



ОБОЛОНЬ

2013–2014

Sustainable Development of Obolon Corporation

official report

CONTENTS

CORPORATION

- 2 Appeal from the President
- 3 Social Mission
- 5 Reputation
- 7 Business Operations Standards
- 10 Corporate Structure
- 18 Corporate Management
- 21 Stakeholders

ECONOMICS

- 60 Financial and Economic Results
- 62 Production Indicators
- 63 Efficient Activity
- 66 Risks

- 96 Report overview
- 97 Sustainable development plans
- 99 Contacts
- 100 GRI

PRODUCTION

- 29 Production Facilities Structure
- 36 Brand portfolio
- 39 Quality Management
- 44 Innovations
- 45 Technologies

ENVIRONMENT

- 69 Efficient Use of Resources
- 72 Wasteless Production

PEOPLE

- 46 Working Environment
- 51 Life and Health
- 54 Ethics and Equal Rights
- 56 Personnel Development
- 58 Incentives and Motivation

SOCIETY

- 74 Development of Regions
- 87 Promotion of Sports
- 90 Educational Projects
- 92 Sponsorship and Volunteering

APPEAL FROM THE PRESIDENT

Dear Partners,

I am pleased to present Obolon Corporation's sixth Sustainability Report. This document summarizes the company's information on all socially important initiatives in the eight regions of Ukraine and presents the corporation's specific achievements in raising community life quality, minimizing environment impact, and improving employment practices over the year 2013 and the first half of 2014. This year's report is the first one to demonstrate the social, environmental and economic impact of Obolon Corporation in the regions where its facilities are located.

Since the publication of the first Non-Financial Report, the Obolon Corporation has made significant progress on its way to sustainability. The commitment of our employees, implementation of several products and organizational innovations, as well as significant reduction of its environmental impact allowed the Corporation reinforce its status as a reliable and responsible member of the Ukrainian community and strengthen its market positions.

The driving force for our success is the people: from farmers growing barley for our beer to the employees augmenting the company's capital day in and day out; from the sales teams promoting the Obolon brands in the market to the consumers who have favoured our products for many years. For Obolon, people are the driver and the energy source setting the course and tempo for our business

At the same time, society is an important indicator of the company's steps in implementing a socially responsible policy. Obolon wants the Ukrainian society to thrive and receive good income, live in a clean environment, and have a well-developed infrastructure; we want to see a smile on every face in Ukraine. Last year, in order to put our desires into life, we intensified our cooperation with the communities in the places where our facilities are located, and identified the key areas of social interaction.

We live on the beautiful and rich Ukrainian land with its endless fields, and use the gifts of the nature. It is our direct responsibility to conserve the resources and save the environment for the generation to come. In this area, Obolon continues implementing its environmental responsibility strategy. Over the last year, the company managed to reduce the waste from its main activities by a factor of two, and this is only the beginning of implementing our long-term environmental ambitions.

In today's difficult business environment, the trust of our employees is the most important resource, and consumer loyalty is the greatest asset. We adhere to our vision of business based on transparency, responsibility and reliability. We promote our values in the business environment and do our best to be a role model for our partners.

We are happy to demonstrate our achievements, results and advances in sustainable development, knowing that we have built a robust foundation to withstand future challenges. The main challenge for us today is to save and develop the momentum we gained in 2013. And I am certain that Obolon will succeed!



"We adhere to our vision of business based on transparency, responsibility and reliability. We promote our values in the business environment and do our best to be a role model for our partners."

Oleksandr Slobodian

SOCIAL MISSION

OBOLON ASSUMES RESPONSIBILITY

When interacting with companies that have various ownership patterns and business goals, Obolon is committed to the principles of responsible and transparent business conduct. For 35 years now, Obolon has been producing innovative high quality beverages, providing jobs to thousands of Ukrainians, paying taxes conscientiously, supporting people who live in remote regions of the country, and developing national culture and sports. Sustainable development has always been an integral part of Obolon's outlook.

For Obolon, who is the largest Ukrainian beverage producer, sustainable development is a key factor in reaching its goals. The company feels responsibility towards its personnel as well as Ukrainian society and environment.

SOCIAL MISSION

Produce useful and safe drinks for people, doing this with maximum efficiency and caring about the people and environment.

SOCIAL GOAL

Ensure the balance of economic, social and environmental benefits by integrating sustainable development and corporate interests

PHILOSOPHY OF SUSTAINABLE DEVELOPMENT — "GOOD DEEDS FOR MANY YEARS"

Obolon's sustainable development strategy includes four key components:

1 PEOPLE

The corporation's key asset is its personnel that forms a special labour culture within the company and distinguishes Obolon among its competitors.

2 ENVIRONMENT

Mitigation of the company's environmental impact by recycling resources and using energy efficient technologies guarantees the environmental responsibility of every operation process carried out by Obolon.

3 LOCAL COMMUNITIES

Efficient and mutually beneficial cooperation with communities in all the territories where the corporation enterprises operate is one of Obolon's key business objective.

4 CULTURE AND SPORTS

Social investments in the development of cultural and educational programmes and sports as well as support of indigenous Ukrainian traditions are the social obligation of Obolon as the largest national beverage producer.

SOCIAL MISSION

Nothing stands still, and we are in a constant pursuit of perfection by setting and attaining higher goals in all business areas. The corporation's development perspective involves its efficient growth that will ensure commercial outcomes, social progress and environmental sustainability. This approach is Obolon's long-term obligation of further supporting its stakeholders – consumers, employees, local communities, partners, the state, etc.

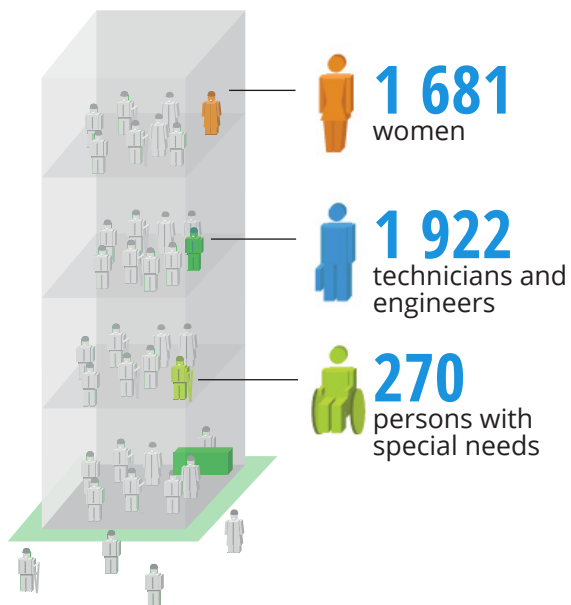
PHILOSOPHY OF SUSTAINABLE DEVELOPMENT — "GOOD DEEDS FOR MANY YEARS"

- Innovation development of the domestic beer and soft drinks industry
- Responsible personnel management and development
- Improving occupational health and safety
- Environmentalization and enhancement of energy efficiency
- Fair distribution of created economic value
- Making investments in the development of the regional economy
- Profound integration social responsibility into the company's business processes

REPUTATION

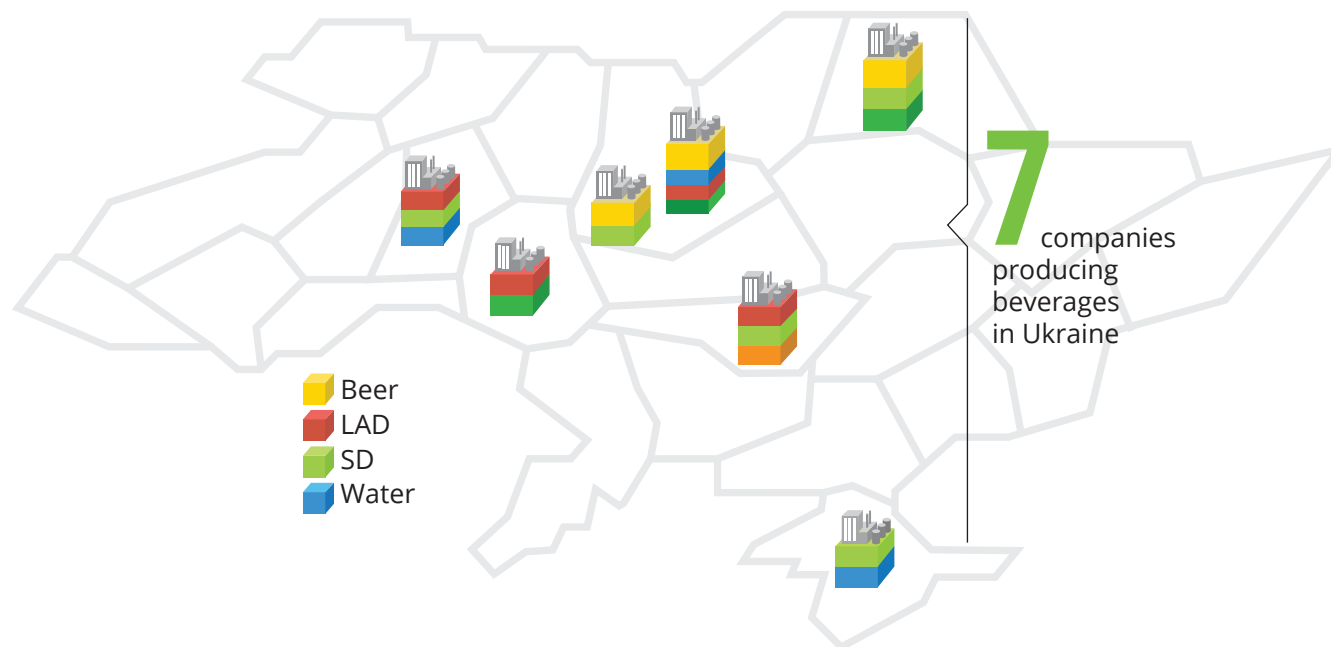
In the top **100** largest employers of Ukraine

6 006 PEOPLE EMPLOYED
persons



Obolon Corporation is the largest Ukrainian producer of beverages

2 256 124 BEVERAGES PRODUCED
thousand dal

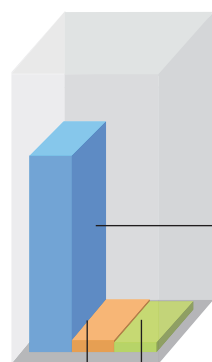


REPUTATION

Obolon Corporation is one of the largest Ukrainian taxpayers

5 249 435 SALES REVENUE

UAH millions



1 158 324

Total tax and duty payments

50 Financing social projects

79 Investments into the corporation's production

Obolon Corporation is the largest Ukrainian producer of beverages

2 256 124 BEVERAGES PRODUCED

INTEGRATED MANAGEMENT SYSTEM

ISO
22000
2005

ISO
9001
2008

OHSAS
18001
2007

ISO
14001
2004

UKRAINIAN BEER MARKET



Obolon Corporation's share is **28,6%**



1

of 4 bottles of beer is produced by the Obolon Corporation

BEER EXPORTS FROM UKRAINE



Obolon Corporation's share is **78%**



3

of 4 bottles of exported beer are produced by the Obolon Corporation

BUSINESS OPERATIONS STANDARDS

Obolon Corporation is the largest Ukrainian beverage producer and exporter. Its products are exported to 40 countries around the globe, where cultural, political and economic conditions vary significantly. Although those conditions sometimes complicate the company's market activities, they also motivate us to achieve better results. Despite the importance of meeting the commercial goals, Obolon Corporation's work is always governed by the standards of responsible, fair and transparent business.

OBOLON CORPORATION VALUES



1. Obolon Corporation has a Code of Ethics defining the ethical standards for the company's business operations in Ukraine and abroad, recommended rules of conduct, and guaranteed employee rights.
2. As a responsible representative of the Ukrainian business, Obolon complies with the provisions and regulations of the Ukrainian law and acts in accordance with the international law.
3. Obolon supports the high quality constructive dialogue with all its market counterparts and follows the fair play principle in the relations with its competitors:
 - respecting competitors;
 - respecting business rules and government decisions
 - avoiding unfair competition practices; equal success chances.
4. Obolon Corporation values people most of all. That is why produces high quality beverages for the consumers and provides safe working conditions for the employees.
5. Reducing the environmental impact is one of the company priorities, achieved through energy efficiency and recycling.

BUSINESS OPERATIONS STANDARDS

ANTI-CORRUPTION POLICY

Obolon Corporation's anti-corruption policy meets the high ethical standards of open and transparent business for improving corporate culture and maintaining the company's business reputation in domestic and foreign markets.

In its struggle against abuse, Obolon fully shares the tenth principle of the UN Global Compact Against Corruption.

Obolon defines the key principles and requirements to counteract unfair market practices and ensure compliance with anti-corruption regulations by the management and employees of the company's ten regional structures, based on the following regulations:

- provisions regulating the rights and obligations of employees in specific positions and their professional relations with the colleagues working at other structural units
- provisions regulating selection of suppliers of raw materials, goods, works, and services
- corporation's contractual work provisions

OBOLON'S ANTI-CORRUPTION MEASURES ARE AIMED AT:

1 PREVENTING CORRUPTION

Identifying and eliminating the causes of unfair practices

2 ANTI-CORRUPTION ENFORCEMENT

Identification, prevention, termination, detection, and investigation of corruption-related offenses

3 MINIMIZATION AND ELIMINATION OF CONSEQUENCES OF CORRUPT ACTIVITIES

RESPONSIBLE PROCUREMENT

Cooperating with suppliers and partners, Obolon adheres to the ethics of responsible and transparent procurement of raw materials, goods, works and services which do not harm people or the environment. The company operates a system for managing of integrated product quality and safety, environmental impact of the production processes, and occupational safety:



BUSINESS OPERATIONS STANDARDS

The quality of the raw materials and finished products is verified at the production and radiological laboratories as well as at the technical supervision department.

RESPONSIBLE MARKETING

In PR, including advertising, Obolon adheres to the principles of moral and ethical business. When interacting with the entire society and selected social groups, the company provides information honestly and transparently.

Obolon was the first Ukrainian beverage producer which implemented the "Drink responsibly" awareness campaign in 2009. The goal of the social awareness campaign is to promote the culture of responsible beer consumption in Ukraine.

Under the awareness campaign, Obolon marks its products for those who should avoid the beverage and indicates safe consumption levels.

"Not recommended for consumption by persons under 18 of age, pregnant women, and drivers."

As an alternative, the company offers alcohol-free beer, also produced by the company.

Adhering to the principles of responsible marketing, Obolon does not carry out degustation of beer and low-alcohol beverages in trade networks and sales outlets.

"Drink responsibly"

The first Ukrainian social awareness campaign promoting the culture of responsible beer consumption was launched in 2009.

CORPORATE STRUCTURE

1980

1986

1994

1996

1997

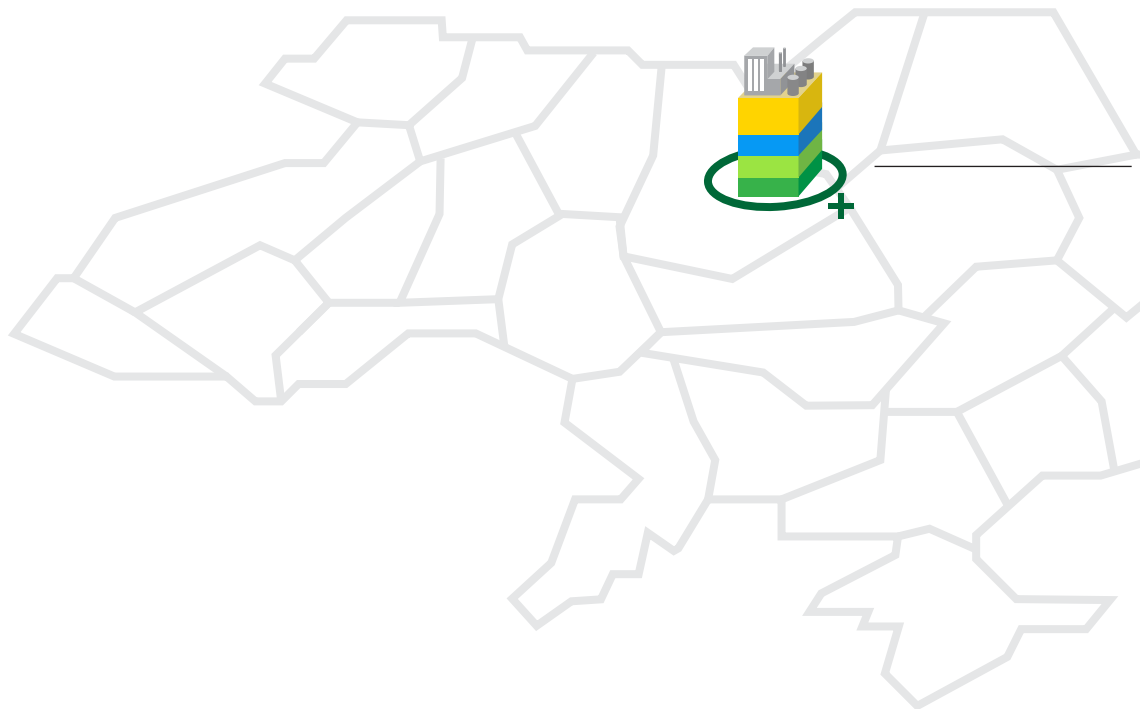
2006

2008

2014


The official opening of Kyiv Brewery #3 was dedicated to the 22nd Olympics. In May 1980, the first batch of Zhyhulivske beer was produced.

MAIN COMPANY



1980

MAIN COMPANY
Public Joint-Stock Company
Kyiv

-  Beer
-  Water
-  Soft Drinks
-  Agriculture

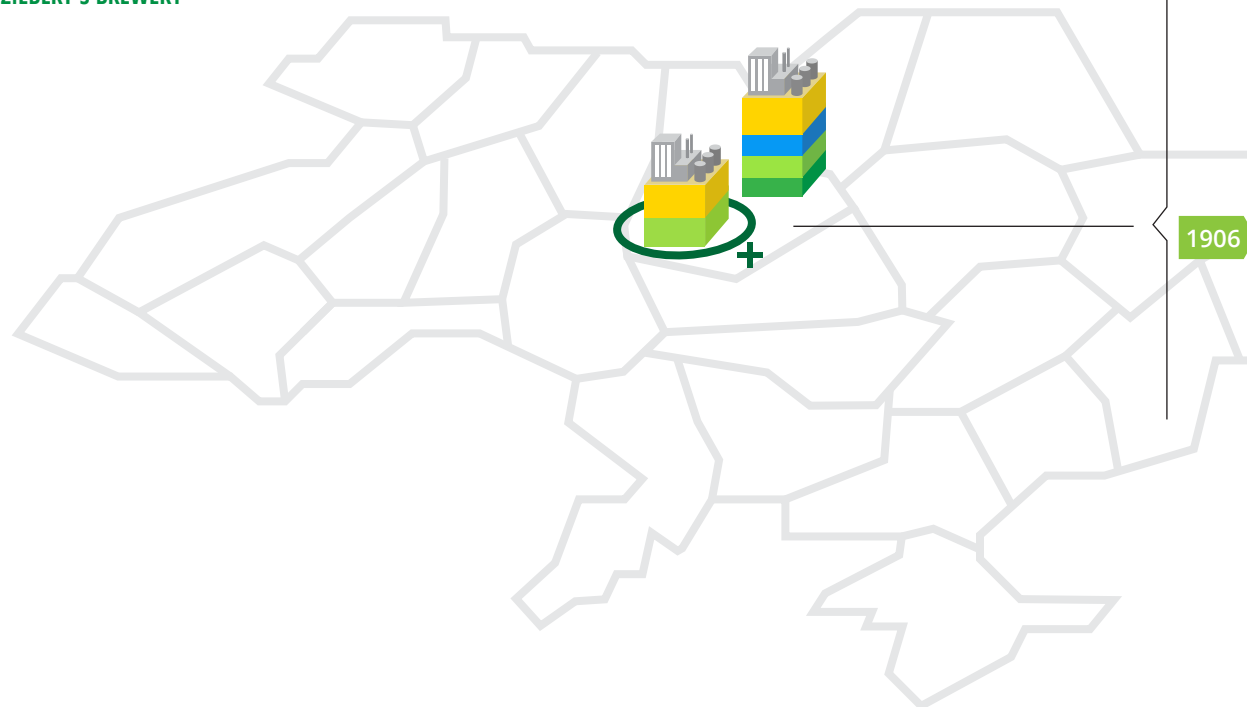
CORPORATE STRUCTURE

1980 | 1986 | 1994 | 1996 | 1997 | 2006 | 2008 | 2014

Obolon Beer and Soft Drinks Corporation established at Kyiv Brewery # 3; it included Kyiv Brewery # 1, Kyiv Brewery # 2 (Podil Brewery), and Fastiv Brewery.

MAIN COMPANY

ZIEBERT'S BREWERY



1906 ZIEBERT'S BREWERY
Subsidiary
Fastiv, Kyiv Region

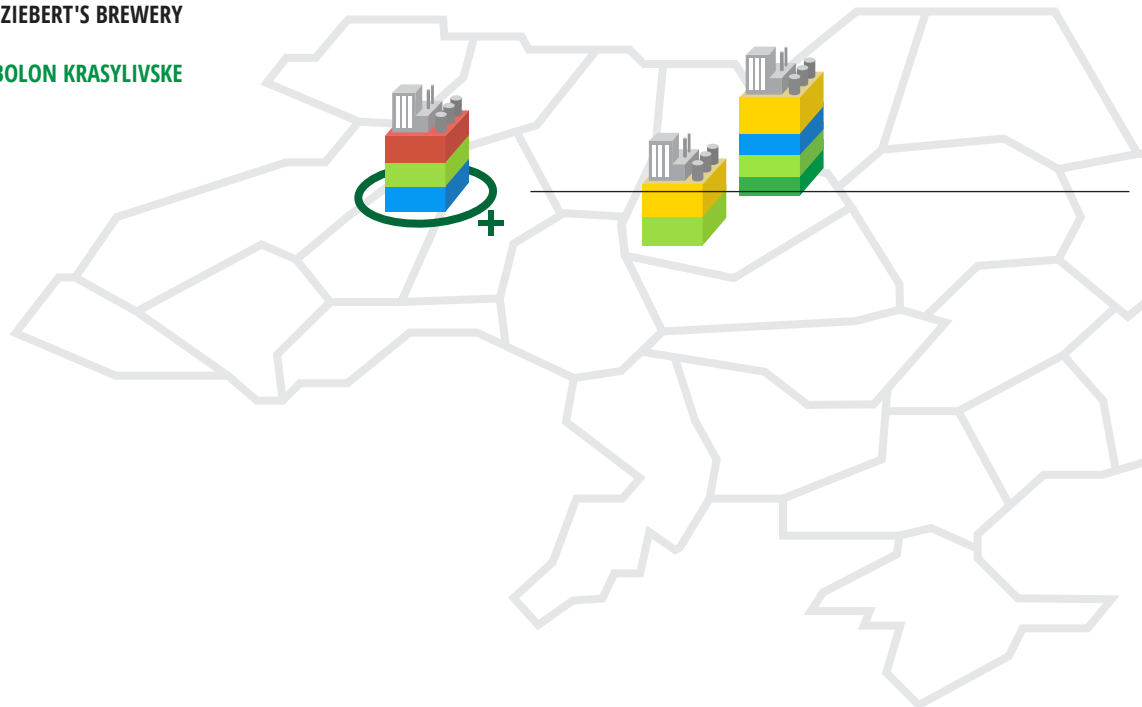
Beer
Soft Drinks

CORPORATE STRUCTURE




1980 | 1986 | **1994** | 1996 | 1997 | 2006 | 2008 | 2014

Obolon JSC launches the production of the 'Gin Tonic' low-alcohol beverage. This stimulated the development of the LAB market in Ukraine and in the Eastern Europe.
October 1994: Obolon beer awarded a silver medal among lager beers at the Minsk International Fair, competing against the beer producers from Russia, Czech Republic, Baltic countries, and Belarus.

MAIN COMPANY
ZIEBERT'S BREWERY
OBOLON KRASYLIVSKE



1994 **OBOLON KRASYLIVSKE**
Subsidiary
Krasyliv, Khmelnytskyi Region

-  Low-Alcohol Beverages
-  Soft Drinks
-  Water

CORPORATE STRUCTURE

1980 | 1986 | 1994 | **1996** | 1997 | 2006 | 2008 | 2014

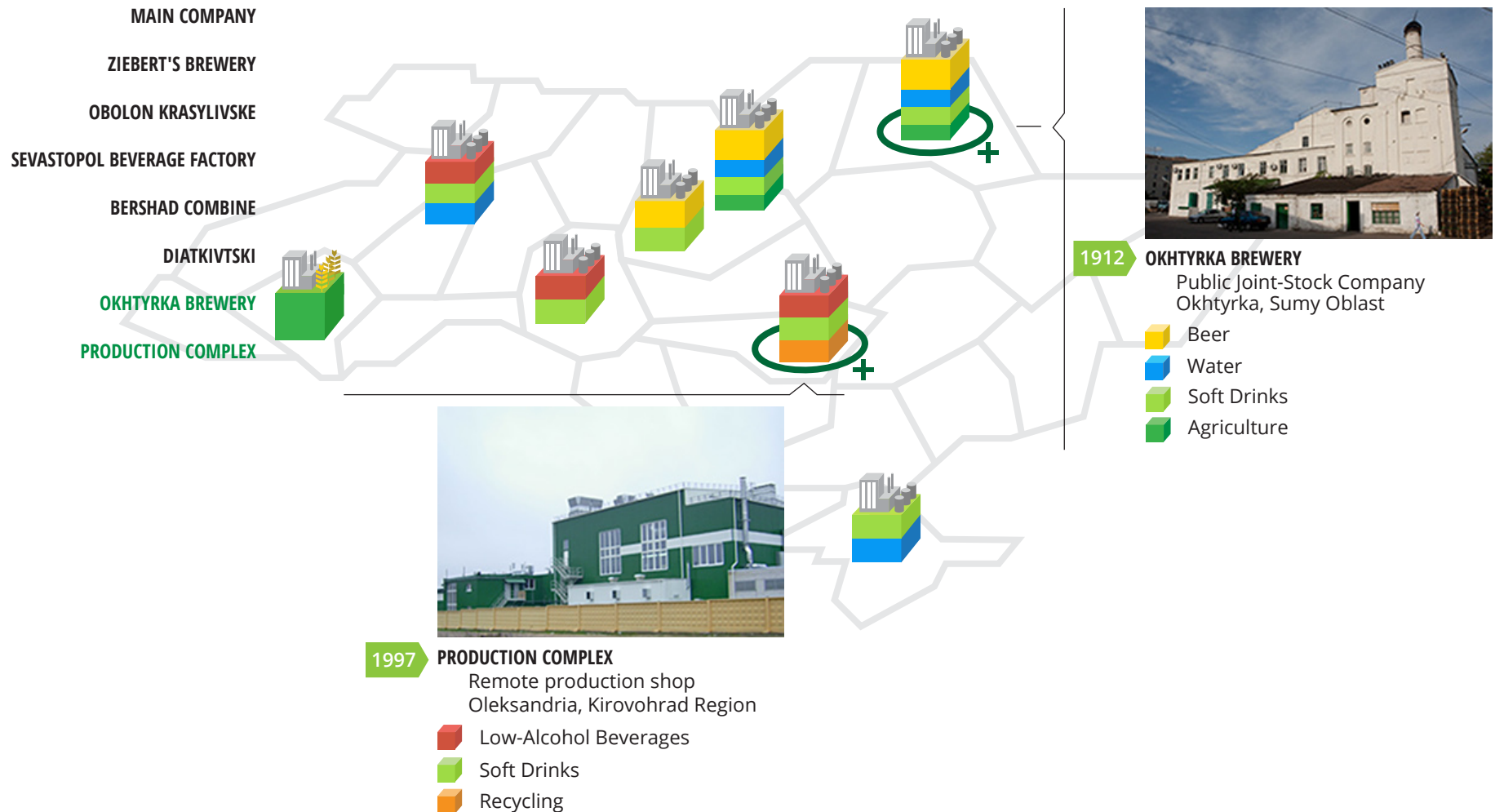
Bottling station # 3 of the main brewery commissions a 50-litre keg filling line, the first and only one in Ukraine at that time, for the needs of the restaurant businesses.
In November, Obolon received the Birmingham Torch international award 'For Successful Economic Survival and Development in a Socioeconomic Crisis'



CORPORATE STRUCTURE

1980 | 1986 | 1994 | 1996 | **1997** | 2006 | 2008 | 2014

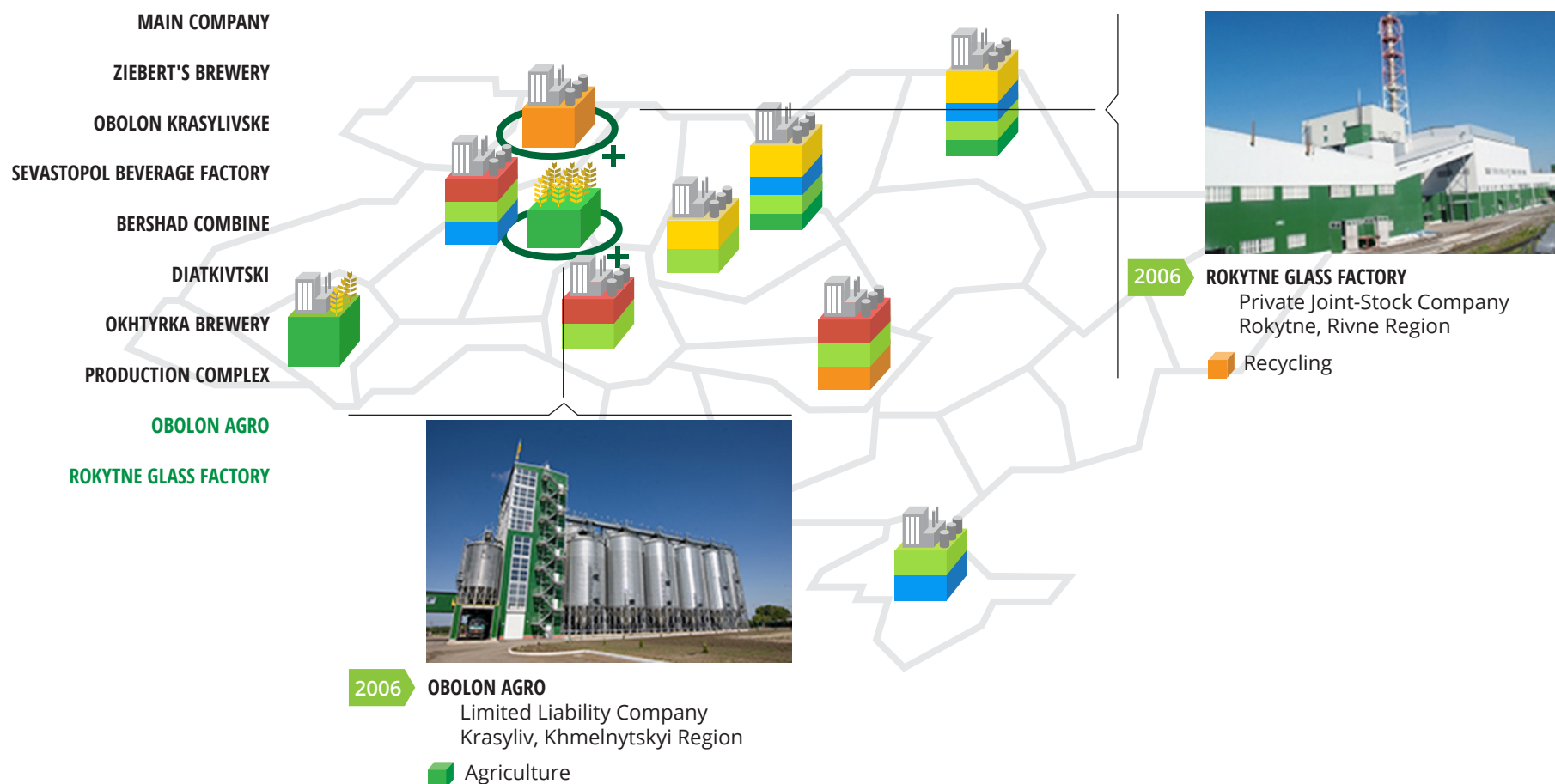
First four CCVs installed at the main brewery.
The company becomes the first in Ukraine to offer beer in tin cans.
For the first time in Ukraine, Obolon receives a USD 40 million credit from the European Bank for Reconstruction and Development without government guarantees. Funds received were used to finance strategic programmes.



