



*PROGRESS REPORT*  
*Savushkin Product JSC*  
*2012*

**2012** has become a crucial year for the company. Our products are recognized worldwide for their high quality. We are proud of our achievements. However, we believe, the sky is the limit. We aim at expanding our business globally. I am sure that our social responsibility policy will facilitate achieving corporate goals.

We make all efforts to support creative thinking and to adhere to core values: care, respect, diligence, honesty, transparency, kindness and welfare. Such values are reflected in our mission statement: We bring you joy, we care for your health!

We embrace the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption. This annual progress shows our results.

**A.V. Savchits**  
**Savushkin Product JSC**  
**Chief Executive Officer**

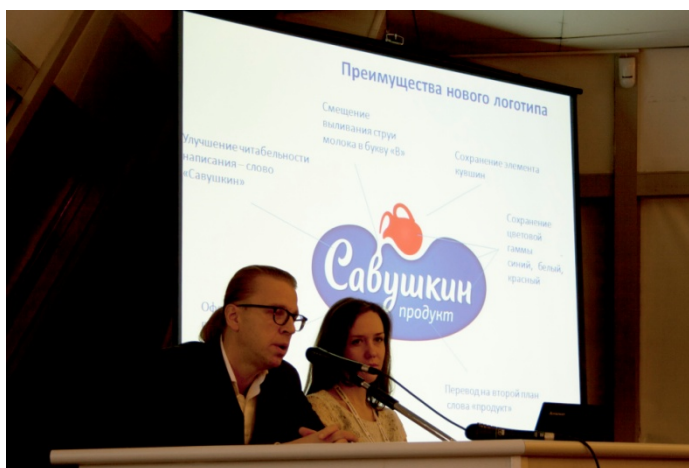


## About Savushkin Product

We celebrated our 35<sup>th</sup> anniversary on 23 December 2011. We have been working hard to approach our global goal: to retain leadership in the Belarusian market and to keep our competitive position among global dairy producers. All our activities are driven by this goal: we implement new production methods, marketing techniques and customer care tools. Day by day we become stronger and stronger, irrespective of difficulties, making necessary adjustments to new economic and social reality. Savushkin Product is widely known locally and overseas. Our loyal customers value our high-quality and natural products.

The world is constantly evolving and changing, therefore any business has to go ahead to succeed, because of the vigorous development of know-how, design, styles, production and trade trends, customers' taste and preferences. It is crucial to be in time and not to miss any opportunities: we have to implement state-of-the-art technologies, to upgrade our production facilities, to adjust to minimal demand fluctuations, i.e., to develop and to improve our products, to follow global market trends.... We professionally respond to current global challenges.

Our prospects for the development and ambitious plans have driven our brand improvement strategy. We presented our improved logo, the brainchild of our marketing team, on 16 February at the press conference for leading Russian and Belarussian mass media arranged at the 19<sup>th</sup> PRODEXPO 2012 International Exhibition for food, drinks and alimentary raw materials. Our new logo shows that we entered a new development stage.



Our new Savushkin Product logo is a graphic presentation of current trends in the company's activities. We intended to keep colours, traditionally used in dairy product design, and a milk jug as our key symbol. We improved the readability of the word "Savushkin" shifting the focus from the work "product". Our new logo definitely stands out

among other Belarussian dairy brands. It is sure to fit the Russian market.



The high quality of Savushkin products, unbeatable recipes, traditional natural taste are highly valued by our customers. Our wide range of dairy products, juices and cheeses allow us to satisfy diverse customer needs. The

diversity of products is constantly being improved and adjusted to demand. Currently we offer over 200 products. It should be noted that we have updated all our products. Country-side landscapes used to support our brand positioning intentions attract customers by their original views and bright colours, while uniform design facilitates identification among similar products offered by competitors. Different colours are used to identify products with different fat content. The label "Fresh milk product" is used to mark fully natural products. Such improvements have been aimed at facilitating our customers' selection of dairy products.

