

2019

2020

2021

2022

2023

**Corporate Social
Responsibility**

Annual Report 2022



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Message from the Chairman



Rufat Tabasaranskiy

Chairman of the Management Board

LMH's approach to business has always been simple and purposeful—We have chosen the mission of providing our society with high-quality products by approaching production with a great sense of responsibility, maximizing resource efficiency, and by minimizing the negative impact on the environment. We encourage and inspire our customers to practice responsible consumption and to treat the natural resources with care, while also creating fair working conditions and equal opportunities for all.

We've approached Corporate Social Responsibility (CSR) with similar simplicity and clarity: “Our mission is to create new opportunities for our community by contributing to the development of children deprived of parental care, supporting families in need, and by protecting our environment. We believe in our ability to make a positive impact and contribute to a better future”

As we work towards our higher purpose of creating a more sustainable world, LMH will continue to focus our CSR approach on the areas where we can have the most impact. We will continue working with our employees, our community, and our industry to further integrate corporate social responsibility into our everyday business and bring the most value to all stakeholders.

*Best regards,
Rufat Tabasaranskiy*



IMPACT AT A GLANCE

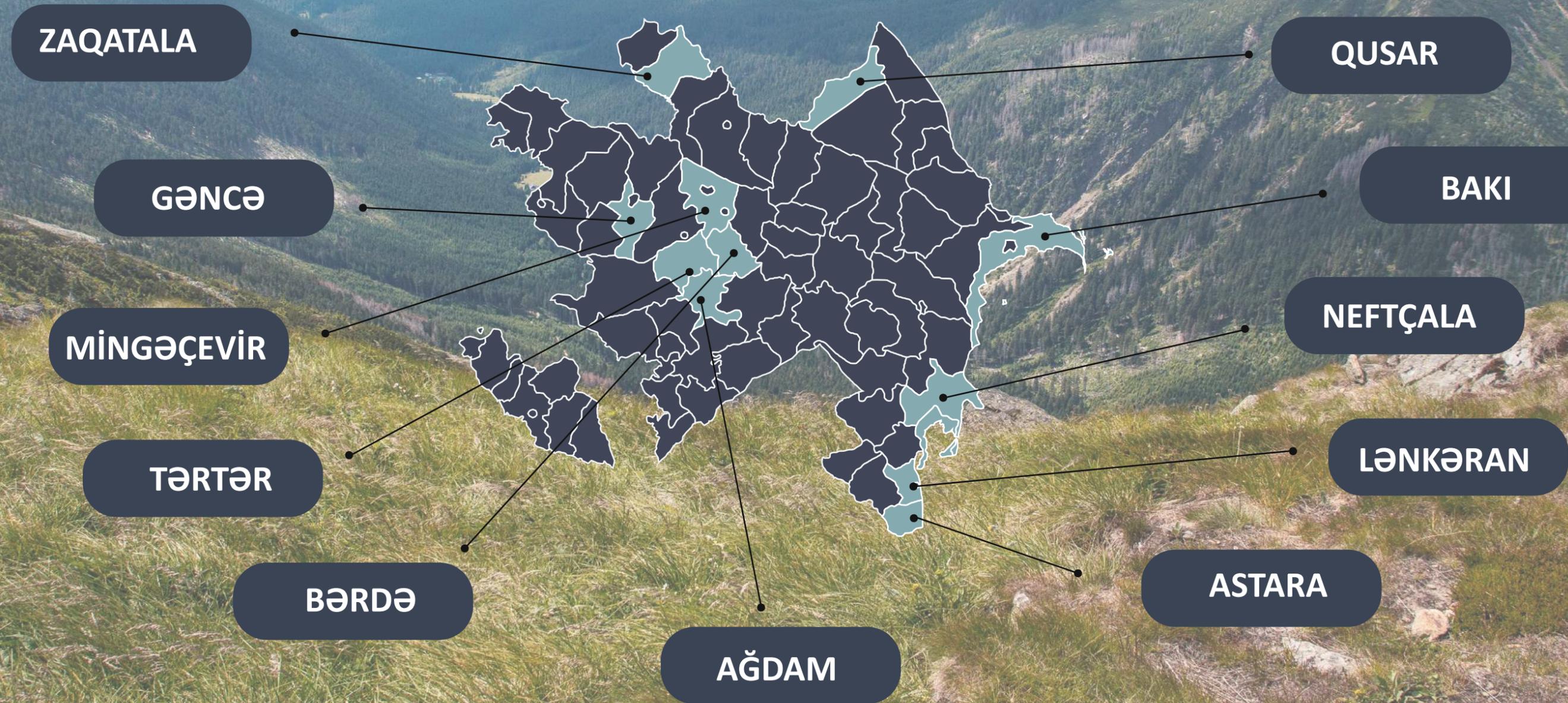


SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS 2030

Our CSR efforts align closely to many of the Sustainable Development Goals (SDGs)



