

2021 SUSTAINABILITY REPORT

**Towards a
sustainable future**



MAY & BAKER NIGERIA PLC



World Class Facility for More Innovative Solutions

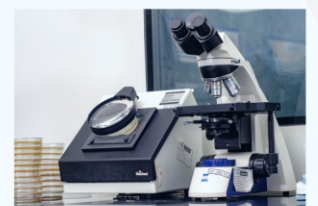


Since 1944, May & Baker has shown deep commitment to the well-being of all Nigerians and resident foreigners. And now, to further deepen this commitment our WHO cGMP compliant ultra modern facility, the PharmaCentre, is dedicated to providing the following services:

- Contract Manufacturing
- Formulation/Product Development
- Laboratory Analysis
- Stability Testing



Good Manufacturing Practice



World Class Laboratory/
Analytical Services



MAY & BAKER NIGERIA PLC

Supporting your health for life

RC: 558

FACTORY SITE :

1, May & Baker Avenue, Off Idiroko Road (Opposite Covenant University) Ota, Ogun State. Tel: +234-1-2121290-1;
+234-1-4533446; +234-7045243923. Email: info@may-baker.com



www.may-baker.com



@mayandbakerng



MAY & BAKER NIGERIA PLC

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Revolutionizing Sustainability at May & Baker Nigeria Plc

Our Approach to Sustainability

Welcome to our first May & Baker Nigeria Plc annual Sustainability Report. As the pioneer pharmaceutical company in Nigeria, we are dedicated to collaboratively driving progress on sustainable development in partnership with our stakeholders.

The need to implement sustainability practices in the pharmaceutical industry has gained traction in recent times as the industry produces a significant amount of waste and greenhouse gases, whilst utilising large volumes of water.

The year 2021 was remarkable in our sustainability journey, and witnessed our maiden sustainability report in accordance with the world renowned GRI Sustainability Reporting Standard and other local and global frameworks.

At May & Baker Nigeria PLC, our sustainability culture is rooted in the fabrics of our business strategy and operations to create positive social, environmental and economic impacts for all stakeholders. As a responsible organisation in the manufacturing and distribution of pharmaceutical products, we recognise the responsibility to take into account the wider interest of our employees, customers,

shareholders, suppliers, healthcare institutions, regulatory authorities, communities and the physical environment in pursuit of the success and growth of our business.

This Sustainability Report underlines the progress of our performance in 2021. It complements our Annual Report. The report is categorised into Environmental, Social and Governance (ESG) pillars to account for our nonfinancial material impacts that are of interest to all stakeholders.



Based on the GRI reporting requirements, we conducted a materiality assessment survey to understand key issues that are critical to our business and different stakeholders in order to guide our reporting and business practices. The report is prepared in accordance with the GRI principles of reliability, accuracy,

balance, sustainability context, materiality, completeness and stakeholder inclusiveness.

The data disclosed in this report was collected using GRI Standard questionnaire and is for the period covering 1st January to 31st December, 2021 (FY2021). This year onwards, our goal is to periodically share insights on our nonfinancial performance using the environmental, social and governance (ESG) metrics. We hope that this will provide adequate information to enable our stakeholders make critical decisions in advancing sustainable development.

Sustainability Performance Highlights, FY21

Sustainability Performance Highlights, FY21

Energy Consumption

16% reduction

Total Direct CO2 Emission

Declined by 3% since 2019

Waste Generated

230 tonnes (2020 and 2021)

Social Investments

Up 7% at ₦2.09mn

Job Creation

358 direct jobs

Contribution to Household Income

₦1.76bn (30% increase)

Indirect Contributions to Household Income

₦2.60bn 10% decrease)

Economic Value Distribution

₦11.19bn 29% increase)

Board Diversity

33% women representative

Local Content Support

₦2.187bn for local procurements (29% increase)

Reporting Standards and Frameworks:

- GRI Standards
- Nigerian Exchange Group (NGX) Sustainability Disclosure Guidelines
- Securities & Exchange Commission (SEC) Guidelines on Sustainable Financial Principles for the Capital Market
- United Nations Global Compact (UNGC) Principles
- United Nations Sustainable Development Goals (SDGs)
- Securities & Exchange Commission (SEC) Code of Corporate Governance.

Message from the Chairman

Dear Esteemed Stakeholders,

It gladdens my heart to introduce to you the maiden Annual Sustainability Report of May & Baker Nigeria Plc. My happiness is that amid the complexity and challenging business climate in 2021, we successfully achieved our objectives to maintain the triple bottom line of social responsibility, environmental sustainability, and responsible economic value creation.

Our responsible corporate governance approach empowers us to evaluate our business beyond financial results but to create shared values for all our people, including our host communities, our employees, and other stakeholders. In 2021, we created a positive impact on the local economies where we operate and implemented different initiatives to mitigate the impact of climate change and promote environmental sustainability.

This report is designed to meet the reasonable expectation of our stakeholders on our contributions to building a sustainable future for all and disclosing how our business activities have impacted the lives of the people, the environment, and the economy at different levels. But, we assure you that sustainability at May & Baker Nigeria Plc is a journey and we believe that we can only reach our destination with your support. I invite you to read this report and be motivated to support our journey to a sustainable future.

In our journey of business sustainability, we ensure that the Board continues to adhere to the highest standards of responsible corporate governance. We contracted Deloitte & Touche to perform the annual evaluation of the effectiveness of the Board of Directors of May and Baker Nigeria Plc ("May & Baker") for the year ended 31 December 2020. The scope of the review included an assessment of the structure and composition of the Board, responsibilities,



processes, procedures, the effectiveness of Board Committees, corporate disclosures, and relationship with stakeholders. The review was performed in compliance with the Nigerian Code of Corporate Governance ("NCCG"), the SEC Guidelines, and other good practice Corporate Governance standards.

Board members are regularly updated on regulatory requirements for sustainability, climate change mitigation, corporate disclosures, relationship with stakeholders, and their implications for May & Baker.

On behalf of the Directors, I wish to congratulate the executive management for a sustainable performance and extend our best wishes to all stakeholders for a happy and successful 2022 sustainability performance.

Senator Daisy Danjuma
Chairman, Board of Directors

Managing Director's Message

Dear Stakeholders,

It gives me immense pleasure to present to you our first Sustainability Report published amid the period that brought about immense challenge to the lives of people and business globally. Businesses are transitioning now more than ever to address the impacts of climate change and support the people and local economies to bounce back stronger from the impact of the pandemic to a more sustainable future. We strive to enable the society and our business to build resilience in a dynamic world. Our sustainability approach enables us to conduct our business in a manner that creates value for all our current stakeholders without jeopardising the ability of future generations to meet their own needs.

This report presents an overview of our strategy, approach, key initiatives and performance across economic, social and environmental pillars of sustainability. It highlights our strong commitment to uplift communities, revitalise our workforce, and enhance access to quality pharmaceutical, beverage, and personal care products for all.

As part of our sustainability approach, the Company has established an Enterprise Risk Management System to ensure that all risks are identified, assessed and mitigated regarding the impact on the business. Environmental factors, material and operational efficiency, human resources, financial reporting, health and safety together with other factors form part of our periodic risk assessment and management.

As we remain steadfast in embedding the principles of sustainability across our value chain

and contribute to sustainable development, we continue to provide affordable, accessible, safe and high quality pharmaceutical products to our people.



Mr. Patrick Ajah
Managing Director

May & Baker Nigeria Plc at a Glance

May & Baker Nigeria Plc is a leading pharmaceutical manufacturer founded on September 4, 1944, the first to be established in Nigeria. The company which started as a trading outpost to serve the West Coast of Africa began local manufacturing of pharmaceuticals in 1976 and became a publicly quoted company following its listing by introduction on the Nigerian Stock Exchange on November 10, 1994 where it has won the coveted award of Sectoral Leadership of the Healthcare sector six times.

When the foreign partners decided to divest in 2002, May & Baker Nigeria Plc ("May & Baker") became a wholly Nigerian company but retaining technical partnership with leading pharmaceutical manufacturers worldwide. These relationships gave the company room to explore new investments and product development opportunities including the research, formulation and development of new products.

The company thereby began an aggressive expansion and diversification program which started with the introduction of Lily Table water

in 2002. The company also invested in setting up an Anti-Retroviral (ARV) plant to produce drugs for HIV/AIDS. The plant began production in 2006 and is the first local manufacturing facility for ARV drugs. May & Baker has many registered ARV brands a couple of which have been presented and are currently undergoing pre-qualification by the World Health Organization (WHO).

In June, 2011 May & Baker commissioned its WHO standard pharmaceutical production facility, the Pharma Centre, which was certified by the WHO for good manufacturing practice in 2014 (cGMP). It is currently undergoing re-certification, while specific products from the plant are being presented for WHO prequalification.

In 2005, May & Baker began the process of establishing West and Central Africa's first private multiple vaccines production company by going into a joint venture with the Federal Government of Nigeria. The vaccines joint venture company Biovaccines Nigeria Limited is geared towards making Nigeria self-sufficient in the production of basic human vaccines contained in the National Immunization Program while also aiming to export its products to other African Countries.



Prioritizing our ESG Focus Areas



Sustainability Materiality Assessment and Stakeholders' Surveys Report

Materiality Assessment

As an integral part of our value creation, we conducted Sustainability Materiality Assessment exercise through stakeholder engagement. The exercise was conducted through the use of survey, in-depth interviews and desktop research to listen and gain insights into what really matters most to our key stakeholders and their potential impacts on May & Baker's business. This exercise enables us to balance our business interests with those of our stakeholders.

We adopted impact materiality to determine material issues based not on whether they are "of interest to stakeholders," but whether they have "an impact on the economy, environment, and people."

The assessment results were plotted on a materiality matrix in order to prioritise top material sustainability impacts and guide strategy. The issues were ranked into four categories; insignificant, low, medium and high,

based on the percentages linked to their degree of importance. This implies that environmental, social and governance (ESG) indicators were considered material based on the level of importance ascribed to them.

Based on the diverse sustainability indicators, two materiality matrices were developed for the internal stakeholders (employees and investors) followed by a consolidated materiality matrix:



The first two materiality matrices present the sustainability indicators important to the employees and investors against their impacts on May & Baker's business, while the third matrix is the overall May & Baker's materiality matrix. The overall matrix is a combination of the importance of the topics to the internal stakeholders (employees and investors) compared to the impact on May & Baker's business.

Methodology

Survey Analysis

The May & Baker survey was deployed using the Google Form survey platform, which was administered to the employees and investors. The survey assessed and ranked various

environmental, social and governance (ESG) metrics according to their level of importance to the internal stakeholders - employees and investors.

The responses were collected anonymously to ensure confidentiality and transparency. Quantitative analysis was conducted using Microsoft Excel Spreadsheet.

The responses were analysed and scores/percentages allocated to the various survey questions based on the frequency distribution of all relevant responses to each survey question per stakeholder group.

1. Kindly select how significant the environmental themes (listed on the left side below) are to you.

	Not Significant	Less Significant	Significant	Very Significant	Extremely Significant
1. Energy Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Packaging Management & Lifecycle Management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Water Management.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Emissions and Climate change	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

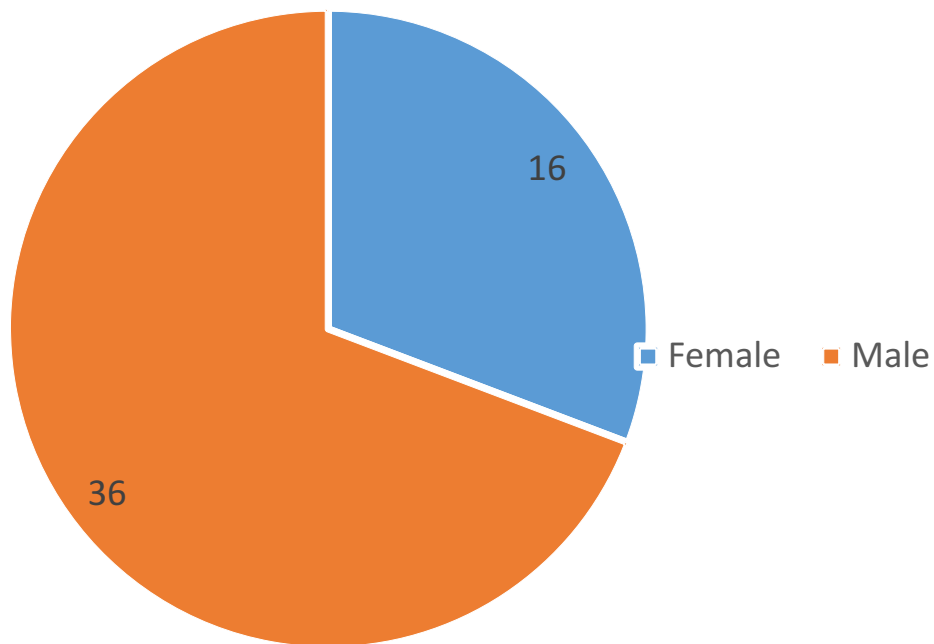
Materiality Assessment Results:

While all the 35 sampled topics were ranked as material to the employees and investors, 30 topics were ranked as impact on the business.