CORPORATE STRUCTURE

1980 | 1986 | 1994 | 1996 | 1997 | **2006** | 2008 | 2014

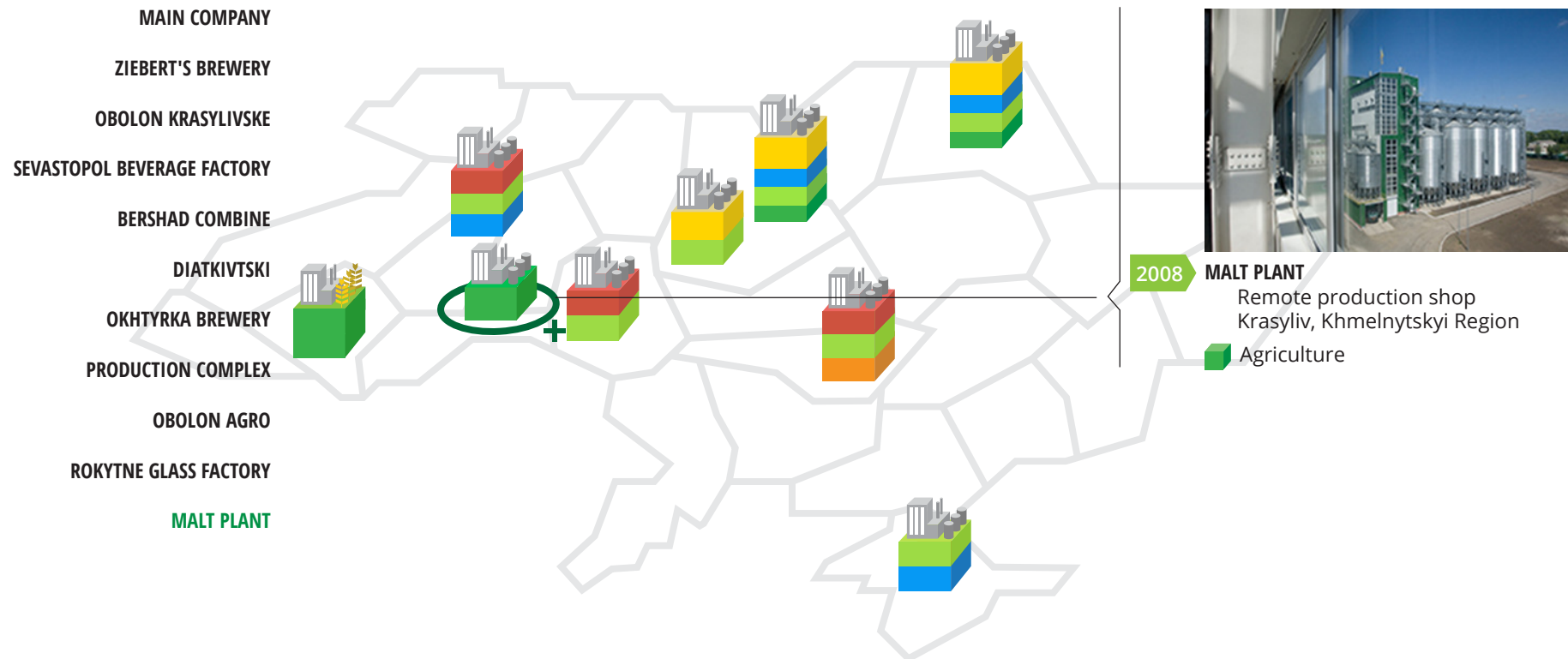
In December 2006, Obolon launches a new brand of drinking water, the Prozora trademark.
This April, the company's exports have reached Canada and France.



CORPORATE STRUCTURE

1980 | 1986 | 1994 | 1996 | 1997 | 2006 | **2008** | 2014

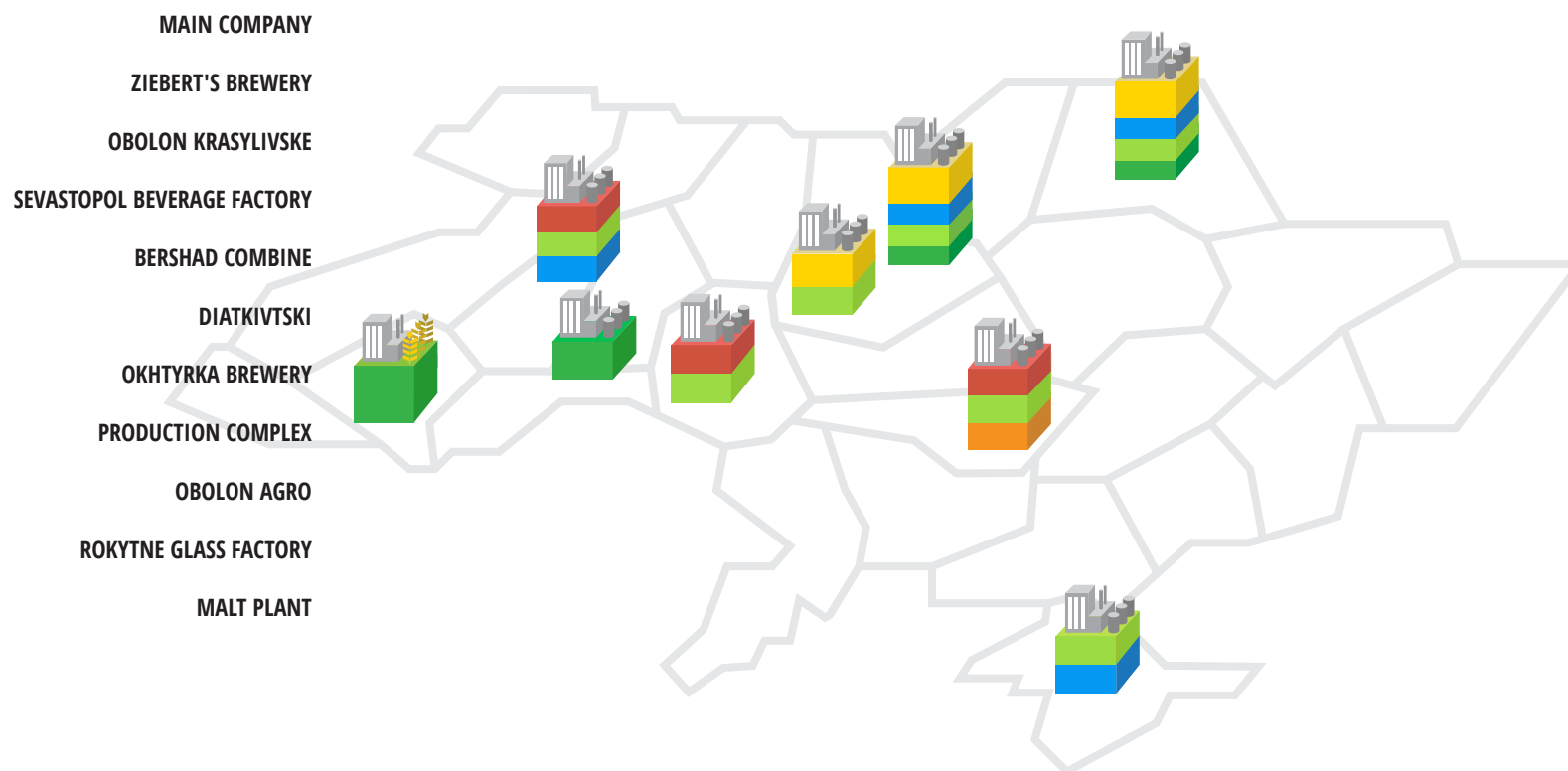
Obolon becomes the first company in the food industry to receive four management system certificates at once: ISO 14001: 2004, ISO 22000: 2005, ISO 18001: 2007, and ISO 9001: 2008



CORPORATE STRUCTURE

1980 | 1986 | 1994 | 1996 | 1997 | 2006 | 2008 | 2014

Over more than 10 years of the 'Open Obolon' tour programme, the corporation's main brewery has been visited by over 120,000 guests. Obolon set its personal record by recycling the largest amount of used packaging since the plant commissioning, 114.4 tons



CORPORATE MANAGEMENT



Oleksandr Slobodian
President

Strategic and Operative Planning

"For the Obolon Corporation, sustainable development is the philosophy of the company's long-term growth, which combines successful business with basic human values and social priorities. In our everyday operations, we aim at achieving better results; we realize our high responsibility for the people, environmental impact, social support, and improvement of the competitiveness of the national economy".



Olena Peresada
Director for Economics and Finances

Financial Policy
Asset Management
Financial and Economic Activity Planning
Financial, Tax, and Statistical Reporting

"We realize that, within the sustainable development framework, in addition to expanding the company operations and meeting the consumers' expectations, the profit received by the company has to be used for development of the society and protection of the environment. This is why the corporation makes significant investments into socially important projects each year".



Serhii Kravets
Director for International Economic Affairs

IEA Development
External Sales Channels Management
Product Promotion in the International Market

"While increasing its global coverage, the corporation reinforces the sustainable development foundations in the foreign markets. First of all, we establish transparent and honest relations with our international partners, and build up dialog with stakeholders in various countries around the globe. Our approach is proven to be correct by the fact that Obolon is currently represented in over 40 countries, and we continue advancing our trademarks and the Ukrainian brewing culture".

CORPORATE MANAGEMENT



Serhii Bloshchanevych
Chairman of the Supervisory Board,
Director for Personnel and Welfare

Personnel Management Organization
Labor Relations Regulation
Personnel Development
Social Partnership

"Sustainable development starts with people. Every year we put our efforts and investments into personnel development, stimulate talents, and encourage innovations and higher work efficiency. At the same time, we endeavor to make our best contribution to the welfare of local communities, since we are conscious of our responsibility to the society".



Oleksandr Bashkin
Marketing Director

Marketing Policy Formation and Implementation
Trademark Promotion and Popularization
Marketing Communications
New Products Promotion, Development of Innovations

"Adhering to the principles of sustainable development, Obolon carries out the policy of responsible marketing in all communications with the consumers. Some time ago the corporation was the first one among the national beverage producers to adopt the policy of responsible beer consumption, which it maintains till this day. In our communications, we regularly inform the company's audience and the general society about the advantages of our drinks, new products, and modern technologies, as well as about Obolon's sociocultural initiatives".



Viacheslav Kukushkin
Director for Capital Construction

Property Management
Construction, Capital and Current Repairs Management

"The construction and installation operations require significant resources and often cause environment pollution. In our everyday work, we do our best to develop and operate buildings with a high level of environmental safety, low energy consumption, and a guarantee of safety for the people using them".



Serhii Chernyshov
Production Director

Corporate Security
Protection of Confidential Information

"Obolon Corporation adheres to socially responsible approaches in the production of beverages. This means that we are taking all possible measures to guarantee the quality and safety of our products for the consumers. Additionally, while making an environmental impact in the course of our activities, we gradually reduce the consumption of water, gas, power, and other resources each year; we also reuse and recycle waste".



Anatolii Holosko
Director for Legal Support

Corporate Security
Protection of Confidential Information

"Forecasting the probable events and minimizing the undesirable consequences is a guarantee of stable and safe operation of the Obolon Corporation. Increased security is currently an important component of company sustainability. We ensure the creation and maintenance of favorable conditions for stable operation of Obolon by eliminating or reducing the political, legal, financial, economic, and physical risk factors".



Rostyslav Komarovskiy
Materials and Equipment Supply Director

Corporate Security
Protection of Confidential Information

"The network of the Obolon Corporation's suppliers includes various groups of companies, associations, and businesses. In order to increase the responsibility and promote transparent interaction with our partners, we establish the cooperation standards based on the principles of honesty, openness, ethical business management, and environment protection".

CORPORATE MANAGEMENT



Maksym Navolskyi

Sales Director

Sales Organization and Management
Sales Network Management
Partner Network Management
Logistics Management

"Positive market reputation is a guarantee of good relations with the partners. Obolon's transparent and honest partnership policy helped it gather a wide distribution network in Ukraine. Today, its products are represented in all sales channels, from hypermarkets to small trade outlets in remote areas, which gives the consumers maximum access to our beverages".



Ihor Bulakh

Chief Executive Officer

Strategic Planning
Current Management
Occupational Safety

"Obolon has a long history of effective implementation of socially important projects. Back in the late 1990s, the company was one of the first to lay the foundations of the today's responsible Ukrainian business. Today, the progress made by the corporation on its way to sustainability demonstrates that our systemic work, trust of our consumers, and dedication of our employees are the foundations for our success".



Ivan Horban

Technical Director

Technical Policy
Technical and Technological Supervision
Upgrading and Modernization
Technological Development Planni

"All production units of the corporation are equipped with the most recent and modern equipment that ensures the personnel safety, minimizes the environment pollution, and guarantees the high quality of the products. We apply innovative solutions in all operations in order to ensure higher work efficiency and get an opportunity to get ahead of our competitors".



Andrii Yareshko

Director for Corporate Affairs and Development

Regional Development
Operative Planning
Crisis Management

"By doing business in remote regions, we directly influence the life of the local communities and stimulate their development. In our work, we want to achieve mutually beneficial cooperation at the local level; for this purpose, we invite all interested parties to become our partners. Our priorities include developing production facilities and creating jobs in the regions to stimulate economic activities".



Valentyna Mykusevych

Quality Director

Product Quality Management and Assurance
Product Safety

"We operate in a way that is transparent and responsible to all our stakeholders, as evidenced by the independent outside audit. The company's management system guarantees high quality of products and all processes. Our requirements to the quality of the raw materials are higher than those of the current government standards, which ensures quality and safety of our products".



Oleksii Chechyk

Director for Information Technologies

Information Security
Information and Database Protection
Information Systems Support

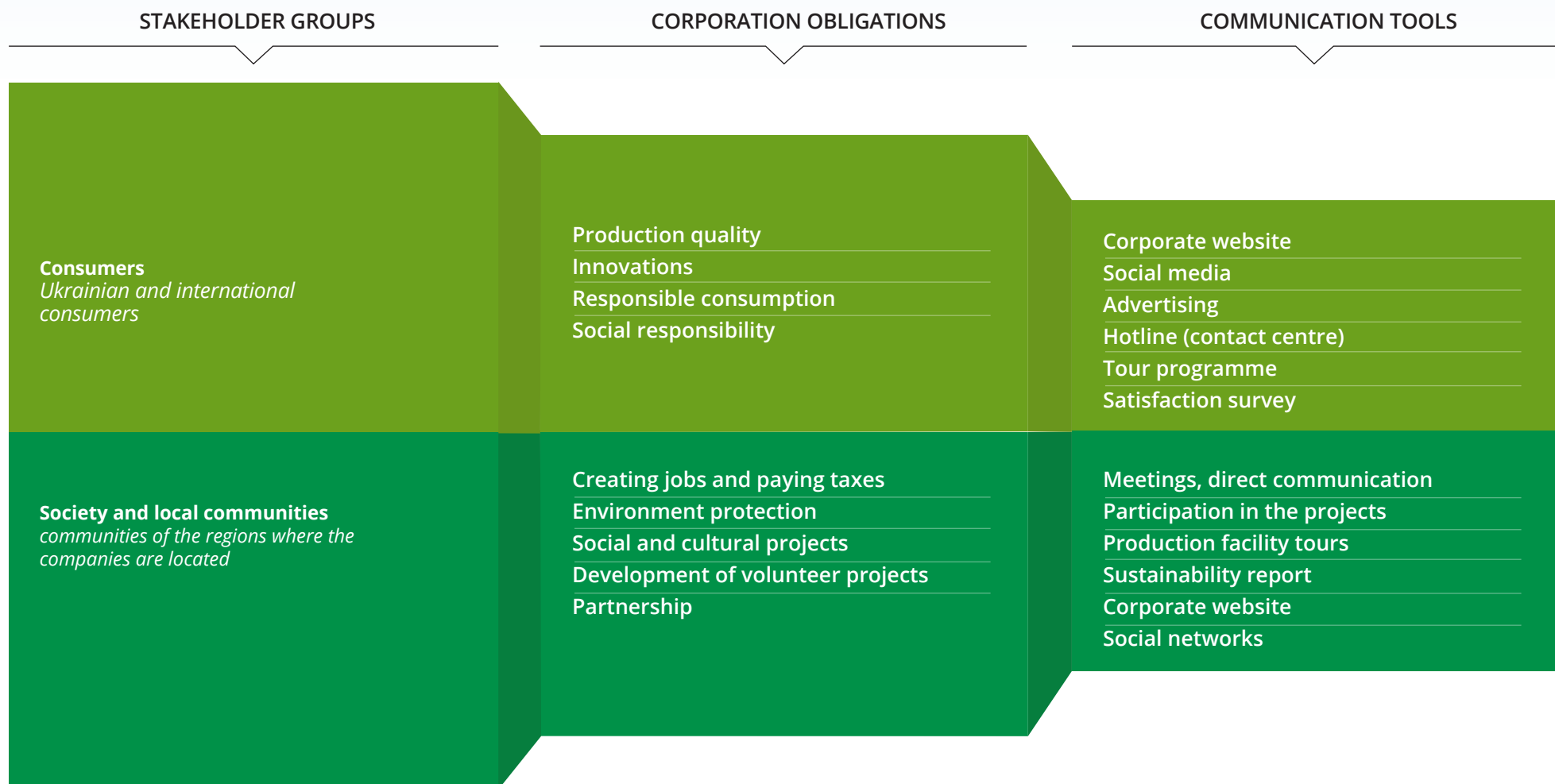
"In the current environment, IT is the key to efficient company operation, which is why our IT service never stops working to improve the information area of the corporation and provision of the management with quick access to the management accounting system. It creates proper conditions for safe operation of the automated production lines. We guarantee the reliability of the information environment of the corporation when working with the partners, suppliers, consumers, and other target groups".

STAKEHOLDERS

Building relationships of trust and cooperation in the market begins from taking into account the needs of all parties concerned (stakeholders) of Obolon Corporation. The corporation has several important obligations to each group of stakeholders and uses specific communication channels for successful and transparent interaction.

STAKEHOLDER GROUPS	CORPORATION OBLIGATIONS	COMMUNICATION TOOLS
Shareholders <i>share owners, banking structures</i>	Formation of the corporate value Timely information Avoidance of insider operations with securities Risk control and prevention	Financial statements Briefings Project Roadmap Corporation's official website Sustainability rankings
Personnel <i>employees of all structural units and companies</i>	Occupational safety Adequate compensation Non-discrimination and equal rights Gender equality Investments in professional growth and development Acknowledgment of results	Studies, surveys Focus groups Consultations Specialist exchange Cooperation with the trade union Intranet, corporate media

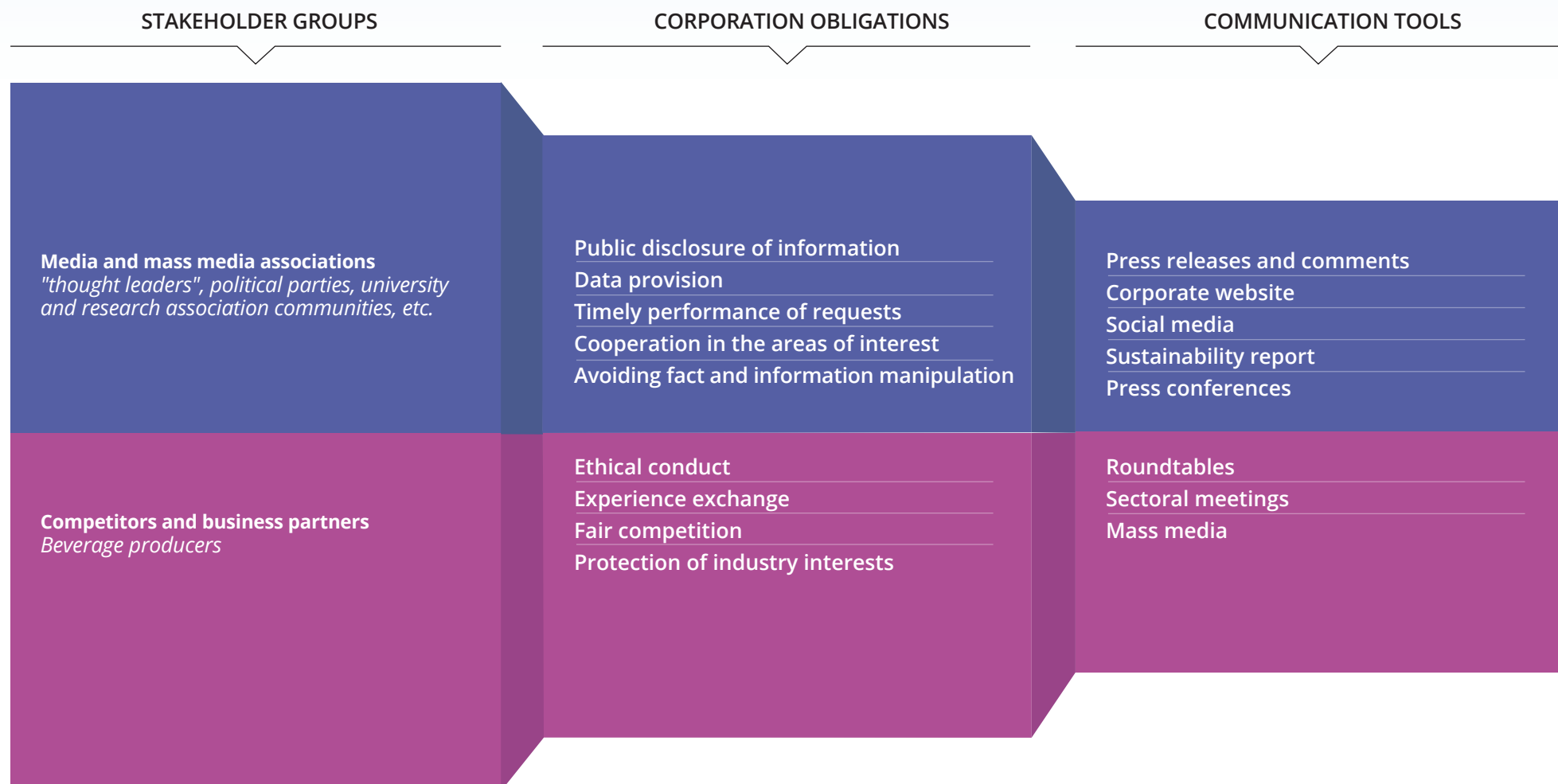
STAKEHOLDERS



STAKEHOLDERS

STAKEHOLDER GROUPS	CORPORATION OBLIGATIONS	COMMUNICATION TOOLS
Government agencies and associations <i>communities of the regions where the companies are located</i>	Providing information on operations Performance of agreements and arrangements Paying taxes Compliance with the law	Regular meetings Personal meetings Participation in the technical committee operations Representation in management bodies Reporting
Suppliers and distributors <i>Legal entities or individuals</i>	Fair competition Transparent procurement Ethical conduct Performance of agreements and obligations Performance of guarantees Anti-corruption procedures	Official website Sustainability report Presentations Working meetings Sectoral exhibitions

STAKEHOLDERS



STAKEHOLDERS

Obolon maintains constructive dialogue with all stakeholder groups through various communication channels. Obolon values partner feedback and implements all requests and recommendations in its everyday activities

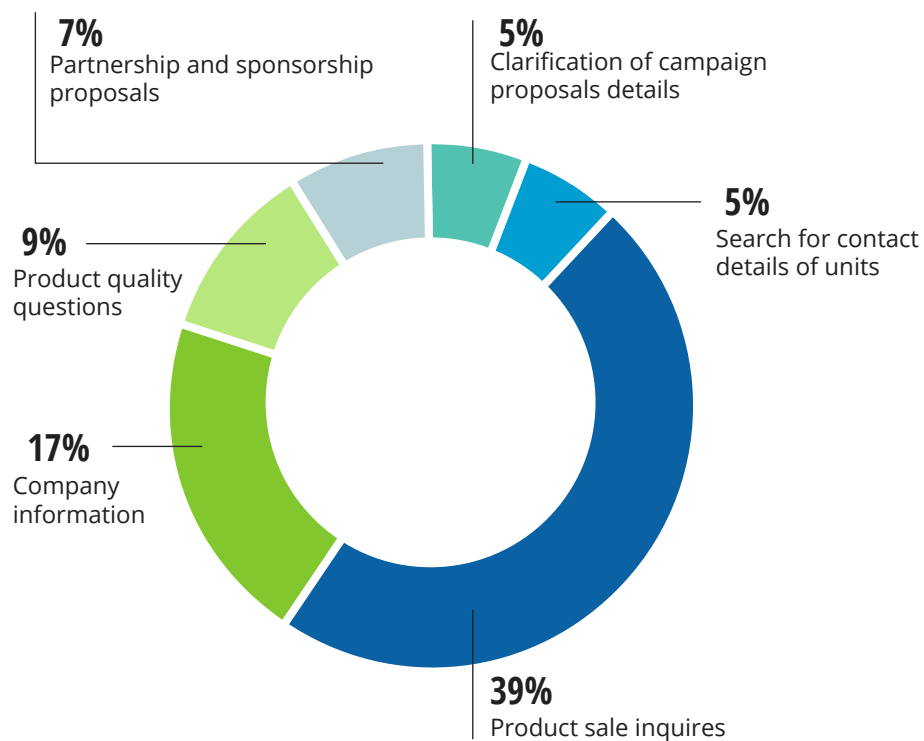
HOTLINE

The Hotline received 19.5 inquiries in 2013.

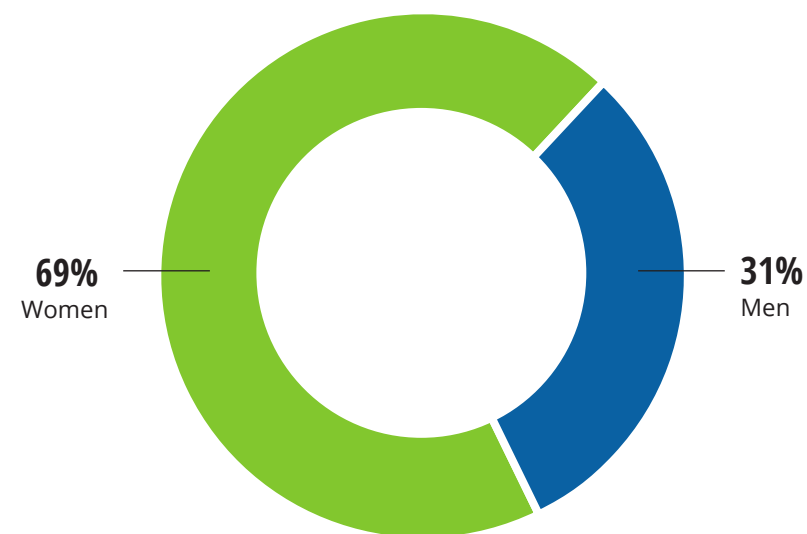
One of the forms of stakeholder interaction for the company is communication via the direct Hotline number, 0 800 507 300.

The Hotline received 19.5 inquiries in 2013.

INQUIRY SUBJECTS



CALLERS BY GENDER



STAKEHOLDERS

"OPEN OBOLON" TOUR PROGRAMME

The number of visitors of the Obolon brewery tour over the project lifetime equals the population of Uzhhorod (Zakarpattia Region) or Lysychansk (Luhansk Region) (according to the State Statistics Committee data as of 2013).

Another form of Obolon's stakeholder communications is the programme of "Open Obolon" tours to the company's production facilities. The tours allow all groups of the corporation's partners to see the details of company operation and beverage production process, and talk directly to the corporation employees.

- "Open Obolon" Tour Programme has existed for 12 years.
- 120,501 persons have visited the Obolon brewery during the tours.
- 4,292 Obolon tours were held in 2002-2013.

SOCIAL MEDIA

Information about the Obolon Corporation is also presented in the social media, such as Facebook, YouTube, and LinkedIn, where the company communicates with beverage consumers.

SOCIAL MEDIA ACTIVITY



All stakeholders have the opportunity to contact the Obolon Corporation press service with questions and proposals using the e-mail address and telephone number indicated at the company's official website at www.obolon.ua in the "Contacts" section.



The number of visitors of the Obolon brewery tour over the project lifetime equals the population of Uzhhorod (Zakarpattia Region) or Lysychansk (Luhansk Region) (according to the State Statistics Committee data as of 2013).

