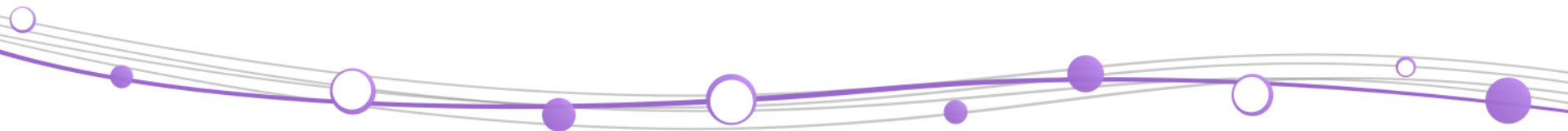




Energy in motion

PUBLIC REPORT

on Progress of the Organization
in 2014



Contents

<u>Welcoming Remarks</u>	4
<u>1. Stakeholders</u>	6
<u>2. Organizational Management</u>	9
<u>3. Production</u>	14
<u>4. Financial Results</u>	17
<u>5. Human Rights</u>	29
<u>6. Labor Relations</u>	33
<u>7. Environment</u>	52
<u>8. Prevention of Corruption</u>	60
<u>9. Cultural and Social Projects</u>	70
<u>10. Development Strategy</u>	75

Mission

Energy of motion for the success of society

Vision

We are moving forward, improving, managing the energy for the sustainable economic growth of Organization and society. We implement social justice principles, protect environment and create safe products

Terms and standards

PLASKE JSC, Organization – PLASKE Joint-Stock Company

OMS – Organization Management System

SB – Supervisory Board of PLASKE JSC

UN GC – Global Compact of the United Nations

ISO 10018 – “Quality management — Guidelines on people involvement and competence”

ISO 9001 – “Quality management system. Requirements”

ISO 14001 – “Environmental management system. General requirements and guidelines for use”

ISO 20121 – “Event sustainability management systems -- Requirements with guidance for use”

ISO 21500 – “Guidance on project management”

ISO 26000 – “Guidance on social responsibility”

27000 – “Information technology - Security techniques - Information security management systems - Overview and vocabulary”

ISO 27001 – “Information technology -- Security techniques - Information security management systems – Requirements»

27002 “Information technology - Security techniques - Code of practice for information security controls”

27003 – “Information technology - Security techniques - Information security management system implementation guidance”

27004 – “Information technology - Security techniques -- Information security management - Measurement”

27005 – “Information technology - Security techniques -- Information security risk management”

27007 – “Information technology - Security techniques - Guidelines for information security management systems auditing”

ISO 28000 – “Specification for security management systems for the supply chain”

ISO 31000 – “Risk management - Principles and guidelines”

EFQM – European Foundation for Quality Management

OHSAS 18001 – “Occupational Health and Safety Management Systems—Requirements”

SA 8000 – “Social Accountability”

ILRR– Internal Labor Rules and Regulations

Welcoming Remarks

Changes that took place in Ukraine during the last year resulted into economic aftermath that everyone of us could feel. New wave of crisis became a push to the restructuring of our Organization.

In order to systematize business processes, increase productivity and responsibility of the employees, create possibilities for our Organization to step up to a new level of development, transfer of operative management to managers by implementing the new instruments of management allowed to increase marketing dramatically and process of communication with the Consumers and the quality of service. These are the improvements the Organization was working at in 2014. The main direction of operation of the Organization in the field of social responsibility to the society is still implementing projects, aimed at the private-public partnership and protection of the interests of the industry at the international and national levels. We are accredited and certified according to the requirements and recommendations of 14 international standards and programs. This allows to provide relevant level of activity of the Organization.

In Ukraine PLASKE JSC represents 5 international organizations and projects, and their capacity allows to reach higher level of production and its constant improvement. We take active part in the development of national projects that include trade and logistics facilitation, implementation of Single Window – Local Solution project, participation in the interagency working group and work on the National Strategy that allow to facilitate international trade and logistics and fight corruption.

Being socially responsible Organization we pay much attention to the control of our activity for the implementation of decisions taken to the Consumers, Personnel, Partners, state and society both in the field of production and protection of human rights and environment. During 8 years we have been signers and supported UN Global Compact that is basis for the representatives of business circles that want to harmonize their activity and strategy with ten world recognized principles. We have not given up support of social projects. In 2015 60th edition of "Deribasovskaya-Rishelievskaya" almanac will be published. This almanac is a good Odessa tradition for the last 15 years.

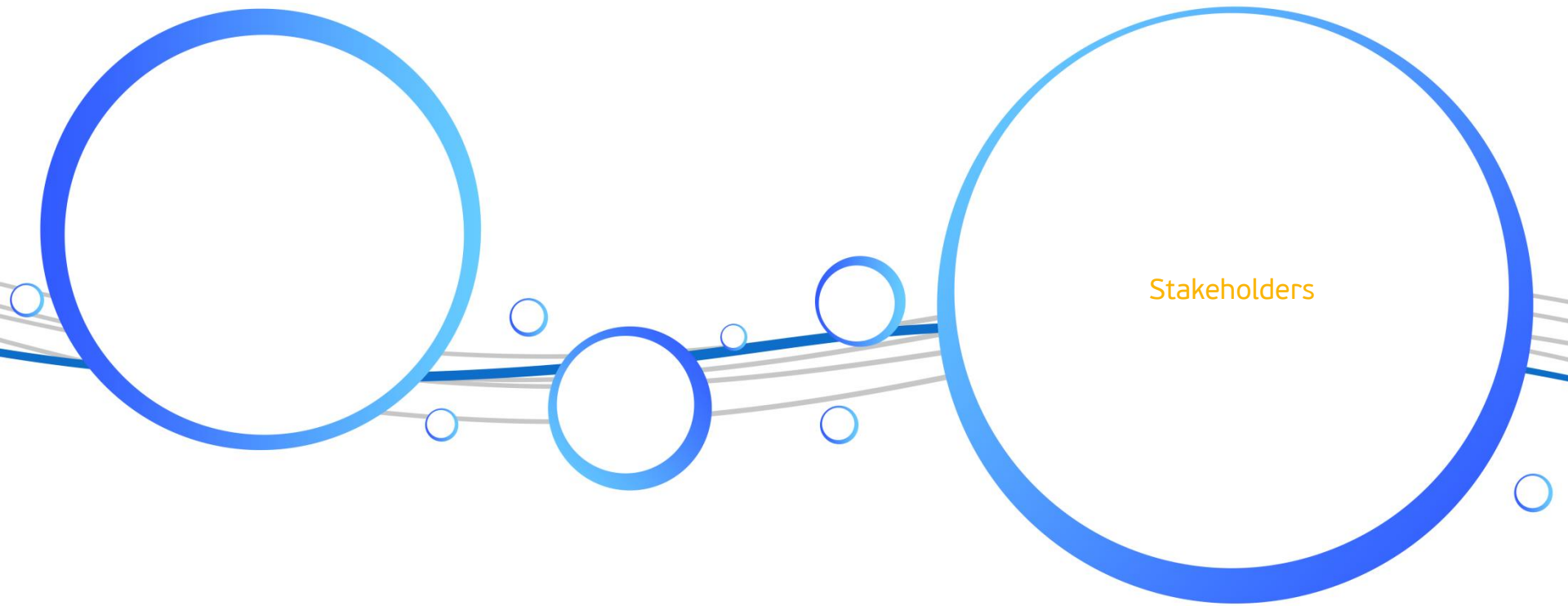
In 2014 during the stagnation in our country our Organization used every effort not to decrease the number of employees and social projects, we see the crisis as a point for development and opportunity for reformation of inside processes. Making conclusions for 2014 we understand that we are moving forward, we plan to continue the process of restructuring, aiming at the result planned and we achieve it. Our success is also success of our Consumers.

Following the recommendations of UN Global Compact for the preparation of report we demonstrate results of our Organization's activity in the fields:

- Organization management
- Production
- Human rights
- Labor relations
- Corruption prevention
- Environment control
- Cultural and social projects

Your feedback on our report is valuable for us and will help us to improve our Organization to achieve success of Consumers and Stakeholders. We express gratitude to all the people who are the part of the team of our Organization. We can always rely on their efficiency and expertise in order to achieve the aims.

Chairman of the Supervisory Board of PLASKE JSC
Oleg PLATONOV



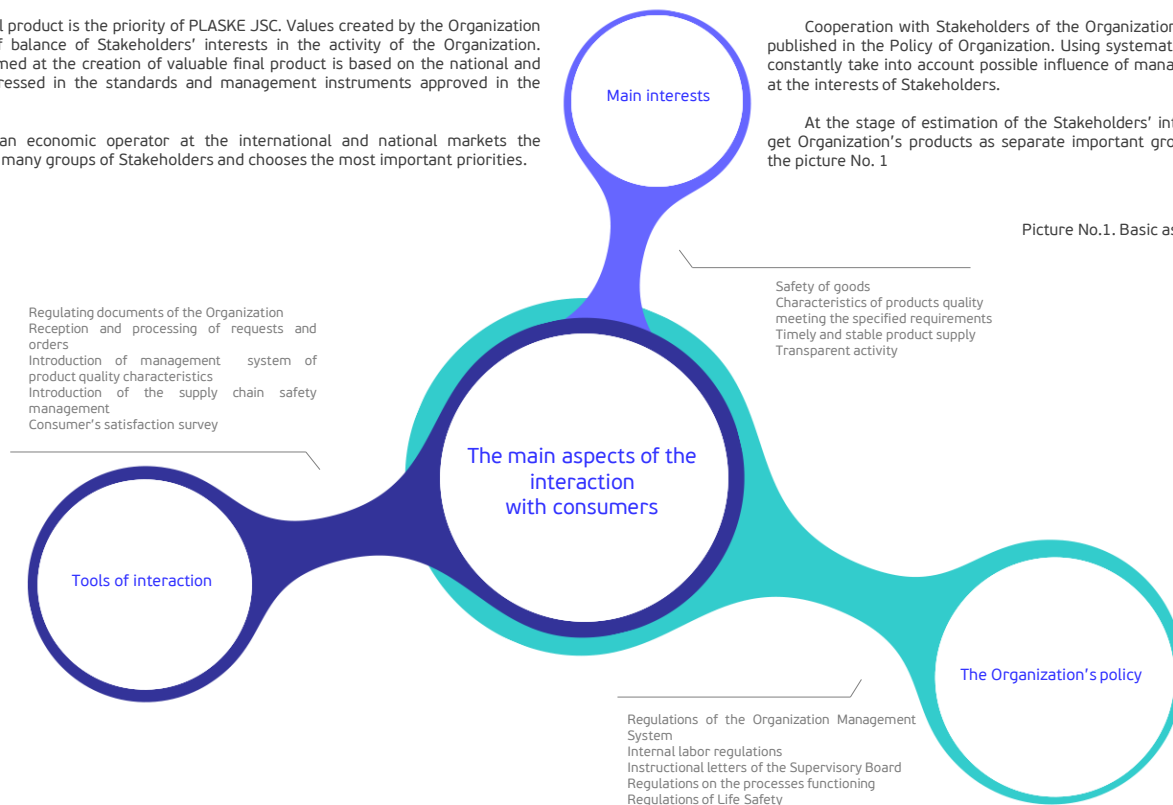
Creation of valuable final product is the priority of PLASKE JSC. Values created by the Organization are aimed at the support of balance of Stakeholders' interests in the activity of the Organization. Management of processes aimed at the creation of valuable final product is based on the national and international experience expressed in the standards and management instruments approved in the Organization.

