This report is compliant with the 10 principles of the Global Compact on human rights, labour, environmental, and anticorruption issues.

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*This report is compliant with the 10 principles of the Global Compact on human rights, labour, environmental, and anticorruption issues.*
Dear colleagues,

You are holding the seventh Sustainable development report of ASTARTA. This document has incorporated the most important moments of our activities from the last year.

Efficient use of resources and a responsible attitude toward both people and the environment are things that have been and remain key features of our Company’s activities. In addition to traditional business objectives, we are continuing the development of bioenergy production, as well as both defined and organic farming, and the modernisation of sugar plants in order to reduce energy consumption and raise ecological standards.

This work is both consistent in its approach and is accompanied by international certification, regularly confirming the status of our companies as responsible manufacturers of safe high-quality products. For instance, in 2016, the Globyno soybean processing plant of ASTARTA underwent a complex certification process for compliance with international standards of quality management and product safety, environment preservation, and labour safety management all at the same time. Furthermore, last year, the Novoorzhitsky sugar plant of ASTARTA was the first sugar plant in the industry to receive the internationally recognised certificate of energy management (ISO 50001).

Our commitment to innovation and new technological solutions remains invariable. Using IT solutions, the agribusiness of ASTARTA becomes more technological and efficient every year. Modern software significantly simplifies and accelerates our work: we have been able to introduce elements of precision farming, evaluate and map out field conditions, and continuously monitor processes related to production and logistics. We have also been able to quickly adapt personnel to these technological changes. Last year, 11% of ASTARTA’s personnel took trainings to improve their skills.

Quality education has always been a focus in social and charitable projects. As in previous years, we placed special emphasis on the creation of comfortable conditions for studying in village schools, as well as more modern outfitting of classrooms and school grounds. New measures in this area have been based on the teachings of humane pedagogy by Sh. Amonashvili. This was a parent/teacher project, started in the Poltava region, and will continue throughout 2017 in other regions as well. In addition, ASTARTA recently became joint partner on a career consulting project for school graduates entitled “Your Future in the Agricultural Sector”, and continues to support the Ukrainian Leadership Academy, and has taken initiative on a number of other important projects.

Significant assistance was provided in terms of village medicine, infrastructure, and the development of local communities. Considering the need to create new workplaces, we have launched collaborative projects with farmers in dairy farming.

The development of the Company implies the continuation of a dynamic and sustainable growth. Trust, responsibility, and cooperation remain a guarantee in achieving our goals.

Sincerely,

General Director and Founder

Viktor Ivanchyk
The year 2016 was a successful one for ASTARTA. One more step was taken to meeting new opportunities and achievements. The capacity of all companies was increased, and much effort and energy was invested. A record amount of sugar in the history of the Company was produced. There was also an increase in the number of village councils and settlements involved in Company activity.
In 2016, the Globyno soybean processing plant processed over 158,000 tons of high-protein soybean meal, 39,000 tons of soybean oil, and 12,000 tons of granulated soybean husk. A large amount of soybean processing products was exported. Main importing countries were countries of the EU and Asia.

As a result of the 2016 harvesting campaign, ASTARTA demonstrated a record harvest of major crops — more than 910,000 tons of cereals and oilseeds.

In the current production season, the Company has set an absolute sugar production record in the history of its operation in producing over 505,000 tons of sugar.

250,000 ha was cultivated by ASTARTA in 2016.

In 2016, milk production at ASTARTA’s agrifirms amounted to 106,000 tons. In the current environment of low milk prices, the Company concentrated its efforts on increased animal stock productivity and the reduction of costs. The average yield per cow increased to 6.8 tons per year.

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New projects

In autumn 2016, ASTARTA successfully completed investment projects for increasing the capacity of two elevators in the regions of Khmelnitsky and Vinnytsya, totaling 82,000 tons. Within the program “Grain of ASTARTA”, preparations are underway for the implementation of several new grain elevator construction projects in 2017.

The Company successfully uses IT-systems for production processes analyses and management. In particular, the complex GPS-monitoring system, allowing for real-time monitoring of fieldwork performance, machinery location, fuel consumption control, and automated process accounting proved more than efficient. Furthermore, ASTARTA introduced a precision farming system to improve the productivity of each individual cultivated field.