OUR PRESENCE ACROSS THE COUNTRY





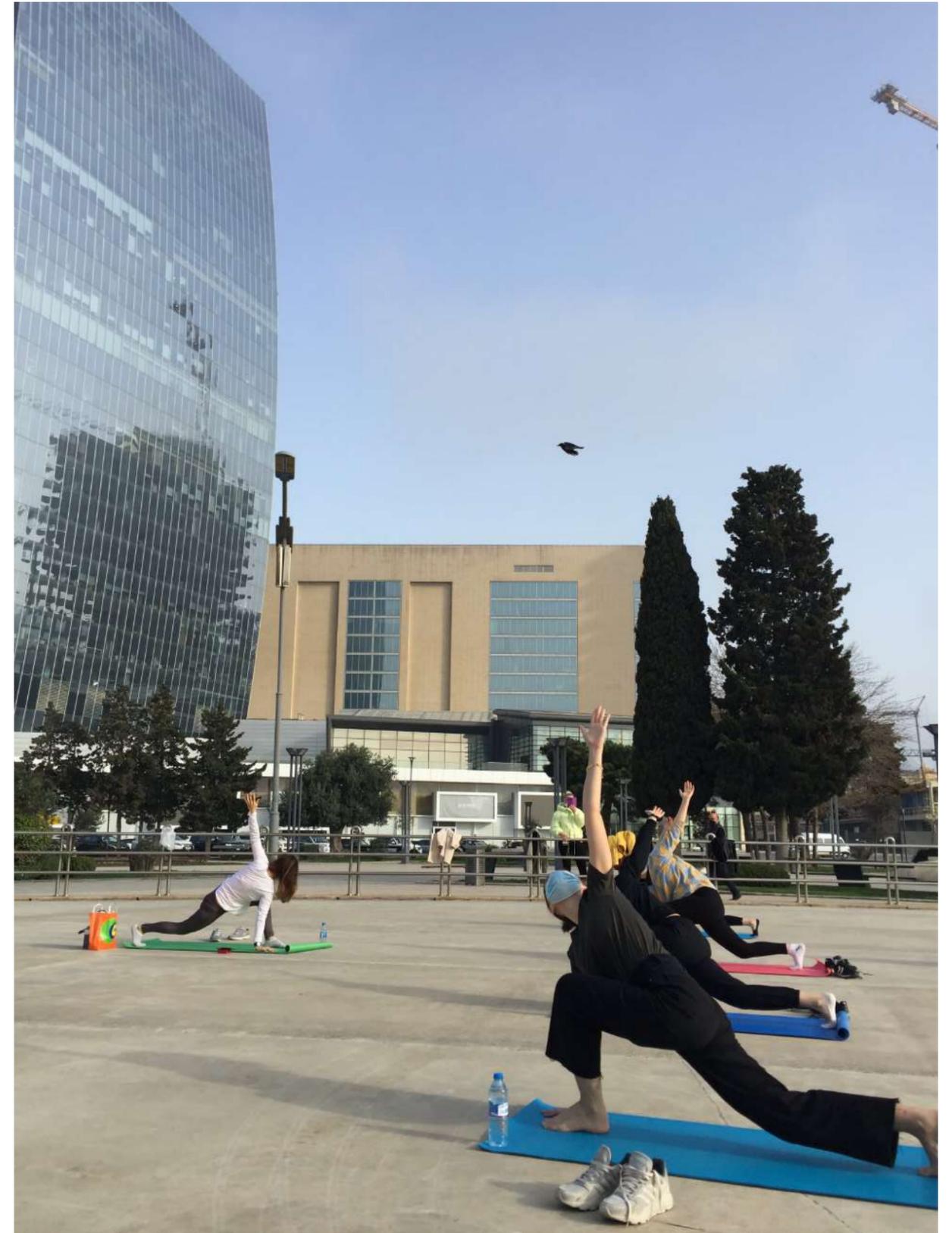
OUR EMPLOYEES

PROMOTING HEALTHY WORKPLACE

We are passionate about investing in our greatest asset, our employees. LU-MUN Holding's approximately 1000+ employees are active across Azerbaijan. It's our priority to ensure their safety, wellbeing and continued development.

During the challenging year, we have organized remote working, performed regular disinfections of our office premises, and repeatedly reminded our employees about the importance of good hygiene practices, social distancing, and other precautions.

To support the wellbeing of our employees, we offered online/offline weekly yoga sessions during strict quarantine to support their wellbeing. As we place a greater focus on the importance of wellness and wellbeing in the workplace, we organized team building to boost morale after the year-long strict quarantine.



LEARNING & DEVELOPMENT

We are continuously delivering training sessions on diverse range of topics based on the Team members' development plan, as well as their interest.

“In 2021, 1133 employees took advantage of professional skills course, totaling approximately 2615 hours of learning”



EMPLOYEE VOLUNTEERING

LU-MUN Holding has always encouraged its employees to be socially responsible, volunteer for worthy causes, and make a positive impact on our society. These values that we have instilled within ourselves always encourages us to take a lead and do good actions wherever we are.

Our Team Members conducted training on various subjects, joined clean-up initiatives, supported to raise money to support vulnerable groups of people, volunteered to deliver food support to the people in need during quarantine, planted trees in several regions of Azerbaijan, helped to purchase, package, and deliver donations across Azerbaijan, informed the CSR Team about the vulnerable groups of people who needed the most support, and much more throughout the year.

A huge thanks to LMH Team for doing the right thing!





OUR
SOCIETY



**750 000
BEES**

**Growing Donation
project**

**29 500
FISH**

**Growing Donation
project**

20+

people benefited
from the programme

We launched the "Growing Donation" project in May 2020. The aim of the project is to economically empower women, support low-income families and single women living in villages, develop their skills to create a sustainable income, and also contribute to biodiversity protection.

In 2021, we have donated 25 beehives with all the necessary equipment to start a honey business to four women farmers. In total, 20+ people benefitted from the donation. The women were taught how to take care of bees and increase their number every year by our experts.

Today, our task is to make sure those beekeepers and farmer entrepreneurs feel supported at all stages, develop their businesses with confidence, and solve their financial problems.

“Azerbaijan Fish Farm” has provided a number of small and medium-sized fish farms in our country with baby fish (fry). It should be noted that “Azerbaijan Fish Farm” successfully continues to cultivate a variety of fish species that are considered quite valuable for fish farming, including amber trout, as well as the endangered Caspian goldfish.

Currently, 750 000 trout fry are being cultivated by “Azerbaijan Fish Farm”. Some of these species samples have been donated to small and medium-sized fish farms.

In addition, in order to protect the biodiversity of our country's rivers and other water bodies, “Azerbaijan Fish Farm” will release about 100 000 trout fry into the wild.

Preparing orphan children for an independent life

At LMH, we firmly believe that education and lifelong learning are the key drivers for creating a better and more equitable world. As a global pandemic continued to affect communities around the world with lockdowns or remote or limited schooling, the need to support children deprived of parental care was greater than ever. As a response, we worked with institutions to help communities that were severely impacted and ensure the education was still accessible.

