



L U - M U N

HOLDING

CSR ANNUAL REPORT

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Message from the Chairman

“*We are working not only for today, but also for the future of Azerbaijan and its citizens.*”



“We at LU-MUN Holding understand the importance of every project we are working on and bring in world-class personnel capable not only of solving problems in the most efficient way, but also of using the most modern world methods and technologies. Each of our projects meets the following requirements: efficiency, social responsibility, environmental friendliness and determination to preserve and restore the country's resources, as well as innovation and development potential.

All our projects are of a long-term nature, which means that we are working not only for today, but also for the future of Azerbaijan and its citizens.

In the pages ahead, you will be able get more information on our CSR work over the past year – the work which we aim to scale up further in the upcoming years. As you read through this report, I hope you will want to join us as a partner or a volunteer and make a greater impact on our society.

Together, we have the power to inspire, connect, and create life-changing opportunities that can open doors and increase well-being. In the years ahead, we will remain committed to investing in our people, delivering high quality products, ensuring a sustainable future and support communities in need.”

Sincerely,

Rufat Tabasaranskiy
LU-MUN Holding, Chairman of the Management Board

IMPACT AT A GLANCE



209 751

ITEMS

We donated
to charity



14 971

INDIVIDUALS

Peoples life were touched
through our contributions



5 684

KG CHICKEN

products were
donated to charity



3 156

FLOWERS

We distributed
free of charge



318

KG RECYCLED

Recycled by our
colleagues in hq



100+

VOLUNTEERS

Joined us to
support our initiatives



45

INSTITUTIONS

Supported
across the country



37

REGIONS

Reached regions
across Azerbaijan



OUR PRIORITIES

Corporate social responsibility is integrated into our business strategy and functions. It is foundational to our culture and a core value by which we do business. Within the core focus areas of – our employees, our society and our planet, we have identified CSR priorities that are most relevant to LMH's business and where we can make the greatest impact.

The fundamental mission of the LU-MUN Holding is to create and revive the national resources of Azerbaijan. Our goal is to make a healthy, sustainable lifestyle affordable to as many people as possible, and leave our mark on history with the services and products we develop.

As a CSR unit, **our vision** is to be recognized as the meaningful change-maker in the country that have a national impact on both environmental and societal levels.

Supporting the UN Sustainable Development Goals 2030.



Our CSR goals and the UN Sustainable Development goals are inextricably linked. Figure 1 shows how our CSR efforts align closely to many of the Sustainable Development Goals (SDGs).

Creating a healthy, safe, high-ethical work environment;	Ecological standardization of equipment used in production;	Job creation for local people & supporting local farmers
Achieving high employee satisfaction and engagement;	Reduction of water use in production and introduction of water recycling;	Empowering vulnerable groups of children living in the orphanages through education
Creating learning and development opportunities for Team members;	Promotion of recycling and environmental protection on a daily basis;	Empowering vulnerable families through entrepreneurship;
Creating supportive organizational culture	Restoring the Caspian Sea sturgeon population;	Charity (direct donation of the subsidiaries' products);
Ensuring employee benefits – health insurance, gym discount, etc.	Contributing to biodiversity conservation;	Infrastructure development where we operate;
	Applying environmentally-conscious waste management practices;	Internship program for students;
	Contributing to scientific research.	Various initiatives on education, health, other topics assigned by Management.



Figure 1. Our priority focus areas



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, by promoting a work environment that encourages safe behaviors, respect for diversity and human rights, and equal opportunities to learn and grow. We are committed to provide safe working conditions and responsible labour practices for the hundreds of workers that produce our products.





Learning & development

Building employees' professional expertise is one of the strategic goals of LU-MUN Holding. Our aim is to strengthen the human capital in various business segments. For this purpose, we are continuously delivering training sessions on diverse range of topics based on the employee development plan.

In 2020, 296 employees took advantage of professional skills course, totaling approximately 970+ hours of learning.





Employee Volunteerism and Engagement

Empowering team members to volunteer is an essential part of our culture. Volunteering inspires our colleagues, helping them gain new perspectives, develop leadership and other skills, and work better as a team. Our colleagues have unique talents, career aspirations, and passions that extend beyond their day-to-day work.

Our Teams are made up of employees who are committed to helping company and the society grow and thrive. Through employee feedback, we learned that people want to participate in more activities that support society and spend time volunteering in their local communities.

