



GROUP ANNUAL  
REPORT AND  
ACCOUNTS  
2023

**A LEADING  
INTERNATIONAL  
FOOD AND AGROTECH  
COMPANY**

# MHP'S GROWTH PILLARS

**SINCE 2022, MHP HAS BEEN REPORTING ON ITS SIX GROWTH PILLARS TO DEMONSTRATE HOW IT IS DELIVERING ON ESG. THE GROUP CONTINUES TO SUCCEED IN PROGRESSING ITS ESTABLISHED COMMITMENTS IN VARIOUS AREAS INCLUDING ADDRESSING CLIMATE CHANGE, TRAINING AND DEVELOPING ITS WORKFORCE, MAINTAINING ITS STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS, AND PROVIDING OPPORTUNITIES FOR DEMOBILISED EMPLOYEES.**

**THESE FUNDAMENTAL COMMITMENTS WILL CONTINUE THROUGHOUT 2024 AND BEYOND.**

## **ALIGNING OUR SUSTAINABILITY FRAMEWORK**

MHP has maintained and adapted its sustainability approach to address the War. The Group is committed to achieving best practice and carefully monitors the development of global standards including those relating to climate change.

Key aspects of our approach include:

- Identifying the United Nations Sustainable Development Goals as the appropriate sustainability framework for MHP to align its approach;
- Closely following the outcomes of COP28 and considering the recommendations;
- Preparing to align with evolving reporting requirements including those being developed by the EU and the United Kingdom; and
- Developing data collection to enable us to report, applying the Global Reporting Initiative, evolving regulatory reporting requirements and best practice.

MHP supports global sustainability stakeholder initiatives including those set up by governments, regulators, financial and investment communities, and NGOs to enhance transparency and consistency in sustainability practices and the disclosure of performance.

Through regular stakeholder engagement activities, MHP has established its approach to sustainability, created a sustainability framework and prioritised relevant activities. Despite challenges created by War, the principles and commitments codified before the invasion remain intact and will continue to be refined and developed over time.

**DESPITE THE WAR, MHP HAS SUCCESSFULLY ADVANCED ITS ESTABLISHED COMMITMENTS AND PLANS IN SEVERAL AREAS DURING THE YEAR**

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## OUR SIX GROWTH PILLARS

Our sustainability framework consists of Six Growth Pillars.

Stakeholder Engagement



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Our People and Their Wellbeing



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Our Role in Society and Our Licence to Operate



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Responsible Food Production



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Business Conduct



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The Planet



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These activities are delivered and assessed through our strategy and policies, management systems and processes, performance measurement and monitoring, and engagement with stakeholders.

## GRI TABLE

MHP's 2023 GRI table, which cross-references the information within this Report, is available for download from MHP's website ([www.mhp.ua](http://www.mhp.ua)).



GRI TABLE

## OUR APPROACH

WHY	Our purpose is to provide our customers with high quality, sustainable proteins, food products and culinary solutions that are safe and responsibly produced.					
AREAS OF FOCUS (GROWTH PILLARS)	Stakeholder Engagement	Our People and Their Wellbeing	Our Role in Society and Our Licence to Operate	Responsible Food Production	Business Conduct	The Planet
HOW	Strategy and Policy Design Continuous Management Systems Development Rigorous Performance Measurement and Monitoring					
REPORTING	GRI		TCFD		International Standards and Guidelines	

## ALIGNMENT WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals ("UN SDGs") were designed to provide a shared blueprint for achieving peace, prosperity and wellbeing for people and the planet, now and in the future.

MHP's responsible business strategy and activities are closely aligned with the UN SDGs. The Group aims to contribute constructively to positive global change. MHP aligns its activities with all seventeen UN SDGs.

The following matrix highlights how each of the 17 SDGs are addressed under each of the six Growth Pillars. Further information is included in each Growth Pillar section of this Report.

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MHP's Growth Pillars

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MHP'S GROWTH PILLARS AND THEIR ALIGNMENT WITH THE UN SDG'S

UN SDG'S	MHP'S GROWTH PILLARS					
	STAKEHOLDER ENGAGEMENT	OUR PEOPLE AND THEIR WELLBEING	OUR ROLE IN SOCIETY AND OUR LICENCE TO OPERATE	RESPONSIBLE FOOD PRODUCTION	BUSINESS CONDUCT	THE PLANET
1 NO POVERTY						
2 ZERO HUNGER						
3 GOOD HEALTH AND WELLBEING						
4 QUALITY EDUCATION						
5 GENDER EQUALITY						
6 CLEAN WATER AND SANITATION						
7 AFFORDABLE AND CLEAN ENERGY						
8 DECENT WORK AND ECONOMIC GROWTH						
9 INDUSTRY INNOVATION AND INFRASTRUCTURE						
10 REDUCE INEQUALITIES						
11 SUSTAINABLE CITIES AND COMMUNITIES						
12 RESPONSIBLE CONSUMPTION AND PRODUCTION						
13 CLIMATE ACTION						
14 LIFE BELOW WATER						
15 LIFE ON LAND						
16 PEACE, JUSTICE AND STRONG INSTITUTIONS						
17 PARTNERSHIP FOR THE GOALS						

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# GROWTH PILLAR 1:

## STAKEHOLDER ENGAGEMENT

The commencement of War In Ukraine meant that MHP had to immediately revise its approach to stakeholder engagement and play an active role in addressing the crisis. Group, Top Management and Senior Management immediately resolved that the Group's stakeholder engagement priorities were to:

### SUPPORT THE NEEDS OF EMPLOYEES

### ADDRESS THE NEEDS OF COMMUNITIES IN DIFFERENT PARTS OF THE COUNTRY

### PROVIDE REGULAR UPDATES TO FINANCIAL PARTNERS AND THE INVESTMENT COMMUNITY

### WORK WITH OTHER STAKEHOLDERS TO MAINTAIN FOOD SECURITY AND PERSONAL SAFETY FOR THE UKRAINIAN POPULATION

This approach has evolved as, at the time of publication, the War continues and unfortunately shows no sign of ending within the near future.

### THE IMPORTANCE OF STAKEHOLDER ENGAGEMENT DURING THE WAR

From the outset, MHP's Board and Top Management Team immediately realised that effective communications and stakeholder engagement were essential to the success of the Company's response to the War. Due to the nature and longevity of the War these requirements have evolved and have been subject to often sudden and unpredictable change. MHP's Directors and Top Management Team consider that the conduct of these activities has been outstanding and has played a significant part in MHP's ongoing and successful efforts to meet the many challenges presented by War.

They include:

- Maintaining MHP's liquidity through successful ongoing negotiations with a number of different capital providers;
- Working with a wide variety of internal and external stakeholders in Ukraine to maintain food security for everyone;
- Applying various communication channels including social media to maintain communication with employees and their families and evolving this approach because of the War's longevity;
- Working with internal and external stakeholders to provide the necessary support to employees and their families;
- Working with internal and external stakeholders to maintain IT reliability and security to ensure the integrity of MHP's communications;
- Working with a wide variety of internal, national and international stakeholders to enable MHP's export activities to continue

despite changing and evolving logistical challenges; and

- Working with internal and external stakeholders to maintain a wide variety of community support activities across Ukraine and to encourage international stakeholders to provide resources and support to the Ukrainian population during the War.

### MATERIALITY ASSESSMENT

In previous years, MHP conducted a stakeholder materiality exercise to ensure that it fully understands the views of its stakeholders in relation to recent, current and future activities. Details of this approach can be found in the 2021 Sustainability Report which is available for download from the Group website. Clearly this approach had to be changed following the outbreak of the War. MHP's stakeholder engagement activities are currently focussed on the priorities listed above. This will continue until the War ends and will continue to be adapted due to the changing circumstances that the Russian invasion has created.

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Stakeholder engagement

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# STAKEHOLDER ENGAGEMENT HIGHLIGHTS

THE TABLE BELOW SETS OUT HOW EACH KEY STAKEHOLDER AREA OF INTEREST IS UNDERSTOOD AND HOW THIS WAS ADDRESSED IN 2023 INCLUDING HOW MHP'S BOARD OF DIRECTORS PARTICIPATED IN THESE ACTIVITIES

## WORKFORCE

MHP has a dedicated and experienced workforce that is committed to, and is a key factor in, achieving MHP's aims and objectives. Taking care of our people is a top priority.

### KEY STAKEHOLDER ISSUES

- A shared vision of MHP's commitment to the country during the War;
- Personal and family welfare and security;
- Health and wellbeing, taking into account the special circumstances created by the War;
- A conducive workplace featuring diversity, inclusion, flexibility, responsible business practice and clear communication;
- Provision of ongoing employment for MHP employees during the War, including demobilised employees.

### HOW MHP ENGAGES

- Design of tailored programmes to address the special needs created by the War;
- Regular two-way communication;
- Clear communication of Company and management goals;
- Training, education and mentoring;
- Programmes for the development of innovative thinking;
- Corporate volunteering;
- Re-skilling programme;
- Grievance mechanism (MHP Ethics Line via www.mhp.ua);
- Employment of external advisory services (e.g. psychologists) to address issues caused by the War;
- Regular surveys.

### BOARD INVOLVEMENT HIGHLIGHTS

- Supervisory involvement of the executive members of the Board;
- Regular discussion of workforce matters at Board meetings and Board Committee meetings;
- Regular reporting of workforce information to the Board as part of internal reporting processes.

### 2023 HIGHLIGHTS

- Substantial communication resources were applied to ensure ongoing communications and two-way dialogue during the War;
- Communications played an important role in maintaining a positive collective mindset and ensured that MHP's management were able to address issues as and when they arose.

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## COMMUNITIES

MHP's reputation and business continuity are supported by its aim to be a proactive and supportive member of its local communities and a responsible neighbour.

### KEY STAKEHOLDER ISSUES

- Wellbeing, personal safety, and food security during the War;
- Transparency, clear and regular communication and opportunities to engage;
- Regular dialogue to discuss community issues with regard to MHP's operations;
- Development and support of local infrastructure and services;
- Local employment opportunities.

### HOW MHP ENGAGES

- Delivery of a Stakeholder Engagement Plan as a basis adapted for the special circumstances of the War in line with CSR Department OKRs to meet stakeholder expectations and to maintain a strong collaboration;
- Joint activities with MHP-Gromadi to support local communities;
- Grievance mechanism (MHP Ethics Line via www.mhp.ua);
- Regional recruiting programme.

### BOARD INVOLVEMENT HIGHLIGHTS

- Supervisory involvement of the executive members of the Board.

### 2023 HIGHLIGHTS

- MHP successfully carried out its strategy of working with a variety of national and international partners to deliver a wide variety of support to the Ukrainian population to alleviate the effects of the War (see Growth Pillar 3 on pages 76 to 77).

## CUSTOMERS, BUSINESS PARTNERS AND SUPPLIERS

MHP's ongoing and uninterrupted business continuity relies on the strength and maintenance of its relationships with its customers, suppliers and business advisors.

### KEY STAKEHOLDER ISSUES

- Business continuation during the War;
- Adaption of business methods and logistics during the War;
- Fair business conduct, terms and conditions;
- MHP's approach and performance relating to biosecurity, product quality, environmental, health and safety and social matters;
- Transparency, clear communication channels and opportunities to engage.

### HOW MHP ENGAGES

- Adaptation and redesign of communication channels to take into account the special circumstances created by the War;
- Interaction via tender platform;
- MHP's Business Partner Code of Conduct (available via www.mhp.ua);
- Dedicated staff teams to interact with customers, suppliers and business advisors;
- Provision of questionnaires;
- Participation in regular customer due diligence processes.

### BOARD INVOLVEMENT HIGHLIGHTS

- Supervisory executive director involvement in the maintenance of engagement with this key group of stakeholders.

### 2023 HIGHLIGHTS

- Working with a variety of stakeholders to ensure ongoing food security for the population of Ukraine;
- Meeting international, regulatory and customer standards on matters such as quality and safety;
- Working with a variety of stakeholders both domestically and internationally to ensure ongoing business activities at MHP's sites.

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## SHAREHOLDERS, FINANCIERS AND THE INVESTMENT COMMUNITY

MHP's ability to meet its financial obligations and maintain liquidity depends on maintaining strong and lasting relationships with investors, debt providers, financiers and financial analysts.

### KEY STAKEHOLDER ISSUES

- Ongoing liquidity and solvency of the Group;
- Regular access to Management and information during the War;
- Financial and operational performance;
- Credit rating;
- Strategy;
- Risk management;
- Environmental, social and governance approach and performance;
- Transparency, regular and proactive communication and reporting.

### HOW MHP ENGAGES

- Provision of regular access to Top Management and IR personnel;
- Regular provision of conference calls for the investment community;
- Quarterly, six-monthly and annual results announcements;
- One-to-one meetings with investors and financiers;
- Annual general meeting;
- Dedicated IR section on the Company's website;
- Annual financial and Non-Financial Reports;
- Investor surveys.

### BOARD INVOLVEMENT HIGHLIGHTS

- Board members played a key role in guiding the conduct of negotiations with capital providers during 2023;
- Board members provide an important point of contact for investors during the period of War in Ukraine.

### 2023 HIGHLIGHTS

- Successful conclusion of new finance arrangements with international development finance institutions and settlements with a large proportion of bondholders;
- Regular and ongoing dialogue with the finance community to ensure ongoing support and full understanding of MHP's status during the duration of the War.

## GOVERNMENTS AND REGULATORS

MHP's licence to operate is dependent on its compliance with the applicable laws and regulations.

### KEY STAKEHOLDER ISSUES

- Adherence to applicable laws and regulations;
- Support and cooperation with local economic development agencies;
- Transparency, clear communication channels and opportunities to engage.

