

# NewsLetter

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INDORAMA

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CHAIRMAN  
OF INDORAMA  
CORPORATION  
MR. SRI PRAKASH LOHIA  
MET WITH THE  
PRESIDENT  
OF UZBEKISTAN  
H.E. MR. SHAVKAT  
MIRZIYOYEV



# **CHAIRMAN OF INDORAMA CORPORATION MR. SRI PRAKASH LOHIA MET WITH THE PRESIDENT OF UZBEKISTAN H.E. MR. SHAVKAT MIRZIYOYEV**

*The President of the Republic of Uzbekistan H.E. Mr. Shavkat Mirziyoyev received a delegation headed by the founder and chairman of "Indorama Corporation" Mr. Sri Prakash Lohia, CEO Mr. Amit Lohia and Director Eurasia Business of Indorama Group Mr. Prakash Kejriwal.*

During the meeting, issues related to the further development of mutually beneficial partnership was discussed. Indorama Corporation is a major investor and an important technological partner in the chemicals, textile, and agricultural sectors of Uzbekistan.

It is worth mentioning that Indorama Corporation has made significant investments targeting the cultivation and extensive processing of cotton fiber in our country. The Head of the State gave his support to the Indorama Corporation's plans to implement various projects in Uzbekistan, including expanding the capacities of existing projects.



Mr. Sri Prakash Lohia expressed his gratitude to the Honorable President and the Government of Uzbekistan for the continuous support of the investors.

During the Uzbekistan tour, the delegation could visit Indorama Kokand Textile, Indorama Agro, and Indorama Fertilizer. They gained insights into the group's CSR project in the regions and engaged in discussions with the Heads of the Ministries and associations regarding investment opportunities and the current state of Indorama's activities in Uzbekistan.



## VISIT OF INDORAMA CORPORATION'S CHAIRMAN TO INDORAMA UZBEKISTAN'S PRODUCTION UNITS



Indorama Corporation Chairman Mr. Sri Prakash Lohia and Vice Chairman Mr. Amit Lohia visited Uzbekistan to be updated with the Indorama business operations in Uzbekistan. The visit started with a meeting with the Khokim of the Fergana Region. In Uzbekistan, Indorama Corporation invested in Indorama Kokand Textile, and in Indorama Kokand Fertilizers and Chemicals. Investments of about US\$300 million were made in the textile and chemicals industries alone. These two substantial projects provide employment opportunities for over 1500 individuals. The esteemed visitors interacted with the employees of Indorama Kokand Textile, discussed ways to improve the working conditions, prioritize staff training, and start new support projects.

At the Syrdarya unit of Indorama Agro, the Chairman and the Vice Chairman visited the Istiqlol ginning factory, logistic center and inaugurated a new office building.



They also visited the Kindergarten 8 in Oqoltin district of Syrdarya. This kindergarten received financial support from Indorama Agro for reconstruction and rehabilitation of their building. The children and kindergarten employees performed a concert to express their gratitude and acknowledgment to the chief guests.

The Indorama delegation received a warm welcome from the Mayor of Sirdarya, who expressed gratitude to the Chairman and his team for their visit and support to the region's agriculture. The Mayor also mentioned that Indorama Agro is a leading exporter of the Sirdarya region.

The high-profile visit to the agriculture contours logistic center, biolab, and amicable conversations with the cotton pickers and machine operators served as a significant motivation for the employees.





## THE SECRET OF SUCCESS INDORAIMA GROUP



*Uzbekistan's cotton-growing and textile industries have been under the yoke of an international cotton ban for many years. However, during this unfavorable period, the country was supported by INDORAMA GROUP. And today our story is dedicated to this company, its contribution to the formation and development of the textile industry of the republic. In his interview, our interlocutor **Deepak REINE** touched upon many aspects of the joint activities of the two countries to achieve common goals in the fields of cotton growing and textiles.*

– **Indorama Group journey in Uzbekistan. What is a key business of the company in Uzbekistan? Indorama has invested to the textile industry when the country was under the cotton pledge. Furthermore, Indorama played a very important role in cooperation with international organizations and lifting the boycott.**

– Speaking of Indorama, it started off 45 years ago as a textile business. While it is true that Indorama has developed over the past 45 years and that our business has become more multinational, one of our primary business lines continues to be the textile industry. We continue to be the world's largest provider of textiles.

Why did we invest in the textile sector in Uzbekistan? Because

when we entered Uzbekistan 12 years ago, we saw that it was famous as a large cotton growing and exporting country and exported its cotton mainly in the form of yarn. The potential of this country is huge, because it is very important for us to develop and process cotton rather than to export it. Hence, we began producing yarn of a worldwide standard and made investments in this direction 12 years ago. It is anticipated that Uzbekistan will export more than \$3 billion worth of textiles by 2022. This suggests that Indorama made the proper investment decisions.

