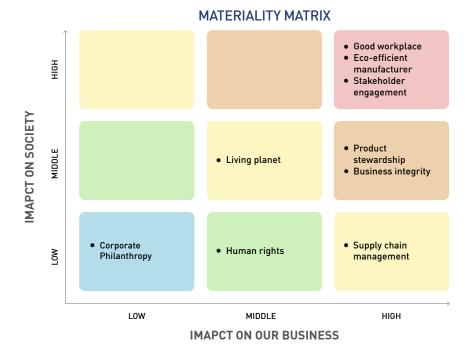
Our sustainability team

In 2022, our Group CEO also appointed our first chief sustainability officer. As a member of our Group's Executive Committee, he is tasked to engage with all the business functions and units on sustainability. He is also responsible for leading our efforts on health and safety and corporate communication. Our chief sustainability officer is supported by a team of 2 staff members, and can count on the support and expertise of a local consultancy.

Focusing on what matters

In 2021, our Group CEO decided to structure our approach to sustainability. We involved 25 internal stakeholders, including most members of our Executive Committee. We also engaged with 8 external stakeholders.

As a result, we were able to identify issues that were material for Myanma Awba Group, as indicated in our materiality matrix.⁶ Our 9 core priorities are the backbone of our sustainability, Better Awba, which articulates four pillars.



Key facts and figures reflecting our 2023 performance are provided in the table below.

2023 Dashboard

Pillars	Priorities	Data
[]	Product stewardship	 Our portfolio grew by 9% between March 2022 and April 2023 and includes 446 products. We launched 46 new products last year, mainly fertilisers and herbicides. We organised 1,573 training sessions (+64% compared to FY21/22) and trained 74,855 farmers to use our products efficiently and responsibly – a 20% contraction due to the ongoing conflict.
Better Agricultural Practices	Living planet	 We emitted 3,283 tonnes of CO2 equivalent last year and on a monthly basis our CO2 emissions rose by 21%, mostly due to a higher consumption of diesel. Our Scope 1 emissions now represent 69% of our carbon emissions, as we must use our generators to supply electricity to our factories.

⁶ More information about our stakeholder engagement are available on <u>our website.</u>

Pillars	Priorities	Data
Better Workplace	Good workplace	 With 2,617 staff, our headcount is stable (+1% compared to FY21/22); however, the percentage of women decreased slightly to reach 24% in FY22/23, compared to 26% in FY21/22. 25% of management positions are held by women, compared to 23% in FY21/22. Our incident frequency rate has improved slightly, from 1.5 incidents per 200,000 hours in 2022 worked to 1.4 last year. We trained 3X more people in FY22/23 compared to FY21/22.
	Business integrity	 We recorded 17 breaches of our Code of Conduct. We relocated one of our factories and communicated transparently about this process on our website.
	Supply chain management	 98% of our suppliers are Myanmar businesses. 53% of our spending went on Myanmar suppliers; this increased by almost 8X between 2022 and 2023, as we had to localize our procurement as much as possible to secure our supply chain.
Better Business Practices	Eco-efficient manufacturer Human rights	 We consumed 11,879 MWh in 2023, and 72% of our energy consumption comes from diesel, which we need to power our generators. Our monthly energy consumption increased by 28% in FY22/23 compared to FY21/22, as we cannot rely on electricity provided by the EPC as much as before. We consumed 127 969 tons of raw materials, of which 96% were hazardous materials. Our monthly production of waste decreased by 75% between 2022 and 2023. 66% of our waste was recycled (14%) or recovered (52%) safely. We consumed 76,883 cubic meters of water and discharged 2,483 cubic meters. We are committed to respecting human rights, and regularly assess risks related to our people, partners and customers.
	Stakeholder engagement	 We ranked 9th in the 2022 Pwint Thit Sa report compared to 29th in the previous edition. We received and resolved 2 grievances from our communities.
Better All Together	Corporate philanthropy	• We donated 299 million MMK to various charities in 2023, compared to 45 million MMK in 2022.