### HOW MHP ENGAGES

- Regular dialogue with local government to establish population needs and requirements during the War and to design plans to address them;
- Close cooperation with local regulators over matters such as maintenance of strict bio-security, health and safety and environmental matters.

### BOARD INVOLVEMENT HIGHLIGHTS

- MHP's Board members supervised contact with governmental organisations in Ukraine and elsewhere during 2023;
- The Board of Directors receives regular reports on regulatory compliance across the Group.

### 2023 HIGHLIGHTS

- MHP and its community partners continued to successfully work with local and national authorities to undertake a wide variety of community support projects to assist the population of Ukraine during the War;
- MHP conducted dialogue with governments and regulators to address logistical issues during the War.

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## MEDIA

An important element of all MHP's key stakeholder relations is that the media disseminates accurate information about its activities.

### KEY STAKEHOLDER ISSUES

- How MHP is working to support the population and the country;
- Receipt of timely, complete and up-to-date news and information about MHP's activities;
- Transparency, clear communication channels and opportunities to engage.

### HOW MHP ENGAGES

- Design of innovative methods of communication during the time of War which are appropriate to both parties;
- Company websites;
- Regular distribution of Company news and information;
- Availability of Top Management for media interviews and briefings.

### BOARD INVOLVEMENT HIGHLIGHTS

- MHP's Executive Chairman regularly acts as a spokesperson.

### 2023 HIGHLIGHTS

- MHP continued to use mainstream and social media effectively to maintain communications with a wide variety of internal and external stakeholders despite the challenging circumstances in Ukraine.

## S 172 STATEMENT AND STAKEHOLDER ENGAGEMENT

Section 172 of the UK Companies Act 2006 requires each Director of the Company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole.

In this way, Section 172 requires a Director to have regard, among other matters, to the:

- Likely consequences of any decisions in the long term;
- Interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers, and other material stakeholders;

- The impact of the Company's operations on local communities and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

In discharging its Section 172 duties, the Board has regularly considered the factors set out above and the views of key stakeholders. By considering MHP's objectives and commitment to responsible business, together with its strategic priorities, the Board aims to ensure that its decisions are consistent, predictable, and always in the best interests of the business.

Further details of the Board's activities can be found in the Governance section of this Report on pages 108 to 145 and within the Stakeholder Engagement Highlights on pages 60 to 64. This engagement table on those pages includes how the Board reaches its decisions; the matters discussed and debated during the year; the stakeholder considerations that were central to those discussions; highlights of Board stakeholder engagement activity and how the Board fosters MHP's relationships with customers, suppliers, and other stakeholders. Other relevant information can be found at MHP's main corporate website at [www.mhp.ua](http://www.mhp.ua).

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# GROWTH PILLAR 2:

## OUR PEOPLE AND THEIR WELLBEING

The War in Ukraine that commenced in February 2022 underlined that MHP's people and their wellbeing are MHP's greatest asset. MHP's achievement in continuing to operate despite the significant difficulties that were presented to its business operations was clearly linked to the established culture of interaction, cooperation, and adherence to MHP's values.

### OUR COMMITMENT

MHP aims to build a culture where everyone's welfare, health and safety, and wellbeing matters within a workplace that is welcoming for everyone.

Everyone at MHP strives to achieve the goal of zero fatalities and health and safety incidents resulting in injury or adversely affecting the health of employees.

We will care for and support demobilised employees and support their health and wellbeing.

MHP is a first-class employer and provides industry-leading training and development opportunities for all employees.

## OUR PEOPLE

### POLICY HIGHLIGHTS

MHP's human resources policy framework is designed to provide a best-practice framework to facilitate its commitments to its employees.

- MHP undertakes all necessary steps and has relevant procedures in place to comply with relevant current remuneration legislation;
- MHP values each employee and will support everyone to fully realise their potential;
- MHP will build transparent relationships with all staff and will protect the privacy of every employee;
- MHP will ensure that the principle of equal opportunities applies across the Group;
- MHP prohibits discrimination based on personal characteristics that are not

- related to workplace activities or to the performance of duties;
- MHP prohibits the use of child labour, forced labour and slavery; and
- MHP adheres to the principle of freedom of association.

### MANAGEMENT APPROACH

MHP's human resources management approach has five main elements:

- Strategic workforce planning;
- Efficient human resources management. This includes designing optimal structures, raising the level of leadership ability at all levels in the organisation, building a performance management culture, predicting and mitigating human resources risks and building a productive corporate culture-based Company values;
- Talent acquisition management;

- Dedication to personal development and growth; and
- The Board of Directors has overall responsibility for human resource issues at MHP under the Sustainability and International Affairs Committee.

MHP's Management Team values diversity as one of the Group's greatest strengths. Everyone is aware that the success of the business depends on the collective skills, backgrounds, and experiences of all team members. MHP strives to create a trusting and productive workplace by treating everyone with dignity and respect, and by promoting diversity and inclusion.

MHP Group companies aim to hire and employ a workforce that represents the communities where they live and work.

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MHP also promotes equal opportunities in recruitment, career development and financial benefits. The Group partners with both universities and vocational schools to recruit talent.

The Group’s human resources (“HR”) strategy is set centrally and is aligned with the Group’s overall strategy, duly adjusted accordingly to each country. HR management processes are also aligned with international standard ISO 9001:2015. MHP personnel management systems at its facilities outside Ukraine comply with the ISO 9001: 2015 standard.

To maintain this culture, MHP’s HR team is also guided by the principle of transparency in working with staff.

### BUILDING A CORPORATE CULTURE BASED ON MHP’S VALUES

MHP’s Five Core Values (Partnership, Purpose-driven, Constant Development, Responsibility, Honesty and Transparency) are explained on page 14. The development of a strong corporate culture is essential to MHP’s ongoing success and is an important element in enabling it to adapt to changes, challenges and opportunities and conduct its business according to its values. A strong understanding of MHP’s culture throughout the business enables employees to interact effectively, execute optimal decisions and contribute to MHP’s sustainability commitments.

MHP’s values underpin its corporate culture, and this approach brings a variety of important benefits to the business. These include:

- Resilience to Crisis Situations  
Challenges and crisis situations are addressed more effectively through the establishment of clear principles. Consequently, important issues are addressed optimally and in accordance with good business practice.
- Talent Attraction and Retention  
A strong and discernible values-based culture attracts talent and encourages long-term retention.

- Innovation and Competitiveness  
A strong and discernible values-based culture inspires innovation, adaptability to changing market conditions and greater competitiveness.
- Customer Loyalty and Brand Reputation  
Clear values encourage and maintain customer relationships and develop brand value through strengthening and protecting reputation.

During 2023, MHP conducted 14 strategic sessions for its management team to strengthen their understanding of and commitment to its Values. The table records that 251 Ukraine-based managers from 13 departments took part in these activities.

DEPARTMENT	NUMBER OF PARTICIPANTS
Production	51
Quality	13
Procurement	8
Agriculture	40
Logistics	12
Human Resources	21
Information Technology	5
Finance	14
CBD	20
CLC	14
Retail	14
Corporate Social Responsibility and Energy Innovations	19
Security	20
<b>TOTAL</b>	<b>251</b>

### ADDRESSING THE EFFECTS OF THE ONGOING CONFLICT

All MHP’s activities continued successfully throughout 2023 and into 2024 despite the many challenges that its operations in Ukraine were presented with. Most of MHP’s business development projects were suspended in February 2022 but re-commenced towards the end of that year. One of the effects was that over 200 further people were employed in Kyiv, requiring the provision of new office space.

The challenges related to the workforce and MHP’s response to this are widely viewed as a best-in-class example for other organisations to follow, both within Ukraine and elsewhere. Key aspects of the Group’s approach have been its understanding that effective and regular communication with all parts of the workforce are key to understanding and addressing the effects of the conflict. Innovation and adaptation have also been important aspects of maintaining MHP’s activities and this approach will continue for the duration of the War.

Increased mobilisation to support the requirements of the Ukrainian armed forces presented difficulties during 2023 in maintaining the required employee numbers. A significant proportion of the pre-War population will not return to the country until War has ended and therefore a traditional recruitment approach will not solve this issue. MHP has therefore adopted an approach which focusses on in-house investment in the training and development of young people to address these issues. Additionally, employee retention and recruitment has been encouraged by the payment of the regular annual pay increase in April and a second 10% increase on 1 October 2023. Significant investment has also been made into further improving the working environment both at agricultural and office facilities.

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Approaching 2,900 (as of the end of April) MHP employees have been mobilised and are now part of the Ukrainian armed forces. MHP continues to remunerate these staff members in full: in 2023 the cost was approximately US\$ 19.2 million.

Around 200 demobilised employees have returned to work at MHP. The Company has designed a rehabilitation programme to support these people in addressing their individual mental and physical needs.

## MENTAL HEALTH

Ongoing dialogue with employees throughout the year has highlighted that one of the key issues for the workforce was the psychological challenges that the ongoing conflict presented as people realised its potential longevity and the fact that it was unlikely to end soon. In 2023, MHP became one of the first companies in Ukraine to create a Mental Health Division which comprises 14 psychology specialists. They are present throughout MHP's locations in Ukraine and support all employees including those returning from mobilisation.

4,500 individual consultations were conducted in 2023 in response to significant demand. Courses were also designed and conducted on both a face-to-face basis and online. These addressed issues such as mental wellbeing and the management of stress and they received very positive employee feedback. At the end of 2023, MHP was in the process of recruiting around twenty new employees to coordinate this activity and expand the specialist team.

## DIVERSITY AND INCLUSION

MHP has a long track record of providing equal opportunities for women and this approach extends to senior management levels where the top grades are trending up in terms of numbers of women. This is not only due to the numbers of men being mobilised but importantly also due to a concerted focus on employing and promoting more women in senior positions.

Its approach to providing opportunities for disabled people was extended in 2023 as MHP provided opportunities for employee veterans returning from the conflict. At Board level MHP, supported by its advisors, continues to strive to improve female representation.

## FOCUS ON INTERNAL CANDIDATES FOR MANAGEMENT POSITIONS

In 2023 a new internal assessment approach called Talent Council was launched. It is a systematic, data-based, and motivational approach to talent management based on three main principles:

- From within: for any middle management vacancy, an internal candidate should be considered first;
- Cross channel and cross expertise: MHP aims to drive and proactively provide a diverse employment experience for all MHP employees; and
- Data-based: this approach ensures transparency in performance assessment and career decisions.

Talent Council requires the conduct of formal meetings where all possible internal candidates within a department are presented by their managers and a discussion is facilitated about their competency, performance and potential assessment, Individual Development Plan performance and career options. The outcomes include a short-list for new roles and recommendations for individual staff personal development.

Talent Council was successfully piloted in the Customer Development Department in 2022 and extended to the Agricultural Department and part of the Human Resources Department in 2023. Five Talent Council meetings were held during the year resulting in many managerial vacancies being filled by internal candidates.

## DEVELOPMENT OF EMPLOYEE ASSESSMENT MECHANISMS

In 2023, MHP expanded the system of comprehensive personal assessment which involves the creation of Individual Development Plans with the participation of the employee, line management and the HR team. 606 senior, middle and specialist level employees participated (2022: 374).

Features include performance evaluations, assessment centre analysis, competency-based interviews, the use of personal and professional diagnostics and hard skills testing.

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## EMPLOYEE DATA

At 31 December 2023, 28,788<sup>1</sup> employees worked for MHP in Ukraine (60% male, 40% female) and in the European Operating Segment there were 4,667 employees (44% male, 56% female).

### EMPLOYEE NUMBERS AND GENDER DATA

UKRAINE				EUROPEAN OPERATING SEGMENT			
2023	Total	28,788	%	2023	Total	4,667	%
	Male	17,311	60		Male	2,072	44
	Female	11,477	40		Female	2,595	56
2022	Total	28,298	%	2022	Total	4,247	%
	Male	17,262	61		Male	1,869	44
	Female	11,036	39		Female	2,378	56
2021	Total	27,366	%	2021	Total	3,965	%
	Male	15,935	58		Male	1,745	44
	Female	11,431	42		Female	2,220	56

### EMPLOYEE DATA – EMPLOYMENT TENURE

UKRAINE						EUROPEAN OPERATING SEGMENT					
2023	Total	Permanent	%	Temporary	%	2023	Total	Permanent	%	Temporary	%
	28,788	28,043	97	745	3		4,667	3,753	80	914	20
2022	Total	Permanent	%	Temporary	%	2022	Total	Permanent	%	Temporary	%
	28,298	27,016	95	1,282	5		4,247	4,162	98	85	2
2021	Total	Permanent	%	Temporary	%	2021	Total	Permanent	%	Temporary	%
	27,366	26,794	98	572	2		3,965	3,882	98	83	2

<sup>1</sup> Number of employees of MHP Ukraine, including those undertaking multiple disciplines.