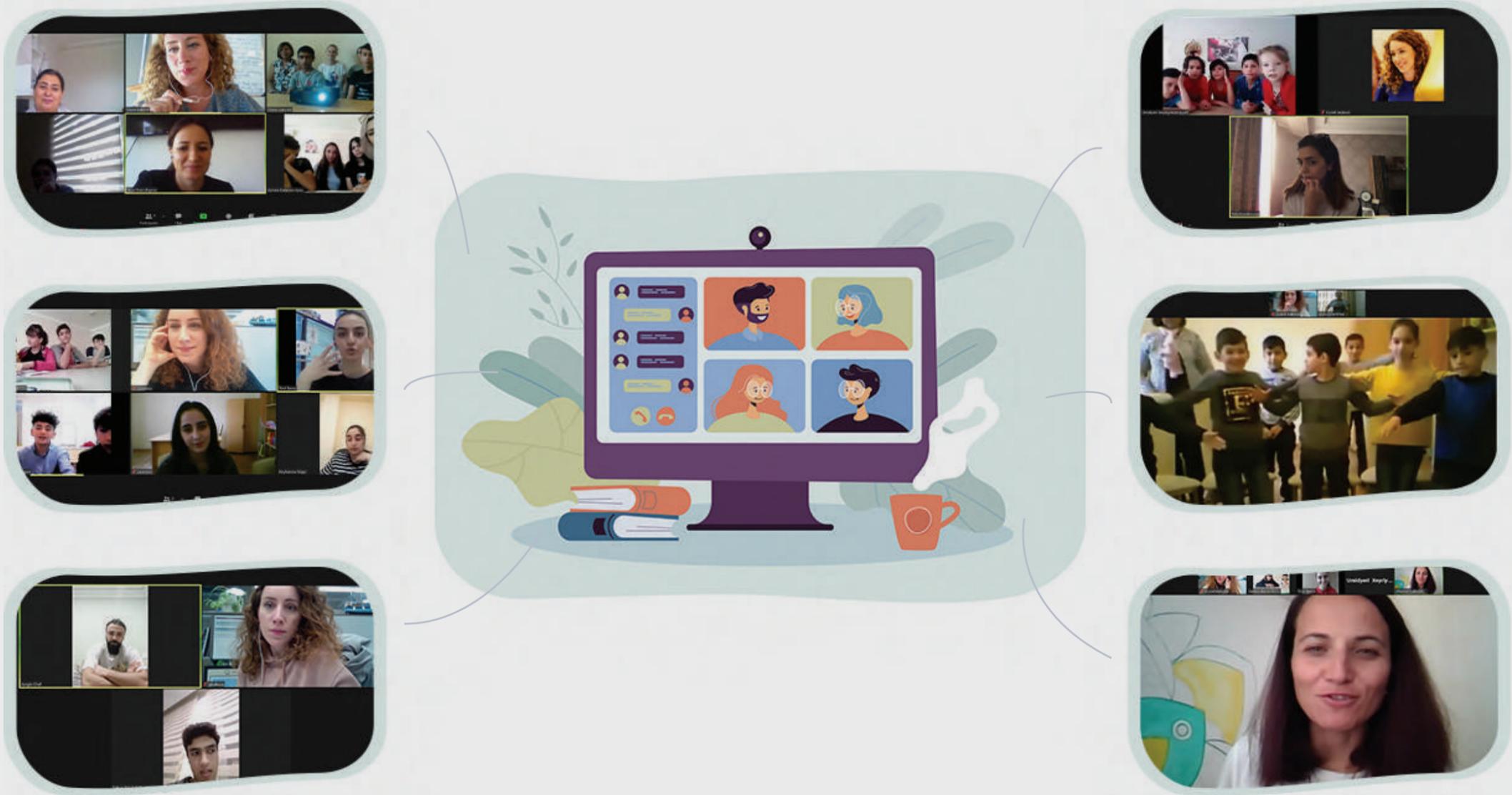
LMH launched a public-service program for children living in child institutions aimed at equipping them with necessary skills and ensuring their successful integration into society. Children explored subjects such as Life skills, Digital Skills, Time management, Financial Literacy, Entrepreneurship, Career mentoring, Education Abroad, Leadership, English language, German language, Emotional Intelligence, Programming, Cooking classes and much more.

We aim to help vulnerable children transform their lives and put them on a path to independence. Through a combination of support strategies, including educational programs, vocational training and placement, mental health counseling, and beyond, we help vulnerable youth embrace the great promise of their lives, overcome barriers to independence, and strive to achieve their aspirations. We don't see this as an act of charity, but rather an investment into our shared future.



300+
BENEFICIARIES

We work closely with existing and new local community partners to reach more children and support their wellbeing and development through education and coaching.



We believe every child should have an opportunity to achieve their potential.

WHAT HAVE STUDENTS GAINED FROM THIS PROGRAMME?