We have unrivaled dairy production facilities that enable us to make unchallenged products. Our factories (Brest, Pinsk, Stolin and Kamenets) are equipped with the most advanced machinery, i.e., we have all technical facilities required for the production of high quality, natural and valuable dairy foods. We managed to keep our investment activities at a traditionally high level: we invested into fixed assets BYR 66,900,000,000 (about 8 million US dollars) during 9 months 2012. Thus



we managed to improve our operating results.



It can be demonstrated by the output growth of more than 255 % during 9 months 2012 as compared to the same period last year. Our share in the Belarussian dairy market has expanded by 1.3 % to 16.2 %. In general, the export sales growth rates made 142.5 % during 9 months 2012 as compared to the same period last year.

47 % of our products were sold overseas during 9 months 2012. Our dollar proceeds from export sales increased by 15 % as compared to 2011. We regularly supply whole-milk products, cheeses, juices and juice-based drinks to 75 regions of Russia, to the Ukraine, Moldova, Armenia, Azerbaijan, Uzbekistan, Turkmenistan, Kazakhstan, the United Arab Emirates, and Jordan. We supply birch syrup to such EU countries as Germany, Czech Republic and Latvia, while powdered whey is exported to non-CIS countries.

Good raw materials determine the quality of end products.



We perform regular and systematic activities at field facilities that produce raw materials for our factories in order to improve productivity and the quality of raw milk. 96 farms operated by Savushkin Product are regularly upgraded. We renovate our dairy farms and cowsheds. We

have equipped our farms with milk pipeline and advanced laboratory devices to control the quality of milk. Thus, we have processed over 366,000 tons of milk during 9 months 2012, i.e., by 14 % more than during the same period last year. Moreover, we managed to improve the quality of milk supplied to production facilities. The share of first-class and extra-class milk in the total incoming milk is about 70 %.

We have introduced HACCP, Hazard Analysis and Critical Control Points, to control the quality of our products. Our quality assurance system is compliant with ISO 9001, ISO 14001, OHSAS 18001, and ISO 22000.

On 18 June 2012, the Standing Committee on the Food Chain and Animal Health granted an unlimited export license to supply raw milk and milk products to EU countries. The decision was made after rigorous checks performed by European experts at the company's production facilities and farms. The checks demonstrated the compliance with EU food safety regulations. The license was granted from 1 July 2012.

We received more than 320 national, professional and international awards. We traditionally participated in national and international competitions in 2012 and won the following awards:

- Best Product 2012 competition held at the 19<sup>th</sup> PRODEXPO 2012 exhibition in Moscow: Gold medal for 101 zerno+slivki 5 % granulated cottage cheese, Savushkin Khutorok 10 % cottage cheese, Brest-Litovsk 3,6 % ultrapasteurized milk; bronze medal for Brest-Litovsk Light 35 % cheese;
- Milk Success 2012 competition held at the 10<sup>th</sup> Milk and Meat Industry 2012 international exhibition: Gold medal for Brest-Litovsk 3 % cottage cheese;
- The winner of the Food Industry nomination in the national competition Best Exporter 2011;
- Chrystal Apple National Competition for producers of canned food (held by the Food Research Centre of the National Academy of Science of the Republic of Belarus): High-Quality Juices award for Nastoyashchiy product line presented by Savushkin Product.

## **Human Rights**

UN Global Compact Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

UN Global Compact Principle 2: Businesses should make sure they are not complicit in human rights abuses.



**Our mission statement is: we bring you joy, we care for your health. We produce natural, useful and delicious products. Thus we support and respect the protection of human rights in the course of carrying out business activities and presenting our products in the market.**

**We comply with current laws and regulations. We are not complicit in human rights abuses. No cases of human rights abuse and/or discrimination were identified in 2012. We support the principle of equal rights and opportunities. All our employees enjoy the freedom of associations and the right to collective bargaining negotiations in accordance with current laws. We uphold the elimination of all forms of forced and chilled labour. It is strictly forbidden to use such forms of labour.**

**In this regard, our objective is a consistent improvement of the social welfare of our customers. We achieve this objective by protecting human rights in the course of carrying out business activities, by**



**contributing to social and economic development, locally and nationally, in the country where we operate. We provide customer service; therefore, we can improve the quality of our customers' life.**

**Being a producer of foodstuff, we understand our responsibility for life and health of our employees and our customers. In addition to quality assurance procedures we attempt to raise public awareness of healthy eating and healthy food.**

We should establish our customers' needs – this is our goal. We arranged five doors open events for those who are willing to learn more about the company. Our first events were attended mostly by Brest residents, while now recent events have become nationwide.

