

Don Agro International Limited

PROVIDING FOOD & FUTURE





Sustainability Report 2022

“By 2030, to ensure sustainable food production systems and implement resilient agricultural practices that raise productivity and production, help maintain ecosystems, strengthen capacity for adapting to climate change, extreme weather, drought, flooding and other disasters, and progressively improve land and soil quality”



United Nation’s target to achieve Sustainable Development Goal 2: Zero Hunger

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Introduction

Headquartered in Singapore, Don Agro International Limited ("Don Agro" or the "Company" and, together with its subsidiaries, the "Group") is a leading company in the agricultural industry with assets in the Commonwealth of Independent States ("CIS"), focusing on producing crops, as well as raw milk. Don Agro primarily cultivates commercial crops such as winter wheat, sunflower, corn. The Company uses the latest technology, modern machinery and equipment to maximise yield and efficiency. Don Agro's five dairy farms have more than 4,000 head of cows. The Group operates facilities in the Rostov and Volgograd Regions and is among the most prominent and highest-producing agricultural entities in the area. Don Agro entities had an aggregate headcount of 679 as of 31 December 2022.

The Group is dedicated to having a positive impact on adjacent communities and the world. Don Agro works to keep its environmental, social, and governance ("ESG") performance positive by focusing on the key factors of responsibility, diversity and equal opportunities for all. In addition, the Company's sustainable agricultural practices focus on reducing waste and its carbon footprint for a healthier future.

Being aware and having an in-depth knowledge of sustainability challenges, the environmental and social impact of agricultural companies will allow Don Agro to exert a positive impact on the environment and maximise its production efficiency and profit. Even more important, it will be able to play a role in meeting society's demand for food.

This year, we are continuing to address the ESG factors deemed material to Don Agro and our subsidiaries.

This Sustainability Report ("Report") covers the financial period from 1 January 2022 to 31 December 2022 ("FY2022"). The Global Reporting Initiative ("GRI") Standards is an independent, international organisation helping businesses and other organisations take responsibility for their ESG impacts by providing them with a common global language for communicating those impacts. GRI provides the GRI Standards, the world's most widely used standards for sustainability reporting. So we have adopted the GRI Standards for our reporting and prepared this report as per these Standards.

We have not sought external assurance for this Report but have relied on internal verification to ensure data accuracy. The internal review of the sustainability reporting process for this Report by the internal auditor of the Group is ongoing. The Company will update shareholders if any material weaknesses are highlighted by the internal auditor upon completion of the review.



Please send your feedback or questions to sustainability@donagroint.com.

Board Statement

Dear Stakeholders,

The Board of Directors (the “Board”) is pleased to continue the Group’s sustainability journey and presents the Sustainability Report of Don Agro for FY2022. This Report provides an overview of the Company’s commitments and its approach towards sustainability through its operations and business practices in the industry.

FY2022 was a challenging year not only for us, but the whole world. Businesses and the authorities were forced to seek for new partners, re-develop their supply chains, and implement solutions, that will keep businesses profitable. In the first quarter of 2022, the Board and the Group’s management were working really hard to minimise risks.

Our team, against very tight deadlines, stocked the necessary spare parts for machinery, seeds, fertilisers and everything else required for efficient agricultural operations in the medium term.

Ongoing events had shown the importance of meticulous advanced planning, risk management, effective communication with stakeholders, and overall readiness for sustainably developing business operations in our everchanging world.

FY2022 was the second record year in a row for the Group. In FY2021, Don Agro achieved its all-time high winter wheat harvest of approximately 72,300 tonnes. In FY2022, we made a huge step toward global food security and reached a key milestone in the Group’s history: an all-time record winter wheat harvest of 89,108 tonnes, which is 23.3% growth yoy.

Unfortunately, together with this success came higher costs of sales and a global crisis on the grain market. In FY2023, the Group decided to enter the flour production market and start cultivating protein-rich crops to reduce dependence on wheat and the corresponding harvesting costs.

Despite all the difficulties we faced in FY2022, Don Agro implemented several initiatives for its further sustainable development. We installed a new solar power plant expected to reduce our carbon emissions by 20.7 tonnes a year in August 2022.



The Group continued using the no-till farming method, which prevents soil erosion and reduces the exhaust gases emitted by vehicles. The Company has also quadrupled the area sown to organic wheat. In 2023, we expect to undergo organic wheat certification. If all the tests prove that no fertilisers and pesticides were used, Don Agro will be able to sell its first organic wheat harvest.

We are striving to create long-term value for our stakeholders by embedding sustainability objectives and practices in our daily operations while inculcating a strong culture of sustainability in our employees.

In FY2021, the Group issued its first Sustainability Report setting the targets for FY2022.

This year, we are continuing to report Scope 1, Scope 2, and Scope 3 emissions for all the Group's operations.

We are delighted to be publishing our 2022 Sustainability Report in compliance with the Singapore Exchange Securities Trading Limited Section B: Rules of Catalyst.

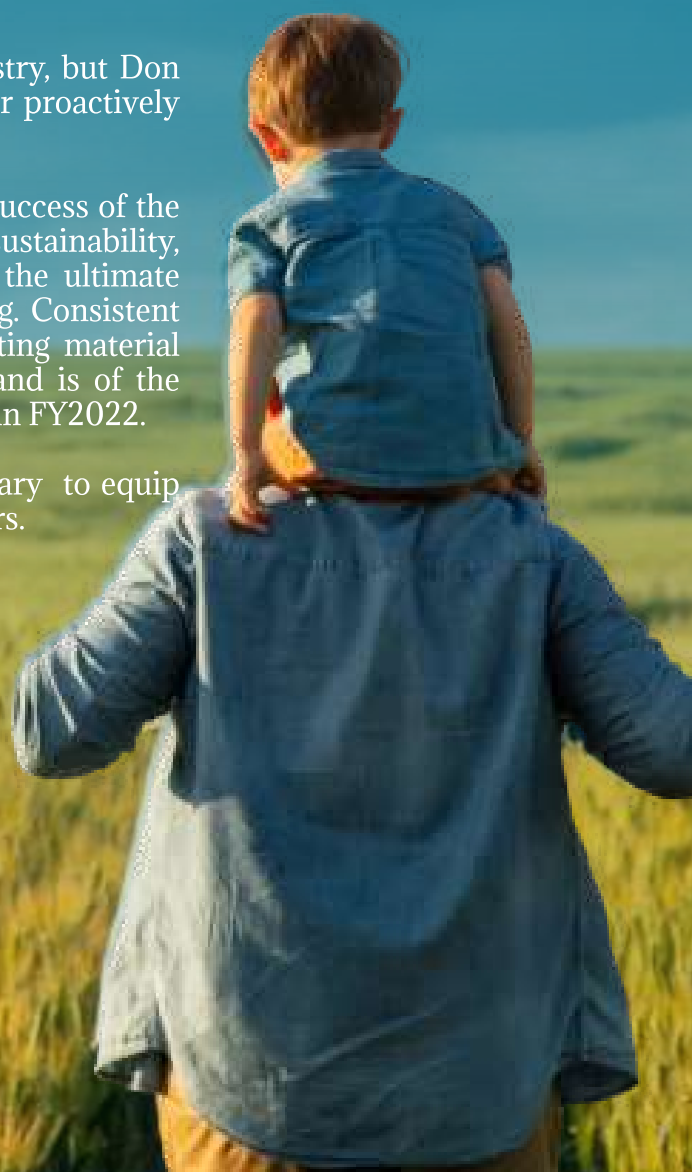
This report shows the ESG key performance indicators (KPIs) that are material to the practices of Don Agro.

At Don Agro, we recognise the importance of excellent governance for continued growth and stakeholder confidence. We are dedicated to improving governance constantly and consistently and have set short, medium, and long-term targets to achieve this. External analysis has identified that the most significant cause of greenhouse gas ("GHG") emissions in Don Agro operations is associated with enteric fermentation in cattle.

This is consistent with the rest of the agricultural industry, but Don Agro is always looking for more sustainable methods for proactively leading the industry in sustainability initiatives.

The Board is collectively responsible for the long-term success of the Group, by setting strategic objectives focused on sustainability, including climate change. Additionally, the Board has the ultimate responsibility for the Company's sustainability reporting. Consistent with its role, the Board has reviewed Don Agro's existing material sustainability matters, including climate-related risks, and is of the opinion that these matters remain material to the Group in FY2022.

All members of the Board are informed that it is necessary to equip themselves with basic knowledge on sustainability matters.



Three of our five board members have attended sustainability training as at the date of this Report and the remaining two board members have confirmed their commitments towards completion of sustainability training by 31 May 2023.

The Management team oversees the implementation of all sustainability policies and regularly monitors the progress of key metrics relevant to the Group's sustainability performance. The Management provides regular updates to the Board on the overall progress towards achieving its Sustainability goals.

The Board will continue to ensure that these material sustainability matters are appropriately monitored and managed and remains committed to working with Management to drive sustainable growth and deliver long-term value for all our stakeholders.