In 2016, ASTARTA implemented a project relating to drop irrigation of fields in the Poltava region. The irrigation technology is being applied to sugar beet crops within an area of 360 ha. Before the harvesting campaign, ASTARTA completed reconstruction of land-improvement infrastructure (canal and pumping station). The drop irrigation of sugar beets ensured an assiduously high yield. Preliminary, according to control measurements at the site where land-improvement infrastructure has been implemented, an increase in yield capacity by 30 t/ha has been observed. For 2017, acres of crop where irrigation planned is to be expanded.

ASTARTA has initiated a large-scale investment project for electric power production from biogas. Biogas produced from industrial waste at the bio-energy complex of ASTARTA in Globyno with the use of cogeneration units will be converted to “green” electricity. The first phase of cogeneration is worth USD 2 million and includes the construction of a cogenerating power plant of 2 MW.

We have actively developed systems of automated reporting in livestock breeding and the monitoring of product movement on grain elevators. These and other technologies enable the Company to significantly increase production efficiency of each individual cultivated field.

The Company has developed a program for implementing the best available techniques (BAT) at sugar plants for 2017-2020, aimed at energy-saving and the rational use of water resources. This includes a number of measures to automate production and to increase power capacity. These investment programs are based on BAT recommended measures, and will contribute to the improvement of product quality.

In 2016, ASTARTA initiated a new organisational model of livestock breeding management, which can become a role model for other Ukrainian dairy farms. It refers to the construction of feed processing centers that hope to provide all Company farms with high quality feed. The first such facility is already being engineered at the LLC «Dovzhenko» agrifirm in the Poltava region.

ASTARTA is a permanent member of public organisations, projects, and associations, such as:
• The National Association of Sugar Producers of Ukraine “Ukrisugar” (Ukrtsukor)
• The Ukrainian Agrarian Confederation
• The United Nations Global Compact project (the Ukrainian network)
• The U.S.-Ukraine Business Council
• The European Business Association
• The Confederation of Builders of Ukraine
• The Corporate Social Responsibility Center
The most precious resource of ASTARTA is its people. The Company regularly improves its working conditions by consistently considering the opinions of its employees, and strives for only the highest standards of work, as happy and motivated staff are key to business success.
The number of employed people with disabilities is 611, which is ~ 4% of the total number of personnel.

Data consolidated as of December 31, 2016.

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<thead>
<tr>
<th>Year</th>
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<th>Female</th>
<th>Total</th>
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<tr>
<td>2016</td>
<td>959</td>
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<table>
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<tr>
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<tr>
<td>over 50</td>
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<td>under 30</td>
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<table>
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<th>Total: 9,589,076 UAH</th>
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<tr>
<td>2012</td>
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<td>2013</td>
<td>343 mln UAH</td>
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<tr>
<td>2014</td>
<td>596 mln UAH</td>
</tr>
<tr>
<td>2015</td>
<td>721 mln UAH</td>
</tr>
<tr>
<td>2016</td>
<td>959 mln UAH</td>
</tr>
</tbody>
</table>

67% Male: 9,421
33% Female: 4,546
Corporate management

ASTARTA improves corporate management through the use of effective tools in the field of anti-corruption activities, interaction with stakeholders, and transparent work with contractors.
In addition to the Code of Corporate Ethics, the socio-economic and labour relations of the Company employees are governed by these corporate standards:

- Occupational health and safety regulations
- Regulation in the organisational structure
- Internal labour regulations
- Regulation on social partnership
- Human resources policy

Corporate Ethics

ASTARTA introduced both internal and external mechanisms for complaints and advice on ethical and lawful conduct, such as the ability to appeal through our official website and also by “hotline”. The official Company website provides the opportunity to ask questions (anonymously if desired) or leave a message related to violations and shortcomings in financial and economic activity. Subsequently, the received information is promptly analysed. Depending on the results, measures are taken to eliminate violations and shortcomings. Processing of all information is conducted with maximum objectivity and in confidence under the Law of Ukraine, “On Personal Data Protection”.