Our Doors Open Day 2012 was far from being traditional: we specially welcomed retail representatives. As a result, more than 700 sales managers, vendors, top managers of shops and networks from 25 Belarusian cities and towns visited Savushkin Product facilities in May-June to learn about our products.

We open our doors to customers from Brest and other regions of the republic. Annual Doors Open Days raise awareness of health eating, valuable dairy products, the peculiarities of milk processing facilities and our procedures, the



quality and value of our products. Our guests have a unique opportunity to get free full and professional answer to all questions relating to milk and dairy products, to learn about balanced nutrition and to taste natural and valuable products. Such events facilitate the identification of potential issues related to promoting healthy food.

We participated in awarding the winners of the regional health lifestyle competition on 27 April 2012 arranged for senior classes of secondary schools. The winners received our recipe books Health Recipes. Many people are not satisfied with their jobs. Even creative individuals, who lend themselves well to artistic jobs and cause jealousy, may fail to be fully satisfied with what they do. As a result, they feel undervalued and deeply suffer from career failures. School students can identify their preferences and skills, but often they are not able to make an appropriate choice. Our project initiated and implemented together with the Brest Regional Education Committee was designed to assist school student in choosing their professions and to inform them on career opportunities offered by Savushkin Product. The project was implemented in March - May 2012. We arranged meetings of our staff with teachers and students from 15 Brest schools. DVDs with films about Savushkin Product were given to 6 schools.



We need skilled employees – university or college graduates, therefore, detailed information on some specific jobs was provided to students (cheesemakers, food processing operators, etc). We told them what kind of job is done by our managers at different levels. We believe that the project has facilitated educational processes at senior classes of Brest secondary schools.

Different groups of people have different needs – kids, teenagers, students, adults, patients or people with disabilities.

We care for those who need our help; therefore, we traditionally assist orphans.



In June we arrange our annual events for youth preparing for adulthood. Senior students of boarding schools for orphans start their journey to adult life and say farewell to their friends and teachers. They need help and support because they are facing independent, unknown and difficult life.

Clothes, footwear, and bedding – so many things are required for their independent living when they will be responsible for themselves. They do not have families to back them up. They are provided with minimal support when leaving boarding schools in accordance with current regulations. But they need much more to be prepared for anything that happens in life.

We attempt to assist kids in need. We allocated funds. We collected clothes and toiletries for orphans who stay in Pinsk boarding school. Some funds were spent on fruit and candies for the farewell party. Hairdresser's and manicure service was arranged for girls before the event. The remaining money was spent on farewell photo albums books for the graduation ceremony in August.

We assisted the Brest Committee for Labour, Employment and Social Security in preparing events dedicating to the International Kids' Day: Dreams Come True 5<sup>th</sup> National Music Festival for children with disabilities (25-26 May 2012 at the Regional Centre for Youth Arts) and the Day of Persons with Disabilities (3 June at the Municipal Park). Participants received our dairy products and juices and Savushkin Product promotional materials.

During 9 months of this year we allocated 805,000,000 rubles to charity assistance provided to such institutions as the Regional Public Servicing Centre, Brest Pushkin State University, the Veterans Association of Moskovskiy District, Pinsk Interregional Nursery, Brest Hockey Club, main orthodox Saint Resurrection Church, Zapadniy Bug Volleyball Club, Brest branch of Kids in Need charity, etc.