Evgeny Tugolukov,
Executive Chairman

Marat Devlet-Kildeev,
Chief Executive Officer

29 April 2023



<https://www.uswheat.org/wheatletter/wheat-prices-trend-lower-even-as-uncertainty-continues>



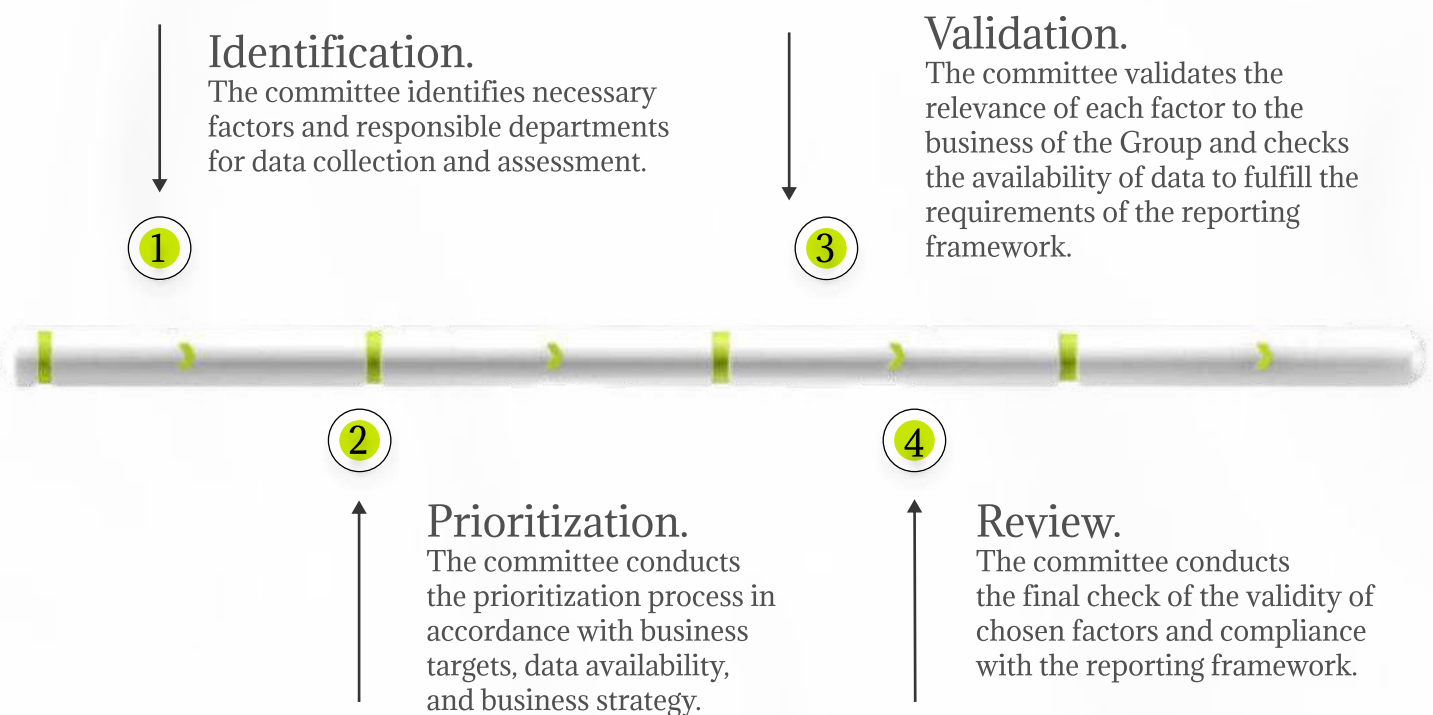
Materiality Assessment

The materiality assessment for FY2022 was conducted by a committee, which comprises key stakeholders from core business units of the Group and senior management group representatives. Necessary material factors were chosen as per the Group’s strategy, core business activities and needs.

The process of choosing relevant factors includes four steps that help in coming up with a result in the form of a list of the material factors disclosed in the Report. In addition to internal processes, the Group has also included the full list of the Common Set of ESG Metrics by SGX.

To identify the materiality of a factor, the committee assesses its future impact on business performance, the environment, society, workforce and its influence on internal and external stakeholders. During materiality assessment, we used the GRI guidance.

The process includes the following steps:



Such a materiality review will be conducted every year. We have not included the economic impact in the Report because it is already covered in the Group's annual report for FY2022.

As a result of process execution in FY2022, we have identified the following list of material factors for use in the Report:

Category	Material factors
Environmental	<ul style="list-style-type: none"> Greenhouse Gas Emissions Energy Consumption Water Consumption Waste generation
Social	<ul style="list-style-type: none"> Gender Diversity Age-Based Diversity Employment Development & Training Occupational Health & Safety Community Impact
Governance	<ul style="list-style-type: none"> Board composition Management Diversity Anti-Corruption and Anti-Bribery Policies Whistle-Blowing Policy

Our Alignment with the United Nations Sustainable Development Goals

Our Alignment with the United Nations Sustainable Development Goals The United Nations (the “UN”) introduced the Sustainable Development Goals (the “SDGs”) in 2015 to provide targets and indicators for broad global sustainability achievements. Don Agro is also committed to actions contributing locally to positive change globally.

Over the years, we have made positive contributions to the UN SDGs through our business practices, employee benefits and training programmes. Specifically, we have adopted the 12 goals best aligned with our core services and material issues. They are Goal 2: Zero Hunger; Goal 3: Good Health and Well-Being; Goal 5: Gender Equality; Goal 7: Affordable and Clean Energy; Goal 8: Decent Work and Economic Growth; Goal 9: Industry, Innovation and Infrastructure; Goal 11: Sustainable Cities and Communities; Goal 12: Responsible Consumption and Production; Goal 13: Climate Action; Goal 15: Life on Land; Goal 16: Peace, Justice and Strong Institutions, and Goal 17: Partnerships for the Goals.

These goals underpin our support for sustainable development.



2 ZERO HUNGER
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

At Don Agro, we cultivate and produce winter wheat, sunflower, corn and raw milk. In 2023, the Group has allocated 6.1 thousand hectares of land for producing barley, peas, lentils and chickpeas. Given the growing demand for grain and oilseeds, we are increasing the acreage for these crops, and investing in machinery and soil itself to increase yields.

Since 2020, Don Agro’s land bank has grown by 26.6% or 14,100 hectares. At the moment, it includes more than 67,300 hectares, of which over 54,400 hectares are arable land.

In FY2022, the Group achieved an all-time high winter wheat harvest of 89,108 tonnes, which is 23.3% growth yoy

To maintain the health of the dairy herd and increase the milk yield, Don Agro has cooperated with the world’s leading feed manufacturers.

Don Agro will continue playing its role in providing food security by increasing production levels in both crop and livestock segments.



3 GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages

The Group’s management pays special attention to the health of our employees. At Don Agro, employees undergo an annual medical checkup at a private clinic, all expenses paid by the Company.

We are very attentive to measures preventing the spread of COVID-19. At the entrance to the office, we check the temperature of visitors and employees. When an employee shows the first signs of illness in the workplace, we isolate them and perform a rapid COVID-19 test.



5 GENDER EQUALITY
Achieve gender equality and empower all women and girls

We value professional and personal qualities in our specialists, so we do not separate employees by gender.

202 specialists out of the total of 679 Don Agro employees are women. Owing to the specifics of agricultural business operations and summer field works, a large amount of work requires heavy physical labour. However, the Company does not discriminate by gender and would consider the employment of women equally.



7 AFFORDABLE AND CLEAN ENERGY
Ensure access to affordable, reliable, sustainable and modern energy for all

In FY2022, the Group installed a new solar power plant expected to reduce our carbon emissions by 20.7 tonnes annually: 72 high-efficiency solar batteries with a capacity of 32 kilowatts (“kW”) generate 39,000 kilowatt-hours (“kWh”).

The complex turnkey solution was implemented by Clever Energy LLC with a Fronius grid inverter produced in Austria. According to Clever Energy’s calculations, the financial benefit from the solar energy generated by the power plant should exceed S\$84,179 over ten years. The solar power plant will supply green energy to Don Agro’s office building in the area. Given the number of sunny days in the Rostov Region, the shift to green energy should pay off in 5.5 years.



8 DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We aim to cooperate with the best specialists in their professional fields. So, Don Agro set a competitive level of salaries, employees are provided with all benefits and social guarantees.

During the season of agricultural work in our fields, we organise and pay for meals for employees involved in crop production. Every year, we choose, on a tender basis, a catering service that is responsible for cooking and delivering daily hot meals to Don Agro employees.



9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

One of Don Agro’s main priorities is an intelligent approach to agricultural activities. The Group’s research department constantly explores innovations in agriculture and GreenTech, as well as possibilities for their implementation.

We make active use of artificial intelligence technologies in both milk and crop production. At Don Agro, we monitor our fields and plant growth using drones.

At the same time, we implement the latest IT solutions and fertilisers with innovative formulae. All these measures should increase sustainability of the Group’s agricultural operations.



11 SUSTAINABLE CITIES AND COMMUNITIES
Make cities and human settlements inclusive, safe, resilient and sustainable

Agriculture is not a business field that is considered really popular among the “G” and “Z” generations and younger. Recruitment of new employees is becoming more and more difficult over the years. To make agriculture interesting and trendy for younger generations, the Group invests resources in upgrading the infrastructure in the cities where it operates.