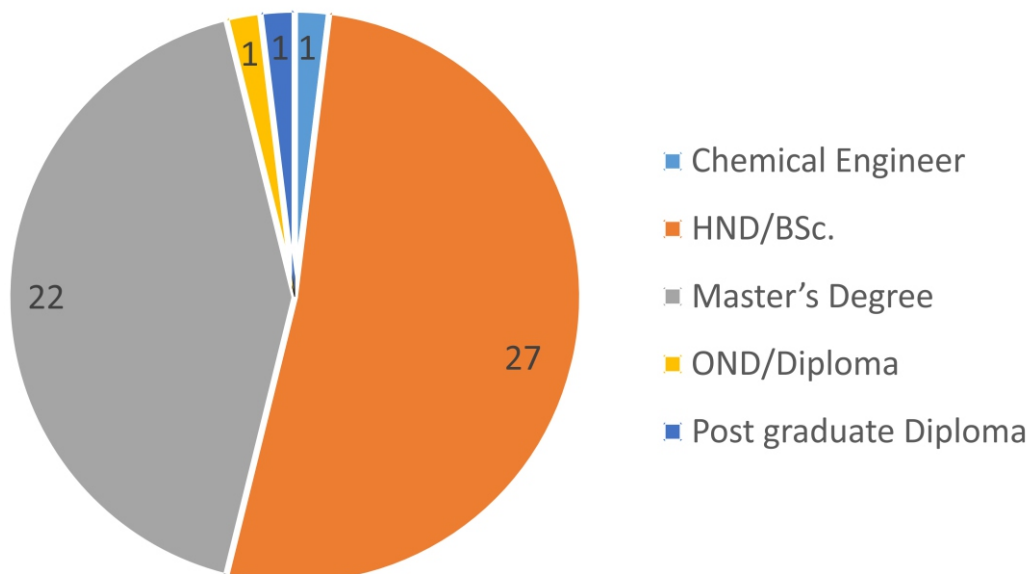
Employee Survey Results:

A total of 52 employees participated in the survey.

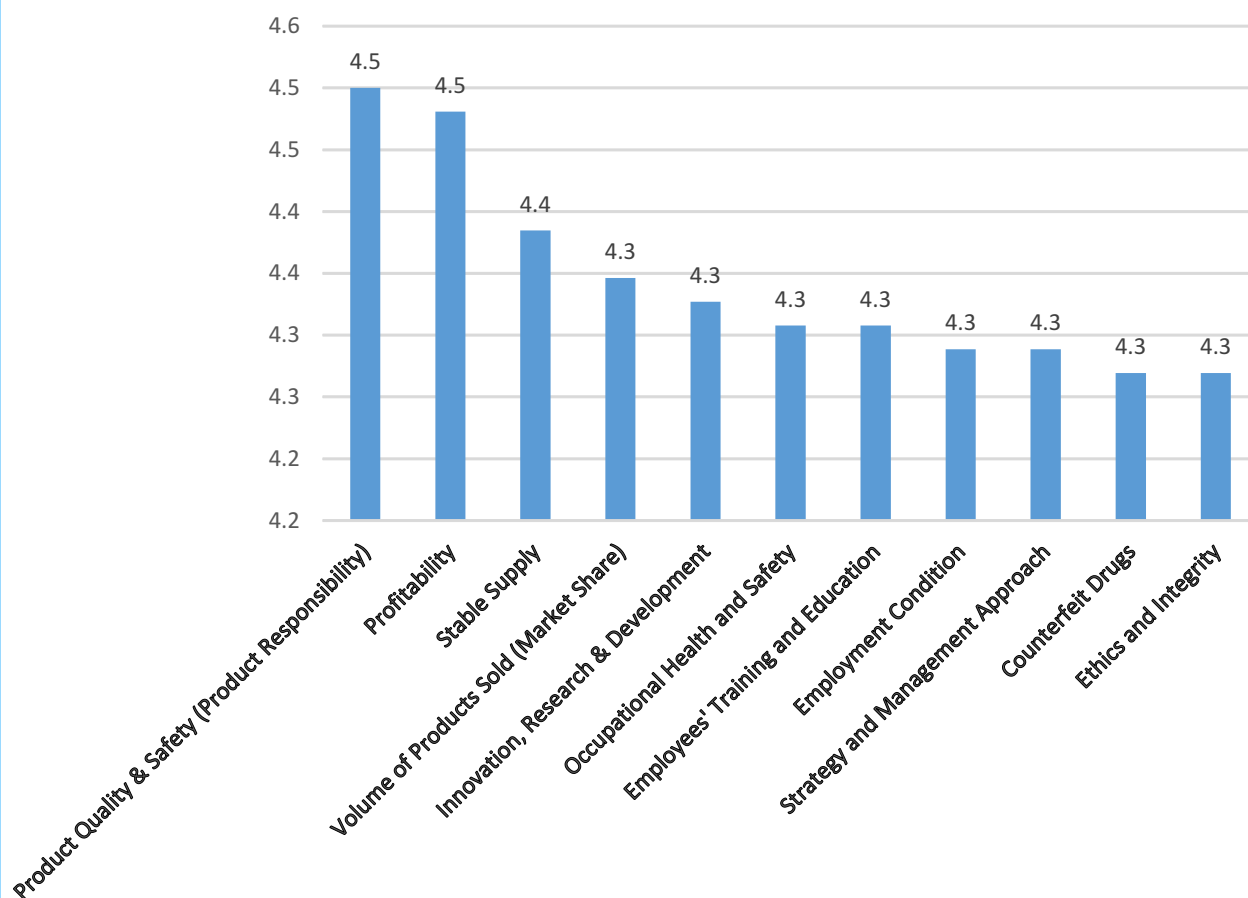
Gender



Educational Qualification

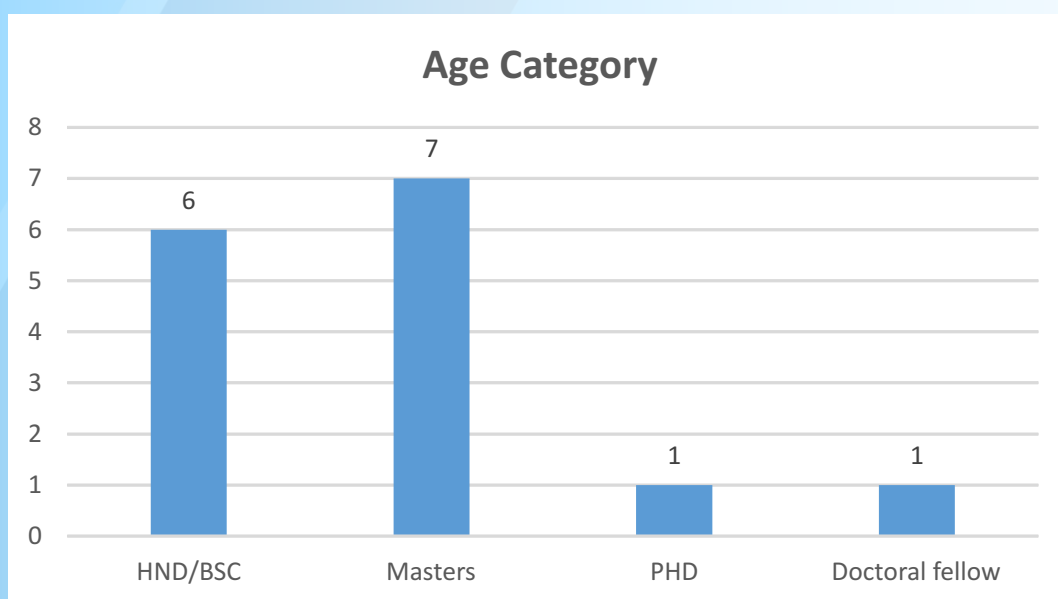


Employee: Top Ranking Sustainability Indicators

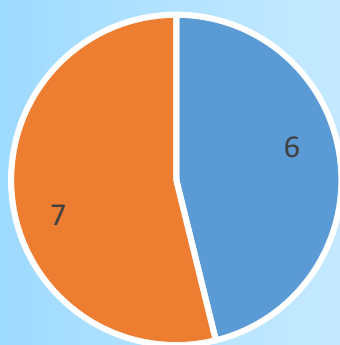


Investor Survey Results:

A total of 15 investors participated in the survey.

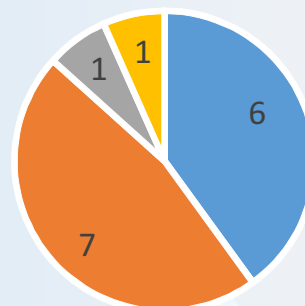


Gender (Investors)



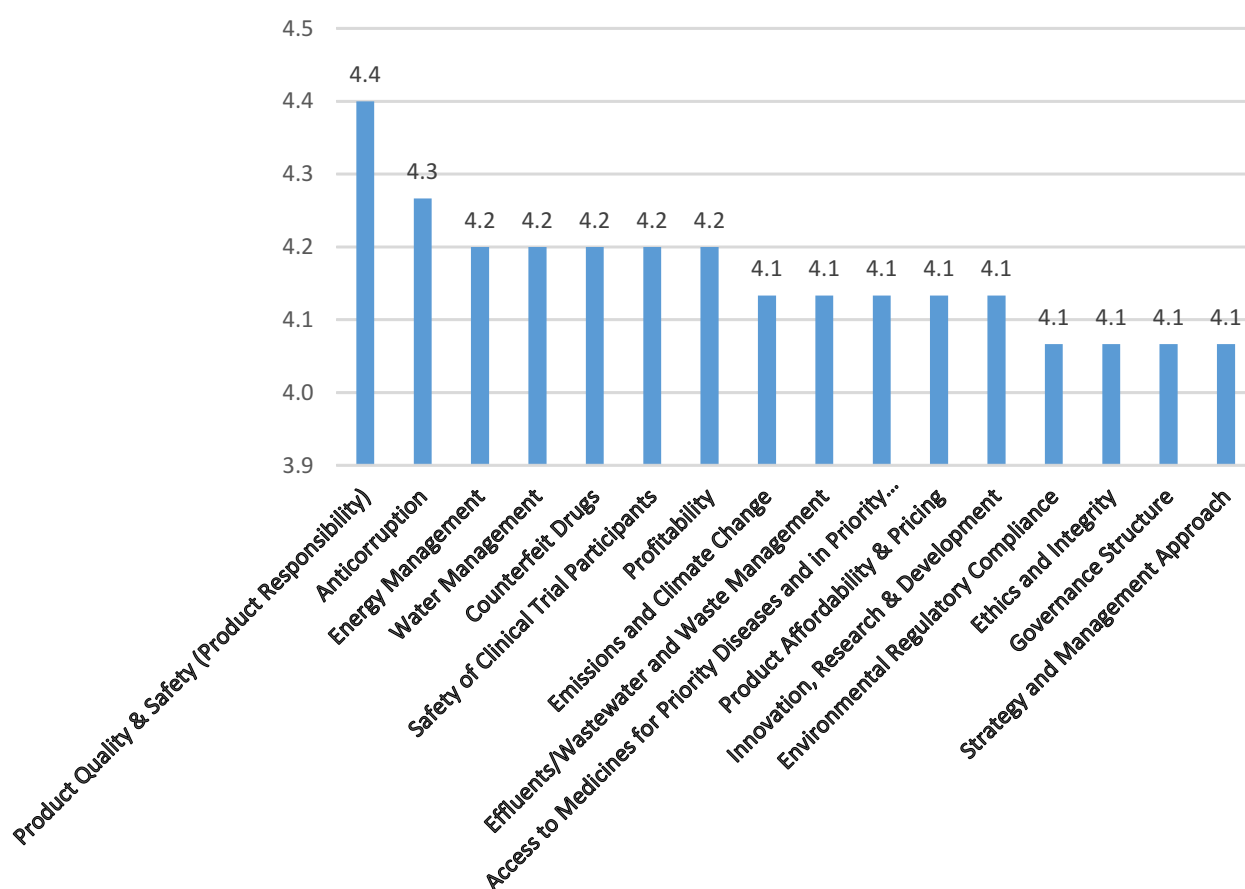
Male Female

Educational Qualification (Investors)