STAKEHOLDERS

SUPPLIER RELATIONS

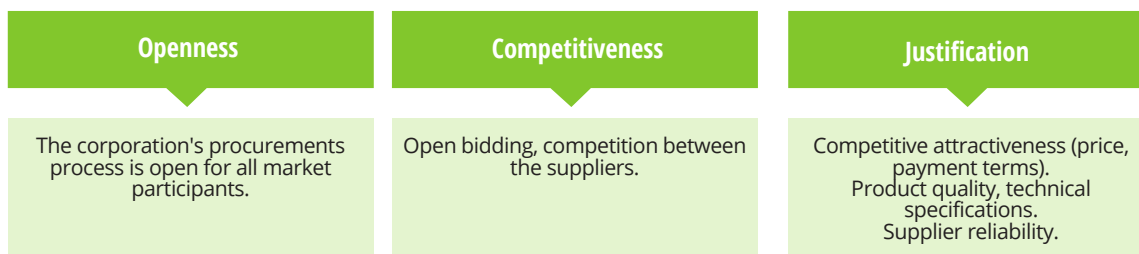
Obolon is a demanding company; our suppliers know exactly what we expect from them, and what one can expect from us. Our relations are based on properly executed agreements, compliance with the provisions of law, and transparency of operations.

The Obolon Corporation companies interact with a large number of suppliers who support the production process with raw and auxiliary materials, providing production and non-production services.

Potential suppliers can take part in the electronic bidding procedure (APS Tender system) on open and transparent terms at: www.obolon.aps-tender.com

Two large groups of goods and major suppliers can be identified in the "open market" procurements:

PROCUREMENT PRINCIPLES



For each separate amount of raw materials, goods or services, Obolon selects suppliers through competitive procurement procedures. The company does not establish long-term relations with the majority of suppliers. Obolon does not state specific or other requirements which may limit the number of bidders and violate the anti-monopoly law of Ukraine.

The bidding conditions are specified at Obolon's official website in the Tenders section.

Obolon's procurement procedure passes through several mandatory procedures and verifications:

1 Bidding Committee

Establishes the nature and procedure of procurement by the Obolon Corporation.

2 Obolon Corporation Integrated Management System

Establishes the safety and quality of the raw materials, products, and materials of the suppliers.

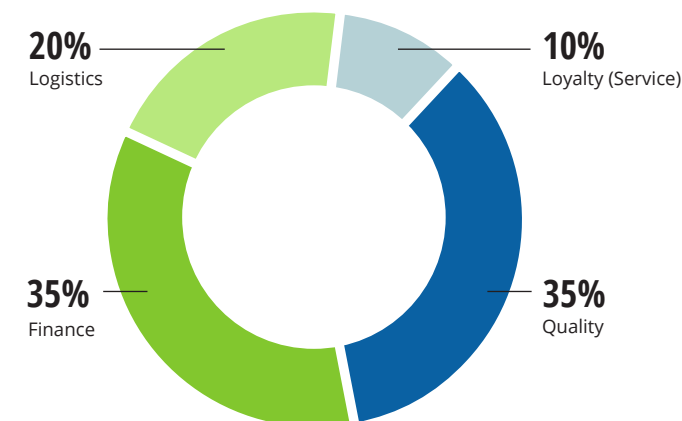
3 Obolon Corporation Security Service

Verifies the bidders for compliance with the Ukrainian law

4 Production and Radiology Laboratories and Technical Supervisions Department

Verify the supplies and materials

SUPPLIER ASSESSMENT BY OBOLON CORPORATION, 100%



STAKEHOLDERS

COOPERATION WITH ORGANIZATIONS

In order to work effectively in the domestic and international markets, share experience and disseminate its own successful practices among the partners in the business environment, Obolon Corporation has entered several national organizations.

1992 *Ukrainian Union of Industrialists and Entrepreneurs*

<http://uspp.ua/>

National non-profit non-governmental organization established for protecting economic and social interests of the Ukrainian industrialists and entrepreneurs.

1992 *Ukrainian Chamber of Commerce and Industry*

<http://www.ucci.org.ua/ua/main.html>

Non-governmental non-profit self-governing organization bringing together legal entities, individuals, and associations of the above. A member of the International Chamber of Commerce. The purpose of the Chamber is to create favourable conditions for entrepreneurial activity and promote research, technical and commercial relations between Ukraine and other countries.

2007 *UN Global Compact*

<http://www.globalcompact.org.ua/ua>

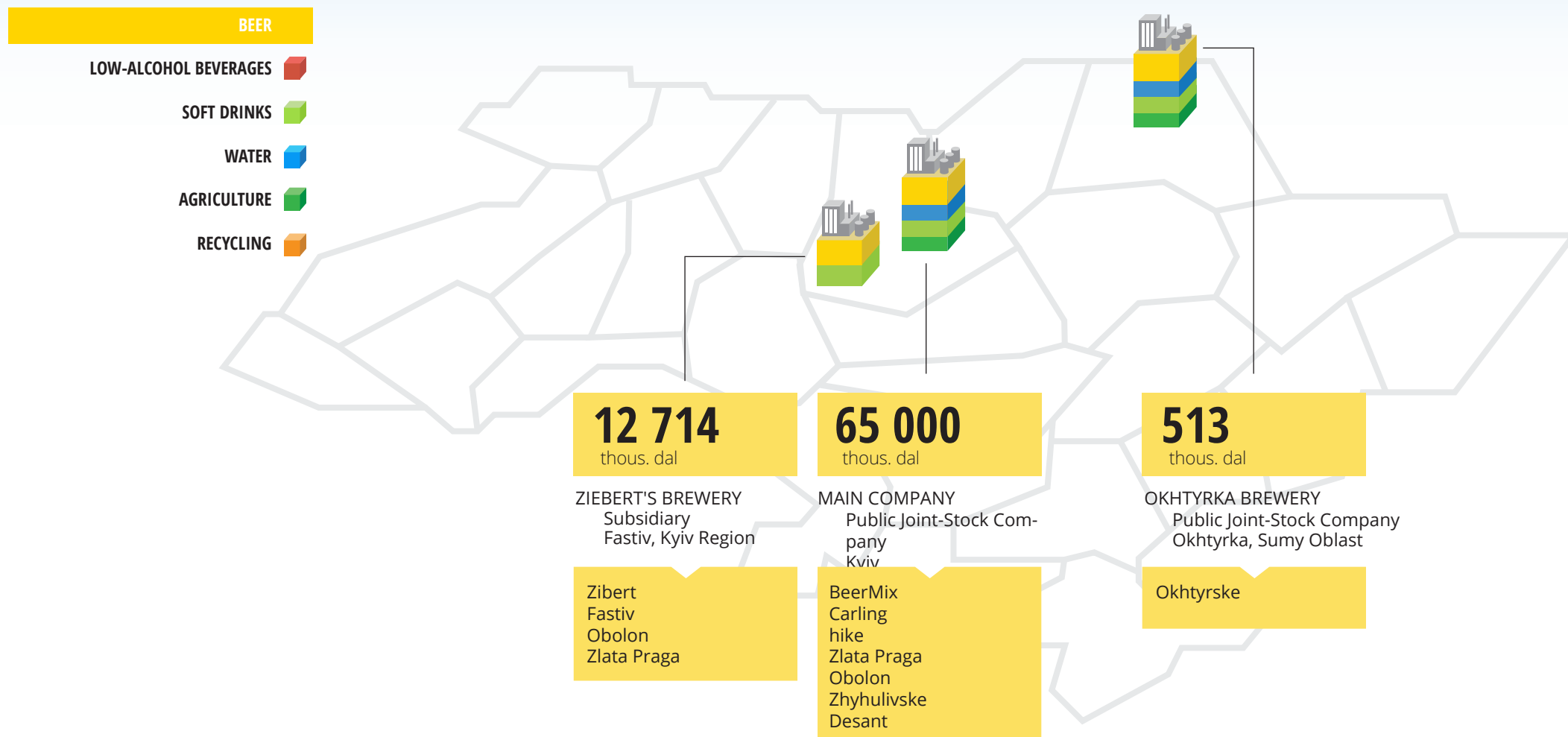
A UN initiative intended to promote social responsibility in business and assist the business community in addressing the problems of globalization and establishment of a stable and comprehensive economy.

2013 *Centre for CSR Development*

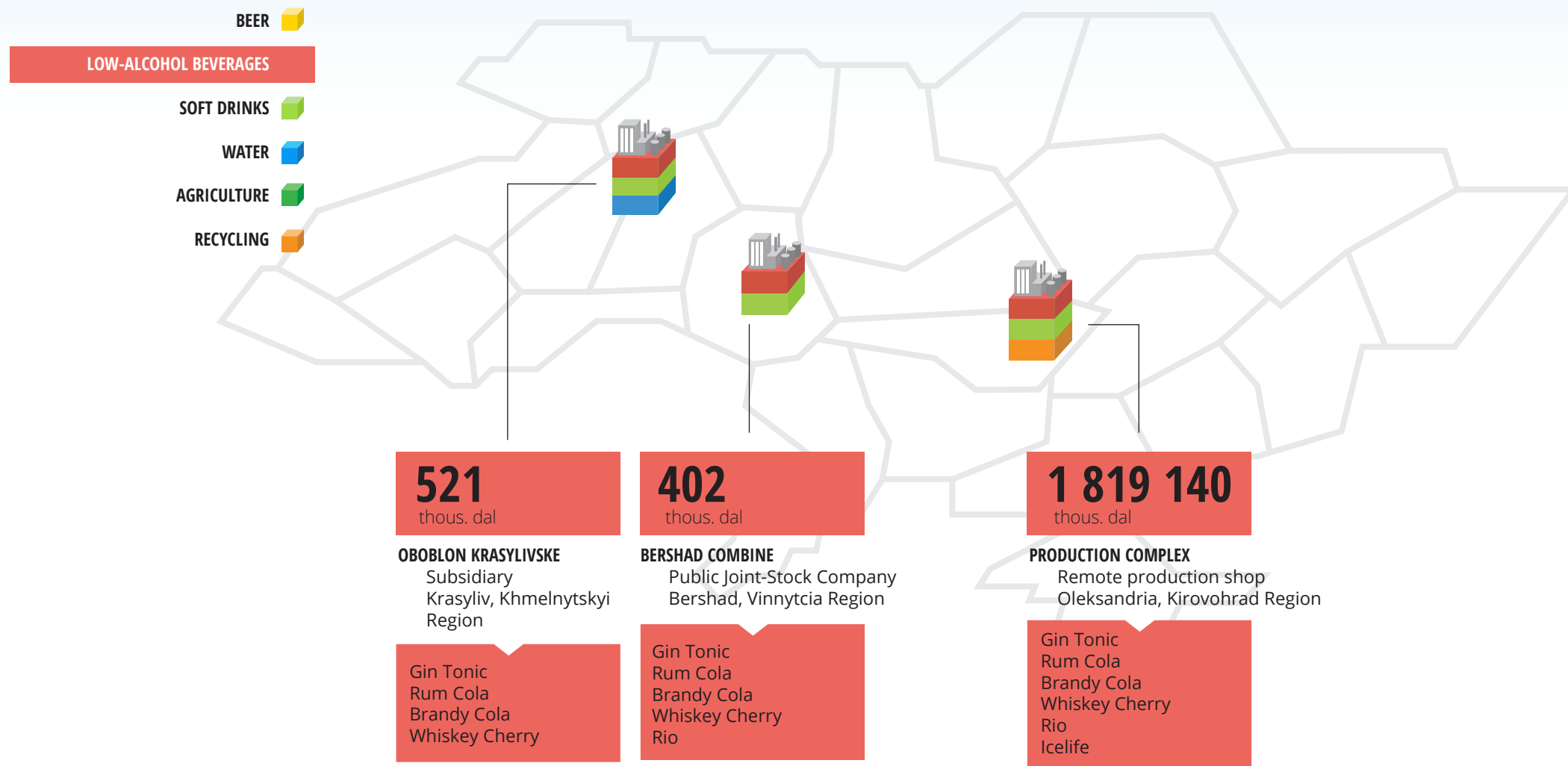
<http://csr-ukraine.org/>

Leading independent expert organization for corporate social responsibility.

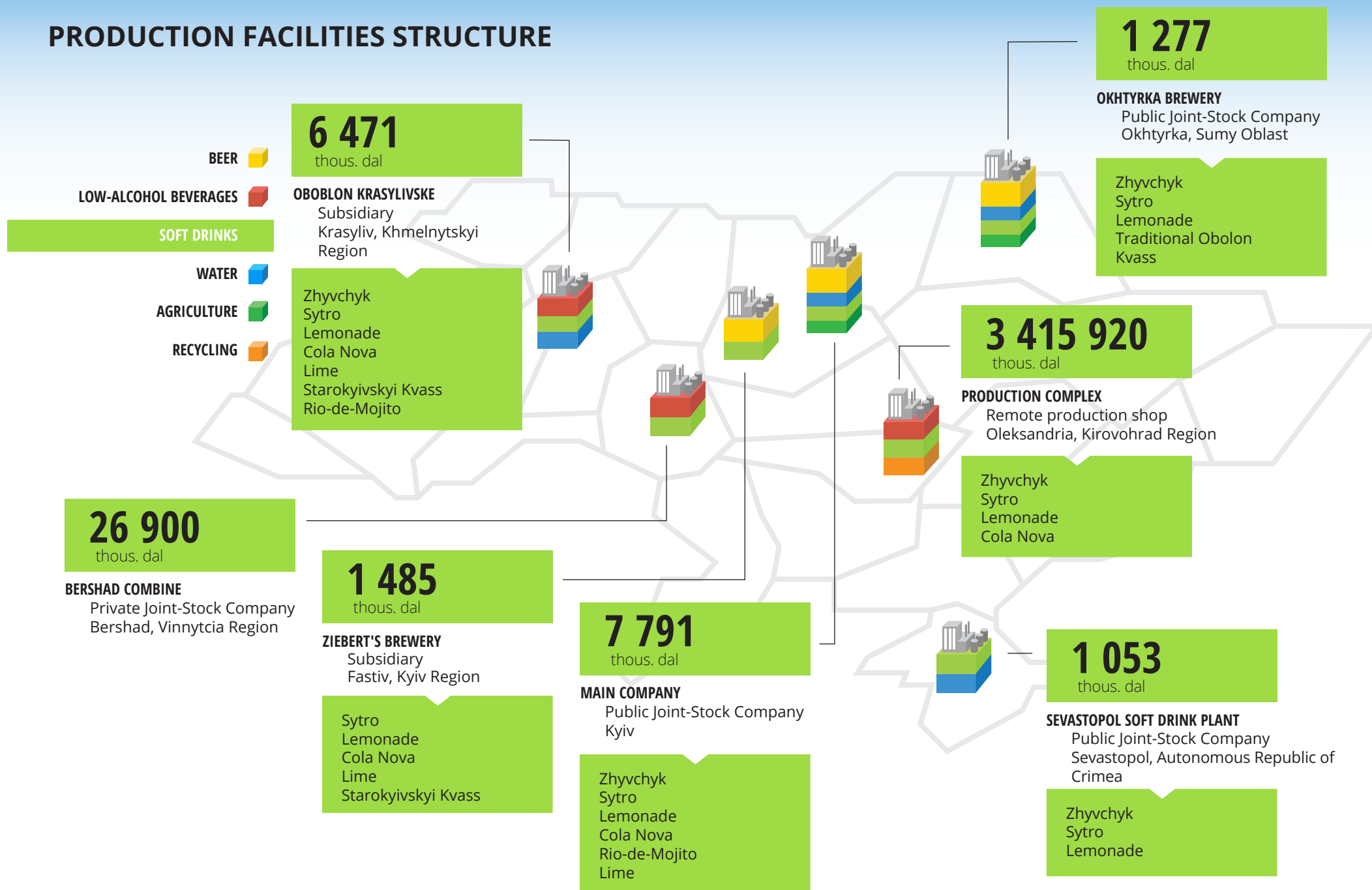
PRODUCTION FACILITIES STRUCTURE



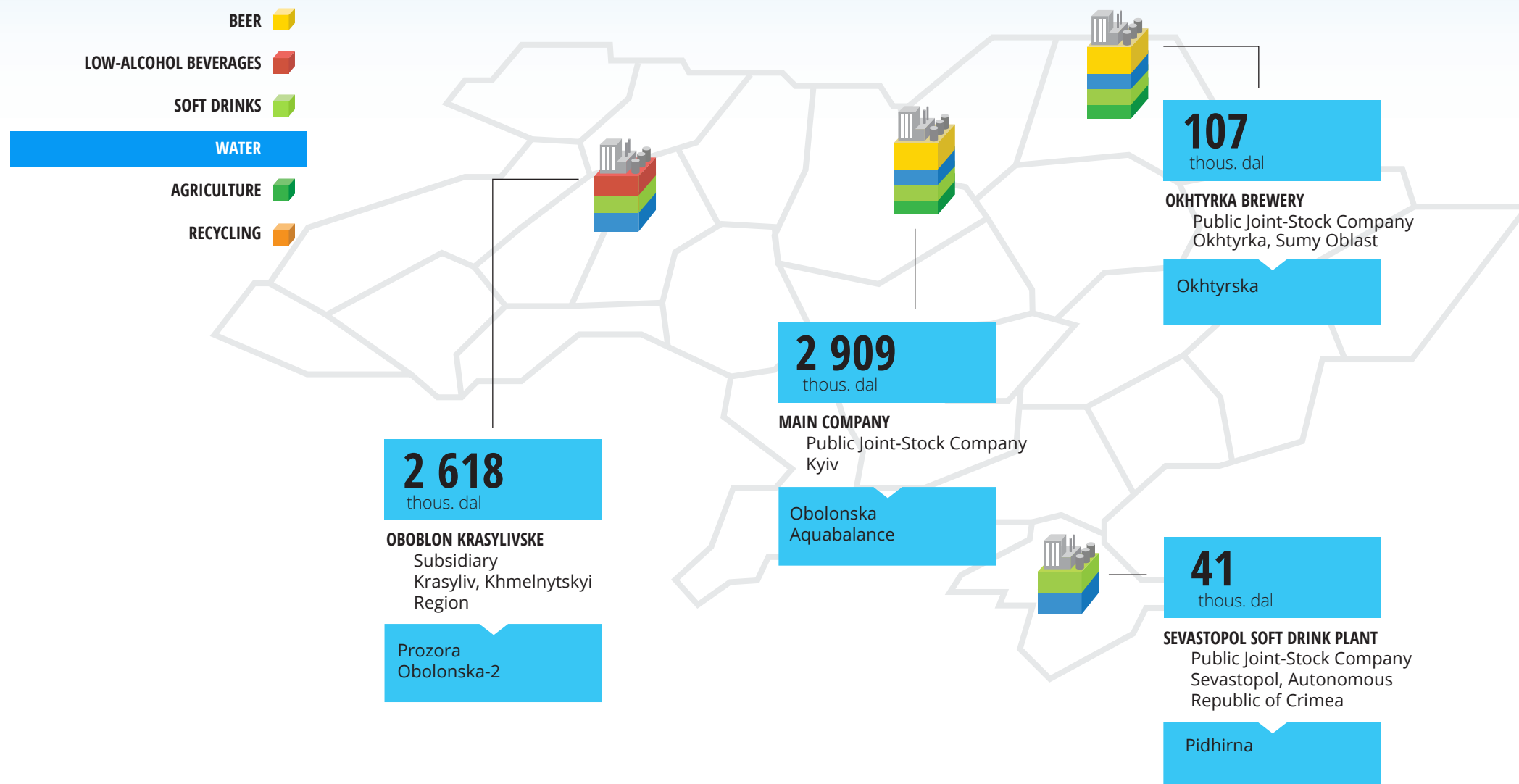
PRODUCTION FACILITIES STRUCTURE



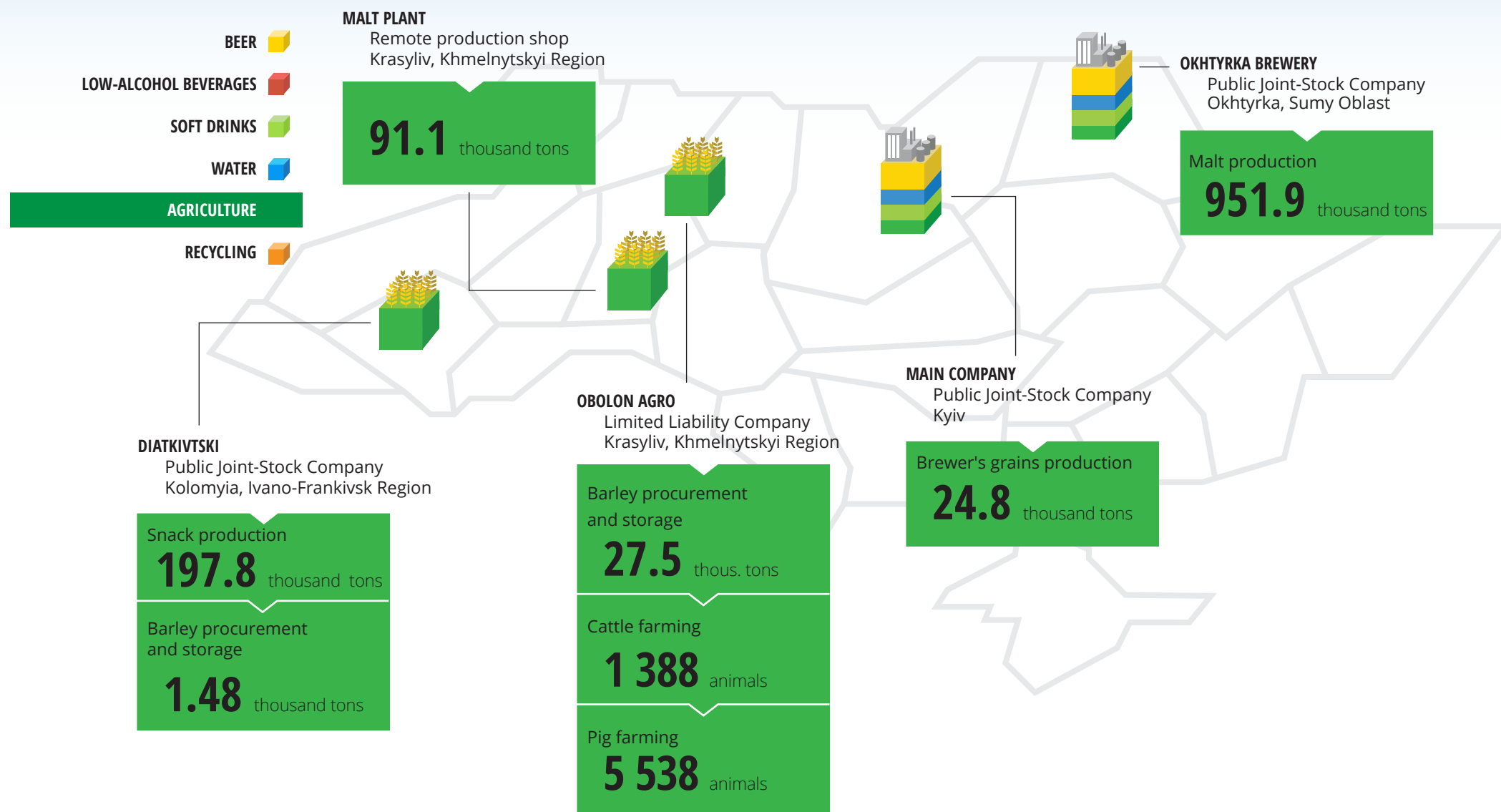
PRODUCTION FACILITIES STRUCTURE



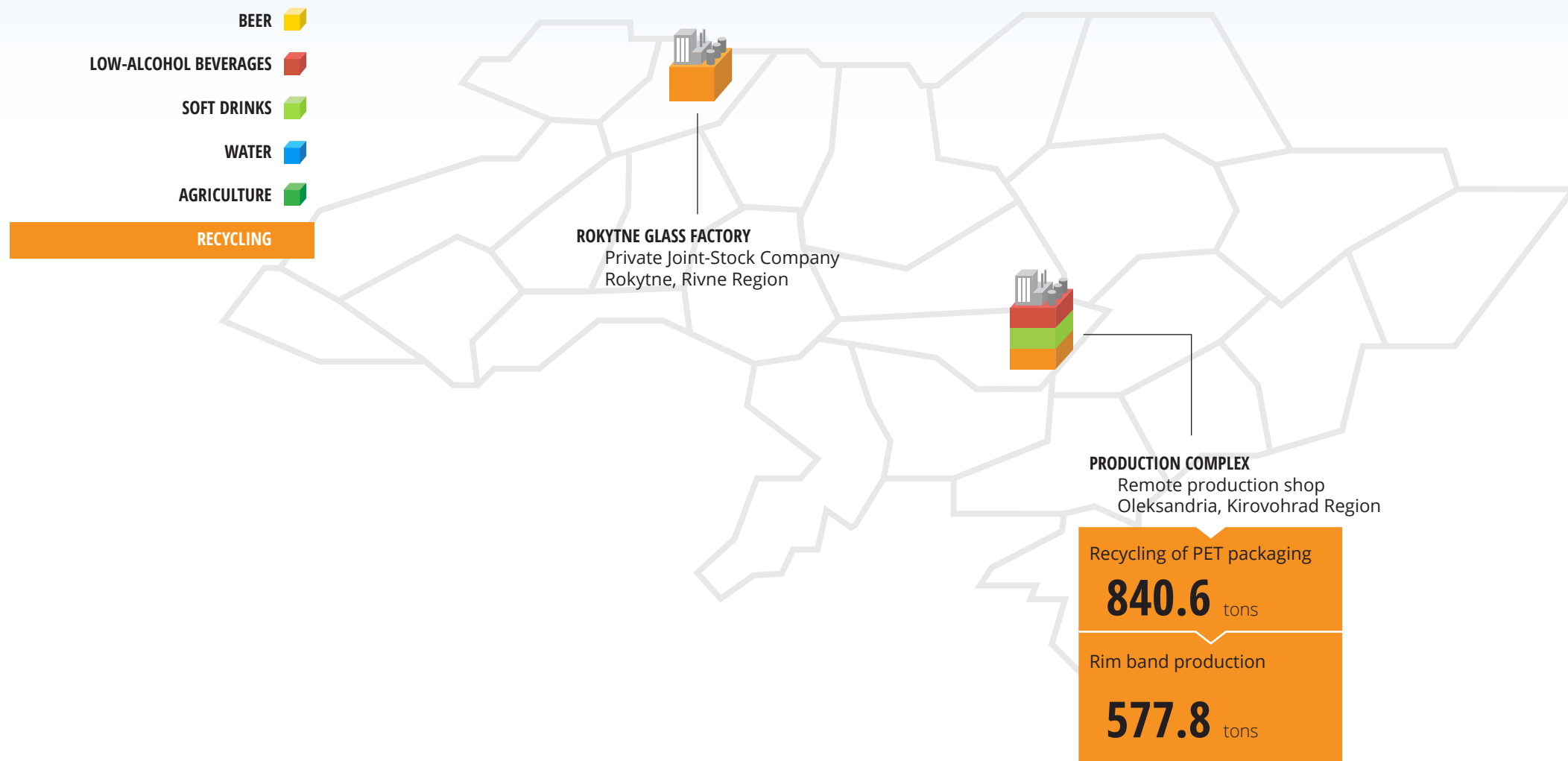
PRODUCTION FACILITIES STRUCTURE



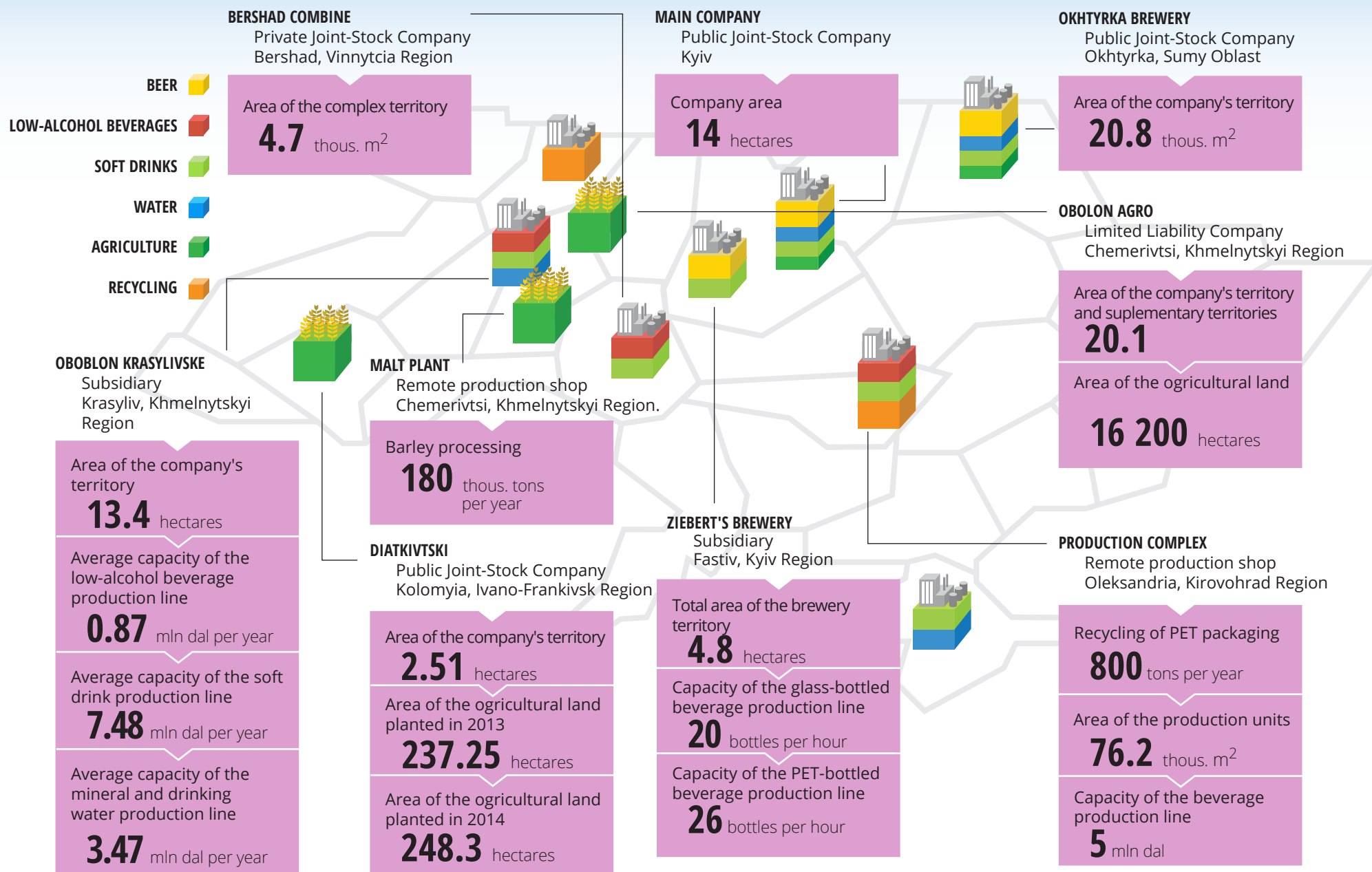
PRODUCTION FACILITIES STRUCTURE



PRODUCTION FACILITIES STRUCTURE



PRODUCTION FACILITIES STRUCTURE



BRAND PORTFOLIO



Premium
Soborne
Zhyve
Mitsne
Oksamytove
Alcohol-free
Svitle
Rozlyvne



Bavarian
Svitle
Bochkove
Weissbier



Svitle
Cherne



Svitle
Zhyhulivske



Cherry
Lemon
Raspberry
Energy
Pomegranate
Lemon non-alcoholic



Husarske
Kozatske
Zolote pero
Svitle
Traditional
Zhyhulivske



Svitle
Mitsne



Export

BRAND PORTFOLIO



LOW-ALCOHOL DRINK (LAD)

SOFT DRINK (SD)

Apple
Pear
Lemon
Still
Cherry
Cherry Still
Unik
Orange

de Mojito,
Margarita,
Pina Colada

Cola
Lemon

BRAND PORTFOLIO



WATER

ОБОЛОНСЬКА

Strongly carbonated
Lemon

АкваБаланс

ПРОЗОРА®

Strongly carbonated
Still

ОБОЛОНСЬКА-2'

Strongly carbonated
Still

ОХТИРСЬКА

Підгірна

SNACK



Barbecue
Sour Cream and Greens
Cheese
Aspic and Horseradish
Red Caviar
Bacon
Crab

INTEGRATED MANAGEMENT SYSTEM

Obolon is a leader in implementing a quality management system.