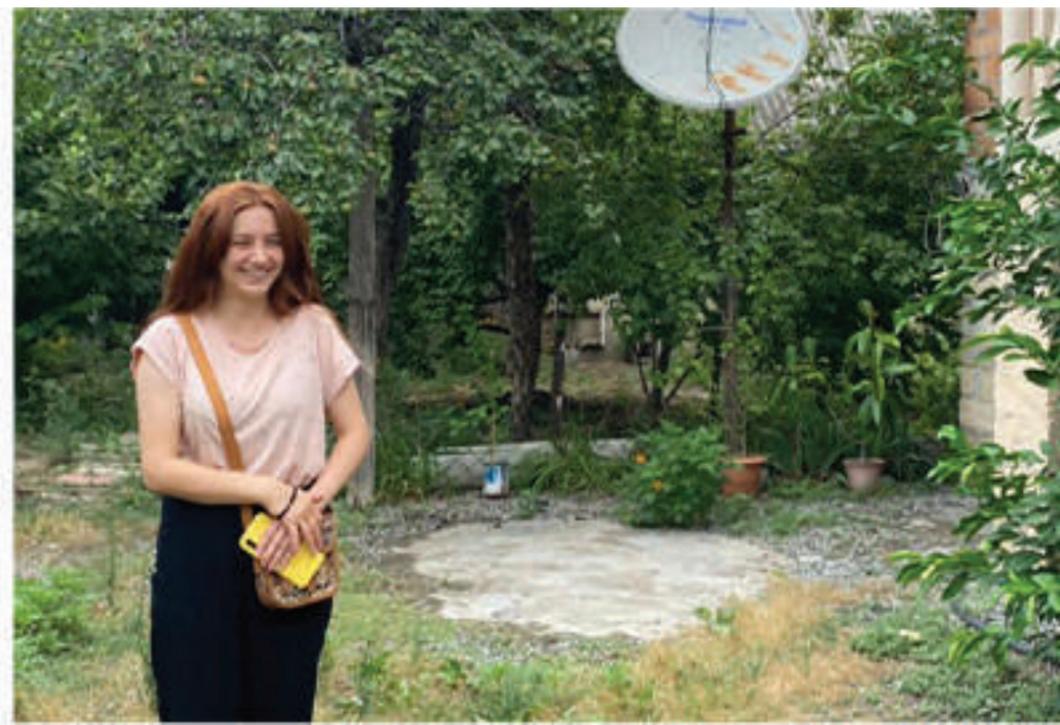


CREATING HOMES

We don't want our support for the children to be a one-off event with no sustainable outcome, our aspiration is to provide longer-term support to the children that are going to make a tangible change in their lives. That's why this year young adults who left the shelters where they were living, were provided with 3 houses fully furnished with everything needed to live in them. Two of these houses are located in Neftchala, and one is located in Barda. This project made it possible for 12 young people to be provided with a place to live.

These young people who have lost both their parents and grew up in shelters were also provided with job opportunities. One of them was provided with a job at "Azerbaijan Poultry Company", and two of them joined the team at "Azerbaijan Fish Farm".

**3 HOMES WERE
GIFTED TO ORPHAN
CHILDREN**



CREATING SUSTAINABLE INCOME FOR YOUTH DEPRIVED OF PARENTAL CARE

LMH created internship and job opportunities for seven orphan youth in their field of interest. Three of these young people were hired by LMH's subsidiaries, Azerbaijan Fish Farm and Azerbaijan Poultry Company.

Sehernaz grew up in SOS Children's Village. From a young age, she has aspired to explore her creative powers, to have an occupation where she will be able to apply her rich imagination. Sehernaz knew from a young age what kind of career she wanted to have, and she was always determined to explore her options. She never gave up, and tirelessly pursued her goals by using every resource that was available to her. She honed her English skills by attending English classes organized by LU-MUN Holding, and she attended every educational workshop or meeting that she could benefit from. She soon shared with our team that her main area of interest was graphic design, and we mobilized our network to see if there were any opportunities for her to learn and develop. Soon enough, Sehernaz got her first breakthrough – she was offered a paid internship opportunity at “Mover. az”.

Ali has told us on a number of occasions about his dream to become a professional chef one day. We could not let this dream slip away, so we set out to find him a mentor who would help him! We were extremely lucky that Tariel Guliev, a professional chef working at Baku Modern School, kindly agreed to teach him culinary basics. After completing his traineeship, Prive Steak Gallery – a well-known high-end restaurant in Baku – offered him a paid internship opportunity. We are very happy to report that he is currently enrolled in this internship, expanding his knowledge and skills in a field that he is passionate about, stepping towards a brighter future where he will be able to pursue his dream job.

Ayna had a very keen interest in fashion design and dreamt about having her own fashion atelier when she grows up and leaves the shelter. As soon as we learned about this, we mobilized our network to see if any opportunities can be created for her. Our amazing partners did not leave us helpless this time too. Chenille Fashion Studio – a fashion school and studio specializing in fashion design, dressmaking, sketching, styling, and fashion business, agreed to make her dreams come true. She was admitted into fashion design classes, where she is taught the foundations of sketching, design, and tailoring. The initial classes were conducted online, but after one of our supporters volunteered to take her to her classes twice a week, she is now continuing her lessons in the studio.



CHILDREN'S PLAYGROUND IN NEFTCHALA

To make the dreams of the children living in Neftchala's Yenikend village come true, we launched a public fundraising campaign with the initiative of LU-MUN Holding's employees. A considerable number of generous and kind-hearted individuals from Baku and beyond joined the initiative to build a playground for these children. Employees of "Azerbaijan Fish Farm" provided great support in the preparation of the site, construction work, and protection of the area during this period.

One could see the joy of the children in their sparkling eyes and in the hearty smiles on their faces. It was also felt throughout the various performance acts they eagerly prepared for the visitors on the opening day of the playground. 50+ children of Yenikend village received books, soft toys, balls, sweets, and ice-cream on the Opening day of the Playground.



SUPPORTING EDUCATION OF THE CHILDREN

At LU-MUN Holding, we believe every child has a right to education, and we have been supporting that right by delivering backpacks and other school supplies to 73 children from low-income families in Ganja, Neftchala, Barda, Aghdam, and Tartar regions.

Now more than ever, as the world is still facing the devastating effects of a global pandemic, addressing exclusion and inequality to help keep children on track is more important than ever. We would like to thank Azerbaijan British College and the “KitabGezer” project for their support and generosity in contributing to this initiative.

LMH donated 34 tech items to 5 child institutions located in Baku, Sheki, and Ganja. Approximately 300+ children are benefiting from this support.



400+
CHILDREN



INCULCATING SUSTAINABLE HABITS AMONGST STUDENTS

Most instructions for schoolchildren about environmental preservation and degradation come from textbooks, yet this form of education rarely results in action. To stir love and curiosity for nature, children need to become more actively aware of environmental problems, such as pollution and deforestation, and conservation processes.