- Regulation on the reduction of personnel number and on payment of severance pay that provides social guarantees to employees

- Collective bargaining agreements between employees and employer
According to ASTARIA’s “Regulation on measures to prevent corporate conflicts and conflicts of interests: preconditions for possible conflicts of interest of employees at production facilities were established. The regulation looks to prevent situations where the private interests of an employee — such as his professional connections beyond the Company or his personal financial assets — may enter into a real or imagined conflict with the performance of his official duties, and thereby affect the objectivity and impartiality of decision-making. It also takes into account the performance or lack thereof of any action while executing powers and duties granted to him.

Anti-Corruption

To implement procedures for countering corruption, the Security Department has engineered an obligatory preliminary study of the reliability of counterparties before entering into business contracts, in order to avoid cases of entering a contract which has unacceptable risks or deliberately unprofitable conditions. In 2016, 2,194 contractors were analysed.
ASTARTA is aware of the importance of work and openness with key stakeholders, and therefore transparency of Company activity has been active throughout its operations since its inception. All information on Company activities, including its financial statements, can be found on the official website www.astartakiev.com

In addition to supporting the principles of the United Nations Global Compact, and in accordance with the annual reporting on achieved progress, the Company started implementing the reporting principles of the Global Reporting Initiative (GRI G4). This reporting system will help stakeholders better understand the activities of ASTARTA and monitor such spheres as the functioning of resource consumption, spending on environmental and social needs, charitable projects, etc.

The Company has developed a Social Program, which consists of various elements focused on professional development and personnel motivation.

• Instruments for professional development and personal fulfilment include: trainings; workshops/master-classes on management development and personal performance development; professional workshops and training by profession (proficiency testing/occupational retraining); participation in Ukrainian and international conferences and exhibitions; obtaining international certification on primary focus areas; team-building activities; introduction of a corporate format for the study of a foreign language; and conducting in-house training sessions involving Company experts.

• Training sessions: thanks to a program for top and middle management 1,120 employees in 2016 improved their skills and some took part in international internships abroad.

The Company has funded higher education courses in universities for 29 employees and their family members.

Any forced or child labour, including discrimination, is strictly prohibited in the Company.

Spending on education and training of personnel in 2016.

2,5 mln UAH
The Company engages in corporate social responsibility not only within those regions where it is present, but also within the framework of activity in the Head office. This year, a special program, entitled “Cultural ASTARTA”, was launched as an investment project for the development of personnel. Its purpose is to improve efficiency within the Company, specifically to ensure strategic stability with regard to employee loyalty, the formation of corporate culture, innovative development, as well as Company development and formation of a positive social role within the Company.

In 2016, with Company management support and by involving employees of Head and regional offices, a series of activities were carried out, including:

### ASTARTA JOINED THE CELEBRATION OF WORLD “EARTH DAY” FOR THE FIRST TIME

The Company contributed by holding voluntary campaigns in different parts of Ukraine, where ASTARTA became a strategic partner of the “Ukrainian Garden” project, which consists of several geographic areas with plants and architectural forms typical for each. Earth Day voluntary campaigns were also held in regional offices. Each of the agricultural firms chose its own format to support this international initiative: educational and awareness-raising workshops on environmental protection in educational institutions, cleaning parks, planting trees, etc. To this effect, over 1,700 trees were planted that day in all regions of Company activity.

### SUPPORT OF THE CHARITABLE PROJECT FOR THE REHABILITATION AND IMPROVEMENT OF CHILDREN’S HEALTH OF THOSE FAMILIES WHICH TOOK PART IN THE ATO

The Company directed funds to support a charity project for the rest and rehabilitation of children whose parents were affected by the ATO. Thanks to the joint efforts of the Department of Rehabilitation and Sanatorium-Resort Care of the Ministry of Social Policy, the Consulate of Ukraine in Scotland, and the financial support of ASTARTA, a trip for children to Edinburgh, Scotland, was organised. The group included 20 children, aged 10 to 16, from different regions of Ukraine: Vinnytsya, Zhytomyr, Poltava, Ternopil, Chernihiv, Kirovohrad, and Dnipropetrovsk, from families where one parent was killed or seriously wounded as a result of participation in the ATO.