We are open to public and mass media: we maintain contacts with journalists and implement joint projects with press, online media, TV and radio both local (Brest Regional TV, Vecherniy Brest and Brestskiy Courier newspapers, etc) and national.

Savushkin Product was selected by ONT national TV channel for arranging Welcome to Belarus visits for foreign guests to Brest. The project is aimed at attracting foreigners to Belarus who can discover Belarussian cultural experiences and do the sightseeing. The Korean delegation visited Savushkin Product premises on 20 August 2012. The Korean family learned how we process milk and produce juices. They also tasted our products. We prepared our special souvenirs for our guests. Please see the records of the visit



on [http://www.youtube.com/watch?v=kpVLj8g\\_2RY](http://www.youtube.com/watch?v=kpVLj8g_2RY).

From September 2012 our products are on ONT channel in the Milk Morning weekly episode offering quick and healthy breakfast ideas.

Social networking sites connect people, facilitate information exchange and make it easier to keep in touch with contacts across borders. As the increase in popularity of social networking is on a constant rise, we launched our corporate pages in such social networks as Vkontakte ([http://vk.com/savushkin\\_product](http://vk.com/savushkin_product)) and Facebook (<http://www.facebook.com/savushkin.product>). Our online guests can get information on our new and traditional dairy products and learn about forthcoming events. We publish photos, video and presentations. You can also find various milk recipes for cooking dishes based on our products.

## Labour

UN Global Compact Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**UN Global Compact Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.**

**UN Global Compact Principle 5: Businesses should uphold the effective abolition of child labour.**

**UN Global Compact Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.**

Savushkin Product staff are our most valuable asset. The general performance and competitiveness of the company much depends on their skills and professional knowledge. We work together as a team linked in a common purpose. Professionalism and commitment are our common values and top priorities. However, staff satisfaction is of pivotal importance to our overall production. From this perspective, our key objectives are to create favourable working environment, to offer professional development opportunities, to support diversity and inclusiveness and to make our staff feel confident about their prospects.

Favorable working environment means safe working conditions, decent compensation, social security for staff and their families, career opportunities and inclusiveness into decision-making processes. The management and the corporate trade committee are responsible for achieving such objectives.

Currently, we have 2,923 employees including 1,590 (54,3 %) women. An average age of our employees is 34 years.





The education breakdown of Savushkin Product staff: 760 university graduates, 813 employees had post-secondary training, 690 employees had vocational training, making in total 77.4 % of the total number of staff. In 2012 we hired 109 graduates, i.e. by 236 % more than last year, including 26 university graduates, 53 employees finished specialized secondary schools and 30 finished vocational establishments. We provided residence in boarding houses in Brest (27 young specialists) and Minsk (5 specialists employed by our sales branch). We pay rents in accordance with tenancy agreements provided by our young specialists working at our production facilities in Stolin and Kamenets.

Appropriate personnel training improves HR efficiency and HR arrangements, therefore, professional development is essential for our current and future prosperity. We offer professional training and development opportunities to ensure that our employees have the requisite skills and to improve their efficiency and productivity. Workers are promoted to higher categories after professional training. They also have access to personal development programmes.

During 8 months 2012 108 workers were trained, while 80 workers were promoted to higher categories. 190 specialists and managers participated in workshops, business training and personal development courses. We arranged safety and hygiene training, quality management training, health and safety, environmental protection training, machine and equipment training, etc. Our training and development allocation reached 714,200,000 rubles (over 85,000 US dollars).

136 employees are university students, 21 employees study in post-secondary specialized schools.

Traditionally, we work closely with specialized educational establishments. During the first 6 months of 2012 we offered professional internship to 67 students.

Our trade committee is responsible for safe working conditions, decent salaries, cultural and sports events. In 2012 we completed restructuring our trade union organization. The State Registration Certificate was issued to Savushkin Product Joint Trade Union Organization on 18 May 2012. The organization comprises primary organizations operating at production facilities in Pinsk, Stolin, Kamenets. Trade union groups were created at all branches and at the milk receiving facilities in Drogichin. Our Trade Union Organization has 2,913 members, i.e. 99.4 % of employees are trade union members.