As you know, more than 300 foreign brands that are members of the international coalition «Cotton Campaign» announced a boycott of Uzbekistan. We entered into a

dialogue and encouraged them to work with Uzbekistan. In early 2022, this boycott was lifted. What gave us this opportunity? This gave us the opportunity to bring international brands to Uzbekistan and enter their supply chain.

We strive to supply them with quality products. For this we have a certification system «Best Cotton». Brands that see our products with BCI certificates will cooperate with us. Because it is a system recognized in the world. We worked with BCI and were the first in the history of Uzbekistan to receive a certificate. We have created an excellent opportunity to work with brands for manufacturers of interior fabrics and towels, ready-to-wear.

**– What's your opinion, what fundamental changes have taken place in Uzbek textile industry since Indorama invested in the textile sector in Uzbekistan?**

– «Indorama» is one of the largest investors in the textile industry of Uzbekistan. In this, we made significant investments not only in textile, but also in agro business, in addition, «Indorama» is developing fertilizer production business in Uzbekistan. Currently, we have also worked on nitrogen in Fergana and launched the company «Indorama Kokand Fertilizers».

As for the investment part, Uzbekistan is rich in natural resources and has experts with great experience, industrially, everything is available. Therefore, your country is the most favorable country for investors. Uzbekistan paid great attention to the transition to a market economy, and the reforms from 2016 have produced good results. When you enter a country as an investor, you evaluate all the opportunities available in that country and learn what the risks are. Every investor takes this into account. First of all, Uzbekistan is safe for investors.

When you feel that you and your business are protected, you can enter that country. This means that his investment is protected. I can't say that there are difficulties now, but there are enough opportunities

**– Indorama Kokand Textile becomes one of the leading yarn producers in Uzbekistan. What became your company success? What is the next future strategy for the development?**

– One of the top businesses, «Indorama Kokand Textile» produces 50 thousand tons of yarn. Over a thousand individuals are employed. Most of the employees are female. Our company's key goals are to guarantee quality and openness. There are ISO and other

certificates in this direction, and the company has built a system of safe production at the world level.

Currently, we have the capacity to deliver goods to these nations and all regions if we export to other countries throughout the globe. Our next steps will undoubtedly involve the continued technological advancement of our business.

**– Indorama has invested to the agriculture sector. Cotton sector is not in a main business of Indorama. However, Indorama Agro now is a leading Agro cluster in Uzbekistan.**

– See, as you rightly said, Indorama has now moved into farming sector. Agro farming is not the usual business for us. In Uzbekistan as one of the clusters is first farming venture for Indorama. Globally, we entered into this business with the same objective of transforming this sector as we did the textile sector 12 years back. This is our company's first experience, so we started by studying the experience of the world's leading agriculturally developed countries and started developing sustainable agriculture in Uzbekistan. And so we did a lot of study on this and we closely studied how farming is done in advanced countries like USA, Brazil and Australia and we essentially are now trying to apply them. Before starting work in agriculture, we conducted a lot of research, attracted many specialists to Uzbekistan. We have studied the uniqueness of your country, its land, water, sun and all systems. Since this was our first experience in Uzbekistan, we brought here the most leading technologies. Currently, based on these experiences, we have carried out separate work in each direction in Uzbekistan. For example, we treated the cotton field with a laser. Water is very important in Uzbekistan, especially in agriculture. With this in mind, we have introduced a drip irrigation system. In order to re-enrich the saline land, we

worked on the soil to obtain quality products, washed the salt, and enriched it with calcium to neutralize the salt. So we started a program of biological insects. So we created world class biological insect labs where we are breeding these insects. As a result, 2 international level biolaboratory activities were established. For this, we used the experience of international organizations and developed countries. We are committed to transforming agriculture. We aim to bring new knowledge to Uzbekistan by developing agriculture. We also have the goal of bringing your country to the global market.



## WORLD COTTON DAY



We celebrated World Cotton Day on 7 October. This theme for 2023 was “Making cotton fair and sustainable for all, from farm to fashion”.

Cotton goes beyond being a mere commodity. It serves as a powerful resource, benefiting 28.67 million cultivators and many families worldwide. World Cotton Day underscores the significance of cotton in fostering employment opportunities and upholding economic stability.

Compared to synthetic alternatives, cotton undergoes rapid biodegradation, leading to a decline in the influx of plastics into our soil and water systems, ultimately contributing to the maintenance of our planet's cleanliness. It is the only agricultural commodity that provides both fiber and food.