Taking active part as an economic operator at the international and national markets the Organization cooperates with many groups of Stakeholders and chooses the most important priorities.

Cooperation with Stakeholders of the Organization is conducted according to principles published in the Policy of Organization. Using systematical approach to the management we constantly take into account possible influence of management decisions of the Organization at the interests of Stakeholders.

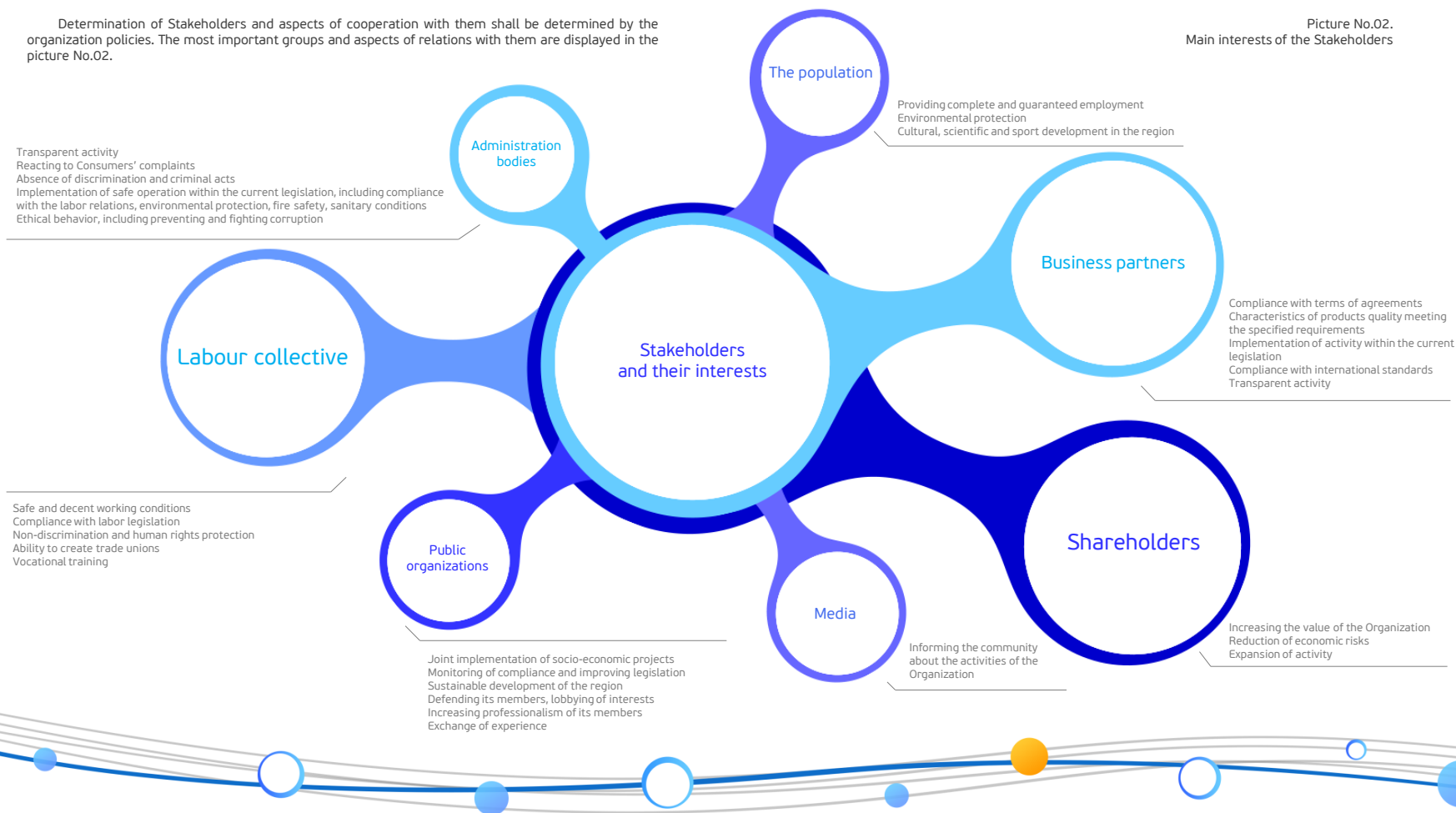
At the stage of estimation of the Stakeholders' interests we separated Consumers that get Organization's products as separate important group and determined their interests in the picture No. 1

Picture No.1. Basic aspects of cooperation with Consumers



Determination of Stakeholders and aspects of cooperation with them shall be determined by the organization policies. The most important groups and aspects of relations with them are displayed in the picture No.02.

Picture No.02.
Main interests of the Stakeholders

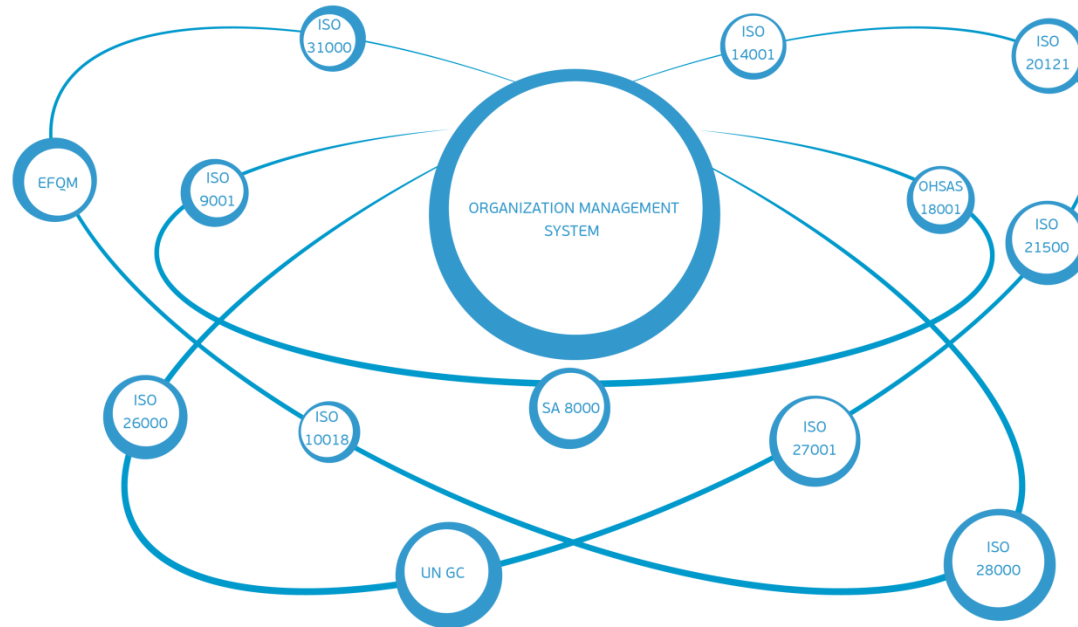


An abstract graphic featuring several blue circles of varying sizes and a network of thin, light blue lines connecting them. The circles are arranged in a horizontal sequence, with the largest circle on the right containing the text 'Organizational Management'. The lines create a sense of flow and connectivity between the circles.

Organizational Management

During 11 years of developing and improving management system we have accumulated large bundle of knowledge and experience in the field of Organization management that is saved and multiplied by people who work in the inside and outside environment of the Organization. Starting from 2004 we successfully achieve the top of the aims determined by the management for support of operation of the Organization in order to comply with the requirements and recommendations of national and international standards and regulations in the field of management. Due to the developed Organization Management System, Consumers get ready products complying inside and outside requirements and the Stakeholders meet their interests.

Totally for the time of developing the Organization Management System (OMS) the Organization has implemented 14 universally accepted international standards and regulations that regulate management system and continue to support and popularize in the society and national level represented at the picture No.03.



In order to build Management System meeting the requirements of business and social environment we support UN Global Compact principles and use international experience of organization management including recommendations and requirements of the International Organization for Standardization (ISO), UNECE (their documents are top priority for building and improving management system).

UN GC – Global Compact of the United Nations
 ISO 10018 – “Quality management — Guidelines on people involvement and competence”
 ISO 9001 – “Quality management system. Requirements”
 ISO 14001 – “Environmental management system. General requirements and guidelines for use”
 ISO 20121 – “Event sustainability management systems - Requirements with guidance for use”
 ISO 21500 – “Guidance on project management”
 ISO 26000 – “Guidance on social responsibility”
 ISO 27001 – “Information technology - Security techniques - Information security management systems - Requirements”
 ISO 28000 – “Specification for security management systems for the supply chain”
 ISO 31000 – “Risk management - Principles and guidelines”
 EFQM – European Foundation for Quality Management
 OHSAS 18001 – “Occupational Health and Safety Management Systems - Requirements”
 SA 8000 – “Social Accountability”

Picture No.03. Organization management system complying with the recommendations and requirements of national and international standards

Administrative Scale

In 2014 PLASKE JSC passed external test of Scientific Research Center "STANKOCERT". According to the independent estimation the Organization confirmed the operation of OMS according to the requirements of IS 9001, ISO 28000, ISO 14001, OHSAS 18001, SA 8000 standards with issue of compliance certificates.

In the beginning of 2014 after the annual estimation of Organization Management System with the aim to reveal weak points and strengthen them in recent time, management determined priorities for improvement. One of the most important directions in the improvement of OMS was search of new practical tools on Organization management that is strengthening strategic planning and management process. We determined international reputation of the Supplier and results from the projects implemented as one of the main requirements to the research and selection of propositions at the market. The result of the selection was signing agreements for 2014-2015 with European Bank for Reconstruction and Development in the framework of cooperation on the Program of business consulting services. The main task of the project that was determined by the parties was the increase of efficiency of management of the Organization by optimizing the existing and implementing new approaches to management.

In order to solve the task of the project from the part of EBRD an executor was chosen – Provider of consulting services School of Productivity LLC under Vistosky Consulting Trade Mark that took liability to implement Administrative technology in the Organization in the framework of consulting project "School of Business Owners". Administration technology includes instruments of organization management: organization scheme, administrative scale of management, results estimation system, communications system, coordination, financing planning.

Picture No.04
Administrative Scale



After the estimation of OMS from the part of the Provider it was planned to improve OMS and implement instruments for the main direction of production activity – “Products delivery organization”. During innovations implementation after the internal analysis of Stakeholders’ interests we determined the main values: main goal and intention. Determination of the new goal and intention allowed to specify the new ideology of direction of the Stakeholders of Organization and determine the transparency of common intentions and ways to reach the common goal for the Employees of the Organization.

We have also united Organization of Products Delivery and Organization of trade and commercial activity to the Freight Forwarding single process.

In the second half of 2014 in cooperation with the consultants of the Provider we completed the implementation of part of the tools set of the Administrative technology and postponed implementation of the rest of instruments in 2015.