In 2012 representatives of all departments and subdivisions participated in two trade union conferences. The following reports were made at the conference:

- Management report on the performance during the reporting period (A.V. Savchits, Chief Executive Officer);

- Report of the Trade Union Committee on the performance during the reporting period (S.V. Martynova, Head of the Trade Union Committee).

The performance of the management and the Trade Union Committee was evaluated as “satisfactory”. The participants voted for amendments to the Collective Agreement.

The Collective Agreement guarantees our sustainable social and economic development, establishes additional social benefits and compensations, health and safety regulations, environmental protection procedures, health care, spa treatment, social security, housing programmes, maternity care and care for children.

All salary-related issues are regulated in the Collective Agreement and controlled by the Trade Union Committee. The management makes all efforts to offer decent salaries to all members of staff.

We pay long service allowances, mastership increment, higher overtime remuneration, coaching and training allowances, and double jobholding remuneration. We offer various bonuses: annual (13<sup>th</sup> salary) and quarterly, material saving bonuses and bonuses for other savings.

We did not receive any claims in relation to the terms of payment of salaries, advance payments and leave allowances.

We strictly follow the provisions of the Labour Code of the Republic of Belarus, the internal regulations and the Articles of Incorporation. We support flexible working hours and cumulative records of working hours within the total annual entitlement established in accordance with the law. On request of 14 female workers the beginning of the working day was adjusted by 0.5 hour. Our employees have at least 24 calendar days leave. Additionally, we offer paid educational leaves and short-term special paid leave (up to 2 days) for marriage or compassionate leave.



The Collective Agreement was amended to guarantee extra benefits to blood donors. During 9 months 2012 161 days off were provided to donors upon their request. No claims have been received from donors in relation to refused day-off requests during the reporting period.

Health and safety are important for the creation of favourable working environment. In other words, decent salaries cannot compensate for unsafe and insecure working conditions, therefore, such working environment cannot be considered favourable. We make all efforts to improve health and safety at work.

We arrange regular health safety checks. The results are discussed at monthly Health, Safety and Environment Days. Our working conditions are controlled by the certified organization in accordance with the hazard control schedule approved by the chief engineer. No deviations have been revealed during 9 months 2012. Excessive noise identified in the boilers room and in the compressor house is caused by the machinery. All employees are provided with hearing protection devices.



We have developed and have been implemented the 2012 action plan aimed at the improvement of working conditions and safety. We achieved 17 of 26 objectives and spent 785,000,000 rubles (more than 93,000 US dollars). Moreover, we have undertaken the following measures for further improvement of working conditions:



- The air curtain was made in the passage from the filling room to the finished products area over the conveyer of the PET bottling plant;
- The driveways and pedestrian crossings were marked within the premises. We also installed road signs in the territory and the speed limit sign at the entrance gate;
- The nanofiltration unit in the dry milk room was equipped with the dosing pump for delivering chemical agents to 100 l containers;
- The platform was installed for servicing hot water tanks in MCA-7 dry milk workshop.

All our employees are provided with personal protective equipment (to perform works that require protection). Worn equipment is replaced even before the expiry of wearing period.

In 2012 we were ranked first in the municipal health and safety competition.

Our managers believe that staff health is as important as their skills and experience. The analysis of the global best practices shows that investments aimed at improving staff health quickly pay off. Therefore, we focus on various health care projects. Decent social benefits make an integral part of our corporate culture, improve motivation and create the conditions that help generate excitement, energy and commitment.

Our health care facilities offer GP and dental services. There is a solarium, a sauna, a massage room and water massage equipment. We have an agreement with local health care facilities on the arrangement of visits to specialized medical practitioners for our staff.

We provided our staff with vouchers to health resorts and recreational facilities and residential camps for kids for the total amount



of 250,300,000 rubles.