Cotton is the primary crop for Indorama Agro.

In our value chain, we practice the principles of a circular economy to recycle and reuse the waste products starting from the fields to spinning factory. We clean the raw cotton after harvesting in our gins and process into fiber. Local entrepreneurs buy the byproducts such as seeds to manufacture edible oil or use them as animal fodder. The stalks are used as bio compost to enhance the soil fertility. We maximize to reduce our material and carbon footprint in cotton processing.



# CLOSE COOPERATION BETWEEN INDORAMA AGRO AND FARMERS

Indorama Agro, the biggest agro cluster in Uzbekistan, operates on approximately 50,000 hectares for direct farming and works on an additional 25,000 hectares of contracted land. The company has entered into a contractual agreement with 1005 farmers to cultivate raw cotton crops for the year 2023. Our primary goal is to foster trusting relationships with our farmers, all the while ensuring fair working conditions and finding immense joy in sharing our agricultural knowledge with them.

For the last 4 years, Indorama Agro has been expanding the number of farmers who are striving for the best with us.

We actively support farmers throughout the entire sowing season, providing them with the equipment, fertilizers, and training to improve their knowledge of agricultural technologies.

As of October 2023, some farms could fulfill their obligations to grow raw cotton in the Nishon and Kasbi districts of the Kasbi region. They worked diligently throughout the season, carrying out all agricultural activities on time.

We highly value the trusting relationships with our farmers.



# MULCHING THE COTTON STALKS – EFFECTIVE METHOD OF ENRICH THE SOIL



Indorama Agro channels investments into the agricultural sector of Uzbekistan by implementing innovations, technologies, knowledge, and training for its local workforce.

We constantly emphasize the importance of soil fertility, using organic methods to enrich it while steering clear of chemical impact. We fully support the initiative of the UN Convention on desertification, land degradation and drought (UNCCD).

Once the cotton is harvested, we mulch the cotton stalks using a mulcher. Local inhabitants used to employ rudimentary altered cutters that only severed the upper 40-50% section of cotton stalks.

Indorama Agro successfully integrated advanced technologies, including the advanced mulcher from John Deere, which speeds up the decomposition of stalks, enhancing soil health and structure.

# INITIATIVE TO COMBAT SOIL DEPLETION



Indorama Agro uses techniques to enhance organic matter in the soil and minimize soil depletion. We use animal waste and composted organic matter as biologically derived fertilizers. Legumes serve as organic fertilizers, enhancing soil nitrogen levels through bacterial facilitation. Therefore, we introduce organic matter and foster plants with a lush biomass to augment soil fertility.

Farmers in the Nishon district cultivated mung bean cover crop on 200 hectares of laser-leveled fields.

## The outcome was:

1. Enriched composition of organic matter in the soil.
2. Improved soil nutrient quality.
3. A diverse array of soil microorganisms that contribute to soil health.
4. A practice that is safe for people and the planet.

# PLANT QUARANTINE DIRECTOR VISITED INDORAMA AGRO PRODUCTION UNITS IN KASBI



***According to the Ministry of Investment, Industry, and Trade, Indorama Agro is presently a major player in wheat exports.***

On October 21, 2023, the Director of the Plant Quarantine and Protection Agency, Mr. Ibrohim Ergashev and his team paid a visit to the Kasbi bio lab, soil lab, and seed laboratory. During the visit, they were familiarized with the operations of the labs, techniques for enhancing soil fertility, seed preservation, and plant protection against pests.



# EXPERTS SPECIALIZING IN CLUSTERS SHARED THEIR EXPERIENCES

To attain a commendable outcome in agriculture in Uzbekistan, the use of resource-efficient and intensive technologies that are specifically adapted to the local soil and climate conditions is imperative. As a result, thorough practices are being scrutinized. A group of experts headed by Mr. Deepak Raina, the General Director of Indorama Agro, toured the Bukhara region to gain insight into the successful implementation of drip irrigation on newly developed reserve lands by Merganteks, a cotton-textile cluster.

Ibrahim Hamroev, the head of the Merganteks cluster, provided the guests with comprehensive information on the agrotechnical activities conducted. A follow-up visit to the cotton fields revealed a 55% reduction in water usage in the light-content fields, and an impressive 70 centner boost in cotton yield.



## LABOR RELATIONS ARE A KEY FOCUS FOR INDORAMA AGRO



**Indorama Agro emphasizes labor relations, specifically the formulation and endorsement of tariff agreements for businesses in Uzbekistan that comply with international requirements. Relevant training and seminars are consistently conducted for employees.**

Mr Diptanu Bhattacharjee, the Head of Human Resources, at Indorama Agro participated in the “Quality development of regional and sectoral agreements, employment contracts”, seminar organized with the support of the Economic Training Center, Germany. The event took place in Almaty, Kazakhstan as part of the project "Social Dialogue in Central Asia."