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EMPLOYEE DATA – FULL/PART TIME

UKRAINE						
2023	Total	28,788	Full employment	%	Part-time	%
	Male	16,730	27,564	96	581	4
	Female	10,834			643	
2022	Total	28,298	Full employment	%	Part-time	%
	Male	16,987	27,943	99	179	1
	Female	10,956			176	
2021	Total	27,366	Full employment	%	Part-time	%
	Male	15,605	26,871	98	330	2
	Female	11,266			165	

EUROPEAN OPERATING SEGMENT						
2023	Total	4,667	Full employment	%	Part-time	%
	Male	1,982	4,558	98	90	2
	Female	2,576			19	
2022	Total	4,247	Full employment	%	Part-time	%
	Male	1,515	3,459	81	354	19
	Female	1,944			434	
2021	Total	3,965	Full employment	%	Part-time	%
	Male	1,740	3,890	98	12	2
	Female	2,150			63	

EMPLOYEE DATA – EMPLOYMENT LEVEL  
UKRAINE

YEAR	MANAGERS		PROFESSIONALS		OTHER	
	Number	%	Number	%	Number	%
2023	2,672	9	5,580	20	20,536	71
2022	2,462	9	5,056	18	20,780	73
2021	2,331	9	4,645	17	20,390	74

EUROPEAN OPERATING SEGMENT

YEAR	MANAGERS		PROFESSIONALS		OTHER	
	Number	%	Number	%	Number	%
2023	82	2	738	16	3847	82
2022	79	2	710	17	3458	81
2021	75	2	658	17	3232	81

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**EMPLOYEE AGE DATA  
UKRAINE**

EMPLOYEES	AGED UNDER 30		AGED BETWEEN 30 AND 50		AGED OVER 50	
	Number	%	Number	%	Number	%
Year						
2023	5,005	17	16,033	56	7,750	27
2022	5,111	18	16,447	58	6,740	24
2021	4,798	18	15,497	57	7,071	25

**EUROPEAN OPERATING SEGMENT**

EMPLOYEES	AGED UNDER 30		AGED BETWEEN 30 AND 50		AGED OVER 50	
	Number	%	Number	%	Number	%
Year						
2023	748	16	2,424	52	1,495	32
2022	568	13	2,235	53	1,444	34
2021	505	13	2,031	51	1,429	36

**EMPLOYEE RECRUITMENT DATA  
UKRAINE**

YEAR	EASTERN REGION	WESTERN REGION	CENTRAL REGION	SOUTHERN REGION	TOTAL
2023	610	438	7,107	66	8,221
2022	850	243	7,952	-	9,045
2021	1,657	323	9,077	-	11,057

**EUROPEAN OPERATING SEGMENT**

YEAR	SLOVENIA	CROATIA	BOSNIA/ HERZEGOVINA	SERBIA	MACEDONIA	ROMANIA	AUSTRIA	TOTAL
2023	486	146	197	615	1	0	0	1,445
2022	337	162	141	454	0	1	2	1,097
2021	340	189	132	241	2	0	1	905

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In 2023, recruitment also took place in these Ukrainian regions (no prior year comparators are available).

REGION	NUMBER
Chernhiv Region	2
Kharkiv Region	19
Ternopil Region	27
Khmelnytskii Region	96
Odesa Region	66
Poltava Region	119
Zakarpatya Region	15
Zaporizhya Region	4
Zhytomyr Region	17
Other	85

## TRAINING AND DEVELOPMENT

### MANAGERIAL PROFESSIONAL DEVELOPMENT

MHP has always placed important emphasis on training and development. Management believes that the development of professional skills adds significant value and contributes to:

- Professional and personal development of employees to maintain a continuous flow of talent;
- Improving task performance through the acquisition of new skills and qualifications; and
- Role flexibility through reskilling and the acquisition of new experience.

In 2023, training and development activities were significantly expanded. 3,154 employees received professional training in 2023 (2022: 574) averaging 24 hours per participant (2022: 28) reflecting a focus on greater efficiency. In 2023, MHP Ukraine's workforce as a whole received over 75,000 hours' professional training, almost 5 times more than in 2022.

Examples of training supplied by educational institutions include:

- Agricultural machinery operator qualifications from the Ladyzhyn Professional College of Vinnytsia National Agrarian University (137 people were trained including 9 women);
- Veterinary qualifications from the Bila Tserkva National Agrarian University (54 people) and Ukrainian State University of Chemical Technology (22 people);
- Oil-press department qualifications from the Bila Tserkva National Agrarian University (65 people);
- Laboratory worker training from the Odesa National University of Technology (15 people); and
- 478 people who work on poultry farms received training on subjects such as microcontrollers, electronics, electrical engineering (210 people), hydro and pneumatic automation (136 people), computer aided design (52 people), equipment maintenance (40 people), controller programming (24 people) and sensors, mechatronics and robotics (16 people). Other professional management training included food quality and safety (331 people) and forklift truck driving (132 people including 54 women).

### OTHER TRAINING AND DEVELOPMENT

A wide variety of training and development activities were conducted for other parts of the workforce. These include:

- Soft skills training for approximately 5,500 people (including people management, public speaking, receiving and addressing feedback, and team building);
- 190 managers received development training from external experts;
- 400 employees received online and face-to-face English language training;
- A large proportion of employees now have Individual Development Plans and 315 employees now have these recorded in the SAP SF<sup>1</sup> system; and
- The e-learning system SAP SFLMS<sup>2</sup> has been operating at MHP since 2022. It provides a variety of facilities including induction training for new employees, familiarisation programmes for matters such as information security, compliance and MHP product and trademark training courses. In 2023 more than 2,900 employees became users of the SAP SF LMS system. More than 7,200 e-courses have been completed.

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<sup>1</sup> SAP SuccessFactors

<sup>2</sup> SAP SuccessFactors Learning Management System



# OCCUPATIONAL HEALTH & SAFETY

## MANAGEMENT APPROACH AND POLICY

MHP's approach to health and safety is built around the following principles. MHP commits to:

- Provide a unified approach to the management of occupational health and safety systems, industrial and transport safety in accordance with best global practices and the requirements of international standards;
- Comply with national legislative norms in the field of occupational health and safety, industrial and transport safety;
- Develop among employees a sense of responsibility and a high culture in the field of occupational health and safety;
- Systematically monitor and assess risks, as well as effectively manage them;
- Include the goals and objectives of occupational health and safety, industrial and transport safety in OKRs, business plans, strategies, and processes;
- Communicate openly and transparently on issues of occupational health and safety and industrial transport safety;
- Extend these commitments to suppliers and business partners; and
- The Board of Directors has overall responsibility for health and safety at MHP under the Sustainability and International Affairs Committee.

An urgent management priority was to ensure that employee welfare was maintained and strengthened following the outbreak of War in February 2022 and which is ongoing. MHP's management team has ensured that international occupational safety standards are maintained whilst uninterrupted work patterns and ongoing production continued.

MHP has a detailed twenty-page occupational health and safety policy which is available for download ([www.mhp.com.ua](http://www.mhp.com.ua)). The policy is regularly reviewed and approved by the Chairman, Chief Executive Officer and Chief Financial Officer. The Board of Directors has overall responsibility for occupational health and safety at MHP.

MHP implements a risk-based approach to occupational health and safety matters in accordance with the appropriate international standards.

This approach enables MHP's management to:

- Identify potential safety issues and assess the risks associated with them;
- Assess the effectiveness of existing safety measures and take improvement action where necessary;
- Maintain a culture of safety awareness throughout MHP's businesses;
- Maintain management systems that prevent accidents, occupational injuries and diseases, and employee exposure to hazardous substances;
- Motivate everyone to maintain safe working conditions at all times; and
- Regularly update MHP's management systems in line with industry best practice.

## HEALTH AND SAFETY MEASURES TO ADDRESS THE WAR IN UKRAINE

During 2023, MHP instigated various measures to protect employees from the health and safety risks associated with the ongoing conflict. One of the key measures was the establishment of an in-house fire brigade and the development of enhanced processes to deal with incidents involving fire with a focus on evacuation, addressing the fire, restoration and bringing employees back to work.

These health and safety measures are under constant review and were extended in 2023 with the provision of further safe shelters to limit air attack risks and the development of additional tailored evacuation processes which address the circumstances at each MHP site in Ukraine. As a result of these processes an ambulance was purchased for the site at Ladyzhyn to support the services provided by local medical authorities.

## INCIDENT INFORMATION – UKRAINE

Despite the difficulties presented by War, MHP's Ukraine sites exhibited a significant decrease in health and safety incidents during 2023. This was the result of a focus on continuous improvement and best international practice at all Ukraine sites.

Unfortunately, two incidents occurred during the year which led to employee fatalities. In these circumstances, the procedure is that internal and State investigations are conducted in relation to each incident and the findings are shared around the organisation to ensure that corrective action is taken, risk is minimised and similar cases are avoided in the future.

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INCIDENT INFORMATION  
UKRAINE

	2023	2022	2021
Lost time due to health and safety incidents (hours)	6,866	9,891	17,097
Lost time due to health and safety incidents (days)	813	1,174	1,822
Fatalities	2 <sup>1</sup>	3	1
High-severity incidents	6	9	12
Low-severity incidents	7	10	26
<b>Total number of incidents</b>	<b>15</b>	<b>22</b>	<b>39</b>
Lost working time frequency ratio (person/hour)	1.9	0.73	1.03
Fatal accident ratio	0.05	0.16	0.03

<sup>1</sup> 2 fatalities, of which one is MHP's employee and another one is an employee of a contractor.

EUROPEAN OPERATING SEGMENT

	2023	2022	2021
Lost time due to health and safety incidents (hours)	7,760	6,720	7,360
Lost time due to health and safety incidents (days)	970	840	920
Fatalities	0	0	0
High-severity incidents	3	2	2
Low-severity incidents	7	8	9
<b>Total number of incidents</b>	<b>10</b>	<b>10</b>	<b>11</b>
Lost working time frequency ratio (person/hour)	1,21	1.22	0.83
Fatal accident ratio	0	0	0

HEALTH AND SAFETY EXPENDITURE, TRAINING AND INSPECTION DATA

INVESTMENT IN EMPLOYEE HEALTH AND SAFETY  
UKRAINE

	2023	2022	2021
Total expenditure (UAH millions)	102,243	97,955	118,352
Financing of occupational health and safety measures as a percentage of the payroll	0.4-3.0	0.02-4.7	0.05 – 8.2
Expenditure on modern certified PPE (UAH millions)	69,220	46,621	43,344
Training for employees in occupational health and safety departments (UAH millions)	3,100	2,791	1,902

EUROPEAN OPERATING SEGMENT

	2023	2022	2021
Total expenditure (EUR)	125,642	125,642	113,642
Expenditure on modern certified PPE (EUR)	1,172,299	1,141,423	1,097,494

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## SAFETY TRAINING DATA UKRAINE

	2023	2022	2021
Number of employees participating in training at special training centres	3,446	2,610	2,715
Number of employees participating in training at MHP sites	13,913	14,852	15,045

## INTERNAL AUDIT INSPECTIONS

MHP's internal safety audit mechanisms were established in 2017. The system is designed to support MHP's other safety management activities through the identification of potential safety risks and addressing them promptly. MHP is also the subject of regular safety audits by the Ukraine Government's State Employment Service.

State Employment Service inspections were not conducted during 2022 because of the War in Ukraine and were reinstated in 2023.

## INTERNAL AUDIT AND INSPECTION DATA UKRAINE

	2023	2022	2021
Number of State Employment Service inspections	2	0	16
Employee prosecutions following State inspections	0	0	28
Number of MHP internal audits conducted	465	45	42

## EUROPEAN OPERATING SEGMENT

	2023	2022	2021
Safety training hours	1,351	1,449	1,519
Number of employees	2,163	1,108	1,288

## EUROPEAN OPERATING SEGMENT

	2023	2022	2021
Number of state safety inspections	19	15	7
Employee citations following state inspections	48	44	43
Number of internal audits conducted	180	162	161

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## OCCUPATIONAL HEALTH DATA – UKRAINE

In recent years, no cases of occupational diseases were recorded at any MHP sites in Ukraine. This has been achieved through close monitoring of working conditions at each location. Features of these management systems include:

- Regular laboratory testing and instrumentation control of working conditions;
- Workforce health monitoring on a regular basis;
- Reduction of potentially harmful aspects of workplace features (for example noise and dust);
- Supply of personal protection equipment; and
- A programme of technological improvement.

## WORKPLACE NOISE AND DUST DATA UKRAINE

	2023	2022	2021
Workplaces with noise in excess of local law / level established by IFC (85dBA)	428/144	328/107	318/45
Number of people at workplaces with noise in excess of local law / level established by IFC (85dBA)	3,182/1,004	4,292/1,561	4,330/514
Workplaces with dust concentration in excess of local law / level established by IFC	82/9	96/61	110/33
Number of people at workplaces with dust concentration in excess of local law / level established by IFC	1,243/193	818/452	1,194/297

## EUROPEAN OPERATING SEGMENT

	2023	2022	2021
Workplaces with noise in excess of local law / level established by IFC (85dBA)	42/98	44/107	43/45
Number of people at workplaces with noise in excess of local law / level established by IFC (85dBA)	302/1,502	310/1,561	335/514
Workplaces with dust concentration in excess of local law / level established by IFC	12/49	19/61	19/33
Number of people at workplaces with dust concentration in excess of local law / level established by IFC	84/380	84/452	84/297

## KEY ACHIEVEMENTS IN 2023

Despite significant challenges created by the continuing War, 2023 saw the following key achievements:

- Embedding MHP's Values within its corporate culture.
- Transforming the challenges presented by War into opportunities to develop and strengthen MHP's position within the markets in which it operates.
- Managing mental health amongst the workforce with the approach being recognised as a leading business initiative within Ukraine.

## PLANS FOR 2024

- MHP will continue a project to ensure that everyone fully understands its core values throughout the business. The aim is to complete this process in 2025.
- MHP will continue to monitor the effects of the War on the workforce in Ukraine and will undertake and design measures to successfully address them.
- MHP will continue to review and address the health and safety challenges presented by the War and adapt its activities to address them.

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# GROWTH PILLAR 3:

## OUR ROLE IN SOCIETY AND OUR LICENCE TO OPERATE

### STRATEGIC REPORT

Growth Pillar 3:  
Our role in society and  
our licence to operate

#### OUR COMMITMENT

Since its inception, MHP has believed that a key aspect of its purpose is its role in the communities in which it operates.

Ensuring the provision of high-quality food, goods and services to achieve food security.