BETTER AGRICULTURAL PRACTICES

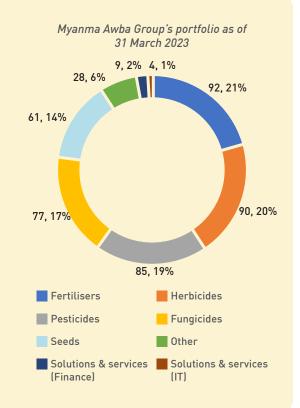
Enhancing farming practices is crucial not only in supporting farmers but also helping them deal with the consequences of climate change. At Myanma Awba Group, we are committed to reducing our carbon footprint and providing farmers with products and solutions that will minimize environmental impacts, optimize yields, positively influence their livelihoods, and foster green farming.

Managing our portfolio of products and solutions

To support Myanmar farmers, we should ensure the diversity of our product portfolio: we have to provide them with different solutions not only to help them grow and protect their crops but also to select the best varieties of seeds to maximize their production and income.

In 2023, our portfolio totalled 446 products and solutions to help farmers:

- To improve the fertility of the soil and thereby enhance plant growth farmers rely on fertilisers (21% of our portfolio).
- To protect their crops from various threats, we provide them with insecticides, fungicides and herbicides (56% of our product portfolio).
- To provide access to the best plant varieties, we offer farmers a vast range of seeds: corn, vegetables, pulses, etc., representing 14% of our portfolio.

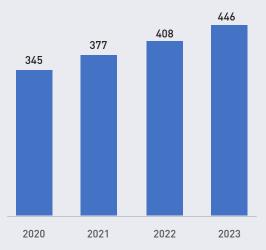


Investing in our R&D and production capacities

We have managed to develop our portfolio over time by adding more than 100 products and solutions since 2020.

Myanma Awba Group can also rely on the expertise of its staff in charge of product development. Currently, 40 experts are working to develop new formulas. We also have a dedicated area of land where we test our products and use technology to optimize yields and productivity.

In order to reduce the environmental impacts of our products, we invest in developing new products such as organic fertilizers and are also exploring projects to promote a more circular agri-food chain.



Number of products and services in our portfolio

Fostering responsible use of our products

As a producer and distributor of agrochemicals and fertilisers, we also need to ensure that farmers are trained to use our products responsibly. To achieve this, we rely on our agronomists to engage with farmers across the country.

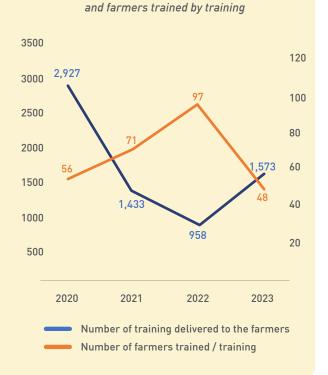
The COVID-19 pandemic and ongoing conflicts across the country have impacted our ability to engage with as many farmers as we used to prior to 2021.

In 2023, we organised 1,573 training sessions, engaged with 74,855 farmers, and trained an average of 48 farmers per session. This is a decrease from the 97 farmers we were able to train per session on average in 2022. We will continue to adjust our approach to ensure that we can safely engage with farmers and provide them with the necessary knowledge to use our products safely and responsibly.

Delivering high-quality products

All our products and solutions must comply with the requirements from different regulatory bodies. For instance, for our agrochemical products, we must ensure that they meet the FDA's requirements.

To ensure the quality of our services, we carefully track and record the complaints submitted by our distributors and their customers, the farmers. Last year, we recorded 114 complaints from distributors: 37% pertain to logistics issues and 37% to the quality of our packaging.



Evolution of the number of training delivered



If we analyze the number of complaints from our distributors per 1,000 transactions, we can see that we managed to record only 0.36 complaints per 1,000 transactions, a reduction of 80% compared to 2022. This significant improvement reflects our willingness to listen to our distributors to improve our processes.

Fostering a new form of regenerative agriculture

The entire agri-food chain relies on services provided by ecosystems such as photosynthesis, pollination, and nutrient cycling. These ecosystem services are crucial for farmers. Therefore, we aim to play a role in fostering a new form of agriculture in Myanmar.

For us, the first step should involve tackling climate change, as Myanmar was one of the countries most affected by the consequences of climate change between 2000 and 2019, according to Germanwatch.

As a company committed to supporting Myanmar's farmers, Myanma Awba Group is strategising its approach to climate change. We aim not only to reduce the carbon emissions produced by our operations, but also to develop and commercialise more carbon-efficient products and solutions, such as organic fertilisers or the use of biomass to lower carbon emissions across our value chain.