With the growing need to preserve our environment, we encourage the habit of sustainable living amongst students that we work with. We conducted various sessions about the pressing environmental issues, and the communities' role in reducing the negative impacts on the environment, delivered gardening tools and garden beds to encourage planting and harvesting their own herbs and veggies, organized tree-planting sessions, and celebrated world environment day together.

Children were informed about the roles they can play in their community to increase awareness about the consequences of environmental degradation. We engaged the children in discussion about responsible consumption, water scarcity, waste collection, and biodiversity preservation. We were overjoyed to discover that after our session, the children initiated a waste-collection campaign to collect litter from the public spaces of their village. It proves yet again that our efforts to engage children in capacity-building are not futile.



PROMOTING SPORTS

Children deprived of parental love and care face various challenges. Some of these children do not express their stress, which can have a profound effect on their innate joy – and usually not for the better. We decided to engage children into physical activity, sports, yoga and meditation to help counter these pressures.

We place emphasis on individual abilities rather than competition and provide a non-threatening and gentle method to increase physical fitness and enhance health, wellbeing, and emotional resilience. When children learn techniques for self-health, relaxation, they can navigate life's challenges with a little more ease.

To encourage interest in table tennis, create new healthy habits in children deprived of parental care, and positively contribute to their health, four units of table tennis equipment were delivered to the child institutions located in Baku, Ganja, and Sheki with the support of the Azerbaijan Table Tennis Federation. Table tennis has a positive impact not only on the physical health of children but also on the development of motor skills and analytical thinking.

Players of the National Tennis Team and their coaches organized tennis lessons for children deprived of parental care. Fifteen children aged 8 to 12 from SOS Villages participated in these lessons. They were taught basic skills and had a lot of fun during the process. Coaches and players spent quality time with the children, talking to them and engaging them in various settings in order to familiarize them with the game. Those children who liked the game will be provided with the opportunity to attend training in the long-term.

During EURO-2020, children participating in the “Online education” project and their chaperones received 50 tickets to each football match. LU-MUN Holding provided transportation to take the participating children to the National Olympic Stadium. Children experienced the joy and the excitement of watching a live game from a stadium and being part of the cheering crowd. In total, 200 children and young adults benefitted from the initiative and left the experience with lifelong memories of community-building.



FUTURE SOCIAL ENTREPRENEURS

At LU-MUN Holding, we believe in the power of education and mentoring as one of the most essential components for the successful navigation of adult life. To bridge the social-economic gaps between different clusters of society and bring people closer together for just and worthy causes, we have taught the young participants of our training about the basics of social entrepreneurship, and how social businesses may have positive impacts on the communities.

We also distributed "Toxum" books on social entrepreneurship to every participant. Around 70 young participants benefited from the initiative, and we hope we will be able to motivate them to pursue their dreams in the future while also making a difference for their communities.



EDUCATIONAL FIELD TRIPS TO OUR FARMS

7
tours

We believe one of the best ways to encourage children to explore different vocations and consider different career paths is by showing them various vocations in person.

At LU-MUN Holding, we believe vocational education and training are essential for achieving sustainable and inclusive societal growth. Vocational education will continue playing an important role in the shift towards more knowledge-intensive societies. Although in some regions institutional arrangements to develop and improve vocational education have been insufficient, Azerbaijan is among the countries to have identified vocational education as a core component in its long-term development strategy.

To support this national strategic initiative, in partnership with the State Agency of Vocational Agency, we organized field trips to Neftchala fish farm for the students studying Fishing Industry at a Vocational School. The students got the opportunity to be acquainted with the farm and its operations and were informed about internship opportunities at Azerbaijan Fish Farm.

When it comes to finding a job and encouraging emerging professionals to excel in their chosen career paths, making sure that graduates have the skills they need for the position plays an essential role. We hope that such trips will instill confidence in them to explore their future careers more in-depth, ask their questions directly to the specialists in their field, and get the opportunity to connect with like-minded professionals and create a network that is going to benefit them in the future.

Field Trips to Farms initiative is for everyone – children and youth of different age groups, as well as adults. Our educational trips take place in our farms located in Neftchala, Gabala, Zagatala (fish farming), Baku (Gala settlement, floriculture), Ujar (poultry), Masalli (beekeeping) districts. We have already hosted schoolchildren, students of vocational schools, and state universities, as well as other guests who are interested in visiting our farms.

Our aim is to create alternative educational opportunities for children and youth in Azerbaijan, to acquaint them with new pursuits, and to encourage the younger generations to study fields such as agriculture, aquaculture, floral industry, and become professionals. “Our initiative of Field Trips to Farms does not only entail showing our young visitors the specifics of the food production process but also demonstrating to the younger generations how much effort goes into the food we consume, in order to encourage a responsible attitude towards food consumption.” This is one of the ways in which we choose to combat food waste. We believe witnessing first-hand all the work and effort put into food production will inspire respect for the profession and encouragement to explore it further in the future.



95
students

‘SANTA IN REMOTE VILLAGES’ CAMPAIGN

New Year is the time when people are waiting for a miracle to happen, a time when dreams are supposed to come true and new hope for a brighter future emerges. Sometimes though some families are deprived of these festive feelings because they are too busy combatting life’s challenges.

This New Year holiday, we wanted to reach out to families living in remote villages of our country, and bring joy to them by surprising their children with gifts delivered by Santa Claus himself! This was a tremendous project that brought together a lot of individuals and organizations for a great cause – to make these holidays memorable and happy for the children who are left out.

A total of 6308 AZN and more than 1000 gifts were donated by hundreds of people which made it possible to buy gifts for more than 900 children living in the most remote villages of Agdam, Tartar, Barda, Neftchala, and Qusar. More than 2000 gifts were distributed to the children, including children’s books, warm cloths, winter scarves and gloves, various toys, puzzles, Lego constructions, developmental and educational, wooden and soft toys. The collected funds were spent on purchasing the gifts and the transportation costs of the team.