### PARTNERSHIP TO HOLD A BENEFIT EVENING IN NAUKMA

The Head office of ASTARTA has made its fair share of contributions to the development of higher education by becoming an official partner of the charity evening and auction, “Freedom. Leadership. Innovation”, on November 10, 2016, in order to support the strategic projects of development at Kyiv-Mohyla Academy. The event was attended by representatives of the diplomatic community, governmental, business, and public circles, as well as scientists, and employees in the cultural sphere. The evening brought in around UAH 600,000, the funds from which will be committed to implement strategically important projects for the institution’s development as a world-class educational and research facility.

### PARTICIPATION IN THE EDUCATIONAL PROJECT, “YOUR FUTURE IN THE AGRICULTURAL SECTOR”

On November 11, 2016, at the Head office of ASTARTA, a Memorandum of Cooperation between the “CSR Development” center and four of the largest agricultural companies of Ukraine was signed to implement the joint educational project, “Your Future in the Agricultural Sector”. The purpose of the project is to unite the efforts of socially responsible businesses and educational institutions in order to raise awareness in the youth of the importance of agrarian occupations, thereby facilitating an informed career choice.

### INTERACTION WITH THE UKRAINIAN LEADERSHIP ACADEMY AT ITS BRANCH OFFICE OPENING IN POLTAVA

On October 20th, 2016, the Ukrainian Leadership Academy opened in the Poltava region. This is the first educational institution of its kind outside of the capital. Forty-four 11th grade graduates and first-year students from all over Ukraine will study for 10 months within this pilot project, which focuses on a combination of physical and academic development. Tuition is free. Students are required to pay an entrance fee of UAH 200 only; the remaining expenses are covered by the Western NIS Enterprise Fund, a partner of the Ukrainian Leadership Academy, also located in the Poltava region.
This year, ASTARTA joined in on the celebration of International Peace Day for the first time by taking part in a flashmob in support of peace, love, and harmony — important values for all societies. Employees chose famous quotes on the subject of peace and took part in a photo-project, demonstrating the fact that not only are they thinking about peace, but actually are doing something about it.

A charitable drive was held for soldiers in the ATO area, where food and warm clothing were collected and delivered to the SOC (Special Operation Center), staff “A” of the SSU, and the 12th battalion of the Armed Forces of Ukraine. Concurrently, the event, “Give Thanks to the Defender”, was held among children of employees and students of sponsored schools in those regions of Company activity. Children willingly joined the event to express their support, gratitude, and respect for our defenders in the form of drawings and letters.

ASTARTA supported a unique multidisciplinary artistic project “Sugar Democracy”. The choice of material used for the installation was sugar, which is not just a food product for Ukraine, but also a symbol of patronage and welfare. Ukrainian sculptors, students, and university graduates worked together along with well-known European artists.

ASTARTA partnered with the charity art event and concert “Immortality Chant. Maidan”, dedicated to the Day of Dignity and Freedom and the memory of Holodomor victims. The Company invited Ukrainian ATO soldiers, as well as, soldiers on rehabilitation in military hospitals, and volunteers.

As tradition dictates, employees of the Head office participated in the annual charity “Race under Chestnut Trees”, the largest-scale sports and charity event in Ukraine. This year marked the 24th event, with the money raised for the purchase of life-saving medical equipment to be donated to the Scientific and Practical Centre of Pediatric Cardiology and Cardiac Surgery of the MoH of Ukraine.

The Company celebrated the All-Ukrainian Day of the Traditional Ukrainian Embroidered Shirt (vyshyvanka) — a holiday designed to preserve the original national traditions of the creation and use of ethnic embroidered apparel. On May 19th, employees of the Head office and regional offices of the Company added some ethnic colouring to the dress code by dressing up in their best embroidered apparel.
Sustainable development of the Company

Company development is the principle to a sustainable development, which successfully combines economic, environmental, and social components.

The principle of a sustainable development ensures the development of future generations.
COMPONENTS OF SUSTAINABLE DEVELOPMENT

Priorities of Company environmental policy are as follows: ensuring a high quality and safety of food products; meeting consumer demands; environmental and industrial safety; occupational health and safety; environmental protection; energy efficiency and energy saving in production; social responsibility; and image reinforcement of the Company as of a leader and a reliable partner and leader in the market.

