



Social report of Obolon CJSC

Sustainable Development in 2009

Obolon in figures

UAH 4108 mln

sales proceeds in 2009

UAH 662 mln

deducted in 2009 to budgets of various levels

UAH 175 mln

despite the economic recession, Obolon finished 2009 with a profit

UAH 500 mln

investments in own malting plant in Chemerivtsi (Khmelnysky Region)

80%

Obolon's share in Ukrainian beer exports

7000 people

the number of employees in all corporate structures of Obolon CJSC

10%

salary increase in 2009 as compared to 2008

7%

share of new Zibert brand, launched in February 2009, in the domestic market

21%

total reduction of waste generation by Obolon CJSC in 2009

23 mln plastic 1.0l bottles

Obolon annually recycles this equivalent of waste plastic

9244

the number of people who toured the Kyiv Brewery last year

REPORT CHARACTERISTICS

The Social Report is a document that reflects the company's policy, strategy and practice in corporate social responsibility.

The objective of Obolon's New Social Report is to show its system approach to implementing the principles of the UN Global Agreement and practice of corporate social activity. According to the United Nations Global Compact signed in Ukraine, which is a voluntary initiative of socially responsible companies, and continuing the best practice of responsible corporate management, in the first half of 2010 Obolon is providing information on corporate social responsibility and sustainable development in the form of the 2009 Social Report.

The Social Report contains all key information on the activities of Obolon CJSC as a whole; however, some specialized aspects and data are given with regard to the main plant of Obolon CJSC. This year, the limits of the report have been extended to include as much information as possible about the entire corporation.

The Social Report has been prepared on the basis of the Global Reporting Initiative's Sustainability Reporting Guidelines (GRI, v.3). These recommendations are the most widespread instrument among global companies for report standardization and evaluation. Obolon's Social Report complies with level B assessment (according to GRI v.3 methodology).

In preparing this report, the opinions and wishes of all stakeholders regarding the corporation's reporting have been taken into account. The GRI Compliance Table is published on page 53.

The Social Report has been drawn up to inform the stakeholders in a systematic way about Obolon's corporate social responsibility. Obolon's Social Report contains information about the activities of both the main plant, and basic information on all structural divisions of the Obolon Corporation. These data not only reflect the state of affairs as of the end of 2009, but also the dynamics for the last several years.

The audience of the Social Report encompasses a wide range of stakeholders. First of all, the Social Report is intended for internal stakeholders (shareholders, employees, consumers, partners). However, it is also an actual source of information for external stakeholders (mass media, NGOs, international organizations, local and government authorities, financial institutions, and residents of regions where the corporation's enterprises are located). The Social Report fulfils an important information function; namely, it publicly confirms Obolon's sustainable development policy and increases the loyalty of employees, consumers, the public and business partners. Moreover, the Social Report serves as evidence of the implementation of conventional standards of corporate governance.

Social reporting enables the Company to improve its management processes, increase the effectiveness of social activities, enhance communications and take into consideration the needs and expectations of stakeholders. That is why Obolon has committed itself to providing data on social activities (reports on sustainable development and advancement) on a regular basis, extending their informational content and improving the structure.

We note that Obolon's first Social Report was published in the first half of 2009 and reflected the status of CSR for 2007-2008. It can be found on the corporate website www.obolon.ua.



GRI V.3 PERFORMANCE TABLE

Sections of Report	key indicators		additional indicators		total		
	<i>filled in</i>	<i>absent</i>	<i>filled in</i>	<i>absent</i>	<i>filled in</i>	<i>absent</i>	
general provisions	42	0	0	0	42	0	
economic unit	6	1	2	0	8	1	
environmental safety	18	0	12	0	30	0	
labor relations	9	0	4	0	13	0	
human rights	5	1	3	0	8	1	
social aspects	3	3	1	1	4	4	
product and consumer	9	0	0	0	9	0	
total	87	5	28	1	115	6	

Three years ago Obolon Corporation, the largest Ukrainian beer and beverages producer, joined the United Nations Global Compact. In this way we confirmed our willingness to implement in practice all 10 principles of the Compact, namely in labor relations, environmental protection, observance of human rights and corruption control. Since these principles had already been implemented in a certain manner at Obolon Corporation, membership in the Compact became an additional incentive for more systemic activities in the area of corporate social responsibility.

We are very proud that Obolon Corporation is the first company of the beer industry in Ukraine to issue a Social Report reflecting the company's progress and sustainable development in 2007 and 2008; and this practice has been continued this year in the form of the 2009 Report.

We see great prospects for our progress in the area of corporate social responsibility and cooperation in this context with the United Nations Global Compact. For more than thirty years Obolon has been building harmonious relationships with its consumers and partners, and as a result it has gained a unique reputation on the market. And we understand the concept of 'sustainable development' not only as stable development of the company itself, but also of the environment in which we work.

In accordance with its commitments as a member to the United Nations Global Compact, Obolon Company publicly declares its readiness to continue supporting and introducing fundamental values in the area of human rights, labor standards, environmental protection and anti-corruption drive.



SUSTAINABLE DEVELOPMENT OF THE OBOLON CORPORATION

CORPORATE SOCIAL RESPONSIBILITY

Obolon is a national company that worthily represents Ukraine in the world. Such high status is not only about prestige, it is about a responsible attitude to its products, consumers, staff and partners. Corporate responsibility of the Obolon Company consists in harmonious coexistence, cooperation and continuous dialogue with society. Thus, Obolon strictly adheres to the principles of openness, transparency, consistency, precise planning and effectiveness.

The company's sphere of corporate responsibility includes management of its activities in the areas of ecology, industrial safety, occupational safety, staff development, and mutually beneficial relationships with all stakeholders.

RESPONSIBLE CONDUCT OF BUSINESS

The Obolon Company is engaged in continuous dialogue with interested groups of the population and observes standard obligations as stipulated by effective legislation of Ukraine.

Obolon CJSC promptly and fully pays taxes and charges to the budget and salaries, and creates new jobs. The company is one of the largest taxpayers in Kyiv and Ukraine. Obolon has a reputation as one of the best employers in Ukraine. Today, the Company employs about 7500 people.

Corporate principles:

- relationship with the state: prompt and full payment of taxes and charges to the budget, creation of new jobs;
- openness and transparency in the company's activities;
- reliability in relationships with partners and customers;
- meeting customers' expectations concerning taste qualities, external design, product range and service.



Economic impact

- job security
- innovative investments
- domestic producer
- exporter
- high-quality and competitive products

Environmental safety

- environmental investments
- optimization of resource management
- reduction of environmental impact
- waste management and minimization

Working conditions

- high social standards
- decent wages
- personnel training and development
- standardized occupational safety system
- employment of disabled persons

Social investments

- educational projects
- support to disadvantaged population
- promotion of spiritual, historical and cultural revival
- development of sports

Internal stakeholders

- shareholders and investors
- employees
- consumers
- partners

External stakeholders

- government authorities
- local authorities
- NGOs
- mass media
- international organizations
- financial and credit institutions
- population of regions where enterprises are

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Opening of its own malting plant in the town of Chemerivtsi, Khmelnytsky Region. Obolon Corporation became the first large brewery in Ukraine to provide itself fully with malt of its own production.
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Completion of Zibert's Brewery modernization in Fastiv, Kyiv Region.
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Brewery modernization has ensured the high quality of Zibert™ beer, which was confirmed by the success of this trademark on the Ukrainian market.

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Conclusion of a new collective bargaining agreement of Obolon CJSC, which, in spite of the crisis, reinforced high social standards and their further development.
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Obolon has been successfully developing its export program in 2009 and increased its share in exports of Ukrainian beer to 80%.
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СПОЖИВАЙ
ВІДПОВІДАЛЬНО
www.enjoyobolon.com

With a view to increasing its contribution to responsibility for its products, Obolon Corporation implemented a comprehensive program for development of a beer consumption culture.

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MISSION OF OBOLON CORPORATION:

«We work daily to be the best and to leave nobody thirsty on the planet»

Dear Partners and Colleagues,

We are proud to present you with the second Social Report of Obolon Corporation, demonstrating our path to sustainable development.

Corporate social responsibility has been a very important instrument on our path to sustainable long-term development. The pursuit of sustainable development is what guides us when designing all the Corporation's strategies and investigating our influence on all groups of stakeholders, and which brings us such success. During the crisis, despite the market and sales decline, we strengthened our financial stability to a great extent, which also became possible due to implementation of the Corporation's sustainable development strategy.

We have been introducing social and ecological issues into the decision-making process for a long time. Obolon considers social responsibility to be an integral part of its core business, with specific duties and accountability at all levels. However, we also seek to make it clear to all stakeholders, that the social activities of our corporation or the whole business cannot substitute for effective fulfillment of obligations and powers by the state. Thus, although it pays more than UAH 600 mln in taxes annually, Obolon cannot guarantee that the government will spend them responsibly. However, it is important for us to contribute to sustainable development as much as possible by implementing our social responsibility in practice.

The last year brought us a lot of problems: the global financial crisis, increased excise taxes in Ukraine, the market decline. In order to minimize the effects of the economic recession and increase energy efficiency, Obolon resumed cooperation with the European Bank for Reconstruction and Development. The Bank granted a loan of US\$ 50 mln, 45 mln of which were used for refinancing short-term loans to long-term ones and 5 mln were utilized for energy saving programs. In addition, we managed to convert short-term loans in full into medium and long-term loans, which strengthened our financial security.

Despite everything, Obolon Corporation continues its steadfast observance of the principles of harmonious coexistence, interaction and continuous dialogue with the society. I am convinced that this Social Report will promote development of an effective dialogue between Obolon Corporation and its employees, the general public, government agencies and partners.

Olexandr Slobodyan
President of Obolon CJSC



Obolon Corporation





Obolon Corporation

HISTORY



The company's history dates back to 1974 when the construction site of the future brewery was sand filled. The start-up of production was dedicated to the 1980 Olympic Games.

Czech experts were engaged in the project as world-renowned brew masters. They were the ones who identified the construction site for the new brewery. The choice of construction site was determined by the main factor, namely, the availability of huge reserves of soft, crystal-clear water. Today, the water from Jurassic bedrock (290 m) ensures the high quality of our products.

Soon afterwards, the enterprise gave impetus to developing the largest company in Ukraine to produce beer, low-alcohol and soft drinks, and mineral water.

The plant received its current name only in 1986, after the district of Kyiv with the same name. The word 'obolon' comes from the times of Kievan Rus, when it denoted low riverside meadows.

Built according to a Czech design, the brewery produced beer that gained wide popularity. After Ukraine became independent, Obolon was the first company to export hopped beverages to Europe and the USA. Obolon trademark beer started being perceived as traditional Ukrainian beer in the whole world.

After a quarter of a century, Obolon has evolved into a world-renowned trademark. Today people on five continents associate Obolon with Ukrainian beer #1.

For further information, visit www.obolon.ua

POLICY OF OBOLON CJSC

Obolon CJSC's strategy is aimed at meeting the demands and expectations of customers in order to maintain a leading position on the beer and soft drink market, with constant attention to preventing environmental pollution, preserving the environment and considering the interests of stakeholders.

An integral part of the strategy is continuous improvement of a management system that meets international standards, and correct anticipation of market trends.

The focus of Obolon CJSC on improving its management system means that:

- we are a reliable partner for our suppliers and customers, with unconditional fulfillment of standards and legal requirements, as well as contractual obligations;
- we focus on the fact that tomorrow we have to be the best in quality, product safety, treatment of the environment and reduction of occupational risks for staff and people present on the company's property;
- we consider continuously meeting customers' expectations of taste qualities, external design, product range and service as our obligation;
- management's actions are aimed at improving the management system's effectiveness;
- increased employee motivation and level of customers' and other stakeholders' satisfaction is ensured.

Employees and other stakeholders are informed of Obolon CJSC's policy.