The seminar encompassed rigorous training on the complexities surrounding the State's role within a tripartite social partnership. The participants explored the intricacies of regional, sectoral, and labor agreements, in addition to discussing their vital formational aspects. The emphasis was also placed on the necessity of regulating the tariff agreement, outlining both the normative and obligatory components of the agreements.

## COTTON STALKS ALLOCATED

The autumn season is crucial for locals who use cotton stalks as firewood in winter.

Indorama Agro uses cotton stalks as bio-fertilizers through mulching. We also take care of the communities by allocating them cotton stalks. Active 1: This year, we gave over 600 ha of cotton stalks to low-income households from 17 mahallas in Kashkadarya, along with an additional 90 ha for company tractor drivers.

Confirmatory documents were prepared and signed by managers, coordinators, agronomists, and contractors.



# TRIBUTE TO TEACHERS



Teacher's Day serves as a reminder of the critical role that education plays in personal and social development.

Indorama Agro celebrated Teacher's Day by honoring 92 teachers and trainers from 46 schools in the Kashkadarya and Syrdarya regions with valuable gifts.



# ENGAGEMENT WITH THE TRADE UNION DEVELOPMENT OF INTERNAL RULES OF THE ENTERPRISE

Rules of internal labor procedure is the principal document regulating the joint work of participants in the production process in the Republic of Uzbekistan. Its main objective is to educate employees on a mindful work approach, improve labor discipline, implement scientific methods, optimize time management, achieve exemplary work quality, and ultimately enhance labor productivity and internal efficiency.

The Ministry and agencies, in consensus with the pertinent central trade committees, devise the internal protocols for implementing the specific network attributes.

The employees are acquainted with the rules of internal labor procedure in the Kashkadarya region.

During the session, the employees were familiarized that if anyone violates the rules will have a joint discussion with the representative of the Human Resources Department and the members of the Trade Union. According to the Trade Union's conclusion, they will subject the employee to disciplinary measures under the applicable law. They will also give the employee legal advice not to repeat the mistake.

The explanatory work and individual approaches are carried out between Human Resources department of the enterprise and the employees of the enterprise. Below are examples of this.



**In the photo, the process of introducing the dismissal order to Ilyasov Abduvahid, an employee:**

On this day, individual training and explanatory sessions were conducted with employees in the farms of Kasbi district, of the Kashkadarya region. The main aim is to boost employees' legal literacy, outline their obligations and responsibilities, alert them to the penalties for non-compliance, and establish stringent plans and proposals to decrease infractions.

# A TRAINING ON «JOHARI WINDOW – DEVELOP LEADERSHIP SKILLS AMONG WOMEN»

*The HR department organized a training session for 13 employees on 14 October in the Gulistan office, Sirdarya region. The training focused on developing leadership skills among women using the Johari Window technique. The purpose of this training was to improve understanding of personal and interpersonal behavior, enhance communication abilities, and enhance literacy.*

Indorama Agro has established a conducive working environment for women, explore their potential, assess their strengths and weaknesses, and help them grow. The company emphasizes on improving their position in the company.

The employee demographic in this sector is not predominantly female. Yet, we can confidently state that we accomplished the training aim within a short time through reciprocal communication.

In the training's course, they educated the women employees of the company on the Johari's Window technique for self-exploration. Participants provided answers to closed-ended blitz questions regarding self-awareness. Through this process, they examined their desires, engaged in an exchange of ideas with colleagues, and evaluated their responses.



# "FORCED LABOR / INVOLVEMENT OF CHILDREN IN LABOR / PREVENTION OF SEXUAL VIOLENCE"

**Uzbekistan ratified 14 conventions of the International Labor Organization, including 8 main conventions and the convention on combating child labor and forced labor.**

The national action plan for implementing ILO Conventions was adopted by Uzbekistan, where the national decent work program aims at developing national labor legislation and the labor market, ensuring employment, social protection, and communication with the population according to the ILO method.

Indorama Agro's managers directly contribute to the monitoring of child labor and forced labor in agriculture.

The Human Resources Department organized a training session on 21 October for 70 employees, including cotton pickers in the districts of Sardoba and Oqoltin.

Besides forced labour, it also explained the key aspects of sexual violence and solutions to combat it.

Violence against women is an obstacle to achieving equality, development, and peace, the rights of women and girls. The trainers told the participants that without ending violence against women, the main principle of the Sustainable Development Goals - leaving no one behind - cannot be achieved.





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ThankYou.