In 1998, Obolon was the first company in the Ukrainian food industry to obtain an ISO 9000 quality management certificate. This changed the corporation's business philosophy and organizational culture, and introduced a system of total product quality management.



"We were the first to receive an ISO 9001 Certificate among the food industry companies. It was a breakthrough, first of all for us, and a turning point in the corporation's history. Today, the corporation has an integrated management system based on four standards; every year, we confirm to international auditors our compliance with all standard requirements."

Valentina Mikusevich
Obolon's Quality Assurance Director

Now, the corporation has certified and adopted ISO 9001:2008 version. ISO 9001 is a powerful tool in the company's management arsenal and an effective marketing mechanism. ISO 9901 is optional. This system has a recommendatory character. ISO certification is conducted by specifically accredited certification authorities. Obolon cooperates on a regular basis with DEKRA Certification Kit (Germany).

ISO 9000 is a series of international standards regulating the requirements for the corporation's quality management system. ISO standards are regularly revised and updated.

INTEGRATED MANAGEMENT SYSTEM

Quality
Management System
ISO 9 001
2008

Environmental
Management System
ISO 14 001
2004

Food Safety
Management System
ISO 22 000
2005

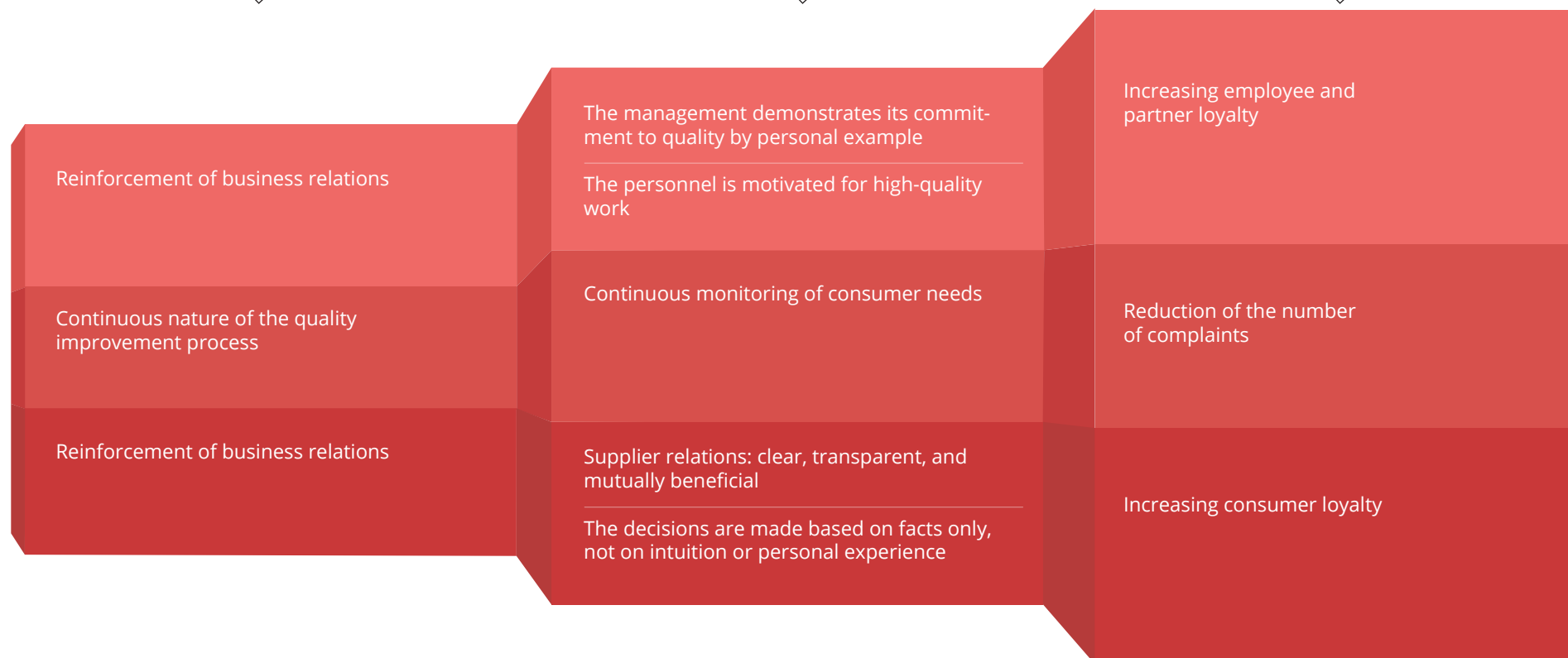
Occupational Health and Safety
Management System
OHSAS 18 001
2007

A system of connected processes aimed at meeting customer needs, continuously improved through management leadership and personnel involvement, based on facts and mutually beneficial relations with suppliers

GOAL

MEANS

RESULT



INTEGRATED MANAGEMENT SYSTEM

Quality
Management System
ISO 9001
2008

Environmental
Management System
ISO 14 001
2004

Food Safety
Management System
ISO 22 000
2005

Occupational Health and Safety
Management System
OHSAS 18 001
2007

Development and implementation of the company's environmental policy and management of the environmental aspects.

GOAL

MEANS

RESULT



INTEGRATED MANAGEMENT SYSTEM

Quality
Management System
ISO 9001
2008

Environmental
Management System
ISO 14 001
2004

Food Safety
Management System
ISO 22 000
2005

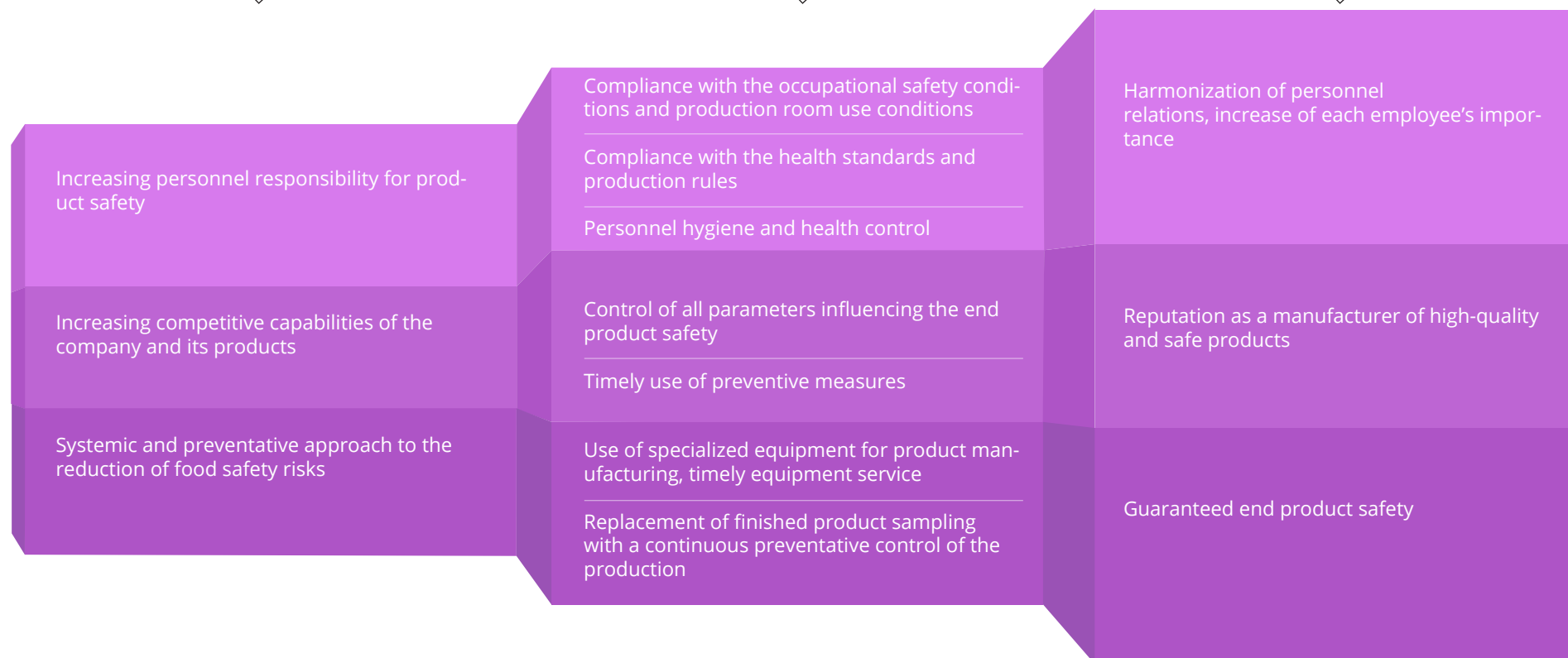
Occupational Health and Safety
Management System
OHSAS 18 001
2007

A preventive system to ensure the safety of food products (continuous analysis of hazards and verification of critical control points at all production stages).

GOAL

MEANS

RESULT



INTEGRATED MANAGEMENT SYSTEM

Quality
Management System
ISO 9001
2008

Environmental
Management System
ISO 14 001
2004

Food Safety
Management System
ISO 22 000
2005

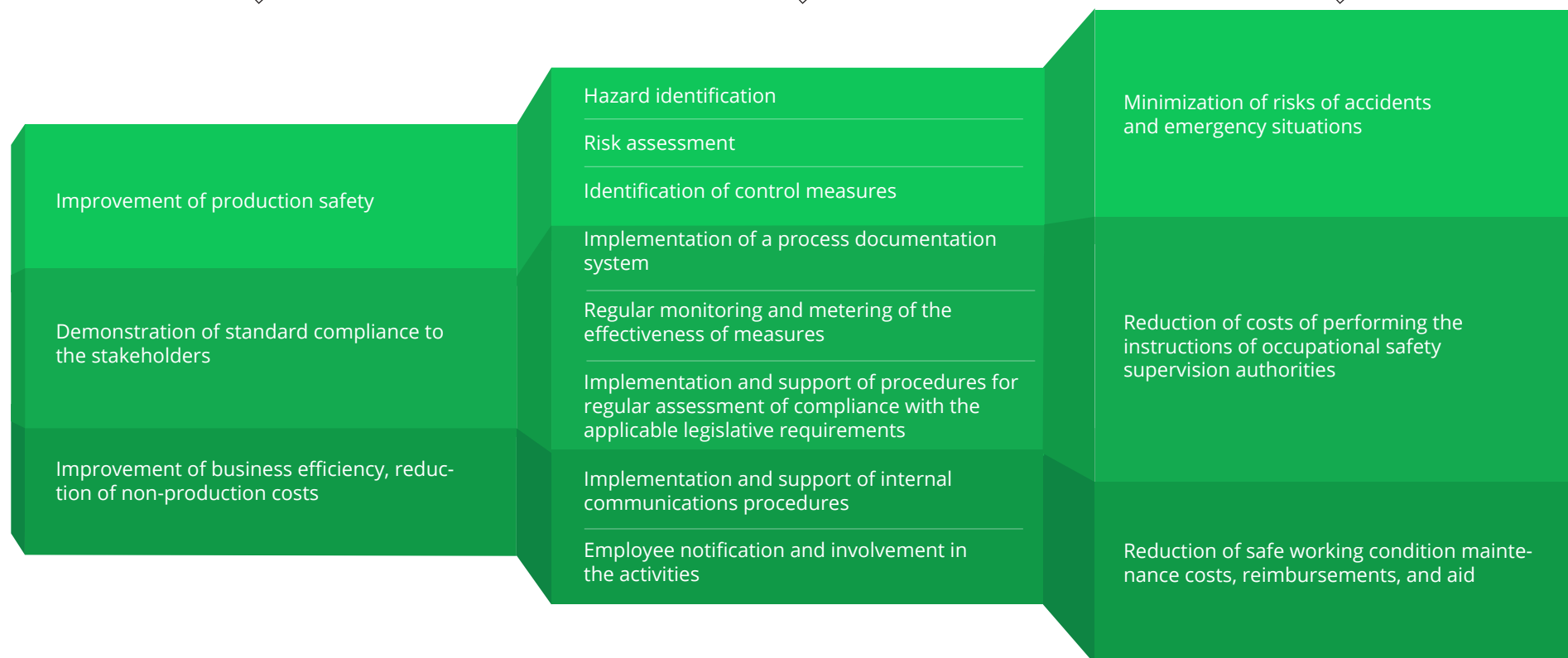
Occupational Health and Safety
Management System
OHSAS 18 001
2007

Makes it possible to manage the risks in the area of occupational health and safety, and improve performance in this area.

GOAL

MEANS

RESULT



INNOVATIONS

Obolon was the first among former Soviet companies that started to export beer.

- 1989 Obolon was the first to start export supplies of beer to European countries and the USA. The beer under the Obolon trademark was accepted worldwide as a traditional Ukrainian beer.
- 1989 The first batch of Zhiguli Beer was supplied to Great Britain.
- 1994 At the initiative of O. Slobodyan, the company's President, Obolon was the first in Europe to create a market of low-alcohol drinks (Gin Tonic, Rum Cola, Brandy Cola, etc.)
- 1998 Obolon was the first in Ukraine to start marketing beer in its own glass bottle under the NRW standard.
- 1999 Obolon established a PET packaging segment in the 1 and 2 litre Ukrainian beer market and produced 30-litre kegs for restaurants and bars.
- 1999 The legendary Zhyvchyk soft drink entered the market and quickly won popularity with a wide range of consumers.

Today, Zhyvchyk is the leader in the soft drinks market.

- 2001 Release of Zhyvchyk Unique, a soft drink that contains fructose instead of sugar.
- 2003 The company released a 5-litre beer pin, 'Obolon' and 'Obolon Non-Alcoholic'.
- 2004 Налагоджено випуск світлого пива «Класичне» у ПЕТ пляшці ємністю 1 л.

4 cutting edge laboratories of the Obolon brewery, namely experimental, production, and radiological laboratories as well as a technical control unit ensure continuous formula improvements, product quality analysis, and development of innovative products.

- 2008 The company commissioned a plant for processing spent grain into granules at its main brewery. The innovative project extended the portfolio of the company's environmental programmes.
- 2008 The company opened a malting plant in Chemerivtsi. It is one of the most advanced European enterprises in terms of equipment and technology levels.

Obolon's history has a number of facts proving its innovative character. Built under a Czech project, the brewery started making beer that quickly gained a wide popularity.

Obolon was the first in Ukraine to use new packaging, PET and tin cans, as well as its own branded bottle.

USD 100 million

have been invested in the Malting Plant construction project.

TECHNOLOGIES

To improve the quality of beverages and all production processes, the company renovates its equipment regularly. This makes the company a leader both in Ukraine and in Europe in general in terms of its technological excellence.

- 1993 Obolon commissioned a 0.33 l beer bottling line.
- 1995 On September 1, the company commissioned the first Ukrainian PET bottling line for soft drinks in Filling Shop No. 6.
- 1996 The first Ukrainian beer filling line for 50-liter kegs for restaurants was brought into operation in Filling Shop No. 3 at the main factory.
- 1997 At the end of the year, Obolon was the first in Ukraine to commission a 24-thousand filling line for beer, soft and low-alcohol drinks in aluminum cans.
- 1998 The company launched new cutting edge fermenting equipment - cylindro-conical tanks (CCT)
- 2001 Reequipment of Obolon's own malting facilities resulted in doubling their capacity.
- 2002 The company launched a new beer filling line in kegs delivered by the KHS company (Germany).
- 2003 The Fastiv brewing factory opened a new filling shop.
- 2003 The Obolon brewery equipped its filtration shop with a new candle filter Inopro Getra ECO supplied by KHS.
- 2004 The company commissioned new brewing plants by Ziemann.
- 2004 20 new CCTs were installed.
- 2008 The main factory commissioned 2 new beer filling lines in cans and glass bottles, extended the keg line, and tripled the capacity of its alcohol-free beer production plant.
- 2009 Obolon developed a long-term energy saving programme
- 2014 In July, Obolon was the first food company among the three companies that received a certificate of the State Agency on Energy Efficiency and Energy Saving of Ukraine included in the State Register of Companies Engaged in Development and Use of Energy Saving and Energy Efficient Projects. This will enable the corporation to ensure a two-fold reduction of taxes on the income gained from taking energy efficient measures.

Today, Obolon is associated with Ukrainian beer No. 1 on five continents.

CCT (cylindro-conical tank) is a vessel for beer fermentation



"Now, saving and efficient use of energy resources is the only way to survive during the energy crisis. Obolon was among the first to implement energy efficient measures and has so far achieved considerable success. Thus, in 2013, the corporation reduced its gas consumption by 12% and water consumption by 15%, and saved 11% of electricity".

Sergiy Pustovit
Obolon's leading energy manager

OCCUPATIONAL SAFETY AND WORKING CONDITIONS

Employees are one of the most important strategic resources of Obolon Corporation. This ensures the company's competitive capability and promotes its success in reaching its goals.

Obolon employee policy consists in raising employee professional level, improving working conditions, working process safety, and social security guarantees for all employees.

Today, these goals are achieved at the corporation facilities through the implemented and certified OHSAS 18001:2007 occupational health and safety management system.

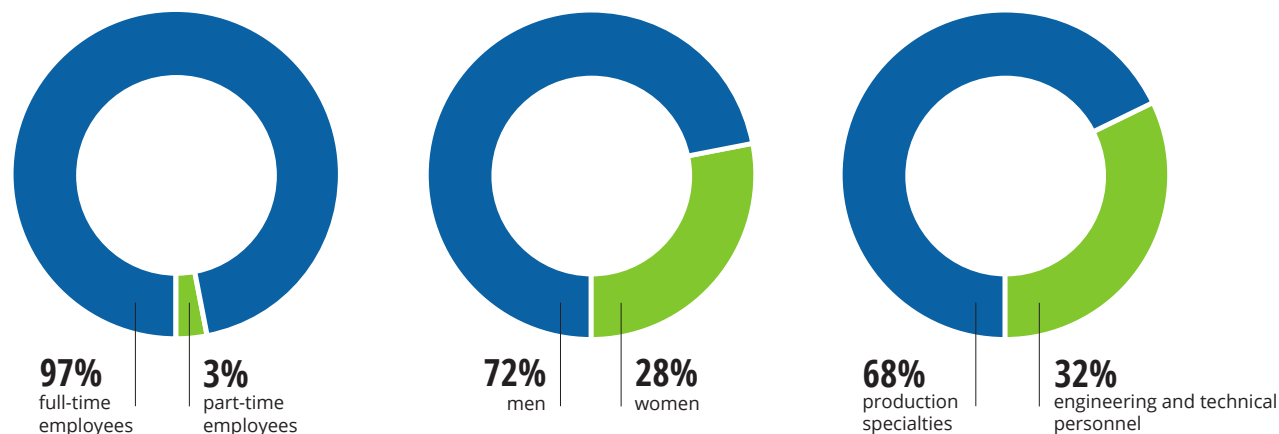
Since the establishment of the company till now, Obolon has never stopped performing its basic obligations to the employees, which makes it a highly reputable Ukrainian company.

A Collective Bargaining Agreement exists in the Obolon Corporation, which protects employee rights. The company's corporate culture is aimed at each specialist's excellence.

EMPLOYEE PROFILE

In 2013, the personnel structure of the Obolon Corporation underwent certain changes. In order to improve management effectiveness and ensure a better distribution of production capabilities, an insignificant reduction in the number of employees was made, reducing the staff by 1.1% as compared to 2012. The reason was reduction of product output due to the negative trends in the beer and soft drinks sector.

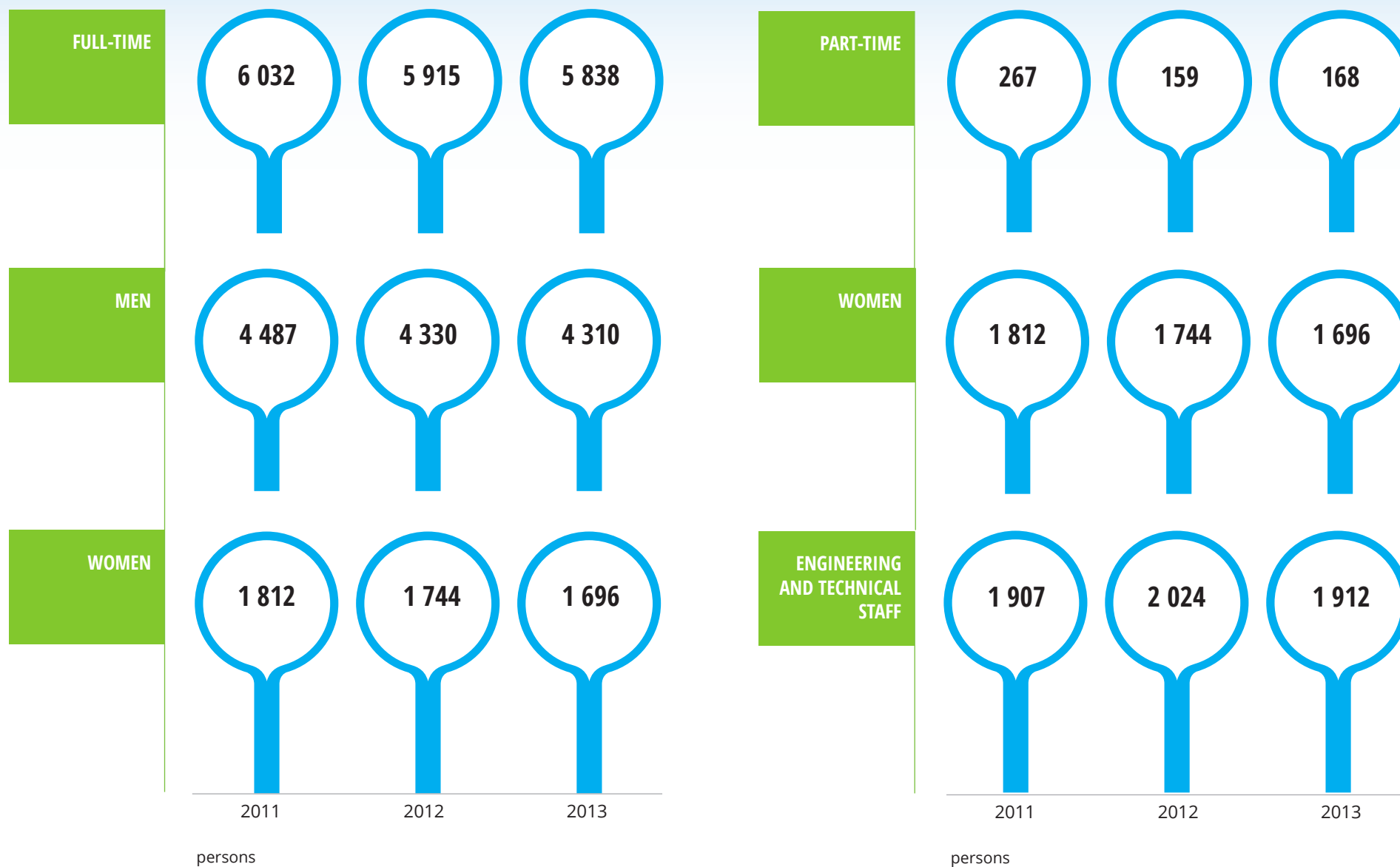
In 2013, the Obolon Corporation facilities employed 6,006 people.



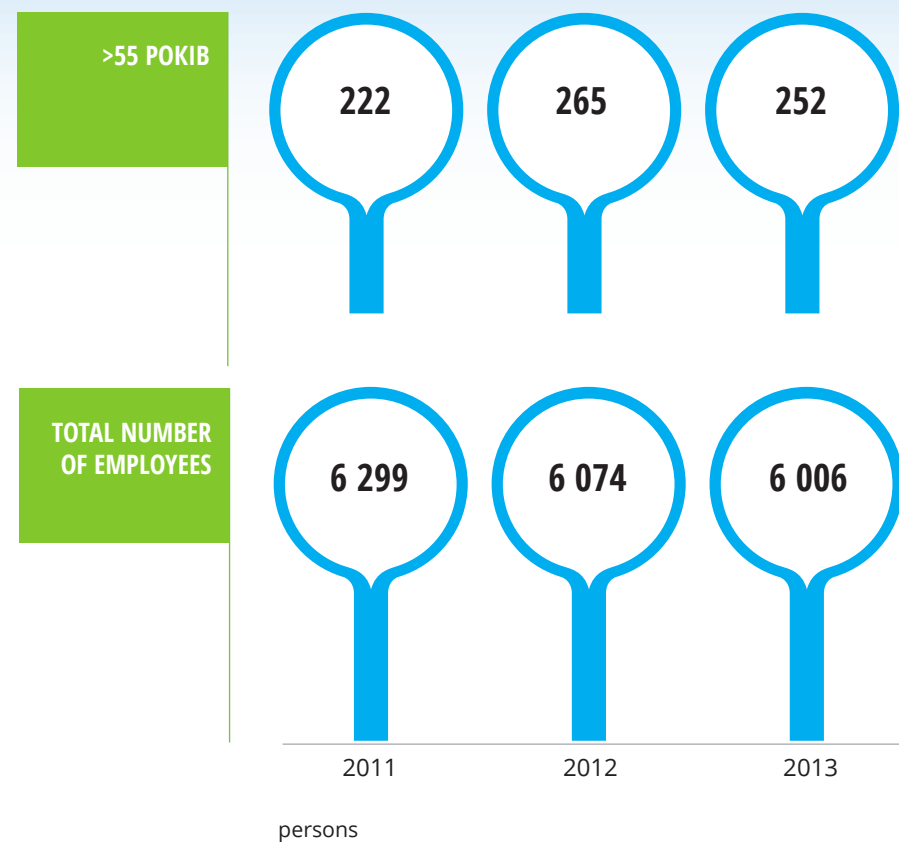
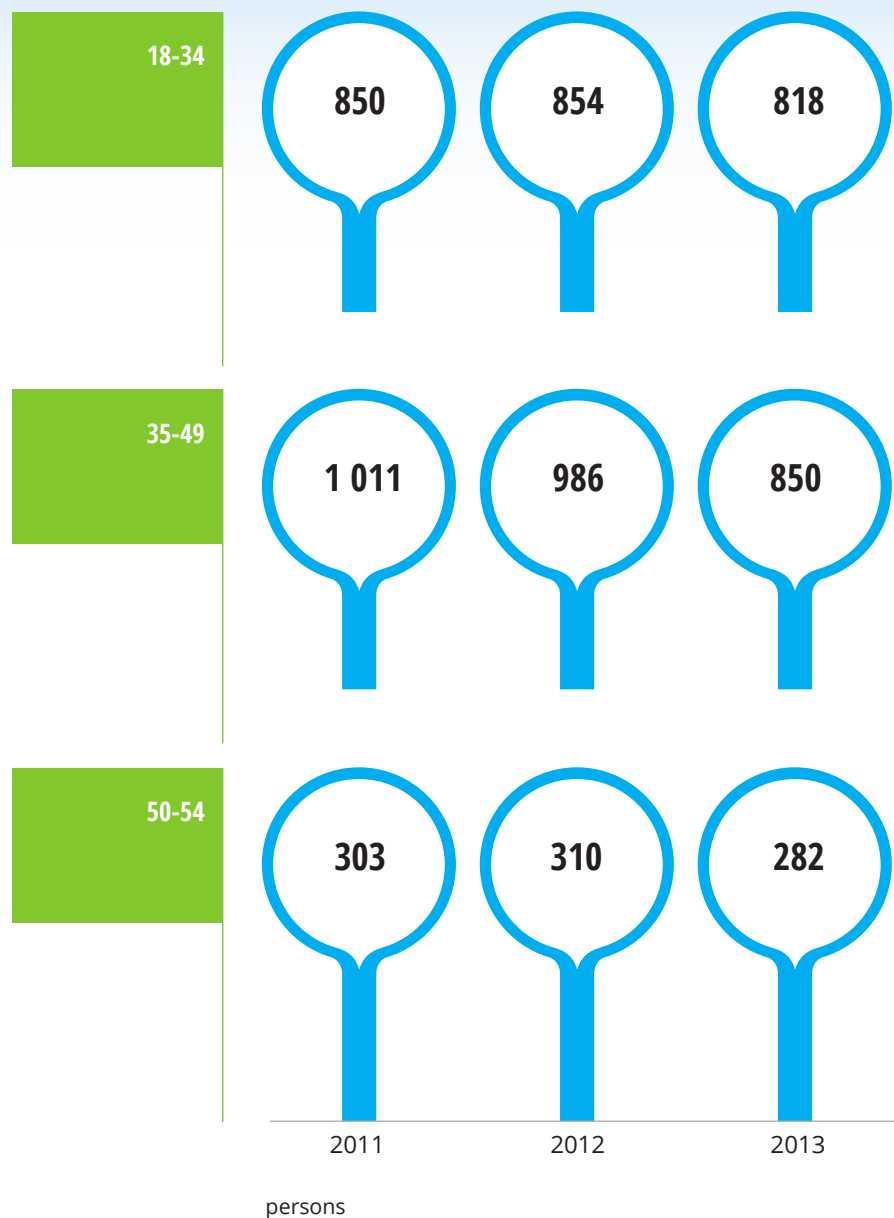
"People are the reason of Obolon Corporation's success. Those are highly qualified specialists generating new ideas, implementing innovations, and working every day to create high-quality products".