CORPORATE STRUCTURE

MAIN STRUCTURAL UNITS OF OBOLON COMPANY

Main plant in Kyiv	
● ○ ● ● ■	Obolon CJSC which is the largest brewery in Europe*
Separate structural divisions	
● ○ ● ■	Plant in Oleksandria Kirovograd Region
●	Malting plant in Chemerivtsi Khmelnitsky Region
Subsidiaries	
●	Zibert's Brewery Subsidiary of Obolon CJSC Fastiv, Kyiv Region
● ○ ●	Krasylivske Subsidiary of Obolon CJSC Krasyliv, Khmelnytsky Region
▲	Obolon Agro LLC Chemerivtsi, Khmelnytsk Region
△	V.D. Slobodyan Agrifirm LLC Ivankivtsi, Khmelnytsky Region
Companies with corporate rights	
○ ●	Okhtyrka Brewery JSC Okhtyrka, Sumy Region
○	Sevastopol Brewing and Soft Drinks Plant CJSC Autonomous Republic of Crimea
● ●	Bershad Integrated Brewery CJSC Bershad, Vinnytsya Region
●	Diatkivtsi JSC Kolomiya, Ivano-Frankivsk Region
□	Rokytno Glass Factory JSC** Rokytno, Rivne Region

Умовні знаки	
●	beer
●	low-alcohol drinks
○	soft drinks
●	mineral water
●	malt
●	PET bottle recycling
■	production of rim bands
■	production of brewer's grains
□	production of glass containers
▲	agricultural products, barley growing, cattle and pig raising
△	agricultural production

* with respect to nominal production capacity

** Obolon Company owns a significant, but not majority interest in Rokytno Glass Factory CJSC

Responsible investment

Obolon's investment policy is aimed at achieving its set business goals in a way that benefits all of society as much as possible.

Obolon, as a large nation-wide investor, employs socially responsible investment strategies. Examples are the development of the Kyiv brewery and especially the latest large-scale investment projects that have been implemented in the regions of Ukraine. The first such project is a production facility in Olexandria, Kirovograd Region, the second is a malting plant in Chemerivtsi, Khmelnytsky Region, and the third is modernization of Zibert's Brewery in Fastiv, Kyiv Region.

Obolon's investment policy is aimed at achieving its set business goals in a way that benefits all of society as much as possible. The corporation's basic investment principle is that our investment analysis and decision-making system includes, in addition to production issues, ESG (environment, social sphere and corporate governance) aspects. Practice shows that this approach contributes to maximum public benefit and has a positive influence on our core business in the long run.

During the previous five years, the acronym ESG (Environmental, Social and Governance) acronym became quite popular in the financial industry as standard terminology for a group of non-financial data that are increasingly valued by investors as part of their comprehensive investment analysis.

PRODUCTION FACILITY IN OLEXANDRIA

Location: Olexandria, Kirovograd Region

Jobs created: 168

Project implementation period: 1997-2009 (further modernization is scheduled)

Obolon revitalized the former mining city in a region that is traditionally referred to as depressed. One of the factors in this investment was Olexandria's location in the very center of Ukraine. A distinctive feature of this project is that two Obolon production facilities operate in the city. The first is the production of drinks. The second is PET (polyethylene terephthalate) waste recycling.

The history of Obolon CJSC in this region dates back to September 1997, when a remote structural division started the production of polymer shipping boxes.

In June 2006 Olexandria Brewing Plant JSC joined the Corporation. This event was highly acclaimed by the community and employees.

After significant reconstruction the production of low-alcohol and later non-alcoholic drinks was initiated at the complex. At present, the Olexandria plant outputs 36 product lines. More than 8 000 decaliters of drinks have been produced over the last three years.

The work of 280 employees ensures stable operation of the enterprise and high product quality. Many of them have 30 years of experience in the food industry, thus providing invaluable skills and knowledge for the successful operation of the entire team.

The quality of the processes is indeed high, as the management systems at the Olexandria enterprise have been certified under four international ISO standards.

Now the second production site for PET recycling and rim band manufacturing is undergoing major renovation. Construction and land improvement work are continuously carried out. Since 2002 the facility has recycled almost 6 000 tonnes of PET bottles, which considerably reduces the negative environmental impact. In 2008, the rim band production unit started operation at the enterprise using recycled PET bottles as the main source of raw material. According to 2009 results, the company has sold over 25 mln meters of rim band.

Over the last three years, almost UAH85 mln have been paid to budgets of various levels. The goods produced in Olexandria are delivered mainly to East and South Ukraine. The major outlet cities as Donetsk, Kyiv, Simferopol.



OBOLON MALTING PLANT

Location: Chemerivtsi, Khmelnytsky Region

Investments made: UAH500 mln

Jobs created: 450

Project implementation period: 2007-2009 (some stages are scheduled for 2010)



The malting plant in Chemerivtsi is one of the most up-to-date enterprises in Europe in level of equipment and the perfection of processes. The world's leading companies were chosen to equip the plant. Construction of the plant was finished by the end of 2008 despite the financial recession. Total investments were \$100 mln. Manufacturing capacity of the plant is 120 000 tonnes of malt per year. For this purpose the plant processes 180 000 tons of barley (450 tonnes daily).

The launch of the modern malting plant in Khmelnytsky Region is not only the achievement of the corporation as a whole, but also a national event. The malting plant is an industrial flagship of Khmelnytsky Region. It also carries out a powerful social mission providing over 450 people from Chemerivtsi and nearby villages with high-paying jobs. Payment of significant amounts of taxes to the local budget is helping to develop the region, which was rather neglected up to that time.

The malting plant features a number of innovative solutions that significantly improve the processes and reduce consumption of resources. For example, circular malting plots and a dry barley transportation system instead of water system are used. A hot air recovery system was put into operation in the drying shop, the use of cold is minimized, and the sewage treatment system is the only one of its kind in Europe. The enterprise plans to reuse up to 75 % of the treated water for production processes.

Due to advanced production technologies at the malting plant, Obolon is able to make high quality products and also export malt. Even famous international malt producers have taken note of the plant in Chemerivtsi and intend to build a similar plant in Western Europe.

When choosing the site for the malting plant, Obolon's experts considered where the best malt barley was produced and analyzed all ESG factors. The research also showed high support of the local community and interest of the authorities in construction of a malting plant in Chemerivtsi.

ZIBERT'S BREWERY

Location: Fastiv, Kyiv Region

Investments made: over UAH300 mln.

Jobs created: 160 (altogether 350)

Project implementation period: 2008-2010 (further modernization is scheduled)

Development of Zibert's Brewery has become not only a component for strengthening Obolon's competitiveness, but also an important factor for development of the presence region. In addition to 160 jobs created at the brewery (and jobs for 1920 people in related sectors) the enterprise pays large amounts to various budgets (over UAH48 mln). In addition, some cutting-edge solutions were implemented during the renovation, which, together with increased capacity, reduced the environmental impact.

The brewery in Fastiv was founded in 1907 by Prussian citizen Julius Zibert. The factory did not stop to operating even during WWII. A new stage of the brewery's development began in 1986 when the enterprise became part of the Obolon company.

In a century, the small brewery has grown into a large plant as part of a national corporation and has met the new millennium as a modern, hi-tech enterprise. The beginning of 2008 was significant for the brewery. Modern German brewing equipment was installed under a large-scale investment project worth more than EUR 40 mln.: new cylindro-conical vessels (CCV) were added, and modern brewing system was constructed. As a result, productive capacity was increased by 12 times to 12 mln decaliters of beer per year, i.e., approx. 2.6 l of beer for each of Ukrainian.

In recent years, 16 CCVs of 400,000 liters each, new filtration units, JURBY water heating system, pasteurizing column, yeast department, new PET bottling lines, two keg filling lines, etc. have been installed at the Fastiv Brewery. Owing to full automation of all processes, it became possible to minimize the human factor and contact with the product during the process. Complete reconstruction made it possible to close the production cycle on up-to-date equipment, which significantly increased the plant's capacity and product quality.

Today, Zibert's Brewery is a European type enterprise. The quality of products made at the brewery is confirmed by international certification under ISO 9001:2001 standards. Products are exported to 13 countries of the world, in particular Russia, Poland, Lithuania, Latvia, Estonia, Great Britain, Germany, and the USA.



A low-angle, upward-looking photograph of four large, cylindrical industrial storage tanks. The tanks are constructed from corrugated metal and are arranged in a circular pattern, creating a strong sense of height and scale. The sky is a clear, pale blue. The image is framed by a green horizontal bar at the top and a green vertical bar on the left side.

Economic performance



Economic performance

ECONOMIC PERFORMANCE AND IMPACT OF THE CRISIS

In 2009, the beer industry in Ukraine continued to suffer significant economic impact of the crisis, which resulted in an overall drop in beer production of 6.3%. In particular, in 2009 there was a reduction in purchasing power due to lower real incomes, and the contraction of bank lending programs caused the limitation of current assets. In addition, in the summer peak season the government, in violation of the law, doubled the beer excise tax, which led to increased food prices.

In 2009, the Obolon Corporation paid over UAH 662 million to budgets of various levels.

The Obolon Corporation, as the largest domestic brewer, has suffered a slump in beer production for the first time in its history (14.8% in 2009). But this event concerned only the domestic market. At the same time, Obolon consolidated its status as the largest exporter of beer from Ukraine. In 2009, Obolon successfully developed an export program and sold 80% of beer exports from Ukraine abroad.

Moreover, in November and December 2009, the Obolon Corporation regained its leading position on the domestic market. The company became a leader by share in beer production in Ukraine (37.2% of production).

Successful development of the Zibert trademark can be considered as another achievement of the Obolon Corporation. As a result, Zibert's Brewery (the Obolon subsidiary in Fastiv, Kyiv Region) almost quadrupled production for the year. This allowed the Zibert trademark to take 7% of the beer market in Ukraine in December and to enter foreign markets.

Despite the crisis, the Obolon Corporation finished 2009 with a profit of more than UAH 175 million.

Moreover, despite the crisis, Obolon finished 2009 with a profit. We confidently look to the future and aim to strengthen Obolon's position on domestic and foreign markets in 2010.

KEY PERFORMANCE INDICATORS OF OBOLON CJSC

Indicator (UAH, mln)	2007	2008	2009	% for 1 year (till 2008)	% for 5 years (till 2005)	
income before tax	3 486	4 176	4 108	-1,6%	+95,0%	
net income	2 625	3 210	3 166	-1,4%	+98,1%	
net profit	160	(452)	175	—	-19,2%	
taxes paid, incl. excise tax	528	543	556	+2,5%	+44,5%	
excise tax paid	309	318	357	+12,3%	+87,1%	
total payments to budgets	611	662	662	+0,1%	+51,9%	
accounts receivable	292	434	360	-17,1%	+134,6%	
accounts payable	421	713	542	-23,9%	+197,7%	

ОСНОВНІ ВИРОБНИЧІ РЕЗУЛЬТАТИ ДІЯЛЬНОСТІ КОРПОРАЦІЇ «ОБОЛОНЬ»

Indicator	2007	2008	2009	% for 1 year (till 2008)	% for 5 years (till 2005)	
beer (mln, dal)	108,6	113,0	96,1	-14,8%	+26,5%	
LAD (mln, dal)*	3,4	3,5	2,4	-31,4%	-31,4%	
NAD (mln, dal)**	16,1	17,1	14,8	-13,4%	+20,3%	
mineral water (mln, dal)	12,0	9,7	8,3	-14,4%	+40,7%	
malt (thous. t)	49,2	118,1	158,4	+34,1%	+223,3%	

* Low-alcohol drinks

** Non-alcoholic drinks

The Obolon Trademark is one of Ukraine's brightest business cards in foreign markets. The company's share in Ukrainian beer exports in 2009 was almost 80%

EXPORT STRATEGY

Our strategy is aimed at building long-term partnership relations with distributors. Obolon is not striving to make a one-time delivery at any cost and put another mark on the world map. Our goal is regular deliveries and strong partnerships. We have set strategic goals of increasing the delivery volumes by 10%. We also plan to increase the export volumes from subsidiaries, namely, Zibert's Brewery Subsidiary (beer) and Krasylivske Subsidiary (non-alcoholic drinks and mineral water).

RESULTS IN FIGURES

Beer exports from Ukraine decreased by almost 10% in 2009, yet Obolon managed not only to retain its volumes, but also increase its share to 80%. In physical terms, this is 27 mln dal.

OPERATING PRINCIPLES

Quality is rigorously monitored at the company's enterprises and this contributes a lot to export sales. The Export Department tries to ensure the lowest possible contractual prices for our partners and offers a wide choice of transportation and timely shipments. All this coupled with maximum adaptation of labeling and product range to the realities of a particular country simplifies the work of international partners.

PRODUCT RANGE

Beer occupies the main position (97%) in the export structure. The rest is attributed to non-alcoholic drinks and mineral water. Speaking of containers, last year saw an increase in beer deliveries in glass bottles and aluminum cans. In autumn 2009 the range of foreign deliveries was supplemented by the new Zibert trademark, which had already gained popularity in Ukraine (7% market share in December). The export of Okhtyrsk beer to Russia also started.

COUNTRIES

The most noticeable trends were shown by Russia, Georgia and Israel. Two new countries - Czech Republic and Croatia - appeared on Obolon's export map; deliveries to the Republic of Azerbaijan were renewed. The African market seems to be quite promising: some test deliveries have been made to the Republic of Congo.