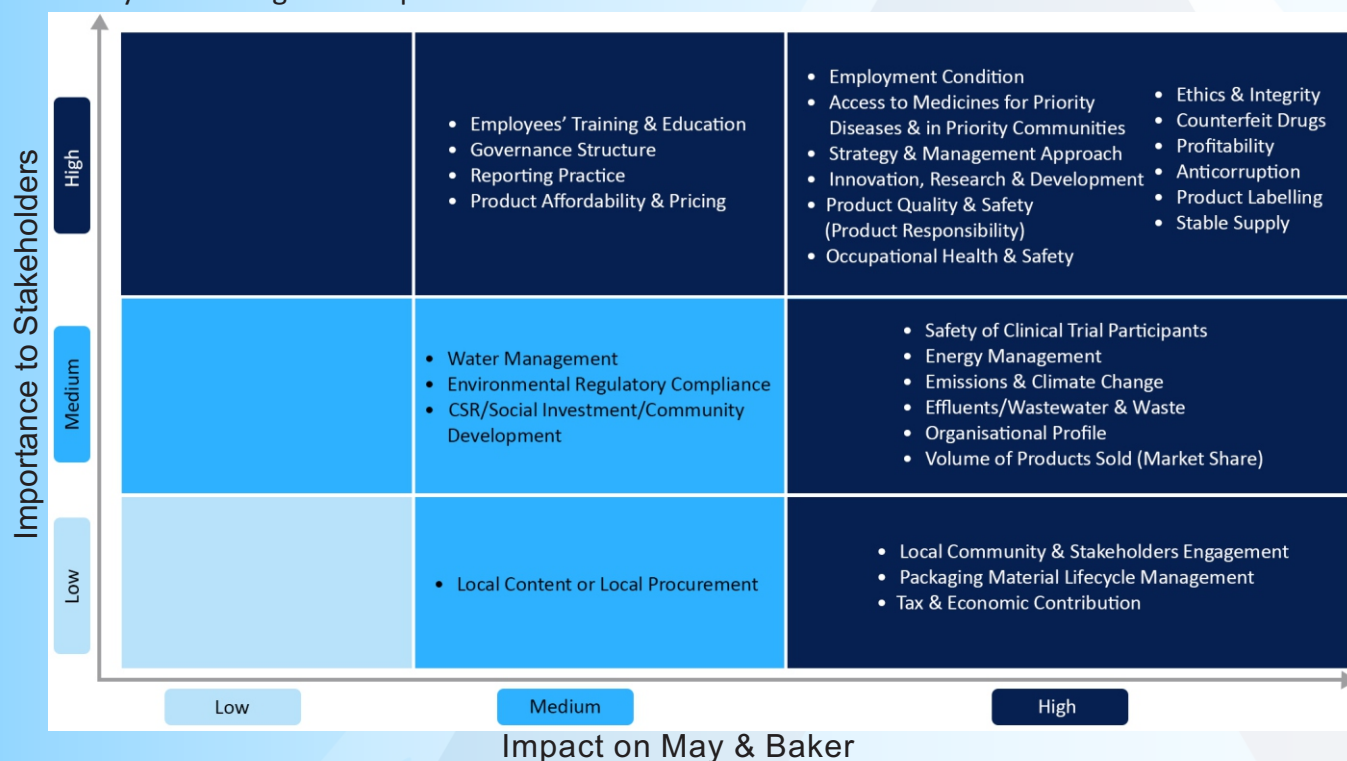
HND/BSC Masters PHD Doctoral fellow

Investors: Top Ranking Sustainability Indicators



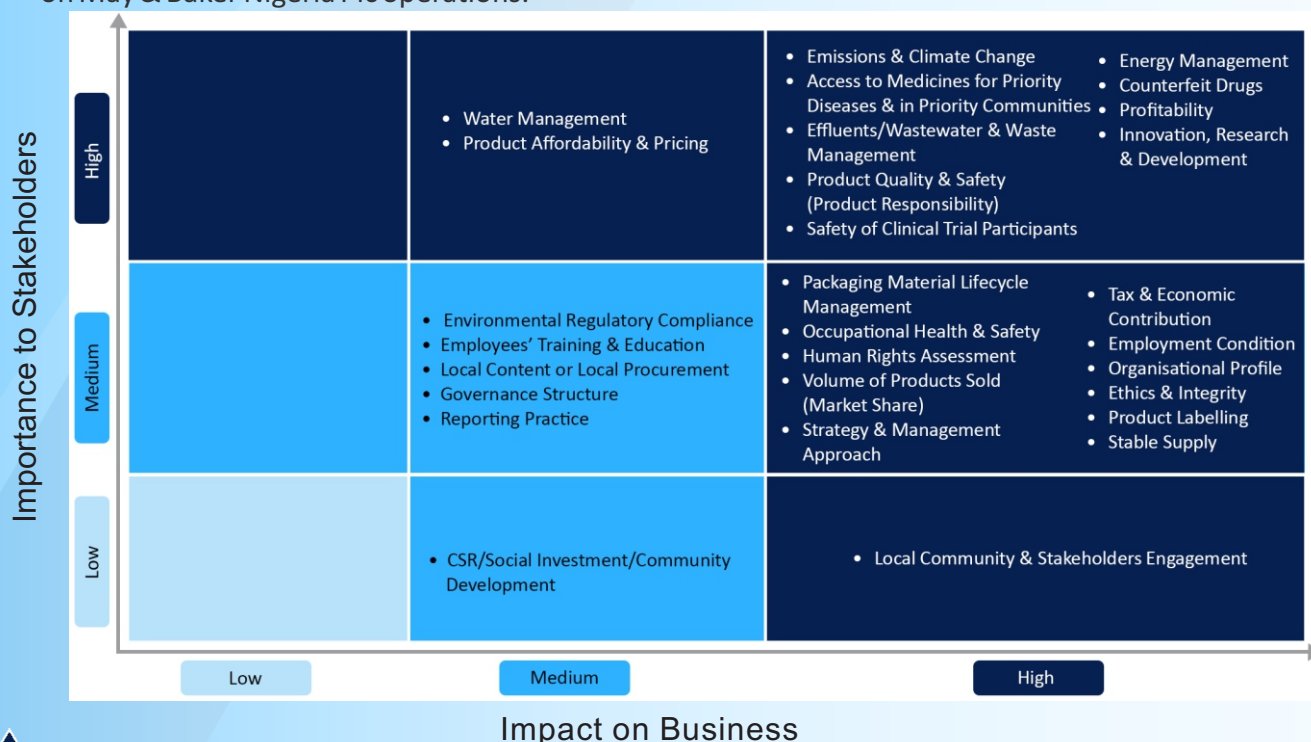
Employee Materiality Matrix

All the 35 ESG metrics were ranked as material by all the employees that participated in the survey. But in this materiality matrix, five (5) out of the 35 metrics have been excluded due to their insignificant impact on the May & Baker's business. This exclusion also helps to ensure that there is XY axis in the graph. Out of the remaining 30 material topics, 12 were ranked as high importance to the employees and high impact on May & Baker Nigeria Plc operations.



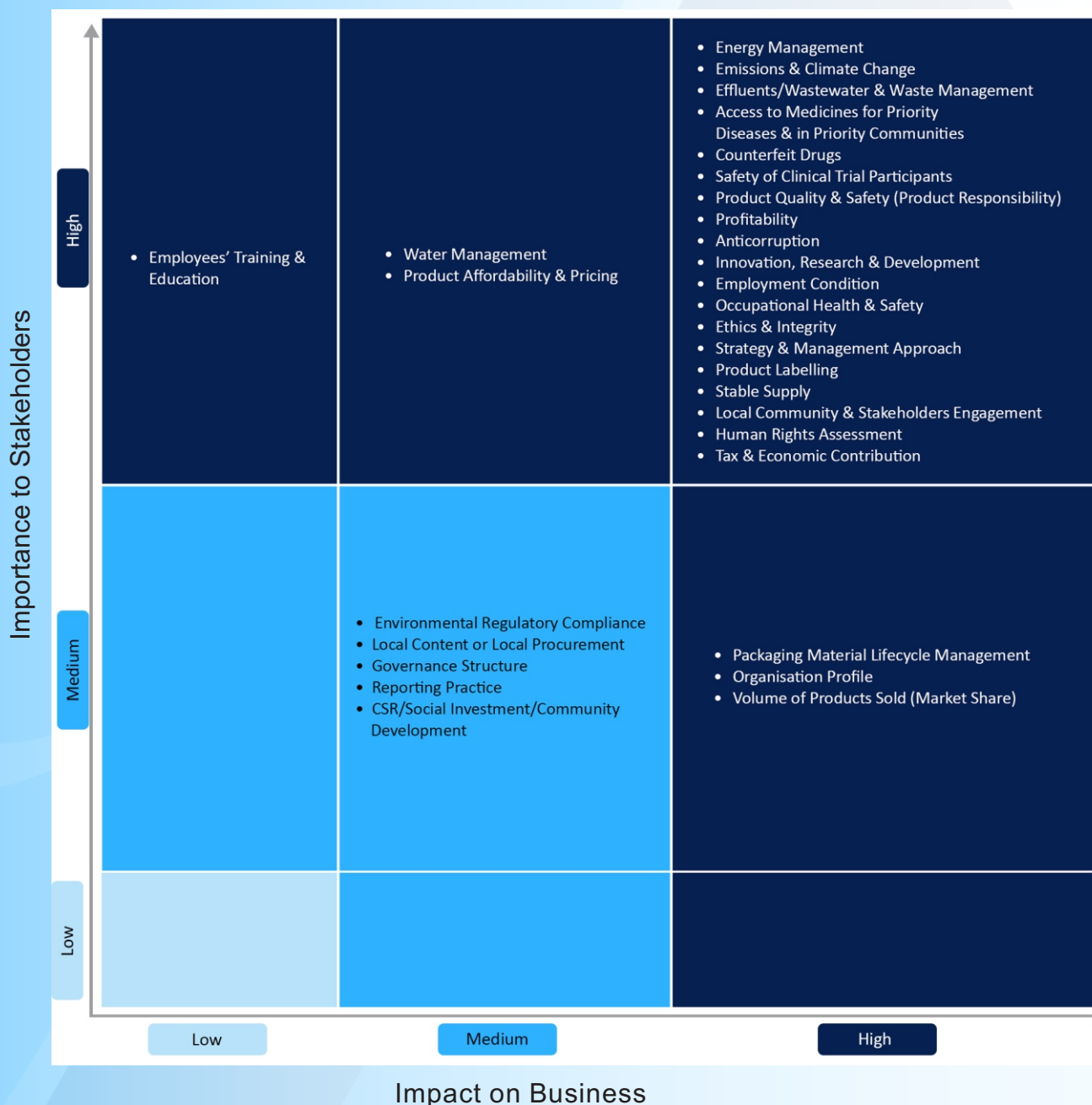
Investor Materiality Matrix

All the 35 ESG metrics were ranked as material by all the investors that participated in the survey. But in this materiality matrix, five (5) out of the 35 metrics have been excluded due to their insignificant impact on the May & Baker's business. This exclusion also helps to ensure that there is XY axis in the graph. Out of the remaining 30 material topics, 10 were ranked as high importance to the investors and high impacts on May & Baker Nigeria Plc operations.



May & Baker Nigeria Plc Materiality Matrix – High Importance, High Impact

The diagram below represents the material topics across all stakeholder categories. Out of the 30 material ESG metrics, 19 ESG indicators were ranked as high importance to the internal stakeholders and high impacts on May & Baker Nigeria Plc operations.



The following indicators were ranked low and medium by the employees and investors, but after consultation with different industry experts and based on their actual high impact on the business, we chose to rank them as high:

1. Local Community and Stakeholders Engagement;
2. Human Rights Assessment;
3. Tax and Economic Contribution.

Stakeholder Engagement

Stakeholder engagement is the systematic identification, analysis, planning and implementation of actions designed to influence stakeholders.



Our Approach to Stakeholder Engagement

May & Baker's stakeholder engagement mechanism aims to foster inclusivity, responsibility, and accountability. We ensure that engagement channels are tailored to the distinct needs of our stakeholders. Our organisation's approach to stakeholder engagement includes continuous monitoring of expectations and their perception of our brand through in-depth interviews, surveys, collaborations, direct communication with the company, reporting, news, desktop research and other channels.