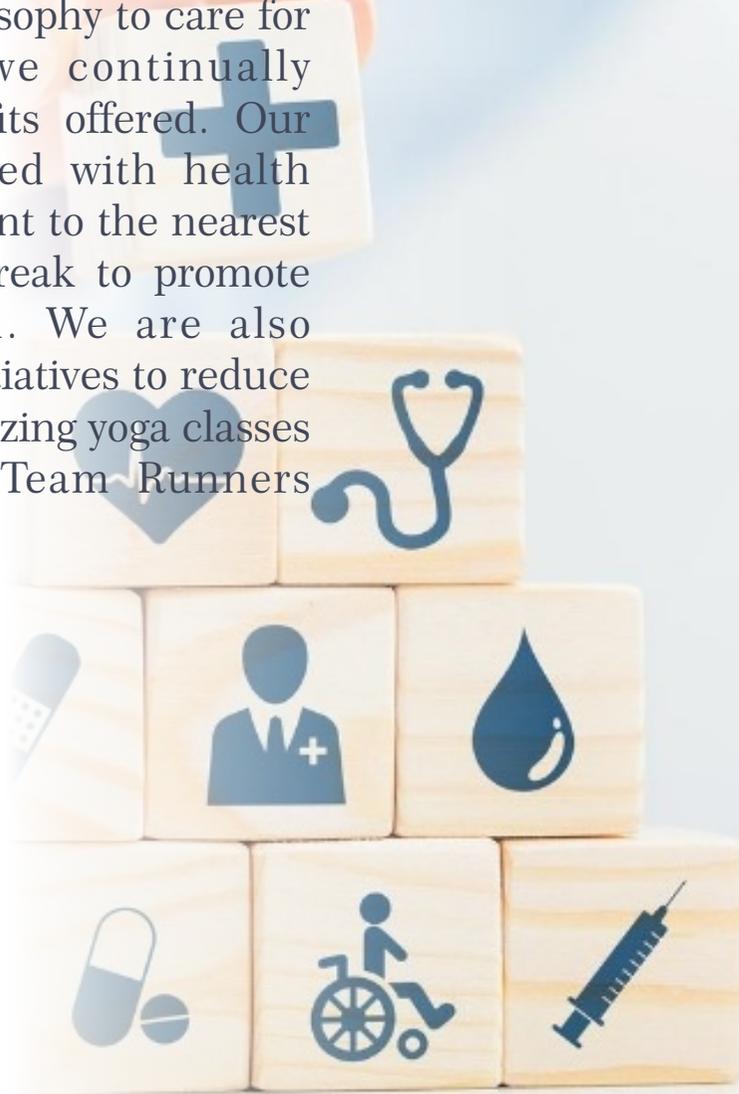
Year around, employees were encouraged to be involved in our CSR activities. In 2020, employees of LMH and its subsidiaries volunteered more than 5000+ hours. In addition, this year, employee donations and funds amounted to 20k+ azn for charities.





Health and wellbeing

Driven by our philosophy to care for our workforce, we continually improve the benefits offered. Our Teams are provided with health insurance, a discount to the nearest gym, daily fruits break to promote healthy nutrition. We are also working on new initiatives to reduce the stress via organizing yoga classes and establishing Team Runners clubs.