Sustainable development of ASTARTA occurs by combining three components: economic, environmental, and social.

AN ENVIRONMENTAL COMPONENT

- Working with innovative and environmentally-friendly technology
- Monitoring hazardous substances and waste management
- Using resource saving technology
- Development and introduction of programs to minimise the impact of production

The main goal of the Company is to achieve maximum success by ensuring world-quality product creation owing to its highly skilled staff and by implementing the best available techniques and technology.

AN ECONOMIC COMPONENT

- Investments in enterprises and implementation of international standards
- Continuous improvement in order to produce high-quality products
- Partnerships with international financial institutions
- Product market expansion

A SOCIAL COMPONENT

- Developing regions
- Cooperation with local communities
- Decent working conditions
- Safety and health of personnel
- Charity

Sustainable development of ASTARTA occurs by combining three components: economic, environmental, and social.
Social responsibility is an important philosophy for ASTARTA. Ensuring the welfare and improvement of quality of life in the regions is the foundation of all social projects carried out in those areas where the Company is present.

As a long-term project aimed at developing a corporate culture in its daily activities, ASTARTA has implemented an active social policy aimed at the support of medicine, education, culture, and sport.
The company implements social partnership policy through signing and implementing social cooperation agreements with village councils in those regions where Astarta is present.

The Regulation on social partnership, in force since 2009, is aimed at the comprehensive and balanced development of rural areas, providing social infrastructure facilities, and ensuring equal access to healthcare and educational services.

Communications

- Communications with the community and stockholders: arranging village and harvest holidays, conducting meetings of stockholders.
- Communication through mass media and social networks.
- Feedback from stockholders.

The budget for social programs and charity

- 2016: 35 mln UAH
- 2015: 30 mln UAH
- 2014: 28 mln UAH
- 2013: 24 mln UAH
- 2012: 20.4 mln UAH
Thanks to investments in education, children have the opportunity to study in classrooms equipped with modern equipment.

A new project introducing the teachings of humane pedagogy by Sh. Amonashvili has been implemented in the Poltava region. This project empowers parents and teachers alike on the methodology behind raising a moral human being. Currently, one kindergarten and six schools are involved in the program. UAH 54,000 has been allocated to this program, and will go to the regional Bilytska music school, where LLC “Dobrobut” is present.

Investments in medicine include the organisation of medical help at all levels: construction and repair of medical facilities; purchase of equipment; assistance with medicine; and payment for treatment.

From the social sphere budget, 35.1% has been allocated for healthcare. Repaired: Pryshibsky physician’s assistant/midwife station.

Installed cardiograph in Yusikytsi Village.

In order to modernise and ensure convenience, the Company has repaired roads, laid water pipes, drilled wells, and repaired a number of buildings.

LLC “Volochysk-Agro” drilled 37 wells, allocating more than UAH 5 million for public welfare;

LLC “Khmelnitske” repaired roads in 11 villages and laid water pipes in three villages;

LLC IIC “Poltavazernoproduct” built 16 playgrounds.

Mission of the Corporate Partnership Development Department

THE FORMATION OF A LONGTERM PARTNERSHIP WITH THE COMMUNITY, STOCKHOLDERS, AND PUBLIC INSTITUTIONS

<table>
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<tr>
<th>Invested</th>
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<tr>
<td>4.1 mln UAH</td>
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<tr>
<td>5.2 mln UAH</td>
<td>58</td>
</tr>
<tr>
<td>3 mln UAH</td>
<td>33</td>
</tr>
<tr>
<td>2.5 mln UAH</td>
<td>63</td>
</tr>
</tbody>
</table>

Education

Medicine

Creation of living environment

Spirituality
JOINT PROJECTS

LLC “Dovzhenka” cares about the health of the neighbouring rural population. There have been repairs made to a number of physician assistant’s/midwife stations. In a joint project with the World Bank Group, the “Clean Water” project is planned for 2017.

LLC “Dobrobut” helped install a water and wastewater treatment facility, under a joint project with the Swedish Agency for Development.