In 2023, we emitted 3,283 tonnes of CO2 equivalent. This figure increased by 21% on a monthly basis, mostly due to higher consumption of diesel. Our Scope 1 emissions now account for 69% of our carbon emissions, since we must use our generators to supply electricity to our factories (see page 24 for more details on our energy consumption). We plan to consider investing in renewable energy and energy efficiency programmes to reduce our carbon emissions.

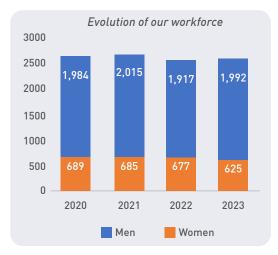
BETTER WORKPLACE

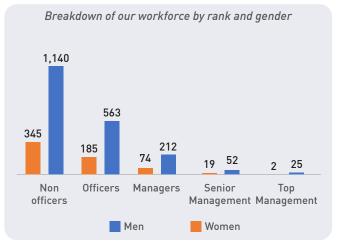
To serve our distributors and provide farmers with insights and expertise, we rely on our team of 2,600 staff members. For them, we are striving to ensure a safe and inclusive workplace. We are also investing in their training and taking steps to ensure that their compensation and benefits are fair and rewarding.

Being a good employer

At Myanma Awba Group, we are a multicultural company, and we benefit from the diverse backgrounds and expertise of our people. Our Code of Conduct frames our commitment to being an inclusive workplace, as we foster diversity and are doing our best to provide equal opportunities to women and men.

As a member of the Myanmar Business Coalition for Gender Equality, we are looking forward to enhancing our policies and results to make our workplace more inclusive. In 2023, we had 2,617 people working for us, of whom 24% were women. These numbers have been stable since 2020, as shown in the chart reflecting the evolution of our workforce since then. Our absenteeism rate remains very low (2% in 2023), and our turnover rate reached 18% last year. We hired 441 people, of whom 24% were women. We also promoted 91 people to higher positions, and 29% of promotions were granted to women. Among our managers, women hold 25% of the management positions in our Group.







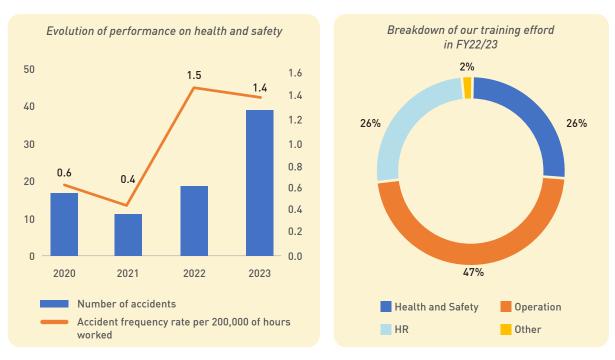
"When I joined Myanma Awba Group in 2017, I started to work in the R&D department where I was tasked with enhancing irrigation techniques. Afterwards, I joined Pahtama Seeds, and last year I was promoted. Today, I am responsible for engaging with a team of field supervisors who are in daily contact with farmers. We provide them with access to high-quality seeds, and are happy to share our expertise with them. Our work in the Magway region is meaningful, as we can see how farmers can benefit from our products and knowledge."

Ma Kay Khine, Area Field Supervisor

Reinforcing our HSE performance

Providing safe working conditions to all our staff is essential: whether they work in our manufacturing businesses or to market and sell our products, we want everybody to return home safely after work. We started to structure our efforts in 2016, by focusing first on our industrial sites as risks related to Agrochemical exposures, Mechanical and Electrical Hazards in the workplace were more severe and likely, and a manager tasked with HSE was hired. Today, the team dedicated to health, safety and environment includes 9 people, led by our Group chief sustainability officer. The team is tasked with training on safety, monitoring and reporting.