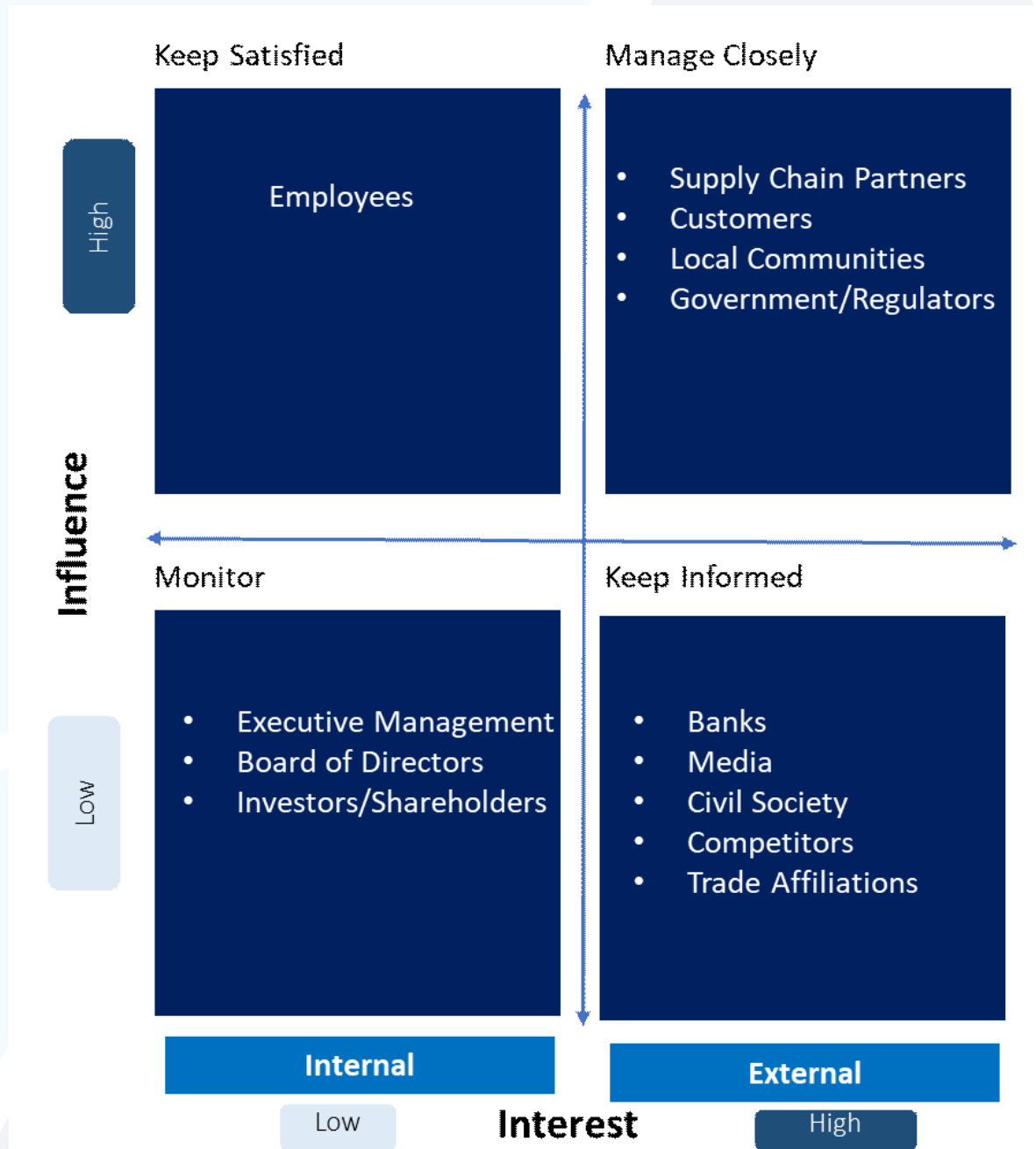
In the year under review, as part of the report preparation process, we engaged in the materiality assessments exercise through stakeholder engagement to gain insight into what really matters most to them and their potential impact on May & Baker's business. We

listened to what our stakeholders consider important, which has made the content of our sustainability report very relevant. The feedback was provided to the highest governance body in our organization to guide our sustainability management strategy and enable our business to advance sustainable development.



May & Baker Nigeria Plc's Stakeholder Identification, Categorization & Mapping

We ensure that our key stakeholders are identified and are continuously engaged according to the level of their interest and influence towards our business performance. Our key stakeholders are categorized and mapped in the matrix below:



Our Stakeholder Engagement Initiative in 2021

Engaging our employees

Among other engagement initiatives and as part of our culture, our employees are engaged at the beginning of every year through the “New Year Message by the MD/CEO”. The new year message by the MD/CEO was published to appreciate the employees' commitment to the business, discuss the general staff welfare and communicate the business plan and budget for the new year.

List of Our Employee Engagement Initiatives in 2021:

- End of year party
- Long service award
- Health talks
- Fitness challenge
- Core value award ceremony
- Internal customer forum
- New year message by the MD/CEO
- Staff briefing

Here's how we celebrated Valentine's Day at May & Baker Nigeria Plc. We had a lucky dip for our staff and prizes were given to the winners.



Engaging Our Customers

Customer Feedback Survey and Other Engagements in 2021

SN	List of Customer Feedback Survey and Other Engagements in 2020	Details or Summary of Engagement
1	2021 Customers Forum at Lagos Continental Hotel	The May & Baker 2021 Annual Customers Forum took place at the Lagos Continental Hotel on March 9, 2022. This event afforded us the opportunity to gather a great deal of insight from the Key customers in attendance as well as giving us the opportunity to conduct a Customers Satisfaction Survey on the sidelines of the event.
2	Customer Satisfaction Survey	<p>This customer satisfaction survey was conducted to ascertain the perception of May & Baker's distributors with the company's service in the past year (2021). Thirty-two respondents participated in the study, leading to a response rate of 71.11% given that 45 questionnaires were handed out. Respondents were distributors that attended May & Baker's Customer Forum. Customer Satisfaction Metric (CSAT) was used to evaluate perceptions of respondents towards 12 specific areas of the company's services in 2021. Respondents were presented with a Likert scale, with seven levels, to rate each area of service.</p> <p>The satisfaction scores of all criteria were added up and divided by 12 to get an average score. This average score served as the overall satisfaction score for the Customer Satisfaction Survey. Analysis resulted in a satisfaction score of 80.12%, which when juxtaposed with the previous year's figure represented an improvement of 2.32%. Customers – most of whom indicated they were yet to receive sales targets for the ongoing service year – rated Product quality as the most satisfying aspect of the company's service in 2021 with a score of 96.77%. Promptness with which sales reps and managers responded to customer needs and quality of delivered products were also among top-scoring criteria, with both earning 93.33% respectively.</p>
3	Diabetes Key Opinion Led Events	Two key opinion leaders-led events on diabetes took place in Abeokuta, Ogun State and Ikeja, Lagos State in 2021. The two meetings which had over 70 eminent healthcare practitioners involved in the management of diabetes present were anchored by key opinion leaders in this specialty area. The objective of the meetings was to share the global best practices in the management of diabetes with the key healthcare practitioners that were drawn from Abeokuta and Ikeja.
4	Face-to-Face meetings & Audio Visual Meetings (AVMs)	Our Representatives made a total of 248,868 sales calls and executed 171 AVMs across the 18 territories in 2021. These face-to-face engagements with the healthcare practitioners across the country serve as a powerful feedback mechanism for our company.
5	Key Distributors Meeting in Onitsha and Lagos Markets	Two high level meetings were held with our customers in the key markets of Onitsha and Idumota in April & May 2021 with a view to understanding why the market was underselling some of our products. The insights from these customer engagements enabled us to fashion a solution around the problem with the customers.
6	Webinars on Hypertension and Diabetes	Four webinars on diabetes (2), hypertension(2) were held in 2021 to discuss the emerging trends in management of both diseases in focus. These engagements had a total of 1,570 participants with lead discussants that were drawn from key Cardiologists and Endocrinologists in Nigeria.
7	May & Baker Social Media handles on Twitter, Facebook and Instagram	Our social media platform is a very powerful tool for engaging our consumers as well as receiving consumer insights for building our strategies and tactics.

On Customer Appreciation Day, 18th June, 2021, May & Baker Nigeria Plc. appreciated and celebrated our customers by handing out gift bags and lunch tickets. Thank you to our customers for trusting us, we appreciate you!



Engaging Our Regulators

Led by the Managing Director/CEO Mr. Patrick Ajah, May & Baker Nigeria PLC paid a courtesy visit to the Director-General of the National Agency for Food and Drug Administration and Control (NAFDAC) on the 15th of December 2021 as part of our objective in creating synergies with relevant stakeholders.

The MD/CEO, Mr. Patrick Ajah, together with the Director Pharma Sales and Marketing, Mr. Valentine Okelu, the Regulatory Affairs Manager, Ms. Temitope Oluwasunmi and the Communications Manager MsBinta Yusuf, were received by the DG of NAFDAC and her executives at the NAFDAC operation office in Isolo, Lagos State.



The Managing Director/CEO May & Baker Nigeria Plc (left) presenting a book to the Director-General (NAFDAC), Prof. Mojisola Adeyeye, during a courtesy call on the DG, at the Lagos Operation Office of NAFDAC, on Wednesday 15th 2021



NAFDAC DG, Prof. Mojisola Adeyeye handing Mr. Patrick Ajah a NAFDAC complimentary plaque

Community Stakeholder Engagement

We gained the 'social license to operate' from our host communities because we constantly engage with them and form a partnership that result in mutual benefits. Our community engagement enables us to understand the needs of our local communities and material impacts that affect them or our business so that we can manage them sustainably.





Prof Martins Emeje bags the May & Baker Professional Service Award with a Cash Prize of N500,000.



2021 Community Stakeholder Engagement, Community Projects and Disruption (by location)

Location	Number of community stakeholder engagements	Number of completed community projects	Number of social incidents or disruption	Number of hours lost to social incidents	Remarks on Social Incidents
Lagos	6	5	1	5	Covid-19 restriction disruption

How we engaged our different stakeholders in 2021:

Stakeholder Group	Key Concerns Raised through Stakeholder Engagement	Engagement Method
Investors/Shareholders	Ethics and Integrity, Governance Structure, Strategy and Management Approach, Product Quality & Safety, Anticorruption, Profitability, Emissions and Climate Change, Research & Development etc.	Investors conference, Annual General Meetings, periodic disclosure through quarterly and annual financial reports
Employees	Employees' Training and Education, Profitability, Stable Supply, Market Share, Innovation, Research & Development, Occupational Health and Safety, Employment Condition etc.	MD/CEO's New Year Message, notice board, emails, one-on-one engagements, training and career development, well-being initiatives, employee recognition, fair remuneration, work life balance, annual appraisal
Supply chain partners (vendors, suppliers, contractors etc.) and third-party manufacturers	Stable Supply, Counterfeit Drugs, market share, Invoices and payments, Occupational Health and Safety, Safety of Clinical Trial Participants, Product Quality & Safety,	Emails, one-on-one engagements, meetings
Customers – B2B/distributors	Counterfeit Drugs, Access to Medicines for Priority Diseases and in Priority Communities, Safety of Clinical Trial Participants, Product Quality & Safety,	In-person meetings, customers feedback, emails, one-on-one engagements, meetings, customer service week,
Executive Management & Board of Directors	Profitability, governance structure, Strategy and Management Approach, Reporting Practice, Tax and Economic Contribution	In-person and virtual meetings, email
Local Communities	Community Development, Local Content, Effluents/Waste Management, Community Engagement, etc.	One-on-one engagements and town hall meetings
Media	Counterfeit Drugs, Environmental Regulatory Compliance, Employment Condition, Profitability, Reporting Practice, Tax and Economic Contribution etc.	Press releases, annual and financial reports, conferences.
Government/Regulators	Counterfeit Drugs, Effluents & Waste Management, Regulatory Compliance, Employment Condition	Official letters/mails, periodic assessments, compliance filing and reporting, annual financial report, meetings

Environmental Sustainability

Preserving the Earth for Future Generations

We support environmental sustainability and conserve resources for the future generation. May & Baker Nigeria Plc has been implementing several sustainable measure to mitigate its environmental footprints and enhance positive environmental opportunities created by our operations.