In FY2022, the Group financed renovation of a local school in Novosyolovka, where a Don Agro farm is located.

Social initiatives are also on the Company’s agenda. Several holidays and concerts were organised for the residents of a care home for the elderly and people with disabilities.

The Group also provided the local children’s horse-riding school with animal feed.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns

The threat of food shortages and actions to ensure global food security is now more acute than ever. To contribute to the solution of these problems, Don Agro is improving the technological processes and increasing production volumes.

As a result of this approach, in FY2022, the Group reached a key milestone: all-time record winter wheat harvest of 89,108 tonnes, which is 23.3% growth yoy.



Reducing Don Agro's environmental footprint is one of the team's main goals.

Although climate change in the Rostov Region has had a positive impact on our yields, we are focused on minimising our impact on the environment as much as possible, including our initiative as mentioned in SDG 7.

So far, we have been among the first agricultural companies in the Rostov Region to use the "no-till" farming method. At the moment, we are not using heavy equipment for tillage on an area of more than 7,600 hectares. This reduces the volume of gas emissions and prevents soil erosion.

In addition, Don Agro is gradually switching to organic fertilisers and introducing technologies that reduce gas emissions.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss

In addition to the measures mentioned above, such as the "no-till" method, autopiloting technologies and organic fertilisers, Don Agro is also taking action to restore ecosystems in the regions of its existence.

In 2023, the Company will invest in planting trees on its land, which will help not only to clean the air but also to prevent soil erosion, which is typical in these areas.

Another important aspect of the positive impact on ecosystems is a ban on hunting on Don Agro lands. Unfortunately, this type of pastime is still common among Russians. During the hunting season, the Group's security service pays special attention to restricting access to our fields for people who not only hunt for local birds and animals but also harm the sown crop.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The Don Agro Whistleblowing Policy encourages reporting of any non-compliance regarding possible malpractice or improprieties.

We are committed to upholding fair and ethical business conduct, complying with the applicable law and regulations, as well as industry best practices.

We have adopted zero-tolerance toward acts such as fraud, bribery and corruption.

As the Group operates in Singapore and Russia, we are required to comply with the laws and regulations in the jurisdictions. The Group adopts corporate governance practices consistent with the Singapore Code of Corporate Governance 2018.



Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

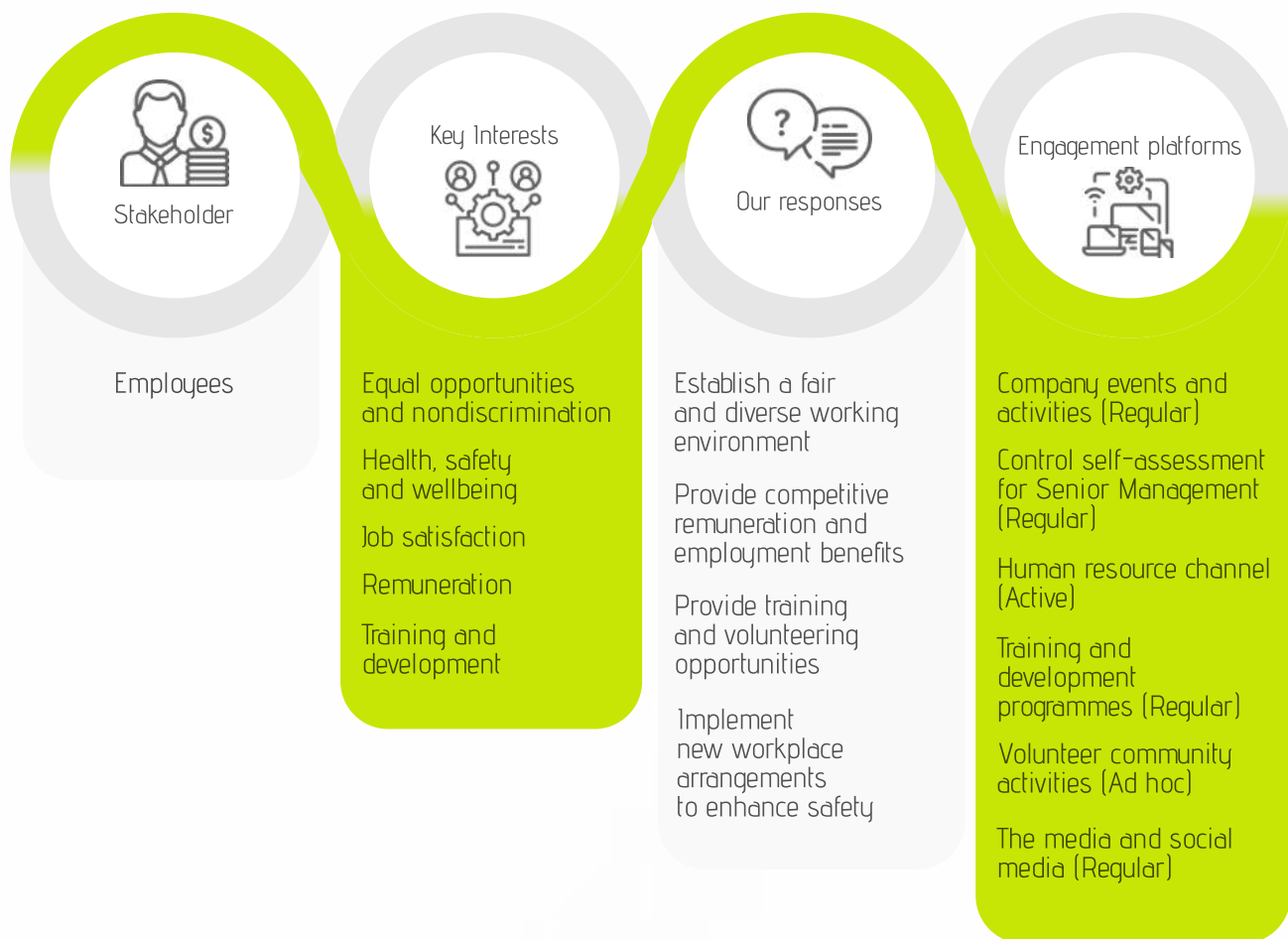
At Don Agro, we are always open to joint ventures and pilot projects, and are ready to cooperate with those who aim to reduce environmental damage and increase the efficiency of agricultural business.

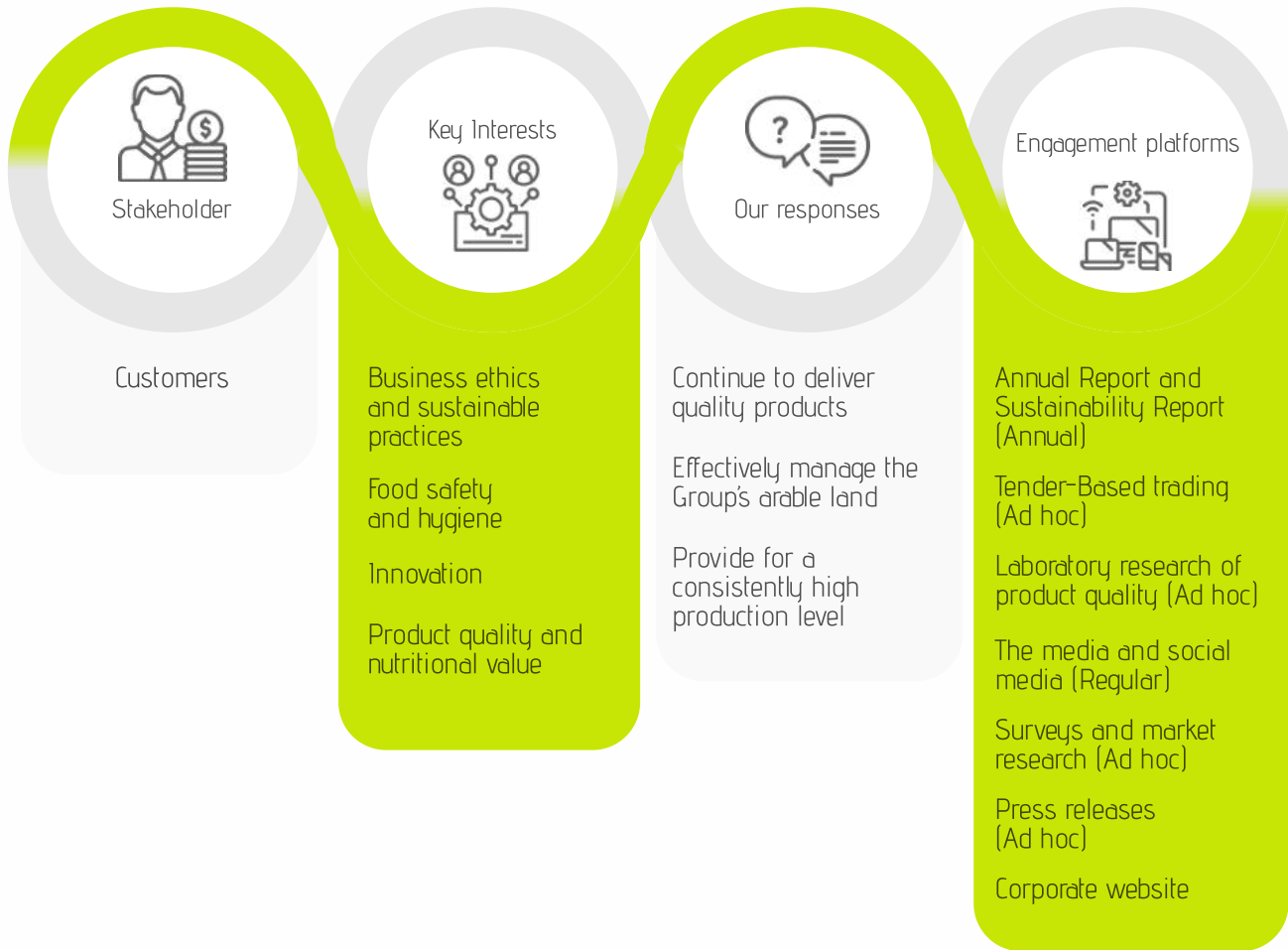
The Group's management regularly takes part in specialised events and conducts business meetings with market players offering interesting solutions.