PARTNERSHIP

We cooperate with partners in dozens of countries. They are all different, but each one of them is the best. Every country has its specific market conditions and sometimes it can be very hard to find a niche. Obolon is grateful to its distributors for the work they have done and makes every effort to strengthen business relations.

EXPORT POSITION OF OBOLON CJSC

Indicator	2007	2008	2009	% in 1 year (to 2008)
share of Obolon CJSC in Ukrainian beer exports	74,5%	74,9%	79,4%	+6,0%
beer exports (mln dal)	23,7	26,4	27,1	+2,7%

Staff and working conditions





Staff and working conditions

Employees are the most valuable asset and a source of pride for Obolon. About 7000 people work at all the enterprises of the Obolon Company, and at one pilot plant in Kiev alone, there are over 3900 employees. The company's activities are aimed at personal development of employees, improving working conditions and safety of production processes and providing social security for them. Therefore, Obolon CJSC has introduced and certified DSTU - P OHSAS 18001:2006 Occupational Health and Safety Systems. In addition, the Company provides regular salary increases of at least 10-15% per year under a long-term collective labor agreement.

WORKING CONDITIONS, REMUNERATION AND COMPENSATION

The Obolon Company provides employees with proper working and living conditions. Each year it is required to upgrade employees' qualifications, to provide a medical examination, first aid, preventive treatment, and development of the social sphere.

Obolon is one of the best employers in Ukraine. Average salaries in the company are higher than those of the country and industry; and in 2009, salaries increase 10% compared to 2008. All salaries and bonuses are paid officially; that is, the company pays all required taxes and charges to pension and other funds in full.

The staff-related social policy of Obolon CJSC is aimed at ensuring the necessary level of labor productivity, reducing staff turnover and improving social security for employees.

Social benefits for retired employees include one-time material aid for rehabilitation, vouchers for children, cash bonuses on holidays, material aid at birth, retirement, in the event of marriage, and in emergencies. There is a modern well-equipped first aid post and gym at the enterprise.

Pursuant to legal requirements, approx. 5% of the total number of Obolon employees are persons with disabilities.

The average salary at the company exceeds that of the country and industry, and increased by 10% in 2009 in comparison with 2008

PERSONNEL TRAINING AND DEVELOPMENT

Every employee of the Obolon Company has the opportunity to receive additional occupational training and upgrade qualifications according to the personnel development and training program. Obolon CJSC continuously fosters professional development, skill improvement and training of all personnel. For this purpose, staff competency assessment, development and education, training, company instruction programs, etc. are conducted.

9244 visitors have toured Obolon CJSC's Kyiv brewery in the past year.

OCCUPATIONAL SAFETY

Today, occupational safety is acquiring even greater significance at various enterprises. All employees want to work in safe and comfortable conditions. Obolon takes a modern approach to occupational safety through the certified Occupational Safety and Health Management System DSTU-P OHSAS 18001:2006 and an efficient monitoring system. Obolon's occupational safety performance indicators speak for themselves (absence of fatalities, reduced accident rate).

Obolon's policy is aimed both at holding the leading position on the beer market and regarding the life and health of those who made these products as the company's key priority.

CORPORATE CULTURE

Over many years Obolon has developed a unique corporate culture that draws upon the highest human and patriotic values.

One of the components of internal corporate communications of the Obolon Company is the release of a corporate publication – 'The Obolon Company Reporter' magazine, which is aimed, first of all, at developing corporate culture and increasing employees' and stakeholders' awareness.

Regular corporate sporting events, including football, have become a fine tradition at the Obolon Company. Such events not only improve the physical fitness of employees, but also raise the level of informal communication within the teams.

In addition, the employees attend football matches of the Obolon Football Club at the new Obolon Arena stadium.

One of the elements of modern corporate culture is the introduction of 'green office' principles.

OCCUPATIONAL SAFETY AND HEALTH MONITORING SYSTEM

In order to maintain the occupational safety and health monitoring system at the enterprise in working order, monitoring of occupational safety and health has been carried out since October 18, 2007.

Monitoring of occupational safety and health is systematic and continuous auditing of conformance of the state of occupational safety to regulatory documents during any production process at every work place, at all levels from worker to plant manager. Occupational safety and health monitoring system

The monitoring system covers three levels of production management:

1st level monitoring — monitoring (on a shift basis) of work by the manager together with an authorized occupational safety and health officer.

2nd level monitoring — commission monitoring (once a week) by a department managers 1st level monitoring, checking the work supervisors to ensure occupational safety and health at work places.

3rd level monitoring — commission monitoring (twice a month) by general director of 1st and 2nd level monitoring of department managers to ensure occupational safety and health at work-places and sites. The results are announced at «Quality Days».

Failure to carry out the scheduled measures developed during 3rd level monitoring, as well as violation of occupational safety and health requirements, results in withdrawal of bonuses in accordance with internal corporate regulations.

Monitoring allows the company to prevent injuries, occupational diseases, production accidents and increase the efficiency of forecasting and timely solution of industrial safety issues.

Each enterprise of the holding operates its own occupational safety system.

STAFFING AND WORKING CONDITION STATISTICS AT OBOLON CJSC*

Obolon CJSC staff	measure	2007	2008	2009	change in 2009
total number of employees	pers	3 495	3 781	3 903	+3,2%
by gender					
men	pers	2 450	2 732	2 800	+2,5%
women	pers	1 045	1 049	1 103	+5,2%
by groups					
workers	pers	2 304	2 560	2 352	-8,1%
managers, specialists, experts	pers	863	1 012	1 343	+32,7%
by age					
15-34	pers	1 545	1 626	1 671	+2,8%
35-49	pers	1 320	1 454	1 473	+1,3%
50-54	pers	419	443	485	+9,5%
over 55	pers	189	238	254	+6,7%
by disability group					
disabled	pers	137	153	158	+5,1%
group 1	pers	5	6	6	—
group 2	pers	56	63	56	-11,1%
group 3	pers	76	84	96	+14,3%
Training activities of Obolon CJSC	measure	2007	2008	2009	change in 2009
professional development of employees	pers	805	350	397	+13,4%
professional development of management and experts	pers	361	587	293	-50,1%
in-house training	pers	173	195	205	+5,1%
selected for laboratory examination session	pers	101	103	80	-22,3%
tours conducted by the enterprise		380	332	324	-2,4%
tours conducted by the enterprise	pers	10 280	9 439	9 244	-2,1%
employees trained in policies and corporate processes	%	100	100	100	—
Occupational safety performance	measure	2007	2008	2009	change in 2009
occupational safety expenditures**	UAH thousand	1 299	1 167	1 460	+25,1%
workplace certification		56	190	124	-34,7%
training and skills assessment	pers	2 478	2 754	2 885	+4,8%
accidents	pers	8	6	5	-16,6%
fatalities	pers	0	0	0	—

* Information is provided only on the parent company, Obolon CJSC, which is the corporation's main production unit

** Comprehensive operational and institutional arrangements

New collective bargaining agreement of Obolon CJSC

Conclusion of the new collective bargaining agreement became one of the recent important events in the life of the Obolon CJSC team.

About the Collective Agreement

The validity period of the Agreement is 3 years (from the beginning of 2010 to the end of 2012). Provisions of the Agreement apply to all employees of the enterprise, whether or not they are union members, and are mandatory both for the Owner and every employee of the enterprise.

The Agreement is concluded between the administration of Obolon CJSC and the trade-union committee on behalf of the work collective. The Agreement contains agreed obligations of the parties with respect to creating conditions for improving the company's operating efficiency, and realizing the professional, labor and socio-economic rights and interests of the employees on this basis.

Amendments and additions to the Collective Agreement may be made only by mutual agreement of the parties and on a compulsory basis in the context of changes in the existing legislation or industry agreement. Those amendments shall not worsen the effective terms of the Collective Agreement.

Why the Collective Agreement is needed

The Collective Agreement is concluded for the purpose of regulating production, employment and socio-economic relations, and the reconciliation of wage earners' and owners' interests.

The presence of the Collective Agreement is of great importance for factory employees, because it is there that state social standards and social guarantees are reflected, and additional guarantees and social and living benefits are also provided for in comparison to the existing legislation.

INFORMATION REGARDING THE CONTENT OF THE COLLECTIVE AGREEMENT

The Collective Agreement consists of 15 sections. Individual sections and issues of the Collective Agreement:

Production and economic activities and development of the enterprise

This section determines the main obligations of the owner regarding the company's economic growth, its technical re-equipment, marketing activity and increasing product volumes.

Manufacturing and labor management, ensuring productive occupation

This section contains the parties' obligations concerning personnel employment conditions, including those during a production downturn.

Rate setting and labor remuneration

Payment for the labor of company employees is made according to the Law of Ukraine 'On Remuneration of Labor', regulatory documents on labor remuneration and rate setting, General Agreement, Industry Agreement, and the Labor Code of Ukraine. In spite of the impact of the financial and economic crisis on Obolon's activities, simultaneously with the introduction of piecework-and-premium and hourly-and-premium systems of payment for work, year-end reward payments have been maintained, which are made according to the Regulations.

Business hours, length of work day and rest

This section specifies that normal duration of work cannot exceed 40 hours per week and the maximum working shift duration shall not exceed 12 hours. Twenty-four calendar days of annual basic leave are granted to employees for the year worked. There are also additional leaves provided for employees with irregular working hours, as well as for working under harmful and arduous working conditions.

Occupational safety

In this section, the owner and trade-union committee confirm that the life and health of the employees have priority over production activity results.

Social benefits and guarantees

It should be noted that the financial and economic crisis has affected neither the list nor the rates of social benefits and remunerations for the work collective.

The main benefits include the following:

- annual lump-sum benefit is granted for improving employees' health;
- at the company's expense, an agreement was concluded with a health care institution for medical services for employees (for undergoing periodic medical examinations);
- vouchers for treatment, recreation and children's holiday camps are granted with partial payment at the company's expense;
- as before, a cafeteria operates at the plant at preferential prices (at purchase prices, without trade margin);
- a daily transportation service for plant employees by motor transport from different districts of Kiev to their place of employment remained unchanged;

The Company provides benefits to plant employees in connection with the following circumstances:

- marriage (for the first time);
- on the birth of a baby;
- for anniversaries;
- to pensioners after an operation;
- to an employee's family in case of the employee's death.

Ensuring equal rights and opportunities for women and men

Ensuring equal rights and opportunities for women and men is a new subject that is included in the Collective Agreement. The objective of this section is the achievement of parity status by men and women in all spheres of vital activity of society by legally securing equal rights and opportunities for women and men and eliminating gender-based discrimination. There is an agreement to elect a commissioner on gender issues at the enterprise, namely, an adviser to the CEO on a voluntary basis.

A new subject included in the Collective Agreement, is ensuring equal rights and opportunities for women and men, i.e., gender equality. The position of plenipotentiary on gender issues was introduced – adviser to the company's CEO on a voluntary basis

Thus, the collective bargaining agreement covers such issues:

- Ensuring production operation stability.
- Upgrading qualifications and training of employees.
- Guarantees to employees against temporary reduction of work volume.
- Procedure for dismissal due to changes in production organization.
- The list, standards and procedure for providing social and labor benefits granting were determined.

Appendixes to the collective bargaining agreement stipulate current tariff rates, and the list, level and calculation procedure for additional payments, allowances, bonuses, rewards and other compensatory and promotional payments.

A new Appendix 'Internal work regulations' was also adopted, determining the general duties of employees, work regime, and the basis for regulating labor relations. The objective of formalizing these regulations is to improve the organization of work, strengthen labor and executive discipline, ensure efficient use of working hours, etc.

The background is a vibrant green with a dense pattern of water droplets of various sizes. In the center, the word "BIO" is embossed in a large, bold, sans-serif font. A solid green horizontal bar is positioned at the top, and a solid green vertical bar is on the left side, meeting at a small square in the top-left corner.

Product quality and responsible
attitude



Quality and responsible attitude

COMPREHENSIVE QUALITY SYSTEM

Striving to make high quality products that would be competitive both on the Ukrainian market and abroad, in 1998, Obolon was the first company in the domestic food industry to obtain the international ISO-9001 quality management certificate version 1994.

The Obolon Company was the first food industry enterprise to certify four management systems at once in 2008.

During the audit, which was carried out by representatives of the German firm DEKRA-ITS 2008, the Obolon Company proved its conformance to the requirements of DSTU ISO 9001:2001 (Quality Management Systems), SST ISO 22000:2007 (Food Safety Management Systems), DSTU ISO 14001:2006 (Environmental Management Systems), and DSTU-L OHSAS 18001:2006 (Occupational Safety and Health Management Systems).