Main goal:

“Individual solutions for efficient economy”

Intention:

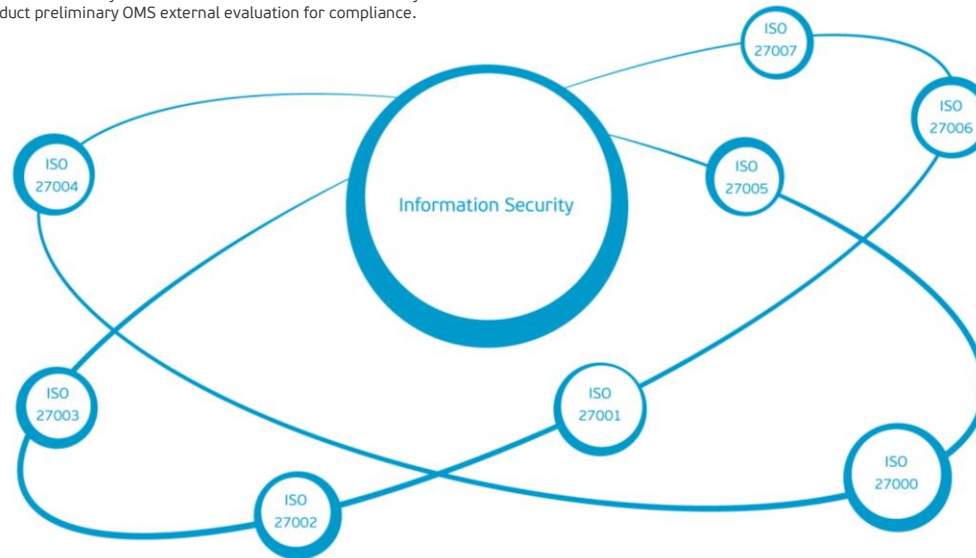
“Creation of individual solutions, implementation of intelligent logistics and representation of cargo owner’s interests at all the stages of supply chains security on the arrangement of carriage and cargo delivery to destination just in time in order to decrease economic risks and expenses of the Consumers”

Information security

Another one of the most important directions in the improvement of OMS was the task to provide information security to the Organization as an important part of management system of the Organization in the field of health and safety of the Organization based at the method of threats and risks estimation. We took requirements and recommendations of ISO 27000 standards (Picture No.05) as basis for the development of information security. Plan on implementation of principles and requirements of ISO 27000 series started from the search of competent Provider that can not only provide services on consulting on development of necessary documentation but also train necessary number of employees of Organization and conduct preliminary OMS external evaluation for compliance.

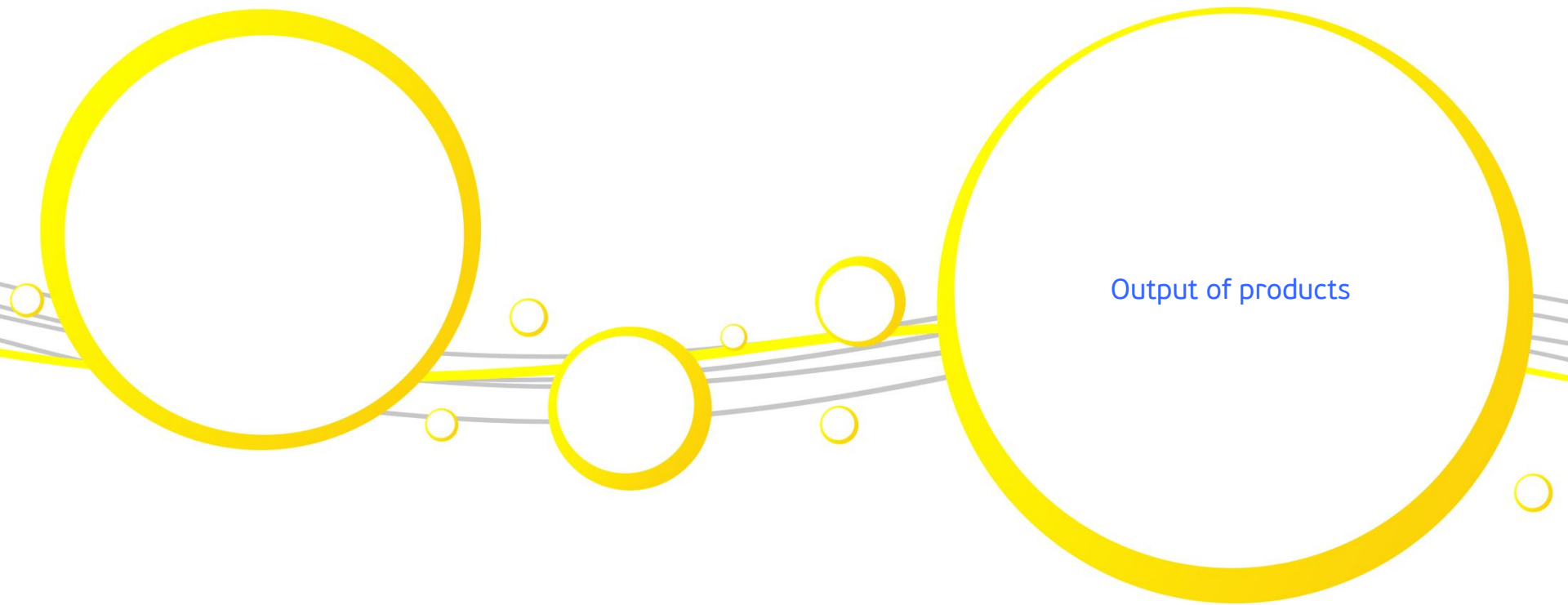
Learning more deeply and transforming world experience on the management of information security into the Organization Management System we felt all the difficulties and volume of the requirements of ISO 27000 series. Top-management gained knowledge of implementation of requirements of ISO 27001 as the most complicated and intensive task for the whole history of Organization Management System history.

During the first stage of OMS implementation in the field of information security competent employees of Organization was involved. The first stage of OMS implementation in the field of information security was completed in December 2014 with results in the development of internal regulations and vocational training of employees on the knowledge of ISO 27001. Managers learnt how to conduct OMS internal check in the field of information security on compliance with ISO 27001.



27000 – "Information technology - Security techniques - Information security management systems - Overview and vocabulary"
ISO 27001 – "Information technology - Security techniques - Information security management systems - Requirements"
27002 "Information technology - Security techniques - Code of practice for information security controls"
27003 – "Information technology - Security techniques - Information security management system implementation guidance"
27004 – "Information technology - Security techniques - Information security management - Measurement"
27005 – "Information technology - Security techniques - Information security risk management"
27007 – "Information technology - Security techniques - Guidelines for information security management systems auditing"

Picture No.05. Information security management system based on international recommendations and requirements

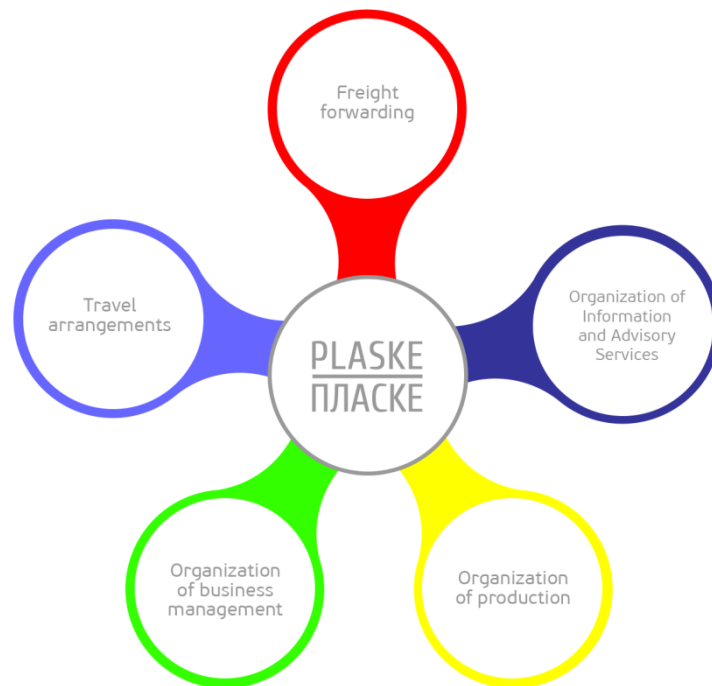


In order to produce valuable final product that meets the requirements of Consumers and Stakeholders we constantly support the operation of Organization Management system in the status that complies with requirements and recommendations of national and international standards and regulations. Basic directions of activity are shown at the picture No.06.

Organization has determined the principles it is working with Consumers:

- Orientation to the Consumer through the handling of requests and orders, research of satisfaction (ISO 9001, ISO 26000);
- Production of safe products by managing risks and safety of supply chains (ISO 31000, ISO 28000);
- Provision of information safety about Consumers by implementing information security management (ISO 31000, ISO 27001);
- Transparent and opened relations with Consumers for the support of Organization operation (ISO 9001, responsible procurement)

Picture No.06.
Main areas of activity

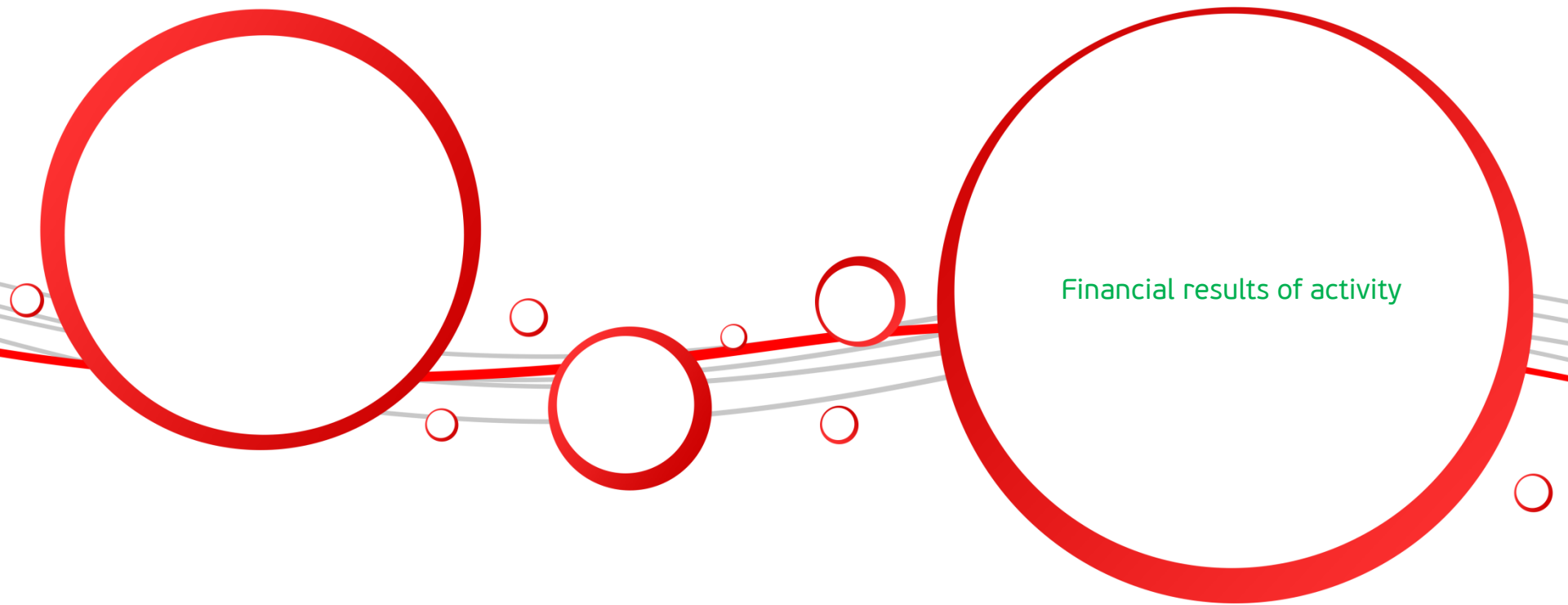


Customer Service Centers

Organization provides Consumers support 24 hours per day 7 days per week 365 days per year in the specially arranged places for sale and service centers

Photo gallery:
Consumers Service Centers of the Organization.