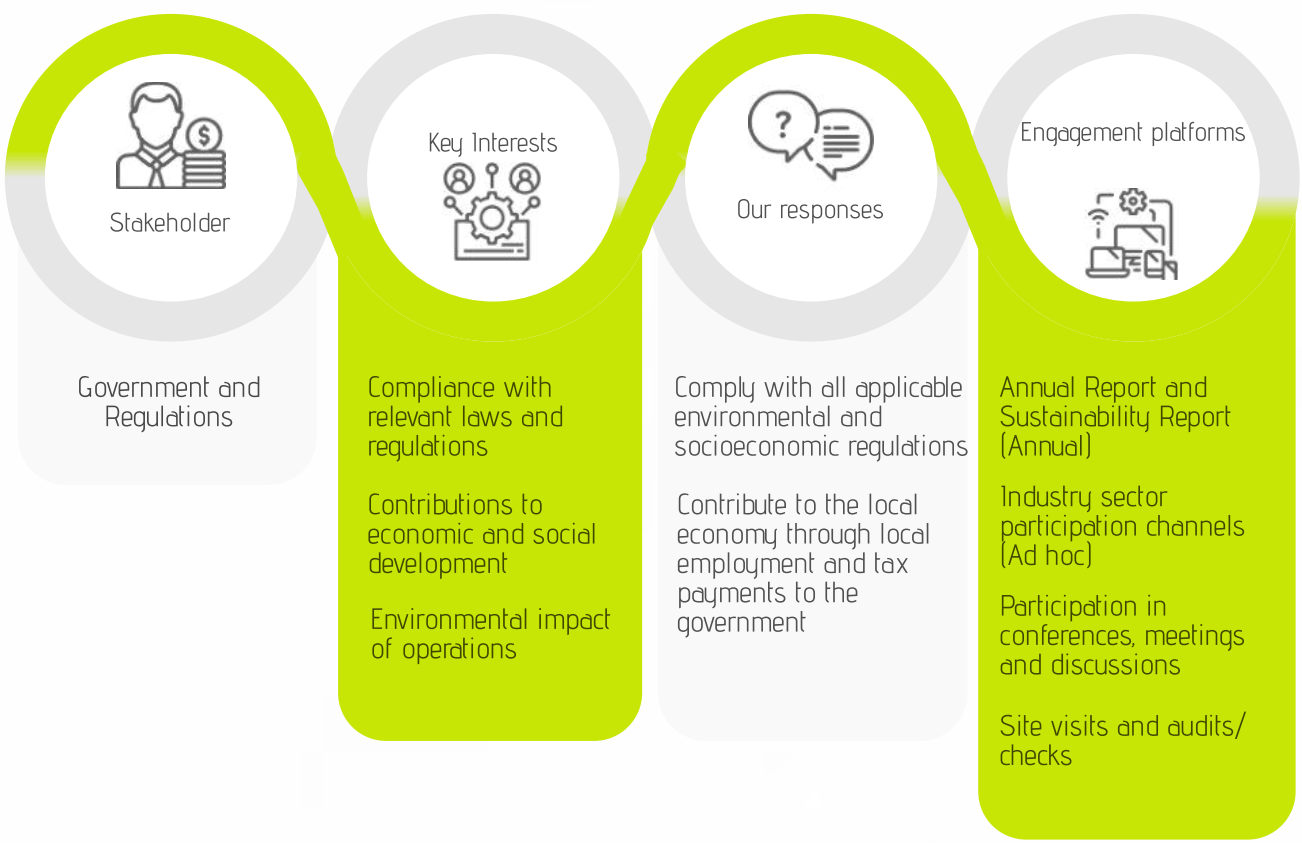
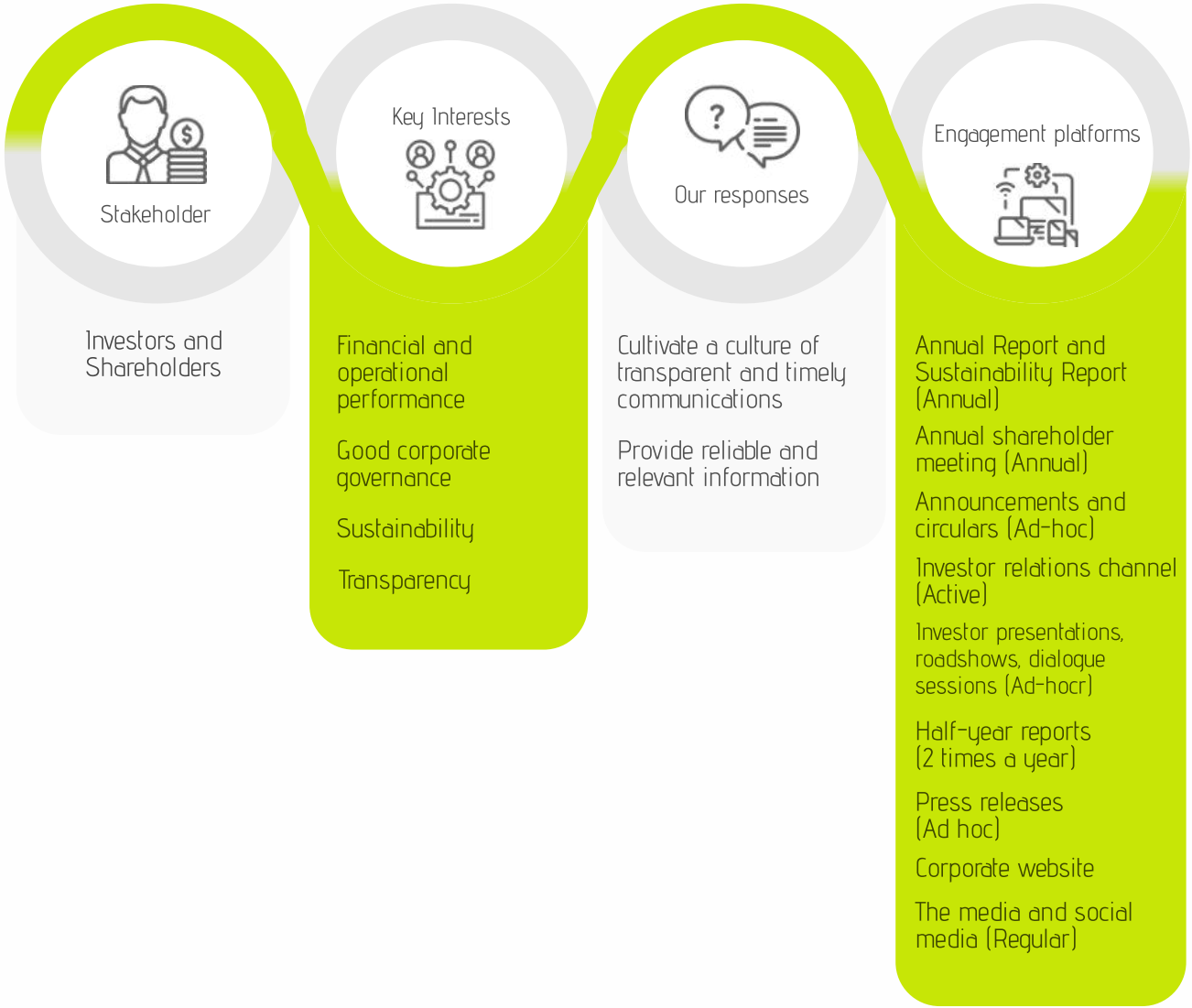
Stakeholder Engagement

At Don Agro, we are cognizant of the importance of communicating with our various stakeholders and understanding their expectations and concerns, as well as constantly engaging our stakeholders through various channels to sustain trust and achieve our objectives. Both internal and external stakeholders are crucial to us as they can make a positive and meaningful impact on our business.

The table below summarises our stakeholder groups, engagement platforms, frequency of engagement, and the stakeholders' key concerns regarding sustainability.