S. Blochanevych

OCCUPATIONAL SAFETY AND WORKING CONDITIONS

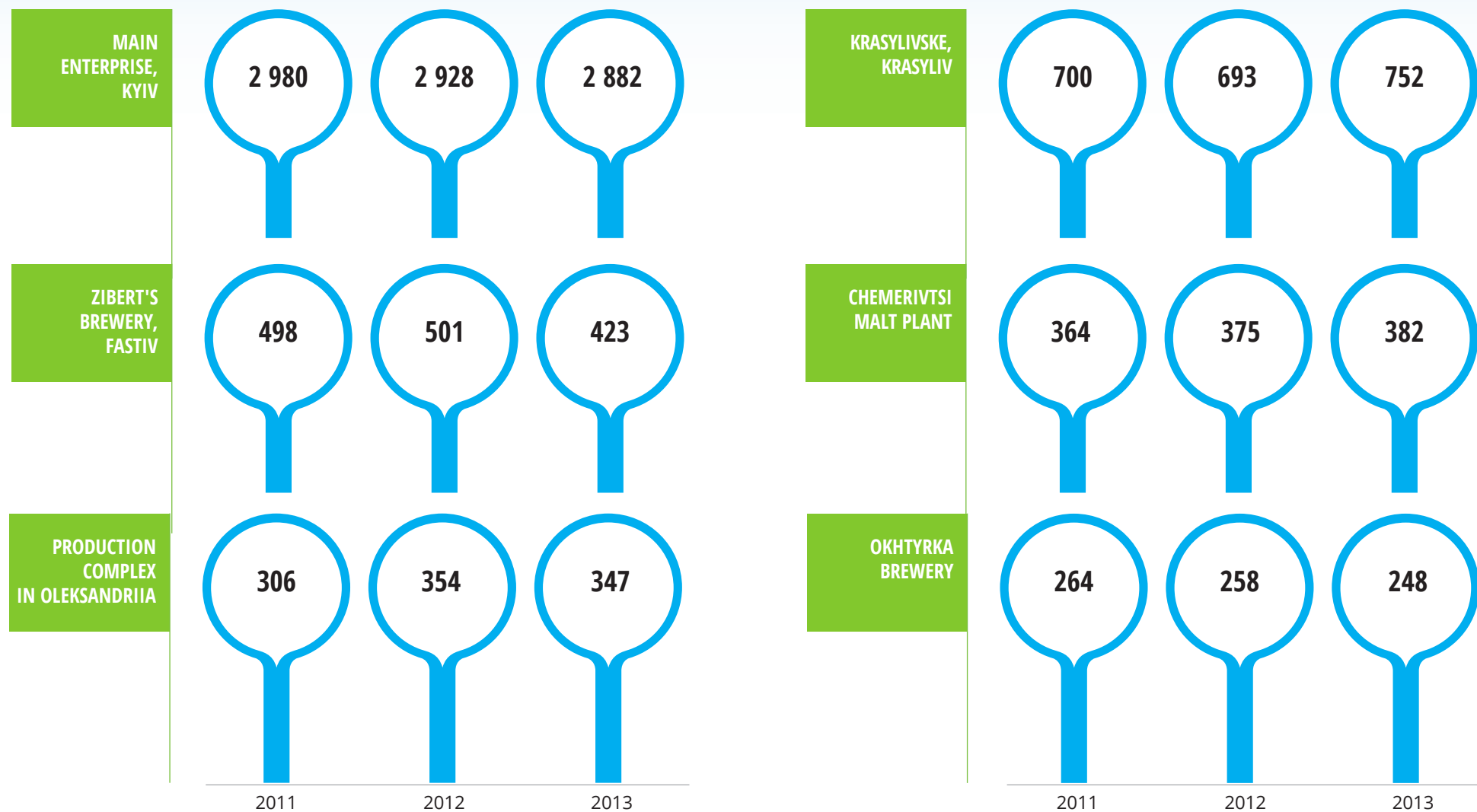


OCCUPATIONAL SAFETY AND WORKING CONDITIONS



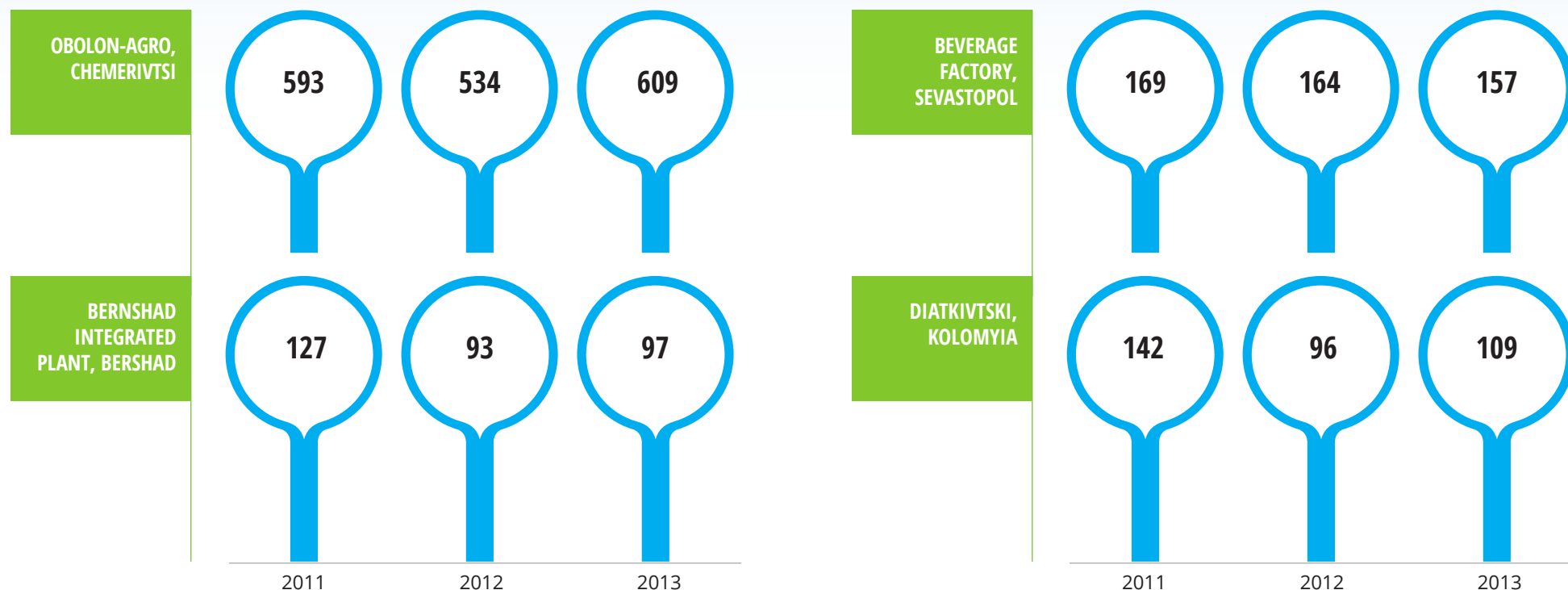
OCCUPATIONAL SAFETY AND WORKING CONDITIONS

DISTRIBUTION OF OBOLON EMPLOYEES BY COMPANY, persons



OCCUPATIONAL SAFETY AND WORKING CONDITIONS

DISTRIBUTION OF OBOLON EMPLOYEES BY COMPANY, persons



In 2013, Obolon arranged for the training of occupational safety specialists under a "Basic Occupational Health and Safety Management" course according to the OHSAS 18001:2007 Occupational Health and Safety Management System implemented in the corporation.

The personnel turnover in Obolon Corporation is related to outflow of qualified employees to the companies or industries with higher salaries (e. g. heat energy), as well as with labour migration to foreign countries.

Obolon complies with the requirements and provisions of the Labour Code of Ukraine prohibiting the use of minor workers under harmful and/or dangerous working conditions. In their operations, the companies follow the provisions of declarations and conventions of international organizations and the Constitution of Ukraine regarding the prohibition of forced labour and child labour.

In 2013, the company's personnel turnover rate decreased by 6.9% as compared to the last year.

DISEASE PREVENTION AND FIRST AID

OCCUPATIONAL SAFETY

Obolon Corporation uses a state-of-the-art approach to occupational safety. All company's facilities and structural units have registries for identification of hazard assessment of risks related to the personnel and other persons at the company's premises.

In order to reduce the level of risks and improve the working conditions, the corporation implemented OHSAS 18001, an occupational health and safety management system, which was certified by the DEKRA international company in 2008.

Today, the Obolon Corporation companies run the Occupational Health and Safety Monitoring programme. Besides preventing accidents and work-related diseases, systematic monitoring increases the efficiency of forecasting and speed of resolving the occupational safety problems.



"Each employee must realize the need to maintain safe working conditions at his/her workstation and in the course of the production process. The majority of Obolon Corporation employees get annual training and undergo knowledge tests and emergency drills. Obolon invests significant funds into occupational safety, which makes it possible to implement new technologies and improve the occupational safety management system".

Petro Atamanenko
CEO's Assistant for Occupational Safety, Obolon

- UAH 5.2 million was invested into occupational safety (engineering, technical, and organizational measures) at the Obolon Corporation structural units in 2013.
- UAH 269.8 thousand was invested into organizing and certifying the workstations at the Obolon Corporation companies in 2013. It was 30.8% more than in the previous year.
- 319 workstations in the structure of Obolon Corporation were certified in 2013, which is 2 times more than in 2012.
- Obolon spent 16% more for occupational safety in 2013 than in 2012.
- To prevent accidents among the employees, the company performed 145 occupational safety inspections in 2013.
- The number of occupational safety inspections in 2013 was 29% higher than in 2012.
- 2.3 thousand employees, or 40% of the total personnel, underwent training and knowledge tests in occupational safety in 2013.

In 2013, no accidents or work-related deaths occurred at the corporation's facilities, which shows the effectiveness of the occupational safety measures implemented.

The 2015 plans for include implementation of a unified procedure of performing occupational safety activities at the main brewery in Kyiv and at the structural units in other regions.

DISEASE PREVENTION AND FIRST AID

EMPLOYEE HEALTH PROTECTION AND HEALTHY LIFESTYLE

Obolon Corporation takes a proactive and responsible position in health protection and promotion of a healthy lifestyle among its employees. Obolon cooperates with several medical facilities and specialized organizations, whose specialists have been conducting medical training sessions and informational seminars for the corporation employees during a year now.



"Statistics show that in Ukraine, it is the working age people who have the highest risk of developing melanoma. Managers must understand the importance of preventive examinations, which can reduce mortality and increase life expectancy".

Olha Bohomolets

Chief of the Medicine Dermatology and Cosmetology Institute

In late April 2013, with the assistance from Dr. Bohomolets Dermatology and Cosmetology Institute and in cooperation with the Stop Melanoma NGO, the corporation carried out an educational campaign among the brewery employees. Under the project, over 2500 employees were informed about the consequences of mole degeneration. All brewery employees had a chance to undergo remote diagnostics of hazardous skin lesions and moles without leaving the workplace.



"We are creating medical and sanitary services at the corporation companies in order to provide timely medical assistance when necessary. But organizing and conducting preventive activities among the employees is equally important for us. Non-government organizations and medical facilities help us in doing this. The goal of the educational activities is to give our employees a high level of knowledge allowing them to prevent diseases and their negative consequences".

Serhii Bloschchanevych

Chairman of the Supervisory Board of Obolon Corporation

Obolon Corporation always takes part in the informational campaigns as part of the Ukrainian anti-tuberculosis week. In 2013-2014, with the expert support from the US Agency for International Development (USAID) project, Obolon organized thematic events for preventing tuberculosis among the employees.



"The more people are aware of tuberculosis, the more likely they are to seek timely medical care, and the greater is their chance of survival. Today, tuberculosis is not a death sentence. It is curable".

Mariia Dolynska

Expert. Project 'USAID Strengthening TB Control in Ukraine'

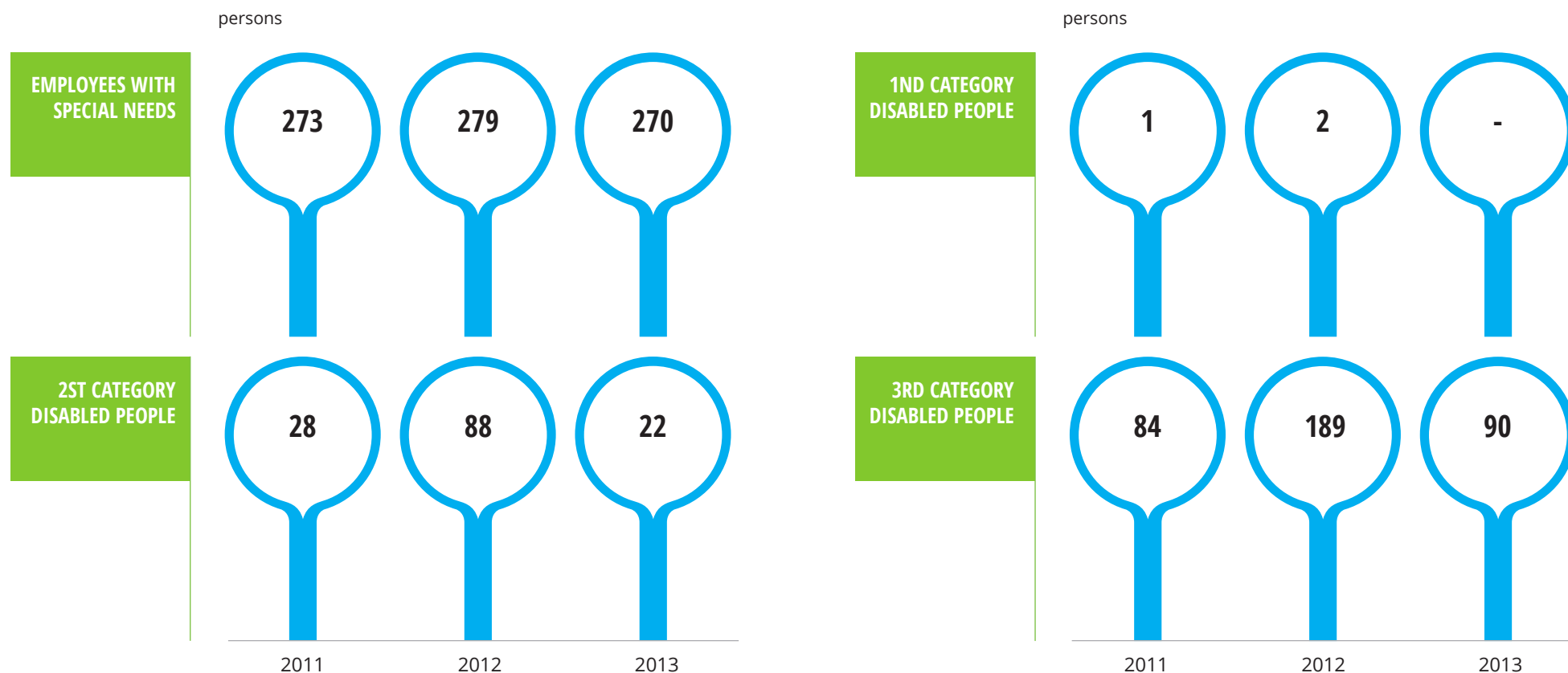
Long-term support of sports events, in particular the Obolon-Brovar soccer club, encourages our employees to take part in sports events held by the corporation. In addition to developing competitiveness, these sports activities help the employees always stay fit. Every year, the company holds two soccer championships, Factory Cup and President Cup. It also organizes chess and checkers tournaments, Olympics, and other sports activities. About 1 thousand of Obolon employees do sports in the company's buildings every year.

DISEASE PREVENTION AND FIRST AID

PROTECTING THE RIGHTS OF PEOPLE WITH SPECIAL NEEDS

In 2013, approximately 270 persons, or 4.5% of the total number of Obolon Corporation employees, were people with special needs. Those are employees at various stages of heart disease, cancer, eye disease, diabetes, and musculoskeletal issues. Although most of them work as trade agents, some employees are engaged in the production.

Today, the company not only supports the basic needs of the employees with special needs, but also creates the conditions for their further social adaptation and professional development.



CODE OF ETHICS AND GENDER EQUALITY

Obolon Corporation's success and good reputation depend on the contribution of each employee and the extent to which the 6,000 employees share the same moral and ethical values of the company's corporate culture.

Obolon Corporation's reputation is a result of correct actions and ethical conduct of each employee.

In order to systematize the principles of business conduct of the employees, Obolon developed and adopted in 2012-2013 the Code of Ethics. In addition to the adoption of this document, it proposed to accept the Regulation on the Ethics Committee that includes company employees and supervises the compliance with the Code. The key standards of business conduct in the Code of Ethics are customer orientation, motivation for success, reliability, creativity, amicable relations between the management and the personnel, teamwork, etc.

The ethical rules establish specific boundaries in the conduct, since their purpose is to prevent unethical behaviour in the team and in relations with partners.

The Obolon Corporation Code of Ethics is not a mere declaration; it contains obligations of each employee, from an assistant foreman in the production shop to the Chief Executive Officer.

EQUAL OPPORTUNITIES

The basic rights of men and women employed at Obolon structures are ensured by the company's Collective Bargaining Agreement. While improving the working conditions, creating new opportunities, and ensuring gender equality among the personnel, Obolon became one of the first Ukrainian companies to adopt its own Gender Plan in 2012.

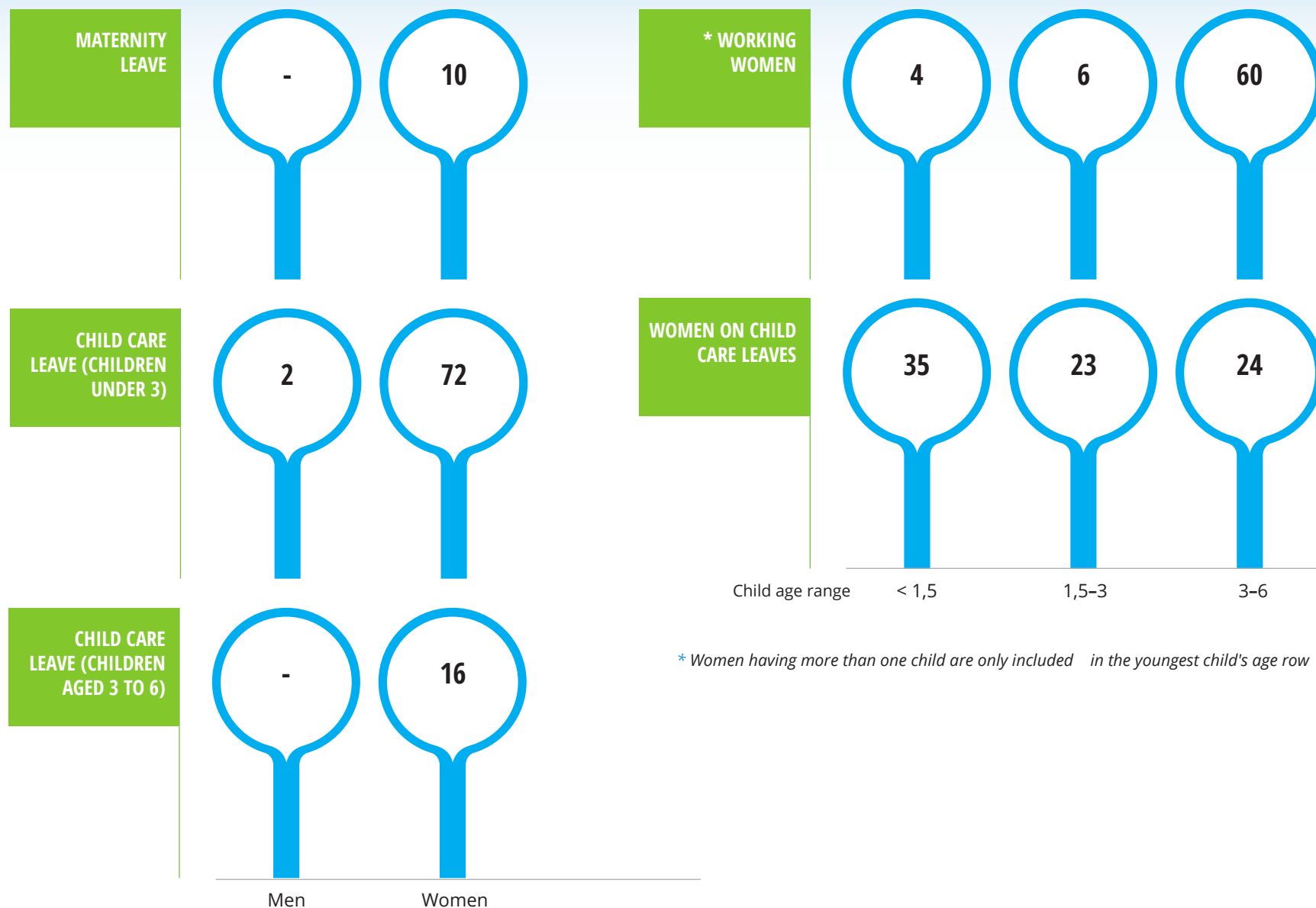
For 2 years now, the document has been successfully functioning at all corporation's companies, guaranteeing equal opportunities in compensation, career growth, right for rest, and other rights for the male and female personnel. Besides adopting the Gender Plan, the corporation also introduced the position of the Gender Issues Commissioner. Obolon regularly monitors the working conditions at its facilities, and conducts gender equality meetings and seminars for the managers and employees.

In 2013, the main company of Obolon in Kyiv, in cooperation with the Social Workers League NGO, supported by the EU, joined the "Back to Work" project. This is a programme intended to improve the working practices of male and female employees who have family duties, which is even more important given the following employee groups represented in the corporation structure

In 2014, the corporation continues the pilot project and testing the mechanisms for successful combination of family and work duties of the employees, as proposed by the experts of the Federation of Employers of Ukraine.

Each Obolon Corporation employee has equal opportunities to exercise his/her labour rights, regardless of the national origin, descent and place of residence. The employees are selected and promoted based on professional and personal capabilities, knowledge and skills.

CODE OF ETHICS AND GENDER EQUALITY



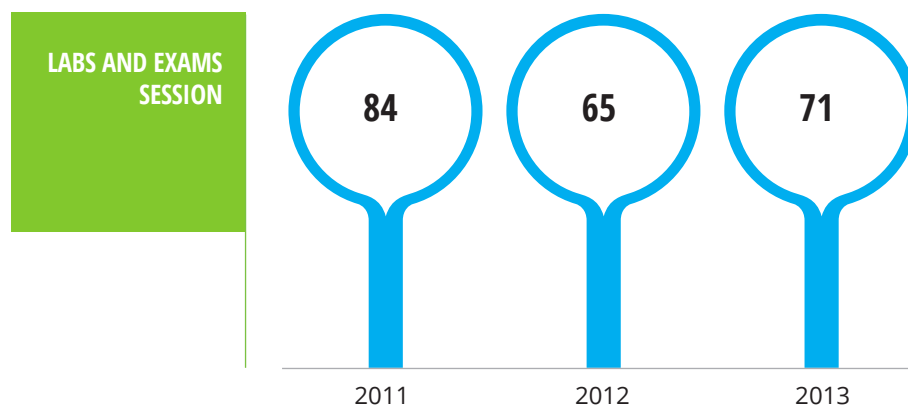
PERSONNEL DEVELOPMENT

High qualification and motivation of the employees is a guarantee of effective and sustainable business processes. Obolon pays special attention to the involvement, loyalty, and satisfaction of its employees.

EMPLOYEE TRAINING

Due to the increasing requirements to the personnel qualification level, one of important tasks is to ensure a continuous process of personnel training. During the year, Obolon Corporation employees are involved in professional training, skills improvement, and other activities.

PRACTICAL TRAINING AT OBOLON COMPANIES, persons



PROFESSIONAL TRAINING, persons



PERSONNEL DEVELOPMENT

Obolon working personnel are trained directly at the production facilities (on an individual basis) or attend special classes. Training and skills improvement of managers and specialists are performed on a contract basis by food and processing industry personnel qualification improvement institutes. A successful apprenticeship system is underway at the company. It is one of the most effective forms of training young specialists. The apprenticeship is based on the feedback between the trainees/interns who start working at the company and the experienced and highly qualified corporation specialists.

In 2013-2014, foreign language classes were organized for the marketing and export departments of the main company in cooperation with the international system of language schools "Denis' School". Over 60 specialists have attended the English classes and received the corresponding certificates. For over 10 years, a personnel development school has been functioning at the Obolon Corporation's regional company in Okhtyrka, Sumy Region, providing training in "Economics and Management", "Effective Sales Management", and "Production Training School." In 2013, over 100 company employees attended the corporate training classes.

EVALUATING PERSONNEL WORKING ACTIVITY

Obolon strives to grant its employees every possibility to achieve excellence in their professional work, in particular, by unbiased performance evaluation. Corporation personnel performance is evaluated by the ISO system certification committees based on expert assessments of the managers and on effectiveness and performance evaluation. The latter assesses personnel knowledge, abilities and skills, work quality and effectiveness, personal and management qualities (for managers). Based on the evaluation results, the committee makes the decision about the person's professional level, salary increase, promotion, inclusion into the personnel reserve, etc.

PRACTICAL TRAINING FOR THE STUDENTS

Students from various specialized education institutions undergo practical training at the corporation's facilities every year. In 2012-2013, over 500 students had internship and practical training at the corporation's facilities. As a result of successful training, Obolon employed 60 young specialists in 2012-2013.

"TICKET TO THE WORLD" INTERNSHIP PROGRAMME

The "Ticket to the World" pilot internship project for the undergraduate of the leading Kyiv universities was launched at the Obolon Corporation facility in late 2013. Over 100 applications were received; five successful candidates were selected for internship at various departments of the Obolon Corporation marketing service.

"Internship makes it possible to engage young, self-motivated people in various departments of the company, and thus train highly qualified personnel reserve as well improve the managerial competence of our employees. Importantly, the internship at the company is quite official. It is conducted under an employment agreement, which allows the trainees to use the experience in practice. We hope that this successful project will help the young specialists achieve excellence".

Nina Horban

Head of Personnel Training Bureau of Obolon Corporation

22%

of Obolon Corporation employees were involved in career change training, qualification improvement, and specialization change in 2013

302 students

underwent practical training at the Obolon Corporation facilities in 2013

INCENTIVES AND MOTIVATION

FINANCIAL INCENTIVES

Adequate salaries and social programmes are important factors for raising the quality and productivity of work. Obolon Corporation has a unified and balanced system of compensation and incentives, accounting for various positions and the results provided by each person and the company as a whole.

The average salary at the Obolon Corporation is now 2 times higher than the average compensation figures in the industry.

In 2013, the average salary at the Obolon brewery increased by 5.26% as compared to the previous year.

As an employer, Obolon Corporation views the main salary as a compensation for the work performed according to the established standards (time, output, service, and functions). This compensation is provided as salaries and piece-work rate for the employees, and position salaries for the managers.

Salary type	Personnel category	Payment form
Time-rate	Workers, drivers, security guards, etc.	Payment according to the actual number of hours worked.
Piece-rate	Production personnel	Compensation according to the actual amount of work performed in the finished product units and established piece rates per unit of the finished product

The position salaries and piece rates are annually adjusted for the consumer price increase in Ukraine, which is the basis of salary increase at the Obolon Corporation.

The position salaries are based on the assessment of each position, which differ by the level of responsibility, importance of the functions performed, level of influence on the achievement of strategic goals, required qualification level, etc. The financial incentives system used in the Obolon Corporation also includes additional compensations (bonuses) for employees working in excess of the established standard, for professional achievement and inventiveness, and for special working conditions. The bonuses depend on fulfilling production assignments and functions and comprise the bonus per se and the quarterly or annual bonus, etc. Moreover, they may include additional incentives for special achievements, inventions or innovations.

NON-FINANCIAL INCENTIVES

A wide package of social benefits is established for the Obolon Corporation employees.

- financial aid for health improvement, benefits in case of child birth, retirement, or marriage
- trips to health improvement camps for the employees and their children
- vacation bonus for company employees, as well as retirement bonus
- medical office, gym, and two cafeterias; transportation to residential neighbourhoods; bicycle parking spaces

INCENTIVES AND MOTIVATION

For instance, the non-financial incentive package of Obolon's main brewery includes everyday transportation of the employees from/to work to/from remote residential neighbourhoods (Vynohradar, Troieshchyna, Petrivka). The transportation is performed by the company's vehicles as well as through transportation companies.

Obolon supports the retired employees. The corporation gives them foodstuffs before the national holidays, brings corporate press, and provides financial aid if necessary.

An important area of Obolon Corporation's social policy is corporate culture that ensures meaningful recreation of the employees and improve the social and psychological atmosphere among the personnel.

Since early 2000s, a donorship movement of self-motivated and responsible employees exists at the company. Every year, on the Donor Day, the kind-hearted employees donate their blood to help the sick.

In the framework of the corporate donorship programme, 809 employees have taken part in the initiative by donating 364.05 litres of blood for the needs of the patients of Kyiv hospitals.

For over ten years now, Obolon has supported the Mostyshche Specialized Boarding School in Kyiv Region. Today, it has 75 students aged 6 to 16. Most of the children come from socially vulnerable families and have various degrees of mental retardation. For two years in a row, the volunteers from the marketing service of the Kyiv facility conduct workshops with the children, bring the stuff they need, and donate presents and beverages. This initiative improves the quality of students' lives. Besides, it brings together the company's personnel, promotes more active communication, and encourages productive and well-coordinated work.