LLC “Khmilnitske” together with the local community, equipped computer classrooms of the Vylitvetska GES (general education school). In Maryanivka Village, a monument to the fallen of World War II was remounted jointly with district authorities and the local community.

LLC “Zhytnytsya Podillya” repaired a water pipe in the district of Krasylivskyi, Mochyntsi Village, together with the local community.

ALLC “Nika” implemented an energy saving project in Taverivska GES, district of Chutivskyi, that included the replacement of windows jointly with the local community and farmers.

ALLC “Musievske” provided street lighting in the villages of Lazky, Parnyuky, Khomenky, and Shkyli together with the village council and the local community.

DISTRIBUTION OF BUDGETARY FUNDS IN 2016 FOR SOCIAL PROGRAMS AND CHARITY (%)
RURAL DEVELOPMENT

Repairs (capital and recurrent)

Purchase of machinery, equipment, foods, toys, dishware, furniture, sports equipment

Building of playgrounds

Purchase of gifts for children

FUTURE PLANS

Defining areas of priority for the years 2017 – 2020 and developing programs of progress for each area.

Finding opportunities for joint projects: involvement of the community, public organisations or business organisations in social projects.

Communications management on partnership issues and corporate social responsibility projects with stockholders and communities.

Development of a non-financial reporting system to increase awareness of the community on CSR (corporate social responsibility) performance.

Purchase of medicine

Gasification of villages

Lighting of villages
PAID TAXES

- 2016: 709 mln UAH
- 2015: 526 mln UAH
- 2014: 412 mln UAH
- 2013: 337 mln UAH
- 2012: 283 mln UAH

LEASE PAYMENTS

- 2016: 808 mln UAH
- 2015: 452 mln UAH
- 2014: 319 mln UAH
- 2013: 260 mln UAH
- 2012: 235 mln UAH
The Company pays great attention to occupational safety issues, and in its activity follows a developed strategy of decreasing the level of occupational injuries by hazard identification, risks assessment, and identification of response actions.
The health of each employee is our greatest asset. Every employee must perform their job safely not just for themselves but for others. In recent years, many actions have been taken at production facilities aimed at improving conditions at the workplace. These include the automation of technological processes of sugar plants, dairy and livestock farms, grain elevators, the construction and repair of sanitary and amenity facilities, the organisation of classrooms for occupational safety training, and providing staff with modern protective clothing, safety footwear, and personal protective equipment.

The first step to ensure safe working conditions was the introduction of OHSAS 18001 — a system of occupational health and safety and industrial safety management — which began with the Narkevichy sugar plant receiving certification in 2012. Subsequently, this practice was introduced to other ASTARTA enterprises, until 2015, where OHSAS principles have been implemented at all sugar plants. Future plans include the introduction of safe operation principles in agricultural firms.

To analyse compliance with requirements of legislation on occupational health and safety, fire safety and environmental protection, specialists of the Environment, Health & Safety and Certification department conducted 25 internal audits and 8 inspections on the occupational safety status at Company facilities. Corrective measures based on the results were designed to improve working conditions of staff and reduce risks and hazards at the workplace. As many operational processes are seasonal in nature, particular attention was paid to personnel training on safe working methods. EHS specialists of LLC “Volochysk-Agro”, LLC “Dovzhenko”, LLC “Khrolska”, and LLC “Khmilnitske” conducted hands-on training of hazardous operations: working in enclosed spaces (wells), use of plant protection agents, application of liquid ammonia, etc. Training of evacuation during an emergency was conducted at Company production facilities. To develop professionally and improve skills, EHS specialists took part in thematic workshops, meetings with working group members, and international conferences and training.