Being a part of this project and witnessing first-hand how community members came together to make a difference in the lives of children was an extremely humbling and wonderful experience. We feel privileged and honored to earn the trust of our communities, and our aspiration is to carry this legacy forward as we continue working with underprivileged children and families. Now more than ever we are confident that great things happen when kind-hearted people join their strengths and come together for a good cause.

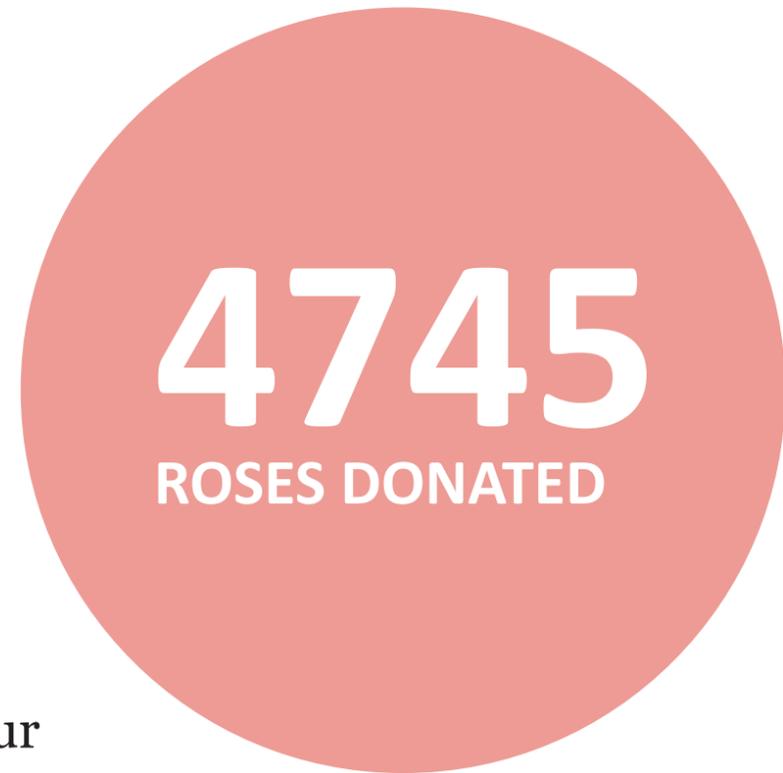


2000+
gifts



POWER OF FLOWERS

The flowers have the power to shift the wellbeing of the people. For this reason, Azerbaijan Flowers Company, the subsidiary of LU-MUN Holding, continues sharing the flowers grown in our Greenhouse in Qala settlement at every chance.



In 2021, we delivered 4745 roses to hundreds of people. Our flowers were gifted to the Aging population, to our volunteers supporting worthy causes, to the women working at various children's shelters, to the students visiting our Greenhouse, to the teachers conducting various seminars for the children deprived of parental care.

We are proud to be able to put a smile on people's faces and contribute to the emotional wellbeing of our communities.

Celebrating holidays that are based on the principles of sharing and giving back to the community



Holidays are the magical time of the year when families and loved ones come together to celebrate. Celebrations are usually accompanied by a large feast, with families gathering around the dinner table to eat and drink together.

Unfortunately, not every family can afford to gather their loved ones around to celebrate the holidays together, let alone have a large feast. That's why, when Eid-al-Adha arrived, a holiday that preaches about the importance of sharing, we undertook a large initiative to deliver food boxes with different grocery items, Eid meat and poultry products to families in need.



Holiday charities are an important way of reaching out to the community and sharing good fortune with those who may need some additional holiday cheer. Ramadan & Eid in particular are holidays that are based on the principles of sharing and giving back to the community.

Inspired by this symbolism, our Teams delivered food boxes to the families in need in Neftchala this Ramadan. Food boxes contained carefully assorted goods such as fresh and dried fruit, dates, and sweets to reflect Ramadhan. “Mərcan” poultry products were also donated. The definition of a good holiday for our teams lies in supporting our communities and putting smiles on their faces by bringing them joy on the holidays.

MARJAN PRODUCT DONATIONS

Every month, Marjan products are delivered to the Orphanages and Children's Shelters to support the institutions with quality food.

Monthly donation	in kg
January	240
February	240
March	1434
April	240
May	472
June	397
July	1067
August	166
September	332
Total:	4588

7 institutions are being supported on a monthly basis

**Ganja, Ujar, Sheki,
Baku, Mingchevir,
Ismayilli, Neftchala**





**OUR
ENVIRONMENT**

THINKING GREEN

LU-MUN Holding and its subsidiaries take environmental commitments seriously. We firmly believe that one of the characteristics of the sustainable development of the business is strongly connected with a responsible approach towards the environment. Waste of resources is rightfully considered the key pain point of climate change; for this reason, we work utterly hard to lower the negative environmental effects of our operations. Monitoring and minimizing water usage, recycling, and reusing poultry litter to fertilize crops, continuously adopting new technology to reduce energy use, our subsidiaries promote a greener and healthier environment.



Our offices have a robust recycling program with recycling bins located in kitchen and breakroom areas. Office-wide recycling efforts vary by location, but include such items as paper, plastic, as well as common office consumables like batteries. Additionally, documents placed in shredding bins are completely destroyed and then taken to a secure recycling facility, where they're further milled and then reproduced into paper products.



Azerbaijan Flowers Company uses drainage water systems in our greenhouse, which allows us to halve the consumption of clean water from the Absheron irrigation canal, and grow our products without harming the environment, with biosafety systems and a strict selection of only chemically approved fertilizers.