The employees of all Obolon Corporation facilities support and develop the sports spirit. Every year, the company holds two football championships, Enterprise Cup and President's Cup. Other sports events have also gained popularity over the last year. The internal communication system at the corporation companies includes monthly meetings of the medium and top managers, corporate press, annual online information, as well as corporate events and personnel opinion study.

Since 1994, the company has been issuing the corporate "Obolon Bulletin". The 52-page magazine is available to all employees of every Obolon enterprise.

Corporate social responsibility and implementation of socially important projects are an important part of the incentives system. These projects are of great importance both for our employees and for the local communities. increases significantly people's loyalty and trust in the corporation.



FINANCIAL AND ECONOMIC RESULTS

INCOME AND PROFIT, UAH thousand

Income
before tax

The income of Obolon Corporation before tax increased by 7.9% in 2013 as compared to 2011. However, it was 5% less than in 2012.

4 861 378

5 521 097

5 249 435

Net income

3 577 451

4 075 269

3 877 633

Net profit

118 501

223 878

195 309

2011

2012

2013

TAXES AND EXCISES, UAH thousand

Total tax
and duty
payments

1 032 454

1 214 828

1 158 324

Taxes paid,
including
excise

904 533

1 079 084

1 010 735

Excise paid

568 115

620 492

623 147

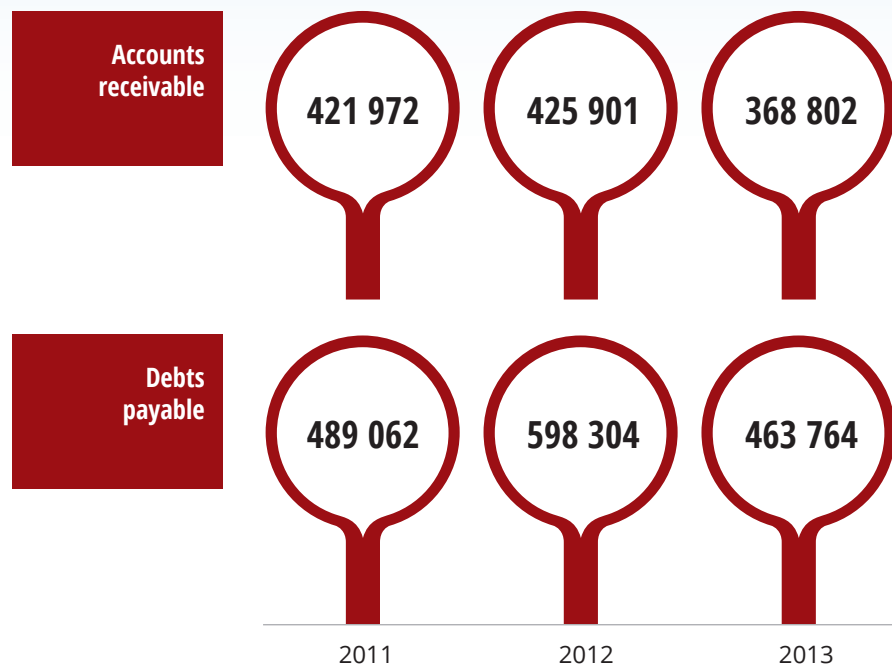
2011

2012

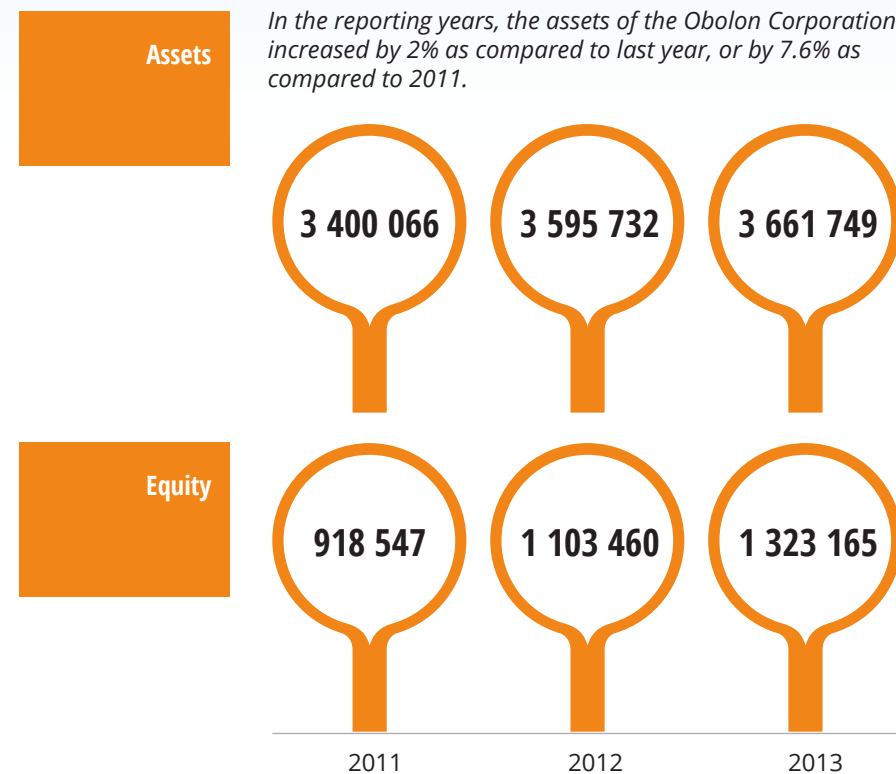
2013

FINANCIAL AND ECONOMIC RESULTS

DEBTS, UAH thousand

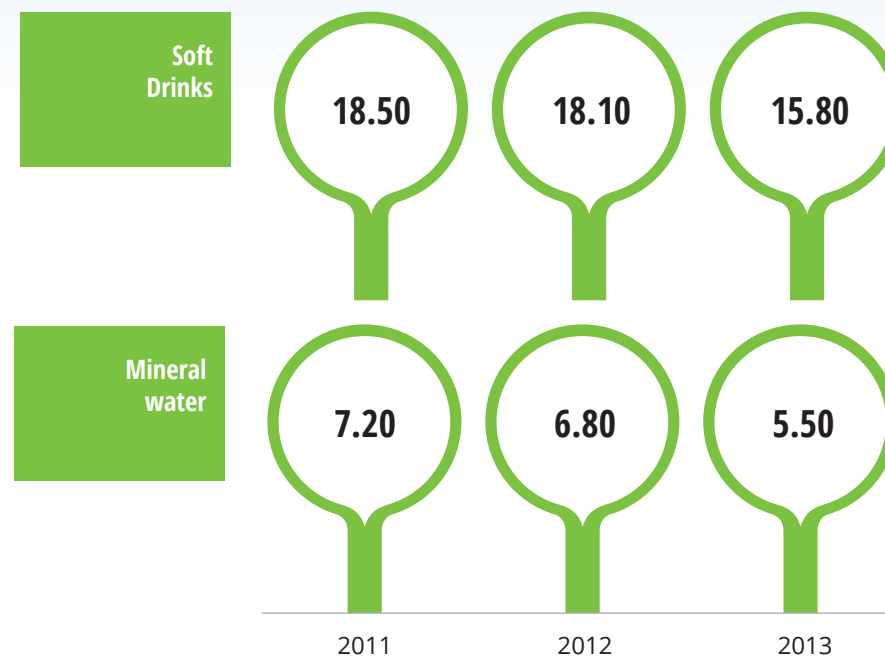
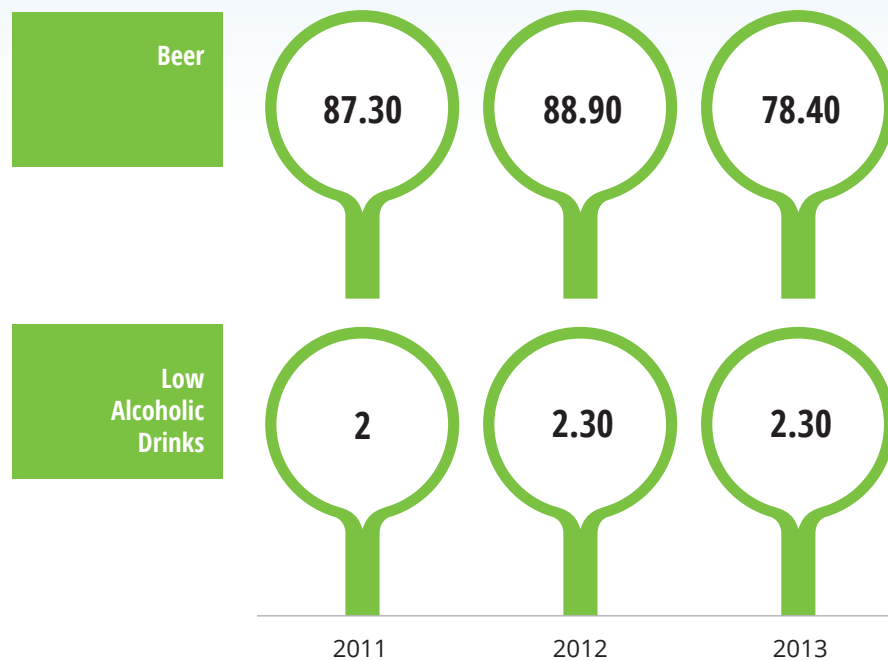


ASSETS AND CAPITAL, UAH thousand

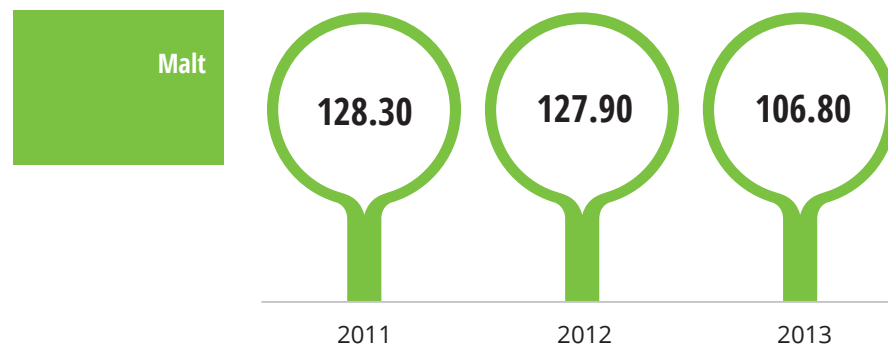


PRODUCTION INDICATORS

PRODUCTION OUTPUT, million dal



PRODUCTION OUTPUT, thousand tons



EFFICIENT ACTIVITY

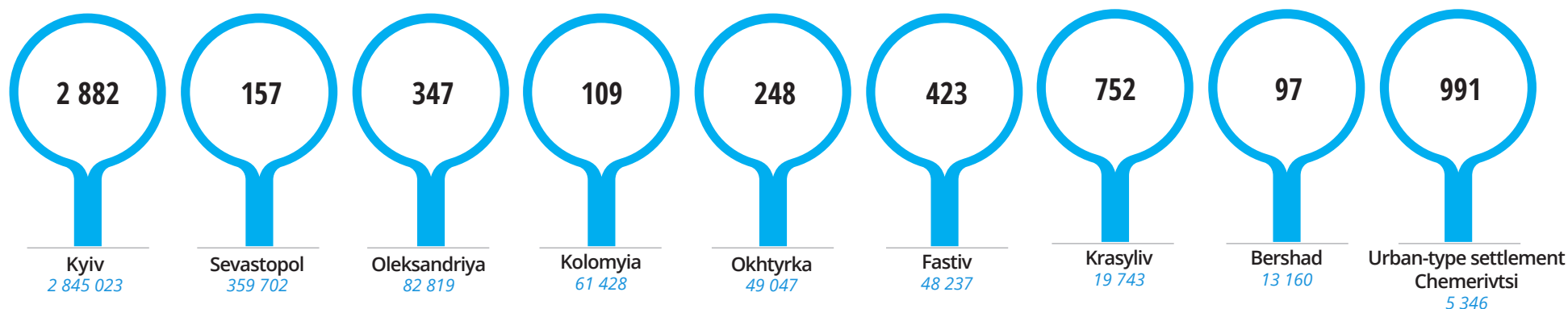
Beer and soft drinks industry, represented by Obolon Corporation, plays a crucial role in the national economy as it provides employment in various regions of Ukraine, ensures payment of taxes to the budgets of all levels, and contributes to the development of the neighbouring industries.

EMPLOYMENT

Obolon has earned the reputation of one of the best employers in Ukraine. The company has more than once won the 'Best Employer of the Year' award, traditionally held by the State Employment Centre. Moreover, Obolon Corporation is one of the biggest Ukrainian employers in terms of people employed ranging from 1,000 to 5,000. The company provides employment to people with special needs; their share currently totals 4.7% of the whole personnel.

With its production infrastructure located in eight regions of Ukraine, Obolon Corporation is now a major employer in the Kyiv, Kirovograd, Sumy, Khmelnytsky, Ivano-Frankivsk, and Rivno regions and Sevastopol city. Obolon is one of the biggest Ukrainian employers. The corporation's HR policy is strategically focused on involving local population, which is one of the areas for mutually beneficial cooperation with our stakeholders in the regions - state and local authorities and local communities.

NUMBER OF PEOPLE EMPLOYED BY OBOLON IN 2013, Population



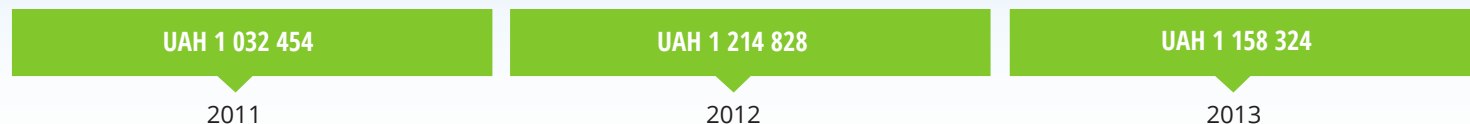
* Actual population as of January 1, 2013 according to the State Statistics Service of Ukraine.

TAXES

Since its foundation, Obolon has declared and has been committed to the principles of openness and transparency of its operations. The main company in Kyiv is one of the best tax payers in Kyiv and throughout Ukraine. Today, the performance of all Obolon enterprises has a significant influence on the development of the territories of its presence and the condition of the regional budgets. By the level of tax receipts, most of the corporation companies form the revenue part of the local budgets, i.e. they are budget forming, while other companies are budget filling.

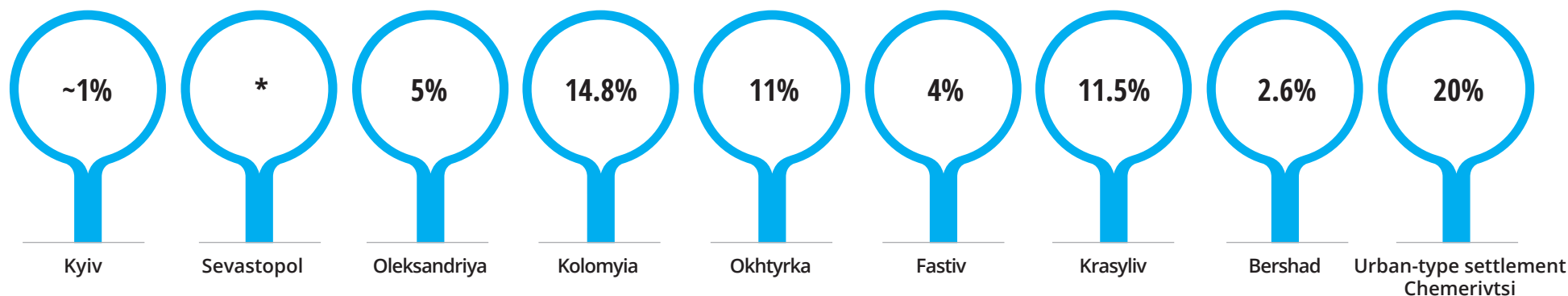
EFFICIENT ACTIVITY

OVERALL DEDUCTIONS TO THE BUDGETS OF ALL LEVELS



In 2013, Obolon transferred over UAH 1.1 billion to the budgets of all levels (including extra-budgetary funds), which is 5% more than last year

OBOLON'S SHARE IN FILLING LOCAL BUDGETS IN 2013



DEVELOPMENT OF NEIGHBOURING INDUSTRIES

Brewing has an effect on the neighbouring economy branches, such as agriculture (barley and hop growing, malting, etc.), tare production (PET and glass bottles), logistics (transportation of finished products), restaurant business, and processing of secondary resources (used plastic receptacles, spent grain), etc.

Today, European countries consume some 50% of beer on tap at food outlets, while in Ukraine, draught beer accounts for only 8%. In view of the above, domestic brewing is an essential factor in developing tare and packaging production. The Oleksandriya plant of Obolon, Kirovograd region, produces quality PET pre-forms. In 2012, Obolon changed to a new packaging standard PCO 1881 helping not only to save raw materials, but to mitigate the environmental impact

Recycling used PET bottles at a special-purpose Obolon enterprise gave full-time jobs to over 300 citizens of Oleksandriya (Kirovograd region), while payments of taxes and duties to the local budget gave a new impetus in developing the previously depressive region in the central part of Ukraine.

One job in the brewing industry ensures employment of 15 specialists in the neighbouring sectors of Ukraine's economy.

EFFICIENT ACTIVITY

Today, the company urges the Ukrainians to gather plastic waste and to sort garbage. Thus, in spring 2014, Obolon carried out an environmental project for waste sorting together with the teaching staff and students of the Oleksandriya Collegium.

Obolon has the most advanced and powerful malting plant in Europe located in Chemerivtsi, Khmelnytsky region.

Opening the plant revived agricultural production in the region, provided over 600 new jobs, and helped develop the infrastructure in the district and adjacent settlements.

Brewer grain — can be effectively used in cattle breeding, agriculture, and even as an ecological resource to produce biofuel. In 2008, the company installed the equipment for processing moist brewing waste into dry granules. For the period of its operation, the plant produced 145,000 tons of dry brewer pellet.

In 2013, the Oleksandriya company produced semi-finished products for 213 million plastic bottles.

The Obolon brewery in Kyiv produces up to 700 tons of pellet per day — moist grain waste.

SOCIAL INFRASTRUCTURE

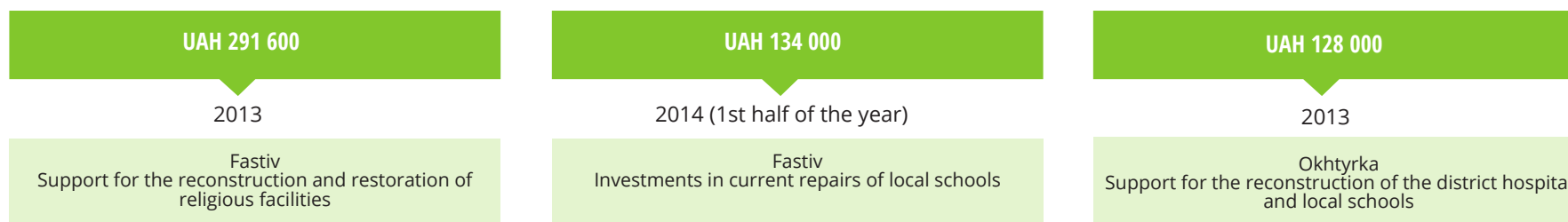
A social component is important for dynamic and sustainable development of Obolon.

Since its foundation, the company has cared about the local communities in the territories of its presence. One of the company's social responsibility areas in the cities and villages where Obolon production facilities are located is to improve the infrastructure through financial investments and volunteer efforts of the company's personnel.

For over 20 years now, Obolon has been engaged in reconstruction and repair of educational establishments and medical institutions as well as in restoring and opening religious facilities throughout Ukraine.

In 2013, the company provided financial support of over UAH 128,000 to renovate the district hospital and one of local schools in Okhtyrka, Sumy Region.

In Fastiv, in 2013, Obolon allocated UAH 291,600 to reconstruct and restore religious facilities and repair highways, and in the 1st half of 2014, the company provided UAH 134,000 for current repairs in the local educational establishments.



RISKS

An important component of sustainability management at Obolon Corporation is dealing with risks and threats that impact the company's main operations directly or indirectly.

Over the year 2013 and the first half 2014, Obolon's operations were affected by the forecasted risks as well as by absolutely unexpected factors. In the former case, the managers were prepared and applied the pre-developed response scenarios. However, the unforeseeable risks became a managerial challenge, which had consequences for the personnel and other stakeholders of the Obolon Corporation.

FORECASTED RISKS

RESTRICTION OF EXPORTS TO FOREIGN MARKETS

The Belarusian market is the second (after the Russian market) in the structure of the Obolon Corporation's exports in the CIS. The company's products have been presented in Belarus trade networks for almost 20 years, and are still in demand by the local population. Over this time, Obolon has established efficient partnership relations with Belarusian companies. However, in 2010 and 2014, the Belarusian government made two attempts to introduce licensing for the beer supplies from Ukraine. Such actions were motivated by artificial accusations of predatory pricing and attempts to reduce the share of imported beer in the Belarusian market through administrative measures. As a result, the Obolon Corporation was forced to reduce its presence in the Belarusian market, which resulted in economic losses.

In the summer of 2013, the Russian Federation banned importing some Ukrainian goods, including beer. Over 40 Ukrainian companies found themselves on the "high risk" list of the Russian customs, which caused export problems with the Russian Federation. The grounds for that decision were purely political. But it became one more incentive for Ukrainian producers to seek new markets.

BEER EXPORTS TO THE RUSSIAN FEDERATION



The corporation's plans for 2014-2015 include finding new sales markets. Obolon representatives are already in a constructive dialogue with business structures in Asia and Africa.

RISKS

UNPREDICTABLE FISCAL POLICY

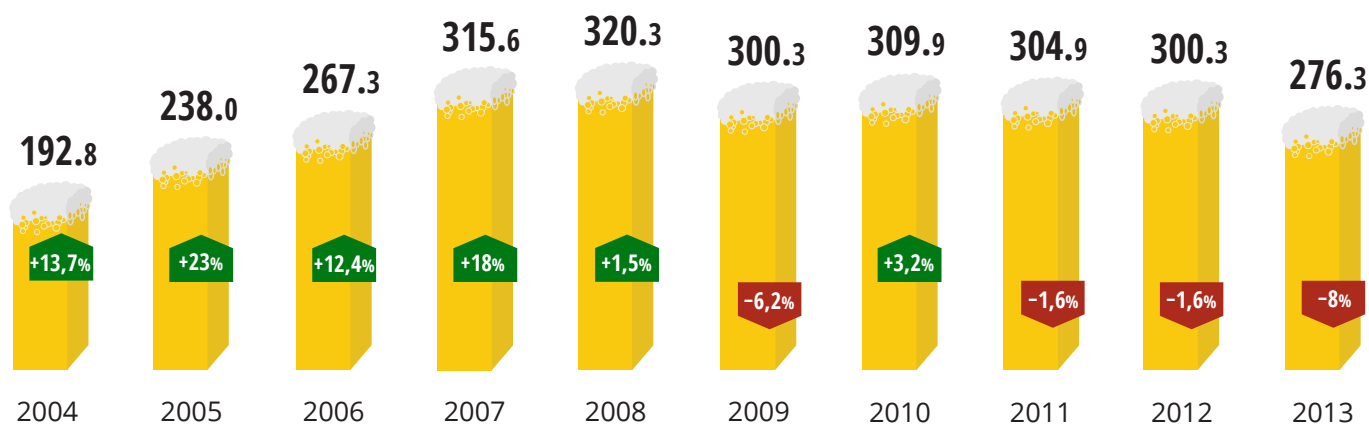
Due to the declining buying capacity, increasing prices of beer and raw materials for beer production, growing logistic costs and intensifying tax pressure on the industry, the Ukrainian beer producers have reduced the beverage output.

The second most important factor influencing the brewing industry is the government's strict fiscal policy. For instance, the increase of the excise rate from UAH 0.87 to UAH 1.24 (42.5%) in the spring of 2014 aggravated the stagnation of the Ukrainian beer industry.

The absence of a predictable excise policy and lack of transparency in the collection and distribution of tax revenue create risks for the performance and planning of beer production amounts for the Obolon Corporation companies.

In 2013, the amount of beer produced in Ukraine decreased by 8% to 276.3 dal, and the consumption dropped to 56 litres (15% less than in 2012).

DYNAMICS OF BEER PRODUCTION, mln dal



UNFORESEEABLE RISKS

RAPID DEVALUATION OF HRYVNIA

The Ukrainian finance market responded to the political and social situation in the country in late 2013 - early 2014 with an increase in the price of foreign currencies. The large "exchange rate leap" caused a reduction in the effective demand, and consequently a reduction in the consumption of beer and soft drinks.

RISKS

At the same time, the growing foreign exchange rates result in higher prices of both imported goods and Ukrainian-made products due to the use of foreign raw materials and components in the production.

The Obolon Corporation mainly uses Ukrainian raw materials in its beer production: the company's own malt and local water, yeast and hops (half of the company's needs). However, the growth of energy, packaging and logistic costs caused by the devaluation of hryvnia create risks for the main operations of the Obolon Corporation.

UNSTABLE SITUATION IN EASTERN UKRAINE

Beer consumption is affected by the socioeconomic situation in the country and the wealth of the population. The escalation of the conflict in the Eastern Ukraine, which began in the spring of 2014, has caused a reduction in the output of the nation's industry. The majority of Ukrainian manufacturers had to stop the production in the conflict area, and the distributors refused to deliver products to the highly populated Donetsk and Luhansk regions. Last summer, the trade outlets and networks in the armed conflict area worked irregularly or stopped working completely, which made sales in the eastern part of the country very difficult.

As a 100% Ukrainian producer and a member of the civil society, the Obolon Corporation did not stand aside the situation in the Eastern Ukraine. After the conflict broke in Donetsk and Luhansk regions, Obolon donated UAH 500,000, and the employees of all 10 companies of the corporation transferred their daily salaries for the needs of the Ukrainian troops. The company also provided water, beverages and motor vehicles for the needs of the Ukrainian army in the conflict area.

In July-August 2014, Obolon Corporation employees started raising funds to purchase prosthetics for the soldiers wounded in the conflict zone and treated at the Kyiv military hospital.

LOSS OF TRADITIONAL SALES REGION

On March 16, 2014, an illegitimate referendum was held in the Autonomous Republic of Crimea, due to which the peninsula became part of the Russian Federation. In response, the Ukrainian parliament passed the Occupied Territories Law, and the international community introduced several trade and financial restrictions for the Crimean manufacturers and officials.

Today, the Crimea has become a "risk area" for the Ukrainian business due to the differences in the legislation, inconsistent policy of the local government, import bans, and use of a foreign currency.

As a result, the Ukrainian companies are unable to plan the amount of products to be made and delivered to the Crimean consumers; their operation on the peninsula may be banned at any time. Although the products are still delivered to the Crimea, the national business has in fact lost one of its potential sales markets.

Currently, the products of Ukrainian beer producers are supplied to the Crimea, but the supplies are rather scarce.

On average, the Crimea accounted for 6–7% of the annual amount of Ukrainian-made beer and soft drink sales, reaching 8% in summer during the tourist season.

EFFICIENT USE OF RESOURCES



"Obolon realizes its responsibility for preserving the environment and wants to reduce the general environmental impact in the country through management and continuous improvement of the environmental indicators. The company pays special attention to sustainable use of resources as well as novel environmental management practices, which it is successfully implementing at the regional companies. Obolon will continue using all resource groups efficiently, which, in turn, will reduce the environmental impact and save the company's funds through reduction of waste".

Svitlana Bashmakova
chief environment protection engineer

Obolon is continuously looking for opportunities to improve energy saving and responsible use of resources.

Since 2010, Obolon has been taking part in the "Earth Hour", a World Wildlife Foundations's global environmental initiative. For 5 years in a row, the company has been showing that it cares about the environment. In 2013, the Kyiv brewery not only shut down all excessive equipment and power generators in support of the environmental event, but encouraged its employees to support the campaign. Over 3 thousand of Obolon employees, together with their families and friends, joined the global energy saving movement by lighting a symbolic candle of unity.

The Earth Hour was initiated by the World Wildlife Foundation in Sydney (Australia) in 2007, and just a year after, it became a global environmental initiative. In 2013, the global event was supported by 7,000 cities in 152 countries on 5 continents, including 40 Ukrainian cities.



"We are creating medical and sanitary services at the corporation companies in order to provide timely medical assistance when necessary. But organizing and conducting preventive activities among the employees is equally important for us. Non-government organizations and medical facilities help us in doing this. The goal of the educational activities is to give our employees a high level of knowledge allowing them to prevent diseases and their negative consequences".

Serhii Bloshchanevych
Chairman of the Supervisory Board of Obolon Corporation

EFFICIENT USE OF RESOURCES

THE EVOLUTION OF THE RESOURCE USE



EFFICIENT USE
OF RESOURCES

Natural gas

In 2013, natural gas consumption was reduced by 11.6% compared to the year 2012. Savings amounted to 3'118'000 m3.

27 003

26 826

23 708



thousand m3

2011

2012

2013

Steam

By using of secondary steam the use of the primary pair decreased by 18.6% when boiling wort and 1.5% in the process of drying spent grains. On average in 2013 the use of steam in the production decreased by 10.5%.

202 638

201 094

179 902



Gcal

2011

2012

2013

Water

In comparison with the year 2012 the consumption of water in 2013 decreased by 14.3%. Savings amounted to 540'500 m3. This is equal to the volume of 216 standard swimming pools at the Olympics.

3 718

3 781

3 240



thousand m3

2011

2012

2013

Power

In 2013, Obolon reduced its power consumption by 10.7%

82 754

85 846

76 620



thousand kW

2011

2012

2013

EFFICIENT USE OF RESOURCES

THE EVOLUTION OF THE RESOURCE USE



Water

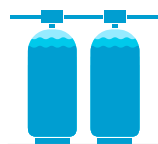
2012: a water recycling project implemented.
Result: around 500,000 tons of water saved

1 006

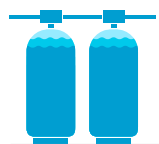
1 074

3 241

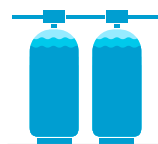
thousand m3



2011



2012



2013

Steam recycling

- In 2013, the steam saving during the drying of brewer's grains was about 6,000 tons
- The average amount of steam saved per 1 batch of work is 1.39 tons

2 230

2 630

2 140

tons



2011



2012



2013

CO2

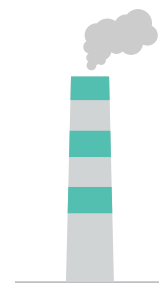
- The company liquefies the carbon dioxide (CO2) for further re-use in the production. In 2012, the company liquefied 11.5 thousand tons of CO2
- CO2 produced during the fermentation of beer. Installations on processing of CO2 factory are installed at "Obolon" (Kyiv) and "Brewery Zibert" (m. Fastiv, Kyiv region).