Encouraging economic development through the facilitation of entrepreneurship and generating local employment.

Contributing to economic growth and generating taxation revenue for local and national governments.

Supporting healthcare provision and infrastructure development.

#### STRATEGY

MHP's role in society has become more complex as a result of the War in Ukraine. The importance of MHP's focus on ethical behaviour, sustainable business activities and the delivery of social justice has been underlined and has been a key aspect of the Group's efforts to address economic instability, supply chain disruption and rapidly changing circumstances. MHP believes that a strong community is achieved by unity within the population. This is reflected in shared values, effective collective efforts and collaboration. MHP's community strategy is specifically designed to foster and support this.

#### MANAGEMENT APPROACH

MHP carefully plans its social activities through its well-resourced corporate social responsibility team to ensure that its strategy is executed effectively and resources efficiently managed. During 2023, MHP divided its social programme activity into planned and scheduled programmes, and those that were quickly organised to address urgent social needs that were created by the War.

A wide variety of activities took place including:

- Organising and arranging volunteering;
- Distribution of free or reduced costs MHP products and services;

- Participation in and support of existing local initiatives;
- Promoting inclusivity of demobilised members of the Ukrainian armed forces; and
- Fostering economic growth by supporting start-ups and small businesses.

Much of this work was conducted in partnership with local businesses, local government and with other corporate donors, and through Charitable Foundation ("MHP-Gromadi"). MHP-Gromadi's activities were recently audited by PwC. The review concluded that the organisation has high standards of financial management and transparent disclosure.

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## POLICY HIGHLIGHTS

In 2023, MHP-Gromadi revised its policy structure to, in particular, address the following areas:

- The scope of operations, method and focus on community development;
- Fundraising, fund allocation, and related areas of reporting;
- Governance, board composition and roles, mission and vision, commitments to integrity, and the maintenance of ethical standards;
- Compliance with the appropriate legal and regulatory frameworks.

## HIGHLIGHTS OF MHP'S COMMUNITY ACTIVITIES IN 2023

- Since the beginning of the War in Ukraine, MHP has provided US\$ 46.5 million in humanitarian aid support and paid approximately US\$ 19.2 million in salaries to mobilised employees. MHP has continued to pay its mobilised employees in full and will continue to do so for the duration of the War. US\$ 937,671 has also been provided to support injured employees and the families of deceased mobilised employees.
- Demobilised employees and other veterans have been supported through the development of employment opportunities to aid the progress of reintegration into society. These activities were conducted in partnership with the Ukrainian Veterans Foundation and the Ministry of Veterans Affairs and included assistance with the development of agricultural projects to support family members and the family members of defenders.
- Seed distribution was continued to encourage people in local communities to grow their own food and increase national food security. Approximately 147,000 families in 13 regions and within 144 communities were supported in 2023

through the receipt of seed packs which contained instructions to support their use.

- MHP continued to encourage local economic development to support local communities and counter the negative economic consequences that have been created by War. The aim is to encourage entrepreneurship through the design of a grant scheme to support the best business ideas. All participants were supported by an expert MHP team. This work included the delivery of training programmes, provision of financial support, and legal assistance. These activities took place in 11 regions of Ukraine. A total of 1,471 grant applications were submitted and 229 projects received financial support. The total financial support including co-financing supplied in 2023 was US\$ 1,208,000.
- The destruction of the Kakhovka HPP in June 2023 caused widespread flooding and destruction along the lower Dnipro river in Kherson Region and thousands of families were displaced. MHP worked with local and national government and NGOs to provide humanitarian aid and food for people affected by this catastrophic event.
- "Cinema For Victory", a national cinema tour aimed at improving morale, motivation and providing support for displaced persons, continued in partnership with the Office of the President of Ukraine and the state film agency. During 2023, 518 screenings took place in 20 regions of Ukraine. 74 of the screenings were attended by well-known participants in the films including actors, producers and other filmmakers.
- Support for a variety of medical programmes in conjunction with the medical authorities in Ukraine. These included medical check-ups for children across the country to address the effects of the War on their health. This work was conducted in partnership with the National Children's Hospital In Kyiv. In 2023 approximately 3,000 children received 12,000 individual consultations. Older people were supported by the provision of a specially equipped mobile treatment

vehicle which travelled around the country and focussed on isolated areas and villages. 250 small towns and villages were visited and approximately 17,000 consultations were conducted.

- The risk presented by missile attacks presents obvious challenges to Ukraine's schools and the conduct of uninterrupted face-to-face teaching. MHP has been supporting the construction of underground shelters that meet the requirements of the Ministry of Education. During 2023, 19 shelters in four different regions were built with the support of MHP-Gromadi.

## AWARDS AND ACCREDITATIONS

The related activities of MHP and MHP-Gromadi were acknowledged by a number of awards and accreditations in 2023. These include:

- An award from the UK Global Compact in Ukraine to MHP-Gromadi recognising the delivery of medical treatment of children around Ukraine in partnership with the National Children's Hospital;
- MHP was awarded the top CSR ranking in the CSR Index 2023 produced by CSR Ukraine; and
- MHP-Gromadi received five stars (the highest rating) in the National Charity Compass of Ukraine rankings organised by the Association of Philanthropists of Ukraine.

## PLANS FOR 2024

The Group will continue to work closely with the Ukrainian authorities and other national stakeholders to proactively support the Ukrainian population in meeting the rapidly changing challenges presented by the ongoing War and to encourage economic development and social change. These activities will focus on the maintenance of food security, the delivery of humanitarian aid when required, economic and social development, healthcare provision, and infrastructure improvement.

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# GROWTH PILLAR 4:

## RESPONSIBLE FOOD PRODUCTION

### OUR COMMITMENT

MHP is a global industry leader in product quality, safety and hygiene and maintains consistently high animal welfare standards: **these are a top priority at all its production sites.**

A key feature of MHP's approach is its strategy to reduce the use of antibiotics in the production process.

All employees involved in the production process receive regular training and education about the importance of animal welfare.

### MANAGEMENT APPROACH

A key feature of MHP's approach to responsible food production is the role of the Quality & Development Department. The Department has a vertical management structure, headed by the Director of Quality & Development, and is responsible for ensuring that MHP's quality and safety standards are maintained and developed in line with the expectations of all its key stakeholders.

The MHP Quality Service has four divisions and the scope of responsibilities for each is recorded below.

### QUALITY MANAGEMENT AND CERTIFICATION

- Analysis and implementation of the requirements of customers, regulators, and international quality and safety management standards;
- Inspection and approval of raw material suppliers;
- Conducting regular supervisory site audits;
- Monitoring production quality and safety data; and
- Developing processes and procedures as part of an ongoing programme of innovation and improvement.

### TECHNICAL REGULATION

- Maintenance and development of a digital information trail recording product manufacture details;
- Product labelling; and
- Validation of product expiry dates.

### COMPLAINTS AND COMPLIANCE

- Investigation of, monitoring and actioning of, customer and consumer claims and complaints; and
- Monitoring and addressing any data recording quality and safety standards breaches ensuring that causes are addressed robustly, promptly, and effectively.

### AUDITING ACTIVITIES

- Auditing the stores of MHP's Ukraine partners to ensure compliance with MHP's quality and safety standards and regulatory requirements; and
- Regular inspection of distribution centres managed by MHP's business partners to ensure compliance with MHP's quality and safety standards and regulatory requirements.

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## POLICY HIGHLIGHTS

MHP's approach to product quality and safety is governed by its Product Quality and Safety Policy. MHP's approach to animal welfare is governed by its Animal Welfare Policy. Both policies are available for download from the Group website (www.mhp.ua), are authorised by the Board, regularly reviewed, and communicated to all employees.

The Animal Welfare Policy is available for download from the Group website



## PRODUCT QUALITY AND SAFETY POLICY

MHP will adhere to all applicable laws and regulations, mutually agreed guidelines with customers and consumers, and global best practice

MHP will conduct continuous analysis of the quality and safety of its products

MHP will regularly engage with interested material stakeholders about product quality and safety

MHP will conduct regular training and education activities with its employees to ensure that they are fully conversant with the Company's product quality and safety standards

MHP will regularly review and develop its product quality and safety procedures in line with leading industry developments

MHP will conduct a product quality and safety strategy review as part of each annual planning process

## ANIMAL WELFARE POLICY

Antibiotics will only be used under the stewardship of the state veterinarians

MHP's sites will always provide an environment that meets the natural needs of animals

Stocking densities will meet EU animal welfare standards

MHP's sites will not use anaesthetics or analgesics

MHP prohibits all surgical intervention

Poultry rearing will always be carried out in an environment that meets industry best practice and regulatory requirements relating to matters such as space, light, heat, food, and water availability

MHP prohibits the use of any growth promoters

Flocks will be reared on the floor with no use of caged systems

MHP will not use equipment that may injure animals when handling them

Veterinary care will be provided only by personnel holding the relevant professional qualifications

MHP will ensure animals are protected from harm and stress during transportation

Slaughter will be carried out using only methods that do not cause pain or stress to animals

MHP will pursue a strategy of reducing the use of antimicrobial agents

MHP will use the best available technology to monitor animals and their rearing conditions

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## ACCESS CONTROL

A key aspect of MHP's approach to product quality and safety is the control of access to its sites and production facilities.

MHP's rigorous systems are maintained to international standards, regularly reviewed and maintained and performance is monitored and measured. A continuous programme of digitisation and automation has been conducted in recent years, Access is strictly controlled and is only available to authorised persons.

Company vehicles are closely monitored using satellite and digital technology and MHP's sites are monitored around the clock applying security systems maintained to international standards.

MHP's approach extends to its supply chain and the standards that suppliers are expected to maintain.

## INTERNAL AND EXTERNAL AUDIT

MHP's production facilities regularly undergo internal and external product quality and safety audits to ensure full compliance with MHP's audits and ensure full compliance with MHP's standards, customer requirements, laws of Ukraine and other countries. Internal inspections are conducted by the Quality & Development Department. External audits are conducted by third-party certification organisations.

## MHP'S LABORATORIES

At least annually, each MHP production site conducts its own internal inspection process. All 37 of MHP's laboratories undertake around 6,000 analysis methods to study feed and raw materials to achieve microbiological parameters and to ensure strict compliance with MHP's own standards, industry best practice and the relevant national and international regulatory requirements.

Prior to the outbreak of the War in Ukraine in February 2022, MHP's production facilities in Ukraine were also regularly audited by DG SANTE (the European Commission's

Directorate-General for Health and Food Safety). These activities are currently suspended and will resume when the War has ended.

## EMPLOYEE TRAINING ON PRODUCT QUALITY AND SAFETY MATTERS

Regular training and development for all involved employees is a feature of the MHP production process. These activities include ensuring that everyone understands the requirements of regulatory and international best practice standards and MHP's own standards and guidelines.

In 2023, the appropriate specialists in the Quality & Development Department successfully completed externally-provided training on pathogen monitoring and control and international packaging standards.

## PRODUCT LABELLING

Robust product labelling procedures ensure the maintenance of product security, safety and quality, and this aspect of MHP's business is a particularly important element of its relationships with its customers and consumers.

MHP's comprehensive labelling systems are the responsibility of the Technical Regulation division, and the Company complies with best practice and the appropriate regulatory and customer requirements.

## BIOSECURITY

All livestock in Ukraine is vaccinated to prevent the presence of pathogens in poultry.

All MHP's production facilities in Ukraine have rigorous and robust controls to prevent avian influenza infection and exclude other harmful pathogens.

The maintenance of biosecurity at MHP's production sites is supervised by qualified MHP veterinary professionals at each location. Periodic facility inspection is also conducted by the State Service of Ukraine on Food Safety and Consumer Protection.

## CASE STUDY: PILOT BLACK SOLDIER FLY LABORATORY

The use of non-conventional feed ingredients such as insects has the potential to increase farming efficiency, reduce greenhouse gas emissions, and produce more sustainable feed. The prominence of non-conventional feed to rear animals is expected to increase because of global warming, reduced availability of water, and the reduction in arable farmland. Black soldier fly larvae ("BSFL") are known for their capacity to reduce the amount of production waste and are a potential alternative feed ingredient in different monogastric animal diets including poultry. BSFL is thought to have the potential to replace up to 15% of the conventional feed ingredients in broiler diets.

In 2023, MHP established a pilot laboratory in partnership with LIVIN Farms Agrifood, an Austrian company. The project has been applying waste from MHP's production activities to cultivate BSFL with specified protein and fat characteristics.

The project has designed a poultry feed recipe which combines BSFL with conventional feed for use both internally within MHP and for external sale. Further developments are planned in 2024 and beyond.

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## MANAGEMENT SYSTEM CERTIFICATIONS

A comprehensive list of management system certifications is recorded below for MHP in Ukraine.

### GMP & HACCP – STORAGE OF OIL SEEDS AND GRAINS

The following sites or subsidiaries in Ukraine are accredited for good management practices (“GMP”) which are rules that set requirements for production organisation and control. They are also HACCP (Hazard Analysis and Critical Control Points) accredited. These are requirements that ensure that MHP produces products that are safe and of high quality for consumers.