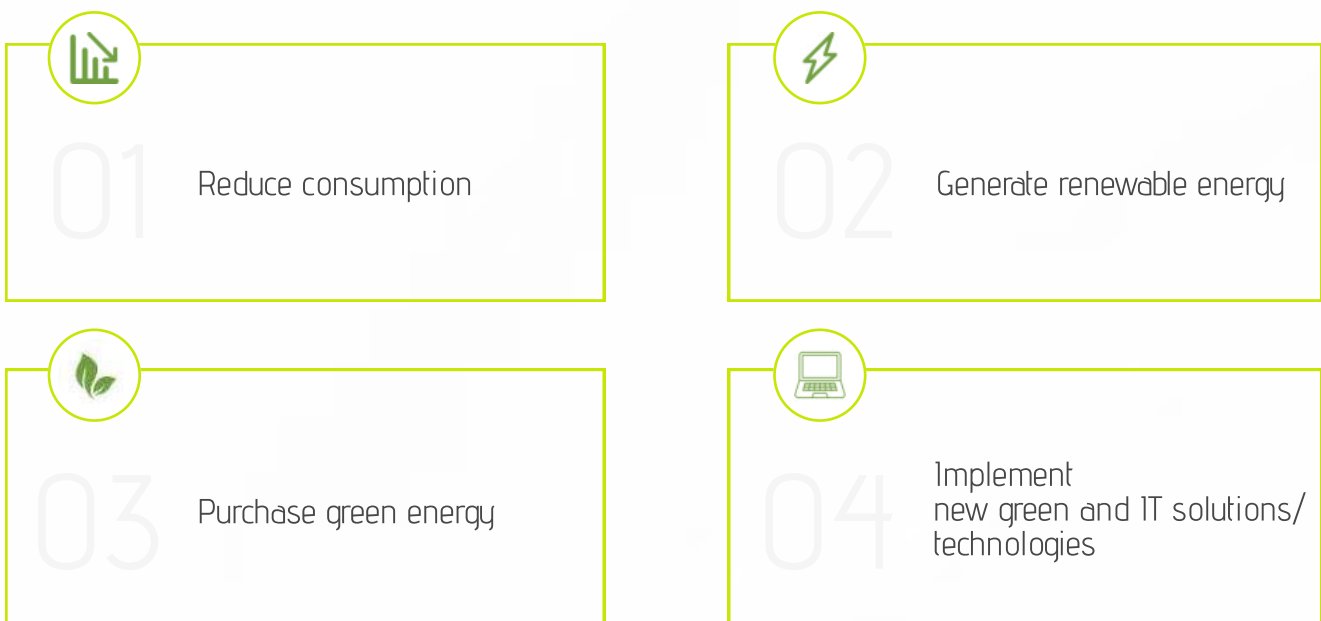




Environmental Impact

GRI 302, 305, 306, 307

We continue the Group's sustainability reporting with a four-pillar approach to manage our carbon emissions, electricity and water consumption, as well as to seek a significant waste reduction in the following order:





We are already applying several initiatives as listed below, as per the rules of local and international law, and the priorities for social and economic development in the regions of our presence meeting the goals set by the United Nations.

Reducing our environmental footprint is one of the Don Agro team's main goals.

In FY2022, the Group installed its first solar power plant, which is expected to reduce Don Agro's carbon emissions by 20.7 tonnes a year: 72 high-efficiency solar batteries with a capacity of 32 kilowatts ("kW") generate 39,000 kilowatt-hours ("kWh") annually.

According to Millerovo District authorities, the Group's solar power plant is the most powerful in this district.

As part of its Sustainability strategy, Don Agro has already implemented in FY2020 and FY2021 a number of unique initiatives, such as: Cognitive Agro Pilot autopilots installed on combine harvesters, which reduce fuel consumption by up to 5% through driving efficiencies; highly enriching natural Live Soil fertilisers produced from lake-bottom sediment; Smart Polymorph bio-stimulants, morphing new crystalline and amorphous forms of bio-stimulant to increase yield.

In FY2022, the Group also quadrupled the area sown to organic wheat and increased the no-till farming acreage to 7.6 thousand hectares. In 2023, Don Agro expects to undergo organic wheat certification. If all the tests prove that no pesticides were found in the samples, the Group will be able to sell its first organic wheat harvest.

Therefore the Group is happy to announce that the target "To maintain the usage of green technologies and increase the Group's operational efficiency" set for FY2022 is achieved.

Another critical aspect of the positive impact on ecosystems is the ban on hunting on Don Agro land. Unfortunately, this is still a popular past time among Russians. During the hunting season, the Group's security service pays special attention to restricting access to our fields for those hunting local birds and animals and harming the sown crop.

We are committed to reducing our environmental footprint by generating green energy and making our vehicle fleet less harmful using the latest technologies. The plans for the Group's development include a gradual transition to green energy in our operating divisions.



Our Target for FY2023
To maintain use of green technologies
and increase its operational efficiency.

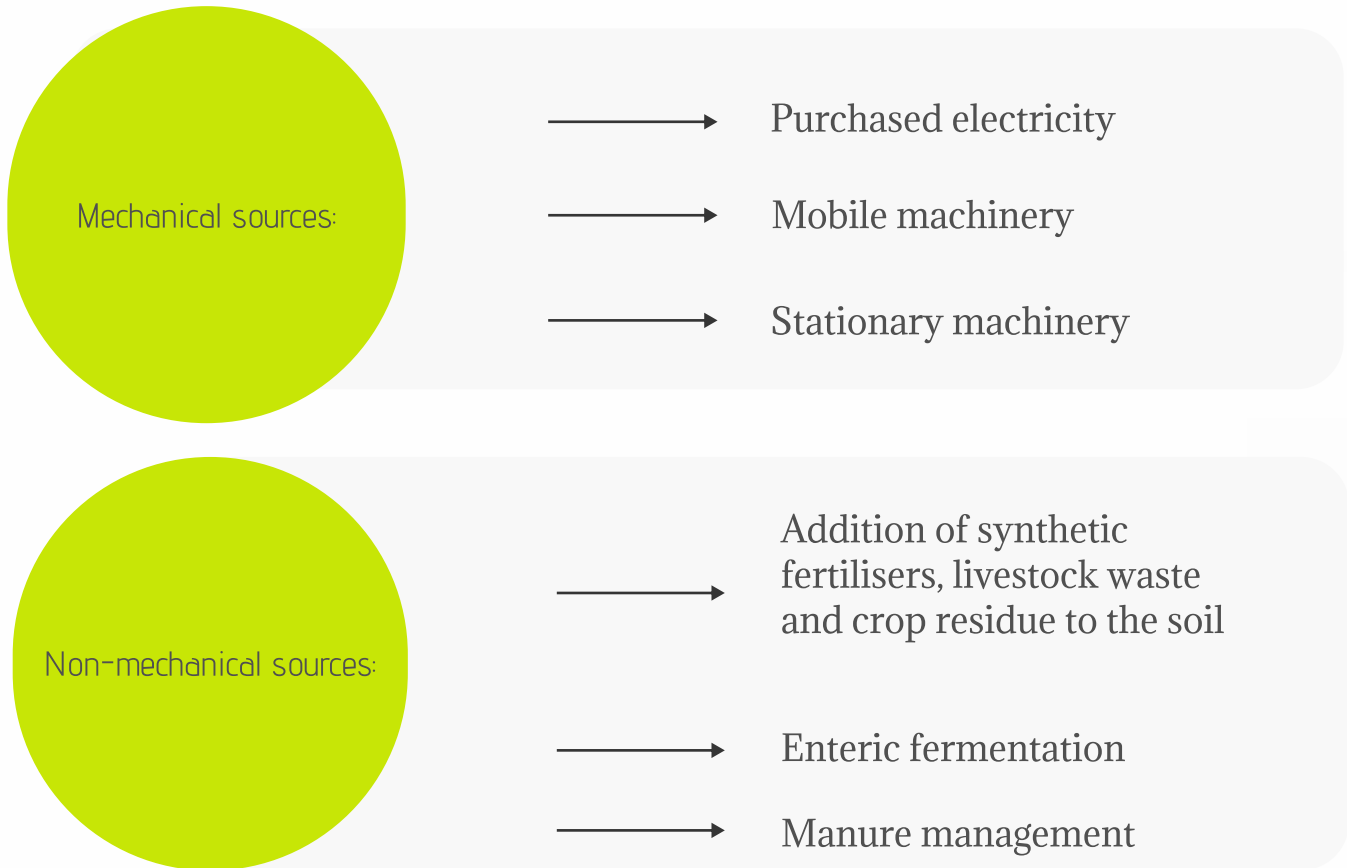


Our Target for FY2022
ACHIEVED
To maintain use of green technologies and
increase its operational efficiency.

Greenhouse gas emissions

GRI 305-1-a, 305-2, 305-3

Greenhouse gas emissions are calculated as per the GHG Protocol Agricultural Guidance. When implementing the protocol for calculating our carbon footprint, we have focused on assessing the following emission sources:



To calculate carbon emissions, we have set organisational boundaries with an operational control approach. This consolidation method is chosen because the Group accounts for 100% of the GHG fluxes to/from any operation over which it can introduce and implement its operating policies. Another consideration is Don Agro's management information and performance tracking activities.

