BETTER AGRICULTURAL PRACTICES

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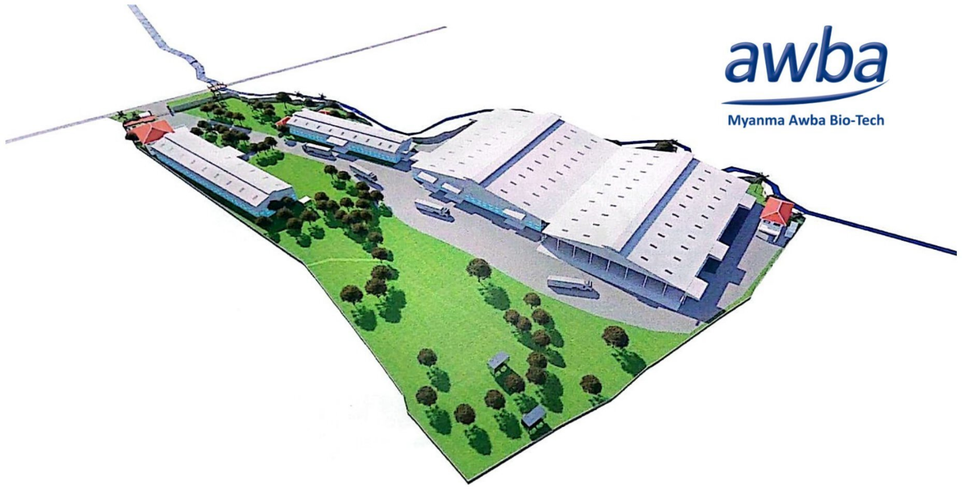
Myanmar farmers are very exposed to the consequences of climate change. At Myanma Awba Group, we work hard to provide them with the products and solutions that enable them to embrace responsible farming, minimise environmental impacts, enhance their crops' yields, and foster resilience and better livelihoods.

Better Agricultural Practices

Mobilising financial capital to enable better solutions in Myanmar

In 2024, we invested in two projects: a bio-fertiliser manufacturing site in Yangon region and a corn drying facility in Shan State. These two projects have multiple benefits: economic, social and environmental, as outlined below.



Bio Fertiliser manufacturing

Corn Drying Facility

	Bio-fertiliser facility	Corn-dryer
People	• To produce our bio-fertilisers, we will source organic wastes from Kayin and Shan States providing farmers and communities with additional income. • We closely monitor the feedback and potential grievances of the communities around our site in Hmawbi.	• Farmers who are cultivating corn will get more value for their products as the facility will enable them to optimise quality and food safety while minimising wastage. • During the construction of the facility, the Group worked with contractors who were committed to its sustainability approach (see page 34).
Planet	• The carbon footprint of bio-fertilisers is lower than that of chemical equivalents, mainly because they require much less energy during their production. • Producing bio-fertilisers can generate methane, a green-house gas almost 30 times more potent than carbon dioxide. Our production process minimises the emission of methane as we will use Bokashi EM to compost organic waste.	• The main source of energy to produce heat will be biomass and agricultural by-products: rice husks and pellets. This will reduce the carbon emissions during the production phase. • Furthermore, as Shan State is the main production area for corn, the facility will also optimise the logistics by maximising the volume of corn transported, thus reducing the carbon intensity of the supply chain.
MMK Profit	• Bio-fertilisers are almost three times less expensive than chemical equivalents in Myanmar. This will enable farmers to generate more income as their yields will be better, and larger profits, as their costs will be lower. • For Myanmar Awba Group, our newly established entity will enable us to enlarge our product' portfolio, and our dependency on importing chemicals.	• Myanma Awba Group has invested millions of US dollars in building a state-of-the-art facility in Shan State. • The Group has signed a partnership with a Dutch company who will rent our facility to produce dried corn, which will be then used for multiple purposes in the country and eventually exported, contributing positively to Myanmar's trade balance.

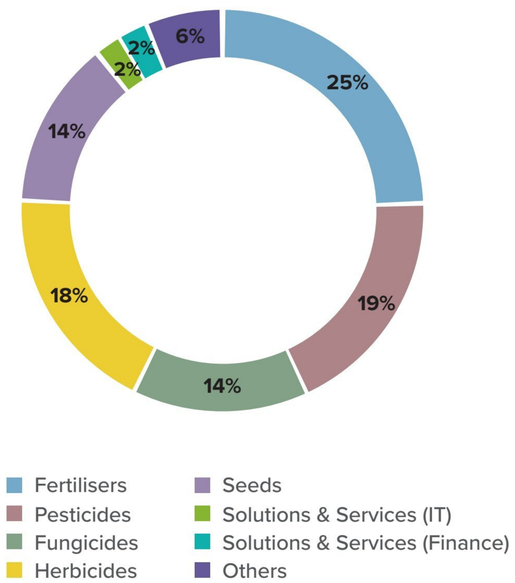
Developing our portfolio of products and solutions

In 2024, we launched 80 new products to complement our existing portfolio of products. The diversity of our product portfolio enables us to provide farmers 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 2024, we relied on 531 products and solutions to help farmers:

- Improving the fertility of the soil and thereby enhance plant growth, for which farmers rely on fertilisers (25% of our portfolio).
- Protecting their crops from various threats, for which we provide them with insecticides, fungicides and herbicides (51% of our product portfolio).
- Access to the best plant varieties, for which we offer farmers a vast range of seeds: corn, vegetables, pulses, etc., representing 14% of our portfolio.