In 2023, our HSE team started to engage with more entities to ensure that our safety standards are applied across the Group. As a result, we recorded 40 accidents in FY22/23, compared to 20 in FY21/22. This evolution can be explained by two factors: first, this number covers 50% of our staff last year compared to 35% the year before; and second, our employees' awareness is higher and people are more used to reporting incidents and accidents. However, our frequency rate declined slightly from 1.5 accidents per 200,000 hours worked in 2022 to 1.4 in 2022. 23% of the training hours provided to our staff in 2023 were related to health and safety. Furthermore, for our staff involved in our industrial processes, HSE training is mandatory and part of the onboarding process. Finally, 30% of our capital expenditure in 2023 had a positive impact on safety: we invested in new machinery and equipment which can be used more safely by our staff.



Building the skills of our people

To deliver results, we rely on the skills of our employees. In 2023, the Group increased its training expenditure by 4.5 times compared to 2022. As a result, we trained 6,676 people last year, compared to 2,225 in FY21/22. The main priorities pertain to technical skills, HSE and HR.

Standing with our people

The ongoing crisis has had multiple impacts on our staff. As we aim to act as a responsible employer, we always focus on safeguarding jobs: Myanma Awba Group has not terminated anyone because of the challenges induced by the crisis.

To reward performance, we decided to set up a new system through which we set goals for all our staff to align their contribution with the Group's ambition and priorities. They can later discuss, during performance reviews, their feedback with their direct reports. Then, those who meet their goals are entitled to a bonus, which is also aligned with the Group's performance.

Furthermore, we understand that the ongoing situation can be difficult for some of our staff: some may have had their purchasing power severely impacted by the inflation rate, while others might have to leave their homes as their security may be threatened by the conflict. Our HR team is working on these two fronts to support our employees. First, to provide more financial support to people whose salary is below 250,000 MMK per month, we decided to allocate to them a special hardship allowance of 50,000 MMK per month to mitigate the consequences of the inflation rate. For employees living in conflict-affected areas, we offered to relocate them elsewhere to ensure their security. For instance, 10 of our staff decided to provide financial support to staff who lost their houses because of the conflict: we supported 44 employees who each received up to 5 million MMK.

Fostering social dialogue

Myanma Awba Group has a Working Coordinating Committee in place, which will meet on a monthly basis. This WCC covers all the Group's various entities, and staff are encouraged to engage with their representatives to raise any issues. In 2023, we implemented 36 corrective actions to provide better working conditions to our staff.



Being inspired by the resilience of our staff

Some of our staff have been very much impacted by the consequences of the ongoing conflict. One of MAHA Agriculture Microfinance 's branch managers had to leave her village urgently as it was no longer safe for her to stay there. She went to the forest with 11 family members, where she had to spend nine consecutive days with very limited access to food, no clean living arrangements, etc.

MAHA Agriculture Microfinance's management team met with her when she came back and was in awe: she was strong, determined, and eager to resume her work as quickly as possible despite all the hardships she endured. MAHA Agriculture Microfinance supported her and her family.

Such committed people are our best asset; their dedication is our pride and the reason for our success.

BETTER BUSINESS PRACTICES

As a company, we rely on natural and social ecosystems to prosper. We aim to minimize our environmental impacts to safeguard our environment and maximize our socioeconomic footprint to benefit Myanmar businesses and people, while conducting our business transparently and responsibly.

Reduce our environmental footprint

To manufacture our products, we rely on materials, energy and water. To ensure that our industrial activities do not harm the environment nor people, we have set clear <u>policies</u> and processes. We comply with the ISO 14001:2015 requirements for our environmental management of our industrial sites.

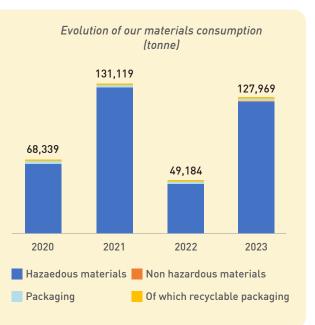
Furthermore, to minimize the environmental impacts of our industrial activities, especially on water, we have invested in building a state of the art wastewater treatment station. Furthermore, we carefully manage the storage of all the hazardous raw materials necessary to our production – we have documented more than 200+ substances that can be harmful, and have provided, in various material safety data sheets, instructions for handling any incidents. We also carefully monitor our air emissions to ensure that we comply with the guidelines provided by the Environmental Conservation Department (ECD) to avoid harming the air, water and soil.

Materials consumption

In 2023, we consumed 127,969 tonne of raw materials. 96% of those are hazardous materials, which are imported.