Our managers can only be held accountable for actions under their control, which is why this approach is more beneficial for the impending carbon reduction strategy.

The base period for this calculation is FY2022.

For carbon accounting, we have decided to focus on the following scopes and relevant subcategories.

Scope 1

+

Fuel use by mobile and stationary equipment
Manure management Enteric fermentation

Scope 2

+

Electricity consumption

Scope 3

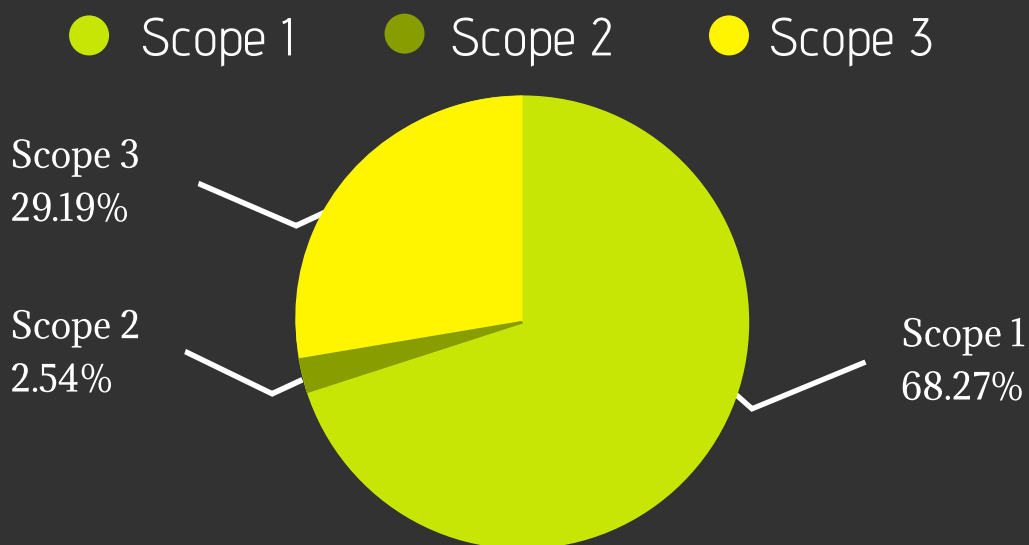
+

Business Travel (Flights, Trains and Cars)
Employee commuting (Cars, Bikes, Public transport)
Upstream Transportation and Distribution
Use of Fertilisers

Scope	Scope category	31 December 2021 Total (tCO ₂ eq)	31 December 2022 Total (tCO ₂ eq)
Scope 1	Fuel use in mobile and stationary equipment	8,572.09	9,357.14
	Manure management	2,918.02	3,009.94
	Enteric fermentation	19,371.30	19,980.74
	total Scope 1	30,861.41	32,347.82
Scope 2	Electricity consumption	1,066.09	1,203.06
	total Scope 2	1,066.09	1,203.06

Scope	Scope category	31 December 2021 Total (tCO2eq)	31 December 2022 Total (tCO2eq)
Scope 3	Business travel. Flights	1.11	4.28
	Business travel. Trains	0.52	3.28
	Business travel. Cars	7.30	7.08
	Business travel. Bus	0.27	0.07
	Upstream Transportation & Distribution	108	0
	Employee commuting. Car	1,821.91	1,840.0
	Use of Fertilizers	11,301.03	11,950.08
	total Scope 3	13,133.21	13,833.75
	Total Scope 1, Scope 2, and Scope 3	45,060.71	47,384.64

Greenhouse gas emissions



In FY2022, the Group changed the metrics for calculating Scope 2 emissions. In FY2021 the Group calculated electricity consumption of the most energy-consuming business divisions. In Sustainability Report for FY2022, the Group recalculated Scope 2 emissions and included the total amount of energy consumed.

20. We believe that disclosing as much data as possible is a way for achieving sustainable future for all.

Emission intensities by Total, Scope 1, Scope 2 and Scope 3

Total scopes	31 December 2021 Total (tCO2eq)	31 December 2021 Intensity (per employee*)	31 December 2022 Total (tCO2eq)	31 December 2022 Intensity (per employee**)
Scope 1	30,861.41	48.68	32,347.82	47.64
Scope 2	1066.09	168	1,203.06	177
Scope 3	13,133.21	20.71	13,833.75	20.37
Total	45,060.71	7107	47,384.64	6978

GHG emission intensity is calculated according to the number of employees.

* FY 2021
headcount:
634

**FY 2022
headcount:
679

Our Target for FY2023

To reduce Scope 2 emissions and explore the possibilities for achieving greenhouse gas emission reduction for Scope 1

Our Target for FY2022

To reduce Scope 2 emissions approximately by 10 tCO2eq and explore the possibilities of achieving greenhouse gas emissions reduction for Scope 1

In FY2021, the Group increased its planted acreage of winter wheat by 4.7% from 24,032 hectares in 2021 to 25,157 hectares in 2022. Therefore, bigger amount of fertilisers was used to cultivate these crops. As the result Don Agro reached a key milestone in FY2022: an all-time record winter wheat harvest of 89,108 tonnes, which is 23.3% growth yoy. The significant increase in a crop yield, resulted in more manpower and agriculture machinery and equipment needed.

At the same time, the total amount of milking cows increased by 31 cow from 2097 cows in FY2021 to 2128 cows in FY2022. The number of heifers increased by 127 heads from 2119 in FY2021 to 2246 in FY2022. Manure management and enteric fermentation had caused approximately 22,990.69 tCO2eq of the Group's Scope 1 emissions.

Reasons for an increase of Scope 2 emissions disclosed at SR 22.

Energy Consumption

GRI 302-1-a, 302-1-b, 302-3

Greenhouse gas emissions are calculated as per the GHG Protocol Agricultural Guidance. When implementing the protocol for calculating our carbon footprint, we have focused on assessing the following emission sources:

Total energy consumption

31 December 2021



3,436,792.00 kWh
(3,436.79 MWhs)

31 December 2022



3,878,343.15 kWh
(3,878.34 MWhs)

Energy consumption intensity

31 December 2021



$3436.79 \text{ MWhs} / 634 = 5.42 \text{ MWh}$
per employee

31 December 2022



$3878.34 \text{ MWhs} / 679 = 5.71 \text{ MWh}$
per employee

Energy consumption intensity is calculated over the number of employees

Energy consumption –
renewable sources

7300.53 kWh

7.30 MWhs



Our Target for FY2023
To increase renewable energy production and consumption of green electricity by our facilities



Our Target for FY2022
To reduce energy consumption by 16,250kWh by the installation of solar panels to generate green electricity for our facilities

As stated above, the Group collected its record harvest in FY2022. The Company processes the harvest in its granaries: it dries, cleans, and carries out other agricultural manipulations.

The increased amount of harvest caused more electricity consumption. The Group also uses automatic drinkers to provide the herd with water and automatic milking complexes at each of our farms to produce milk. With bigger herd we needed to consume more energy to continue these operations.



Water Consumption

GRI 306-1

Total water consumption across all operations

31 December 2021
cubic meters
↓
34,930.10

31 December 2022
cubic meters
↓
35,230.10

Water consumption intensity

31 December 2021
cubic meters
↓
 $34,930.10 / 634 = 55.09$
per employee

31 December 2022
cubic meters
↓
 $35,230.10 / 679 = 51.88$
per employee

Waste generation

GRI 306-2

Total waste generated

31 December 2021
↓
18,434.00 kg
(18.43 t)

31 December 2022
↓
18,442.64 kg
(18.42 t)

Our Target for FY2023
To maintain the total amount
of waste generated and water consumption

Our Target for FY2022
To maintain the total amount of waste
generated and water consumption

With an increase of the Group's herd size, the Company needed to consume more water to maintain the herd's well-being. Therefore the target set for FY2022 was not achieved.

Social impact

GRI 401, 403, 404, 405

Don Agro believes that our employees are our biggest asset and are critical for the long-term success of our business. We are committed to providing a fair and inclusive working environment with equal opportunities for continual development in order to achieve a high level of workforce retention and productivity. The Group's hiring practices are non-discriminatory, objective and based solely on merit. Learning and development are essential for employees to grow professionally and Don Agro provides equal opportunity for career development of all employees.

Agriculture is not as popular among younger generations as the IT or Social Media fields, for example. We at Don Agro see popularisation of agriculture-related jobs as one of our main priorities. We strive to employ graduates and specialists under 30 years of age to guarantee continuity of professional experience gained throughout the years by our current specialists.



Social engagement

The Group implements social initiatives to attract new employees and to provide better living standards in the areas of our business operations.

Don Agro considers every employee vital for its success and prosperity. We recognise our responsibilities to our employees, business partners and the communities in which we operate, and we are committed to achieving long-term, mutually sustainable relations with them. The Group strives to enhance its corporate social responsibility through several initiatives. We always contribute to our communities and their institutions.

For example, Don Agro makes quarterly donations to our community nursing home and organises activities for its residents.

In FY2022, the Group also helped the local school with its renovation and donated toward the construction materials needed for this.

The Company also provides its employees and their families with gifts for holidays.





