STRATEGIC REPORT

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Myanmar farmers are already experiencing the consequences of climate change, and we understand it represents some risks and business opportunities as well. 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.

Leadership statement

> **“We were mostly driven by a simple purpose: enabling better farming practices that would benefit first farmers and communities all across the country.”**

U Thadoe Hein
Group CEO

Dear readers,

Myanma Awba Group will celebrate its 30th anniversary in April 2025. When we started building in 1995 what would become Myanma Awba Group, we were mostly driven by a simple purpose: enabling better farming practices that would benefit farmers and communities all across the country. Our contribution relied on two key components: fostering access to better products and solutions, and ensuring that Myanmar farmers could obtain seamless access to knowledge and expertise.

Fast-forward 30 years, and today, the Group can rely on the expertise and commitment of 2,700+ staff serving Myanmar farmers every day through our extensive network of 4,600+ distributors across the country. We have invested in building our Group’s industrial and technological capacity, developing the expertise of our agronomists, and launching new solutions to facilitate access to finance for Myanmar farmers and businesses through our subsidiaries MAHA and Zega, for example. We continue to invest: last year, we allocated 7 billion MMK to improve our existing production lines, develop a new manufacturing plant to produce bio-fertilisers in the Yangon Region and build a state-of-the-art corn drying facility in Shan State, which a Dutch company will use. This will allow us to create more value locally: farmers will benefit from new products and solutions that will be more affordable and climate-friendly, leading to higher profits for them and their communities. This will also allow us to develop local capacities and help us be less vulnerable to the numerous disruptions that could impact international trade, making our Group more resilient and future-ready.

Our Group’s sustainability also relies on our capacity to adapt and transform our decision-making. For Myanma Awba Group to thrive 30 years from now, we should start working on succession planning. As a family-owned business, we will strengthen our corporate governance practices, which we believe will be a crucial business enabler. This will be one of our focus areas for 2025: we are planning to establish a new Board of Directors and to have a more structured approach.

We will also focus on improving our approach to health and safety. Last year, we recorded a tragic accident: one of our colleagues lost his life during a road accident when he was on duty. Since then, and as we are expanding our efforts on safety across the Group to ensure that all our staff are working safely, I have decided to create a group-wide Sustainability Committee, led by our chief sustainability officer, to accelerate and structure our sustainability efforts across the Group. In 2025, the main focus of the Committee will be on safety, as we are all committed to ensuring that we can all work and return home safely every day.

Despite all the challenges we face, everyone at Myanma Awba Group is driven by the same purpose that has fueled me. This sense of purpose is a precious North Star as we navigate turbulent waters. For us, being transparent and accountable is essential to managing something extraordinarily precious: the trust of our stakeholders. We are not perfect, and we might still have a lot of work to do, but you can count on each and every one of us to work hard to build a better Myanmar Awba Group.

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!

U Thadoe Hein

Group CEO

Our corporate governance

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

Making Myanma Awba Group a better company

Sustainability is not a gimmick for us. Agriculture relies on natural capital to thrive: without pollinators, healthy soils, and water, farmers cannot cultivate their crops, keep people employed in rural areas, or generate a profit to sustain livelihoods.

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.

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 with engaging 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 two staff members and can count on the support and expertise of a local consultancy.

How did we structure our approach to sustainability?

awba group

In 2021, Myanmar Awba decided to structure its approach to sustainability. Led by the Group's CEO, this project involved all our business functions and units. A new sustainability officer was appointed, and the Group partnered with a local consultancy to help us.

1. Identify and engage with our key stakeholders

2. Prioritise our issues and structure our approach

3. Structure our reporting and collecting data

The result is a strategy that enables us to transform Myanmar Awba Group to make it more future-ready, responsible and sustainable - in short, better. The Better Myanmar Awba plan articulates four pillars and is centred around nine core priorities, as shown below:

4. BETTER awba group

- **Agricultural Solutions** that benefit Myanmar's farmers
- **Workplace** to empower our staff
- **Business Practices** to foster sound relationships with our partners
- **All together** to create a prosperous Myanmar

Four pillars of our sustainability strategy

BETTER AGRICULTURAL SOLUTIONS

PRODUCT STEWARDSHIP

Agrochemical products and seeds are essential in uplifting farming communities. However, as a responsible company, we focus on:

- Developing new and more organic products and solutions
- Receiving all the necessary approval from the relevant Myanmar authorities before introducing and selling our products to ensure full compliance with all necessary standards and norms
- Enhancing product formulation and safe use
- Offering training by our experts in the responsible use of our products
- Considering the life cycle of our products to minimise their impacts – we will consider various options to responsibly manage the disposal of containers and old inventories, for example.

LIVING PLANET

Farmers rely on natural capital to cultivate their crops: bees and soils. Without them, it is impossible for farming communities to sustain themselves and prosper. As Myanmar is one of the countries most exposed to the consequences of climate change, we are committed to reducing our carbon emissions and safeguarding Myanmar's ecosystems.

BETTER WORKPLACE

GOOD WORKPLACE

Ensuring a good workplace is critical to attracting, retaining, and growing the human capital we need to thrive as a Group.

We aim to be a responsible employer and do not tolerate any form of discrimination. We focus on the following topics:

- Building an inclusive, diverse, and respectful workplace
- Ensuring safe and healthy working conditions
- Offering rewarding career opportunities and fostering talents.