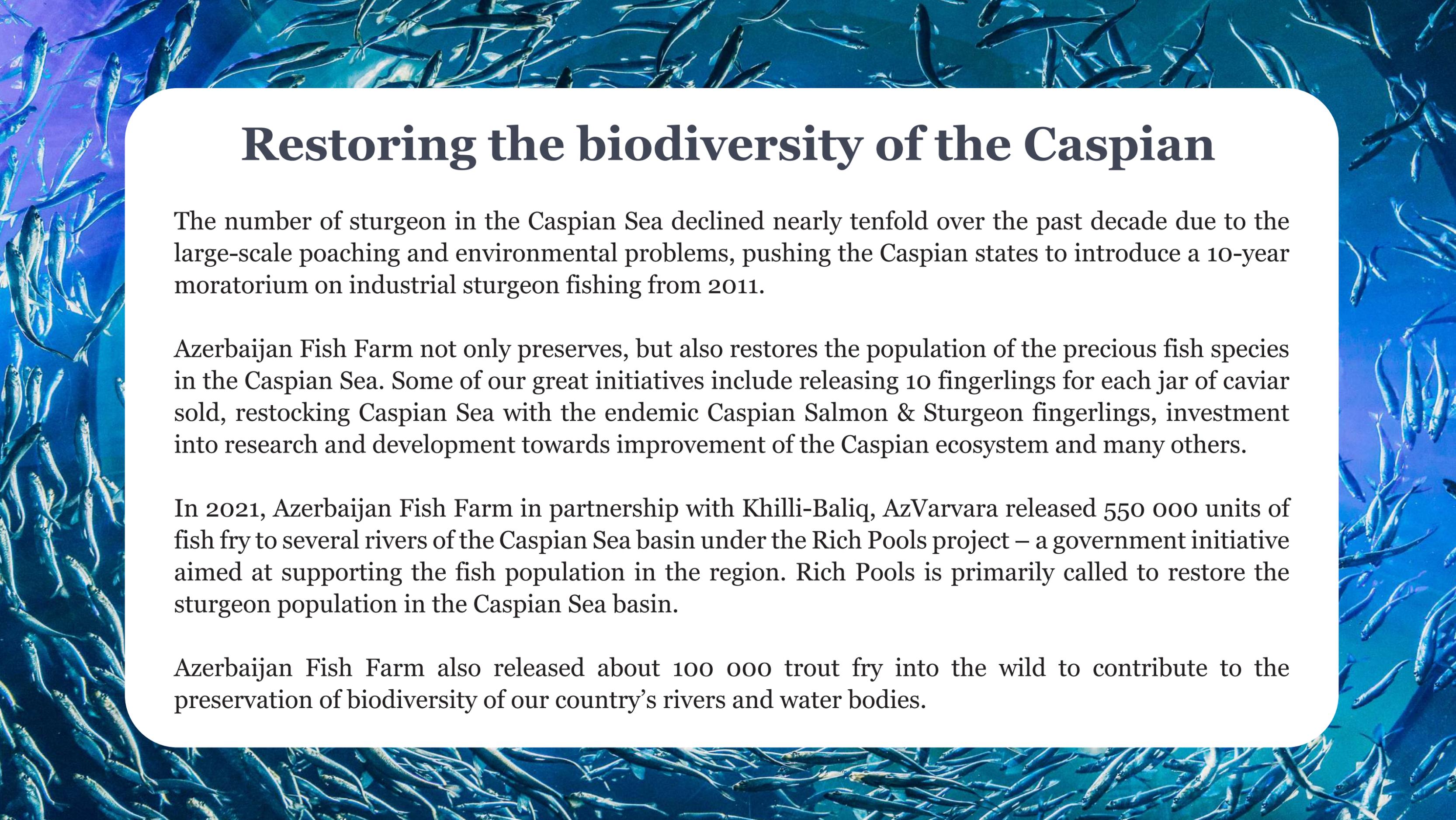
Beekeeping plays a key role in this issue as the pollination of more than 75% of agricultural products on our planet depends on bees. The decline in their numbers and the death of certain species will inevitably lead to tragic consequences. Taking the above into account, it would not be an exaggeration to say that we help to preserve biodiversity on Earth.



We planted 2335 trees in the Neftchala region and suburbs of Baku in 2021. Our teams are always happy to join any initiatives that have long-lasting impacts on our planet and for our communities.



We have organized two coastal clean-up events. 50 + employees of LMH & AFF attended the events. 530+ kg waste was collected on the coast of Neftchala.



Restoring the biodiversity of the Caspian

The number of sturgeon in the Caspian Sea declined nearly tenfold over the past decade due to the large-scale poaching and environmental problems, pushing the Caspian states to introduce a 10-year moratorium on industrial sturgeon fishing from 2011.

Azerbaijan Fish Farm not only preserves, but also restores the population of the precious fish species in the Caspian Sea. Some of our great initiatives include releasing 10 fingerlings for each jar of caviar sold, restocking Caspian Sea with the endemic Caspian Salmon & Sturgeon fingerlings, investment into research and development towards improvement of the Caspian ecosystem and many others.

In 2021, Azerbaijan Fish Farm in partnership with Khilli-Baliq, AzVarvara released 550 000 units of fish fry to several rivers of the Caspian Sea basin under the Rich Pools project – a government initiative aimed at supporting the fish population in the region. Rich Pools is primarily called to restore the sturgeon population in the Caspian Sea basin.

Azerbaijan Fish Farm also released about 100 000 trout fry into the wild to contribute to the preservation of biodiversity of our country's rivers and water bodies.

MESSAGE FROM THE FUTURE GENERATION TO ACT NOW!

To cultivate environmental awareness among the children and to inspire them to make a change for the future of their communities, LU-MUN Holding launched an art competition with a theme of environmental protection and preservation. Eight children living in Yenikend village, Neftchala joined the competition. The participants displayed their artworks, and all of them were awarded certification for successful participation. The winners received cash prizes.