The main topics of internal training conducted by specialists from Head office:

- Secure work performance while using plant protection products
- Safe use of agricultural mechanisms
- Safe operation in closed space (wells)
- Ensuring functioning of labour safety management system
- Safe performance of hazardous operations (at large height, welding, etc.)
- Determining root causes of incidents
- Analysis of occupational injuries while exploiting agricultural mechanisms
- Determining risks and dangers during work performance
- Special protective clothes: use, care, and storage at facility

### TYPES OF TRAINING HELD IN 2016

<table>
<thead>
<tr>
<th>Training Type</th>
<th>Percentage</th>
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<td>Safe performance of hazardous operations</td>
<td>25%</td>
</tr>
<tr>
<td>General questions on occupational safety legislation</td>
<td>25%</td>
</tr>
<tr>
<td>Determine risks and dangers while performing work</td>
<td>37%</td>
</tr>
<tr>
<td>General issues on fire safety legislation</td>
<td>13%</td>
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</tbody>
</table>
Following the analysis of cases of occupational injury that occurred at Company facilities over the last five years, with a goal to improve the current system of occupational health and safety management, Company management approved a program on ensuring the reduction of occupational injuries at ASTARTA production facilities called “The Five Steps to Safety”. The program was developed by specialists of the Environment, Health & Safety and Certification Department and is based on a study of actual cases of occupational health and safety at production facilities and best practices of Ukrainian and European enterprises in the sphere of industrial safety.

In 2017, the first stage of the program will be implemented at the following facilities:
- PD “Narkevichy SP”,
- PD “Zhdanivsky SP”,
- LLC “Novoorzhytsky SP”,
- LLC “Globyno Bio-energy Complex”,
- PD “Yareskivsky SP”,
- LLC “Globyno soybean processing plant”,
- LLC “Volochysk-Agro”,
- LLC “Khmelnitske”,
- ALLC “Nika”, and LLC “Khorolska”.

Expected results include:
- Reduction of occupational injuries
- Reduction of financial loss
- Increase in employee personal responsibility for his/her safety at the workplace
- Preventive elimination of risks and hazards at the workplace
- Raised informational awareness of employees
- Professional skill improvement of employees
- Reduction of occupational diseases
- Enhanced reputation as a responsible employer

**Stage I**

- “Key Rules” on occupational health, safety, and fire safety
- “Safe Operation Analyses”
- Conducting internal audits
- Ticket system of controlled compliance with occupational health and safety requirements
- Investigation of root causes of incidents

**Stage II**

- Assessment of manufacturing processes risks at the enterprises using the Hazard Identification (HAZID) method
- Introduction of the system of behavioural and targeted audits
- Improving the system of work permits at enterprises
Care toward the environment is a necessary part of maintaining a successful business. ASTARTA annually implements programs aimed at minimising its environmental impact and optimising resource consumption.
The Company has identified the following areas of focus in the field of a corporate integrated management system:

• new measurable goals and objectives in the creation of high-quality and safe food chain products, taking into account the nature and scale of the environmental impact and occupational and industrial safety risks in accordance with the production scale and energy-efficient consumption of resources;

• following legislative, regulatory, and other requirements for quality and safety of foods and feeds; occupational health and safety; industrial and fire safety; environmental protection; identified environmental aspects; energy efficiency and resource saving;

• improving effectiveness of the corporate integrated management system by:
  - reducing impact on the environment and preventing its pollution, preventing injuries and employee health deterioration;
  - a complex solution of occupational health and safety problems on the basis of approved programs;
  - using advanced achievements in science and technology to raise the level of environmental safety and energy efficiency;
  - identification, assessment, and control of hazards that can affect product food safety;
  - continuously improving safe operation while working with power equipment and purchasing energy-efficient products and services, as well as developing energy efficient projects.

• monitoring of processes, assessment of risks, and timely implementation of corrective and preventive measures aimed at continuous improvement in food quality and safety, occupational health and safety, industrial safety, environmental protection, and energy management;

• optimising human, physical, energy, and financial resources allocation;

• raising competence and awareness of personnel at all levels, informing and explaining to Company personnel and all persons involved that they have a personal responsibility regarding the quality and safety of foods and feeds, occupational health and safety, industrial safety, environmental protection, and energy management.
THE COMPANY DEVELOPED A NUMBER OF ENVIRONMENTAL PROGRAMS

- A program for handling hazardous substances that contaminate the atmosphere and soil aimed to control the use and methods of handling such substances
- A program for waste reduction developed to properly plan waste treatment, utilisation, recycling, and reuse