Employee Diversity and Inclusion

The Group promotes equal opportunities, fairness and respect in our employment policies. Our recruitment, training, career development, compensation, promotion, termination and other employment-related policies do not discriminate on grounds of gender, age, marital status, religion, race, nationality, disability, or any status protected by law. As per local laws, employees are entitled to paid holidays, including statutory holidays, annual, maternity, paternity, compassionate and sick leave.

We believe that diversity and inclusion:



01 Are essential to our business;



02 Have a profound impact on business results and reputation enhancement, and assist in attracting, recruiting and hiring fresh, diversified business talents;



03 Mean recognising that all individuals are different and that it is important to value the differences and experience of each and every one of them;



04 Promote improved business results by leveraging and valuing employees' differences and providing them with the freedom to be creative and innovative.



Gender diversity

GRI 405-1

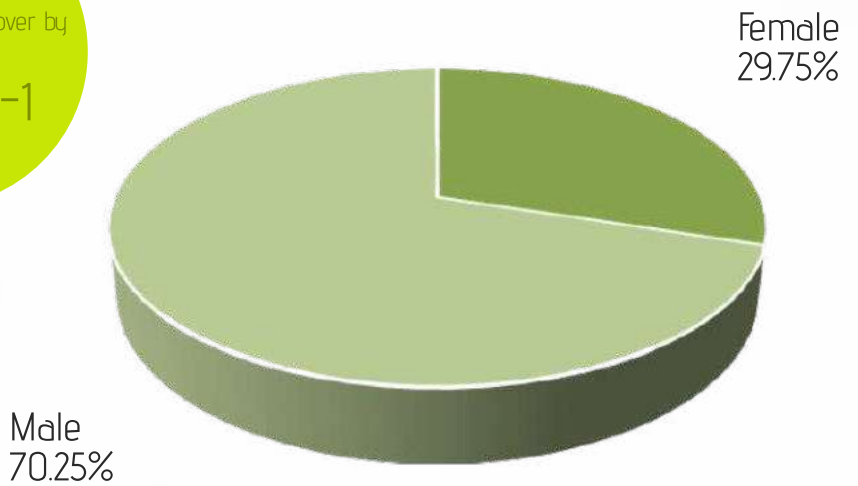
Gender equality is a fundamental human right and a necessary foundation for a peaceful, prosperous and sustainable world.

We value our specialists' professional and personal qualities so we do not separate employees by gender.

202 specialists out of Don Agro's 679 employees are women. Owing to the specifics of agricultural business processes, a large amount of work requires heavy physical labour, which explains the higher ratio of male employees.



CURRENT EMPLOYEES BY GENDER



	31 December 2021	31 December 2022
Total	336	378
Female	104	132
Male	232	246

Turnover by gender
GRI 401-1



Our Target for FY2023
To maintain zero complaints
on discrimination

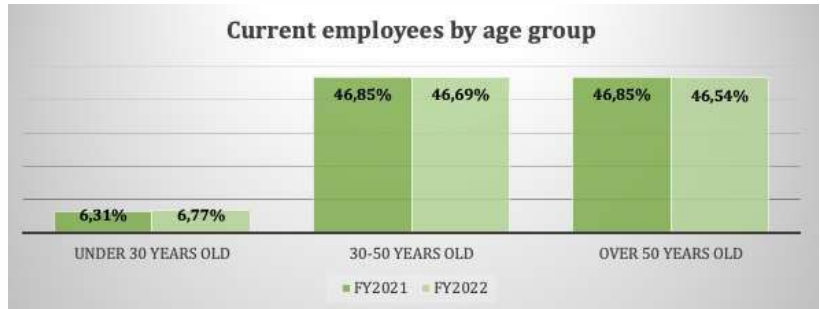


Our Target for FY2022
ACHIEVED
To maintain zero complaints
on discrimination

Age-based diversity

GRI 405-1

Current employees by age group



New hires and turnover by age groups



Employees which left the Company



Our Target for FY2023
To maintain the age-based diversity at the current level



Our Target for FY2022
ACHIEVED
To maintain the age-based diversity at the current level

Employment

GRI 401

Total turnover

31 December 2021

54%

31 December 2022


51%

Promoted employees





Our Target for FY2023
To increase the total headcount and provide more promotion opportunities



Our Target for FY2022
ACHIEVED
To increase the total headcount and provide more promotion opportunities as well as to maintain turnover



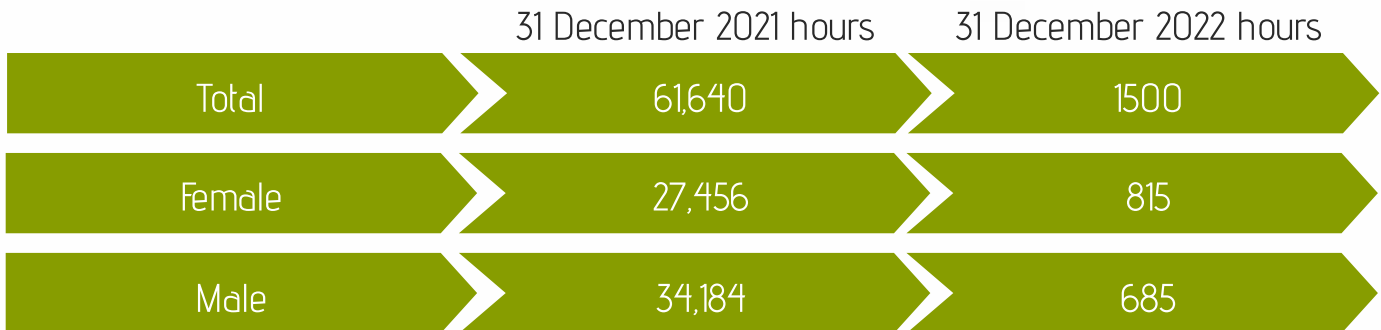
Development & Training

GRI 405-1

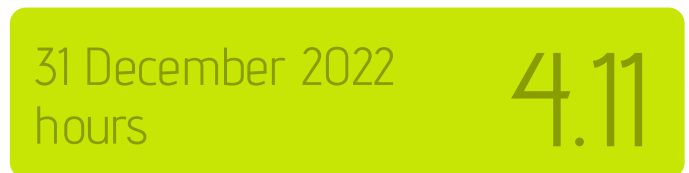
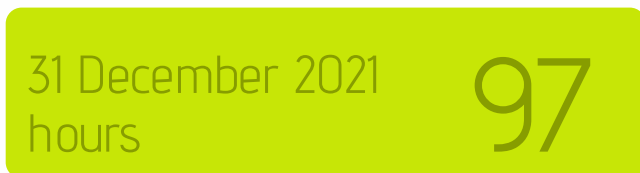
Employee development is essential for any successful business and Don Agro recognises that training and regular performance reviews assist in workforce motivation, engagement, and business success.

GRI 404-1

365 employees went through training programmes in FY2022
(335 employees in FY2021)



Average training hours per employee




In FY2022, the Group changed the metrics for calculating hours of training programmes, and excluded probation period from training programmes hours.

Average training hours per employee by gender





Our Target for FY2023
To maintain the average training hours per employee



Our Target for FY2022
To maintain the average training hours per employee



Occupational health & safety

GRI 403

Ensuring healthy lives and promoting wellbeing for people of all ages is crucial for sustainable development. We are happy to announce that the Group reached the target set for FY2022: to achieve zero major injury and fatal accidents. This is mainly attributable to strengthened control over occupational health and safety in the workplace.

All operating divisions of Don Agro are equipped with CCTV. Employees of the Group monitor the CCTV stream in real time and report safety violations, if any, to the Security Service. Don Agro pays special attention to ensure compliance with all laws and regulations on labour protection and safety measures.

A briefing on the rules of safety in the workplace is conducted for all new hires. During the probationary period, the manager closely monitors the performance of a new employee and explains where the violations, if any, were committed and can be corrected.

At the same time, we have security guards working at every operational division of Don Agro. They are responsible for safeguarding the Company's material assets, as well as protecting and upholding public order in the division's area.

Further good news on this agenda not only for Don Agro but also for the world as a whole is that, by the end of FY2022, most markets on which the Group operates had become more COVID-19 resilient, this entailing an easing of the community measures. To ensure business continuity, the Group's COVID-19 taskforce will continue to keep track of the latest COVID-19 situation and provide advice to staff whenever necessary.

The management of the Group focuses particularly on our employees' health. At Don Agro, employees undergo an annual medical checkup at a private clinic, with all expenses covered by the Company.

GRI 403-9, 403-9-a

	31 December 2021	31 December 2022
Fatalities	1	0
High-consequence injuries	1	0
Recordable injuries	1	0
Recordable work-related ill health cases	0	0

Our Target for FY2023
To maintain zero major injury and fatal accidents

Our Target for FY2022
ACHIEVED
To achieve zero major injury and fatal accidents

Community impact

Accessible, quality nutrition

The food and agriculture sector offers critical solutions for development and is central to eradicating hunger and poverty.

Food is not only a vital commodity but also a basic human right. Recently, the world has been facing global challenges associated with the geopolitical situation, economic diversification and market reorientation. These events have made food security and scarcity more sensitive issues than ever before. The demand for wheat and other commodities has been rising over the last few years and is now extremely high. The Group plays a constant role in meeting this demand by raising yields, increasing its land bank and improving its overall business operations.