Obolon's international certification under four management systems means admission to the sales markets of member states of the World Trade Organization. The majority of WTO member states consider observance of the requirements of ISO 22000 standard to be mandatory; otherwise, sales of the products are forbidden. The integrated management system at the company's plants guarantees the company's responsibility to staff, customers, society and the country in general.

QUALITY PRINCIPLES

Senior management and heads of Obolon divisions are guided by the following quality principles:

Customer-oriented business

Obolon CJSC depends on its customers, and thus understands their current and future needs, meets their requirements and tries to surpass their expectations.

Management

The people who head the organization and establish uniformity of its objectives and direction. They develop and support an internal climate in which the workers are fully involved in performing the tasks of the organization.

Involvement of the staff

Employees of any level are the essence of Obolon as an organization, and their full involvement allows them to use their skills for the organization's welfare.

Process-oriented approach

The desired result is achieved more effectively when managing an activity and the appropriate resources are carried out in the form of a process.

Systematic approach to management

The establishment, understanding and management of the interconnected processes as a system promote efficiency and effectiveness of organization's performance when fulfilling its tasks.

Constant Improvement

The unchanging task of the organization is constant improvement of its general performance indexes.

Fact-based decision-making

Effective decisions are based on the analysis of data and information.

Mutually beneficial relationships with suppliers

The organization and its suppliers are interrelated, and mutually beneficial relations between them expand the possibilities of added value for each party involved.

RELATIONS WITH SUPPLIERS AND CONSUMERS

RESPONSIBLE PROCUREMENTS

Obolon CJSC ensures observance of established requirements concerning the quality and safety of raw materials, supplies, equipment and technology, as well as services that are procured to prevent the use of inappropriate and dangerous products.

This is achieved by determining and establishing the requirements for suppliers and a system for assessing and monitoring them that allows us to clearly define and document the processes of selection and involvement of suppliers in cooperation.

The main enterprise of Obolon CJSC in Kyiv has a radiological control laboratory.

Obolon ensures that the procured products comply with requirements, particularly environmental requirements.

The type and extent of control of the supplier and the procured product/service depend on the influence of the latter on the subsequent production of goods or the end product. To check the procured goods, the Obolon Company has established and implemented incoming control and other measures.

Contracts are concluded with manufacturers that are located closest to the customer (production, processing or procurement companies) under conditions of equal competitive price and quality. This makes it possible to reduce transportation charges and middleman fees and demonstrates Obolon's responsible attitude to its regions of operation.

RESPONSIBLE MARKETING

Responsible marketing of the Obolon Corporation consists in special attention to specific audiences (for example, the so-called risk group - people under 18), and communication with consumers (distribution of truthful information about products and fostering responsible consumption).

In its marketing communications Obolon not only adheres to all legal requirements, but also deliberately targets it at consumers over 18 years old. For example, outdoor advertising (billboards, banners, etc.) complies with the legislation – the corresponding means of advertising alcoholic products are far from educational establishments.

Obolon's TV advertising is carried out in accordance with the European Convention on transfrontier television. This implies some restrictions:

- persons who are filmed in beer ads should not look like minors;
- beer consumption shall not be related to physical labor or driving;
- it is prohibited to state the healing properties of beer or that this drink is stimulating or tranquilizing, or a means of solving personal problems;
- alcohol abuse may not be encouraged, withdrawal from alcohol or moderate alcohol consumption may not be shown as negative;
- no special attention shall be paid to the alcohol content in products.

RESPONSIBLE COMMUNICATIONS

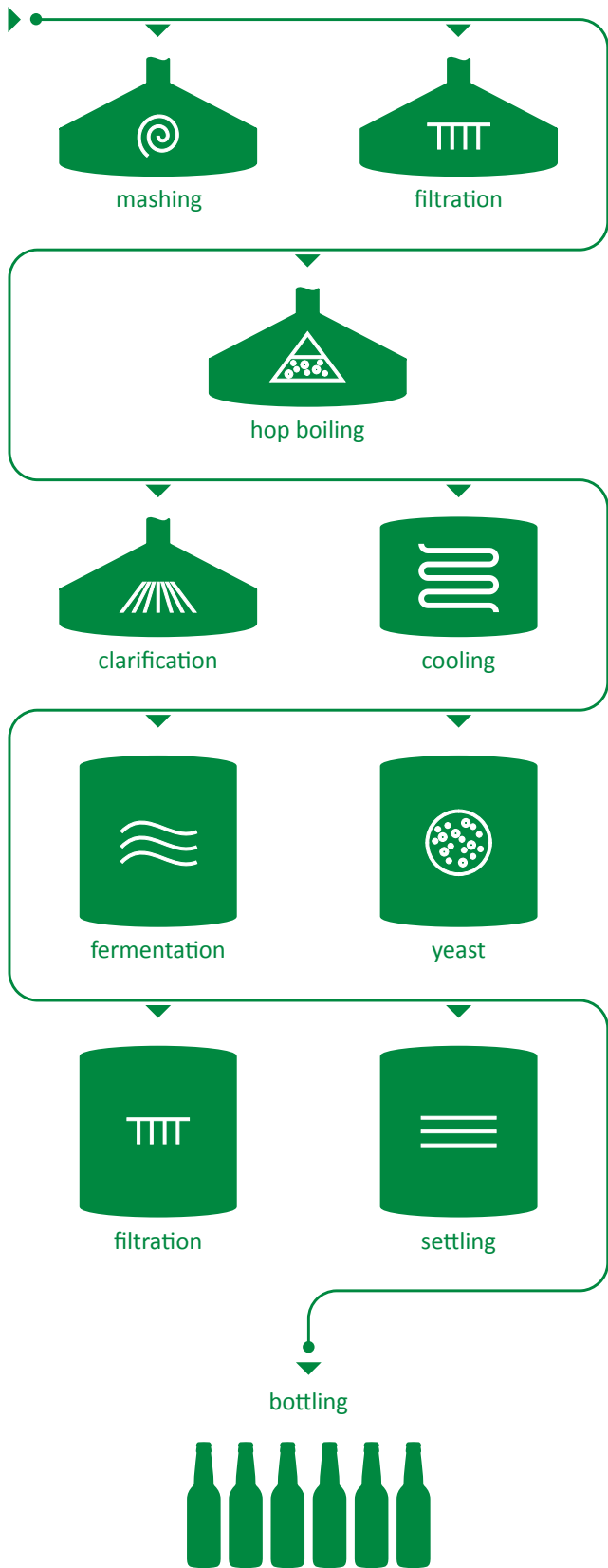
In 2009 Obolon opened a new multi-channel customer service hot line 0-800-507-300.

The introduction of a toll-free hot line is one of the important steps in developing customer loyalty and collecting information about the Obolon Corporation.

The Obolon hotline is designed to ensure closer communication with customers and is one of the measures to improve customer service. We work to ensure that every hot line call is answered.

Owing to our new hot line we were able to quickly identify issues and respond to our customers' requests and to deliver better quality knowledge of the corporation's products and beer consumption culture.

PROCESS FLOW DIAGRAM



BREWING PROCESS

Four main components are used in brewing, namely water, malt, hops and yeast.

Water is extracted from artesian wells of Jurassic and Cenomanian horizons 290m deep. The best varieties of natural hops are grown in Ukraine, the Czech Republic, Germany. Malt is made from barley grains (sometimes wheat), sprouted and dried at a certain temperature and humidity.

At the beginning of the brewing process, crushed malt is mixed with water. The mixture is heated under a given temperature regime. At this stage, proteins and starch contained in the malt go into solution and are converted into sugars, which are then fermented with yeast. The derived solution (wort) is filtered, then hops are added to it and it is boiled for some time to give the beer flavor and a pleasant bitterness. Then the wort is cleared.

The cleared wort is cooled down to the fermentation temperature, then yeast is added. The Obolon Company carefully selects the best strains of yeast, which provides optimum conditions for beer fermentation. Sugars are fermented with the yeast, transforming into alcohol and carbon dioxide. For the final maturing, the 'young' beer is kept in special tanks at a temperature of -1-2°C for some time. This is how it acquires a unique taste and flavor, and is naturally saturated with carbon dioxide gas.

During the brewing process, the beer never comes in contact with air, because oxygen has detrimental effect on the taste of the drink. After fermentation, the beer is filtered to clarify it, and then bottled, canned or kegged.



PRODUCTS

BEER

Obolon™

Obolon is the beer of your homeland. A beer that is brewed with love and care, high-quality and inexpensive. It has been produced since 1992 at only one brewery in Kyiv according to the classical technique using artesian water, in-house malt and hops. A wide range of Obolon products is available to consumers throughout the country. In addition, Obolon is the most popular Ukrainian beer abroad and the pride of all Ukrainians.

<http://www.obolon.ua/>

Magnat™

Magnat is the first Ukrainian premium quality beer. The talent and hard work of Ukrainian brewers turned the unique artesian water, selected malt and hops into an incredible beer that fully meets international quality standards. New Magnat is the equal of the best foreign premium beer varieties.

<http://www.magnat.obolon.com/>

hike™

«hike» is a premium beer meant for an active, dynamic young audience that is constantly in search of new impressions. As a premium segment product, «hike»™ offers a unique rich taste and comparatively lower price than its competitors.

<http://www.hike.com.ua/>

BeerMix™

Special Obolon BeerMix is easy to drink and perfectly quenches thirst. The first BeerMix was released in 2002 and instantly became a revolutionary product on the Ukrainian market in its category. This is a fashionable and natural beverage that combines inimitable fruit taste and a fresh feeling. This drink is for active, lively, cheerful, creative young people.





Zibert™

Zibert is a high-quality and inexpensive beer that is brewed for Ukrainians using up-to-date German technology. The brewers have managed to obtain unique taste qualities using spring water, high-grade in-house malt, German hops and new strain of yeast that has never existed in Ukraine before. Zibert beer is named in honor of the founder Julius Zibert, who was a Prussian citizen and introduced German brewing techniques at his plant.

<http://zibert.ua/>



Desant™

An inexpensive beer with a pronounced taste for strong men who have a positive attitude to military topics. This beer is created especially for people with a virile character yet with a sense of humor who keep their word, value stability, reliability, genuine friendship, family, and work. Slogan "Desant – strong beer".

<http://desant.ua/>



Okhtyrskye™

This live beer is produced in Slobozhanshyna at Okhtyrka Brewery JSC. Many years of brewing experience and modern technology provide the beer with unparalleled taste and lightness. It is produced in fairly small batches, but is constantly in great demand.

<http://www.ok.obolon.ua/>



Bitburger™

Bitburger is a premium German beer bottled under a license agreement between Bitburger Braugruppe and Obolon CJSC at Kyiv Brewery. Bitburger is primarily intended for men with a high level of income who are concerned about their status. Bitburger Premium Beer brewed at the Kyiv Brewery fully matches beer brewed in Germany and its quality is continuously monitored by Bitburger Braugruppe.

<http://www.bitburger.com/>



LOW-ALCOHOL DRINKS

Classic low-alcohol drinks

In 1994, Obolon Gin and Tonic founded the low-alcohol beverage market in Europe. The beverage has a characteristic tonic bitterness and light gin flavor. Soon afterwards, Obolon CJSC released two more new classic low-alcohol cocktails – Rum and Cola and Brandy and Cola, which have a pleasant rum and brandy flavor, respectively, in combination with a tonic cola taste. These drinks soon became well-known and still enjoy special popularity with Ukrainian consumers.

Icelife™

Icelife is a premium class low-alcohol drink in a can in a constantly growing market segment. This type of container is especially popular with young people, which makes these beverages attractive for the target audience. The Icelife line is represented by 4 products: Icelife Extreme, Icelife Lime, Icelife Grapefruit, and Icelife Gin and Tonic.

The Icelife logo is written in a blue, sans-serif font.

NON-ALCOHOLIC DRINKS

Zhyvchyk™

Zhyvchyk is an exclusively licensed non-alcoholic beverage produced only by Obolon CJSC. It is made of artesian water, concentrated apple juice and echinacea extract with extremely valuable properties. Due to its ingredients Zhyvchyk promotes strengthening of the immune system, higher working capacity, better mood, and has radiation protective action and a general tonic effect. Popular with both children and adults. Produced since 1999.
<http://www.zhivchik.ua/>

The Zhyvchyk logo is written in a stylized, yellow, cursive font with a blue outline.