As we encountered multiple challenges in importing, and as we wanted to secure a constant supply of products to the farmers, we decided from 2021 onwards to increase our stock.

In 2022, with the conflict between Russia and Ukraine, this approach enabled us to minimize as much as possible the impacts on the price of our products, as we were able to use our existing inventory. Most of the raw materials will be delivered by sea by our logistics partners.



Monitoring air quality

To monitor our air emissions, we use various captors and regularly measure the composition of the air emitted from our industrial sites. We then compare the values with the National Emission Quality Guidelines provided by the ECD. An independent third-party will regularly come to assess our monitoring system and ensure it works according to their standards. We will then report to the ECD. In 2023, we did not record any anomaly related to air quality.

Waste Management

Meanwhile, we managed to significantly reduce our waste production from 16,055 tonnes in 2021 to 4,040 tonnes in 2023.

Thanks to our wastewater treatment site, we managed to:

- reduce the quantity of non-hazardous liquid waste
- treat 100% of the hazardous liquid waste created when we manufacture our products.

In 2023, 14% of our waste was recycled, mostly for packaging; 52% was treated to minimize the environmental impacts of hazardous waste, and 34% was sent to landfills.

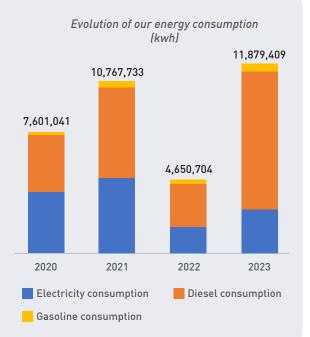
Energy consumption

If we compare the overall energy consumed in 2021 and 2023, the overall quantity of energy consumed is similar. Most of our energy consumption derives from our industrial activities; we consumed almost 12 GWh of energy in 2023.

As we cannot rely as much as before on the electricity provided by the EPC, we must use our power generators to secure a constant energy supply for our production line: as a result, our energy mix changed significantly, as the share of diesel grew from 53% in 2021 to 72% in 2023.

We will consider ways to optimize our energy efficiency and alternative means to produce renewable energy.





Assessing our carbon footprint

In 2023, we emitted a total of 3,283 tonne CO2 eq.

- For Scope 1, 69% of our emissions are created by the diesel consumption of our power generators and trucks.
- For Scope 2, 31%, are created by our electricity consumption.

Next year, we will assess the carbon emissions created by our consumption of refrigerant gas for air-conditioning. For the time being, we do not assess our Scope 3 emissions, which are mostly created in producing the raw materials we need to manufacture our products and through their use by farmers.

Fostering the local economy

To deliver our products to farmers, we rely on a network of 3,360+ distributors across the country. Through them, Myanma Awba Group can provide farmers with the products they need to manage their crops efficiently: they are therefore crucial to sustaining our operations, and this is why we consider them business partners.

During the COVID-19 pandemic, for instance, we organized a vaccination campaign for our staff, but we also did our very best to include most of our distributors and their family members. Likewise, to mitigate the consequences of the ongoing conflicts, we are in close communication with them and stand ready to help them whenever needed. For instance, we decided to adjust the payment terms of some distributors who could not repay the Group on time due to the conflict, while for others who lost their homes in Sagaing, the company helped them to find new places and even to relocate. We also worked very closely with them to ensure the safety of the distribution of our products across the country in 2022 and 2023.

We also had to transform our supply chain. We had to find new suppliers to ensure that our operations would not be disrupted. As a result, the number of suppliers we work with went from 638 in 2022 to 1,213 in 2023, and 98% of them are Myanmar businesses.

Furthermore, as it was more complicated to secure import licenses on time, we focused on localising our procurement as much as possible. As a result, we spent more on Myanmar suppliers: 53% of our spending in 2023, compared to 15% in 2022.



If we look at the evolution of our spending on suppliers, it grew by 173% between 2020 and 2023, but our spending on Myanmar suppliers grew by almost 700%. Therefore, thanks to our procurement practices, we spend more on a larger number of Myanmar businesses, enabling them to safeguard jobs for their staff.