Our portfolio as of 31 March 2024



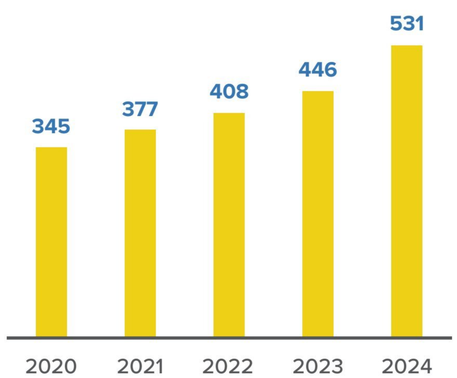
Sustaining our R&D and production capacities

We have developed our portfolio over time, adding more than 80 products last year, compared to 100 products and solutions between 2020 and 2023.

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:

- optimise yields and productivity.
- enhance the management of crucial enablers for farming: healthy soils and water.

Evolution of our products' and services' portfolio

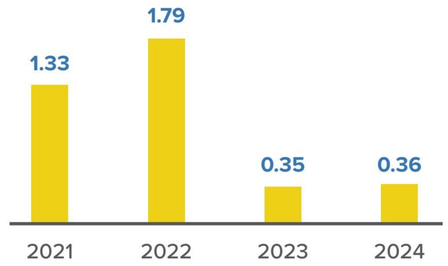


Delivering high-quality products

All our products and solutions must comply with the requirements from various 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 142 complaints from distributors: 60% pertained to logistics issues, 19% to the quality of our packaging, 13% to the quality of the products, and 8% to other issues.

Number of complaints from distributors for every 1,000 transactions

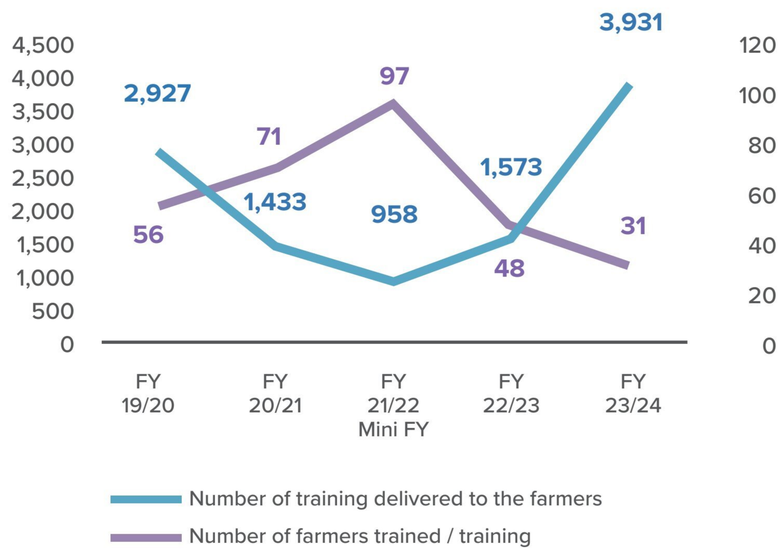


If we analyse the number of complaints from our distributors per 1,000 transactions, we can see that we managed to record only 0.36 complaints per 1,000 transactions, a number that is stable compared to 2023. In other words, we managed to secure more transactions with our clients while maintaining the quality of our services and products. We will continue to listen to our distributors to keep improving our processes.

Fostering responsible use of our products

As a producer and distributor of agro-chemicals 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. We managed to increase significantly the number of training sessions offered to farmers across the country from 1,573 sessions in 2023 to 3,931 in 2024. We also decided to focus on training fewer people per session to maximize engagement and interactions between the trainer and trainees. As a result, we engaged 122,560 farmers in 2024 compared to 74,855 in 2023. We will continue to our efforts and ensure that we can safely engage with farmers and provide them with the necessary knowledge to use our products safely and responsibly.

Evolution of the number of training sessions delivered and farmers trained



Managing the carbon footprint of our value chain

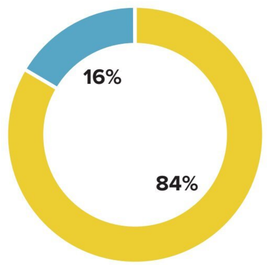
The entire agri-food chain relies on services provided by ecosystems such as photosynthesis, pollination, and nutrient cycling. These ecosystem services are crucial for farmers and are very exposed to the consequences of climate change. Myanmar farmers were severely impacted by the consequences of the Typhoon Yagi in 2024, which echoed the findings of Germanwatch: Myanmar was one of the countries most affected by the consequences of climate change between 2000 and 2019.

Therefore, we believe we should focus our efforts on reducing the carbon footprint of our operations as much as possible, and on enabling Myanmar farmers to adapt to the consequences of climate change. Therefore, as a Group committed to supporting Myanmar's farmers, 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 (see page 19 for more details).

In 2024, we emitted 6,729 tonnes of CO_2 equivalent compared to 3,283 tonnes in 2023. Why such an increase?

To power our operations, we have had to rely more on diesel generators, which emit more carbon emissions than the electricity provided by the EPC (our diesel consumption increased by 57% in 2024 compared to 2023).

GHG emission for FY 23/24



As a result, our scope 1 emissions now account for 84% of our carbon emissions, since we must use our generators to supply electricity to our factories (see page 32 for more details on our energy consumption), while our scope 2, related to the emissions induced by our energy consumption, represented 16% of GHG emissions. We will look for alternatives to further decarbonize our operations.