PERCENTAGE OF EXPENSES FOR IMPROVING WORKING CONDITIONS, RESOURCE-SAVING TECHNOLOGIES, AND CERTIFICATION

- A program to replace Freon (R22) under the Montreal Protocol is aimed at the complete replacement of Freon (R22), which destroys the ozone layer of the atmosphere.
- A program on biodiversity conservation has been developed to implement the principles of harmonious co-existence of production facilities with nature.
- A program for the implementation of best available techniques (BAT) has been developed for eight sugar plants and aims to reduce the use of natural resources (water, gas, coal, etc.) through the implementation of a number of measures aimed at modernising sugar plants
65 mln UAH

In 2016, UAH 65 million was spent on measures for environmental protection, occupational health and safety, and certification, which included measures aimed at modernisation of enterprises, improvement of working conditions, provision of staff with personal protection equipment, professional training for specialists, and introduction of safe working conditions.

ENERGY SAVING

Aim of the project: evaluate the technical and technological level to increase the capacity of sugar production at sugar plants and reduce energy consumption

Necessities:
• increase sugar production capacity at existing facilities
• reduce the use of natural resources (water, gas, coal, etc.)
• implement a number of measures to modernise sugar plants based on the conducted BAT program

Solutions:
• implement technological and organisational measures aimed at reducing the use of natural resources and improve the environmental situation in sugar plants area. Implementation of the first stage has begun at the Globyno business unit (SP and bioenergy complex)

IMPLEMENTATION OF WATER TREATMENT SYSTEM

Aim of the project: improve water balance in the Globyno business unit, fulfill the conditions of Ukrainian legislation and international loan agreements

Necessities:
• decreasing water intake by 80%
• reducing the volume of wastewater discharge to filtration fields from 35% to total refusal from filtration fields
• increase the volume of water reuse by introducing a closed loop of transporter-washing water with the possibility of treating discharged wastewater excess to surface water quality level

Solutions:
• optimise technology and available equipment
• introduce new water treatment systems
<table>
<thead>
<tr>
<th>Year</th>
<th>Processed Beet, mln tons</th>
<th>Gas consumption for processing 1 ton of beet, m³/t</th>
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</thead>
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<td>2012</td>
<td>3.1</td>
<td>30.1</td>
</tr>
<tr>
<td>2013</td>
<td>2.1</td>
<td>29.3</td>
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<td>3.0</td>
<td>28.7</td>
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<tr>
<td>2015</td>
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</tr>
<tr>
<td>2016</td>
<td>3.4</td>
<td>25.1</td>
</tr>
</tbody>
</table>
Certification and product quality

The Company continuously improves its facilities and has already received certification of its management systems according to international standards.
IN 2016, ASTARTA PRODUCTION FACILITIES SUCCESSFULLY PASSED 4 AUDITS AND OBTAINED 22 CERTIFICATES

FOOD SAFETY SYSTEMS

Certified according to Ukrainian legislation (State Standard 4161-2003) – Narkevichy, Novoivanivsky, and Savinsky sugar plants
Certified under international law:
• according to State standard, including requirements ISO 22000:2007 — Novoorzhitsky and Kobeljatsky sugar plants
• according to the FSSC 22000 system (including the requirements of ISO 22000:2007) – Yareskivsky, Globyno, Zhdanivsky sugar plants and Globyno soybean processing plant

• ISO 9001
  Globyno soybean processing plant
• ISO 50001
  Novoorzhitsky sugar plant
• OHSAS 18001
  Narkevichy sugar plant
  Globyno soybean processing plant
  Head office

OBTAINED CERTIFICATES:
ISO 14001
5 sugar plants:
• Yareskivsky
• Globyno
• Zhdanivsky
• Narkevichy
• Kobeljatsky
and
• Globyno soybean processing plant
• Head office

CONDUCTED SOCIO-ENVIRONMENTAL AUDITS AT CUSTOMERS’ REQUEST:
Globyno and Yareskivsky plants — Mondelez
Narkevichy plant — Nestle
Zhdanivsky plant — Coca-Cola

SINCE 2017, ALL DAIRY FARMS OF THE HOLDING PLAN TO IMPLEMENT THE HACCP* PRINCIPLES OF FOOD SAFETY SYSTEM

*Hazard Analysis and Critical Control Points