- Andriyashivsky Elevator Branch of Urozhaina Kraina LLC
- Urozhayna Kraina LLC
- Yampil Elevator Branch of Zernoproduct PJSC
- Branch of the Limited Liability Company MHP-Agrokryazh Vendychansky Elevator
- Branch of Zahid-Agro MHP LLC Voskresintsiivsky Elevator
- Novomoskovsk branch of Oril-Leader PJSC (Reclamation)
- Novomoskovsk branch of Oril-Leader PJSC (Kitaygorod)
- Novomoskovsk branch of Oril-Leader PJSC (Rokytno)
- Perspectives Branch of Zernoproduct PJSC
- Kaliniv Elevator Zernoproduct PJSC
- Yagotyln Elevator Agro-S Branch

### GMP+B2

- Myronivska Poultry Farm PJSC
- Vinnytsia Poultry Complex LLC
- Katerynopil Elevator LLC (production of oil)

### GLOBALG.A.P. INTEGRATED FARM ASSURANCE

The Ukraine sites or subsidiaries listed below are GlobalG.A.P. are certified according to requirements of GlobalG.A.P. standard. GlobalG.A.P. rules set out requirements for an integrated agricultural production management system and encourage the adoption of commercially viable farm assurance schemes that promote sustainable agriculture and the minimisation of agro-chemical inputs.

- Myronivska Poultry Farm Processing Complex PJSC
- Vinnytsia Poultry Complex LLC

### GLOBALG.A.P. – COMPOUND FEED MANUFACTURING

- PrJSC Myronivsky Plant of Manufacturing Feeds and Groats
- Katerynopil Elevator LLC
- Vinnytsia Poultry Complex LLC (fodder complex)

### ISO 22000:2018 - PROCESSING OF POULTRY MEAT AND BEEF

The following subsidiaries have ISO 22000:2018 certification which is an international food safety management certification.

- Oril-Leader PJSC
- Lubnymyaso LLC

### BRCGS FOOD SAFETY – OIL PRODUCTION AND MEAT PROCESSING

This is an international food safety certification. The following subsidiaries, sites or branches have achieved this accreditation.

#### OIL PROCESSING FACILITIES

- PrJSC Myronivsky Plant of Manufacturing Feeds and Groats
- Katerynopil Elevator LLC
- Vinnytsia Poultry Complex LLC (fodder complex)

#### MEAT PROCESSING FACILITIES

- Myronivka Poultry Complex PJSC
- Vinnytsia Poultry Complex LLC (slaughterhouse)
- Lehko (separate subdivision of PrJSC Myronivsky Plant of Manufacturing Feeds and Groats)
- MHP Foodservice LLC (legal name of the MHP Culinary Centre)

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## MANAGEMENT SYSTEM CERTIFICATIONS

### KOSHER CERTIFICATION

- Myronivska PJSC (production of cereals and feed)
- Katerynopil Elevator LLC
- Vinnytsia Poultry Complex LLC (fodder complex)

### HALAL CERTIFICATION

This is a voluntary certification for the production of products in line with Islamic customs. The following meat-processing sites have this certification.

- Myronivska PJSC Poultry Farm (broiler chicken processing complex)
- Vinnytsia Poultry Complex LLC (processing complex)
- Lubnymyaso LLC
- Lehko (separate subdivision of Myronivska PJSC)
- PrJSC Myronivsky Plant of Manufacturing Feeds and Groats
- Katerynopil Elevator LLC
- Vinnytsia Poultry Complex LLC (fodder complex)

## ANIMAL REARING

Approximately 70% of MHP's Ukrainian broilers are COBB chickens. Their features include low-feed conversion, a welfare-friendly growth rate and an ability to thrive on low-density nutrition. The remaining 30% are ROSS chickens, the world's most popular broiler. Their characteristics also include a welfare-friendly growth rate and feed efficiency. The European Operating Segment rears broilers that comprise approximately 96% ROSS and 4% COBB. Turkeys are also reared in the European Operating Segment (92.8% BUT Big 6 breed and Converter breed).

## POULTRY-REARING DATA

UKRAINE	2023	2022	2021
<b>TOTAL PLACED (HEADS)</b>	457,092,113	439,839,157	460,068,517
<b>LIVEABILITY (%)</b>	95.9	96.3	97.2
<b>TOTAL SLAUGHTERED (HEADS)</b>	438,443,556	423,680,615	447,125,097
<b>SLAUGHTERED WEIGHT (TONNES)</b>	1,042,944	999,591	1,034,786

The livability decrease to 95.9% is driven by significant adverse impact on the flock at the growing facilities due to the strong winds (roofs were blown up, birds were lost etc).

## USE OF ANTIBIOTICS

MHP has been systematically reducing its use of antibiotics since 2019. The Group seeks to minimise the use of antibiotics through greater use of organic acids and probiotics in the production process.

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## KEY ACHIEVEMENTS IN 2023

MHP Foodservice LLC achieved the BRCGS international food standard certification

PrJSC Myronivsky Plant of Manufacturing Feeds and Groats, Katerynopil Elevator LLC, and Vinnytsia Poultry Complex LLC (fodder complex) were certified as achieving the GlobalG.A.P. – compound feed manufacturing - standard

Myronivska PJSC Poultry Farm Processing Complex Branch and Vinnytsia Poultry Complex were certified as achieving the GlobalG.A.P. – poultry breeding – standard

The design of an optimal poultry feed recipe including BSFL in partnership with LIVIN Farms Agrifood

## PLANS FOR 2024

Vinnytsia Poultry Complex is expected to be certified as being in accordance with the GMP+ standard

Further work will be undertaken to educate MHP's Quality & Development Department specialists about pathogen prevention

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# GROWTH PILLAR 5:

## BUSINESS CONDUCT

### OUR COMMITMENT

MHP strives to conduct its business responsibly with all its stakeholders.

### MANAGEMENT APPROACH

MHP consistently conducts its operations responsibly, adhering to the legal requirements and regulations of the countries in which it conducts business. In practice, this means that all employees are educated to be aware of and are mindful of these requirements as they conduct their responsibilities, and of the impact that non-compliance will have on MHP's reputation and ability to conduct its business. Any breach of applicable laws, codes of conduct, or internal regulations is strictly prohibited, and a zero-tolerance approach is taken towards instances of bribery and corruption.

MHP's Board of Directors closely monitors the Company's business conduct progress and performance. The MHP Code of Ethics is approved and updated by the Compliance Officer in cooperation with Top Management and the Board. All staff members must promptly report any breaches of the Company's Code of Ethics and compliance policies.

Employee remuneration and promotion takes into account compliance performance and severe contraventions, particularly amongst senior management, are liable to disciplinary action and dismissal.

MHP's central compliance team oversees the global compliance management system and collaborates with all MHP's businesses to identify potential compliance risks and ensure systematic and proactive risk detection and assessment.

This information is applied to formulate tailored measures. Business partners are also assessed to ensure that potential compliance risks are identified and addressed.

### MHP'S CODE OF ETHICS

The Code of Ethics is available for download from MHP's website. It is built around three strategic priorities: protection; security; and trust.

### PROTECTION

MHP believes that every member of its workforce has the right to be supported if protection and justice are required. MHP provides the Ethics Helpline for this purpose. The facility is always available and can be accessed by telephone, by email or through the MHP website.

Submitted reports are considered by an independent supervisor and a formal response is always provided. Major violations of MHP's compliance requirements are always reported to the Audit & Risk Committee.

### SECURITY

MHP commits to the creation and maintenance of a secure environment for every workforce member to enable the conduct of transparent and responsible business at MHP. This priority has become even more important during the War in Ukraine and has required significant focus and innovation to address, for example, the increased cyber-security threats which it has brought to the business.

### TRUST

Many multiple family generations and relatives work at MHP, and the business plays an important role in society in the areas where it is based. It is clearly important that MHP is viewed as a responsible business partner and a good neighbour by all its stakeholders. An important element of this approach is MHP's management of potential conflicts of interest.

MHP has a detailed set of policies to address responsible business matters, including the Code of Ethics. These policies are regularly reviewed, receive authorisation from the Board, and are communicated to all employees. They are available for download from MHP's website.

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The Group has a commitment to promote a zero-tolerance culture towards bribery, corruption, and unethical business behaviour.

MHP's leadership will promote a culture of adherence to the applicable laws and regulations and ensure that the workforce has sufficient knowledge of these requirements.

MHP will provide the appropriate level of workforce training about its approach and requirements in relation to business conduct matters, and the requirements of its policies.

Workforce members will receive regular communications about their obligation to inform the Company about actual or imminent breaches of laws, regulations, or Company policies.

Workforce members are required to inform the Company immediately if they become aware of actual or impending personal conflicts of interest.

The acceptance or provision of gifts and entertainment is prohibited except where they fall within generally accepted notions of hospitality.

MHP will provide reporting facilities to enable matters of concern to be reported to senior management in confidence.

MHP will not conduct business with or provide benefits to states, entities or individuals that are subject to sanctions, and will not provide assistance or facilitate sanctions avoidance.

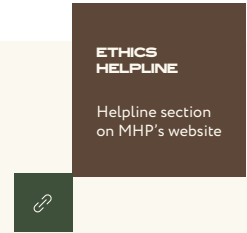
MHP will select suppliers that comply with its responsible business approach in relation to

matters such as environment, climate change, workforce, communities, health and safety, business conduct and human rights.

The Company does not make political donations.

## ETHICS HELPLINE

**THE HELPLINE CAN BE ACCESSED BY DIALING 7-4-77 IN UKRAINE, BY EMAIL, OR VIA THE HELPLINE SECTION ON MHP'S WEBSITE.**



All employees are encouraged to use the facility if:

**THEY NEED PROTECTION OR SUPPORT**

**THEY HAVE BEEN EXPOSED TO POOR TREATMENT SUCH AS HARASSMENT OR BULLYING WITHIN THE WORKPLACE**

**THEY SUSPECT WRONGFUL BEHAVIOUR, SUCH AS CORRUPTION OR FRAUD, HAS BEEN COMMITTED OR IS ABOUT TO OCCUR**

**THEY HAVE SUGGESTIONS OR RECOMMENDATIONS ABOUT HOW MHP CAN IMPROVE ITS BUSINESS CONDUCT**

The Helpline is managed by an independent service provider and staffed by specialists who address callers in their preferred language. Reports can be submitted by anyone including members of the public.

Alternatively, concerns may be submitted using other methods such as through contacting local compliance teams, Internal Audit, Human Resources, through local management, or by using a designated internal mailbox at MHP's enterprises and HQ.

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## COMPLIANCE TRAINING AND COMMUNICATIONS ACTIVITIES

MHP assists all employees in upholding integrity and preventing potential violations by implementing targeted training measures and communication campaigns based on identified needs. The Code of Ethics forms the basis of all compliance training activities and communication. All new MHP employees are required to participate in at least one mandatory compliance training programme.

## BUSINESS PARTNER CODE OF CONDUCT

This is available for download from the MHP website ([www.mhp.ua](http://www.mhp.ua)) and is an important element of the responsible business approach. It was revised and updated in 2021. It outlines MHP's expectations in relation to business partner conduct and explains what business partners can expect from MHP.



BUSINESS PARTNER CODE OF CONDUCT

Available for download from the MHP website

Key principles outlined in the Business Partner Code of Conduct include:

- MHP's willingness to listen to its partners, to learn, and to progress and improve together;
- MHP's support for local Ukrainian manufacturers, particularly in the agricultural sector, and support for their further development;
- MHP's desire for mutual co-operation to develop strengths and opportunities and, in particular, for exploring and expanding opportunities to export to countries where MHP operates and intends to operate;
- MHP's requirement for business partners to be open to ongoing innovation and the use of state-of-the-art new technologies;
- MHP's requirement for business partners to work as a team to achieve joint success and improve product quality;

- Fairness and strict compliance with the highest standards of ethics and integrity; and
- The importance of continuous improvement in relation to the Sustainable Development Goals, minimising environmental impact, adopting a proactive social stance, and implementing international standards established within the framework of the European Green Deal and other important global and regional agreements.

## ANTI-CORRUPTION AND CONFLICT OF INTEREST

MHP routinely assesses all its operations for potential corruption or conflict of interest risks. Managers and specialists are required to disclose any conflicts of interest, while employees receive information about situations where conflicts of interest may arise. During the hiring process, the Company conducts a corruption risk screening, with a specific emphasis on candidates with prior experience in governmental institutions.

To identify corruption incidents involving counterparties, MHP conducts a comprehensive Know Your Customer ("KYC") procedure before any interactions. In 2023, taking into account the War in Ukraine, we enhanced our counterparty screening procedure to generate notifications and suspend processes when current or potential issues are identified. This process facilitates further risk assessment and evaluation.

MHP also applies dedicated channels, including anonymous ones, for the identification of corruption risks and potential misconduct. These channels are open to MHP employees, suppliers, and third parties, with all submissions thoroughly reviewed and

addressed with the relevant MHP department and with retaliatory action prohibited. Mandatory education, awareness-raising, and continuous improvement of an ethically-sound corporate culture are fundamental elements of our strategy to prevent unethical behaviour among employees.

Our Executive Management team ensures that it stays regularly informed about changes in anti-corruption legislation, the introduction of new sanctions, and key compliance measures integrated into the Company's operational activities. Our anti-corruption practices and efforts to enhance a culture of transparency and integrity are yielding strong positive results.

## CONFLICT OF INTEREST MANAGEMENT

MHP's Compliance Office works closely with Management to ensure that the requirements of MHP's Conflict of Interest Management Policy ("the Policy") are maintained. The Policy is available for download from the MHP website ([www.mhp.ua](http://www.mhp.ua)).

The Policy applies to all employees and requires each member of staff to make an annual declaration. The approach is not to prohibit potential conflicts of interest but to highlight and manage them effectively.

The declaration encompasses personal interests and those of family members and close associates. It requires the submission of information about relationships with other companies and organisations, the role of the employee in making business decisions in relation to third-party goods and services, and any agricultural land interests held or maintained.

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## TAXATION

In common with many multi-national enterprises, MHP's activities are subject to the jurisdiction of several different taxation regimes. These matters are addressed by the Finance and Tax Departments supported by experienced professional advisors.

Towards the end of 2023, MHP began setting up a centralised tax function and tax control framework to address Group tax affairs.