The information on the vouchers provided in 2011 and 2012 is given in the table below:

Voucher		2011	2012
Heath care facilities, 50 % covered by employees	Belarussian health resorts	26	40
	Family health resorts	8	5
Recreational facilities and residential camps for kids	Total vouchers provided	62	81
	Including vouchers fully covered by the company (for single-parent or large families)	15	23

We offer free transfer for kids going to camps.

Our health care measures were quite effective. During the first half 2012 we registered 1020 sick leaves for the total of 10,105 days, or 7.6 cases less than during the same period in 2011. We did not have any on-the-job accidents.

We spent 233,500,000 rubles (over 27,000 US dollars) on first aid equipment and medicines.

Cultural, educational and sports events are crucial for team building and improving organizational effectiveness and efficiency. Therefore, we make all efforts to arrange various cultural and sports events for our staff and their families. The share of relevant expenses in the total trade union allocation is 47 %.

We rent swimming pool lanes and fitness facilities for our staff. We cover entrance fees for our teams participating in the Open Mini Soccer Tournament in Pins and the Beach Football Tournament in Brest. We paid for the tickets to Xth mini-football European championship (Brest) games. We arranged the winter fishing competition for our staff in Brest. The employees of the Pinsk



retail branch participate in the municipal annual sports competitions. This year our team took the first place in cross-country skiing. Our branch in Drogichin participated in local sports competitions, in particular, in the Smallbore Rifle Competition.

Our sales department for Gomel Region participated in the Health Day held in the Fisher's House (Gomel District). The teams of our production facilities in Pinsk, Stolin, Kamenets and Polleskiy retail branch took part in the camping and hiking competitions held at Priozernaya estate. The Brest automation



department arranged the Health Day at the Selyakhy camping.

We covered the costs of the trip to Kyev for our staff in Stolin and the pilgrim tour to Trinity St Sergius Monastery for our staff in Brest. The employees of our retail branch in Pinsk went to Zhirovich Monastery.

Tickets to various events and concerts are equally offered to the employees of all our production and retail branches. We provided our staff in Brest with tickets to the Brest Academic Drama Theatre, the symphony orchestra concerts, jazz concerts and amateur concerts. The employees of our Grodno retail branch are invited to monthly concerts at the Grodno Regional Drama Theatre and to Kosmos cinema. The employees of our Vitebsk branch are offered the tickets to the Y. Kolas National Drama Theatre, Slavyansky Bazar concerts. The members of staff of our Pinsk branch are invited to the Polessie Drama Theatre, to one-night stands arranged by the Brest Regional Drama Theatre, traditional Christmas concerts.

We take care of veterans and retired employees because they created the basis of our current prosperity. 419 retired employees were registered as of 1 October 2012. We have the Veterans' Committee. The senior generation is always supported and assisted by their former employer. We traditionally congratulate our veterans on holidays and anniversaries.

On 7 May we arranged a party for the veterans of the Great Patriotic War who used to work for Savushkin Product and our branches in Pinsk, Stolin, Kamenets. The veterans received flowers and food baskets in addition to financial assistance.





We arrange annual meetings of veterans and retired employees dedicated to the International Day for the Elderly. Those who used to work for the company have a chance to meet their former colleagues and friends and to find out how their company is making progress.

The last meeting was held on 28 September 2012. Our employees prepared the following programme: the visit to the company's premises, the presentation film, tasting new products, meeting the company's management, the dinner and the concert of the border agency orchestra. The veterans and retired employees of our branches in Pinsk, Stolin and Kamenets, and our former milk receiving unit in Malorita were invited to receptions held at local restaurants. All retired employees and veterans received financial assistance.

## Environment

UN Global Compact Principle 7: Businesses should support a precautionary approach to environmental challenges.

UN Global Compact Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

UN Global Compact Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Our strategy aimed at retaining market leadership is based not only on high performance and financial indicators. The improvement and upgrade of our production facilities and steadily increased



growth rates require rational environmental management. We are responsible for the environmental impact caused by our activities; therefore we follow the principles of environmental protection and sustainable development. This principle is uniformly applicable to all our production and retail facilities.