Lemonades

Obolon produces many wholesome lemonades and beverages, including juice-containing Orange ACE, nostalgia series Lemonade, Sitro, and the ever-popular Cola-Nova and Lime. Each lemonade is produced from absolutely pure water and tested components on high-tech equipment in conformance with the recipes and requirements of the Obolon Company.

MINERAL WATER

Prozora™

Prozora is a unique potable water that is produced from natural springs of Krasyliv, Khmelnytsky Region. The most valuable property of Prozora is its natural ordered structure that best matches the properties of intracellular water of the human body. This is the water that allows constant maintenance of water balance, slowing down the aging process, improves metabolism and facilitates excretion of toxins from the body. This gift of nature is ideal for everyday use, perfectly meeting the needs of our body.

The Prozora logo features the word "ПРОЗОРА" in a blue, serif font, with "Від природи" written in a blue, cursive font below it.

Obolonska™

Obolonska is a natural mineral table water. It is produced from artesian wells 290 m deep, and then is purified by gravel-sand filters, carbonated and bottled. Obolonska promotes normalization of water-salt metabolism in the human body and helps to excrete harmful substances. Due to low mineralization and good balance of mineral elements Obolonska can be consumed both by adults and children in unlimited quantities.



вода мінеральна
ОБОЛОНСЬКА®

INDUSTRIAL PRODUCTS

Brewer's malt



High-quality Pilsen barley malt is manufactured at the modern malting plant in Chemerivtsi. Khmelnytsk region, which reached full capacity at the end of 2008. The new plant is able to produce 120 000 tonnes of malt per year, which minimizes the dependence of the Obolon plant on foreign malt markets.

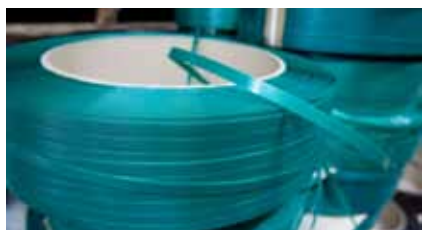
The best sorts of European brewing barley are used for malt production. By adhering to regulatory standards, the malt manufactured in Chemerivtsi meets Ukrainian (DSTU 4282:2004) and international requirements for organoleptic indicators and physicochemical parameters (color, humidity index, extractive matter, protein content, etc.)

Brewer's grains



Brewer's grains appear after the filtration of beer wort during the brewing process. These are natural, ecologically clean, high-protein products. Biogas, ecological fertilizers, and electric energy can be produced from them. They can be used in making bread, pasta and sausage. But most often brewer's grains are used in agriculture as high-quality animal feed, which is an absolutely natural, ecologically pure, bioactive product without chemical impurities.

Rim band



A rim band is a high-quality material for banding freight that can significantly increase the rigidity of packaging and preserve its consistency even under conditions of extended transportation. The bands elasticity prevent damage to even fragile products. Furthermore, PET band is cost effective and it is possible to work with it manually or with special automatic devices. Ultimate load of PET band can be compared with the load of steel band.

For heavyweight products, polymer band is a more reliable and cheaper binding. It is insensitive to ultraviolet rays and holds at high temperature, preserves tensile strength for a prolonged period, and is corrosion proof. If the volume of the load decreases, it is compensated by the band through its capacity for initial distortion. These features make PET band a perfect material for banding.

Promotion of responsible beer consumption

The Obolon Company is the first company in Ukraine to take steps to meet the consumer's needs and introduce the principles of a responsible attitude to the products that it produces. In particular, we started to label all beer bottles with information on consumption rates. Obolon's information and educational work is also exemplified by the creation of a special website and brochure on 'Consume responsibly!'.

PRODUCER'S VIEWPOINT

Lately, the issue of the beer consumption culture in Ukraine has become particularly important. And not only because Ukrainians began to consume more of the foamy drink. With beer consumption 61 liters per capita, we are not leaders in the company of our neighbors: Poles and Russians drink more than 80 liters of beer per capita per year. The problem is in low beer culture level and the lack of old traditions of hopped drink consumption.

Everyone knows that people in beer-drinking countries – the Czech Republic and Germany - drink beer almost every day (per capita consumption is about 160 liters) and can hardly imagine their lives without a glass of beer. But they do not have problems with excessive and uncontrolled consumption of beer. On the contrary, for them beer is part of their national traditions and history, a symbol of the country. They are true beer connoisseurs and know how to really enjoy it.

We need to take a lot of measures to make Ukraine proud of its traditions, particularly in terms of beer consumption. The Obolon Corporation has introduced the 'Consume responsibly' project with its main message 'Stay upright - consume responsibly'. Each time before you enjoy a drink of beer, remember its properties and effects on the body. After all, only with responsible and moderate consumption can you enjoy a hopped drink that has a centuries-long history and millions of fans worldwide.





СПОЖИВАЙ
ВІДПОВІДАЛЬНО
www.enjoyobolon.com

BEER PRODUCT LABELING

All Obolon beer labels contain information about inadmissibility of beer consumption by persons under 18, pregnant women and drivers, as well as reference information about standards of consumption. In our recommendations, we use the term 'unit', by which the amount of alcohol can be measured. According to the International Labor Organization (ILO), 1 U (unit) equals 12.8g of pure alcohol. The limits of moderate drinking are estimated to be:

- for men: less than 14U weekly
- for women: less than 9U weekly
- not more than 5 U of alcohol per day for both men and women
- there should be at least three days per week free from alcohol consumption

It is calculated that one 0.33l bottle of light and dark beer contains 1U and 1.5U, respectively. In this connection, we encourage beer drinkers to count how much they drink in order to determine the safe level and change their alcohol consumption habits.

TV COMMERCIALS

Within the framework of this social program, Obolon started to place precautionary messages about responsible consumption in beer commercials. The 'Consume responsibly' logo was first integrated in the TV commercial 'Obolon (Zhyve) Live – purified by cold' released in November 2009. Information about the need for responsible consumption appears in the bottom left-hand corner of the screen while the commercial's characters drink beer. The same sign will be shown in all new beer commercials.



OTHER ACTIVITIES

A voluntary initiative by Obolon regarding the placement of a responsible consumption logo in advertisements is one of the consistent steps in implementing the consumption culture program in Ukraine. Product labels and TV commercials are the most large-scale tools of consumer information. In addition, the 'Consume responsibly!' logo will be placed on POS materials and souvenirs. The relevant information will be distributed among consumers by means of a dedicated website and information leaflets.

Obolon has also released an informative and entertaining 'Consume Responsibly!' brochure in the format of a popular youth game. It allows you to learn some valuable information about beer, as well as have fun in the company of friends. We are sure this material will help you figure out the beer culture. You will find a great deal of interesting information about beer, its history, production technology and rules of beer etiquette. It is important for us to know that you make a conscious choice in matters relating to beer consumption.

More details on the 'Consume Responsibly!' program can be found at www.enjoyobolon.com.



Success of the Zibert brand

LAUNCHING A BRAND IN A CRISIS: HOW CAN THIS BE DONE

The crisis seriously affected the purchasing power of Ukrainians, and very few companies are willing to take risks and launch new brands today. A drop in real incomes and a shortage of credit have forced companies to use more sophisticated marketing solutions. The Zibert beer brand is a great example of how a well-thought-out business strategy in combination with high-quality branding can bring the best results, even in difficult times for the economy.

PRODUCT

The German quality of Zibert beer is a proven fact. After all, Zibert's Brewery was founded in 1906 by German Julius Zibert, and the new brand was named in his honor. Notably, for over 100 years, the brewery had never stopped producing good quality beer of different varieties. Complete renewal of the brewery in 2008-2010 increased the capacity of the plant tenfold. Modern German brewing equipment is installed at the brewery, beer is brewed from high quality German hops, and the process and technologies are monitored by German engineers. This allows us to speak of German quality.



POSITIONING

As shown by a study carried out by Obolon's marketing department, on the one hand, consumers are paying more attention to product price; on the other hand, they are trying not to change their usual style of consumption. Above all, this concerns emotional goods, including beer. Knowing this, and given the popularity of conventional 'German beer' with consumers, the basis of the Zibert brand's positioning was developed: 'German quality at a Ukrainian price'.

PROMOTION

We started promotional support of Zibert beer, when the brand had already gained a 3.5% market share. That is, it achieved this market position only due to product quality, reasonable price and branding. The product's low price was based on our deliberate rejection of an expensive advertising campaign - no advertising agency was hired by the Obolon Company to develop an idea for a commercial. Only clip shooting was outsourced. 'In-house creativity' made for substantial savings amidst the recession.

The Zibert brand was launched in February 2009, and based on December results, Zibert beer gained over 7% of the market against the projected 1%!

RESULTS

The Zibert brand was launched in February 2009 and as it turned out, our calculation was fully justified: based on December results, Zibert beer gained over 7% of the market against the projected 1%! What is the secret of success? Firstly, unlike many companies, we did not wait for the end of the recession and decided to act. Secondly, we've created a high-quality product and can offer it at an affordable price. We did not economize on brand research and development – a well-thought-out decision justified the invested time and money. Thirdly, a balanced approach to the advertising budget. We did not pursue the 'creative idea', but created a commercial that sells. It only reinforced the positive trend in sales. As a result, Zibert is the leader on the Ukrainian beer market in its segment.

Integrated environmental culture





Integrated environmental culture

Obolon CJSC consistently adheres to the principles of harmonious co-existence, interaction and continuous dialogue with society. We understand our responsibility for the state of the natural environment. Therefore, Obolon is shaping an integrated environmental culture that is supported by introduction of the ISO14000 environmental management standard.

Basics of environmental management followed by Obolon:

- continuous control and analysis of impact of production on the environment;
- improving technology in accordance with environmental aspects;
- minimization of harmful emissions by using the cutting-edge equipment;
- raising environmental awareness of the staff by providing additional information, instructions and training materials;
- continuous radiological control at the company’s plant at all levels of the production process.

ENVIRONMENTAL ACTIVITY MATRIX

Environmental production	Environmental innovation projects	Raising environmental awareness
water resources	waste	staff
air	PET bottles	green office
environment	alternative energy	external actions

ENVIRONMENTAL PRODUCTION

WATER RESOURCES

Water is not only the source of life, but also of production at our corporation; therefore, our attitude to each single drop of water is special and prudent. It is manifested in reuse and reverse utilization of water to achieve maximum water conservation and constant upgrading of equipment.

The result speak better than words:

The share of reused water at Obolon CJSC increased by 89% in two years. Thus, 67% of the water at the corporation is reused. Average water discharge for production of 1 liter of product at Obolon CJSC is about 3 liters. On average, 5 liters of water per liter of end product are spent in the industry worldwide.

AIR

The issue of air emissions is pressing, since the company's main plant is located in the densely populated city of Kyiv. And in this regard, the company demonstrates its responsibility. Our main air polluter are the heating plant, silo and vehicles

The heating plant, which produces steam for beer brewing, is very modern and runs on natural gas. Correspondingly, emissions from the heating plant's operation are so minimized that they are less than the applicable standards. Although the heating plant has already started operation, the related construction work is not finished yet, as the next phase is the expansion of capacities. Our engineers constantly implement innovations to gather heat energy and reuse it. This has allowed us to reduce grain dust emissions by 40%.

The vehicle fleet also reduces atmospheric emissions both through logistics solutions and redesign. For instance, lift trucks are being gradually converted from gas and fuel to electric power.

ENERGY RESOURCES

Energy efficiency has become especially urgent over the last two years because of increasing prices for energy resources and the economic recession. Obolon constantly improves manufacturing processes to save resources, which in addition to the economic effect, also has a very positive environmental impact. For example, at the brewery in Kiev new, powerful and economical coppers have been installed that recycle heat and save 633 000 m3 of natural gas per year or UAH1.7 mln.

Wort coppers are also equipped with devices that recover heat generated during wort boiling. The recovered heat is directed to maintaining the temperature necessary for wort boiling process. It minimizes environmental impact and reduces heat consumption.

Apart from the above-mentioned examples of the implementation of energy conservation equipment, Obolon CJSC continues to seek the reduction of energy consumption. For instance, next in line is a project to renovate the hot water supply system with the use of secondary steam.

ENVIRONMENTAL IMPACT

We are proud that Obolon sells, recycles and reuses over 89% of its own production waste (3% more compared to 2008), hence demonstrating a responsible attitude to environmental issues in Ukraine.

In general, in 2009, the Obolon Company achieved considerable success in reducing environmental impact:

- 33% reduction of grain dust emissions from the silo
- 43% reduction of wet brewer's grain generation
- overall reduction of waste generation by 21%

ENVIRONMENTAL INNOVATION PROJECTS

Obolon directs considerable investments to ecological projects, which not only improve the environment, but are also useful for the company's core activity. We're aware of Ukraine's ecological problems, and that's exactly why the Obolon company takes a responsible attitude not only to production culture, but also to its products at all stages of the life cycle. We realize that Ukraine's ecological problems involve not only air pollution, but also the generation of domestic waste, of course. So we have established a system for gathering and processing of the packaging in which our products are output, thus minimizing environmental impact.

BREWER'S GRAIN PROCESSING

Obolon was the first company to start brewer's grain processing (brewing waste).

Brewer's grain is precipitate generated after beer wort filtration during the brewing process and in the raw state has moisture content of nearly 80%. Using the new equipment, it is squeezed to 67% moisture content, and only then is it dried. IN order to increase protein and B vitamin content, brewing yeasts are also added to the drying process.

This is innovative technology that allows us to convert production wastes into ecologically clean products, which are used by agricultural sector as cattle feed. A dry grain production unit has been operating at the company's main plantsince April 2008. The unit is able to process up to 700 tonnes of raw grain per day without harmful environmental impact.

The results is a 65% drop in the generation of wet brewer's grain over 2 years; improvement of area's the sanitary condition; reduction of atmospheric emissions in the form of exhaust gases due to a decrease in wet brewer's grain transportation.

PET BOTTLE PROCESSING

The Obolon company, realizing its responsibility to society, has been engaged in PET bottle processing since 2002.

In 2003 the Oleksandria plant installed equipment to process used PET bottles. At first it was just the fragmentation of bottles and selling of the so-called flex for export, where it was processed. But in 2008 the company decided to make the final flex product independently. For this purpose, modern German equipment with an hourly capacity of 125 kg was purchased. It produces rim band of 100% recycled flex. This is the first rim band production in Ukraine.

During a year the plant processes more than 800 tons of PET containers into raw material.

Obolon recycles the equivalent of 23 mln PET bottles annually

Garbage hunting season has started

The problem of waste disposal in Ukraine is becoming more and more urgent. In the absence of effective state programs for household waste recycling and a state approach to environmental protection, all hopes for a "bright and clean" future for the country will be entrusted to the consciousness of people and socially responsible business.

Obviously, raising the quality of life increases the amount of waste produced by mankind in direct proportion. The consumer eventually becomes more exacting and quickly gets used to the small conveniences - a new plastic bag every time, products packaged in separate containers, etc. But few people think about how all these conveniences affect the environment and ecology. After all, they are, in fact, a source of increased waste volumes. According to ecologists, each Ukrainian annually generates about 220-250 kg of solid waste per year, and residents of big cities – up to 330-380 kg. These volumes are growing year by year.

However, a household waste recycling culture in Ukraine has not been established yet. Traditionally, all trash is dumped into one bucket and thrown into the container, and from there it is transported to dumps or landfills.

According to experts of the Ukrainian Environmental League, the disposal of PET packaging materials, which have become an integral feature of modern life, is the most critical waste problem. For manufacturers, it is a convenient way of transporting products and the relative inexpensiveness of this package; and for consumers, it is light packaging and convenience. However, plastic waste makes up about 10-15% of total household waste, or about 20 kg per year per capita. And according to experts, products in PET containers (beer and other beverages, household chemicals, etc.) are becoming more popular - this segment is growing by 10-12%. That is, the amount of such waste will only increase year by year, so payment for comfort may be a threat to human welfare.

PET is a very long-lived polymer, which due to its chemical structure decomposes very slowly in natural conditions - in about 400 years. This is the main threat to the environment. Nature has not invented a mechanism to help it dispose of these "creations" of mankind. And humanity itself has to resolve the problem that it has created.

There are a few options - either further increase the area under landfills, or widely introduce household waste recycling, above all, of PET packaging. This way has been pursued by developed countries. In fact, recycling reduces their volume and dump areas, while preserving natural and environmental resources. For example, the EU introduced stricter norms for recycling packaging materials, according to which 55-70% of these materials must be recycled. In addition to subsidies and other measures to stimulate companies specializing in collecting and recycling waste, a system of separate waste collection, as well as a recycling system, has been operating successfully in Europe. Moreover, in Europe there are already technologies to produce new packaging for food products from recycled materials, including PET bottles.

In Ukraine, it is quite the opposite. The government has not found ways to encourage people to sort garbage and has not created conditions for recycling it; nor has it built an effective waste disposal system. Currently, Ukraine is solving this problem by increasing dump areas that sooner or later will turn into an environmental catastrophe for the country.

Today in Ukraine there is no legal framework that would stimulate waste recycling. Experts talk about how the government created the Ukrekomresursy company, which the manufacturers of packaged products must pay for packaging disposal. However, there is no reliable information on whether this packaging is actually recycled, but given how fast dump areas are growing, obviously a small portion of waste is recycled, if any.

The problem is that today in Ukraine there is no effective system of packaging collection that is subject to recycling and disposal. But an understanding of the problem is gradually appearing, and some companies are even taking the first steps towards the European way of container recycling. However, the work is still based only on enthusiasm. In our country, there is still no legislative framework that would facilitate organization of waste recycling, while elsewhere in the world, companies that specialize in garbage recycling are granted benefits by the state. Meanwhile, our country shows no desire to get involved in environmental programs or waste management programs. According to experts, Ukraine needs to introduce preferential taxation at least at the initial stage for enterprises that process recycled materials in order to somehow stimulate this work and reduce the scale of the problem.

Obviously, if the state continues to "ignore" this problem, Ukraine, with its unique natural landscapes, will become a huge dump: instead the wheat fields will be filled with film, bottles and other debris. And the future awaits our country depends on each of us.

Based on the materials of UNIAN

PET BOTTLE COLLECTION PROJECT

During 2008 and 2009 Obolon CJSC implemented an environmental project for collecting PET bottles in Kiev. Together with Rada, 76 containers were installed in several areas of the city to collect plastic bottles, which after sorting were sent for recycling at the Obolon Company's facility in Olexandria. Containers for separate collection of PET were also installed in all cities where there are Obolon company enterprises, as well as at the main plant in Kiev.

During 2009, as much as 54,807 tons of collected waste PET bottles were sent for recycling. But of course we are not able to provide widespread collection of plastic bottles; it is not our specialty. And indeed the problem of plastic does not concern a single manufacturer, but is a nationwide problem in which 1/30 of the country is overflowing with landfills.

The Obolon Corporation provided for collection of 55 tonnes of plastic waste and sent them for recycling

ALTERNATIVE ENERGY: PRODUCTION OF FUEL FROM WASTE PLASTICS

For development of this area the corporation established the Obolon Oil energy company, which built a pilot plant in the town of Horodok (Khmelnitsky Region) for fuel production from plastic waste. This unit is capable of recycling and disposing of both industrial and household secondary polymer waste.

The achieved result:

- production of an alternative fuel type polydiesel (polyeurodiesel) based on the own designing and patented technology
- production of solidol fuel
- production of stove fuel
- recycling of plastic waste

In the future we are planning to invest in increasing production of alternative energy sources on an industrial scale to satisfy our own needs for fuel and hazardous waste disposal. For this purpose we are searching for suppliers of this type of raw material.

Obolon Corporation established its own energy company
Obolon Oil to develop alternative energy

RAISING ENVIRONMENTAL AWARENESS

In the past year, Obolon has accelerated its environmental awareness efforts with regard to its staff and the population in general.

This is not first time that resource-saving technologies have been introduced at the corporation's enterprises, not only in plants, but also in buildings and offices. Environmental friendliness is one of the components of corporate culture.

Environmental knowledge is a mandatory qualification requirement for all executives whose work involves the use of natural resources and results in environmental impact.

Within the framework of the internal communications program all employees have learned the principles of the 'green office' and are implementing them in practice.

«GREEN OFFICE»

The Obolon Corporation has been successfully implementing green office principles of resource savings for 15 years so far, before the 'green office' concept even existed.

Introduction of resource-saving technologies in the office started as early as 1995 with the installation of a motion sensor to control illumination and photocells in sinks to control water consumption. For example, Obolon regularly collects waste paper for recycling. Company also properly disposes of used lamps, lighting fixtures and electronic equipment.

The internal awareness campaign is aimed at promoting the principles of conservation and friendly attitude to the environment not only in the office, but also in everyday life.

«GREEN RUSH»

The Obolon Corporation became a social partner of the international organization AIESEC under a large-scale environmental project called 'Green Rush' with events held in December 2009.

The Green Rush Project consisted of environmental conferences and educational programs and events. All project events were aimed at introducing knowledge of environmental responsibility in the daily lives of Ukrainian youth.

ENVIRONMENTAL BALANCE OF OBOLON CJSC IN 2009

INPUT		OUTPUT	
water	3 614 thous. m ³	finished products	121,6 mln dal
malt	158,4 thous. t	wet brewer's grain	73,967 hous. t
electricity	64 558 thous. kWh	dried brewer's grain	11,703 hous. t
steam	182 592 Gcal	grain dust	11,352 t
natural gas	24 829 thous. m ³	carbon dioxide, CO ₂	47,403 hous. t
		methane, CH ₄	0,841 t
		nitrogen oxide, NO	18,235 t

ENVIRONMENTAL STATISTICS

Specific wastes generation (thous., UAH)	2005	2006	2007	2008	2009
specific waste generation per production unit	1,430	1,240	1,250	1,078	1,070
Structure of environmental protection costs	unit of measurement	2007	2008	2009	
capital investments	thous., UAH	30 674	—	3 504	
current environmental protection expenditures	thous., UAH	557	564	323	
environmental deductions	thous., UAH	111	101	153	
additional expenses (waste disposal, waste water treatment)	thous., UAH	5 790	4 382	7 002	
Total volume of waste production at Obolon CJSC according to hazard class*	unit of measurement	2007	2008	2009	
1st class (1)	tonnes	1,076	1,039	0,770	
2nd class (2)	tonnes	0,350	0,129	0,800	
3rd class (3)	tonnes	550,9	276,7	474,5	
4th class (4)	tonnes	195 529	131 165	102 962	
Distribution of waste depending on type of recycling	unit of measurement	2007	2008	2009	change in 2009
in-house utilization, sale and recycling	thous. tonnes	195 529	99,526	91,716	-7,8%
transfer for utilization	thous. tonnes	5,429	5,386	3,792	-29,6%
disposal, incineration	thous. tonnes	12,600	10,965	7,905	-27,9%
Wet brewer's grain generation and production of dry brewer's grain					
wet brewer's grains	thous. tonnes	163,689	92,863	73,967	-20,4%
dried brewer's grain	thous. tonnes	—	15,567	15,567	-24,8%
Atmospheric emissions					
grain dust	tonnes	20,919	18,161	11,352	-37,5%
emission of greenhouse gases from production of heat and steam					
carbon dioxide, CO ₂	tonnes	35167,2	46921,5	47403,2	+1,0%
methane, CH ₄	tonnes	0,626	0,833	0,841	+0,9%
nitrogen oxides, NO	tonnes	13,679	18,185	18,235	+0,3%
Utilization of resources					
natural gas	thous. m ³	18 532	23 160	24 829	+7,2%
diesel	t	1 489	1 538	1 962	+27,6%
gasoline	t	402	424	524	+23,6%
liquefied gas	t	216	238	217	-8,8%
electrical energy	thous. kWh	78 165	83 255	64 558	-22,5%
steam	Gcal	263 056	281 044	182 592	-35,0%
heating	Gcal	15 940	11 445	Own heating system installed	
water from own diversion facility	thous. m ³	4 608	4 525	3 614	-20,1%

* Industrial production and consumption wastes are divided into four hazard classes depending on the physical, chemical and biological characteristics of total waste amounts or their separate ingredients in the classification system:

1st class — extremely hazardous substances (wastes);

2nd class — highly hazardous substances (wastes);

3rd class — moderately hazardous substances (wastes);

4th class — low hazardous substances (wastes).

Social investments





Social investments

For over a decade and half Obolon has been actively engaged in charity, forming a social budget and allotting part of its products for charitable and patronage projects. This activity of the Company is diversified and embraces educational projects; assistance to socially unprotected sectors of the population; assistance in revival of spirituality and historical and cultural heritage, and sports development. Obolon develops a social budget and allots part of its products within the framework of socially important projects.

PROMOTING REVIVAL OF SPIRITUALITY AND HISTORICAL AND CULTURAL HERITAGE

Development of Ukrainian book publishing

Over the last 15 years, assistance has been provided for publishing more than 200 textbooks, manuals, collections, catalogues, reference books, fiction, scientific, historical and children's literature. Particular emphasis is placed on supporting the books that assist in cultivating the national consciousness, Ukrainian textbooks and historical literature.