BETTER BUSINESS PRACTICES

BUSINESS INTEGRITY

Safeguarding the integrity of our Group is paramount.

Our Code of Ethics defines how our employees should perform their work Myanma Awba encourages all its stakeholders to report their concerns – this is key for us in identifying and managing all our ethics-related risks.

ECO-EFFICIENT MANUFACTURING

To manufacture our products, we rely on materials, energy and water. By optimising the efficiency of our industrial processes and monitoring our impacts carefully as set by our policy, we aim to minimise our environmental footprint – what is good for the planet is also good for our business. We are working to save energy and eliminate as much waste as possible.

VALUE CHAIN MANAGEMENT

We work closely with various partners to import raw materials and transform them into finished products, and with 4,600+ distributors to reach hundreds of thousands of farmers across the country.

We assess our risks and engage with all the different actors who are essential for delivering value to Myanmar's farmers through our products.

HUMAN RIGHTS

Myanma Awba Group is committed to respecting human rights. We assess human rights-related risks and ensure that we can provide effective remedies whenever needed.

BETTER ALL TOGETHER

STAKEHOLDER ENGAGEMENT

Being accountable and responsible is critical to earning the trust of our stakeholders.

Myanma Awba Group aims to engage with its stakeholders regularly: this is critical to building long-lasting relationships and safeguarding our reputation and social license to operate.

CORPORATE PHILANTHROPY

Myanma Awba Group aims to support vulnerable communities across the country. Our policy articulates our focus and our four value pillars.

Creating shared value sustainably

Why does our business matter?

1.

Agriculture is crucial for Myanmar accounting in 2024 for:

- 23% of Myanmar's GDP[1]
- 18% of export value[2]
- 48.8% of employment.[3]

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

2.

We provide Myanmar farmers with a wide range of solutions:

- 14 business units
- 2,720+ staff driven by one goal

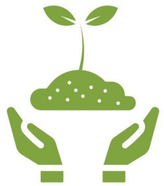
The synergies between our business units enable us to provide farmers with solutions to access the right products; source seeds, agrochemicals, fertilisers, etc., and to enable them to finance their activities.

3.

We served 392,000+ customers between October 2023 and March 2024.

- 4,600+ distributors located in 10 States and Regions
- 122,500+ 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 every day with farmers across the country and advise them on how best to use our products.



Our business covers five main activities

We ensure that farmers can access our large portfolio of high-quality seeds of corn, vegetables, pulses and oilseeds enabling them to diversify their crops.

To create value, we rely on five types of capital:

A **Our human capital** is the skills of our people and staff, their commitment and passion.

B **Our social capital** refers to the relationships we have built with our distributors, partners, and suppliers across the country and abroad.

C **Our industrial capital** is equivalent to our industrial sites, manufacturing plants, etc.

D **Our intellectual capital** refers to our ability to innovate and develop new products and solutions, and to our brands, which are well known in Myanmar.

E **Our natural capital** is not only the natural resources we need to operate, but also the services provided by the natural ecosystem, which are crucial for any agricultural company.

We produce high-quality, customised fertilisers with four core brands that deliver optimum nutrition for a wide range of crops, ensuring higher yields and improved profits for farmers.

We manufacture a wide range of products including insecticides, fungicides, herbicides, foliar fertilisers, and plant growth regulators produced locally to ensure affordable prices.

We recognise farmers' need to access microloans and financial solutions to sustain and grow their small businesses. We aim to provide financial inclusion to all Myanmar farmers.

We leverage technology to offer new services and solutions to help farmers optimise their yields, fostering better returns on investment.

1. Central Statistical Organization, 2024 Myanmar Statistical Yearbook.
2. Central Statistical Organization, Myanmar Agricultural Statistics (2013-2014 to 2021-2022), 2023.
3. Ministry of Labour, Annual Labour Force Survey 2017, 2017.

Capital	Inputs in FY 23/24	Outputs in FY 23/24
Human capital	• 2,725 employees • 1 HR team dedicated to managing our workforce • 1 HSE team • A set of policies to build a fair, inclusive and safe workplace	• 127 people promoted • 565 people hired • 4,572 people trained • 962 hours of training delivered • 28 accidents recorded • 9 breaches of our Code of Conduct
Social capital	• 4,600+ distributors • 1,499 suppliers • 1 grievance received from the community	• 392,000+ customers served • 3,931 training sessions organised to promote responsible use of our products • 122,560 farmers engaged • 88% of our expenses were made on Myanmar suppliers • 1 grievance resolved
Industrial capital	• 1 manufacturing site in Hmawbi • 7 billion MMK invested into expanding our industrial assets	• 2 new projects implemented • 1 packaging line modernised
Intellectual capital	• 1 R&D team and 1 lab • 1 dedicated team focused on developing new technological solutions for farmers	• 531 products available in our portfolio • 80 products launched
Natural capital	• 183,000+ tonnes of raw material used • 25,636 MWh of energy used • 61,228 m^3 of water consumed • 1 team responsible for monitoring our environmental performance	• We generated 576 tonnes of waste • We emitted 6,729 tonnes of CO2 eq. • The records for our air emissions were aligned with national guidelines