FY2022 was a second record year for the Group. In FY2021, Don Agro achieved an all-time high winter wheat harvest of approximately 72,300 tonnes. In FY2022, the Group collected 89,108 tonnes of this commodity, which is a 23.3% growth yoy.

Don Agro cultivates and produces not only winter wheat but also sunflower, corn and raw milk.



In 2023, we decided to enter the flour production market and purchased equipment with a total annual capacity of 13.0 thousand tonnes of flour. The Group also started cultivating protein-rich crops to reduce dependence on wheat and the corresponding harvesting costs. The Company has allocated 6.1 thousand hectares of its land for producing barley, peas, lentils and chickpeas.

The Group has continued using the no-till farming method, which prevents soil erosion and reduces the exhaust gases emitted by vehicles. The Company has also quadrupled the area sown to organic wheat. In 2023, we expect to undergo organic wheat certification. If all the tests prove that no fertilisers and pesticides were used, Don Agro will be able to sell its first organic wheat harvest.



Youth impact

In Novoselovka, Chertkovsky District, Rostov Region, where the agricultural holding company's largest dairy farm is located, the village has one school.

In the summer of 2022, additional funds allocated by Don Agro helped in renovating the school. The Group is helping prepare this school for the autumn term for a second year.

Don Agro also provides the local children's horse-riding school with animal feed on an ongoing basis.



Our Target for FY2023
To maintain or increase support for local communities



Our Target for FY2022
ACHIEVED
To maintain or increase support for local communities

Governance

GRI 102, 201, 102

Don Agro believes that efficient operation of the company also requires well-adjusted, fair policies. So, Don Agro pursues the company policies for Equal Opportunities, Employee Diversity and Inclusion, Anti-Corruption and Anti-Bribery, Code of Conduct, a Grievance Process, and Disciplinary Policy, all underlining the commitment to respect everyone involved in its business and the supply chain around the world. The section below provides a more detailed breakdown of the governance structures.

Board composition

The Board currently has five directors, including three independent, non-executive directors.

Since more than half the Board consists of independent non-executive directors, the Board can exercise objective judgment independently from management, and no single group of individuals can predominate over the Board's decisions. In addition, the Board has seven male members with comprehensive expertise across various specialties applicable to the business.

The Company's Board Diversity Policy ("Policy") is set out to ensure that there is diversity on the composition of the Board.

The Company recognizes the need and benefits of having diversity at the Board level to enhance stewardship and decision-making abilities to meet up to the fast-changing business environment. The Board should have a balance of skills, knowledge and experience so as to avoid group think and convergent of ideas. A diverse Board consist of Directors of different age, gender, length of service with varied skills and other relevant qualities considered necessary for the effective governance of the Board. These differences are considered in determining the composition of the Board and where possible, would be balanced appropriately. The Nominating Committee ("NC") reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new directors. All appointments to the Board are based on merit and the NC will consider diversity factors like skills, knowledge, experience, age, gender, length of service and any other relevant factors.

There are 5 members on the Board of directors.

- 3 independent members
- 0 women members

Board independence
60% of directors are independent

More information about it can be found in the Group's Annual Report for FY2022 (AR 20).

Management diversity



Ethical behaviour

GRI 102-16, 205-2, 205-3

Anti-Corruption, Anti-Bribery and Whistleblowing Policy

Don Agro is committed to acting lawfully, ethically and with integrity in every aspect of our business. This policy applies to all Don Agro employees, including contractors and temporary hires. Don Agro exercises a zero-tolerance policy toward bribery and corruption in any form or situation.

Every employee of the Group receives communications about anti-corruption policies and procedures, as well as business partners. Every contract with external counterparties includes the requisite anti-corruption clause and ethical code of conduct.

In FY2022, there were zero confirmed incidents of corruption, as well as zero confirmed incidents of contracts with business partners being terminated or not renewed as a result of violations related to corruption.

Whistle-Blowing Policy

This policy provides mechanisms which ensure a secure and confidential channel that allows employees and external parties to report possible improprieties and disclose any wrongdoings such as fraud, misconduct, breach of any laws or any other illegal acts directly to the Chairman of the Company's Audit and Risk Committee ("ARC"). Reports can be lodged via email to whistleblower@donagroint.com. In addition, there are policies and reporting mechanisms for employees and customers to raise concerns to the management, who will escalate significant issues to the Board as required.

Employees making the report in good faith and without malice are protected from reprisals, unfair treatment or victimization. The ARC is responsible for oversight and monitoring of whistle-blowing and has reviewed the Whistle-Blowing Policy that the Group has established. The ARC is satisfied that arrangements are in place to ensure independent investigation of such matters and for appropriate follow-up actions to be taken. There was no whistle-blowing report received via the whistle-blowing channels in FY2022.



Our Target for FY2023
Continue to maintain strong Ethical Behavior and Governance policies, maintain zero incidents of corruption or legal compliance issues.



Our Target for FY2022
ACHIEVED
Continue to maintain strong Ethical Behavior and Governance policies, maintain zero incidents of corruption or legal compliance issues.



Certifications



List of relevant certifications



Leads

Alignment with Frameworks

GRI 102-54

Alignment with frameworks and disclosure practices

GRI

GRI CONTENT INDEX

GRI 102-55

Disclosure number	Disclosure Title	Comments	Page References	Section References
GRI 102: Organisational profile				
102-1	Name of organisation		AR 51	Notes to the Consolidated Financial Statement
102-2	Activities, brands, products, and services		AR 51	Notes to the Consolidated Financial Statement
102-3	Location of headquarters		AR 14	Corporate Information
102-4	Location of operations		AR 14	Corporate Information
102-5	Ownership and legal form		AR 105	Shareholding Statistics
102-6	Markets served		AR 51	Notes to the Consolidated Financial Statement
102-7	Scale of the organisation		AR 08-13, SR 4-7	Financial Review
102-8	Information on employees and other workers		SR 27-31	Employment
102-9	Supply chain deescription		AR 99	Notes to the Consolidated Financial Statement
102-13	Membership of associations	None	-	-
GRI 102: Strategy				
102-14	Statement from the senior decision-maker		SR 5-7	Board Statement
GRI 102: Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior		SR 37-38	Governance
GRI 102: Stakeholder engagement				
102-40	List of stakeholder groups		AR 36, SR	Corporate Governance Report
102-41	Collective bargaining agreements	No employees covered under collective bargaining agreement	-	-
102-43	Approach to stakeholder engagement		AR 36, SR 13-16	Corporate Governance Report
GRI 102: Reporting practice				
102-45	Entities included in the consolidated financial statements		AR 74	Notes to the Consolidated Financial Statement
102-46	Defining report content and topic Boundaries	No employees covered under collective bargaining agreement	SR 4	
102-47	List of material topics	No employees covered under collective bargaining agreement	SR 8-9	
102-48	Restatements of information	None	-	-
102-50	Reporting period	FY2022	-	-
102-51	Date of the most recent report	30 December 2022	-	-
102-52	Reporting cycle	Annual	-	-
102-53	Contact point for questions regarding the report		sustainability@donagroint.com	Introduction
102-54	Claims of reporting in accordance with the GRI standards		SR 4	Introduction
102-55	GRI content index		SR 4	GRI Content Index
102-56	External assurance	None	-	-
GRI 201: Economic performance				
201-1	Direct economic value generated and distributed		AR 08-13	Financial review
GRI 205: Anti-corruption				
205-3	Confirmed incidents of corruption and actions taken		SR 37	Ethical behaviour
GRI 302: Energy				
302-1-a	Fuel consumption from non-renewable sources		SR 20	Environmental impact
302-1-b	Fuel consumption from renewable sources		SR 23	Environmental impact
302-3	Energy intensity		SR 23	Environmental impact

GRI CONTENT INDEX

GRI 102-55

Disclosure number	Disclosure Title	Comments	Page References	Section References
GRI 305: Emissions				
305-1-a	Direct greenhouse gas (GHG) emissions (Scope 1)		SR 20-22	Environmental impact
305-2	Indirect greenhouse gas (GHG) emissions (Scope 2)		SR 20-22	Environmental impact
305-3	Indirect greenhouse gas (GHG) emissions (Scope 3)		SR 20-22	Environmental impact
GRI 306: Effluents and Waste				
306-1	Total Water Discharge		SR 24	Environmental impact
306-2	Total Waste Generated		SR 24	Environmental impact
GRI 401: Employment				
401-1	New employee hires and employee turnover		SR 28-30	Social impact
GRI 403: Occupational Health and Safety				
403-9	Worker fatalities		SR 33-34	Social impact
403-9-a	Total injuries		SR 33-34	Social impact
GRI 404: Training and education				
404-1	Average hours of training (female)		SR 31-32	Social impact
404-1	Average hours of training per year per employee		SR 31-32	Social impact
404-1	Average hours of training (male)		SR 31-32	Social impact
GRI 405: Diversity and equal opportunity				
405-1	Diversity of governance bodies and employees		SR 28-30, 36-37	Social impact

This sustainability report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg