



SUSTAINABILITY REPORT

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1.1 The Sustainability Policy of the PROVEN GROUP OF COMPANIES


PROVEN GROUP OF COMPANIES is attempting to evolve into a responsible group of companies that are constantly learning to adhere to sustainable development. Since around 1996, when Toyo and Lion Battery Productions were established, we have laid great emphasis on sustainable development. When the PROVEN GROUP OF COMPANIES was formed, sustainable development policies were developed and implemented. These policies can be accessed at www.proven.com.mm.


1.1.1 Appointment of Sustainable Officer




Since September 2021, in order to take more concrete efforts towards the sustainable developments of the Group of Companies, the Proven Group of Companies appointed a Sustainable Officer under the Group of Companies.

1.2. PROVEN GROUP OF COMPANIES and the United Nations' Sustainable Development Goals


PROVEN GROUP OF COMPANIES is making sure that every business activity of the group of companies contributes to the United Nations' Global Goals for Sustainable Development. PROVEN GROUP OF COMPANIES has met 10 of the 17 United Nations Sustainable Development Goals and 30 of the 169 Targets through its business activities. Additionally, the group of companies will carefully design its business activities to fulfil the rest of the United Nations Sustainable Development Goals and Targets.


 1 NO POVERTY	Sustainable Development Goals and Targets
PROVEN GROUP OF COMPANIES attempted to contribute to the targets of United Nations Sustainable Development Goal (1) by setting employee salaries based on the government's minimum wage, taking the annually-changing Consumer Price Index (CPI) into consideration. We also provide interest-free home loans for our staff.	1.1 1.2 1.4 1.5


 3 GOOD HEALTH AND WELL-BEING	Sustainable Development Goals and Targets
PROVEN GROUP OF COMPANIES attempted to contribute to the targets of United Nations Sustainable Development Goal (3) by ensuring that there is no consumption of drugs and substances, alcohol and that there is no harm to the health of the staff as a result of the chemicals used in the manufacturing process of the factories under PROVEN GROUP OF COMPANIES.	3.5 3.9 3A


<p>6 CLEAN WATER AND SANITATION</p> 	<p>Sustainable Development Goals and Targets</p>
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (6) by carrying out treatment for the industrial wastewater that came out of its manufacturing process. PROVEN GROUP OF COMPANIES also ensures that there is no harm to the water, air, and environment by the industrial chemicals.</p>	<p>6.3</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Sustainable Development Goals and Targets</p>
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (8) by ensuring that we do not practise forced and child labour, continuously providing decent work and a safe and healthy environment for the staff, and making them enjoy their labours' rights that are in line with the existing labour laws.</p>	<p>8.5 8.6 8.7 8.8</p>
<p>9 INDUSTRIES, INNOVATION AND INFRASTRUCTURE</p> 	<p>Sustainable Development Goals and Targets</p>
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (9) by formulating and implementing policies to become a sustainable and resource-efficient group of companies.</p>	<p>9.2 9.4</p>


PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (9) by formulating and implementing policies to become a sustainable and resource-efficient group of companies.	9.2 9.4
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10 REDUCED INEQUALITIES 	Sustainable Development Goals and Targets
PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (10) by adjusting employee salaries with the annually-changing Consumer Price Index (CPI), ensuring income security, raising the pay uniformly and contributing to social security schemes.	10.1 10.3 10.4

11 SUSTAINABLE CITIES AND COMMUNITIES 	Sustainable Development Goals and Targets
PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (11) by adjusting employee salaries with the annually-changing Consumer Price Index (CPI), ensuring income security, providing interest-free home loans to staff to purchase safe and healthy housing at reasonable prices, and providing interest-free loans which can be repaid by monthly instalments to the staff who are having financial difficulties resulting from various reasons.	11.1 11.5

12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Sustainable Development Goals and Targets
PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (12) by being certified by ISO 14001, environmental management system, in its factories and industries and ensuring that no harm to the environment occurs due to manufacturing processes or chemical use. Additionally, PROVEN GROUP OF COMPANIES has established a goal to reduce	12.2 12.4 12.5 12.6 12.7

16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Sustainable Development Goals and Targets
<p>PROVEN GROUP OF COMPANIES attempted to contribute to the targets of the United Nations Sustainable Development Goal (16) by upholding a code of conduct prohibiting the giving or accepting of bribes, policing corporate management and ensuring that there is transparency and no discrimination at all levels, providing decision-making capacity at all management levels, and organizing workers' organizations in accordance with the existing labour laws.</p>	<p>16.5 16.6 16.7 16.10 16B</p>

17 PARTNERSHIPS FOR THE GOALS 	Sustainable Development Goals and Targets
<p>PROVEN Company OF COMPANIES attempted to comply with the United Nations' Sustainable Development Goal (17) by consistently attempting to maintain its integrity as a sustainable group and by appointing a Compliance and Sustainability Officer in accordance with those sustainable development measures.</p>	<p>17.5 17.6 17.7 17.10 17B</p>

1.3 Social, Environmental and Economic Sustainability of the PROVEN GROUP OF COMPANIES

PROVEN GROUP OF COMPANIES attempts to distinguish itself not as a collection of businesses conducting economic activity but as a sustainable group with ethics. As a result, the group focuses on sustainability concerning the labour, which is the primary pillar of a group of companies, the environment in which the industries operate, and the profit generated by the business.

1.3.1 Activities relating to Social Sustainability

1.3.1.1 Skill Development

Proven Group of Companies provides several training cycles for staff training to build an organization with skilled human resources and continually develop fresh ideas based on up-to-date knowledge. As a result, all employees have the opportunity to participate in various training programs including management, skill development, workplace safety and health, ISO, and business ethics added up to at least (700) hours each year.

1.3.1.2 Workplace safety and Health

PROVEN GROUP OF COMPANIES is continuously attempting to have zero major and fatal accidents under the 2019 Occupational Safety and Health Law. For this reason, the group makes not only the companies' staff but also the contractor hired for the work of the group of companies follow the workplace safety and health rules and regulations.

The group is creating and uplifting safe and healthy workplace environments as follows.

- (1) Organizing the workplace safety and health committees
- (2) Appointing the department managers as a chairperson at those committees alternatively.

There were the following workplace occupational accidents in the PROVEN GROUP OF COMPANIES during 2020-2021.

- | | |
|-------------------------|------------|
| (1) First-aid Accidents | Five cases |
| (2) Minor Accidents | Six cases |

In 2020-2021, the PROVEN GROUP OF COMPANIES does not have serious, major and fatal accidents.

1.3.1.3 Social Security

PROVEN GROUP OF COMPANIES is implementing the social security activities as follows.

- (1) Registering at the social security office
- (2) Opening the clinics at the factories
- (3) Giving annual medical check-ups
- (4) Giving milk, banana and fresh food as the necessary nutrition.

1.3.1.4 Human Resource

PROVEN GROUP OF COMPANIES is implementing the human resource development to have the following outcomes.

- (1) Turnover below (5%)
- (2) Absenteeism below (7%)
- (3) Women employee ratio (30%)
- (4) More than 90% of the staff is covered for Covid-19 Vaccination.
- (5) Full benefit of the social security for all the reported cases.

1.3.2 Environment Sustainability

Using the goal of causing no harm to society and the environment in all sectors, the PROVEN GROUP OF COMPANIES conducts operations such as disposing of wastewater from battery manufacturing companies by going through a pre-screening process and a wastewater treatment system. Additionally, Yangon Metal Industry Co., Ltd. was established and conducted activities such as secondary smelting lead by purchasing discarded batteries, collecting lead dust generated from plate cutting and cleaning process by lead dust collector, removing acid vapour from the air with an acid vapour collecting system, and measuring the air quality every three years by inviting the Occupational Health Division.

1.3.3 Economic Sustainability

As PROVEN GROUP OF COMPANIES is attempting to evolve into a responsible group of companies that constantly adheres to sustainable development, we are earning only fair and just profits and managing those profits in the following manner:

- (1) Operating the sustainable development activities of PROVEN GROUP OF COMPANIES
- (2) Investing in the future economic establishments of PROVEN GROUP OF COMPANIES
- (3) Distributing the dividends proportionately to the shareholders in accordance with the profit-sharing policy of the PROVEN GROUP OF COMPANIES
- (4) Giving the bonuses to the staff of the respective industries of the PROVEN GROUP OF COMPANIES

1.4 Risk Management

Due to the nature of the business that manufactures and sells batteries, the Audit and Risk Management Committee identified that the PROVEN GROUP OF COMPANIES may encounter the following risks.

- (1) Credit Sales
- (2) Production
- (3) Human Resource

The Audit and Risk Management Committee manages the aforementioned potential risks as follows

- (1) Setting procedures and policies for the Audit and Risk Management Committee
- (2) Encouraging and assisting the Management in establishing techniques that ensure there is the least debt for business activities that were sold on credit during Covid-19 and unstable conditions. Ensuring that there is no cancellation of production and, if there is, that there is the least loss in terms of human resources.

In accordance with the recommendations of the Audit and Risk Management Committee, the Management could manage the risks to become the least due to the detail-oriented plans.

Due to the nature of the business that manufactures and sells batteries, the Audit and Risk Management Committee identified that the PROVEN GROUP OF COMPANIES may encounter the following risks.

5.5 Society

PROVEN GROUP OF COMPANIES is establishing policies about philanthropic activities without expecting any profit or benefit in return as PROVEN GROUP OF COMPANIES is attempting to evolve into a responsible group of companies that constantly adheres to sustainable development.