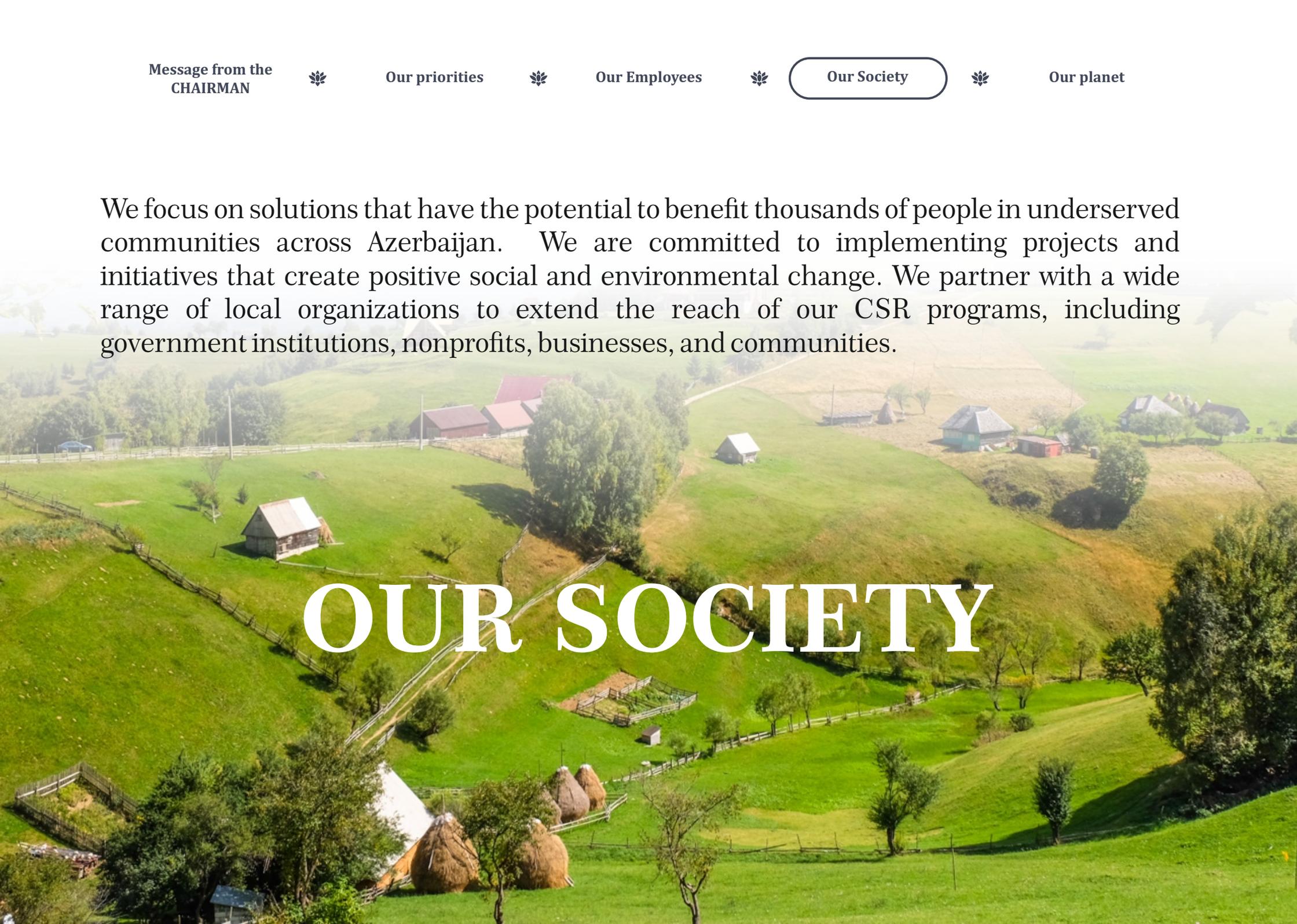


**YOUR
HEALTH IS
OUR
PRIORITY!**



We focus on solutions that have the potential to benefit thousands of people in underserved communities across Azerbaijan. We are committed to implementing projects and initiatives that create positive social and environmental change. We partner with a wide range of local organizations to extend the reach of our CSR programs, including government institutions, nonprofits, businesses, and communities.