**MHP ALWAYS ADHERES TO THE RELEVANT TAX REGULATIONS OF THE COUNTRIES WHERE IT OPERATES AND COMPLIES WITH THE NECESSARY REQUIREMENTS RELATING TO PAYMENT, DOCUMENTATION, DISCLOSURE, AND AUDITING.**

### MHP'S TAX APPROACH IS BUILT AROUND THE FOLLOWING KEY PRINCIPLES

ZERO TOLERANCE FOR RULE VIOLATIONS OR TAX FRAUD

ALIGNMENT OF TAX PAYMENTS WITH VALUE CREATION IN EACH RESPECTIVE COUNTRY IN WHICH IT OPERATES

COLLABORATIVE ENGAGEMENT WITH TAX AUTHORITIES

EMPHASIS ON TRANSPARENCY, ADHERING TO VERIFIABLE COMPLIANCE AND REPORTING STANDARDS

CONSISTENCY OF TAX CONSIDERATIONS WITH BUSINESS ACTIVITIES, PROCESSES, AND REQUIREMENTS

MHP adheres to the principle of paying owed taxes in every country in which it operates based on the statutory requirements established by respective governments. The payment of taxes in an appropriate amount is a fundamental aspect of our responsible business approach.

MHP's tax payments contribute significantly to funding social and economic activities where it operates. MHP always adheres to the relevant tax regulations of the countries where it operates and complies with the necessary requirements relating to payment, documentation, disclosure, and auditing.

MHP is a significant contributor to the economy of Ukraine. In 2023, MHP made UAH 6.03 bn (2022: UAH 4.6 bn) of tax payments. UAH 1.544 bn (2022: 1.026 bn) was transferred to the state budget and UAH 2.531 bn (2022: 2.038 bn) to local budgets. The amount of the single social contribution ("SSC") for the mandatory state social insurance of the Company's employees was UAH 1.952 bn (2022: 1.534 bn).

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## SUPPLY CHAIN MANAGEMENT

MHP's business partners are essential to the delivery of quality and value to its customers. MHP focusses on local business partnerships to provide an equitable share of economic benefits.

The table below show MHP's supplier types.

UKRAINE						
SUPPLIER TYPE	SUPPLIERS					
	Large %		Medium %		Small %	
	Domestic (Ukraine)	Non-Domestic (imported)	Domestic (Ukraine)	Non-Domestic (imported)	Domestic (Ukraine)	Non-Domestic (imported)
Fertilisers	11	11	7	14	23	34
Plant protection materials	0	13	14	33	7	33
Agricultural machinery	0	14	4	62	3	17
Spare parts for agricultural machinery	1	10	1	9	2	77
IT technology	0	14	0	43	0	43
Fuels and lubricants	0	14	0	25	0	61
Gas	17	8	9	8	8	50
Laboratory kits	0	1	0	4	3	92
Laboratory materials	0	0	0	87	13	0
Veterinary products	1	7	4	12	15	61
Disinfectants and detergents	8	2	4	6	20	60
Overalls and disposable clothing	3	0	2	7	56	32
Personal protective equipment	2	3	2	3	16	74
Chemical products	3	5	12	8	19	53
Bio-additives and spices	18	5	44	0	29	4
Packaging materials	11	0	19	1	69	0
Day-old chicks	0	100	0	0	0	0

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## SUPPLY CHAIN MANAGEMENT (continued)

EUROPEAN OPERATING SEGMENT ("PP")						
SUPPLIER TYPE	SUPPLIERS					
	Large %		Medium %		Small %	
	Domestic	Non-Domestic	Domestic	Non-Domestic	Domestic	Non-Domestic
Fertilisers	22	0	23	0	33	22
Seeds	29	0	29	0	42	0
Plant protection products	29	0	42	0	29	0
Fuels and lubricants	27	0	20	0	53	0
Gas	50	0	20	0	30	0
Laboratory materials	0	0	0	6	88	6
Veterinary products (medicine and vaccines)	19	0	28	0	53	0
Disinfectants and detergents	2	0	8	1	86	3
Spices and additives	9	16	16	13	32	14
Packaging materials	16	13	13	10	34	14
Day-old chicks	20	15	30	5	30	0
Work protection	3	0	13	0	81	3
Corn	1	3	6	1	88	1
Wheat	2	3	3	2	89	1
Soya (meal, bean, cake)	0	75	0	12	0	13
DDGS (Dried distillers grains with solubles)	0	100	0	0	0	0
Soya oil	11	11	11	67	0	0
Corn oil	0	0	0	100	0	0
Premixes	0	50	50	0	0	0
Amino acids	20	40	20	0	20	0

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## MARKETING APPROACH

MHP strives for responsible marketing of all products and brands in both domestic and international markets.

The Company has a history of aligning its business strategy with the Sustainable Development Goals, its business goals, and MHP's Values.

This approach is the basis for creating marketing strategies that meet marketing goals and support the Group's reputation.

The Company encourages and supports moderate food consumption as part of a healthy, active, and balanced lifestyle, focussing on family values.

MHP's approach to marketing, as a global company operating in more than 70 countries, is consistent with the International Chamber of Commerce's Marketing and Advertising Code and its framework for responsible food marketing communications. The Group adheres to these guidelines in its marketing communications.

**MHP'S APPROACH TO MARKETING, AS A GLOBAL COMPANY OPERATING IN MORE THAN 70 COUNTRIES, IS CONSISTENT WITH THE INTERNATIONAL CHAMBER OF COMMERCE'S MARKETING AND ADVERTISING CODE AND ITS FRAMEWORK FOR RESPONSIBLE FOOD MARKETING COMMUNICATIONS.**

## MHP'S MARKETING STRATEGY REFLECTS THE FOLLOWING PRINCIPLES:

### PRINCIPLE 1

MHP will not advertise in any media that is specifically provided for children aged under 12 years old, including shows, print media, website, social networks, movies and SMS/email marketing.

### PRINCIPLE 2

MHP's marketing will be truthful and accurate, and not misleading.

### PRINCIPLE 3

MHP's brands will be presented in a way that encourages healthy eating habits and a balanced, healthy lifestyle.

### PRINCIPLE 4

MHP's online marketing adheres to the terms of COPPA in Ukraine (Ukraine Online Privacy Protection Act), including obtaining parental prior consent to collect information from children.

### PRINCIPLE 5

MHP's marketing activity is permitted to support educational programmes for children under 12 years old in Ukraine. Any brand presence in these programmes will simply indicate and acknowledge financial support and will not be used for advertising purpose.

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## IT INFRASTRUCTURE AND CYBER-SECURITY

MHP has, over several years, prioritised the digitisation of its business activities. This process continued across the business in 2023 and will continue in 2024 and beyond.

### CYBER-SECURITY

The conditions created by the War in Ukraine clearly made robust cyber-security an essential aspect of MHP's business activities and this has been addressed in a variety of evolving ways. In 2023, MHP deployed Fortinet firewalls on all its large sites to increase network security and ensure reliability and availability. Other steps included moving computer resources to locations that are closer to the source of information generation such as MHP's manufacturing facilities. This facilitated more effective data leverage, operational efficiency, and enabled the business to respond quickly to sudden and unexpected changes in circumstances.

### IT INFRASTRUCTURE DEVELOPMENTS

Set out below are the highlights of MHP's infrastructure developments.

- A data warehouse was constructed in Ukraine based on Microsoft best practice cloud architecture.
- The rollout of SAP infrastructure was continued around the Group. It was implemented in Croatia and in a new value-added production facility in Slovenia (see also the Strategy and Purpose section on page 18). In Serbia, the SAP rollout successfully completed the "prepare" and "explore" phases.
- A pilot project for the introduction of digital personal time and calendar planning was introduced at Myronivka slaughterhouse complex. This includes web applications with a mobile application for smartphones and tablets and it was synchronised with the

MHP ERP system. The system also enables automated staff communications by sending alerts as text messages.

- Stage 1 of a digital project for managing transport logistics and service stations was launched and implemented at four logistics distribution centres.
- E-invoicing was introduced in the Kingdom of Saudi Arabia, and a Cloud for Customer ("C4C") solution was rolled out.

### LEGAL AND RELATED MATTERS

In 2023, the Group did not receive any complaints from third parties (counterparties) or government agencies about breaches of client privacy or information. No material breaches of the Company's approach to anti-bribery and corruption policies were noted during 2023.

The Anti-Monopoly Committee of Ukraine ("AMCU") opened an investigation into the Company's market position in Ukraine in June 2019. At the time of publication of this Report, the process has not been concluded. MHP believes that it has always adhered to the relevant parts of the Company's policy framework and Ukraine's laws regarding anti-competitive activity. For the last four years, MHP has been actively maintaining communications with the AMCU, promptly providing all necessary information in accordance with official requests or the Committee's requirements.

In addition, in 2021, the AMCU opened an investigation in relation to possible signs of violation of the law on the protection of economic competition by the Company during its acquisition of Lubnimyaso LLC (manufacturers of meat products under the Skott Smeat trademark), without obtaining the appropriate permission. MHP believes that this asset purchase does not require a concentration permit. Information and documentary substantiation were provided to the AMCU in official responses to requests. The Company

believes that after a detailed study of all the materials, this investigation will be closed.

Investigations into both cases are ongoing.

### PLANS FOR 2024

The following IT infrastructure and cyber-security activities are planned for 2024.

- In Ukraine, there are plans to transform MHP's systems from traditional wide-area-network ("WAN") usage to software-defined WAN. This will provide all sites with better and more reliable digital connectivity.
- A new data governance strategy will be introduced to guarantee secure data throughout the Group.
- The SAP rollout will continue in Serbia.

MHP plans to implement an ambitious action plan to bring the Group's compliance system in accordance with best practice international standards, including a global update of the Group's compliance documents.

In 2024, MHP will take proactive steps towards raising awareness on prevention of gender-based and domestic violence. We will revise our existing worker's grievance mechanism with specific considerations related to gender-based harassment or violence grievances, in accordance with IFC's Performance Standards.

By the end of 2024, the establishment of a Compliance Committee is planned. This committee will ensure ongoing alignment of the Group's operational activities with compliance requirements, as well as the timely review and amendment of all regulatory documents related to compliance, including those in accordance with changes in existing legislation.

The rollout of MHP's electronic document circulation project will continue to progress with the aim of creating a paperless environment.

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# GROWTH PILLAR 6:

## THE PLANET

### OUR COMMITMENT

MHP recognises its role in ensuring that its business activities meet the expectations of its stakeholders in addressing the global climate change challenge and responsible management of environmental matters.

### MANAGEMENT APPROACH

MHP's Board of Directors is responsible for ensuring compliance with the requirements of the Group's Environmental Policy and that the Policy is reviewed regularly. It is supported in the management of its approach to environmental and climate change matters by the Board's Sustainability and International Affairs ("S&IA") Committee.

The S&IA Committee has supported the formation of a climate risk assessment team consisting of Senior Management to encourage buy-in and contribute to the Group's sustainability goals and targets. The importance of departmental ownership will be pivotal to the success of this initiative. To expedite this exercise, internal experts will include representatives from environment, climate, production, finance, and agronomy.

In 2023, following the conduct of a rigorous analytical review, MHP centralised its environmental function and formed the Environmental Protection Department. The existing environmental team members who were previously employed at subsidiaries are

now employed by the parent company, and the headcount was expanded to ensure MHP's policy commitments and stakeholder expectations are met and that MHP's environmental management approach continues to meet best practice standards.

**MHP'S BOARD IS RESPONSIBLE FOR ENSURING THAT THE REQUIREMENTS OF THE GROUP'S ENVIRONMENTAL POLICY ARE ADHERED TO**

**IN 2023 MHP CENTRALISED ITS ENVIRONMENTAL FUNCTION AND FORMED THE ENVIRONMENTAL PROTECTION DEPARTMENT**

## POLICY HIGHLIGHTS

MHP's Environmental Policy was authorised by the Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and the Deputy CEO when it was formalised in September 2020. It is available for download from the sustainable development section of the Group website.

## KEY FEATURES OF THE ENVIRONMENTAL POLICY INCLUDE THE FOLLOWING COMMITMENTS:

The conduct of a plan to ensure that MHP's activities are carbon neutral by 2030.

MHP will deliver environmental programmes which will aim to consistently reduce waste generation.

MHP will comply with the applicable environmental legislation and global industry environmental best practice at all times.

MHP will design and maintain programmes which will preserve and conserve biodiversity in the areas in which it operates.

MHP will conduct regular dialogue with its stakeholders about its environmental approach, management and performance, and climate change considerations will be integrated into all major business decisions.

MHP will deliver a plan to reduce the use of energy from non-renewable sources through increasing its use of renewable energy.

MHP will deliver a plan that reduces freshwater consumption and discharges to water and ensure that any discharges are free of harmful polluting substances.

MHP will maintain comprehensive environmental performance data records that address matters such as waste, water use and discharges, emissions, energy use and environmental incidents.

MHP will provide regular training and education to its employees about MHP's expectations and requirements relating to environmental and climate change matters.

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## ADDRESSING THE ENVIRONMENTAL AND ENERGY SECURITY CHALLENGES PRESENTED BY THE WAR IN UKRAINE

Despite the numerous environmental and energy security challenges brought about by the War in Ukraine, MHP has remained steadfast in its commitment to its green transformation and climate change programmes. MHP has continued to integrate new technologies, pursue site certification, and ensure that its facilities remain fully operational with minimal disruption.

One of the most significant ongoing challenges for MHP is the energy shortages created by the War. This was anticipated by MHP's management team and consequently a wide range of measures were implemented from the outset of the War to address these issues and, as a result, business operations have been maintained with minimal interruptions. A variety of activities and projects were undertaken to bolster energy security.