Support of historical and architectural monuments

Obolon Company supports reconstruction of historical and architectural monuments, in particular, Saint Michael's (Prytysky) Church in Kyiv, Church of the Protecting Veil of the Mother of God in Mariupol, Church of Volodymyr the Great in Vyshgorod, Kyrylo Rozumovsky's palace in Baturyn, Saint George's Monastery on Kozaks' Graves in Yasheva (Rivne Region), Saint Panteleimon Church in Lubny (Poltava Region), Church of the Holy Martyr Ludmila in Gorodok (Khmelnysky Region), Church of the Protecting Veil of the Mother of God in Teofipol (Khmelnysky Region) and others.

The Company also assists the Central Museum of Taras Shevchenko, the Hetmanship Museum, Museum of Arts and Crafts, and Ivan Gonchar Museum, supports construction of monuments to Mother Ukraine in the town of Sambir and the President of ZUNR (National Council of Western Ukraine) Yevgen Petrushevych in the town of Sokol'

Program for popularizing historical and cultural sites 'Nameless Ukraine' – guidebook from Obolon Company

This all-Ukrainian project is being implemented under the auspices of the International Charity Fund of National Memory of Ukraine and is aimed at popularizing travel across Ukraine and maintaining the historical and cultural heritage of our country. The 'Nameless Ukraine' site was created – a guidebook from the Obolon Company that includes the best stories from readers and participants of a contest on the site.

Program of support for national cinematography

The first project was the Ukrainian movie 'Bohdan-Zynoviy Khmelnytsky', for the presentation and promotion of which Obolon allotted UAH250,000. The next step will be the production of licensed discs of Ukrainian classics, such as 'Shadows of Forgotten Ancestors', 'Stone Cross', 'Flower on the Stone', 'Babylon XX', 'Annychka', and 'Lost Charter'. In addition, the company plans to take an active part in film festivals and to support Ukrainian movies at various cinema forums in Ukraine and abroad. The Company is planning to become actively involved in film festivals and support Ukrainian films at different film forums in Ukraine and abroad.



DEVELOPMENT OF SPORTS IN UKRAINE

We are very proud that Obolon encourages the development of children's football in the Zmina Special Children's and Youth School of Olympic Reserve, where children from 7 to 18 years old are educated. The Company is also the sponsor of international sports competitions, in particular, the International Tournament for Children and Teenagers, which has already been held for 14 years at school No. 170 in Kyiv and Zmina sports school.

A special place in the system of the company's social investments is given to Obolon Football Club, which successfully play in the Premiere league. At the company's expense, a modern stadium was constructed for the club in Obolon District in Kyiv. This football complex can hold sporting events of the highest level, and will become one of the training arenas for Euro 2012.

EDUCATIONAL PROJECTS

For a number of years, Obolon CJSC has been the patron of the International Petro Yatsik Ukrainian language competition held by the league of Ukrainian Patrons. Each year, the company establishes awards for the winners of the competitions – children from all corners of Ukraine and the Diaspora.

Obolon CJSC supports Art School #5 in Kyiv where gifted children study. The company has also contributed to publication of experimental school mathematics textbooks for grades 1, 2, 3, and 4.

ASSISTANCE TO THE SOCIALLY VULNERABLE POPULATION

The company maintains partnership relations with public organizations that unite orphan children, disabled people and people with special needs, and veterans. Assistance is also provided for individuals, large families, and four family-type orphanages.

PARTNER ORGANIZATIONS THAT ARE CONSTANTLY GIVEN CHARITABLE AID AND PRODUCTS OF OBOLON CJSC:

History, culture and arts

- Ukrainian Institute of National Memory
- The League of Ukrainian Patrons International Charity Fund
- Literaturna Ukraine newspaper of Ukrainian writers
- Public organization Ukrainian Chronicle
- National Ivan Franko Academic Drama Theatre
- Saint Michael's (Prytysky) Church in Kyiv
- Temple of the Protecting Veil of the Mother of God in Mariupol
- Church of Volodymyr the Great in Vyshgorod
- Kyrylo Rozumovsky's palace in Baturyn
- Saint George's Monastery on Kozaks' Graves in Yasheva (Rivne Region)
- Saint Panteleimon Church in Lubny (Poltava Region)
- Church of the Holy Martyr Ludmila in Gorodok (Khmelnysky Region)
- Church of the Protecting Veil of the Mother of God in Teofipol (Khmelnysky Region)
- Central Museum of Taras Shevchenko
- The Hetmanship Museum
- Museum of Arts and Crafts
- Ivan Gonchar Museum
- International Charity Fund of Holy Maria
- Gorytsvit NGO

Sports

- Zmina Junior School of Olympic Reserve SDYuShOR
- Obolon Grossmeister DGO
- Foundation for Development of Children's and Youth Rugby in Ukraine

Education and youth

- Kyiv Municipal Center of Social Services for Family, Children and Youth
- Department of Family and Youth Affairs of Obolon DSA
- School #170 in Kyiv
- Children's Art School #5 in Kyiv
- Sports and Children International Charitable Foundation
- In Children's Palms NGO
- All-Ukrainian non-governmental youth organization Leadership, Youth, Innovations'
- NaUKMA student brotherhood
- Shyshatska regional gymnasium and boarding school for gifted children (Poltava Region)
- Reception center for minors of MD MIA in Kyiv
- I-II Stage Specialized Boarding School of Mostysche
- Ukraine to Children National Fund of Social Protection for mothers and children

Organizations of disabled people

- Sunray Association of Disabled Mothers of Obolon District, Kyiv
- Dimfo Creative Association of Disabled Children and Youth, Kyiv
- Childhood Association for Rehabilitation of Disabled Children, Kyiv
- Obolon Municipal Organization Children of Chornobyl
- Foundation for Disabled Persons of Chornobyl, Obolon District of Kyiv
- Kyiv Association of Disabled Persons with Cerebral Palsy
- Public organization Revival Center for Rehabilitation of People with Spinal Disabilities
- Podil District Center of Disabled Persons Unity
- Kyiv Division of the Ukrainian Blind Society
- Ikar Municipal cultural sports club for disabled people of Boyarka
- Dniprovsky District Society of Disabled Persons with Lesion of Locomotor System
- Cerebral Children's Social Organization of Darnytsky District, Kyiv

Veterans

- All-Ukrainian Association of World War II Veterans
- Kyiv Municipal Charity Foundation of Social Protection of Prisoners – victims of Nazi persecution
- Organization of Disabled War and Military Forces Veterans of Obolon District in Kyiv
- Union of Afghanistan Veterans of Obolon district in Kyiv

Social investments

What's the difference between social investments and investments in production and charity?

Social investment is a way to implement corporate social responsibility through targeted programs that meet the needs of major groups of stakeholders - customers, staff, local unions.

Social investments, as well as material benefits, promote the formation of a national product, since the purpose of any economy is to meet human needs through material, spiritual or other benefits.

Social investment has fundamental characteristics of investment, except for the criterion that distinguishes between these concepts - the subject of investment. Similarly, the main purpose of social investment is gaining profit or other 'benefit' for the investor. The attractiveness of social investment is due to the fact that in future, social investment is always beneficial.

Unlike investments in productive activities that directly affect business processes, social investments involve more complex and indirect mechanisms of return on investments. However, eventually the social investments themselves influence basic business processes: the production of goods and services, their promotion and sales and capital attraction.

Social investment implies the attraction of targeted resources to address priority social issues of local communities. It has long been the practice in European countries. There are positive examples in Ukraine as well; however, they are not very numerous.

Full-featured social investment may be conscious activities of the company aimed at improving the quality of life of the local population and at growth of social capital

In the Ukrainian context, the term "social investment" may be applied to any long-term social and meaningful activity. Social investments include not only individual charitable donations made by the enterprise. Full-featured social investment may be conscious activities of the company aimed at improving the quality of life of the local population and at growth of social capital, which is known to include the quality of social communication, the degree of trust between individuals, social solidarity, willingness to help and willingness to work together for the common good.

The effectiveness of socially responsible investments is primarily related to the achievement of its main goal - implementation of a possible combination of financial gains and ethical values of the investor. Social investment suggests the following types of effects for the company:

- financial efficiency (insurance risks, improved HR performance, marketing and sales, reduction of the operational costs, etc.);
- non-financial efficiency (company image and reputation, customer and staff loyalty);
- effectiveness of the impact on the situation in the presence territory



AWARDS RECEIVED IN 2009

Award	Nominee
Acknowledgement	Obolon CJSC
Certificate (419th place)	Obolon CJSC
Diploma	Obolon CJSC
Diploma	«Obolon Herald» magazine
Grand Prix, Diploma	«Obolon. Football» newspaper
Diploma	Obolon CJSC
Cup, Diploma	Obolon Premium beer
Letter of award	Obolon CJSC in «Unrivaled product» nomination
Amber Star, Diploma	Obolon TM (for the largest volume of beer production)
Amber Star, Diploma	Zhyvchyk TM (for the largest volume of soft drink production)
Honorary cup, Diploma	FrestTM (for the best exterior design)
Grand Prix, Diploma	Zhyvchyk Lemon
Grand Prix, Diploma	Obolon Premium
Grand Prix, Diploma	BeerMix Lemon, BeerMix Cherry
Gold medal, Diploma	Obolon Light
Gold medal, Diploma	Obolon Soborne
Gold medal, Diploma	Obolon Strong
Gold medal, Diploma	BeerMix Raspberry, BeerMix Energy
Gold medal, Diploma	hike premium
Gold medal, Diploma	hike premium light
Gold medal, Diploma	Magnat
Gold medal, Diploma	Bitburger
Gold medal, Diploma	Jett with pomegranate taste
Gold medal, Diploma	Desant Specnaz
Gold medal, Diploma	Obolonska
Gold medal, Diploma	Frest Crystal
Gold medal, Diploma	Frest Fire
Gold medal, Diploma	Icelife lime
Gold medal, Diploma	Prozora
Gold medal, Diploma	Zibert Svitle
Gold medal, Diploma	Zibert Bavarske
Silver medal, Diploma	Obolon Non-alcoholic
Silver medal, Diploma	Desant DMB
Silver medal, Diploma	Icelife grapefruit
Silver medal, Diploma	Daiquiri
Silver medal, Diploma	Frest Frest
Silver medal, Diploma	Okhtyrskye Svitle
Platinum Osiris, Diploma	Obolon Non-alcoholic
Gold Osiris, Diploma	Obolon Light in the «Best Light Beer11%» category
Gold Osiris, Diploma	Obolon Magnat in the «Best Light 12%» category
Silver Osiris, Diploma	Obolon Wheat in the «Best Wheat Beer» category
Silver Osiris, Diploma	Obolon Strong in the «Best Strong Beer» category
Silver Osiris, Diploma	Obolon White in the «Best Unfiltered» category
Crystal grace cup (white), Diploma	Obolon Lager in the «Best Light Beer» nomination – public tasting
Crystal grace cup (blue), Diploma	Obolon Light in the «Folk» nomination

Name of contest, exhibition

	Beer and Soft Drinks Industry 2009 Beer Holiday
	XI Great Moscow Beer Festival
	Courtyard Football Association
	Deloitte Central Europe TOP 500
	2009 Ukraine's Most Reputable Companies Award
	All-Ukrainian Contest «Best Corporate Media of Ukraine»
	«EcoMarket to Schools» action
	National Sorochyntsy Fair 2009
	All-Ukrainian contest of product quality (goods, work, services) - 100 Best Ukrainian Products in 2009 (regional stage in Kyiv)

OBJECTIVES OF OBOLON FOR 2010

Stakeholders	Quality indicators
society	
reduction of specific pollutant emissions by	0,06 τ / 10 mln dal
customers	
domestic market share of Obolon CJSC	23,0%
domestic market share of non-alcoholic drinks	15,5%
accomplishment of export sales plan	26 146 thous. dal
beer	79 186 thous. dal
accomplishment of annual sales plan of Obolon CJSC for the domestic market	18 506 thous. dal
non-alcoholic drinks	2 186 thous. dal
soft drinks	9 042 thous. dal
min. water	by 31.12.2010
constant improvement of management systems *	
staff	
ensure overall rise in wages at year end by at least	10%
for the purpose of preventing occupational injuries, provide training for managers of sales departments to check knowledge of labor code provisions	530 persons

* in accordance with the requirements of:

- DSTU ISO 9001:2001 (Quality Management Systems)
- SST ISO 22000:2007 (Food Safety Management Systems)
- DSTU ISO 14001:2006 (Environmental Management Systems)
- OHSAS 18001:2007 (Occupational Safety and Health Management Systems)

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights
2. Businesses should make sure that they are not complicit in human rights abuses

Labor standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Businesses should uphold the elimination of all forms of forced and compulsory labor
5. Businesses should uphold the effective abolition of child labor
6. Businesses should uphold the elimination of discrimination with respect to employment and occupation

Environment

7. Businesses should support a precautionary approach to environmental challenges
8. Businesses should undertake initiatives to promote greater environmental responsibility
9. Businesses should encourage the development and diffusion of environmentally friendly technologies

Anticorruption

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

GRI V.3 COMPLIANCE TABLE AND FULFILLMENT OF UN GLOBAL COMPACT

GRI Indicators	Indicator statement	Information in the report, page	Notes / comments	GC Principles
General provisions				
1. STRATEGY AND ANALYSIS				
1.1	Statement of management	page 6		
1.2	Description of key impacts, risks, and opportunities	page 16, 3		
2. ORGANIZATION PROFILE				
2.1	Name of organization	page 57		
2.2	Primary brands or types of products	page 30		
2.3	Operational structure of the organization, including main divisions	page 10	Additional information at www.obolon.ua	
2.4	Headquarters location	page 57		
2.5	Number of countries of the organization's operations	page 18		
2.6	Type of ownership and legal form	page 10	Additional information at www.obolon.ua	
2.7	Markets served	page 18		
2.8	Scale of the reporting organization		National corporation that is the market leader in Ukraine and works in other countries of the world	
2.9	Significant changes during the reporting period regarding size, structure, or ownership		No significant changes in size, structure and property during the reporting period	
2.10	Awards won during the reporting period	page 50		
3. REPORT PARAMETERS				
Report Profile				
3.1	Reporting period	page 1		
3.2	Date of the most recent previous report	page 1		
3.3	Reporting cycle	page 1		
3.4	Contact information	page 57		
Coverage and scope of the report				
3.5	Process for defining report content	page 1		
3.6	Scope of the report	page 1		
3.7	Specific limitations on the scope or boundary of the report	page 1		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and so on	page 1		
3.9	Data measurement and calculation techniques (if deviate from GRI protocols)		The methods of data measurements and making calculations, if they are different from those provided by GRI, meet internal corporate standards	
3.10	Explanation of the effect of any restatements of information provided in earlier reports	page 1		
3.11	Significant changes from previous reporting periods	page 1		
GRI Content Index				
3.12	Table identifying the location of disclosures in the report	page 53		
Confirmation				
3.13	Policy and current practice with regard to seeking external assurance for the report		The company deliberately did not carry out an external audit of the first report, wishing to work out internal reporting processes first	
4. MANAGEMENT, COMMITMENTS AND STAKEHOLDER ENGAGEMENT				
Management				
4.1	Management structure of the organization, including committees as part of the supreme management body	page 10	Additional information at www.obolon.ua	
4.2	Indicate whether the Chair of the supreme management body is also an executive officer		The Chairman of the Board is the Personnel and Welfare Director	
4.3	Number of independent members of the supreme management body		Obolon is a closed joint-stock company, major shareholders of which are members of its staff	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body		Shareholders - at the shareholders' meeting and by means of submitting proposals via E-mail; employees – through immediate supervisor, via mail to the resident of the company, at meetings of top management with employees	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)		Hourly labor rate. Salary rates are in conformance with the approved staff schedule. Bonuses are paid according to performance results	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided		Wage rates and skills system have been introduced that prevents conflict of interests	
4.7	Process for determining the qualifications and expertise of the senior management for defining sustainable development strategy		Competence of company management is developed through participation in training seminars and conferences on corporate social responsibility and elements of sustainable development	
4.8	Internally developed statements of mission or values, codes of corporate conduct etc.	page 6		
4.9	Procedures of the highest governing body for overseeing the organization's identification and management of economic, environmental, and social performance		Audit Committee has been established	
4.10	Processes for evaluating the supreme management body's own performance in SD area		Assessment is carried out on the basis of non-financial reports	
4.11	Explanation of whether and how the precautionary approach or principle is used by the organization.		Yes	
Commitments to External Initiatives				
4.12	Externally developed economic, environmental, and social charters, principles etc.		1) Signing of UN Global Compact 2) Signing of Appeal on the occasion of the 60th anniversary of the Human Rights Declaration, which is evidence of support for the principles of the document	

GRI Indicators	Indicator statement	Information in the report, page	Notes / comments	GC Principles
	Stakeholder Engagement			
4.14	List of stakeholder groups	page 3, 52	In the process of reporting, basic analysis of stakeholders on the basis of 'Guidelines on stakeholders involvement' AA1000SES) of the Institute of Social and Ethical Reports (Account Ability, UK) was conducted	
4.15	Basis for identification and selection of stakeholders with whom to engage		Stakeholders and forms of cooperation with them are specified by the working group for preparation of the Social Report	
4.16	Approaches to stakeholder engagement	page 1		
4.17	Key topics and concerns that have been raised through stakeholder engagement	page 3		
5. ECONOMIC PERFORMANCE INDICATORS				
	Aspect: Economic Performance			
EC1	Direct economic value generated and distributed	page 16		
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.			
EC3	Coverage of the organization's defined benefit plan obligations	page 20		
EC4	Significant financial assistance received from the government		None	
	Aspect: Market Presence			
EC5 (add.)	Range of ratios of standard entry level wage (state level) compared to corporate wage		Initial salary in the company exceeds initial salary in the industry by 20%	1
EC6	Policy and approach to local procurements and shore of such procurement in significant areas of operation	page 27		
EC7	Local hiring procedures		The employment algorithm is regulated by a special document that does not discredit local population or visitors	6
	Aspect: Indirect Economic Impacts Core			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement	page 45		
EC9 (add.)	Understanding and describing significant indirect economic impacts, including the extent of impacts	page 11	The Obolon Company ensures performance of work places in related industries (1 work place in beer and soft drinks production leads to the creation of 10-15 jobs in related industries and the agricultural sector)	
6. ENVIRONMENTAL SAFETY				
		Aspect: Materials		
EN1	Materials used by weight or volume	page 43		8
EN2	Percentage of materials used that are recycled input materials	page 39, 44		8, 9
		Aspect: Energy		
EN3	Direct energy consumption by primary energy source	page 44		8
EN4	Indirect energy consumption by primary source	page 44		8
EN5 (add.)	Energy saved due to conservation and efficiency Improvements	page 39		
EN6 (add.)	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	page 40		
EN7 (add.)	Initiatives to reduce indirect energy consumption and reductions achieved	page 43		
		Aspect: Water		
EN8	Total water withdrawal by source	page 44		8
EN9 (add.)	Water sources significantly affected by withdrawal of water		Absent, as Obolon CJSC has its own water diversion facility from bore holes	8
EN10 (add.)	Percentage and total volume of water recycled and reused	page 44		8, 9
		Aspect: Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Absent	8
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		Absent	8
EN13 (add.)	Habitats protected or restored		Absent	8
EN14 (add.)	Strategies, current actions, and future plans for managing impacts on biodiversity		Absent	8
EN15 (add.)	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		Absent	8
	Aspect: Emissions and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	page 44		8
EN17	Other relevant indirect greenhouse gas emissions by weight	page 44		8
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	page 39		8,9
EN19	Emissions of ozone-depleting substances by weight		There are no emissions of ozone-depleting substances from production	8

GRI Indicators	Indicator statement	Information in the report, page	Notes / comments	GC Principles
Aspect: Emissions and Waste				
EN20	NO, SO, and other significant air emissions by type and weight	page 44		8
EN21	Total water discharge by quality and destination	crop. 44		8
EN22	Total weight of waste by type and disposal method	crop. 44		8
EN23	Total number and volume of significant spills		Absent	8
EN24 (add.)	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally		Absent	8
EN25 (add.)	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff		Absent	8
Aspect: Products and Services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	page 40		8,9
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	page 40		8,9
Aspect: Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		Absent	8
Aspect: Transport				
EN29 (add.)	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	page 44	Due to optimized logistics and upgraded truck fleet Obolon CJSC reduced the consumption of fuel for transportation needs	8
Aspect: Overall				
EN30 (add.)	Total environmental protection expenditures and investments by type	page 40, 44		8, 9
7. LABOR RELATIONS				
Aspect: Employment				
LA1	Total workforce by employment type, employment contract, and region	page 22		
LA2	Total number and rate of employee turnover by age group, gender, and region	page 22		6
LA3 (add.)	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	page 20, 22		
Aspect: Labor/Management Relations				
LA4	Percentage of employees covered by collective bargaining agreements	page 23	100%	1, 3
LA5	Minimum notice period regarding operational changes, including whether it is specified in collective bargaining agreements	page 23	2 months (8 weeks)	3
Aspect: Occupational Health and Safety				
LA6 (add.)	Percentage of a) total workforce represented health and safety committees participated by management, and b) employees that help to monitor and provide recommendations on occupational health and safety programs	page 22		1
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region	page 22		1
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	page 21		1
LA9 (add.)	Health and safety topics covered in formal agreements with trade unions	page 23		
Aspect: Training and Education				
LA10	Average hours of training per year per employee by employee category	page 22		
LA11 (add.)	Programs for skills management and lifelong learning	page 22		
LA12 (add.)	Percentage of employees receiving regular performance and career development reviews	page 22		
Aspect: Diversity and Equal Opportunity				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	page 22		1, 6
LA14	Ratio of basic salary of men to women by employee category	page 23	Basic salary rate is identical irrespective of gender (for both men and women)	1, 6
8. HUMAN RIGHTS PERFORMANCE INDICATORS				
Aspect: Investment and Procurement Practices				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	page 11		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken		Not accounted	

GRI Indicators	Indicator statement	Information in the report, page	Notes / comments	GC Principles
HR3 (add.)	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained		Employee training in human rights policies and processes is included in the general process of training and learning documentation. Hourly accountability of such training is not carried out	1, 2, 3, 4, 5, 6
	Aspect: Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken		There were no cases of discrimination	1, 2, 6
	Aspect: Freedom of Association and Collective Bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	page 23	The right to use the right to freedom and holding collective bargaining are under no risks in the corporation	1, 2
	Aspect: Child Labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the prevention of child labor	page 23	Child labor is not used in the corporation	1, 2, 5
	Aspect: Forced and Compulsory Labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	page 23	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	1, 2, 3, 4
	Aspect: Security Practices			
HR8 (add.)	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations		100%	1, 2
	Aspect: Rights of indigenous people and minorities			
HR9 (add.)	Total number of incidents of violations involving rights of indigenous people and actions taken		There are no cases of infringement of rights and freedoms that involve rights and freedoms of the indigenous population and minorities	1, 2
9. SOCIETY PERFORMANCE INDICATORS				
	Aspect: Community			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.			
	Aspect: Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption		Analysis concerning risks related to corruption is not conducted	10
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures		All employees are made aware of the company's anticorruption policy at the time of employment.	10
SO4	Actions taken in response to incidents of corruption		No cases of corruption in the reporting period were recorded	10
	Aspect: Public Policy			
SO5	Public policy positions and participation in public policy development and lobbying			
SO6 (add.)	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country			
	Aspect: Anti-Competitive Behavior			
SO7 (add.)	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes		The company did not have exclusive status in any of the markets in which it is present. In the reporting period there were no conclusions of the Antimonopoly Committee of Ukraine concerning Obolon CJSC	
	Aspect: Compliance Core			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations			
10. PRODUCT AND CONSUMERS				
	Aspect: Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	page 26		1
PR2 (add.)	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes		All the products of the company conform to legislative requirements, norms and standards. There were no cases of non-conformities in the reporting period.	1
	Aspect: Product and Service Labeling			
PR3	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes		All the products of the company contain the necessary and mandatory information about composition and contents	8
PR4 (add.)	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		Specified non-conformities were not found	8
PR5 (add.)	Практики, що відносяться до задоволення споживача, включаючи результати досліджень за оцінкою ступеня задоволення споживача	page 27, 36	Authorized departments of the company carry out assessment of consumer satisfaction. In addition, there are numerous studies carried out by independent agencies. In particular, according to one of the studies, the Obolon TM was named as the favorite beer of football fans.	
	Aspect: Marketing Communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	page 27, 34		
PR7 (add.)	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes		Specified non-conformities were not found	
	Aspect: Customer Privacy			
PR8 (add.)	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		Specified complaints were not recorded.	1
	Aspect: Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services		Absent	

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Designed by: IV Design



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