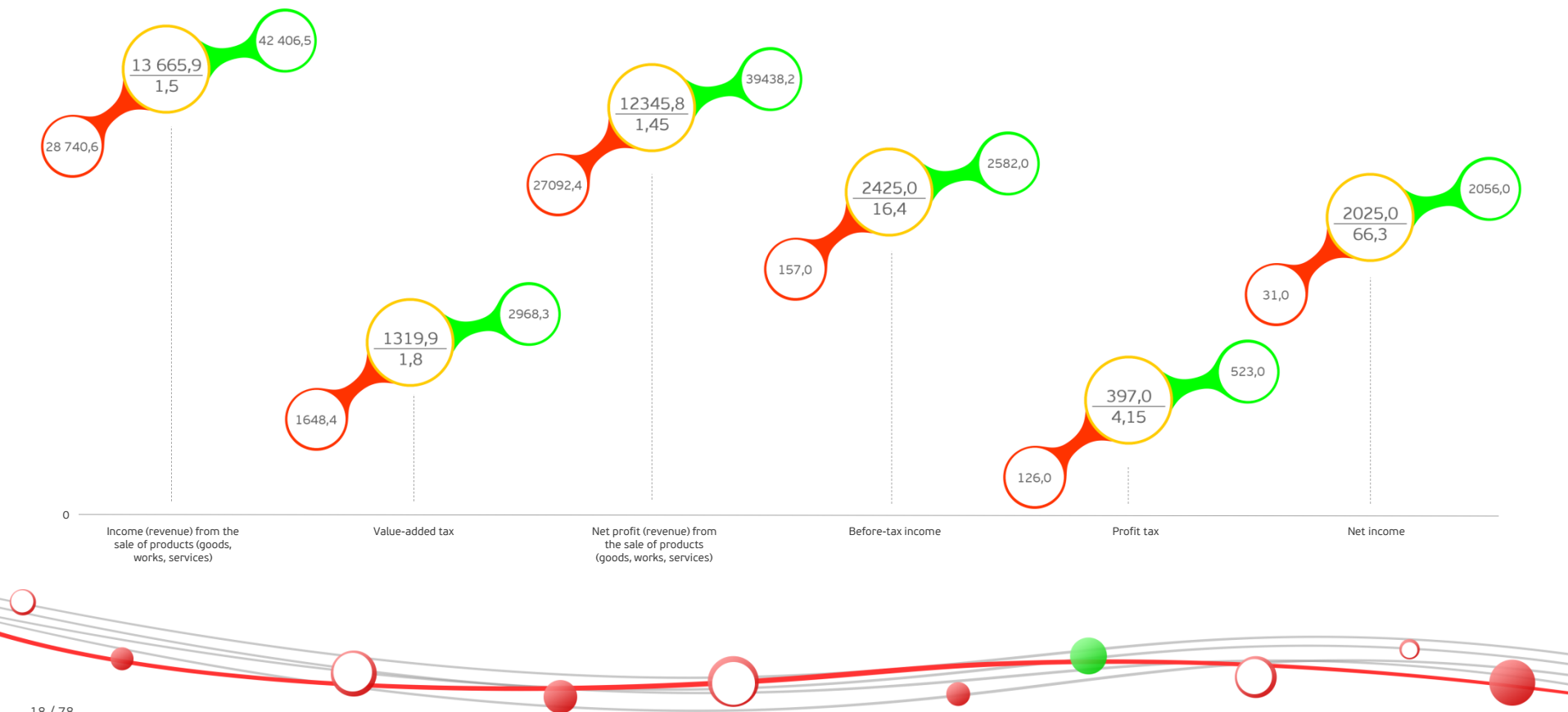
The main goal of PLASKE JSC is receiving profit. Annually the Organization following the principle of activity transparency publishes its financial results. Table No. 07 and Picture No. 08 show financial results achieved in 2014 against 2013.

Table No. 01.
Financial results of the Organization's activity, 2013-2014, UAH thousands.

№	Indicator name	2013	2014	Deviation: increase/ decrease, UAH thousands	Deviation: increase/ decrease, share
		2	3	4	5
1	Income (revenue) from the sale of products (goods, works, services)	28 740,6	42406,5	13665,9	1,5
2	Value-added tax	1648,4	2 968,3	1319,9	1,8
3	Net profit (revenue) from the sale of products (goods, works, services)	27092,4	39438,2	12345,8	1,45
4	Before-tax income	157,0	2582,0	2425,0	16,4
5	Profit tax	126,0	523,0	397,0	4,15
6	Net income	31,0	2056,0	2025,0	66,3

● reduction ● growth ● Deviation: increase/ decrease

Picture No.78.
Financial results of the Organization's activity, 2013-2014, UAH thousands / share



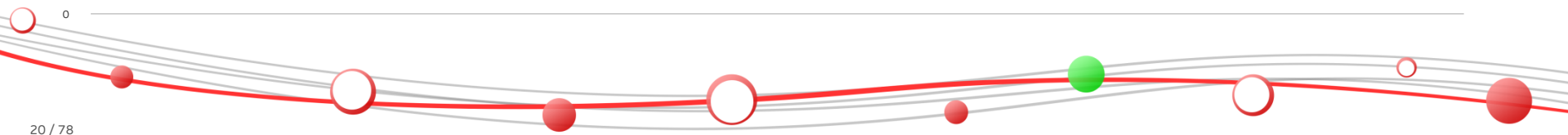
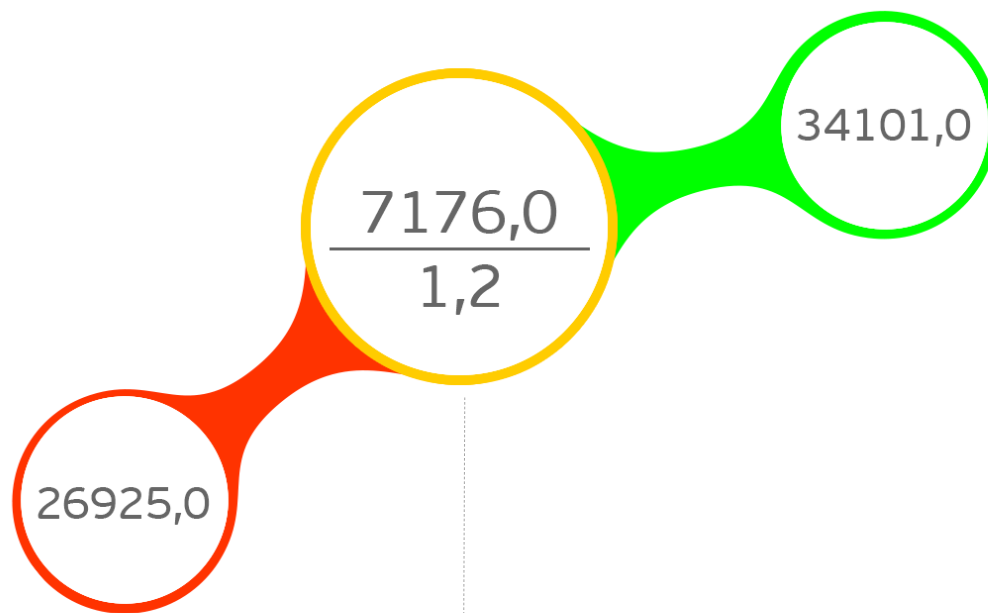
For the support of products output processes the Organization conducts operational expenses. For comparison in the Table No.02, in Pictures No.No.09, 10, 11a, 11b operational expenses for 2013-2014 are shown.

Table No 01.
Operational expenses, 2013-2014, UAH, thousands

№	Indicator Name	2013		2014		Deviation Increase (+) Decrease (-), UAH, thousands	Deviation Increase (+) Decrease (-), share
		UAH, thousands	Specific weight in total sales volume, %	UAH, thousands	Specific weight in total sales volume, %		
	1	2	3	4	5	6	7
1	Operating expenses - total	26925,0	99,4	34101,0	86,5	7176,0	1,2
2	Including						
3	Material costs	1365,0	5	1046,0	2,7	-319,0	-1,3
4	Labour costs	11789,0	43,5	12326,0	31,3	537,0	1,1
5	Social payments	4248,0	15,7	4572,0	11,6	324,0	1,1
6	Amortization	999,0	3,7	838,0	2,1	-161,0	1,2
7	Other operating expenses	8524,0	31,5	15319,0	38,8	6795,0	1,8

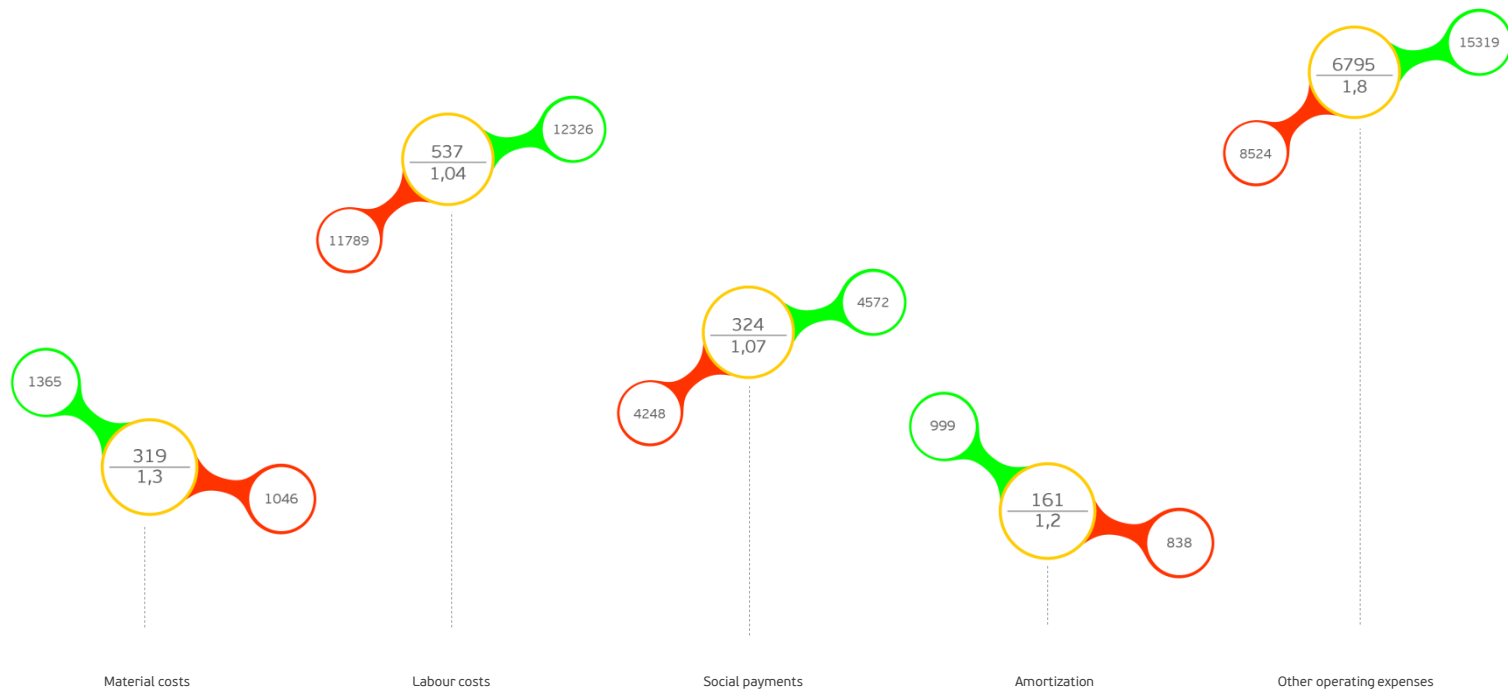
● reduction ● growth ● Deviation: increase/ decrease