PROVEN GROUP OF COMPANIES allocated MMK 30 million in the budget for the fiscal year 2020-2021 and used the funds to conduct the following philanthropic activities.

- (1) Donating the social organizations
- (2) Holding the Health Education Talks
- (3) Doing collective donation of blood
- (4) Planting the trees for the environmental conservation
- (5) Donating the oxygen and oxygen gas cylinders for the people who need oxygen during the COVID-19 third wave.

5.6 Engaging with stakeholders

The stakeholders associated with the PROVEN GROUP OF COMPANIES are shareholders, investors, customers, importers, staff, national government and authority organizations, local community organizations, and non-government organizations.

PROVEN GROUP OF COMPANIES responds to the issues relating to these stakeholders with the following techniques to have the sustainable development of the companies.

Stakeholders	How we connect	Activities	SDGs
Shareholders/investors	<ul style="list-style-type: none"> • Meetings • Emails and Phones • Letters • Company Website 	<ul style="list-style-type: none"> • Maintaining a good relationship with the founding shareholders. 	17
		<ul style="list-style-type: none"> • Holding the 19th annual general meeting in January 2021. 	16
		<ul style="list-style-type: none"> • Attending the corporate management course held by the Myanmar Institute of Directors (MIOD) by the board of directors 	16
		<ul style="list-style-type: none"> • Publishing 2020-2021 annual report. 	

(1) Donating the social organizations



(2) Holding the Health Education Talks



(3) Doing collective donation of blood



(4) Planting the trees for the environmental conservation



- (5) Donating the oxygen and oxygen gas cylinders for the people who need oxygen during the COVID-19 third wave.



Stakeholders	How we connect	Activities	SDGs
Customers	<ul style="list-style-type: none"> • Email, Phone, and Letter • Social Media • Trade Fairs, Networking Events • Workshops • Company Websites 	<ul style="list-style-type: none"> • Controlling the quality • Opening the local sales and service centres 	7, 10
		<ul style="list-style-type: none"> • Opening the service centres, trained and endorsed by PROVEN. • Purchasing the discarded old battery for reuse 	4, 7 12
Suppliers	<ul style="list-style-type: none"> • Emails, Phone and Letters • Meetings • Video-conferencing 	<ul style="list-style-type: none"> • Quality and support of products/services • Doing quick transactions and resolving the complaints politely • Making aware of the policies and code of conducts • Supplier development programs 	1, 8, 10, 16 1, 8, 10, 16 9 8

Stakeholders	How we connect	Activities	SDGs
Employees	<ul style="list-style-type: none"> • Annual Performance Appraisal • In-office Intranet, Internet, Email and Phone • Complaint Mechanism • Training, Induction • Meetings 	<ul style="list-style-type: none"> • Providing decent wages, assisting with advanced training, assisting with essential resources, establishing a safe work environment, providing natural disaster management and compliance with traffic laws training, and providing financial assistance for sickness • Giving equal chance in hiring, training 	1, 2, 3, 4, 6, 8, 13

Stakeholders	How we connect	Activities	SDGs
	<ul style="list-style-type: none"> • Survey of the staff • Discussions • Ethics & Code of Conduct 	<ul style="list-style-type: none"> and promoting the staff without any discrimination against gender • Giving medical check-ups to the staff in the production • Letting the Covid-19 staff work from home • Arranging the supporting activities for all the staff 	<p>5, 10</p> <p>3</p> <p>3, 8</p> <p>3</p>
Government and Authorities	<ul style="list-style-type: none"> • Email, Phone and Letters • Complying with provisions and regulations • Attending the meetings 	<ul style="list-style-type: none"> • Giving the taxes • Renewing the license • Complying with provisions and regulations 	<p>10,</p> <p>16</p> <p>16</p> <p>16</p>
Associations, local community and non-government organizations.	<ul style="list-style-type: none"> • Meetings • Site visits • Trade Fairs and Discussions • Email and Phone • Company Website • Facebook 	<ul style="list-style-type: none"> • Being a member of Myanmar Industries' Associations (MIA), Myanmar Chemical Industries Associations (MCIA), Myanmar Automobile Manufacturers and Distributors Association (MAMDA), Yangon Region Automotive Components, Spare parts & Accessories Association (YACSA) and Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) • Carrying out the blood donation activities • Donating the oxygen cylinders and oxygen • Encouraging the anti-corruption movement through the UN Global Compact continuously 	<p>12</p> <p>3</p> <p>3</p> <p>16</p> <p>13</p> <p>12</p> <p>12</p>

Stakeholders	How we connect	Activities	SDGs
		<ul style="list-style-type: none"> • Natural disaster management • Member of Responsible Care • Monitoring the process life cycle and taking corrective action in relation to waste production, treatment, and air pollution 	



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REPORT**

PRO**EN**
GROUP OF COMPANIES



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