Strengthening our business integrity

Our Code of Ethics is available on <u>our website</u>: it governs the way we conduct our business, and we encourage people to speak up when they witness any wrongdoing. Last year, we did not record any alerts related to business integrity, but identified 17 breaches of our policies. Furthermore, our chief sustainability officer received training organised by UNODC in 2023, and we received some feedback on our policies from technical experts. We aim to review our policies in 2024 to enhance our processes.

In 2022, we decided to disclose more and better information on our website. As a result, in the Pwint Thit Sa report published in February 2023, Myanma Awba Group ranked 9th, compared to 29th in 2020. We continue to embrace a proactive approach and publish regular updates on our decision to <u>relocate one of our industrial sites in 2022</u>.

BETTER ALL TOGETHER

Myanma Awba Group aims to engage with its stakeholders regularly: it is critical to build long-lasting relationships and safeguard our reputation and social license to operate. We are also keen to provide philanthropic support to initiatives aligned with our priorities.

Engaging proactively with our stakeholders

The trust and confidence of our stakeholders is one of the most critical assets for Myanma Awba Group. We engage regularly with our most important stakeholders and ensure that our approach is consistent and aligned with <u>our policy</u>.

To ensure that people around our industrial sites are not impacted adversely by our operations, our Sustainability team regularly monitors grievances received from local communities. In 2023, we received 2 grievances, which were resolved promptly by implementing 3 corrective actions.



Our Chief Sustainability Officer shared our management approach during <u>training organised by the</u> <u>Myanmar Sustainable Business Network in 2022</u>.

During the session, we shared practical tools, as well as lessons learnt since we started to engage regularly and more efficiently with local communities.

Helping those in needs

At Myanma Awba Group, we aim to support and help those in need. Our <u>CSR policy</u> details our approach and the four pillars covering issues related to health, education, clean drinking water, disaster relief, etc.

Last year, we donated almost 300 million MMK to support various initiatives, compared to 45 million MMK in FY21/22 and 643 million MMK in FY20/21. As a Group, we decided to concentrate our efforts on supporting our people (see page 15) and distributors (see page 18).

ESG REPORTING

Standards

We consider four main standards in shaping and structuring our non-financial reporting:







Sustainable Development Goals

Currently, we consider the following SDGs the most relevant to Myanma Awba:

SDG	Rationale		Key figures (FY 22/23)
2 ZERO HUNGER	Agriculture is the backbone of the Myanmar economy. Fostering sustainable farming is critical to enhancing crop productivity and uplifting the livelihoods of thousands of farming communities across the country.	•	We partner with 3,360+ distributors to serve hundreds of thousands of farmers across the country Our experts organised 1,570+ training and engaged with 74,800+ farmers to share their expertise
5 GENDER EQUALITY	As a responsible Group of companies, we aim to provide fair, inclusive and respectful working conditions to our staff. Myanma Awba Group is part of the Business Coalition for Gender Equality.	•	23% of our staff are women 25% of our management positions are held by women 29% of those promoted were women
8 DECENT WORK AND ECONOMIC GROWTH	As a company, we work to sustain our business: it generates jobs directly for our staff and indirectly for the people working with our suppliers.	• •	We had 2,617 staff by the end of March 2023 We hired 441 employees and promoted 91 We worked with 1,200+ suppliers, of which 98% were Myanmar
6 CLEAN WATER AND SANITATION	To operate, our production plants need to withdraw and discharge water. Therefore, we carefully monitor our activities to ensure that they do not lead to local problems such as pollution, water shortages, etc.	•	We consumed 76,883 cubic meters of water and discharged 2,483 cubic meters

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We use various chemicals and materials to manufacture our products. We ensure that Myanma Awba complies with all the necessary rules and requirements for storing and transporting hazardous materials.	•	We used 114,000+ metric tonnes of raw materials Our activities induced 4,040 metric tonnes of waste, and we recycled 568 tonnes
13 climate	Myanmar is one of the countries that will be heavily impacted by climate change, which will impact farmers most of all. We are working to reduce our energy consumption and our CO2 emissions.	•	We emitted 3,283 tonnes of CO2 equivalent 41% of our emissions pertained to our Scope 1
15 LIFE ON LAND	Bees and other pollinators are critical for sustainable farming: they enable crop growth and food production. The responsible use of our products is essential in protecting biodiversity and natural ecosystems.	•	We ran thousands of communication campaigns to raise awareness regarding the responsible use of our products