## DESPITE THE NUMEROUS ENVIRONMENTAL AND ENERGY SECURITY CHALLENGES BROUGHT ABOUT BY THE WAR IN UKRAINE, MHP HAS REMAINED STEADFAST IN ITS COMMITMENT TO ITS GREEN TRANSFORMATION AND CLIMATE CHANGE PROGRAMMES

### THESE ACTIONS INCLUDE:

Sourcing different types of diesel generators which are used for electricity generation at all MHP's sites.

Ensuring all MHP's sites have access to sufficient quantities of diesel particularly during the winter months.

MHP has continued to operate and develop its biogas facilities to produce electricity, steam, and heating at the Ukraine sites where they are located.

Applying energy storage technology at MHP's smaller agricultural sites, retail outlets, data centre, and at the Culinary Centre in Kyiv. Going forward, the aim is to evolve this approach for use at larger sites and MHP is currently in discussions with business partners in Europe, North America, and South Korea to achieve this. This approach, when progressed, will reduce the use of diesel across MHP's enterprises.

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## CARBON TRUST, GLOBALG.A.P. AND ISCC ACCREDITATIONS

The Carbon Trust Standard (“the Standard”) is a world-leading, independent international certification which recognises best practice and achievements in carbon reduction.

Companies which achieve the Standard must be able to provide an accurate assessment of their carbon footprint, supported by robust data. They must be able to evidence that they have strong carbon management processes and demonstrate continuous improvement.

In September 2023, MHP obtained a certificate of assurance from Carbon Trust which remains valid for two years. It evidences that MHP’s greenhouse gas emissions data in relation to its poultry production and marketing activities in Ukraine is in line with the following requirements:

- PAS 2050:2011 Specification for the assessment of the life-cycle greenhouse gas emissions and services.
- ISO14067:2018 Greenhouse gases, carbon footprint of products, requirements and guidelines for quantification and communication.
- Product carbon footprints: Requirements for Certification v2.0.
- Product consistency criteria.

In 2023, GlobalG.A.P. certifications were obtained for three compound feed plants and two poultry farms following the successful completion of audit procedures during the year. See Growth Pillar 4: Responsible Food Production on page 78 for more information.

### INTERNATIONAL SUSTAINABILITY AND CARBON CERTIFICATION (“ISCC”)

The following certifications were granted in 2023.

#### MHP PRJSC (ISSUED 6 JUNE 2023)

- Corn
- Rapeseed
- Sunflower
- Sunflower oil
- Sunflower husks
- Soybean
- Soybean oil
- Soybean husks

#### MHP FOOD TRADING LLC (ISSUED 5 JUNE 2023)

- Corn
- Rapeseed
- Sunflower
- Sunflower oil
- Sunflower husks
- Soybean
- Soybean oil

### KATERYNOPIL ELEVATOR LLC (ISSUED X JUNE 2023)

- Corn
- Rapeseed
- Sunflower
- Sunflower oil
- Sunflower husks
- Soybean
- Soybean oil

### VINNYTSIA POULTRY COMPLEX LLC (ISSUED 15 MAY 2023)

- Sunflower
- Sunflower oil
- Sunflower husks

### VINNYTSIA POULTRY COMPLEX LLC (ISSUED 17 JULY 2023)

- Biogas (input material – manure)

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## PROGRESS TOWARDS GREATER USE OF RENEWABLE ENERGY

In 2023, MHP continued to make significant progress in its journey towards greater use of renewable energy and reducing the use of electricity from the grid.

Until recently, MHP's efforts have been focussed on biogas production. In 2022, MHP began to investigate the use of solar energy for the first time at Odesa. By the end of 2023, MHP had set up nine different solar powered facilities in different parts of Ukraine. Several are hybrid projects involving both solar generation and battery storage (battery energy storage system, "BESS"). The first hybrid project ensured that MHP's data centre has

a constant and stable energy supply and the largest (2.6 MW) was installed at Ladyzhyn in July 2023. Towards the end of the year, Ukraine's first industrial BESS (20 MW) was installed at the Culinary Centre in Kyiv.

MHP has also been examining wind as a potential source of energy particularly during the winter months in Ukraine. At Ladyzhyn, a wind-monitoring tower was installed at the end of 2023 to investigate the feasibility of a wind power scheme and will remain in place for twelve months. If a positive outcome is achieved, MHP will proceed with a 60 MW project consisting of ten wind turbines.

Continued developments and progress at MHP Eco Energy Company has enabled the

Group to strike up and foster business partner relationships and to invest in innovative new energy technologies with the aim of both further boosting energy security and reducing greenhouse gas emissions. These activities include the creation of a laboratory in Kyiv two years ago to analyse the use of different materials to produce biogas and biomethane. This project is part of the European Commission's Horizon Europe programme, and MHP's business partners include the German Centre for Biomass Research, and Ellmann Engineering, a German company. The focus of these activities is the integration of biogas and green hydrogen to increase the yield of biomethane produced. The current plan is to conduct a pilot project before the end of 2025.

## GREENHOUSE GAS EMISSIONS

### SOURCES AND METHOD OF CALCULATION

MHP calculates its greenhouse gas emissions applying the greenhouse gas protocol outlined by the IPCC (Fifth Assessment Report), the IFC Carbon Emissions Estimator Tool (further information at [www.IFC.org](http://www.IFC.org)), and the International Energy Agency (CO<sub>2</sub> Emissions from Fuel Combustion – 2013 Edition).

The financial control method was applied in compiling this data.

Emissions from biomass combustion (shown separately from the Scope 1 emissions, as in previous years) are shown in the table.

The increase in Scope 1 emissions of 2.52% was due to higher consumption of energy to facilitate corn drying in the first quarter of 2023, a change in the use of heating technology in the preparation of poultry houses for planting and disinfection, and delays at border crossings leading to greater use of diesel by MHP's truck fleet.

### SCOPE 1 – DIRECT GREENHOUSE GAS EMISSIONS

UKRAINE METRIC TONNES OF CO <sub>2</sub> -EQUIVALENT	2023	2022	2021
Combustion of natural gas	201,182	195,883	212,491
Diesel fuel use	149,315	145,529	148,446
Gasoline fuel use	7,757	7,820	8,335
Use of compressed / liquefied gas, propane, butane, methane, and mixtures	4,069	4,181	4,401
<b>Total</b>	<b>362,323</b>	<b>353,413</b>	<b>373,673</b>

EUROPEAN OPERATING SEGMENT METRIC TONNES OF CO <sub>2</sub> -EQUIVALENT	2023	2022	2021
Combustion of natural gas	20,246	17,839	16,281
Diesel fuel use	5,963	6,752	6,556
Gasoline fuel use	372	303	288
Use of compressed / liquefied gas, propane, butane, methane, and mixtures	4,160	1,878	2,390
Coal combustion	1,021	2,726	2,242
Fuel oil combustion	950	1,754	3,600
<b>Total</b>	<b>32,712</b>	<b>31,252</b>	<b>31,357</b>

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## GREENHOUSE GAS EMISSIONS

### SCOPE 1 - DIRECT GREENHOUSE GAS EMISSIONS FROM COMBUSTION OF BIOGAS

UKRAINE METRIC TONNES OF CO <sub>2</sub> -EQUIVALENT	2023	2022	2021
Combustion of biomass	105,079	111,954	116,000
Combustion of sunflower husk and pellets	60,246	53,099	54,199
<b>Total</b>	<b>165,325</b>	<b>165,053</b>	<b>170,199</b>

Use of biogas remained stable in 2023 and resulted in an emissions growth of 0.2%. The prior year figures have been revised to reflect the greater scope of data capture applied in the 2023 figures.

### SCOPE 2 - INDIRECT GREENHOUSE GAS EMISSIONS - FROM USE OF ELECTRICITY

The location-based method was chosen to calculate Scope 2 emissions. Ukraine does not provide the electricity consumer with a choice of differentiated electricity by origin.

UKRAINE METRIC TONNES OF CO <sub>2</sub> -EQUIVALENT	2023	2022	2021
Scope 2 emissions	227,656	220,985	237,776
<b>Total</b>	<b>227,656</b>	<b>220,985</b>	<b>237,776</b>

## BIOGAS PRODUCTION PERFORMANCE

UKRAINE KWH	2023	2022	2021
Biogas produced	311,971,097	294,944,656	314,031,146
Electricity produced	115,352,217	120,927,309	128,752,770
Heat produced	123,862,185	123,829,564	131,893,081

EUROPEAN OPERATING SEGMENT KWH	2023	2022	2021
Biogas produced	25,476,574	22,332,478	22,992,417
Electricity produced	7,884,915	7,499,836	7,493,893
Heat produced	5,215,699	5,074,247	5,184,600

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## ENERGY MANAGEMENT

In 2023, MHP continued its strategy of switching from non-renewable to renewable energy, in particular through the construction of its own biogas production facilities and investment in and roll out of solar power installations. MHP intends to further increase its use of renewable energy through increased use of biogas, solar energy, wind, and increased use of energy storage technology.

The adjustments to the biogas prior year figures have been conducted to reflect the better scope of data capture. MHP is continuing its efforts to improve the efficiency of electricity generation from biogas.

## SALE OF ENERGY

UKRAINE TJ	2023	2022	2021
Sales	382	398	429

MHP's energy sales have been negatively affected as a result of the War in Ukraine.

## CONVERSION RATES APPLIED:

4.184 joules = 1kWh = 3.6 megajoules ("MJ")  
1 tonne (steam) = 2.256 MJ  
1 tonne (liquefied gas) = 45.980 MJ

## ENERGY MANAGEMENT CERTIFICATION

Four sites achieved ISO 50001 certification in 2022: the Starynska Nova breeding complex, the Vinnytsia fodder complex, the Myronivka fodder complex, and the Katerynopil fodder complex. A further three sites achieved this certification in 2023: the Myronivsky meat-processing plant, the Oril Leader broiler complex, and the Peremoga Nova breeding complex.

## ENERGY CONSUMPTION

UKRAINE TJ	2023	2022	2021
Natural gas	3,599	3,504	3,802
Diesel	2,030	1,978	2,018
Petroleum	111	112	119
Compressed / liquefied gas	69	71	75
Electricity	1,937	1,768	1,902
<b>Total from non-renewable sources</b>	<b>7,746</b>	<b>7,433</b>	<b>7,916</b>
Biogas	1,394	1,483	1,533
Sunflower husk combination	687	676	626
<b>Total from renewable sources</b>	<b>2,081</b>	<b>2,159</b>	<b>2,159</b>
<b>Total energy consumption</b>	<b>9,827</b>	<b>9,592</b>	<b>10,075</b>
<b>% from renewable sources</b>	<b>21</b>	<b>23</b>	<b>21</b>

EUROPEAN OPERATING SEGMENT TJ	2023	2022	2021
Electricity	250	233	229
Thermal energy (generated by biogas plant)	19	18	19
<b>Total energy consumption</b>	<b>269</b>	<b>251</b>	<b>248</b>
<b>% from renewable sources</b>	<b>7</b>	<b>7</b>	<b>8</b>

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## WATER MANAGEMENT

One of MHP's main environmental priorities is to reduce the consumption of water. MHP's water use is regularly monitored, and metering units are subject to regular inspection and maintenance.

In 2021, the environmental specialists at each site updated the Register of Wells. This exercise included recording information relating to the physical location of underground water sources, flow rate, physical condition, need for repair, and water intake. This procedure ensures accurate monitoring of groundwater use and ensures that there is no impact on the resources available for local communities.

None of the operations of MHP's businesses affect the water balance in the regions where the Group operates. Each enterprise strictly adheres to the appropriate regulations including the restrictions on the use of land plots adjacent to coastal strips.

## WATER USE

UKRAINE CUBIC METRES	2023	2022	2021
Surface water	7,906,287	7,056,687	6,741,560
Ground water	7,026,945	6,301,030	7,111,377
Wastewater from third-party organisations	-	439,820	438,000
Municipal and other water supply systems	201,299	254,576	250,888
<b>Total</b>	<b>15,134,531</b>	<b>14,052,113</b>	<b>14,451,825</b>

EUROPEAN OPERATING SEGMENT CUBIC METRES	2023	2022	2021
Subterranean water	1,384,545	1,305,125	1,258,150
Municipal and other wastewater systems	640,755	714,675	662,458
<b>Total</b>	<b>2,025,300</b>	<b>2,019,800</b>	<b>1,920,608</b>

Water consumption in Ukraine in 2022 fell because of the War in Ukraine. The rise in 2023 was a result of production increases and the expansion of irrigated crop production.

## WASTEWATER DISCHARGES

UKRAINE CUBIC METRES	2023	2022	2021
Discharged by pipes to municipal treatment plants	642,445	312,421	594,289
Discharged to waste pits with removal to municipal wastewater plants	19,210	72,213	85,690
Released to surface water after treatment at MHP plants	4,659,003	4,506,253	4,408,033
Discharged to filtration fields	406,920	327,961	326,210
Taken to manure storage facilities	172,956	-	-
<b>Total</b>	<b>5,900,534</b>	<b>5,218,848</b>	<b>5,414,492</b>

EUROPEAN OPERATING SEGMENT CUBIC METRES	2023	2022	2021
Discharged from pipes to own wastewater plants	1,117,066	1,143,383	1,033,250
Discharged to public sewage systems	88,625	126,275	109,214
Discharged to a non-flow through septic tank	33,946	17,027	16,132
Discharged into lagoons	302,621	167,170	172,574
Discharged to subterranean water	166,973	213,993	244,697
<b>Total</b>	<b>1,690,228</b>	<b>1,667,848</b>	<b>1,575,867</b>

Wastewater that is transported to manure storage facilities is shown for the first time (previously analysed with manure data). This and increased production volumes resulted in an 13.06% increase in wastewater.