Picture No 08.
General data on the operating expenses of the Organization, 2013-2014, UAH, thousands

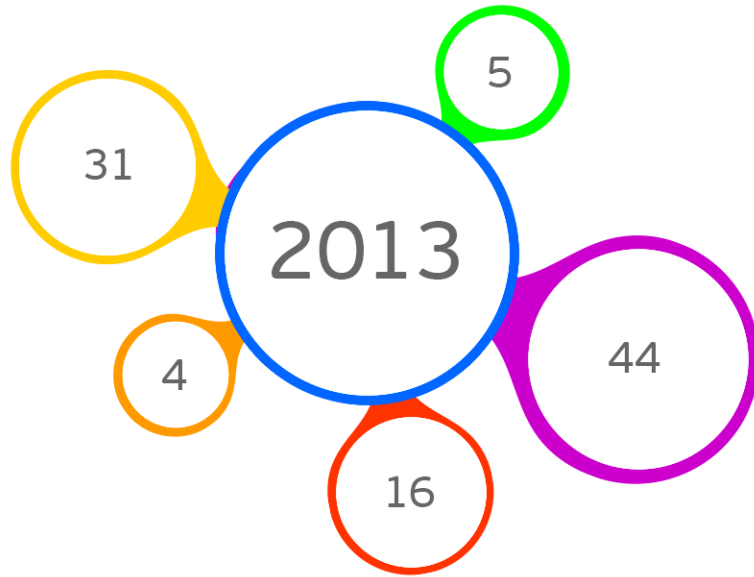


● reduction ● growth ● Deviation: increase/ decrease

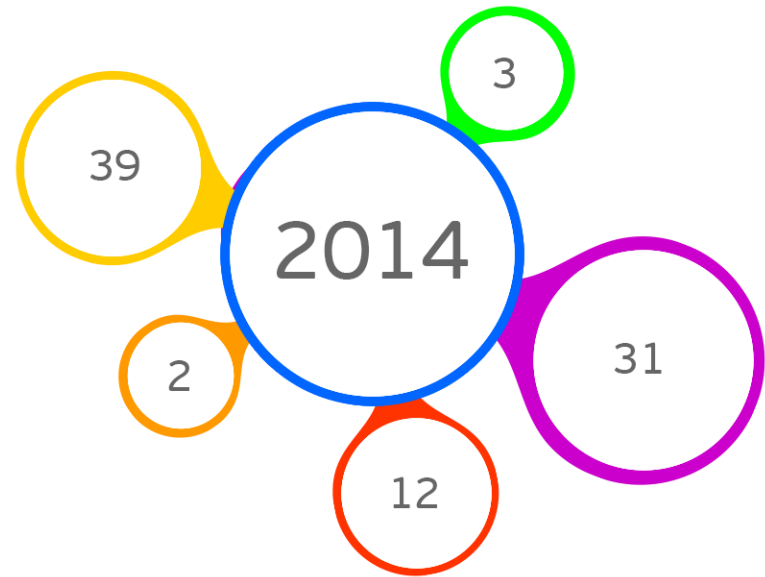
Picture No. 10.
Data on the operating expenses of the Organization, 2013-2014, UAH, thousands



● Material costs
 ● Labour costs
 ● Social payments
 ● Amortization
 ● Other operating expenses



Picture No 10a.
 Specific weight of the operating expenses in the total sales volume 2013, %

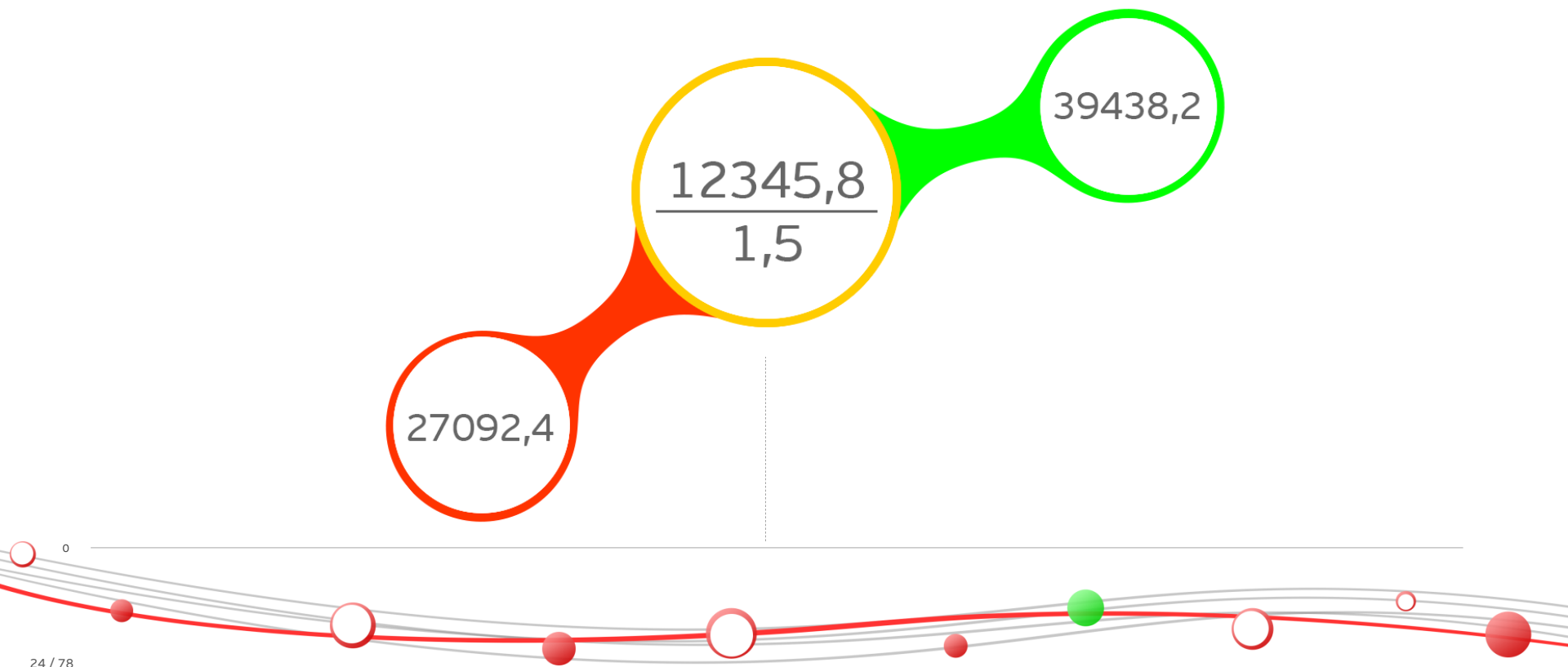


Picture No 10b.
 Specific weight of the operating expenses in the total sales volume 2014, %

Product sales volumes of the Organization in 2013 – 2014 are shown in table No. 02, Pictures No. 11, 12, 13a, 13b, 14.

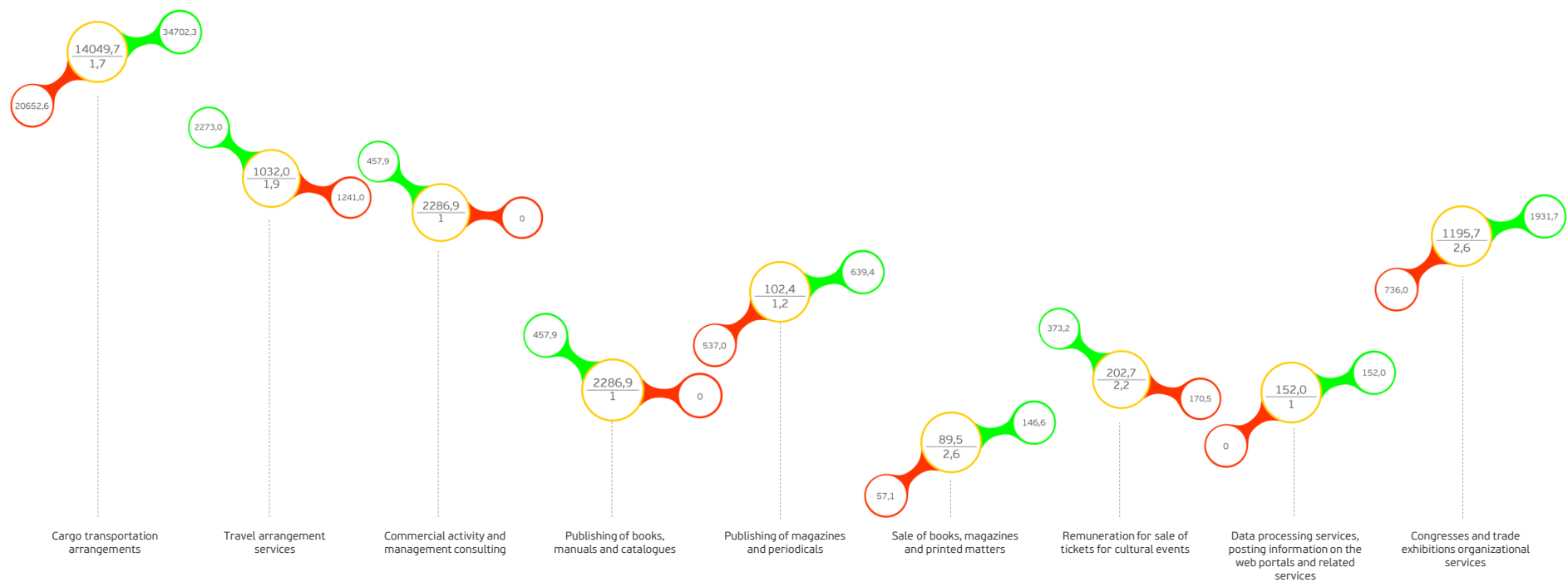
Table No 03.
Products sales volume (works, services), 2013-2014, UAH thousands