We make all efforts and allocate significant funds to our environmental activities in order to mitigate our environmental impact, to support community connections and to guarantee sustainable economic growth. We follow all applicable regulations and standards, or establish even much stricter rules.

Considering the peculiarities of our activities we attempt to use all opportunities to get maximum benefits from minimal natural resources. We adhere to recycling regulations at all stages of our production. Annual action plans are developed and implemented to support protection and restoration of our air and aquatic resources, and to reduce waste production.

The following environmental protection measures were undertaken in 2012:

- Replacement of sewage traps at the dissolving zone of the receiving room designed to remove solid particles and organic substances;
- Replacement of milk tank washing equipment;
- Installation of tubular heat exchanger for the water heater after chemical treatment and before the deaerating plant in the boilers room;
- Commissioning new whey nanofiltration equipment; procurement of the reverse osmosis system for filtered whey;
- Commissioning the heat recovery system of the refrigerator condensers operated in the compressor house;
- Agreement on research works performed to define the specifications of waste water removed from our production facilities in Pinsk;
- Cleaning heat-exchange surfaces of condensers (to reduce freon leak risk);
- Installation of the waste recycling press at our production facilities in Pinsk;
- Replacement of an obsolescent boiler (emissions have been reduced by 60 %) at our production facilities in Kamenets.

In accordance with the environmental law we have arranged separate waste collection and hazard classification of waste to ensure safe recycling or disposal. The following wastes are subject to recycling: uncontaminated carton and paper, polythene, polystyrene (residual polystyrene tape, plastic packing), PET bottles, scrap wire cord tyres, wasted lead accumulators with electrolyte, wasted synthetic and mineral oil, damaged metal and iron structures, damaged metal structures and

components that contain non-ferrous metals and their compounds, wasted cables and wires. The following wastes are subject to decontamination: wasted fluorescent lamps, wasted mercury lamps, wasted energy-saving fluorescent lamps, wasted mercury thermometers, etc. All waste handling activities are aimed at maximal recycling.

We checked all sources of pollutant emissions and developed an environmental certificate. We arrange annual checks of emissions from stationary sources. Such checks are performed by a duly certified organization in accordance with the schedule of controls. The limits established for pollutant emissions have never been exceeded.

Gas systems are used for the treatment of emissions that contain solid particles. Our gas systems are duly certified. We arrange annual aerodynamic tests to check their efficiency. Such tests are performed by an independent certified organization. The test reports show that our ventilation system are in good operating condition, while their efficiency has not decreased as compared to last year data.

We adhere to the regulations that establish emission limits for official vehicles. We arrange regular checks at our car park facilities in according to the approved schedule.

The information on our environmental protection measures and events is presented on our environmental bulletin boards at all our subdivisions and on the corporate SPS intranet and our web-site.