OUR SOCIETY



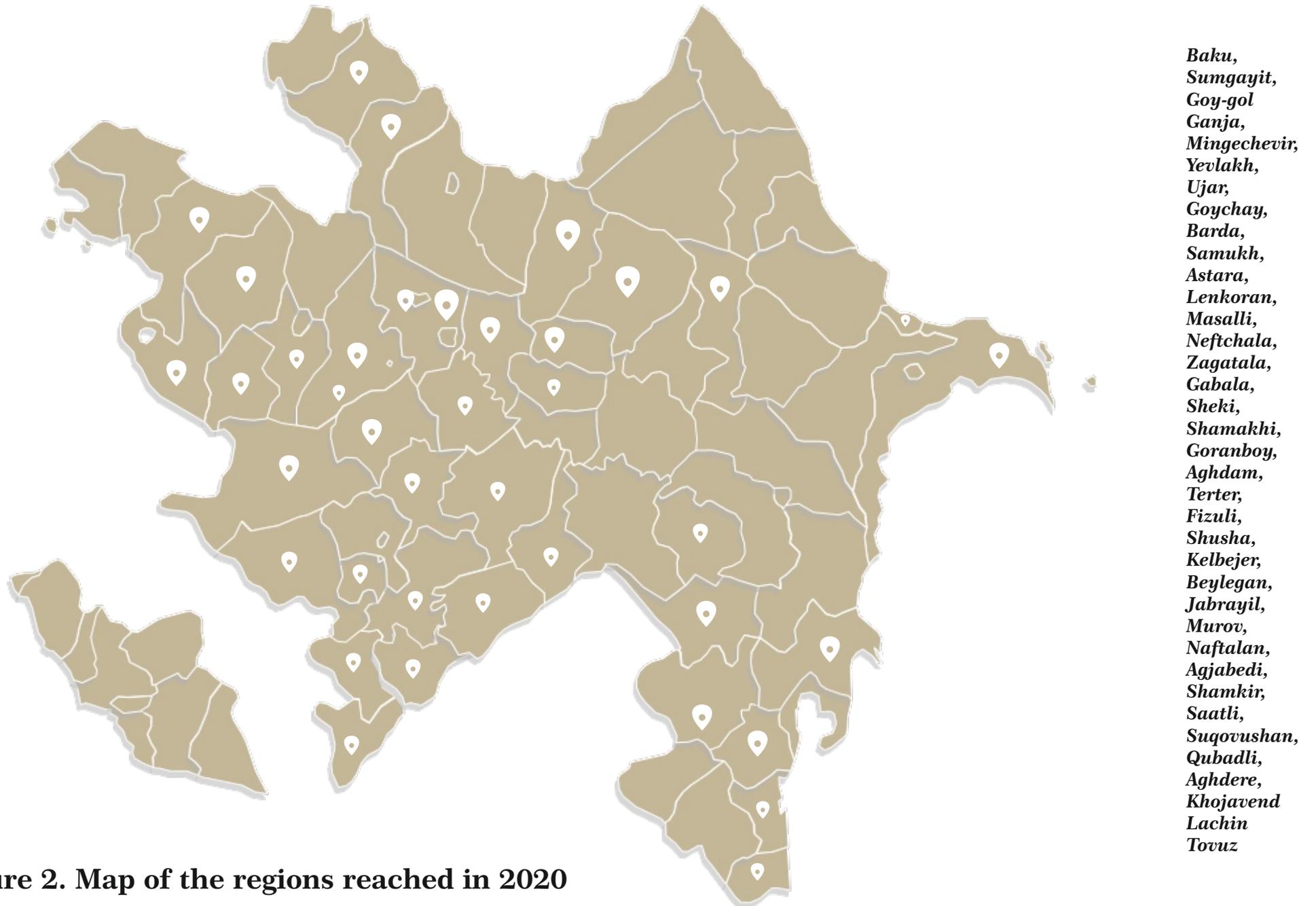


Figure 2. Map of the regions reached in 2020



MEET OUR VOLUNTEERS

Our volunteers are crucial in helping us change lives. We have nearly 100+ volunteers comprising of people of all ages, from various backgrounds, and from all over Azerbaijan. Some have been with us for certain projects, while others have volunteered faithfully for a longer period.



The roles are varied, from teaching various subjects to researching, or delivering support boxes. Here, you can meet some of our amazing volunteers who are changing the lives.





EDUCATION

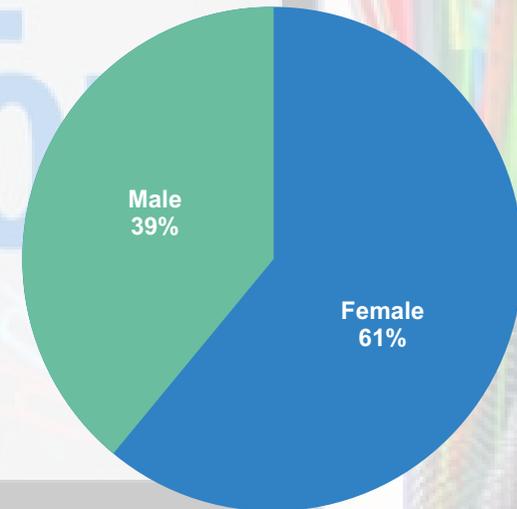
ONLINE EDUCATION

At LU-MUN Holding, we believe that for the harmonious and balanced development of society, every child, regardless of their socio-economic status, needs to have access to the best education.

In August, we launched the "Online Education for Children" project, the main goal of which is supporting children without parental care, supplying them with the knowledge, tools, and skills needed for their independent living and successful integration into society. Since August 2020, students from 9 institutions located in Baku, Ganja, Ujar, Sheki, and Neftchala are being trained with a specially developed program that includes interactive language classes (Russian, English, and German), public speaking, multiculturalism, and analytical analysis of folk tales.

To attract children's attention, we also included yoga, physical education, and meditation classes in the program, which help students to concentrate, adjust the correct breathing and prepare their minds for the perception of the material. Lessons are held in the format of videoconferences.

Students by gender



7 Subjects

150 children

110 classes

17 volunteers

5 regions



“Ali dreams to become a professional chef.”



*“Zeynab is currently 10 years old.
Her dream is to become a well-known
karate master.”*





“Back to school” campaign

With the support of Azerbaijan Fish Farm, we were able to provide free backpacks full of essential, grade-appropriate school supplies to the children of low-income families living in the villages of Neftchala.

Back to School campaign inspired others and involved 43 contributors who joined the campaign and donated school supplies for the children living in Yenikend, Xolqaraqashli, Xolqarabucaqli, Xoltezekend, and Mursegulu villages of Neftchala.

30 children,

1386 items,

43 contributors,

5 villages.





ECONOMIC EMPOWERMENT

Connecting low-income families to opportunities and resources that lift people out of poverty and move them toward financial self-sufficiency. In our quest to ‘lift people out of poverty’, we want to make sure that the impact is meaningful and sustainable.

A good job can change a life, and the availability of jobs can transform a society. Creating job opportunities is one of the most prioritized activities of the Holding and its subsidiaries. It aims to stimulate business growth and eradicate poverty in the country.