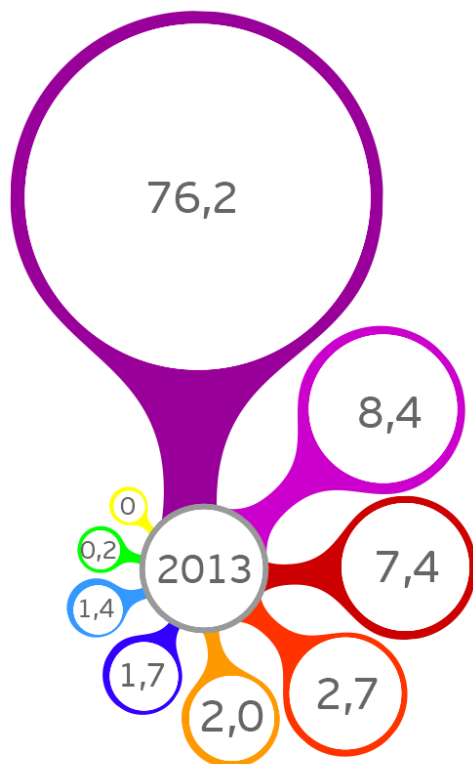
№	Indicator name	2013		2014		Deviation Increase (+) Decrease (-), UAH thousands	Deviation Increase (+) Decrease (-), share
		Product sales volumes (without VAT), UAH thousands	Specific weight in the total sales volume, %	Product sales volumes (without VAT), UAH thousands	Specific weight in the total sales volume, %		
	1	2	3	4	5	6	7
1	Total Organization	27092,4	100,0	39438,2	100,0	12345,8	1,5
2	Including						
3	Cargo transportation arrangements	20652,6	76,2	34702,3	88,0	14049,7	1,7
4	Travel arrangement services	2273,0	8,4	1241,0	3,2	-1032,0	-1,9
5	Commercial activity and management consulting	2005,6	7,4	454,7	1,1	-2286,9	-4,4
6	Publishing of books, manuals and catalogues	457,9	1,7	0	0	-457,9	-1
7	Publishing of magazines and periodicals	537,0	2,0	639,4	1,6	102,4	1,2
8	Sale of books, magazines and printed matters	57,1	0,2	146,6	0,4	89,5	2,6
9	Remuneration for sale of tickets for cultural events	373,2	1,4	170,5	0,4	-202,7	-2,2
10	Data processing services, posting information on the web portals and related services	0	0	152,0	0,4	152,0	1
11	Congresses and trade exhibitions organizational services	736,0	2,7	1931,7	4,9	1 195,7	2,6



● reduction ● growth ● Deviation: increase/ decrease

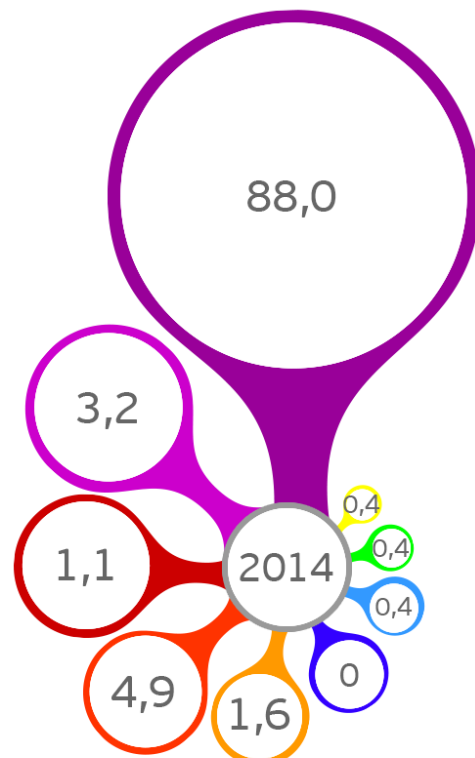
Picture No 12.
The volume of sold products by activity (without VAT), 2013-2014, UAH thousands



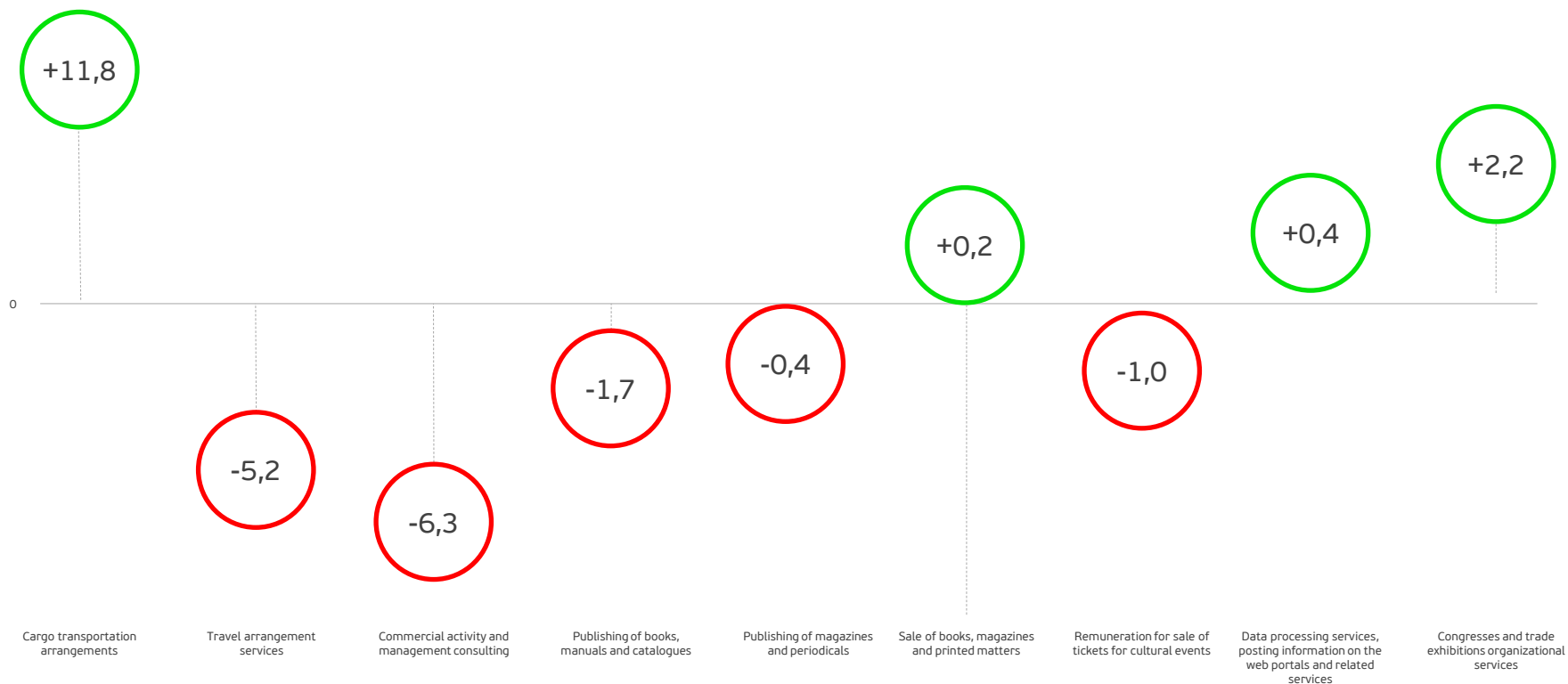


Picture No.13a.
Specific weight in the total sales volume in 2013, %

Cargo transportation arrangements
 Travel arrangement services
 Commercial activity and management consulting
 Congresses and trade exhibitions organizational services
 Publishing of magazines and periodicals
 Publishing of books, manuals and catalogues
 Remuneration for sale of tickets for cultural events
 Sale of books, magazines and printed matters
 Data processing services, posting information on the web portals
 and related services



Picture No.14b.
Specific weight in the total sales volume in 2014, %



Picture No. 14. Changes in specific weight in the total sales volume, 2013-2014, %.

An abstract graphic featuring several orange circles of varying sizes and a network of thin, light gray lines. The lines connect the circles, creating a web-like structure. The circles are primarily orange with a white fill. The text 'Human Rights' is written in a blue, sans-serif font inside one of the larger circles on the right side.

Human Rights

Implementing provisions of the Organization's Policy as well as supporting international regulations on human rights in the relations with Consumers, Personnel and Stakeholders we are guided by the UN Global Compact principles and treat people without any distinction to race, color, sex, language, religion, political or other beliefs, national or social origin, property, birth or other status.

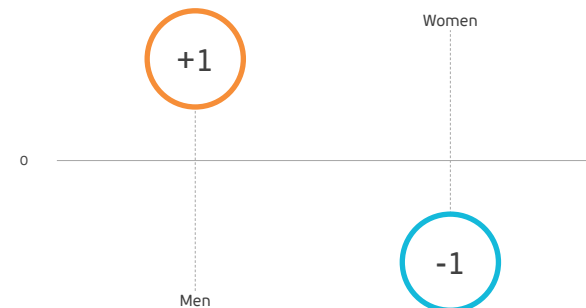
We think every person is a member of society, has economic, social and cultural rights, compliance with which is necessary for the preservation of his or her dignity and personal development except for those rights, which are restricted by the law. The Organization's management system in the field of life safety includes identification and management of risks regarding human rights in employment.



Picture No. 15a.
Gender balance of the personnel in management positions, 2013, %



Picture No. 15b.
Gender balance of the personnel in management positions, 2013, %



Picture No. 15c.
Changes in Gender balance of the Personnel in management positions, 2013-2014, %

Guided by international principles on respect of human rights we've implemented and using management tools defined by the organizing policy which helps to prevent possible influence on human rights:

- The Organization Policy, including the provisions on human rights, while balancing the interests of Customers, Personnel and Stakeholders;
- Rules of the OMS, describing the basic life activity principles of Organization;
- Means of assessing the impact on human rights (tracking of Consumers, Personnel, and Stakeholders comments and responding to them), taking into account the recommendations of ISO 26000;

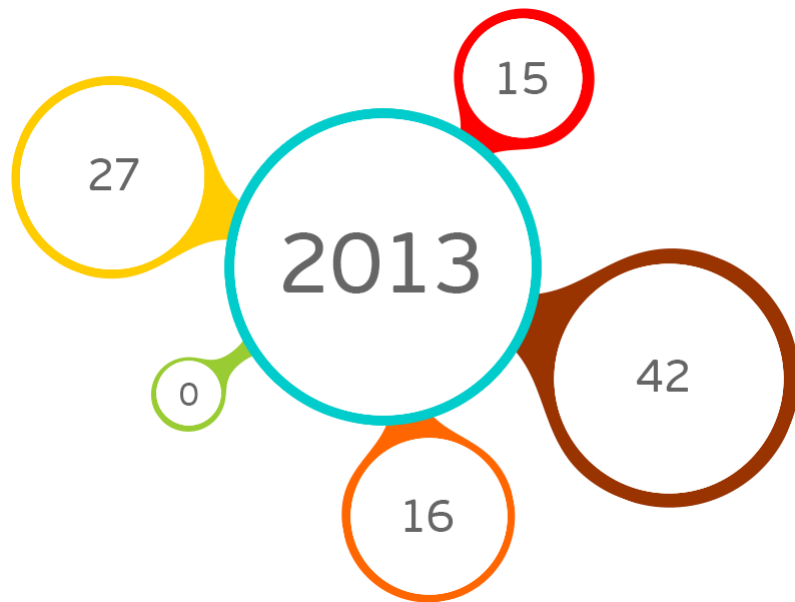
- Tools for internal communication and feedback with - in the Organization (internal portal, e-mail, meetings, working groups);
- Personnel engagement in activities aimed at supporting human rights and improving the Management System;
- Monitoring of the operation of Management System for regular review and improvement (examination of internal documents, processes, internal working climate)