Management Approach

At May & Baker Nigeria Plc, we care about the health of the planet. Our Environmental Pillar promotes the integration of environmental sustainability practices in our operations to mitigate the impact of climate change in the society. Thus, we conduct our operations in ways that optimize resources and minimize all forms of environmental pollution and degradation. We comply with both international guidelines and the national environmental laws by conducting Environmental Impact Assessments, Environmental Audits, and Environmental Compliance Monitoring for all our facilities as required.

Environmental Stewardship

Ultimately, our environmental management approach focuses on impact reduction, conservation of resources, and the reduction of waste arising from our operations. Our environment and waste management plan are based on the principles of reduce, reuse, and recycle.

We are a business that strives to protect and work with minimal impact on the operating environment. May & Baker Nigeria Plc is committed to preserving our environment thus we proactively address environmental issues that can damage the environment while optimizing our plant processes in waste treatment, water consumption, and energy utilization.

May & Baker is continually committed to environmental sustainability in collaboration with other stakeholders. In 2021, we supported the Lagos State Government's T.H.E.M.E.S agenda on health and environment and collaborated with Lagos Waste Management Authority (LAWMA) for cleaner environmental initiatives.



LAWMA sweepers sponsored by May & Baker

We comply with both National and State Environmental guidelines in Nigeria such as

NESREA (National Environmental Standards and Regulations Enforcement Agency), the Ogun State Environmental Protection Agency (OGEPA) amongst others. We carry out an Environmental assessment every 2 years to determine the environmental impact of our operational activities and in compliance with the local state environmental protection guidelines, we conduct routine (monthly/quarterly) compliance monitoring of our air and noise quality in all our existing locations. Through our environmental and social management plan and output of our Environmental impact assessment, we strive to minimize the impact of our operation on our host communities, especially in relation to minimizing noise, carbon emission, waste disposal, and spills.

In managing our environmental risk, we optimize our plant operations in waste/effluent treatment, water consumption, and energy utilization. Climate change is the single biggest health threat facing humanity, as referred to by WHO and we are committed to addressing this global issue in all our operations by constantly reducing our carbon footprint. Thus, we ensure a reduction in our fuel consumption and exhaust emission by optimally maintaining our vehicles and equipment. In addition, we have developed an environmental management plan in accordance with the Nigerian Federal and State Environmental regulations and our internal environmental policy.

Part of our motivation for protecting our operating environment is our commitment to contributing to the attainment of the United Nations Sustainable Development Goals (SDGs), especially SDGs 6, 7, 9, 12, 13, and 14.

SDG 6 - Clean water and sanitation: Through our water conservation approach and partnerships with government agencies towards environmental sanitation, we promote efficient water and sanitation.

SDG 7-Affordable and clean energy: We promote and maintain an efficient, resourceful, and conservative energy system.

SDG 9-Industry innovation and infrastructure: We are passionate about excellence and we aim to achieve outstanding results in our product and service delivery through innovation, research, and development.

SDG 12 - Responsible consumption and

production: Through the adoption of sustainable approaches, we aim to achieve environmentally viable life cycle management practices.

SDG 13 - Climate Action: We promote sustainable business practice and support initiatives that combat climate change and its impacts.

SDG 14 - Life below water: We support sustainable management and protection of marine and coastal ecosystems to avoid significant adverse impacts from our activities.



**May & Baker Nigeria Plc. supports the
Save Lives, Clean Your Hands Campaign.**



MAY & BAKER NIGERIA PLC

#HandHygiene

#CleanYourHands

#InfectionPrevention

Health, Safety and Environment (HSE)

Through our Health, Safety and Environment policy we strive to produce quality products and services in a safe working environment and minimize undue exposure of our workers and other stakeholders to hazards. Part of our commitment to protecting the environment are as follows:

- Build environmental protection concerns into all stages of product manufacturing and marketing.
- Constantly strive to reduce the impact of our operations on the environment by laying due emphasis on pollution prevention/control, proper monitoring of effluents, waste and atmospheric emissions.
- Adopt green concept (Environment friendliness) in all processes, thus evolving an industrial ecosystem by creating harmony between its operations and the environment
- Train staff to arouse HSE consciousness; this process begins at induction and continues through on the job training.

The complete HSE policy statement can be found on our website: www.may-baker.com.

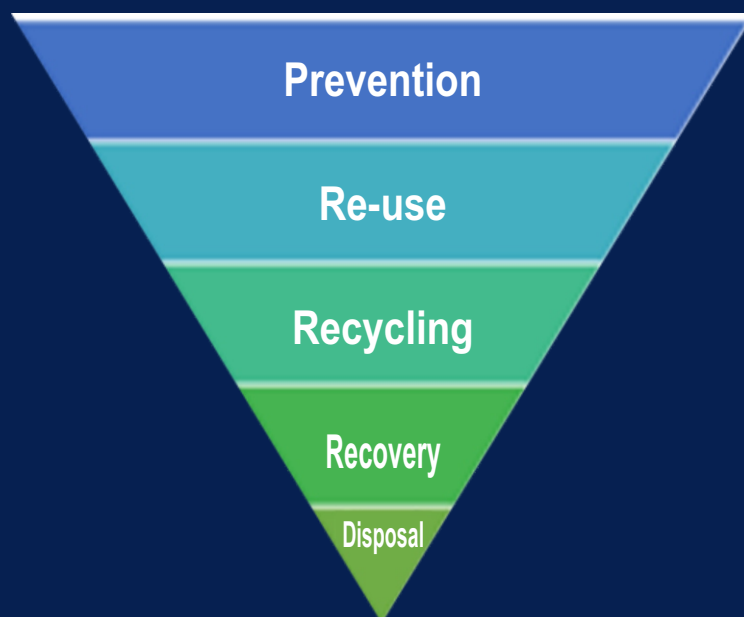
Our Quality Management System complies with ISO 9001:2015 and has recently acquired the recertification (via our adherence to several quality compliances and environmental management principles) as one of the foremost pharmaceutical companies in Sub-Saharan Africa.

We consistently apply our precautionary environmental management approach in all our operations:

Waste Management Plan

Our Waste Management Plan (WMP) addresses the management of all solid, liquid, effluent, and gaseous waste. Such waste includes both hazardous and non-hazardous waste, produced as a result of our production and operational activities within the May & Baker facilities.

Our WMP contains guidelines, processes, and procedures on waste reduction, segregation, collection, and disposal practices in accordance with international best practices, to avoid deterioration of the natural environment and negative impacts on the health and safety of host communities and employees in the production facility and its environs. The WMP was developed in accordance with the waste hierarchy of prevention > reuse > recycling > recovery > safe disposal.



Waste Management Hierarchy

- Emergency action plan

The Emergency Action Plan (EAP) was established to proffer guidelines for all reasonably foreseeable workplace emergencies, and for protecting employees, visitors, contractors, and other persons in the facility. It was developed with an understanding of our operational risk, where we reviewed our risk assessment. May & Baker EAP include procedures for reporting a fire or other emergency, procedures for emergency evacuation, including the type of evacuation, and exit route assignments. At May & Baker, our EAP is readily available in the workplace and is accessible to appropriate employees.

2021 Environmental Performance: Energy; Material, Water; Emissions; and Wastes

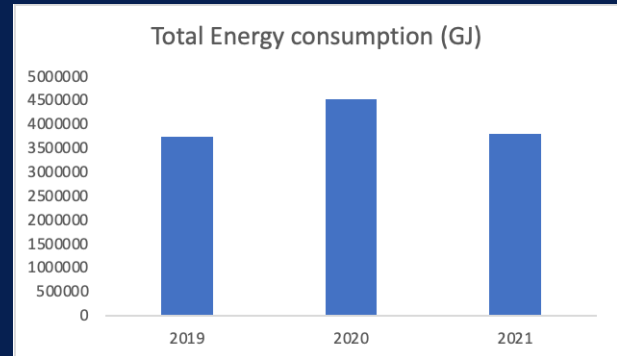
Environmental Compliance

In 2021, we complied with global, national, and local environmental regulations by conducting through our routine environmental audits and assessments, noise and air quality monitoring, effluent monitoring, and analysis. All our operations are in compliance with the National Environmental Standards and Regulations Enforcement Agency (NESREA) and state laws such as the Ogun State Environmental Protection Agency (OGEPA) and the Abia State Environmental Protection Agency (ASEPA). In 2021, in compliance with NESREA and OGEPA requirements we conducted an Environmental assessment report, monthly and quarterly noise and air quality monitoring.

Energy conservation and emission reduction

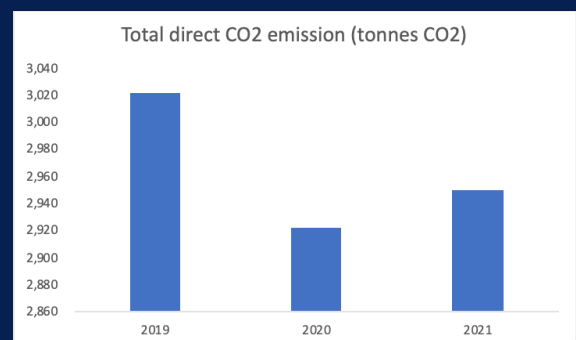
- Natural Gas: In order to reduce our CO₂ emissions, we utilize natural gas for our energy generation. Natural gas emits 50 to 60 percent less carbon dioxide (CO₂) when combusted in a new, efficient natural gas power plant compared with emissions from a typical new coal plant. Studies have shown that burning natural gas for energy results in fewer emissions of nearly all types of air pollutants and carbon dioxide (CO₂) than burning coal or petroleum products to produce an equal amount of energy. The figure below shows

May & Baker's Natural gas consumption since 2019.



Total energy consumption (GJ)
FOR 2019 to 2021

- Total Energy Consumption: Our total energy consumption in 2021 at 3,795,755 (GJ) reduced by 16% from 4,511,363(GJ) in 2020.
- Steam as alternative energy: At May & Baker, we employ the use of steam as a form of alternative for heat generation instead of electrical equipment and heaters which consume much more energy. According to scientific data, steam typically has lower operating costs than electric heat — electric heat costs roughly four to five times as much per kWh than steam.
- Total direct CO₂ emission: Since 2020, our operations have witnessed a decline in total direct CO₂ emission by 3%. In 2109 we emitted over 3000 tonnes of CO₂, while in 2020 and 2021, we emitted an average of 2936 tonnes of CO₂.



Total direct CO₂ emission
for 2019 to 2021

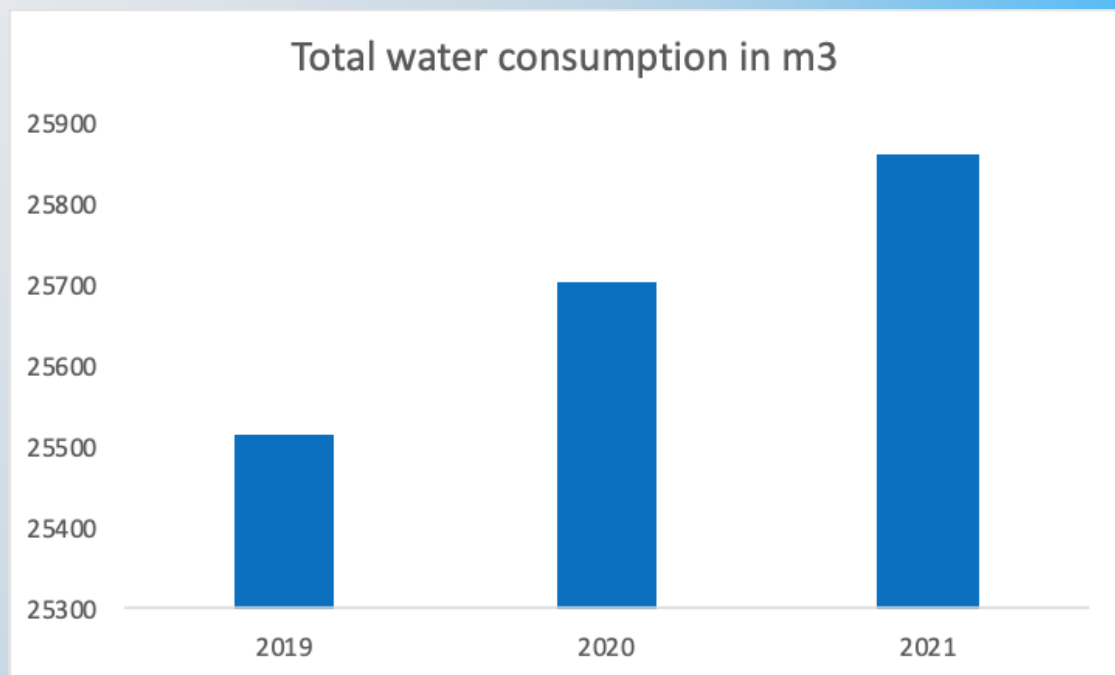
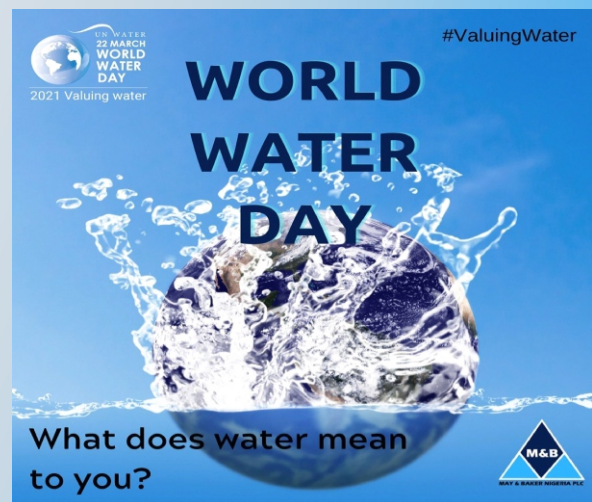
Waste Management