## **Anti-Corruption**

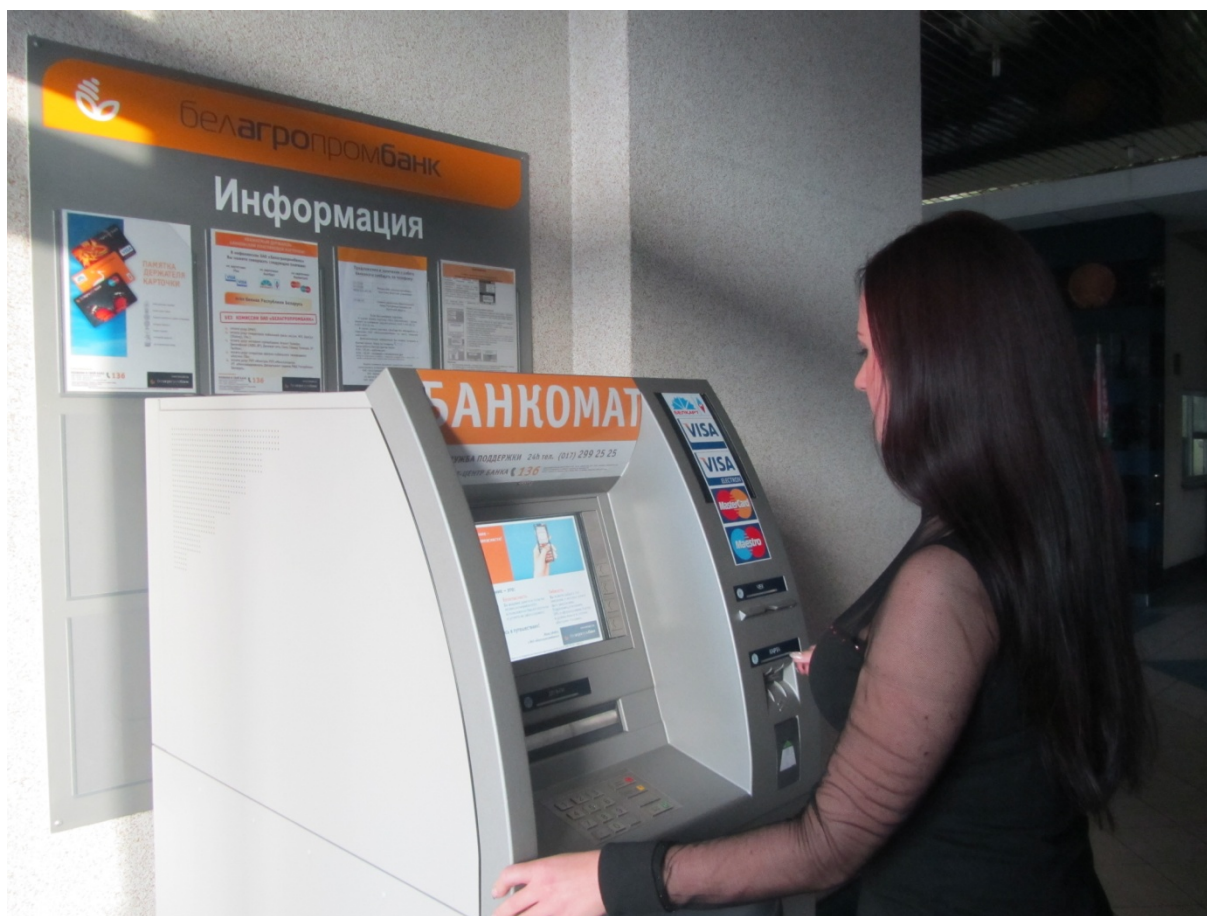
UN Global Compact Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

We adhere to transparent business procedures and strictly follow national anti-corruption laws and regulations. We undertake preventive measures to eliminate corruption in any forms. We focus on anti-corruption measures as part of our mechanisms to protect our reputation.

We create our corporate culture based on trust and zero tolerance to corruption in all its forms, including extortion, bribery and salaries paid under the table: salaries are paid directly to bank accounts in Belagroprombank, Belarusbank and Vnesheconombank. We installed cash machines and terminals of Belagroprombank, Belarusbank and Belpromstroybank in the hall of our main building.



**We adhere to the principles of fair business, honesty and good faith both in relations with our employees and with our external contacts. We maintain partner relationship with numerous Belarussian and overseas companies. Such relationships are based on trust and mutual respect. Selecting partners we are driven by the value for money principle. We apply competitive procurement procedures. Our suppliers of packing, additives, equipment, etc are selected using formal tender processes. They should meet quality requirements applied to their goods and services. We do not perform any cash transactions for settlements with our suppliers.**



**Our employees were properly informed on candidates during the parliamentary elections campaign to the fifth-convocation of the House of Representatives of the National Assembly of Belarus to ensure they would make a well-informed choice and vote for decent and responsible candidates. All registered candidates had equal opportunity to present their programmes.**

**We adhere to the principle of transparency and openness. We administer all claims and appeals submitted by individuals and legal entities. We have arranged free hot line and proactively use internet tools and social networks.**

**We uphold high ethical standards on a daily basis. Our employees are responsible and goal-oriented professionals that like their jobs and adhere to the principles of openness and humanism.**