Table No.04.
Age frame of employees, 2013 -2014

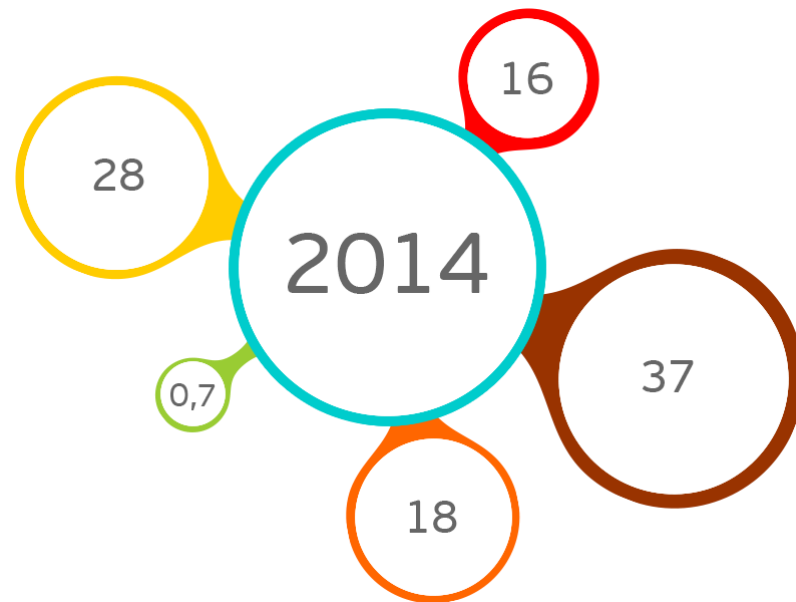
№	Направление	2013		2014	
		Number of employees, persons	Number of employees, %	Number of employees, persons	Number of employees, %
1	2	3	4	5	6
1	≤ 20 years old	0	0,00%	1	0,69%
2	21-30	68	41,72%	68	37,24%
3	31-40	44	26,99%	44	27,59%
4	41-50	25	15,34%	25	17,93%
5	More than 50 years old	26	15,95%	26	16,55%

Age frame of employees

● ≤20 ● 21-30 ● 31-40 ● 41-50 ● 50+



Picture No. 16a
Age frame of employees, 2013, %



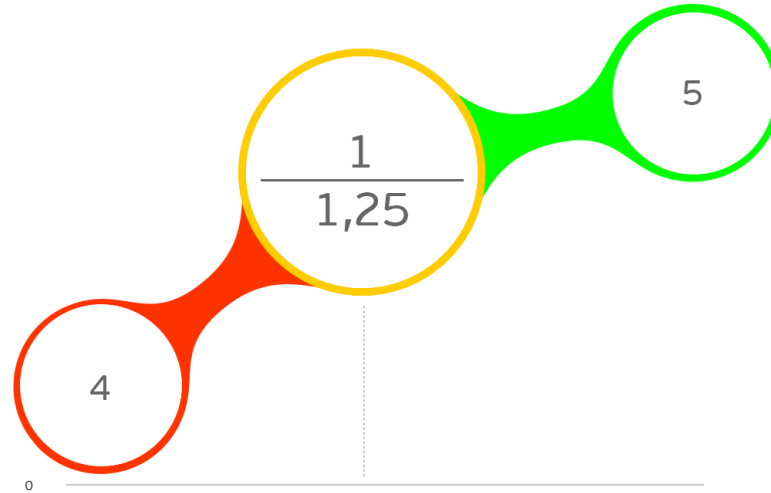
Picture No. 16b
Age frame of employees, 2014, %

Table No. 05.
Number of employees that used the opportunity to go on leave for child care, 2013-2014, persons.

№	2013		2014		Deviation: Increase (+) Decrease (-), persons		Deviation: Increase (+) Decrease (-), share	
	1	4	2	5	3	1	4	1,25
1								

Picture No. 17. Number of employees that used the opportunity to go on leave for child care, 2013-2014, persons.

● reduction ● growth ● Deviation: increase/ decrease



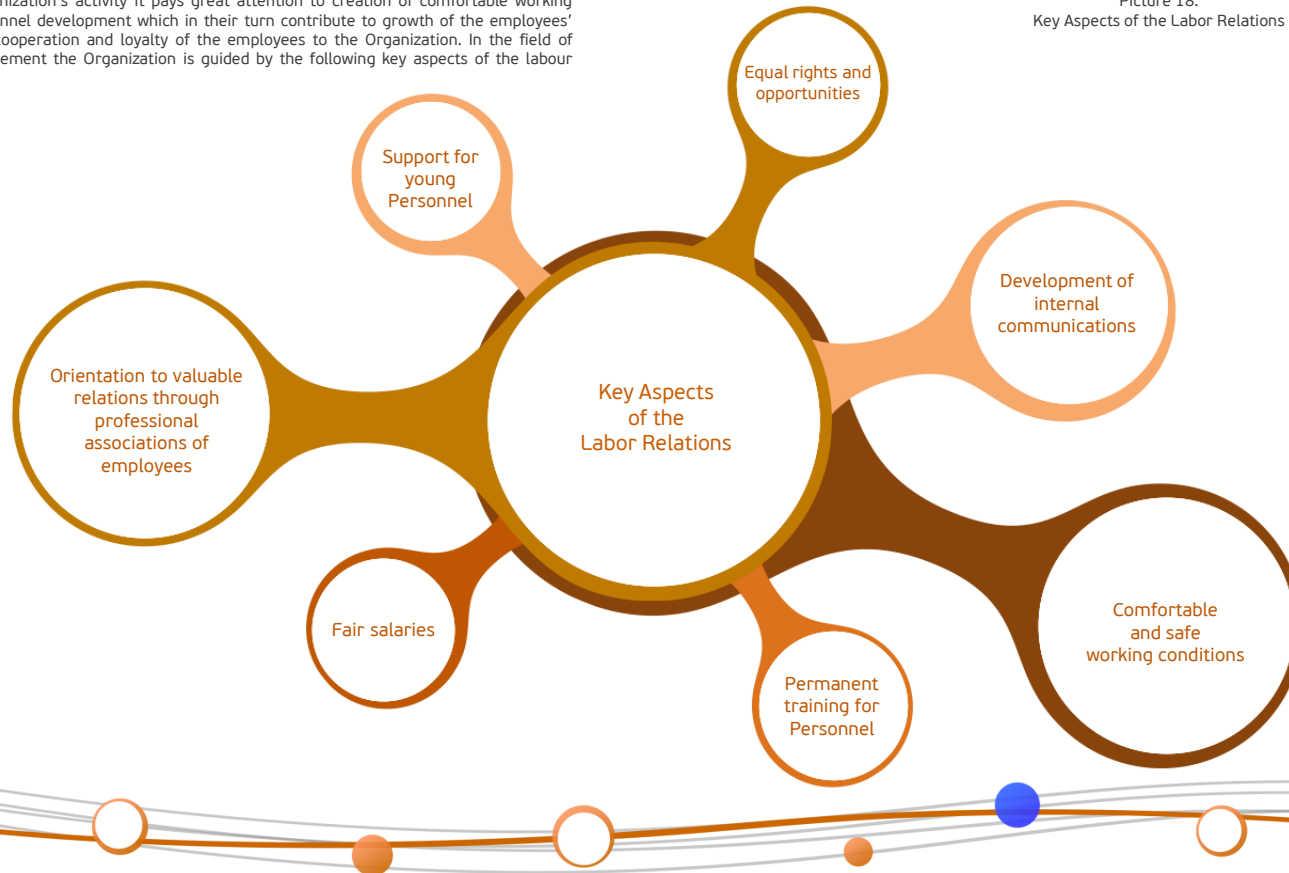
An abstract graphic design featuring a horizontal arrangement of four brown circles of varying sizes. The circles are connected by a series of thin, parallel lines in shades of brown and grey. Several small, empty brown circles are scattered around the main elements. The text "Labour Relations" is written in blue inside the largest circle on the right.

Labour Relations

Recruitment

During all the Organization's activity it pays great attention to creation of comfortable working conditions and the Personnel development which in their turn contribute to growth of the employees' productivity, long-term cooperation and loyalty of the employees to the Organization. In the field of human resources management the Organization is guided by the following key aspects of the labour relations (picture No.18).

Picture 18.
Key Aspects of the Labor Relations



PLASKE JSC tends to ensure that there are competent, ethical and productive personnel at each workplace. For this the Organization holds courses and seminars on vocational training, "team building" measures, as well as improves communications and documents regulating processes for effective interaction of the labor collective, understanding their role in the team and creating a valuable end product that meets the standards of the Organization.

By the end of 2014 the number of people working in the Organization made up 145 (picture No. 20), which is 18 less than at the end of 2013. This is due to the automation of processes and a reduction in the sales and service centers in the Crimea. Adaptation processes are arranged in such a way that new people who came to the Organization could easily enter the OMS processes and become a part of the team focused on a common goal. At the first stage of familiarization with the Organization a person gets a status of a "trainee" letting him orient around the Organization: get acquainted with people, processes, internal normative documents, rules of their drawing. In the picture No. 21 there are data on trainees who remained in the Organization after the adaptation process in 2014. Pictures 22a, 22b show distribution of the Personnel according to the seniority in the Organization.

One of the instruments of the Administrative technology implementation of which began in 2014, an idea of «quest» for new employees was introduced. To pass a quest a person is given a task and within completion of it one is supposed to go through the offices of the Organization and get acquainted with people in the Organization. This instrument strengthens the process of maintaining internal communication

Table No.06. Total number of the Organization's employees, 2013-2014, persons

№	2013	2014	Deviation: Increase (+) Decrease (-), persons	Deviation: Increase (+) Decrease (-), share
	2	3	4	5
1	163	145	-18	-1,1

Picture No. 19
Total number of the Organization's employees, 2013-2014, persons

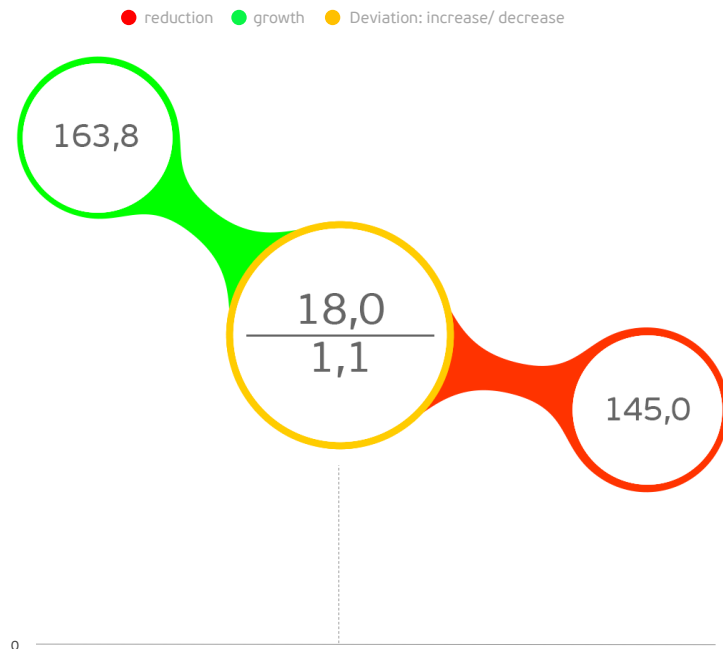


Table No.07.
Distribution of trainees in the Organization by activity, 2014, persons.