Between 2020 and 2021, we generated about 230 tonnes of waste. All waste generated was categorized as non-hazardous waste. Our operations and productions generate wastes ranging from: Biodegradable waste (food and kitchen waste, green waste: leaves, weeds etc., paper, pet bottles, cans, certain plastics among others. Waste is segregated from source at our offices and manufacturing facilities using the color coded bin. This ensures basic separation of different categories of waste generated and helps to reduce the risks and cost of handling and disposal thus ensuring effective waste management. Our color coding is as follows: Blue – Paper waste, Green – Organic waste, Yellow – Mixed waste and White – Soft plastic waste.

Our segregated waste is further collected by the local state waste management agency: Ogun State Waste Management (OGWAMA) and Abia State Environmental Protection Agency (ASEPA), who conduct proper disposal at approved locations and recycling processes.

Sustainable Water Use

Total water conservation: Groundwater constitutes our major source across all our facilities. Between **2019 to 2022, we consumed about 77,285 m3 of groundwater**. Picture below shows the water volume consumed in 2019 to 2021. We operate a fully functional effluent treatment plant, where we purify our industrial wastewater, its reuse and the release of safe water to our environment from the harmful effect caused by the effluent.



Total water consumption for 2019 to 2021 in cubic meter

Community Sanitation

Lagos State Government's T.H.E.M.E.S agenda

May & Baker is continually keen and interested in preserving, protecting, and ensuring a cleaner environment. Our response to the Lagos state highway sanitation emphasizes our environmental concern and support for Lagos State Government's T.H.E.M.E.S agenda. T.H.E.M.E.S, is an acronym for the Lagos state government's administration six strategic development agendas namely, Traffic Management and Transportation, Health and Environment, Education and Technology. Through our Corporate Social Responsibility (CSR) platform, we supported LAWMA's program by sponsoring street sweepers for the Oba Akran road by Sapara Street.



May & Baker Nigeria Plc has adopted Oba Akran Road by Sapara Street by sponsoring sweepers for the road.



May & Baker is currently supporting the Lagos State Government's T.H.E.M.E.S agenda by partnering with LAWMA.

2021 Operational Efficiency

Growing Trees: To further manage our carbon footprint, we maintain gardens and trees around the premises of our operations. Over the years we have grown numerous trees around our facility (see pictures below) which act as a buffer to offset the minimal CO2 emission from our operations. It is well

known that planting trees is one of the biggest and cheapest ways of taking CO2 out of the atmosphere. Photosynthetic carbon capture by trees is likely to be among the most effective ways to limit the rise of CO2 concentrations across the globe and we are committed to the global course of CO2 reduction.



Trees located at the sidewalk of our facility

Horticulture and Landscape:

In addition to growing trees in our facilities we are also particular about the aesthetics and benefits of nature derived from the maintenance of gardens. We cultivate and groom gardens through our landscaping and horticultural activities within our facilities, see photo by the side.



Landscaping at the May & Baker facility.

Social Responsibility

Caring for Our People

Our people are our most important asset. We care about the well being of our employees and host communities, ensuring they share in our success.

Management Approach

Social responsibility is at the core of our business. We integrate social responsibility in our operations and ensure that our business strategy is inclusive and creates shared value for economic growth and well being of our employees, local communities and other stakeholders. We invest in the health of our people, education, research and contribute to the economic vitality of the communities where we operate.

As Nigeria's first pharmaceutical company, May & Baker Nigeria Plc. has for over seven decades remained a key player in the nation's healthcare industry. Generations of Nigerians have come to rely on the company for health support. The company's reputation for quality is legendary. Every May & Baker product picked off from the shelf has a guarantee and stamp of quality that has been the hallmark of the company in Nigeria.

May & Baker's profile as a company that responds to the needs of society is equally well-known. For over 76 years May & Baker has supported the society not only through ensuring quality products but also through community based social assistance, corporate sponsorships and donations to individuals, professional, governmental and non-governmental bodies.

We ensure availability of products for those on low incomes (such as preferential pricing of pharmaceuticals, which contributes to a healthier population that can participate more fully in the economy).

Our Commitment to Diversity, Equal Opportunity and Nondiscrimination

May & Baker is an equal opportunity environment characterized by our core values of

Customer Delight, Innovation, Passion for Excellence, Faith in God, Integrity & Teamwork. We are committed to the development of our employees as we provide world-class opportunities that enhance and build their careers. Our employment policy requires us to recruit qualified and competent personnel through a competitive selection process.



It is the policy of the Company that there is non-discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December, 2021 there was no disabled person in the employment of the Company.

Employee Involvement, Training and Development

The Company is committed to keeping employees fully informed regarding its performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees. Management, professional and technical expertise are the Company's major assets and investment to develop such skills, continues. The Company's expanding skill's base has been extended by the provision of training which has broadened opportunities for career development within the organization. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate.

Total Employee Training and Development Activities with Total Training Spending in 2021						
Year	Number of Employees Trained	Percentage Increase/Decrease	Cost of Training (Naira)	Percentage Increase/Decrease in the cost	Physical	Virtual
2019	186	-10.10%	₦ 5,948,387.10	45.08%	73.07%	26.92%
2020	199	0.18%	₦ 2,915,095.00	-50.99%	45.83%	54.17%
2021	180	-18.30%	₦ 4,023,960.00	38.04%	56.10%	43.90%

	2021				2020			
	Number of Employees Trained in 2021		Number of training hours provided to employees in 2021		Number of Employees Trained by Mode of Training Delivery in 2020		Number of training hours provided to employees in 2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
WOMEN	64	69%	512	69%	45	50%	360	50%
MEN	116	50%	928	50%	154	66%	1232	66%

Total Number of Employees Trained Per Employee Level in 2021								
Executive/Senior Management		Management		Senior/ Professional		Junior/ Technician		
WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	TOTAL
2	3	4	2	14	8	44	103	180

Number of training hours provided to employees in 2021 Per Employee Level								
Executive/Senior Management		Management		Senior/ Professional		Junior/ Technician		
16	24	32	16	112	64	352	824	1440

	2021				2020			
	Number of Employees Trained by Mode of Training Delivery in 2021		Number of training hours provided to employees in 2021		Number of Employees Trained by Mode of Training Delivery in 2020		Number of training hours provided to employees in 2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
WOMEN (online)	15	8%	120	8%	34	17%	272	17%
physical	49	27%	392	27%	11	6%	88	6%
MEN (online)	12	7%	96	7%	54	27%	432	27%
physical	104	58%	832	58%	100	50%	800	50%
TOTAL	180		1440		199		1592	

Child labour, Forced or Compulsory labour

We abide by the international declaration of human rights and prohibit the use of forced, compulsory and child labour in any form. In 2021, there was no incident of child and forced labour in our workforce.

Associating Without Discriminating

We respect freedom of association and collective bargaining for all employees in our workforce. In 2021, the total number of our employees covered by collective bargaining agreements increased from 301 persons in 2019 to 325, representing a 8% increase.

Grievance Mechanism Process

To ensure that grievances are reported timely and through the right channel, our employees and community grievance mechanism processes are communicated to these stakeholders on a regular basis. Our employee handbook is one of the engagement tools that explicitly state how grievances are reported and resolved. In May & Baker. In 2021, 33 community grievances were reported to us out of which 29 have been closed while the others are at different levels of closure.

Community Grievances by location

Reported Community Grievances (by location)	2021 Reported Community Grievances	2020 Reported Community Grievances	2019 Reported Community Grievances
Lagos	26	10	15
Ota	7	6	3
TOTAL	33	16	18

Bribery and Anti-corruption Policy:

We have a policy (code of business ethics) that clearly states our zero-tolerance for bribery and corruption and violation of this code can lead to disciplinary actions. At the induction programme, we educate new hires on the company's policy against bribery and corruption. There was no record of bribery and corruption issues during the reporting year.

Our Social Investment

In 2021, May & Baker supported community-based initiatives, local businesses and workforce to ensure that the immediate environments in which the Company and its subsidiaries operate are positively impacted and elevated by our business activities. Our main focus was on health, education, research and environment. We also had employee

volunteering initiatives in our host communities.

₦3.68m
spent on
Social Investments in 2021,
up 89%

Our social investment initiatives support the implementation of following United Nations Sustainable Development Goals (SDGs):



Free Blood Pressure Test

EDUCATION AND RESEARCH

For several years we encouraged scholarship and research activities in our nation's universities while affording much-needed international exposure to Nigerian academics through a Travel Fellowship Award, over 10 academics were sponsored to international scientific meetings under this scheme.

We have also been active in molding the nation's future workforce by offering opportunities to students in tertiary institutions to do their industrial attachment and internship. Every year, scores of these interns and industrial attaches are given places in our company to put into practice what they have been taught in school.

Donations and Charity

Our social investment has even intensified further in the last two decades. We initiated an annual project of Charity visits, which takes us to Charity Homes across the country to give a helping hand to the less privileged. This project,

which started with a visit and donation of drugs and money to the SOS Children's Village, Isolo, is now an annual affair. Some beneficiary institutions include the Love Home Orphanage, Magodo, the Heritage Homes Orphanage, Anthony Village, the SOS Children's Home Isolo, the Pacelli School for the Blind, Surulere among many others.

Professional Service Award in Pharmacy

We also introduced the May & Baker Professional Service Award in Pharmacy in 2005, to reward hard work and excellence in the practice of pharmacy and the pharmaceutical sciences in Nigeria. The award remains the first of its type in pharmacy practice in Nigeria. Over 15 pharmacists and pharmaceutical scientists have received cash awards totaling over N10million to help them advance better practice of the pharmacy profession in Nigeria.



Presentation of the May & Baker Professional Service award at a PSN National conference

HEALTHCARE

May & Baker supports Ogun State Medical Mission 2021

May and Baker Nig. Plc has reaffirmed its commitment to Corporate Social Responsibility as it recently donated healthcare packages in

support of Ogun state medical mission 2021, an initiative hosted by the First Lady of Ogun State Mrs. Bamidele Abiodun in collaboration with Ajose Foundation. Mrs Bose Olaniyan Director(Government House & General Services, Office of the First Lady) recieved the donations on behalf of the first lady of Ogun State.



May & Baker supports Ogun State Medical Mission 2021

COVID-19 interventions



Presentation of food items to Aina Egushi Community Development Association Ota, Ogun State as palliative measures to cushion the effects of Covid-19, May 2020.