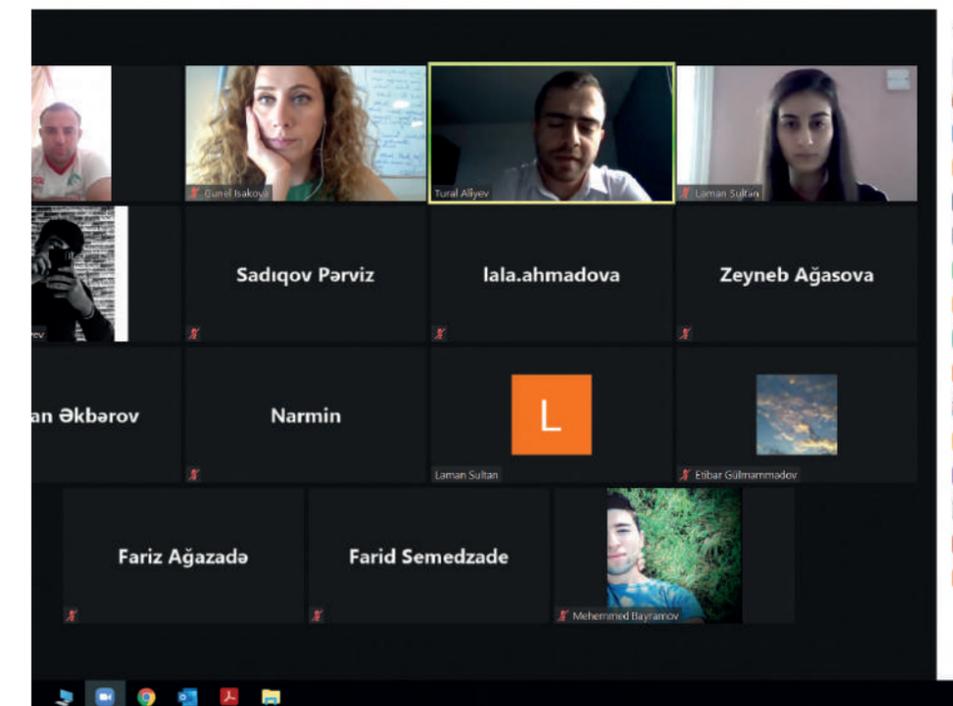
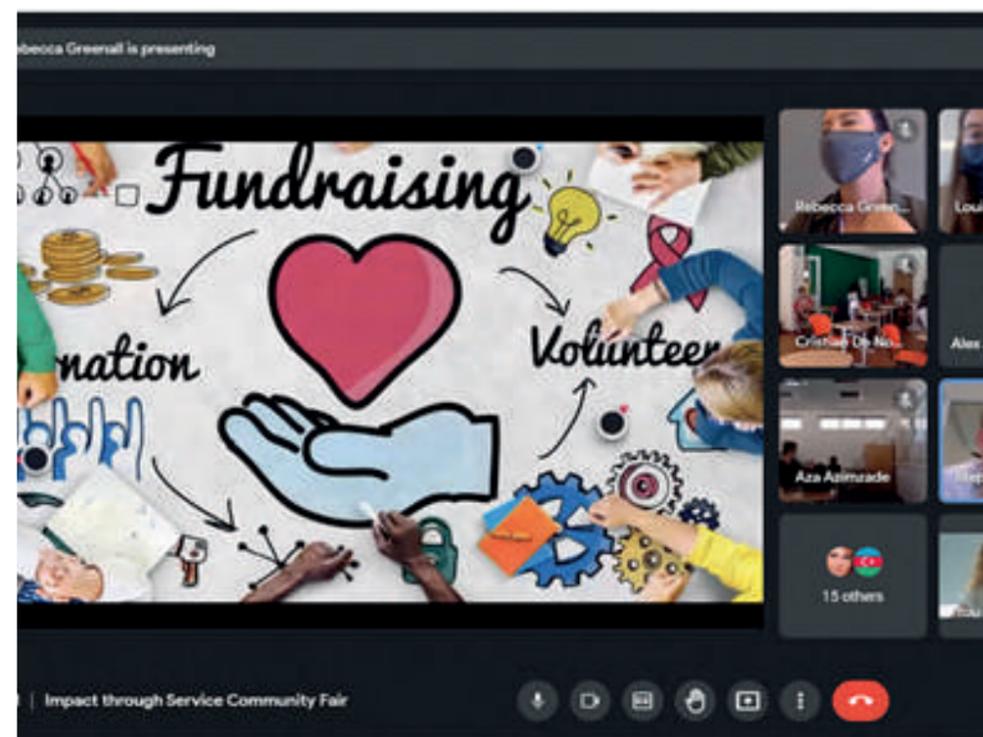
ENCOURAGING STUDENTS TO BECOME SOCIALLY RESPONSIBLE MEMBERS OF THEIR COMMUNITIES

LMH CSR organized a presentation for the students studying at European Azerbaijan School, TISA, Landau School, and Oxbridge School. The aim of the meeting was to present the current projects at LMH and encourage the students to get involved in community projects implemented in Azerbaijan.

We organized an online session for 15 students studying Sports Management at the Academy of Physical Activity and Sports. The students were informed about community service opportunities. We also had a guest speaker – Tural Aliyev, an experienced Sports Management professional studying in the UK who inspired students to learn more about their fields.

100+ students studying in the secondary school joined an online ‘Communities and Opportunities’ session to learn more about how they could engage in, and support initiatives organized by LMH.

Students studying at European Azerbaijan School were encouraged to support their peers living in child institutions. Two of the students studying in 8th grade volunteered to organize Art Class.



LMH FRIENDS

At the heart of LU-MUN Holding's CSR strategy and activities, you will find the generous spirit of the volunteering individuals and organizations supporting our causes. Our volunteers are the true wealth and lifeline of our projects. Their impact on the quality of life of countless families and children in our country is priceless. Their compassion and empathy are beyond praise.

We are happy to celebrate and recognize LMH friends who are making a difference for our communities. Giving back is one of our core values and we find ourselves surrounded by people who share this value. Throughout the years, we have had supporters who dedicated their time to specific projects, as well as supporters who faithfully stood by our side for every single activity that we carried out. From teaching various subjects to delivering support boxes or donations, we have had more than a hundred supporters comprising people of all ages, various backgrounds, and from all over Azerbaijan.

Through these partnerships, our aim is to engage as many parties as possible to mobilize a nationwide initiative to help children in need and support them through all means possible.

We believe that we can do so much more through meaningful partnerships that encourage and nurture sustainable education initiatives.





L U - M U N

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