11 678

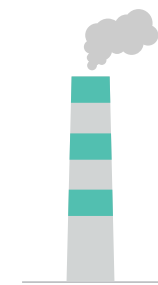
11 922

11 674

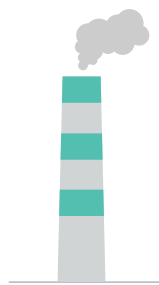
tons



2011



2012



2013

WASTELESS PRODUCTION



"The Obolon Corporation is continuously endeavouring to minimize the atmospheric emissions and generally reduce the resource consumption indicators. These goals are reached by increasing the efficiency of the organizational and production processes. By developing the energy efficient production, the company invests in sustainable future development and reduces its production costs, which is important given the increasing energy prices".

Serhii Pustovit
Energy Efficiency Manager

EXPENSES ON ENVIRONMENT PROTECTION

15.3 million UAH

2011

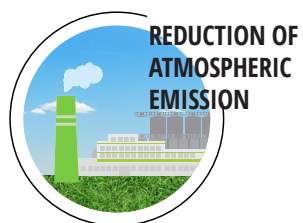
19.5 million UAH

2012

16.0 million UAH

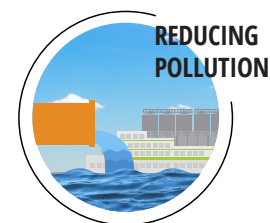
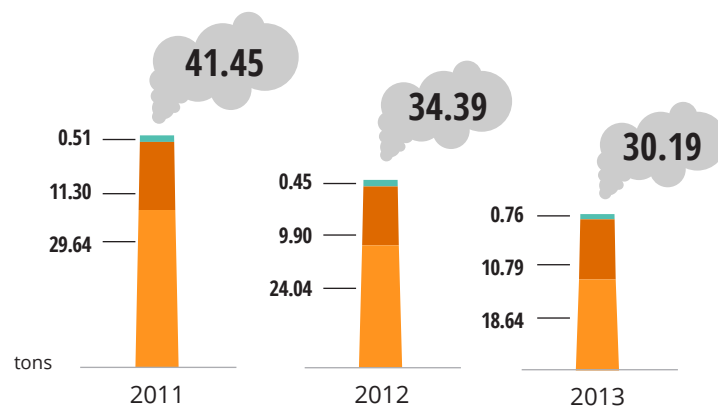
2013

1. Current expenditure for environmental protection: purchase of raw materials for maintenance of environmental equipment
2. Capital investment to establish a modern gas cleaning equipment with high efficiency
3. Payment for environmental services utilization of certain types of waste



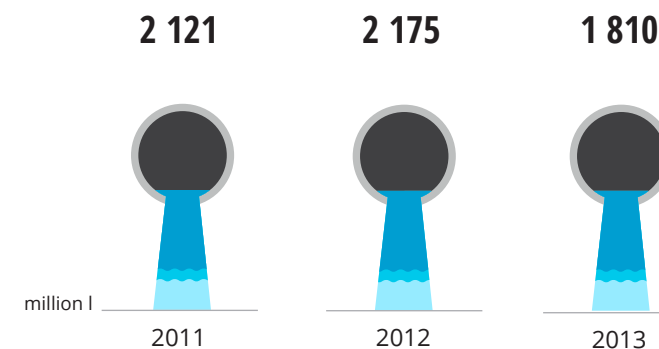
**REDUCTION OF
ATMOSPHERIC
EMISSION**

Carbon oxide
Grain dust
Nitrogen compounds



**REDUCING
POLLUTION**

Waste water



WASTELESS PRODUCTION

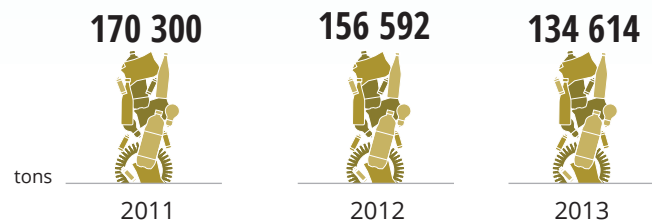


WASTE RECYCLING

Internal recycling and reuse

The internal recycling and reuse of materials in the production includes:

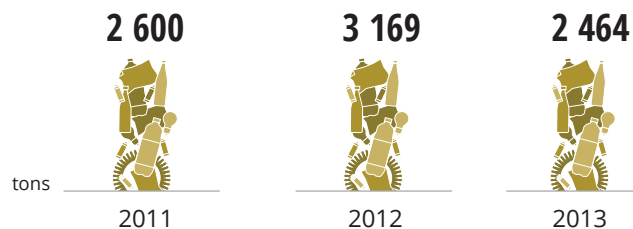
- sale of organic waste as feedstock: brewer's grains, grain waste;
- plastic waste



Third party recycling

The following materials are recycled by third parties:

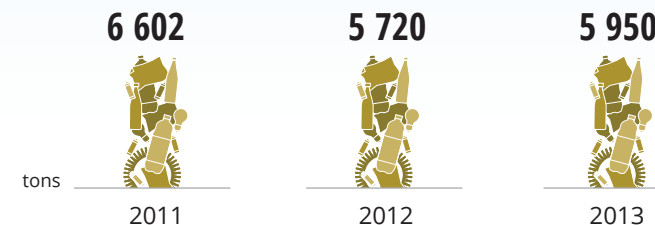
- paper waste,
- used tyres,
- fluorescent lamps,
- crushed glass,
- ferrous and non-ferrous metal scrap,
- polyethylene film,
- retired electronic equipment, etc.



Waste disposal

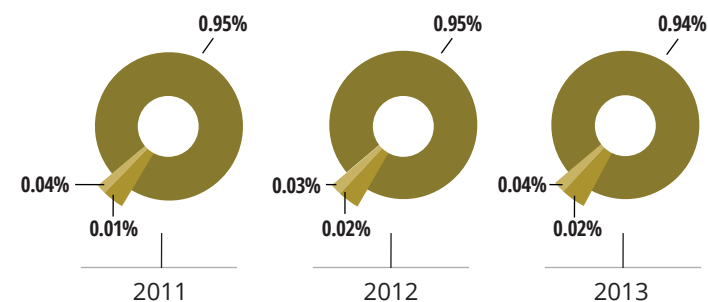
Materials disposal:

- Depleted filtering medium (diatomaceous earth)
- crushed glass



DISTRIBUTION OF WASTE DEPENDING ON RECYCLING

- Internal recycling and reuse
- Waste disposal
- Third party recycling



WASTELESS PRODUCTION



- Useful product
- Specific waste production

DEVELOPMENT OF REGIONS. KYIV REGION

Zibert's Brewery is a modern intensive technology enterprise with 100 years of history and brewing traditions, and it is a legend of the Ukrainian city of Fastiv. The corporation's Fastiv brewery is not only a landmark of Kyiv Region and an attraction for tourists but it also the region's socially responsible enterprise.

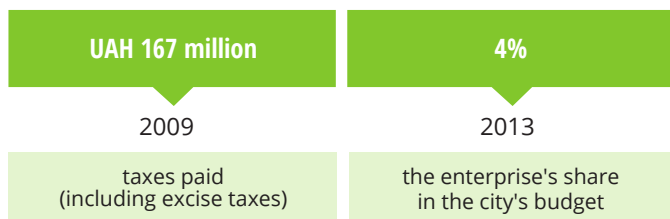
PRODUCTION AND TECHNOLOGIES



Zibert's Brewery produces 'niche' beer varieties: white beer, wheat beer, dark beer, also kvass and soft drinks.

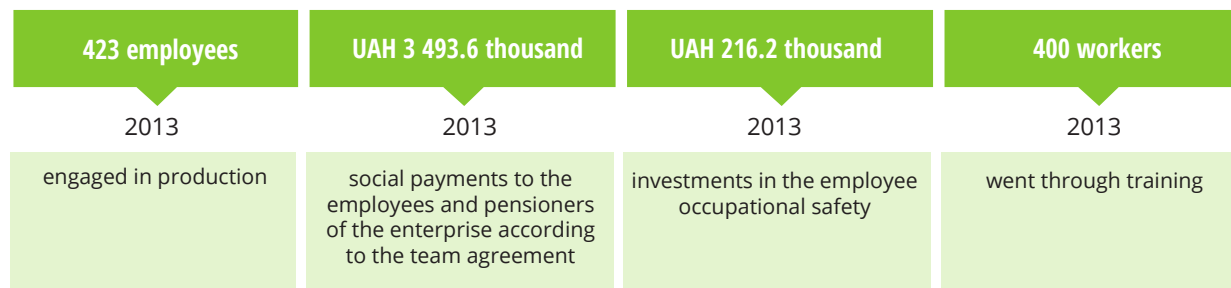
REGIONAL DEVELOPMENT

STATE BUDGET PAYMENTS



The brewery belongs to the major budget revenue-generating enterprises of the city of Fastiv.

CREATING NEW JOBS



CHARITY AND SPONSORSHIP

In 2013, the enterprise supported the restoration and reconstruction of 4 religious facilities in Fastiv:

- Saint Nicholas Ukrainian Orthodox Church
- Ukrainian Greek Catholic Church
- Saint Barbara Ukrainian Orthodox Church
- Ukrainian Orthodox Church in the village of Dorogynka, Fastiv District

DEVELOPMENT OF REGIONS. KYIV REGION



1. Each year, Zibert's Brewery provides financial aid to support the celebration of the Fastiv Day and is one of the sponsors of the Day for Protection of Children celebrated on June 1.
2. The Fastiv brewery supported the construction of a commemorative stone to Semen Paliy to commemorate the 357th anniversary of the Cossack colonel's birthday.
3. For many years now, Zibert's Brewery has been providing financial aid and meals to a daycare, a comprehensive school, and an orphanage in Fastiv that are under its special care.

The social support vector of the enterprise is aimed at helping:

Organizations of the handicapped and veterans

- Fastiv Social Service Centre (social services to the pensioners)
- Fastiv Inter-District Organization of Afghan War Veterans
- Fastiv Organization of Disabled Veterans of War, Armed Forces and Combatants
- Fastiv Union of Veterans and Pensioners of the State Emergency Service of Ukraine
- Fastiv Children's and Youth Sports School
- Zarichchya Microdistrict Population Self-Organizing Committee
- Fastiv Municipal Organization of Ukraine's Veterans

Sports facilities

- Obolon Brovar Football Club
- Olymp Physical Education and Sports Complex
- Ukrainian SUMO Federation
- Ukrainian Boat Sprint Federation
- JUDO Sports Club
- Regional Sports Council

DEVELOPMENT OF REGIONS. KYIV REGION

ZIBERT'S BREWERY IS PART OF THE UNIQUE UKRAINE

Since 2011, Zibert's Brewery has been welcoming excursions for tourists from all parts of our country. The unique Ukraine tour operator, whose primary focus is tours inside Ukraine, included the Fastiv brewery in one of its tour itineraries.

"We have 15 years of experience in organizing such trips. The last five years have been dedicated to developing unique tour itineraries, Zibert's Brewery being one of them. The factory is indeed quite unique: it is located in the picturesque land filled with God's grace (near Pokrovska Church). Moreover, the modern technologies and state-of-the-art equipment make tourists even more curious".

Yaroslav Kozak
CEO of the Unique Ukraine travel company

"Today, our brewery is open to everybody. Since 2010, the brewery has been offering excursion programmes to all those interested. Such excursions help the guests see for themselves the beverage producing technology and bust numerous myths related to beer. Thanks to the weekend tours with Unique Ukraine, Zibert's Brewery becomes known to tourists from all parts of our country".

Lyubov Onishchuk
Director
Zibert's Brewery, Obolon JSC Subsidiary

692 visitors

2013

joined the excursion to Zibert's Brewery

1 705 guests

2011–2014

visited the brewery in Fastiv during the 4 years of the excursion programme

DEVELOPMENT OF REGIONS. PODOLIA

Podolia is the basic agricultural region for the Obolon Corporation. Territorially, the company's facilities for the production of malt, the main brewing ingredient, are located in Khmelnytskyi Region, along with farming lands for the growing of cereals and the research centre aiming at the selection of barley varieties used in the brewing process.

INDUSTRY DEVELOPMENT IN KHMELNYTSKYI REGION

The biggest investment project in Khmelnytskyi Region is the Malt Plant in the urban-type settlement of Chemerivtsi. 2008 saw the opening of the factory's main malt-house. The enterprise is the biggest in Europe in terms of equipment and technology.

The Malt Factory is the flagship enterprise of Khmelnytskyi Region:

- it creates new jobs for the rural population
- it pays huge taxes to the local budget
- it is an impetus for the development of associated industries
- it assists in the development of the agricultural sector
- it uses unique innovations:
 - round beds for malt growing
 - system of land transportation of barley (instead of water ways)
 - hot-air recuperation in the drying room
 - minimized use of cold for drying the barley
- scientific research in agricultural sector and seed selection

DEVELOPMENT OF THE AGRICULTURAL SECTOR OF PODOLIA

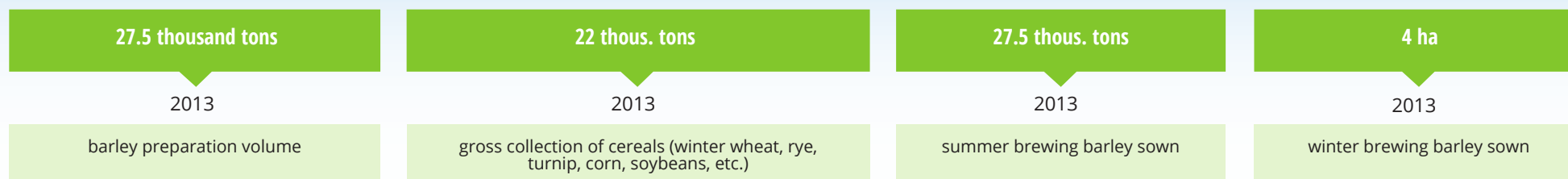
In Podolia, in addition to the Malt Factory, Obolon JSC is also represented by the Obolon-Agro LLC structures.

ELITE SEED FARM

Barley, wheat, corn, rye, soybean, flax, buckwheat, turnip, etc.

1. 66 varieties of home and foreign selection of brewing barley are planted in the Obolon-Agro fields.
2. Each year, Obolon-Agro produces 5-10 tons of first reproduction seed that is then sold to its partners
3. Farming lands are rented in 3 areas of Khmelnytskyi Region (Chemerivtsi, Horodok, and Dunaivtsi)
4. During 8 years, Obolon Agro has been bringing together its agricultural sector partners to exchange experience at the Agricultural Centre.
5. 300 agricultural producers from 5 regions of Ukraine and foreign representatives visited Obolon Agro LLC in 2013.

DEVELOPMENT OF REGIONS. PODOLIA



ANIMAL HUSBANDRY

Cows, pigs, etc.

1. UAH 3.7 million – investments in the reconstruction of the Obolon-Agro dairy facility in the village of Sokyryntsi (Khmelnyskyi Region, Chemerivtsi District)
2. 16 litres – average daily milk yield per cow in the Obolon-Agro structures



GROWING AND PROCESSING VEGETABLES

Zucchini, cucumbers, tomatoes

CREATING NEW JOBS

1. More than 1,000 jobs have been created in the Podolia agricultural territory.
2. Each person employed by Obolon-Agro receives a social benefits package from the company.



REGIONAL DEVELOPMENT

1. 20 garbage containers for the city park of the urban-type settlement of Chemerivtsi were made for the city park with the assistance of the Malt Factory.
2. The enterprise always provides special equipment (a garbage truck, a street cleaning truck) for the regional needs.
3. Twice a year, Malt Factory employees participate in the volunteer all-city clean-up.

DEVELOPMENT OF REGIONS. PODOLIA

The Corporation's Malt Factory entered into a Social Partnership Agreement with the Chemerivtsi Village Council, covering the following three areas:

- rising the social standards
- economic development
- rising the region's competitiveness

SCIENTIFIC RESEARCH

Niva Oboloni Research and Production Association cooperated with Syngenta (Switzerland) and Podolian State Agro-Technical University to created a permanent Agricultural Center aimed at improving the technology of crops cultivation.

"We have been cooperating with Syngenta for quite a long time now. Obolon-Agro LLC is happy to have chosen this seeds and crop protection agent distributor. Every year, Syngenta offers new products and expands the portfolio of high-quality selections and efficient crop protection agents".

*Mykhaylo Zagorodny
Director for Agriculture Obolon JSC*

"Our cooperation with Obolon-Agro LLC is based on selling the selected seeds and agents protecting the crops from pests and weed. Our company is satisfied with the cooperation. We believe that this cooperation will continue for quite a long time" .

*Ruslan Shmyga
regional representative of Syngenta in Khmelnytskyi and Ternopil Regions*

COOPERATION WITH EDUCATIONAL INSTITUTIONS

Obolon-Agro cooperates with Podolian State Agro-Technical University to:

- educate professional agricultural workers
- develop agricultural science and improve research-intensive seed selection
- popularize brewing barley planting

Around 150 students visited the facilities of the complex in 2013.

The enterprise's dairy facility is used as the basis for off-site practical classes for the students of the Biotechnology Department of the Podolian State Agro-Technical University. For two successive years, Obolon-Agro has been organizing job-specific excursions for the students of Chemerivtsi Educational Institution No.1. The students are introduced to the professions of tractor operator, joiner, salesman, security guard, and dispatcher. These activities help the students to choose their future professions.

CHARITY AND SPONSORSHIP

Obolon encourages the development of local libraries. In 2013, the company replenished the book collection of the of Chemerivtsi District libraries.

The Malt Factory supported the "Bibliomist" programme focused on IT development and computer availability in the regional libraries. 15 modern computers, 4 printers and licensed software were provided to the libraries in the urban-type settlement of Chemerivtsi, villages of Zakupne, Gussyatin and Zavadiivka in 2013

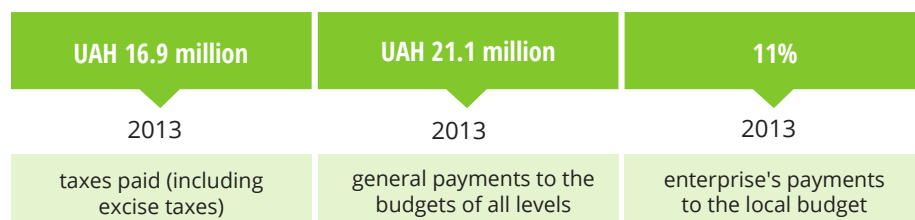
Obolon Corporation's social investment in Podolia Region in 2012–2013 amounted to UAH 1 200 000.

DEVELOPMENT OF REGIONS. SUMY REGION

Okhtyrka Brewery is an enterprise with a 100-year-old history and the only operating brewery in Sumy Region. Today, the Brewery is a socially responsible enterprise and an active member of the region's civil society. The enterprise is involved in charity programmes, it takes care of its employees and increases their professional excellence. It is also engaged in a constant active dialogue with the local community.

REGIONAL DEVELOPMENT

STATE BUDGET PAYMENTS



CREATING NEW JOBS

A medical insurance programme has been underway for 10 years now for all the brewery employees.

For more than 10 years now, a postgraduate school has been working at the regional enterprise of the Obolon Corporation in Okhtyrka, Sumy Region, aimed at educating the staff in such areas as "Economics and Management", "Efficient Sales Management", and "Production Education." In 2013, around 100 employees of the enterprise attended the classes as part of the corporate education programme.

DIALOGUE WITH LOCAL COMMUNITIES

Every year, the Traven-Fest Cultural and Arts Festival is held in the city, supported by Okhtyrka Brewery. The enterprise supplies its products as well as financial aid to organize the festival.

In the summer of 2013, the Okhtyrka enterprise helped organize excursions for the participants of 9 local summer camps attached to the schools. 1,767 students of Okhtyrka educational institutions visited the factory where Jivchik, the favourite drink of many kids, is produced. The little visitors learned many of interesting things and received healthy beverages as gifts.

MANUFACTURE AND TECHNOLOGIES

1. 1.9 mln dal of beverages was produced at Okhtyrka Brewery in 2013.
2. 500 sales outlets in Kyiv offer Okhtyrka Brewery products of.
3. 110 m is the depth of the wells the enterprise uses to get water for the beverage.
4. Okhtyrka Brewery celebrated its 100th anniversary in 2013.



DEVELOPMENT OF REGIONS. SUMY REGION

In 2013, more than 100 students of Sumy State University visited Okhtyrka Brewery. They learned about the equipment installed at the brewery and the cutting-edge technologies, talked to the specialists. The meetings with students are a tradition. They ensure that the future specialists receive high-quality education and thus get ready to enter the industry.

The enterprise, which is part of Obolon Corporation, has been cooperating for many years now with regional educational institutions that send their students there every year to get professional onsite training, pre-graduation, and operational practice. Those institutions are:

- Sumy National Agrarian University
- State Vocational Education Institution
- Sumy Vocational Chemical and Technological School
- State Educational Institution
- Okhtyrka Centre of Vocational Education
- Lohvytsia Technological Vocational Training School of Poltava State Agrarian Academy
- State Vocational Education Institution
- Sumy Vocational School of Construction and Motor Transport

For several consecutive years, Okhtyrka Brewery has been implementing the eco-project, "Preserve Nature - Bring PET Bottle to the Brewery." As part of the initiative, containers for collection of used plastic bottles have been placed in the territory of the brewery and in the adjacent areas. All collected PET containers are transported to the corporation's factory in Oleksandriya for processing.

Twice a year (in spring and in autumn), employees of Okhtyrka Brewery participate in all-city clean-up of the streets and outskirts of Okhtyrka.

Around 20 000 Okhtyrka residents participate in the city's festive events.

26 young specialists received education and practical training at Okhtyrka Brewery.

Around 200 employees of the enterprise are active participants in the local volunteer Saturday clean-ups.

CHARITY AND SPONSORSHIP

UAH 128 thousand

2013

aid provided for the restoration of the regional hospital and schools in Okhtyrka

UAH 30.9 thousand

1 half of 2014

enterprise's payments to the local budget

In 2013-2014, UAH 31,000 was provided by the enterprise of Obolon Corporation for supporting religious sites in Okhtyrka.

DEVELOPMENT OF REGIONS. SUMY REGION

In 2012, the brewery helped build a Jivchik playground in the territory of the local recreational park and the territorial community was made its owner.

The enterprise is active in assisting Okhtyrka churches:

- Dormition of the Mother of God Ukrainian Orthodox Church
- Pokrovsky Cathedral
- Salvation and Transfiguration community

The enterprise is active in assisting Okhtyrka churches:

- Zoryany Prostir Interregional TV and Radio Festival of Children and Youth Creativity in Sumy
- Sumy Region Rhythmic Gymnastics Federation
- Okhtyrka City Centre for Social Rehabilitation of Handicapped Children
- Education Department of Okhtyrka District State Administration and Okhtyrka City Council
- Department of Culture and Tourism and Department for Family and Youth Affairs, Physical Culture and Sports of Okhtyrka City Council
- "Sumy Region — A Country for the Young" Youth Team
- Veterans Council
- Homes for elderly people inside and outside Okhtyrka
- "Young Talents of the New Sumy Region" Children's Festival
- Table Tennis Federation of Okhtyrka
- Okhtyrka District Centre of the Union for the Development of Village Eco-Tourism in Ukraine
- Ozhivi Mriyu International Charity Foundation
- Dobrota Charity Foundation in Trostyanets
- Pre-School Educational Institution, Teremok Daycare Centre and Kindergarten

Okhtyrka Brewery has been supporting Skhid Rok Music Festival of Sloboda Ukraine in Trostyanets during two successive years providing financial aid and meals.

DEVELOPMENT OF REGIONS. KIROVOHRAD REGION

MANUFACTURE AND TECHNOLOGIES

For Olexandriya, which has a population of around 100,000 people, the production facility of Obolon Corporation is an important industrial site. The enterprise has been developing smoothly, it makes new products and increases payments to the local budget.

Today, the 4 remote shops of the production facility produce:

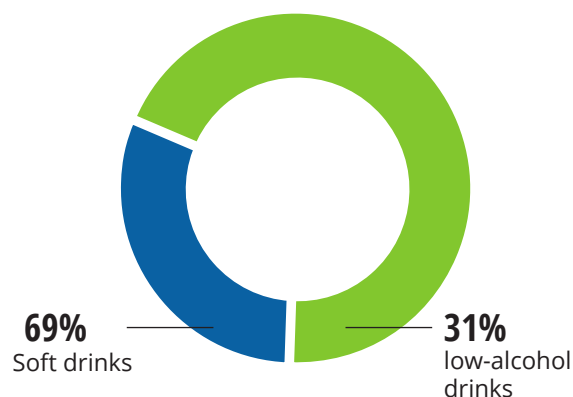
- soft drinks and low-alcohol drinks
- tension and packaging tape
- polymer parts
- recycled PET containers

In 2012-2013, the investments in the PET preform production factory amounted to UAH 100 million.

43 000 units per hour is the speed of the preform production line

BEVERAGE PRODUCTION STRUCTURE

- 2003** Launching the plastic bottle processing line resulted in lower industrial impact on the environment
- 2008** Reduction of binding band from processed PET-bottles was launched in Oleksandriya for the first time in Ukraine
- 2012** Commissioning of the PET preform factory



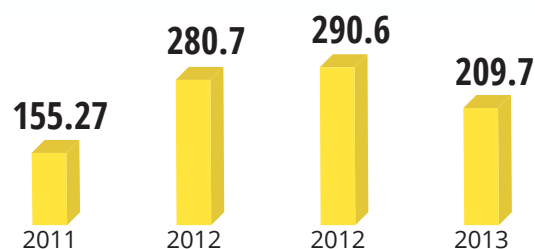
UAH 100 million	5.2 million dal	UAH 290.6 million	840.6 tons	213.6 million
2012-2013	2013	2013	2013	2013
investments in opening of the PET preform factory	beverages produced at the production facility	production output	used plastic bottles processed by the enterprise	PET preforms released by the production facility

DEVELOPMENT OF REGIONS. KIROVOHRAD REGION

REGIONAL DEVELOPMENT

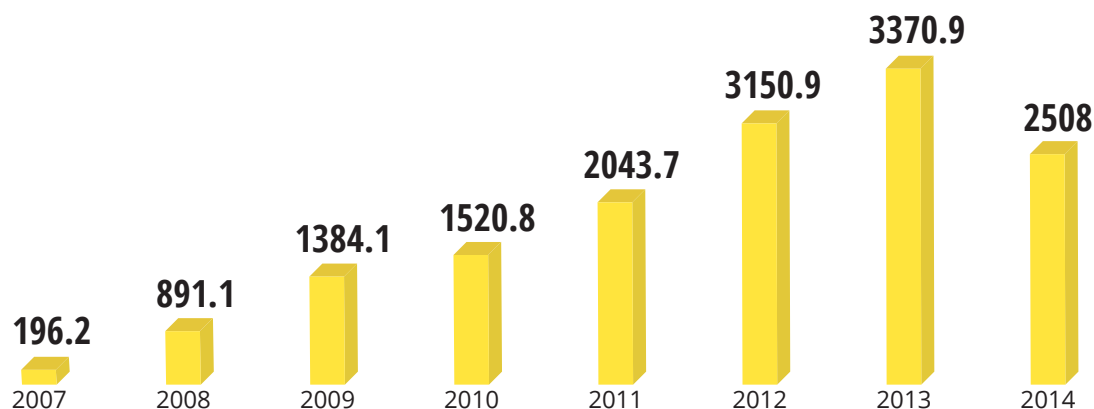
Launching facilities for processing used PET preforms in Oleksandriya was an impetus to the social and economic development of the region.

OUTPUT, MILLION UAH



UAH 936.3 million without excise tax and VAT is the value of products made at the production facility of Obolon JSC in Oleksandriya from 2011 to August 2014.

PAYMENTS TO THE CITY BUDGET, UAH THOUSAND



UAH 15 million paid by the production facility of Obolon JSC to the city budget of Oleksandriya in from 2007 through the first 8 months of 2014

1. UAH 3.5 million was paid to the local budget by the enterprise of Obolon JSC in Oleksandriya.
2. Payments made by the remote company of Obolon JSC to the Oleksandriya city budget grew by 7% in 2013 as compared to 2012.
3. The output at the production facility grew by 3.5% in 2013 as compared to 2012.
4. 45% of products of the Obolon enterprise JSC were made in Oleksandriya.

DEVELOPMENT OF REGIONS. KIROVOHRAD REGION

PROTECTING THE ENVIRONMENT

In 1995, Obolon was the first among Ukrainian producers to start using PET bottles.

- 1 Processing plastic packaging waste has been underway at the Oleksandriya enterprise for 12 years now.
- 2 30 million PET container units arrive for processing each year.
- 3 9 thousand tonnes of used bottles have been processed under the programme for 12 years.
- 4 2.5 million plastic bottles are recycled every month at the enterprise of the corporation.

In 2013, Obolon JSC was awarded in the Green Awards Ukraine annual international competition in the nomination The Best Green Project in the Industry for the PET bottle recycling project.

Processing used PET containers makes it possible for Obolon to:

- save 2/3 of power consumption (in the production using recycled PET items)
- reduce CO2 emission
- protect the environment
- re-use the materials

In the framework of the eco-project of collecting PET bottles, Obolon JSC has installed special containers in the territory of its regional enterprises. The project was launched a few years ago and is still underway.

"We opened the factory in 2003 and since then, we have reached the maximum volume of recycled PET processing. We see two important aspects here: the economic effect and the reduction of the harmful environmental impact. Currently, the enterprise is working on the options of collecting plastic containers as well as involving our partners and local communities in this process".

*Volodymyr Shklyaruk
Director of the production facility of Obolon JSC in Oleksandriya*

In February 2013, the enterprise cooperated with scientists and professors of the educational institution "Oleksandriya Collegium - Specialized School" to implement a waste-sorting eco-project. Special garbage containers for collecting plastic bottles were placed in the territory of the school.

In September 2013, Obolon introduced lighter packaging. Production of 1+ litre capacity PET bottles under the new PCO 1881 standard was launched at the production facility in Oleksandriya.