Azerbaijan Organic Company creates jobs in various regions to support local, small-size farmers, create opportunities for them to trade, and sell their products.

**In our quest to ‘lift people out of poverty’,
we want to make sure that the impact is
meaningful and sustainable.**



Growing Donation

LU-MUN Holding started a project named 'Growing Donation' to support local people to create their own source of income. The project plans to help families create mini-farms that will provide different types of honey by the end of 2021.

Several families in Balakan, who have entered a new phase of their lives, received a "Starting Package" from the Azerbaijan Organic Company to build their bee business: 10 beehives, honey extraction equipment, and a protective suit.

In addition, project participants will be able to increase their knowledge and skills thanks to the training and advice provided by the experienced beekeepers.





HEALTH

One of our approach in CSR is ensure the health of our communities. Our subsidiaries takes great care of the health of its customers by providing high quality, healthy products. A great example of this was the launching of eco-friendly products that are made without any preservatives. Some of these products are snacks made of carefully selected chicken meat (“ALP”), natural honey imported from environmentally friendly regions of Azerbaijan (“Bal Ayı”), and high-quality saffron, which is grown in Absheron (“Baku Saffron”).





Emotional health matters



Power of Flowers

Azerbaijan Flower Company delivered thousands of flowers to the aging population living in Nursing homes, health workers, teachers, etc during 2020. And why flowers? Common sense tells us that flowers make us happy. Now, science shows that not only do flowers make us happier than we know, but they also have strong positive effects on our emotional well-being. The studies demonstrate that flowers ease depression, inspire social networking, contribute positively to wellbeing during challenging times.

Dance Therapy

Due to the lack of physical activity levels of the aging population in our society, we decided to organize regular dance classes for residents of Bilgah Nursing Home. We believe that these classes will have a positive impact on the physical and mental health of the older generation and fill their lives with joy.



Healing through art

We encouraged children to express their thoughts and feelings with the help of paintbrushes. Children were given an opportunity to express their visions and associations with the word “happiness”, and describe it on a clean canvas. A wave of laughter and joy as a result of this activity made the event even more incredible. Today this colourful canvas brightens up one of the walls of the shelter, and awakens the memories of this truly beautiful day!



More than just a game: Yoga and meditation for children

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 use 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. Our trainers made yoga playful and fun for kids. In his yoga classes, trainer Rza who joins us from Germany inspires children to try various asanas. Our trainer Sevinj weaves in fun games and stories with positive themes like compassion, gratitude, and strength - a great gift to give our children





OUR COVID-19 RESPONSE

4500+
families

“Biz birlikdə güclüyük” (“We are strong together”) - aren’t just words, they are a call for action. During the coronavirus pandemic, the Holding and its subsidiaries continuously supported more than 4500 less privileged families living in the villages of Neftchala, Ujar, Berde, Zagatala, Mingechevir and Baku.

6
regions

**STAY SAFE.
STAY HEALTHY.
STAY HOME.**

#COVID19





OUR COVID-19 RESPONSE

While most of us stayed at home and practiced social distancing, front-line workers played a key role in providing us with food, essentials, medical care, and media support. Doctors, pharmacists, and health workers, supermarket workers, media representatives, all, risked their health for us. **Azerbaijan Flower Company** distributed more than 2000 flowers to express sincere gratitude to these admirable people.

Thousands of healthcare workers all across the country risked their lives every day to treat those who have been infected with the infamous virus. To show gratitude and support to health workers, **Azerbaijan Poultry Company** distributed “Mercan” Premium products for 134 health workers in a number of cities and regions, such as Baku, Bilasuvar, Sheki, Yevlakh, Ganja, Kurdamir, Shamakhy, Gazakh during the entire quarantine period.

The older generation needs to feel that we care for them and are here to support them in these hard times. For this reason, we delivered flowers, food products and kindly reminded them of the importance of staying home.

Due to the outbreak of the coronavirus pandemic the celebration of the 75th anniversary of Victory Day was restricted to only TV appeals. Despite these limitations, **Azerbaijan Fish Farm** came together with “Mercan”, “Baku Roses” and **Azerbaijan Organic Company** and visited the honored war veterans while considering all safety measures. Apart from gifts, the veterans received letters of high appreciation for their efforts in World War II from the young generation representatives.

This year, unlike previous years, has been more challenging for people to unite due to the pandemic and the strict quarantine regime. During the month of Ramadan, our sub-companies have continuously supported 1,000+ families in need. Our purpose of this charitable donation was to ensure that families in need had food in their houses during this blessed month.