Our Employee Profile

Total Number of Employees						
Year	Total Employees	Percentage Increase/Decrease	Permanent Employees	Percentage Increase/Decrease	Expatriates	Percentage Increase/Decrease
2019	310	18.32%	307	16.29%	2	100.00%
2020	320	3.22%	322	4.89%	2	0.00%
2021	325	0.31%	324	0.62%	1	50.00%

Diversity in the Workplace

Total Number of Employees by Gender						
2021	Total Employees		Permanent Employees		Expatriates	
	Number	Percentage	Number	Percentage	Number	Percentage
WOMEN	93	29%	93	28.6%	0	0.0%
MEN	232	71%	231	71.1%	1	0.3%
TOTAL	325		324		1	

TOTAL NUMBER OF EMPLOYEES BY AGE						
WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	TOTAL
18-30 YEARS OLD		31-50 YEARS OLD		OVER 50 YEARS OLD		
24	40	62	169	7	23	325

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

Growth and Turn-over Rate in 2021					
Year	New Hires	Percentage Increase/ Decrease		Exits	Percentage Increase/Decrease
2019	75	5.82		30	(0.67)
2020	29	(21.90)		25	(16.67)
2021	37	22		41	39.00

List of Employee Benefits per Employee Category		
SN	Benefits	Employee Category
1	Paid Annual Leave	All Employee category
2	Health care	All Employee category
3	Life Insurance	All Employee category
4	Reduced Employee pension contribution	All Employee category
5	Sweetener	Employees from 5yrs and above

SN	List of Current Operational HR Policies
1	Company Human Resources Policy
2	Recruitment Policy
3	Final Entitlement Policy
4	Conflict of Interest Policy
5	Covid-19 Employee Guide and Policy
6	Remuneration Policy
7	Safety Policy
8	Car Policy

Health and Safety Performance

Key initiatives taken to advance safety in the workplace:

1. Environmental Audit and submission of report to regulatory agencies: NESREA and OGEPA
2. Monthly effluent analysis, quarterly effluent monitoring and submission of reports to regulatory bodies/agency
3. Quarterly air quality and noise level monitoring and submission of report to regulatory agencies
4. Use of safety signs
5. Safety training and toolbox talks

Health and Safety awareness and trainings in 2021

1. Emergency preparedness/fire drills
2. Safety in workplace/safe workplace training
3. First Aid Training
4. Safety training on use of PPE
5. Safety in machine operations
6. Job safety analysis and workplace ergonomics improvement process




WORLD HEART DAY

USE ♥ TO CONNECT

USE ♥ TO BEAT ♥


M&B
MAY & BAKER NIGERIA PLC



World Hypertension Day

MAY 17TH

THEME
Measure Your Blood Pressure Accurately,
Control It, Live Longer



M&B
MAY & BAKER NIGERIA PLC



MAY & BAKER NIG. PLC CELEBRATES WORLD MALARIA DAY

#Zeromalariastartswithme

25TH, APRIL

Get it right with
Artelum & Malact

Your effective treatment for uncomplicated Malaria.



MAY & BAKER NIGERIA PLC

Responsible Governance

DRIVING RESPONSIBLE CORPORATE GOVERNANCE

An important aspect of ESG is the structural composition of the governance body, and how a company uses policies or controls to inform business decisions, comply with relevant laws and regulations, and builds a system that promotes the long-term success of the business for the benefit of all stakeholders.

Management Approach

Our approach to corporate governance entails a responsible leadership that is inclusive, transparent, ethical, accountable, and compliant to regulations for providing superior quality and more useful pharmaceutical products to society.

Our corporate governance is risk management focused and supports sustainable growth to create shared value to all our people, including our shareholders, employees, local communities as well as the regional and national economies. We operate effective internal control systems and conduct corporate governance review annually to evaluate the effectiveness of governance structure in meeting our shareholders expectations and fulfilling corporate social responsibilities.

Core Values of the Company

May & Baker Nigeria Plc's business principles are valid throughout the Company and serve as guidelines in the adherence to uncompromising standards of business ethics and integrity. The core values of the Company are (amongst others): customer delight, integrity, passion for excellence, faith in God, innovation and teamwork.

VISION

To be a leading Health Care Brand in Sub-Saharan Africa.



MISSION

To improve the quality of life; throughout life; for all lives.



PAYING OUR TAXES & DIVIDENDS RESPONSIBLY

Over the years, May & Baker has continued to improve its year end financial performance. It is one of the top performing stocks on the Nigerian Stock Exchange and is considered an investors delight. The factors that encouraged investors in May & Baker's stocks include very strong fundamentals of the Company such as consistency in profit making, attractive projections for growth and good corporate brand name. There are also reasons of sound corporate governance practices

and trusted management.

We have consistently paid dividends over the years, with a payment history of ₦0.25, ₦0.30 and ₦0.30 or (25 kobo, 30 kobo and 30 kobo) per share in 2019, 2020, and 2021 respectively.

Parameters	2019 ₦'000	2020 ₦'000	2021 ₦'000	% Increase/Decrease
Tax payment	184,466	283,762	410,768	45%
Dividend Payment	431,309	517,570	517,570	0

OUR CONTRIBUTION TO SUSTAINABLE ECONOMIC GROWTH

In 2021, we supported over 358 **direct jobs** in Nigeria as we combat the rising rate of unemployment in the country.



CONTRIBUTION TO HOUSEHOLD INCOME:

In 2021, we paid a total of ₦1.76 billion in salaries, wages & dividends as our contribution to household income in Nigeria. This is a 30% increase from ₦1.35 billion in 2020. Our indirect contributions to household income, through tax payment, local procurement and social investments amounted to ₦2.60 billion in 2021, a 10% decrease from the 2020 record of ₦2.88 billion.

ECONOMIC VALUE CREATED (EVC):

As the pioneer pharmaceutical company in Nigeria, our economic value created to improve the economic vitality of the nation was ₦11.90 billion in 2021. This performance is a 27% increase compared to the ₦9.40 billion economic value created in 2020.

ECONOMIC VALUE DISTRIBUTED (EVD):

At May & Baker, we create shared value through

our economic value distribution to all stakeholders. Our operating costs, employee wages and benefits, the payments that we made to the providers of capital, the taxes that we paid to the government, and what we spent for social investments increased to ₦11.19 billion (29%) in 2021 as economic value distribution in Nigeria, compared to the performance of ₦8.70 billion in 2020.

PROMOTING LOCAL CONTENT

Our objective is to boost entrepreneurship and growth of the local economy by patronizing the local suppliers or firms. Our local procurement spending decreased from 58% of the total procurement spending in 2020 to 29% in 2021 as many SME's (local suppliers) were affected by the Covid-19 pandemic.

Spent
₦2,187bn
on local procurements
(29% of total procurements)

Partnerships and Contributions for Sustainable Development

As Nigeria's first pharmaceutical company May & Baker has for over seven decades, remained a key player in the nation's healthcare industry. With the company's reputation for quality generations of Nigerians have come to rely on the company for health support and collaboration for sustainable development.

May & Baker believes that partnership with other stakeholders is key for achieving the 17 United Nations Sustainable Development Goals (UN-SDGs). We work with GRI, UNGC, SEC, NGX and other local and international stakeholders to entrench sustainability principles that promote transparency, good communications, timely disclosures, accountability and business continuity.

In 2005 May & Baker began the process of establishing West and Central Africa's first private multiple vaccines production company by going into a partnership with the Federal Government of Nigeria. The vaccines joint venture company Biovaccines Nigeria limited is geared towards making Nigeria self-sufficient in the making of basic human vaccines contained in the National Immunization Program while also aiming to earn foreign exchange through the export of its products to other African Countries.



Product Quality and Safety

Pharmaceuticals require more highly sophisticated manufacturing and quality control than what is required by some other businesses. May & Baker sets quality targets to continuously manufacture products with a consistent level of quality, and evaluates the status of achievement of those targets every year.

This has been crucial in cementing partnerships with her long standing customers as well as winning new ones. Every May & Baker product picked off from the shelf has a guarantee and stamp of quality that has been the hallmark of the company in Nigeria. This is because May & Baker has a rigorous quality assurance procedure that starts with ensuring that the right quality raw materials from suppliers are received, to continuous checking, testing and re-testing at

each stage of manufacturing, employing the highest standard of current Good Manufacturing Practice (cGMP) procedures. May & Baker's quality policy is in compliance and conformity with ISO Quality management System standards and has been awarded the NIS ISO 9001:2015 by the Standards Organization of Nigeria.

Regular product safety evaluations are conducted. If safety measures are necessary, May & Baker will convey information swiftly to all necessary stakeholders such as medical professionals, in accordance with its procedures. Notably, May & Baker provides regular training to medical representatives who directly interface with medical professionals, as part of its commitment to product safety.

Smartans™

HAND & SURFACE SANITIZER



**PREVENTION IS
SMARTER
THAN CURE**

Kills 99.99% of germs

Available in 100ml, 500ml and 4L

Proudly made in Nigeria

A product of May & Baker Nigeria Plc.

3/5 Sapara Street, Ikeja Industrial Estate, Ikeja, Lagos.



Sustainable Supply Chain Management

Ensuring Stable Supply

Since many pharmaceutical products are administered to patients over the long term, there is a need to ensure a stable supply during emergencies as unstable supply can be detrimental to the interests of patients. For this reason, May & Baker conducts manufacturing at its in-house manufacturing sites in Nigeria to allow for flexible manufacturing schedules for important processes. That said, the ratio of products for overseas markets will increase in the future as we are currently seeking expansion into Sub Saharan Africa by way of strategic alliances or setting up businesses in other countries in the sub region.

Responsible Procurement Practice

May & Baker Nigeria Plc's procurement practice in 2021 was the Bidding Procurement Process, which involves sending Request for Quotation(RFQs) to accredited suppliers, and

analyzing received quotations based on certain criteria to determine the most competitive supplier to engage.

Procedure for screening new suppliers

Supplier Accreditation Documents are shared with potential suppliers. Sequel to the receipt of completed accreditation documents from potential suppliers, a Factory Audit is scheduled to authenticate the potential suppliers' ability to consistently deliver May & Baker's quality requirements.

All potential suppliers are screened as per WHO-GMP requirements by our Quality Operations Team.

Factory Audit Reports are available as references for the outcome of ESG related impact assessment carried out on suppliers, vendors, contractors or other supply chain partners in 2021.

COMPANY'S DISTRIBUTORS

The Company's major distributors are:

Chufil Pharmacy
Audion Nigeria Limited
Csc Pharma Limited
Onyema Pharmacy
Dimatts Pharm. Limited

Daruchi Products Limited
Fulfilled Dream Pharmacy
Canez Healthcare Limited
Fiolu Pharm Limited
Ogbuagu Pharm. Coy.

SUPPLIERS

The Company's suppliers are both local and foreign. Some of the Company's major suppliers are:

Local

Unikem Industries Limited
Orient Global Manufacturing Co. Ltd.
HK Printing & Packaging Limited
Wahum Packaging Limited
Providence Associated Industries Ltd.
Dangote Sugar Refinery Plc.

Foreign

Meghamani LLP
Front Pharmaceutical Plc.
Parle Elizabeth Tools Pvt Limited
Belco Pharma
Inventia Healthcare Limited
Ruian Hualian Imp. & Exp.

The Company is not related to any of its suppliers.

Prioritizing of Local Content in 2021

Local suppliers were engaged and developed to meet May & Baker's quality standards.

Total Procurement Spending

Procurement Per Year	Total (Million Naira)	Local (Million Naira)	Imported (Million Naira)	Percentage of Local Procurement Spending	Percentage of Import Procurement Spending
2019	4,550,673	1,351,222	3,199,451	30%	70%
2020	4,493,993	2,595,551	1,898,442	58%	42%
2021	7,613,939	2,187,584	5,426,355	29%	71%

Supply Chain Impact and Promotional Activities

Our Distributors' Network	2021	2020	Percentage Growth
Retailers (by Business Units)			
Specialist Products Team (SPT)	3,240	2,231	45
Healthcare Products Team (HPT)	4,941	3,747	32
Redistribution Team (RT)	5,540	4,765	16
Distributors (by Business Units)			
Specialist Products Team (SPT)	89	75	19
Healthcare Products Team (HPT)	92	79	16
Redistribution Team (RT)	99	90	10

Marketing and Labelling

There were no incidents of non-compliance concerning marketing communications. All our above the line marketing communication materials are usually approved by the relevant regulatory authorities (NAFDAC & APCON) before exposure to ensure that all ethical requirements are complied with.

Product Responsibility Practices

The components of our products are usually analyzed before manufacturing to ensure that they comply with the specified standards. Also, tests are conducted after the product is

manufactured. Whilst in the market, random samples are taken and analyzed to ensure that they still meet specified standards after enduring the rigors of logistics and storage in transit. Also, we train our field personnel to take feedback from patients as regards side effects and adverse effects of usage of our products as required.

There were no incidences of non-compliance with product information and labeling for the year 2021 as we complied with the drug and related products regulations of 2021.



Future-proofing our business

Risk Management for Business Continuity

In the course of its business activities, May & Baker Nigeria Plc creates opportunities and takes risks, both of which are thoroughly weighed and considered. Business success depends on the principle that the risks taken are managed and that they are outweighed by the benefits.