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## WASTE MANAGEMENT

All MHP's enterprises comply with the Group's Environmental Policy and with the appropriate waste management regulations. All the enterprises have implemented an effective waste management accounting system including for the disposal of hazardous waste.

Contractors involved in the disposal of hazardous waste are regularly checked to ensure that they have the appropriate regulatory certifications. The Group is focussed on developing its waste management processes to prioritise reuse and participate in the circular economy.

### TOTAL WASTE BY TREATMENT METHOD

UKRAINE TONNES	2023	2022	2021	EUROPEAN OPERATING SEGMENT TONNES	2023	2022	2021
Reuse	25	47,579	63,017	Reuse	1,536	1,736	1,410
Composting	2,680	1,947	3,283	Composting	14,744	13,967	10,348
Recovery, including energy recovery	536,868	41	59	Recovery, including energy recovery	22,219	25,754	27,505
Combustion	0	13,469	16,308	Combustion	0	0	0
Disposal to landfill	25,002	7,663	11,412	Disposal to landfill	0	0	0
Storage at MHP enterprises	3,905	3,691	2,484	Storage at PP enterprises	11,000	11,000	11,000
Transferred to contracted third parties	33,364	26,471	28,867	Transferred to contracted third parties	6,190	9,602	7,522
<b>Total</b>	<b>601,844</b>	<b>100,861</b>	<b>125,430</b>	<b>Total</b>	<b>55,689</b>	<b>55,101</b>	<b>52,438</b>

The overall decrease recorded in this table between 2021 and 2022 was the result of the effects of the War in Ukraine and the consequent reduction in production.

On 9 July 2023 waste management regulations changed significantly in Ukraine. This required certain animal by-products not intended for human consumption to be categorised as waste. This accounts for the noted increase in 2023 and comprises, in the main, raw materials for biogas production. In line with the legislative change the 2023 data records sludge, manure and flotation waste as "Recovery, including energy recovery" (previously "Reuse").

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## KEY ACHIEVEMENTS IN 2023

MHP achieved energy security for its sites in Ukraine through a combination of innovative activities despite the challenges presented by the War.

MHP made significant progress in its aim to increase the use of renewable energy through innovation in the use of solar, wind and investigating higher biogas yields.

MHP progressed certifications of its sites in line with international best practice standards (Carbon Trust, ISCC, ISO 50001, GlobalG.A.P.).

## PLANS FOR 2024

MHP plans to obtain GLOBALG.A.P. certificates for five sites (three compound feed plants and two poultry farms) with a new version of the standard.

MHP will work in partnership with Agreena, a Danish company, to generate carbon certificates to reduce tillage and other sustainable practices in crop production.

MHP will expand the list of sites for CO<sub>2</sub> calculations from 4 to 7, undertaking monitoring and verification by a third party with appropriate accreditations.

MHP has received a grant from the UK government for an algae project that is due to begin in the second quarter of 2024. The purpose is to investigate the use of algae to convert biomass into biomethane and to reduce associated greenhouse gas emissions through the consumption of CO<sub>2</sub> by the algae.

MHP will consider the expansion of its biogas production facilities and launch production of biomethane into LPG at Vinnytsia in 2024.

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# TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

## PURPOSE OF THIS STATEMENT

This is MHP's third annual statement which outlines the Group's alignment with the Taskforce on Climate-Related Financial Disclosures ("TCFD") reporting recommendations, together with explanations of how MHP intends to extend its alignment in the future.

The statement addresses the compliance requirements of Listing Rule 9.8.6.(8) R which applies to London listed issuers. MHP's greenhouse gas emissions ("GHG") data for 2023 appears in this Report on pages 96 to 97. Information which addresses the reporting requirements outlined in s414, s414CA and 414CB of the UK Companies Act 2006 is recorded on page 145.

As part of this statement MHP has reviewed and considered TCFD's All Sector Guidance (2021 TCFD Annex). MHP has also considered the recommendations for agriculture, food and forest product organisations that are explained within the Guidance.

The emphasis of the additional Guidance is to provide more granular and explicit disclosures. This is aligned with MHP's aim of progressing its transparency concerning climate change over time.

## MHP'S APPROACH TO CLIMATE CHANGE

MHP understands that climate change presents the Group with a range of risks and opportunities. Its approach to climate change is reported in greater detail within Growth Pillar 6 on pages 92 to 101 of this Report.

MHP is working to better understand its environmental footprint to ensure the sustainable delivery of its products. The approach is guided by the activities of the Intergovernmental Panel on Climate Change ("IPCC"), the UN Framework Convention on climate change. It is also informed by a number of regulatory and stakeholder initiatives that aim to address climate change, reduce and eliminate global GHG emissions, and increase transparency.

Page 96 and 97 of this Report outlines MHP's Scope 1 and 2 emissions data and sources during 2023.

MHP's activities also create Scope 3 emissions (such as those generated by purchased goods and services). These are not currently reported. MHP is investigating the development of its Scope 3 reporting but does not expect to be able to put in place the processes to report on this basis until after the end of the War in Ukraine.

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For information on MHP's Scope 1 and 2 emissions data and sources



**MHP IS WORKING TO BETTER UNDERSTAND ITS ENVIRONMENTAL FOOTPRINT TO ENSURE THE SUSTAINABLE DELIVERY OF ITS PRODUCTS.**

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## ALIGNMENT WITH THE TCFD RECOMMENDATIONS

MHP's approach to climate change is evolving and the Group intends to enhance its reporting as its approach matures and develops. This statement sets out the steps that have already been taken as well as steps planned in 2024 and beyond.

MHP has considered its "consistent or not consistent" obligation under the UK Financial Conduct Authority Listing Rules and has detailed its position at the end of 2023 in relation to the 11 TCFD recommendations in the table. Where sections are marked "not consistent", further explanation is provided beneath the table.

**MHP'S APPROACH TO CLIMATE CHANGE IS EVOLVING AND THE GROUP INTENDS TO ENHANCE ITS REPORTING AS ITS APPROACH MATURES AND DEVELOPS.**

## 11 TCFD RECOMMENDATIONS – MHP'S POSITION AT THE END OF 2023

	PROGRESS
<b>GOVERNANCE</b>	
Describe the Board's oversight of climate-related risks and opportunities	Consistent
Describe management's role in assessing and managing climate-related risks and opportunities	Not consistent
<b>STRATEGY</b>	
Describe the climate change risks and opportunities the organisation has identified over the short, medium and long term	Not consistent
Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Consistent
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2-degree centigrade or lower scenario	Not consistent
<b>RISK MANAGEMENT</b>	
Describe the organisation's processes for identifying and assessing climate-related risks	Not consistent
Describe the organisation's processes for managing climate-related risks	Not consistent
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Not consistent
<b>METRICS AND TARGETS</b>	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Not consistent
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	Not consistent
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Not consistent

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## GOVERNANCE

MHP's governance systems include regular review of the Board and Committee composition to ensure that they have the necessary combination of skills, experience, and knowledge. More information is included in the Corporate Governance report on page 111.

MHP's Chief Executive Officer is responsible for the executive management of MHP's businesses including its approach to climate change, strategy implementation and delivering performance against plans. MHP's Board of Directors is responsible for the Group's approach to climate change. It is supported in the management of its approach by the Board's Sustainability and International Affairs ("S&IA") Committee and these activities include regular discussion of climate change matters.

The Group is progressing the integration of climate change into its management procedures, and in 2024 a Climate Risk Management Group comprising Senior Management was formed to encourage buy-in and contribute to the progression of MHP's sustainability goals and targets including those relating to climate change.

Another important step which took place in 2023 was the centralisation of the environmental function and the expansion of the team headcount. Further information is recorded on page 92 of the Growth Pillar 6 section of this Report.

## STRATEGY

MHP's previous announcement of a target to become carbon neutral by 2030 will be reviewed at the end of the War in Ukraine. MHP will also examine the introduction of other targets including those relating to emissions intensity as part of the post-War development of its approach to climate change.

MHP also intends to align its approach more closely with the TCFD recommendations for agriculture, food and forest product organisations that are explained within the Guidance within the next two years. The War in Ukraine may affect the timing of these activities.

In 2023, the Group achieved carbon accreditation with the Carbon Trust for its poultry production and marketing activities in Ukraine. Further details are recorded on page 95 of this Report.

MHP has established that significant cost savings and environmental benefits can be created through renewable energy generation, processing its waste to create biogas. Further information on the energy generated in 2023 is available on page 96 of this Report. This method has also contributed significantly to MHP's energy security since the outbreak of War on 24 February 2022.

MHP continues to investigate this opportunity and intends to expand its renewable energy generation within the short to medium-term. MHP is also conducting renewable energy projects with business specialist partners including wind and solar.

The Group also plans to continue engaging with stakeholders, including employees, customers, and suppliers, to raise awareness about climate change and promote sustainable practices.

## RISK MANAGEMENT

Climate risks are evaluated using MHP's common risk assessment approach which includes consideration of qualitative criteria and likelihood of occurrence. These outcomes are incorporated into the risk assessment procedures which are performed regularly at each of MHP's enterprises. Climate change has been identified as a principal risk.

MHP has not yet conducted a qualitative and quantitative climate change scenario assessment to support and guide its climate change approach going forward. In 2024, the Group expects to make substantial progress in further understanding its climate change risks and opportunities and will be supported in this process by professional advisors.

## METRICS AND TARGETS

MHP's greenhouse gas emissions calculations are conducted annually. The emissions data and methodology applied is recorded on pages 92 to 101 of this Report.

MHP expects to make substantial progress in 2024 in identifying relevant metrics and targets on both climate change mitigation and adaptation with the support of professional advisors.

MHP does not currently collect Scope 3 data. When the War finishes, MHP will investigate expanding its emissions data to include Scope 3 and the use of appropriate intensity metrics to monitor emissions performance and enable evaluation of robust target setting over and above the existing 2030 carbon neutral goal.

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# NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

## COMMITMENT TO TRANSPARENCY

MHP is committed to transparent reporting and disclosure of its financial and non-financial performance, risks and opportunities where this information is relevant to shareholders and other key stakeholders. MHP has supplied this information in alignment with the reporting requirements contained in Sections 414, 414CA and 14CB of the UK Companies Act 2006.

The information in the table on the next page is provided to aid understanding of MHP's approach, policies and performance relating to non-financial and sustainability matters. No material breaches of policy were identified during 2023.

It also highlights where further information, other than that disclosed within this Report, can be accessed.

MHP regularly conducts dialogue with investors and other stakeholders about non-financial and sustainability matters. More information can be found in the Stakeholder Engagement section of this Report.

## HIGHLIGHTS

### PERFORMANCE HIGHLIGHTS



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### RISK

A description of the principal risks and their potential impacts on the business



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### BUSINESS MODEL

An explanation of MHP's business model



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### SUSTAINABILITY

Information about MHP's sustainability approach, policies, management systems and performance



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REPORTING REQUIREMENT	POLICIES AND STANDARDS WHICH GOVERN MHP'S APPROACH	WHERE TO READ MORE IN THE REPORT ABOUT MHP'S IMPACT INCLUDING THE PRINCIPAL RISKS RELATING TO THESE MATTERS	WHERE TO FIND FURTHER INFORMATION
Environmental Matters	→ MHP's Environmental Policy	→ Risk Management pages 50 to 56 → MHP's Growth Pillars introduction section pages 57 to 59 → Growth Pillar 6 pages 92 to 101	→ mhp.com.ua Sustainable Development section
Employees	→ MHP's Five Core Values page 23 → MHP's Code of Ethics → Conflict of Interest Management Policy	→ Chair's Statement pages 7 to 9 → MHP's Growth Pillars introduction section pages 57 to 59 → Growth Pillar 1 pages 60 to 64 → Growth Pillar 2 pages 65 to 75 → Growth Pillar 5 pages 84 to 91	→ mhp.com.ua Sustainable Development section → mhp.com.ua Corporate Ethics and Compliance section
Social Matters	→ MHP's Five Core Values page 23 → MHP's Code of Ethics → MHP Business Partner Code of Conduct	→ Chair's Statement pages 7 to 9 → MHP's Growth Pillars introduction section pages 57 to 59 → MHP's Growth Pillars 1 to 6 pages 60 to 101	→ mhp.com.ua Sustainable Development section → mhp.com.ua Corporate Ethics and Compliance section
Human Rights	→ MHP's Stakeholder Engagement Plan → MHP's Code of Ethics → MHP Business Partner Code of Conduct	→ MHP's Growth Pillars introduction section pages 57 to 59 → Growth Pillar 3 pages 76 to 77	→ mhp.com.ua Sustainable Development Section → mhp.com.ua Corporate Ethics and Compliance Section
Anti-Corruption And Anti-Bribery	→ MHP's Code of Ethics → Conflict of Interest Management Policy → MHP Business Partner Code of Conduct → MHP Integrity Statement	→ MHP's Growth Pillars introduction section pages 57 to 59 → Growth Pillar 5 pages 84 to 91	→ mhp.com.ua Corporate Ethics and Compliance Section
Description Of The Business Model		→ Our Business Model page 16	→ mhp.com.ua About Company Section
Description Of Principal Risks And Impact Of Business Activity		→ Risk Management pages 50 to 56	
Non-Financial Key Performance Indicators		→ Growth Pillars 1 to 6 pages 60 to 101	
Climate-Related Disclosures	→ MHP's Environmental Policy → MHP Business Partner Code of Conduct	→ MHP's Growth Pillars introduction section pages 57 to 59 → Growth Pillar 6 pages 92 to 101 → TCFD Statement pages 102 to 104	→ mhp.com.ua Sustainable Development Section

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