Humanitarian Aid: Water scarcity



First time over the past hundred years, the salty water of the Caspian filled the mouth of Kura due to the water shortage in the river. The supply of drinking water from the Kura source to Neftchala, where one of our farms is located, was suspended. Many villagers went through challenges in accessing clean water.

To support the communities going through a water crisis, Azerbaijan Fish Farm provided 90 families with clean drinking water. One of the villagers – a grandmother taking care of an orphan grandchild with cerebral brain injury received a full water tank which will cover her water needs for two months. This inspired LMH friends to join our initiative, fundraise, and install temporary water tanks in two villages.





Humanitarian Aid: II Karabakh War

During the war, Azerbaijan Poultry Company allocated two 5-tonne trucks to the campaign to deliver humanitarian aid across Azerbaijan. The drivers who delivered the donations were named Backline Heroes by the campaign organizers. Despite the danger, they made regular trips to the Barda region, which was bombed regularly, and provided support to families.

Responding to the needs of families affected by the war, Azerbaijan Fish Farm delivered warm coats and winter shoes to make sure they are prepared for the freezing months ahead. Winter items were delivered to people living in Terter, Agdam, and Berde. In close collaboration with local volunteers, AFF ensured that all the items benefit the most needful people.

Azerbaijan Flower Company distributed white roses to the people celebrating the liberation of Shusha. White roses which symbolize a new beginning and peace brought a smile to the faces of residents of Baku and strengthened the feelings of unity and solidarity on this special day.





If you are in
BAKU,
you can donate
food, medicine &
hygiene products

DROP-OFF:
Landmark Hotel
(Nizami Street 90A)
Rotunda room
Every day from
12:00-19:00

we need:

Food –rice, pasta, lentils, dried beans, tea, sugar, candy, cookies, salt, canned food, water, condensed milk, cooking oil, buckwheat

Hygiene –soap, mask (medicine mask), toothpaste, tooth brush, face and hand cream, deodorant, lip balm, shampoo, shower gel, hair brush, dish soap, sponge for dishes, dry and wet napkins, toilet paper, cotton, women pads, washing detergent (for handwash), body sponge

Medical –tourniquet, bandage, Analgin, Novalgin, Aspirin, Tetratsiklin, Nistotin, Pantenol, Boro plus, Teymurov Pastasi, Hidrogen peroksid, Nimisil, Aksen fort, Teraflu, hand cream, lip balm, spirt, cotton, Vaseline, tampons, roller bandage, plaster, Pepper Plaster (Pertsoviy Plastir)

Kids –baby food (for various ages), diapers (for various ages & sizes), baby powder, baby bottles, pacifier, coloring books for kids, children’s books, coloring pencils & markers, board games & puzzle books, toys, kids shampoo, kids soap, kids toothpaste & tooth brush, sponge for showering babies

@bizbirlikdeyik



Message from the
CHAIRMAN



Our priorities



Our Employees



Our Society



Our planet

OUR PLANET



Sustainable business practices

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.





Azerbaijan Poultry Company have implemented projects such as establishing breeding houses, hatchery, rendering, implementation of wastewater treatment plant, poultry waste management/fertilizer, process optimization/Lean, and working on digitalization/IoT, machine-to machine, and human-to-machine capabilities of our technology. We protect natural resources by applying new technologies to reduce energy & water consumption.

APC is also partnering with AzeColab – an environmental laboratory service company since 2019. Considering the high levels of cotton production and water scarcity in Aran economic region, controlling the quality of water is one of the primary objectives of our laboratory.



AZECOLAB
RELIABLE DATA - SOUND DECISION!