GRI Standards

Our non-financial reporting is aligned with the Global Reporting Initiative (GRI) Standards and will follow the GRI Sector Standard for Agriculture before 2024. The following GRI material topics are considered relevant to our non-financial reporting:

GRI topics	GRI material topics
Economic topics	201 – Economic performance 203 – Indirect economic impacts 204 – Procurement practices 205 – Anti-corruption
Environmental opics	301 – Materials 302 – Energy 303 – Water and effluents 306 – Waste
Social topics	401 – Employment 403 – Occupational health & safety 404 – Training & education 405 – Diversity & equal opportunities 406 – Non-discrimination

Our GRI Index is available on our website.

One of our affiliates, MAHA Agriculture Microfinance, discloses its own report on sustainability on its website.

Data

Agricultural practices

KPIs	Unit	FY22/23	FY21/22	SDG	GRI
Responsible products					
Number of products	Number	446	408	8	102-6
Number of products launched during the year	Number	46	43	8	102-6
Number of distributors	Number	3,367	3,990	8	102-6
Number of training sessions for farmers	Number	1,573	958	8	102-6
Number of farmers trained	Number	74,855	93,321	8	102-6
Carbon					
Carbon emission (Scope 1)	kg CO ₂ eq.	2,277,815	742,546	13	305-1
Carbon emission (Scope 2)	kg \rm{CO}_2 eq.	1,005,310	606,891	13	305-2

► Workplace

KPIs	Unit	FY22/23	FY21/22	SDG	GRI
Headcount					
Total number of people working at the end of the reporting period	Number	2,617	2,594	8	102-7
Number of female employees	Number	625	677	5, 8	405-1
Number of non-officers	Number	1,485	1,433	5, 8	102-8
- Number of women	Number	345	334	5, 8	102-8
- Number of men	Number	1,140	1,099	5, 8	102-8
Number of officers	Number	748	804	5, 8	102-8
- Number of women	Number	185	261	5, 8	102-8
- Number of men	Number	563	543	5, 8	102-8
Number of managers	Number	286	278	5, 8	102-8

KPIs	Unit	FY22/23	FY21/22	SDG	GRI
- Number of women	Number	74	64	5, 8	102-8
- Number of women	Number	212	214	5, 8	102-8
Number of senior management	Number	71	58	5, 8	102-8
- Number of women	Number	19	17	5, 8	102-8
- Number of men	Number	52	41	5, 8	102-8
Number of top management	Number	27	21	5, 8	102-8
- Number of women	Number	2	1	5, 8	102-8
- Number of men	Number	25	20	5, 8	102-8
Employee engagement					
Turnover rate	%	18%	7%	5, 8	401-1
Health and safety (factories)					
Number of accidents	Number	40	20	8	403-9
Frequency rate* *Scope: MAI & Piti Pyae Zone	Accidents / 200,000 hours worked	1.4	1.5	8	403-9
Training					
Total number of training hours	Hours	656	643	4, 8	404-1
% of people trained	%	255%	278%	4, 8	404-3
Average hours of training per trainee	Hours	0.25	0.24	4, 8	404-1
Career development					
Total number of people hired	Number	441	114	5, 8	401-1
- Number of women	Number	104	29	5, 8	401-1
- Number of men	Number	337	85	5, 8	401-1
Total number of people promoted	Number	91	22	5, 8	404-3

Business practices

KPIs	Unit	FY22/23	FY21/22	SDG	GRI
Compliance					
Total number of breaches of our Code of Ethics	Number	17	2	16	205-3
Transparency					
Ranking in Pwint Thit Sa	Number	9	29	16	-
Energy					
Total energy consumption	kWh	11,879,409	4,650,704	12, 13	302-1
Water					
Water consumed	Cubic meters	76,883	17,514	6	303-5
Water withdrawal	Cubic meters	76,883	14,050	6	303-3
Water discharged	Cubic meters	2,483	7,407	6	303-4
Waste					
Water produced	Tonnes	4,040	11,035	13	306-3

All together

KPIs	Unit	FY22/23	FY21/22	SDG	GRI
Philanthropic activities					
Total amount of donations	ММК	299,968,730	45,000,000	9	203-1