For timely identification, evaluation and responsible handling of risks, effective detection management, control and audit systems must be in place, which together form May & Baker's Integrated Risk Management System. This system has been set to identify issues which could have a significant negative impact on our business. Further, it establishes a framework to evaluate and counteract such risks through various control and monitoring mechanisms.

The risks identified within our specific business are market, operational, legal, environmental and reputational, for which clear structures in terms of areas of responsibility and management are applied.

Market Risk

The business of our Company is dependent on the general economic situation and developments in Nigeria, which is an emerging market and also affected by both the macro-economic and global economic situations. Furthermore, we are exposed to political and social risk in the region.

Moreover, growing competition in the pharmaceutical sector, along with the developing legal framework of industry specific legislation, ordinances and regulations are risks that must be addressed with special focus.

In order to mitigate these risks we have put in place a strategy that identifies opportunities which are passed through the Company's risk

assessment and approval system.

Operational Risk

Efficiency, in terms of materials and machinery, logistics and human resources, as well as environmental factors, must be identified and assessed. Production controlling means that productions are continuously subjected to a thorough commercial and efficiency evaluation. Technical aspects are analyzed separately by experts in each respective area.

Legal & Compliance Risks

Legal and compliance risks relate to risks arising from the Government statutory or regulatory environmental action, legal proceedings and compliance with quality and integrity policies and procedures, including those relating to financial reporting, environmental health and safety. The Company has established an Enterprise Risk Management System to ensure that all risks are identified, assessed and mitigated regarding the impact on the business.

Strategy & Risk Management

Strategic risk relates to the future business plans and strategies, including the risks associated with the global macro environment in which entities operate; mergers and acquisitions and restructuring activities; intellectual property; and other risks, including demand for products and services, competitive threats, technology and product innovation, and public policy.

The Company has a Risk Management Committee that is responsible for assisting the Board to determine the risk appetite, profile and risk management framework.

Governance Policies

The Company continues to take the initiative to promote and educate key personnel on all aspects of the corporate governance as enumerated in the following governance policies already in place.

- Code of Conduct & Ethics Policy
- Complaints Management Policy
- Securities Trading Policy
- Whistle Blowing Policy
- Quality Systems Policy
- Related Party Transaction Policy

Corporate Governance Review

In our journey of business sustainability, we ensure that the Board continues to adhere to the highest standards of responsible corporate governance.

We contracted Deloitte & Touche to perform the annual evaluation of the effectiveness of the Board of Directors of May & Baker for the year ended 31 December 2020.

The scope of the review included an assessment

of the structure and composition of the Board, responsibilities, processes, procedures, the effectiveness of Board Committees, corporate disclosures, and relationship with stakeholders. The review was performed in compliance with 28 Principles of the Nigerian Code of Corporate Governance ("NCCG"), the SEC Guidelines, and other Corporate Governance standards.



Meet our Board of Directors and the executive management team

In line with best practices, May & Baker Nigeria Plc has embraced the tenets of good corporate governance which is reflected in its practices, processes and structures. The effective and innovative business strategy that our company benefits from is partly derived from the structure of our Board, which is gender diversified with professionals from different tribal and religious backgrounds.

Board Composition

The Board comprises of a Non-Executive Chairman, the Managing Director/Chief Executive Officer, three Executive Directors and four Non-Executive Directors who are charged with the responsibility of ensuring the proper running of the Company.

The Board met four times in the financial year ended 31 December, 2021 and details of the attendance of Directors are as follows:

	25/3/21	3/6/21	23/9/21	25/11/21
Senator Daisy Danjuma- Chairman	A	A	A	A
Mr. P.Ajah	A	A	A	A
Dr. E. Abebe	A	A	A	A
Mr. A.S. Aboderin	A	A	A	A
Mr. A.A. Adeleke	A	A	NA	NA
Mr. C.S. Chukuka	A	NA	NA	NA
Mr. I. Dankaro	A	A	A	A
Mrs. G.I. Odumodu	A	A	A	A
Mr. V.C. Okelu	A	A	A	A
Chief S.M. Onyishi (MON)	A	A	A	A
Mr. K.O. Durojaiye, FCA, HICB	NA	A	A	A

- *Mr. Chukutem Chukuka retired as an Executive Director of the Company on 23rd May, 2021.*
- *Mr. Adebayo A. Adeleke resigned as a Non-Executive Director of the Company after the Annual General Meeting held on 3rd June, 2021*
- *Mr. Kolawole O. Durojaiye was appointed as a Non-Executive Director of the Company on 3rd June, 2021.*



Senator Daisy Danjuma, Chairman

- Appointed a Director 30th May, 2019
- Graduate of Law, Ahmadu Bello Uni. - 1976
- Called to Bar - 1977
- Alumnus of Lagos Business School
- Trustee of HID Awolowo Foundation
- Chairman, Board of Trustees of Lagos Public Interest Law Partnership
- Vice Chairman, South Atlantic Petroleum Limited
- Member of the International Bar Association and the International Federation of Female Lawyers
- Date of birth: August 6, 1952

Mr. Patrick Ajah, Managing Director

- Appointed a Director 1st December, 2020
- Appointed Managing Director/CEO 1st January, 2021
- B. Pharm. University of Ibadan (1988-1994)
- MBA Obafemi Awolowo University (2002-2005)
- Vast Professional experience with several awards for outstanding performance
- Has Attended several professional and leadership courses
- Date of birth -January 10, 1967



Dr. Edugie Abebe

- Appointed 14th March, 2013
- MBBS, College of Med; University of Lagos, 1969 - 1974
- London School of Hygiene & Tropical Medicine, 1978 - 1979 (M.Sc. Community Health)
- Retired Perm Sec. Fed. Govt. of Nigeria.
- Fellow, London Society of Hygiene and Tropical Medicine.
- Member, Nigerian Medical Association
- Has several International awards/honours
- Member, Institute of Directors
- Date of birth: October 17, 1950



Mr. Kolawole O. Durojaiye, FCA, HICB

- Appointed 4th June, 2021
- Holds a Masters in Banking and Finance (MBF) from University of Lagos.
- Director, CBN, April - July, 2017
- Fellow of the Institute of Chartered Accountant of Nigeria (ICAN) (ACA).
- Has vast training and exposure in strategy formulation, development and implementation of core business functions.
- Vast experience in various capacities on research, training, auditing, accounting and banking supervision.
- Date of birth: August 3, 1960



Mrs. Gloria I. Odumodu

- Appointed 26th July, 2011
- Has wealth of experience in banking and finance & customer relations gained in Nigeria and the UK.
- Graduate of Banking from the Institute of Management and Technology, (IMT) Enugu.
- Holds a Masters Degree in Finance and Banking from Delta State University.
- Date of birth: September 18, 1962



Engr. Ishaya Dankaro

- Appointed 8th July, 2010
- Holds Bachelor of Science in Biology from Westminster College, Pennsylvania, USA and also of Mechanical Engineering from the University of Alabama, Birmingham, USA.
- Expert in power plant systems Engineering
- Member of the International Association of Mechanical Engineers and the National Society of Black Engineers, USA
- Date of birth: November 23, 1960



Mr. Valentine C. Okelu

- Appointed Exec. Director, 22nd Sept. 2016
- Holds a Bachelor of Pharmacy from University of Nigeria, Nsukka, 1994
- Holds a Masters of Pharmacology from University of Nigeria, Nsukka, 1997
- Member, Institute of Directors
- Alumnus of the Lagos Business School.
- Member, Pharmaceutical Society of Nigeria.
- Date of birth: June 11, 1970



Mr. Ayodeji S. Aboderin

- Appointed Exec. Director, 1st March. 2017
- Higher National Diploma in Accountancy from The Polytechnic, Ibadan, 1993
- Holds an Executive Masters in Business Admin. MBA from NOUN/Commonwealth of Learning, Canada
- Member, Chartered Institute of Management Accountants, UK (ACMA)
- Fellow, the Institute of Chartered Accountants of Nigeria (FCA)
- Alumnus of the Lagos Business School.
- Member, Institute of Directors
- Date of birth: October 20, 1968



Chief Samuel M. Onyishi (MON)

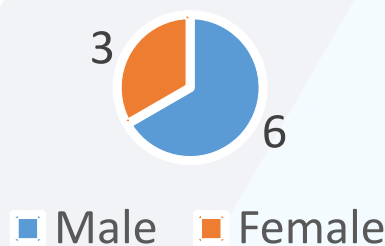
- Appointed Non-Executive Director, 21st March, 2019.
- MBA in Entrepreneurship, Diploma and B. Sc. In Social Work and Community Development from University of Nigeria, Nsukka – 1995 and 1999.
- Fellow, Nigerian Institute of Science and Technology, Federal Polytechnic, Unwana Afikpo.
- Prestigious Key man Award for Business Excellence and Integrity – Chairman, Peace Mass Transit Limited.
- Philanthropist, social entrepreneur and business mentor.



Governance structure, composition and diversity

Women represent 33% out of the nine Board members, consisting of 6 (67%) males and 3 females. This diversity performance exceeds the minimum requirement of 30% female representation in corporate governance and May & Baker is fully committed to creating enabling opportunities that would support the inclusion of more women in the leadership structure of the business. Our Executive Management consists of 6 males and 1 female representing 86% and 14% respectively.

May & Baker 2021 Board of Directors



Year	Senior Management	Percentage Increase/Decrease	Executive Management	Percentage Increase/Decrease(-)
2019	9		7	
2020	13	44.44	6	(0.14)
2021	14	7.69	6	0.00%

2021					2020			
	Senior Management		Executive Management		Senior Management		Executive Management	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
WOMEN	4	28.57%	1	16.67%	3	33.33%	1	16.67%
MEN	10	71.43%	5	83.33%	6	66.67%	5	83.33%
TOTAL	14		6		9		6	

PERMANENT STAFF IN SENIOR MANAGEMENT POSITION

WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	TOTAL
18-30 YEARS OLD		31-50 YEARS OLD		OVER 50 YEARS OLD		
nil	1	3	7	1	2	14
				WOMEN		10
				MEN		4

PERMANENT STAFF IN EXECUTIVE MANAGEMENT POSITION

WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	TOTAL
18-30 YEARS OLD		31-50 YEARS OLD		OVER 50 YEARS OLD		
NIL	NIL	1	1	NIL	4	6
				WOMEN		1
				MEN		5



Global Reporting Initiative (GRI) Content Index

Statement of use	May & Baker Nigeria Plc has reported in accordance with the GRI Standards for the period January 1, 2021 to December 31, 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Content Index - 2021			
	Disclosure	Disclosure Title	Page Number
GRI 2: General Disclosures 2021	2-1	Organizational details	5
	2-2	Entities included in the organization's sustainability reporting	5
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	2-6	Activities, value chain and other business relationships	5, 44
	2-7	Employees	36, 37
	2-8	Workers who are not employees	36
	2-9	Governance structure and composition	48 - 54
	2-10	Nomination and selection of the highest governance body	48, 53
	2-11	Chair of the highest governance body	49 - 51
	2-12	Role of the highest governance body in overseeing the management of impacts	47
	2-13	Delegation of responsibility for managing impacts	47
	2-14	Role of the highest governance body in sustainability reporting	47
	2-15	Conflicts of interest	39, 48
	2-16	Communication of critical concerns	32
	2-17	Collective knowledge of the highest governance body	7 - 13
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	2-28	Membership associations	42
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GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	42
	203-2	Significant indirect economic impacts	41, 42
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GRI 3: Material Topics 2021	3-3	Management of material topics	32
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	32
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GRI 302: Energy 2016	302-1	Energy consumption within the organization	26
	302-3	Energy intensity	26
	302-4	Reduction of energy consumption	26
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GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	26
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GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	27
	306-2	Management of significant waste-related impacts	25
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	Disclosure	Disclosure Title	Page Number
GRI 3: Material Topics 2021	3-3	Management of material topics	37
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	37
	403-2	Hazard identification, risk assessment, and incident investigation	37
	403-3	Occupational health services	37
	403-4	Worker participation, consultation, and communication on occupational health and safety	38
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	30, 37, 38
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37, 38
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GRI 3: Material Topics 2021	3-3	Management of material topics	31
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	31
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3	Management of material topics	30
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	52
Non-discrimination			
GRI 3: Material Topics 2021	3-3	Management of material topics	30
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	30
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GRI 3: Material Topics 2021	3-3	Management of material topics	32
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MAY & BAKER NIGERIA PLC





+234-1-2121290-1
+234-7045243923



info@may-baker.com



www.may-baker.com



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