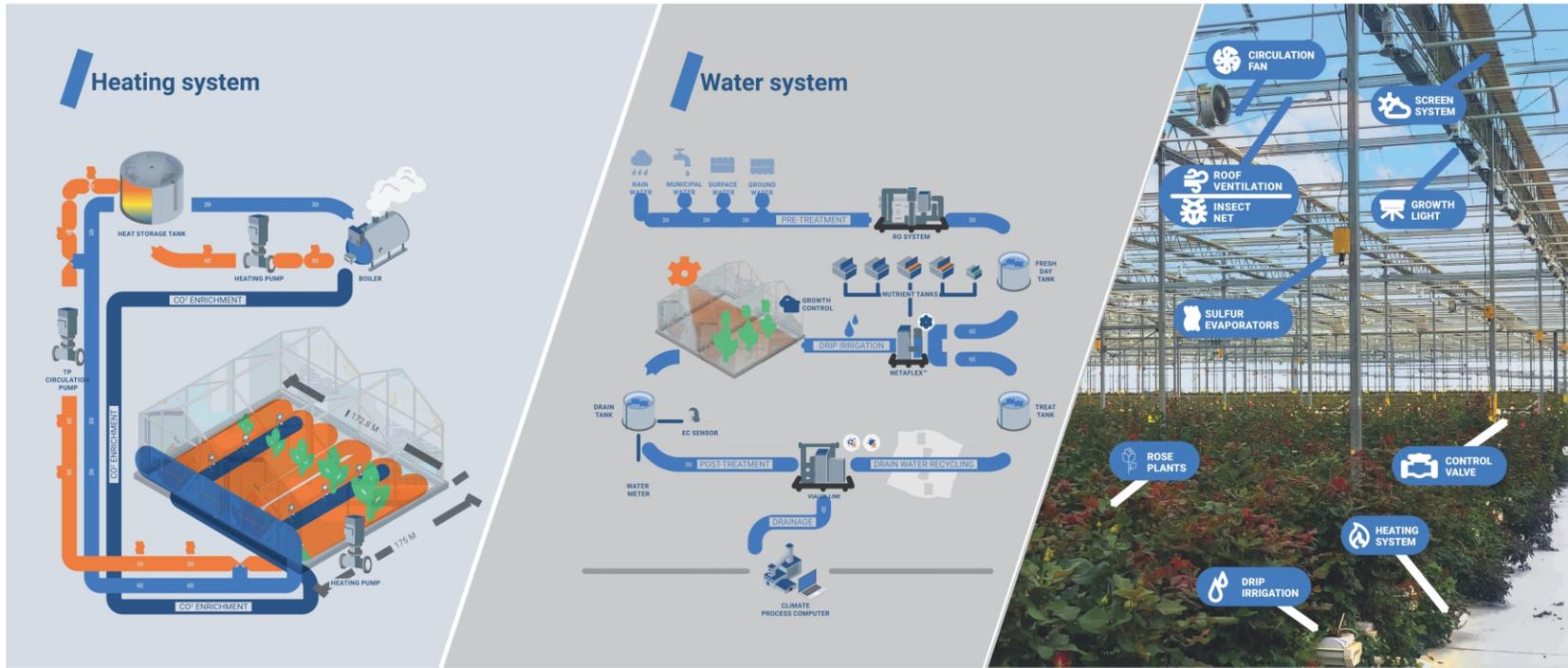
“For us, Corporate Social Responsibility means being responsible stewards of land, water and feed management, maintaining and advocating for the humane treatment of animals (in this case, our chickens) and making sure, we protect the environment and our employees in our daily operations. Monitoring and minimizing water usage, recycling and reusing poultry litter to fertilize crops, continuously adopting new technology to reduce energy use, Azerbaijan Poultry Company – the producer of “Marjan” products promotes a greener and healthier environment.”



WATER STEWARDSHIP

We do our best to approach our planet and its natural resources with the utmost care. We understand the importance of reducing water consumption as much as we can in our operations to help protect the limited resource for future generations. We incorporate best practices into our operations in order to protect the environment.

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.





Restoring the biodiversity of the Caspian

Azerbaijan Fish Farm follows the principles of eco-friendly production, protects the rich traditions of hereditary fish farmers, restores the biological resources of the Caspian region, increases natural resources, cares for the future generation and inspires the current one.

We make every effort to raise sustainably farmed and healthy fish and take care not to cause damage to local, natural ecosystems. We avoid using harmful things like additives, chemicals, hormones, or antibiotics when raising our fish to produce sustainable seafood.

“We help to boost the wild population of Sturgeons, reduce poaching and produce environmentally-aware caviar and other products through sustainable practices”

We not only preserve, but also restore population of the precious endangered fish in Caspian Sea. Azerbaijan Fish Farm initiates and successfully implements the program that aims to increase the population of sturgeons in the Caspian. Some of our great initiatives include releasing 10 fingerlings for each jar of caviar sold, restocking Caspian Sea with the endemic Caspian Salmon fingerlings, investment into research and development towards improvement of the Caspian ecosystem and many others. Currently 10,000 sturgeon juveniles have already been released.



From smugglers to experts

Uncontrolled, illegal sea fishing became one of the main reasons for the reduction in the population of sturgeons at the beginning of the XX century. While the situation could worsen, the introduction of the rehabilitation program for former poachers certainly contributed to the solution. The Program doesn't just cut the threat of extinction of valuable species but also improves the social life of communities in the region. Azerbaijan Fish Farm prevents smuggling by providing the community with job opportunities with a reasonable salary and a full social package.

We cooperate with international Blue Marine Foundation and help to protect spawning ground in Kura and Araz rivers. Azerbaijan Fish Farm started to form marine reserves at the mouths of the Kura and Araz to restore local sturgeon species. On these farms, sturgeon grows in conditions that are as close to the natural habitat as possible. Azerbaijan Fish farm became the first company in the history of national fish farming to introduce a closed water supply that reproduces the natural life cycle of sturgeon in the Caspian Sea. To this end, we partnered with the University of Stirling in Scotland to test innovative approaches and methodologies. We strive to establish proper research and development potential which would support and complement our productions process.