Saving plastic material in the production of PET containers rose in the 1st half of 2014 by 47.9% as compared to 2013.

DEVELOPMENT OF REGIONS. KIROVOHRAD REGION



CREATING NEW JOBS



"This enterprise makes a lot to protect the workers in Olexandriya and pay them good salaries as well as to raise the payments to the city budget, which is important for every citizen".

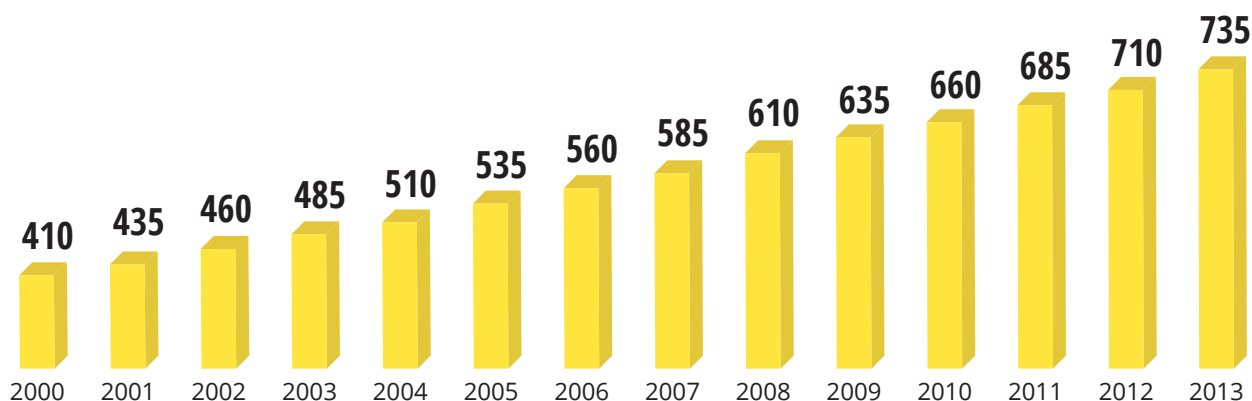
*Stepan Tsapyuk
Mayor of Olexandriya*

PROMOTION OF SPORTS

In the 1990s, Obolon began supporting the Zmina Olympic Reserve Sports School for Children and Youth.

- 2013** The sports school had 735 trainees aged 6 to 18.
- 2014** Zmina and Zmina-Obolon teams represented the school at a football championship.

NUMBER OF ZMINA SPORTS SCHOOL TRAINEES



11 professional football coaches teach young pupils of Zmina the art of the game

1997 Zmina Olympic Reserve Sports School for Children and Young People was established.

1986 The school received its own stadium.

1992 The Obolon-Zmina soccer club was founded at the sports school. Today, it is a club with a rich football history, participating in the National Championship of Ukraine under the name of "Obolon-Brovar." The first team of the club includes Zmina alumni.

1996 Obolon has been and still is the club's permanent sponsor. Obolon provides financial, material, and resource support to the sports organization. Sports have become the priority area of the Company's CSR strategy.

2009 Obolon sponsored twice the national football championships of Ukraine.

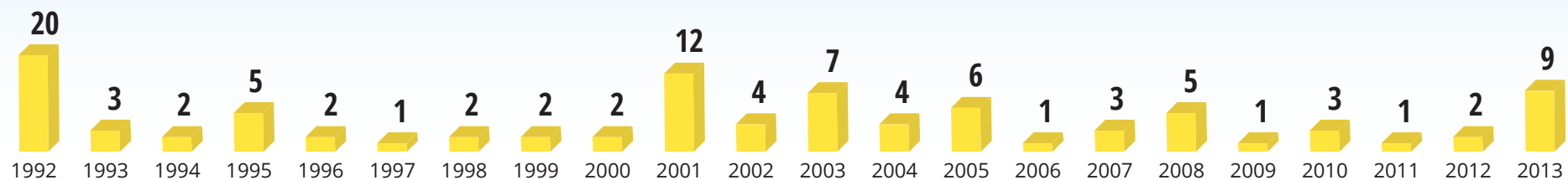
The participation of Obolon-Brovar football Club in the football championship of Ukraine motivates the youth and the fans to do sports as it is a role model for the trainees of the Zmina Sports School.

9 Zmina alumni
joined the Obolon-Brovar team in 2013

20 Zmina's alumni
are members of Ukrainian football teams.

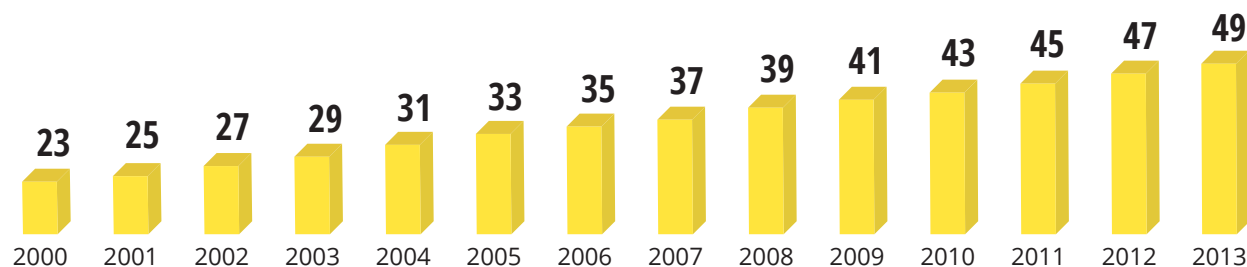
PROMOTION OF SPORTS

NUMBER OF ZMINA SPORTS SCHOOL TRAINEES IN THE OBOLON-BROVAR FOOTBALL CLUB

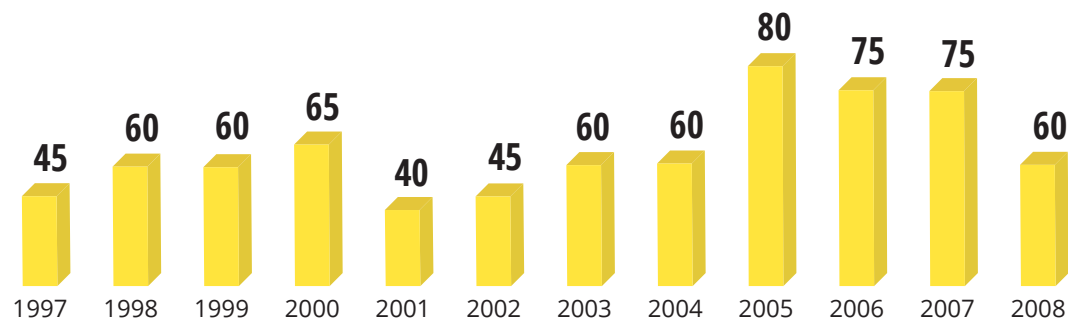


The increasing number of the football teams trained at the school shows that the parents eagerly choose Zmina School for their children.

NUMBER OF ZMINA SPORTS SCHOOL FOOTBALL TEAMS



NUMBER OF CHILDREN IN EACH TEAM BY AGE GROUP



PROMOTION OF SPORTS

Today, serious efforts are being made to encourage children for physical training and sports and a healthy lifestyle.

The Obolon-Brovar football Club has a modern stadium, Obolon Arena, equipped with:

- a field heating system
- 1,200 lux lighting towers
- a press centre

2002 This is the year when the Obolon Arena sports stadium was built.

2012 The stadium had a status of the European Championship training field.

Since 2013, Obolon has been supporting big international sports events.



Obolon Arena also hosts sports and public events for the employees of the Obolon Corporation.

IN 2013-2014, THE COMPANY SUPPORTED THE FOLLOWING SPORTS EVENTS:

10th Bila Tserkva marathon 06.10.2013 1,200 participants from 15 countries	Ukraine Triathlon Championship 01-02.06.2013 Vyshhorod, Kyiv Region	Ukraine Triathlon Championship 05-07.07.2013 Zhytomyr	2nd International Race "Cross Mile" 21.09.2013 Kyiv
1st International Marathon 12.04.2014 Kharkiv, 10,00 athletes from 17 countries	5th Kyiv International Marathon 27.04.2014 Kyiv, 3,500 participants from 32 countries Every 5 km, the athletes could rehydrate at special stations offering Prozora water		Sports Marathon 24.05.2014 Dnipropetrovsk

5 100

spectators is the capacity of the Obolon Arena football stadium.

104m x 68m

are the dimensions of the sports arena.

EDUCATIONAL PROJECTS

UAH 500,000 is the amount of the company's investments into education projects.

PETRO YATSYK INTERNATIONAL CONTEST OF UKRAINIAN SPEAKERS

In 2005, Obolon joined the supporters of Petro Yatsyk International Contest of Ukrainian Speakers, which:

- promotes the Ukrainian language among Ukrainians;
- improves the prestige of the official language among the youth;
- promotes respect for the culture and traditions of Ukraine.

For 9 years, Obolon has been providing financial assistance for the contest and establishing its own prizes for proficient speakers of Ukrainian.

Today, the Petro Yatsyk Contest includes:

1. 5 million pupils, students and representatives of the Ukrainian Diaspora taking part in the linguistic marathon every year.
2. 25 countries whose citizens take part in the event.
3. Proficient speakers of the native language aged 9-21 who take part in the Petro Yatsyk International Contest.

The encouragement prizes for the winners are from 3 000 to 6 000 UAH



Obolon joined the supporters of Petro Yatsyk International Contest of Ukrainian Speakers, which

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is taught as a discipline at 60 Ukrainian higher education institutions.

In 2013, Obolon supported the Summer University of the Ukrainian Management and Business Education Development Association (UARMBO), "CSR Teaching Technique", in the form of "Training for Trainers" for the instructors of higher education institutions. The company provided financial assistance, supplied drinks, and held a training session for the school attendees.

94 instructors
were trained to teach CSR
in 2009–2013.

EDUCATIONAL PROJECTS

29 teachers from 15 universities and 9 Ukrainian cities were trained at the 2013 Summer University of UARMBO with the support from the company:

- Donetsk National University
- Ivan Franko Zhytomyr State University
- V. Hetman Kyiv National Economic University
- National Academy of Public Administration (Kyiv)
- National Forestry University of Ukraine (Lviv)
- Kyiv Polytechnic Institute (National Technical University)
- I. I. Mechnikov Odessa National University
- Eastern European University of Economics and Management (Cherkasy)
- Sumy Branch of Kharkiv National Internal Affairs University
- Taurida National University (Simferopol)
- KROK University of Economics and Law (Kyiv)
- Uzhhorod National University
- Uzhhorod Trade and Economics
- Institute of Kyiv National Trade and Economics University
- Kharkiv National Economics University
- V. N. Karazin Kharkiv National University

SUPPORTING GIFTED YOUTH

For over 10 years, Obolon have been providing support to Kyiv Arts School No.5 for artistically gifted children. The company provides healthy drinks, gifts and souvenirs for the students.

Since 1990s, Obolon has been supporting the initiatives and programmes of Kyiv Polytechnic Institute. The projects include engineering contests among students, Olympiads, competitions, and festivals. Obolon supports the events with its products and consultations, and invites adult students for an industrial tour demonstrating to the future specialists the technological potential of Obolon's largest brewery.

SPONSORSHIP AND VOLUNTEERING

For over two decades, Obolon has been actively involved in charity and sponsorship projects. This is a versatile area of the company's activities, including

- culture and education projects
- aid to socially vulnerable groups
- promotion of the revival of moral values as well as historical and cultural heritage
- promotion of sports

CHARITY

Obolon provides charity support to its partner organizations.



ORGANIZATIONS OF THE DISABLED AND VETERANS

- "Soniachnyi promin" Society of Mothers of the Disabled, Obolon District of Kyiv
- "Dimfo" Art Association for Children and Young People with Limited Abilities
- "Dytynstvo" Society for Rehabilitation of Disabled Children, Kyiv
- "Dity Chornobylia" Obolon District Organization
- Foundation of the Disabled Chornobyl Victims, a non-governmental organization
- KASITsEP Kyiv Association of the Disabled with Cerebral Palsy
- "Vidrozhennia" Rehabilitation Centre for People With Spinal Disability, NGO
- Ukrainian Society of the Deaf, Kyiv Branch
- Ukrainian Society of the Blind
- Kyiv Association of Disability NGOs
- Dniprovskyi District Society of People with Musculoskeletal Disabilities



CHARITY ORGANIZATIONS

- St . Mary International Charity Foundation
- "Children are Our Future", Charity Foundation
- "Horytsvit" NGO (Novobilychi Psychoneurological Nursing Home for Men)
- Ukrainian Institute of National Memory, Charity Foundation
- "Heroine" Charity Initiative
- "Holy Rus-Ukraine" Charity Foundation
- Women's Federation for World Peace
- Ukrainian Veterans Association
- Chornobyl 2008
- Ukrainian Floorball Association
- Ukrainian Association of World War II Veterans
- UIA Veterans Charity Foundation
- Charity Foundation for Social Security of Kyiv Veterans
- Organization of the Disabled, War and Military: Oboloni and Sviatoshyn Districts of Kyiv
- Association of Afghanistan Veterans
- T. Lohush's "Word Crowning" International Charity Foundation
- "Dzherelo-1" Charity Foundation
- "In Children's Palms" Charity Foundation
- "Liros" Charity Foundation

UAH 1.8 million

invested by Obolon Corporation in sponsorships and charity projects in 2013

300,000 liters

of the company's products donated by Obolon as part of sponsorship and charity in 2013

SPONSORSHIP AND VOLUNTEERING



CULTURE, EDUCATION AND SPORTS ORGANIZATIONS

- Culture State Television and Radio Broadcasting Company
- "Zmina" Sports School for Children and Youth
- "AIESEC" Student Organization
- Kyiv School No. 170
- European Youth Parliament Youth Organization
- Obolon Grand Master Chess Club
- Foundation for Development of Rugby for Children and Youth in Ukraine
- Sports and Children, Stella Zakharova's Charity Foundation
- "Leadership, Youth, Innovation", Ukrainian Non-Governmental Youth Organization
- Student Fraternity of the National University of the Kyiv-Mohyla Academy
- Shyshak Boarding School for Gifted Children
- Mostyshche Specialized Boarding School
- Ukrainian Catholic University
- Kyiv Polytechnic Institute, National Technical University
- Taras Shevchenko Kyiv National University
- Obolon Lyceum No. 157
- Ivan Franko National Academic Drama Theater
- National Parliamentary Library



GOVERNMENT AGENCIES

- Obolon District Employment Centre
- Office for Family and Youth of Obolon District State Administration
- "Narodna Armii" Central Printed Media of the Ministry of Defence of Ukraine
- Ukrainian Navy (Unit A0235)
- "Rodynni Dim" Kyiv City Centre of Family Social Services
- Obolon District Centre of Family, Children and Youth Social Services
- Central Directorate of NBC Defence Forces of the Central Operative Support Directorate of the Ukrainian Armed Forces



RELIGIOUS ORGANIZATIONS, ASSOCIATIONS AND INSTITUTIONS

- Church of Saint Mykola (Prytyska) in Kyiv
- Temple of the Protecting Veil of the Mother of God in Mariupol
- Church of Volodymyr the Great in Vyshhorod
- Kyrylo Rozumovskyi Palace in Baturyn
- Saint George Monastery on Cossack Graves in Pliasheva (Rivne Region)
- Saint Panteleimon Church in Lubny (Poltava region)
- Church of Saint Martyr Liudmyla in Horodok (Khmelnyskyi Region)
- Ukrainian Greek Catholic Church (Kyiv Archdiocese)
- Ukrainian Greek Catholic Church (Lviv Archdiocese)
- Ukrainian Orthodox Church of the Holy Mother of God Icon, Kyiv Patriarchate
- Church of the Protecting Veil of the Mother of God in Teofipol (Khmelnyskyi Region)
- Kyiv Seminary of the Ukrainian Greek Catholic Church
- St. Michael's Golden-Domed Monastery
- Kyiv Association of Catholic Students

SPONSORSHIP AND CHARITY

HISTORICAL AND CULTURAL HERITAGE

Obolon takes part in the renovation of historical and architectural landmarks, such as:

- Central Museum of Taras Shevchenko
- Church of Saint Mykola (Prytyska) in Kyiv
- Temple of the Protecting Veil of the Mother of God in Mariupol
- Church of Volodymyr the Great in Vyshhorod
- Holy Trinity Cathedral in Lutsk
- Kyrilo Rozumovskyi Palace in Baturyn
- Lychakivskyi Cemetery Museum in Lviv
- Church of Saint Martyr Liudmyla in Horodok
- Museum of Hetmans
- Decorative and Applied Arts Museum
- Ivan Honchar Museum

In 2012, Obolon Corporation commenced a long-term partnership programme with the National Circus of Ukraine. In the course of this cooperation, Obolon organized a stylized café in the circus, with the Zhyvchyk character telling the guests about healthy juice-based beverages and giving trademark souvenirs for participating in competitions and quizzes.

ART AND CULTURE

LITERATURE

In 2011, Obolon joined the supporters of the "Crowning of the Word" International Literary Contest of Novels, Scripts, Song Lyrics and Children's Books. The company has been the honorary sponsor of the event for four years in a row. Every year, Obolon provides products for organizing and holding the arts event.

CINEMA

Obolon Corporation donated UAH 250,000 for presentation and promotion campaign of the Ukrainian-made "Bohdan-Zynovii Khmelnytskyi" movie.

MUSIC

In 2014, Obolon supported the 1st International Festival "Chopin's Music in the Open Air" in the Radomysl Castle-Museum, a historical and cultural complex. During the event, the singers of the National Philharmonic Hall of Ukraine and their Polish colleagues performed the great composer's best works. In late December 2013, Obolon supported the festival "Believe in Every Child's Talent" in Krasyliv, Khmelnytskyi Region. In the course of the event, the company provided soft drinks and souvenirs for the participants.

CULTURAL AND HISTORICAL LANDMARKS

On March 30, 2014, a ceremonial opening of the Taras Shevchenko monument was held in Ivankivka, Khmelnytskyi Region, with the support from the Obolon Corporation. The company provided financial support to the event, dedicated to the Folk Minstrel's 200th anniversary.

244 books — textbooks, collections, catalogues, guides, fiction, scientific, historical, and children's books — have been published over the last fifteen years with the support from Obolon Corporation.

SPONSORSHIP AND CHARITY

AID TO THE VULNERABLE SOCIAL GROUPS

1. 4 family-type orphanages in Kyiv, Fastiv, Bila Tserkva, and Pyschchyky are under the patronage of Obolon.
2. In 2013, Obolon provided UAH 65,000 and some of its products to low income families.
3. The company's targeted aid to selected persons in 2013 amounted to UAH 30,000.

In 2012-2014, Obolon has acted as a partner of the Obolon District Administration in Kyiv and "In Children's Palms" NGO in the charity project of helping children with Down's syndrome

In December 2013, Obolon joined the "Benevolence" charity initiative of the Obolonskyi District schools students, which supports sick children at the Okhmatdyt hospital.

The company donated UAH 40 000 and 350 litres of drinks to children with Down's syndrome.

The company donated UAH 18 000 in the course of the "Benevolence" project.

EDUCATION INITIATIVES

For over 15 years, Obolon has been cooperating with the Kyiv Polytechnic Institute, National Technical University. For two years in a row, the company has supported the university's education project, EBEC European Engineering Contest, for promoting the development of engineering talent. Obolon provides its products to support the event.

In the winter of 2013, Obolon took part in the Winter Recruitment 2014 project of the AIESEC students' organization by donating 150 litres of its Zhyvchyk beverage to the participants.

PUBLIC EVENTS

In cooperation with the PLAST National Scouts Organization, Obolon took part in the Wonder Race project just before the Children's Day. 250 children aged 2 to 15 took part in the race.

On June 14, 2014, Obolon Poland supported the celebration of the birthday of Jan Kochanowski, a famous Polish writer, at the Krasinsky estate in Warsaw, Poland. As a gesture of goodwill and respect for the Polish culture, the company sponsored the event and provided a booth with the company's beverages. Dozens of concerts of Ukrainian musical groups were held in Poland with Obolon as the general sponsor. In the summer of 2014, Obolon Poland, in cooperation with the Polish Radio Żłote Przeboje, acted as the general sponsor of 6 concerts of Ukrainian and Polish music teams. In the course of the arts festival, the company popularized Ukrainian culture and presented the products of Ukraine's largest beverage producer in the European Union.

In the summer of 2014, Obolon supported the 4th International Festival of Ukrainian Culture in Israel in cooperation with the official distributor of the company's beverages in the country. The guests were persons of Ukrainian descent, local Hebrew-speaking people, representatives of the government and the diplomatic service in Israel, journalists, volunteers, and Ukrainian military servicemen currently undergoing treatment at Israeli clinics.

REPORT OVERVIEW

Obolon Corporation presents its sixth non-financial Sustainability Report for the year 2013 and the first half of 2014. This document has been prepared according to the provisions of the GRI (Global Reporting Initiative) international sustainability reporting standard in conformity with the "Core" version of the latest G4 version and the ten principles of the UN Global Compact.

Obolon Corporation traditionally maintains the annual reporting cycle; its previous non-financial Sustainability Report was published in late 2013 based on the results of 2012 and the first half of 2013. The document is prepared in accordance with the GRI reporting standard, version G3.1, for a "B" grade, and certified by an independent audit report of the BDO company.

According to the GRI G4 standard, the extent of information disclosure in this year's Report was established separately for each Aspect. On some major issues (Aspects), the extent of coverage and disclosure of indicators is limited because these Aspects are insignificant and their data have no impact on the consolidated reporting results. On some issues, the extent of information disclosure is expanded due to the corporation structures for whose activity the selected Aspects are the most significant. The external limits of the Report cover the activities in the economic, environmental and social areas of ten Obolon Corporation companies in eight regions of Ukraine.

The analysis of the Global Reporting Initiative G4 Standard, corporate risks review, systematization of long-term projects and investments in sustainable development, and cooperation with the key stakeholders of the Obolon Corporation made it possible to compile this Report and determine the significant Aspects. The priority subjects of the non-financial document were determined by the management of the Obolon Corporation based on communications with the major stakeholders. The feedback from the stakeholders (letters, phone calls, hotline messages, social media messages, meetings, etc.) identified the list of significant Aspects of the Obolon Corporation, which include:

- financial and economic results;
- labour practices: personnel development, safe working conditions;
- gender equality;
- product quality and safety;
- environment protection;
- contribution to the regional economy;
- corporate management;
- energy efficiency; resource recycling and wasteless operation;
- investment in socially important culture and education programmes.

Obolon Corporation's sixth report is presented in two formats: a pdf version and a full interactive website. This year, as a socially responsible producer, Obolon refused from a printed version of the social report, thus making another contribution to the environment protection.

Preparing the Report each year, the company engages a professional independent auditor to certify the document. Obolon Corporation's Sustainability Report for the year 2013 and the first half of 2014 underwent independent external audit by the BDO audit company, which certified its conformity with the "core" level of the 4th version of the G4 GRI international reporting standard. The Audit Report is provided in Annex 1.

SUSTAINABLE DEVELOPMENT PLANS

CORPORATION

REPUTATION

- Expanding the company's cooperation with Ukrainian representative offices in Poland, Israel and Georgia thus making Ukrainian culture as well as Obolon Corporation's achievements known outside Ukraine.
- Promoting the projects for the improvement of Obolon's labour practices through a series of measures taken by the Civil Organization 'League of Social Workers' and within the scope of the Human Rights in Business Environment programme of the Ukrainian Catholic University (Lviv) in 2015.

MANAGEMENT

- Regular meetings of Directors with the personnel under the Direct Discourse project.

PEOPLE

COMFORTABLE WORKING ENVIRONMENT

- Surveying the workplaces; comfort and hygiene of workplaces.
- Installing bicycle parking facilities for better transportation and comfort of the Obolon working environment.

ETHICS AND EQUALITY OF RIGHTS

- Approbation of mechanisms for improving the labour practices of the employees who have family obligations, within the scope of the Getting Back to Work project.
- Providing personnel trainings within the scope of the information and educational programme for promoting the ethical policy among the Obolon personnel.
- Information sessions for personnel on human rights with the involvement of third-party human rights organizations.

BUSINESS STANDARDS

- Developing an individual Anticorruption Policy.
- Developing a Consume Responsibly programme within the scope of excursion programmes to the Obolon brewery (lectures and hand-out materials).

STAKEHOLDERS

- Expanding the Open Obolon excursion project. Strengthening the programme.
- Improving the mechanism of submitting claims by stakeholders through the Obolon Hot Line.
- Developing a pilot Supplier Cooperation Policy.

LIFE AND HEALTH

- Providing regular personnel trainings on occupational safety to prevent production injuries.
- Information programmes on preventing tuberculosis, in cooperation with the USAID Project for the employees of the Obolon regional companies.
- Implementing the Health Days project for the Obolon personnel with the involvement of experts from specialized medical establishments and institutions.

PERSONNEL DEVELOPMENT

- Implementing the personnel training programme 'Achieve while Learning' with the involvement of internal experts from among the company's management.
- Arranging language classes for employees.
- Pilot implementation of the Exchange of Experience project among the experts of various Obolon companies.

SUSTAINABLE DEVELOPMENT PLANS

SOCIETY

REGIONAL DEVELOPMENT

- Implementing a strategy of agrarian area development: installing additional equipment for storing barley and malt at Obolon Argo.
- Expansion of the excursion programme to Obolon regional companies.
- Arranging communication sessions between the management of Obolon regional companies and representatives of local communities.

PRODUCTION

QUALITY MANAGEMENT

- External audit of the Obolon integrated quality system.

ENVIRONMENT

NO WASTE

- Starting the production of plastic bags from recycled PET receptacle at the special Obolon enterprise in Kirovograd region.

SPORTS

- Regular practices for the trainees of the Zmina sports youth school, conducted by the players of the Obolon Brovar soccer team.

SPONSORSHIP AND CHARITY

- Organizing regular travels of volunteer employees to the paternalized specialized Mostyshche boarding school in the Kyiv region.

REGIONAL DEVELOPMENT

- Implementing the Re Con system for energy recuperation in the process of the gasification of liquefied carbonic acid.
- Installing adiabatic panels for preliminary air cooling in front of the cooling plant in Shop No. 8 of the Obolon brewery.

CONTACTS

HEAD OFFICE

OBOLON PJSC

3 Bogatyrskaya Street, Kyiv 04655
Chief Executive Officer: Igor Bulach
Phone: (044) 412-84-10
Fax: (044) 412-76-03

HOT LINE

0 800 507 300

CORPORATE COMMUNICATIONS DEPARTMENT

Phone: (044) 201-47-81
CSR Manager
csr@kiev.obolon.ua

REMOTE ENTERPRISES

MALTING PLANT

3 Obizdna Street, Chemerovcy,
Khmelnitsky 31600
Phone: (03859) 9-39-02, 9-26-51
Director - Mikhail Zagorodny

OLEXANDRIA PRODUCTION COMPLEX

3/1 Herojiv Stalingradu Street, Aleksandriya,
Kirovograd region 28000
Phone: (05235) 4-38-41
Director – Volodymyr Shklyaruk

SUBSIDIARY ENTERPRISES

KRASYLIVSKE SUBSIDIARY OF OBOLON JSC

3 Budivelnna Street, Krasilov,
Khmelnitsky 31000
Phone: (03855) 4-42-19, 4-52-99, 4-42-16
Director: Valery Peyko

ZIBERT'S BREWERY SUBSIDIARY OF OBOLON JSC

3 Pushkina Street, Fastov, Kyiv 08500
Phone: 04565 6-04-42
Fax: 04565 6-12-59
Director: Lyubov Onischuk

ENTERPRISES WITH CORPORATE RIGHTS

BERSHAD COMPLEX JSC

1 50-years Zhovtnya Street, Bershad,
Vinnytsia 24400
Phone: 04352 2-24-76
Chairman of the Board: Alexander Gerasimenko

DIATKIVTSI JSC

3 Zavodska Street, Kolomuya,
Ivano-Frankivsk 78200
Phone: 03433 2-45-49, 4-99-85
General Director: Roman Ostyak

OKHTYRKA BREWERY JSC

23 Batiuk S, Ohtyrka, Sumy 42700
Phone: 05446 4-20-79, 2-27-23
Chairman of the Board: Kostyantyn Zhuravlev

SEVASTOPOL SOFT DRINK PLANT JSC

2 Delegatska Street, Sevastopol,
Crimea 99044
Phone: 0692 48-81-91, 65-98-98
Chairman of the Board: Sergiy Shmyr

TABLE OF GRI INDICATORS

GENERAL REPORTING STANDARD ELEMENTS

<i>General reporting standard elements</i>	<i>Page</i>	<i>Audit</i>
G4-1	2	
G4-2	2; 66	
G4-3	96	
G4-4	36-38; 29-35	
G4-5	10-17; 35	
G4-6	6-7; 35	
G4-7	10-17	
G4-8	36-38	
G4-9	5; 10-17; 46-47; 60-62	
G4-10	5; 47	
G4-11	46	
G4-12	27	
G4-13	No changes	
G4-14	66-68	
G4-15	79	
G4-16	28	
G4-17	96	
G4-18	96	
G4-19	96	
G4-20	96	
G4-21	2; 96	

<i>General reporting standard elements</i>	<i>Page</i>	<i>Audit</i>
G4-22	96	
G4-23	96	
G4-24	21-24	
G4-25	96	
G4-26	21-28	
G4-27	21-25	
G4-28	2; 96	
G4-29	96	
G4-30	96	
G4-31	99	
G4-32	100	
G4-33	101	
G4-34	18-20; 27; 54	
G4-56	3; 7; 54	
G4-58	25-26; 54	
G4-EC7	63-65; 74-95	
G4-EC8	63-65; 74-95	
G4-EN1	71-73	
G4-EN2	73; 83; 86	
G4- EN3	70-71	
G4-EN6	70-71	

<i>General reporting standard elements</i>	<i>Page</i>	<i>Audit</i>
G4- EN8	71	
G4- EN10	70-71	
G4- EN15	71-72	
G4- EN19	71-72	
G4- EN27	71-73	
G4- EN31	72	
G4-LA1	46; 63; 47-50	
G4-LA2	58-59	
G4-LA3	54-55	
G4-LA4	46	
G4-LA8	51-53	
G4-LA10	58-59; 80	
G4-LA11	56-57	
G4-LA13	Equal salary	
G4- HR6	No risks	
G4-SO1	75-76; 79-82	
G4-SO3	8	