We invest in scientific research targeted at improving the state of the Caspian Sea ecosystem.



**BLUE MARINE
FOUNDATION**

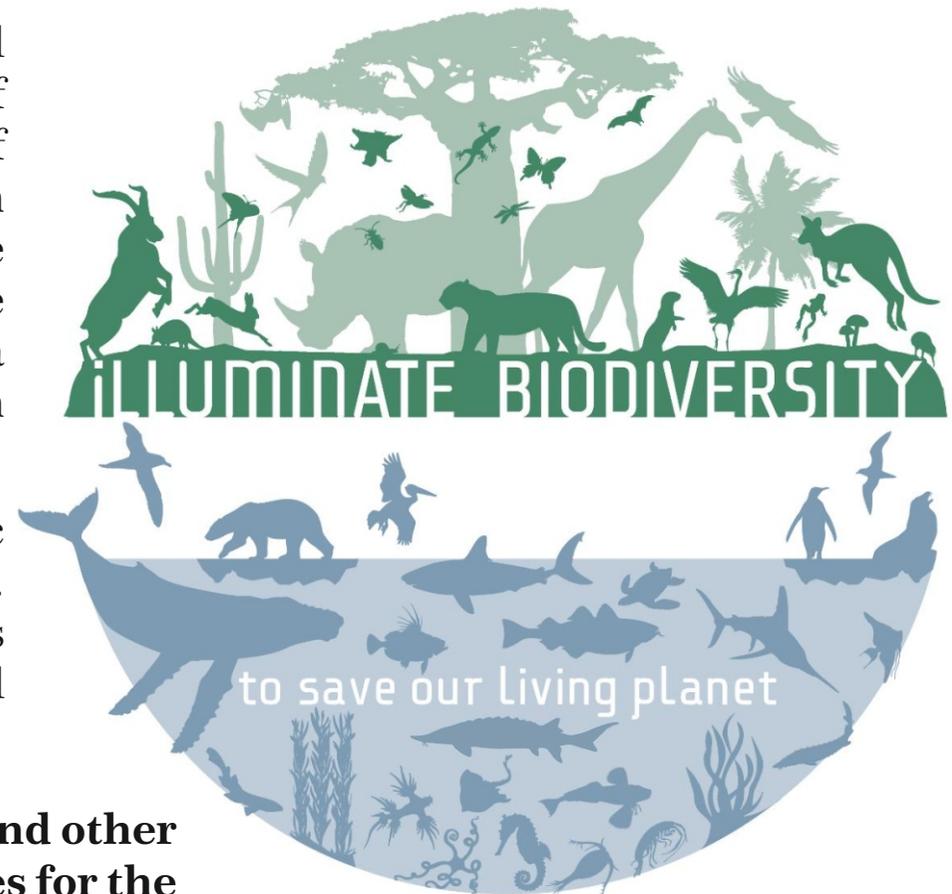


Biodiversity protection

Organic Agriculture has a positive impact on natural resources, contributes to the preservation and protection of essential natural processes within the agro-ecosystem. One of the main developments of Azerbaijan Organic Company is an all-natural bio-fertilizer certified by AFSA. It allows for the growth of organic and environmentally friendly products. The company also encourages local beekeeping, since bees play a key role in various ecosystems. They contribute to pollination and visibly affect land productivity.

By creating and fulfilling its ideas, Azerbaijan Organic Company contributes to the conservation of biodiversity. While choosing an organic product, the consumer contributes to the development of organic agriculture, which builds soil fertility and leads to less pollution.

“We are proud that our bio-fertilizer, honey, saffron, and other products are considered one of the most vital resources for the conservation of biodiversity and nature.” Apart from that, we are happy to contribute to the development of organic agriculture that also supports local production and residents.





The main theme of 2020 was the conservation of biodiversity and a call for action to combat the extinction of certain biological species, as approximately one million species of plants and animals face extinction as a result of human actions. In this regard, we shared a presentation on office screens, and distributed informative flyers on how to protect biodiversity on a daily basis.

To promote reusable bags and reduce plastic bags consumption LU-MUN Holding presented environmentally friendly shopping bags to the employees of the company.



Each of us makes a personal contribution to improving the environment and saving our planet every day. We launched an initiative to recycle paper and plastic bottles in all of our offices and raise awareness of recycling among our employees.

We have planted more than 2000 trees in nearby areas of our farms in Neftchala, Ujar, Baku, and recently in liberated region – Fizuli.



**318 kg recycled
paper & plastic bottles**





📍 Port Baku Towers, 153 Neftchiler Ave., AZ1010, Baku, Azerbaijan

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