№	Direction	Number of trainees		Hired	Deviation: Increase (+) Decrease (-)	
		1	2		3	4
1	Organization of product delivery		2	1		1
2	Travel arrangements		6	5		1
3	Organization of business management		4	2		2
4	Organization of trade and commercial activities		2	1		1

Picture 20.
Distribution of trainees in the Organization by activity, 2014, persons

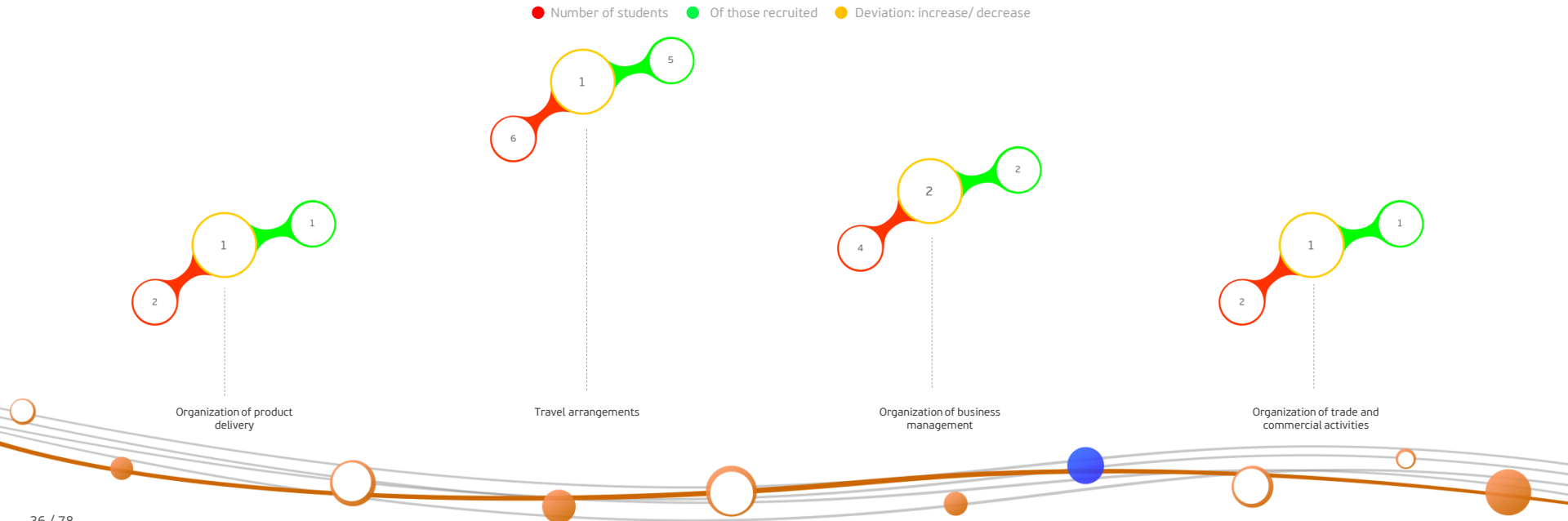
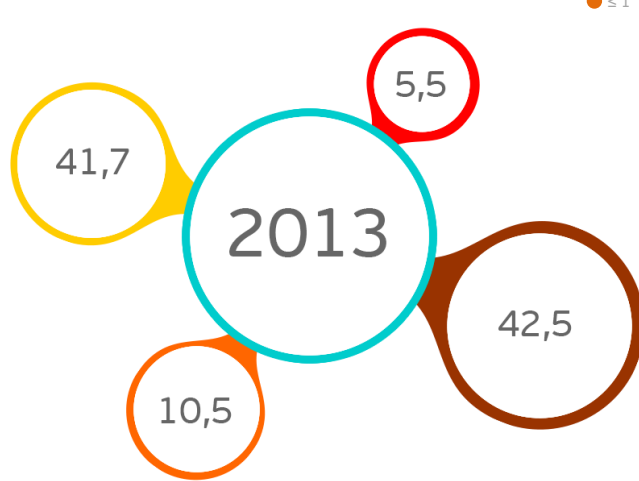


Table 08. Distribution of the Personnel according to the seniority, 2013-2014, %

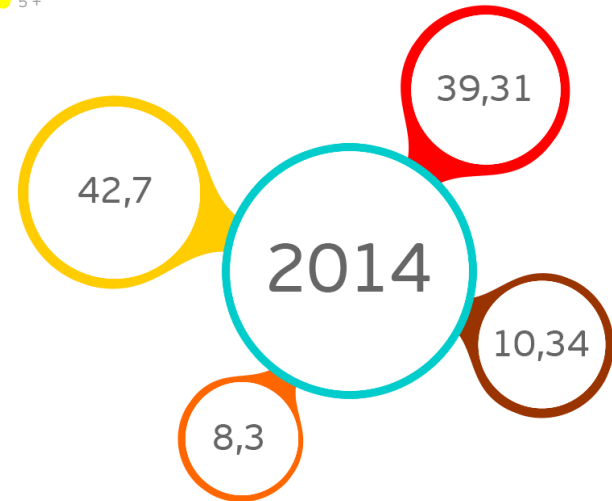
№ n/n	Time frame	2013 r.		2014 r.	
		Number of Employees	%	Number of Employees	%
		1	2	3	4
1	Up to 1 year	17	10,43	12	8,28
2	From 1 to 3 years	69	42,33	15	10,34
3	From 3 to 5 years	9	5,52	67	39,31
4	More than 5 years	68	41,72	61	42,07

Distribution by length of service, age

● ≤ 1 ● 1-3 ● 3-5 ● 5 +



Picture 21a.
Distribution of the Personnel according to the seniority, 2013, %.



Picture 21b.
Distribution of the Personnel according to the seniority, 2014, %.

Supporting Young Personnel

Constant changes in the environment create a need of professional development and improvement of knowledge and skills of the Organization's people. PLASKE JSC encourages employees' initiative to independent professional development by obtaining basic or additional higher education and gives a possibility to combine study and work establishing a special work schedule in the framework of the labour legislation. The picture No. 23 shows statistics of employees who passed independent training without discontinuing work. PLASKE JSC supports the initiative of young specialists in their professional self-determination and accepts for practical training students which are in the process of studying or graduating from higher educational institutions. It often happens that students which have already passed through the adaptation period become an equal member of the labour collective after practical trainings.

Thus, for the moment the Organization has many examples when students were accepted to the Organization for a practical training period and having gone their way up from an ordinary employee to a head of a department.

During many years the Organization cooperates with the following universities of Ukraine:

- Odessa State Economic University
- International Humanities University
- Polytechnic University
- Institute of Economy and Management under National Aviation University

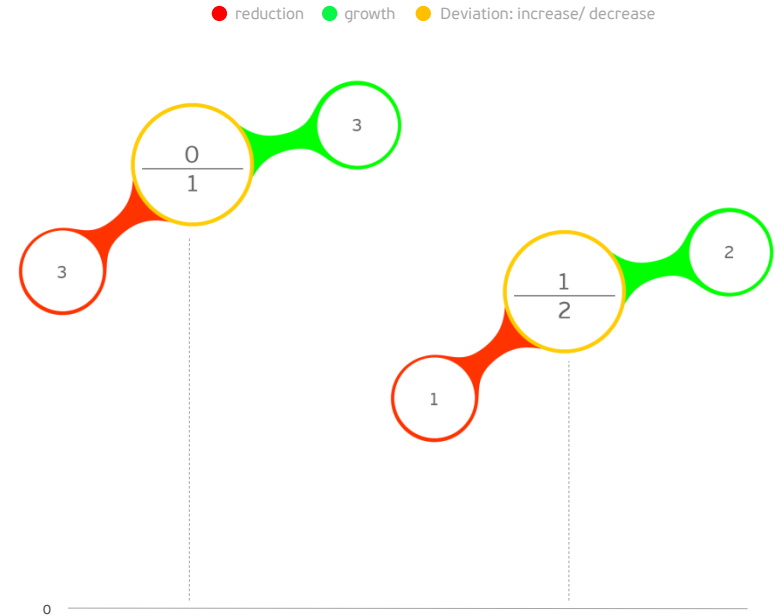
Table No 09.

Employees who passed independent training without discontinuing work, 2013-2014, person

№ n/n	Mode of study	2013 r.		2014 r.		Deviation: Increase (+) Decrease (-), person	Deviation: Increase (+) Decrease (-), share
		1	2	3	4	5	6
1	Full-time		3	3		0	1
2	Extramural		1	2		1	2

Picture No.22.

Employees who passed independent training without discontinuing work, 2013-2014, persons/shares



Constant Vocational Training

Moving force of the strong Organization is a competent Personnel who knows precisely defined and well-understood functions – this approach is the integral part of the program of development of the Organization's Personnel.

In 2014 during the first stage of implementing Administrative technologies instruments, there were 9 vocational trainings arranged and held with participation of 104 employees of the Organization. As well we provided an opportunity for the Organization's employee to participate in 11 external vocational trainings (Picture No. 24). That is why the total number of the employees who received vocational training in 2014 was 73 persons more than in 2013. This indicator gives us an understanding of the fact that Personnel development is one of the priority tasks of the Organization. For introduction of the Administrative technology instruments in 2014 we invested to the vocational training 162,7 UAH thousands more than in 2013 (Picture No. 25).

Guided by the principle of Priority for the internal resources use for arrangement of internal and external vocational trainings, the Organization gives its Personnel who has reached a certain level and can share his knowledge with others a possibility to take themselves part in vocational trainings as instructors. The Organization helps employees to step up a new level of their development and supports them by providing all the necessary conditions and resources.

PLASKE JSC is a provider of vocational trainings under agreements with national and international professional organizations and authorized state bodies and this lets trainees – the Organization's Personnel attend vocational training courses on the basis of the Organization. PLASKE JSC has the right to issue documents or represent trainees in international professional organizations and authorized state bodies confirming their training status:

International Federation of Freight Forwarders Associations FIATA:

- Professional training of international freight forwarders
- Supply chain management

International Civil Aviation Organization ICAO /of International Federation of Freight Forwarders Associations FIATA:

- Rules for Carriage of Dangerous Goods by Air

Academy of Customs Service of Ukraine:

- Training and professional development of declarants and customs clearance agents

State Aviation Administration of Ukraine:

- Basic course on air freight
- Basic and periodic courses on transportation of dangerous goods by air
- Basic course on the sale of passenger traffic by air transport

FE "Amadeus Ukraine":

- Basic course on work in Amadeus system
- The central ticketing in the system of Amadeus

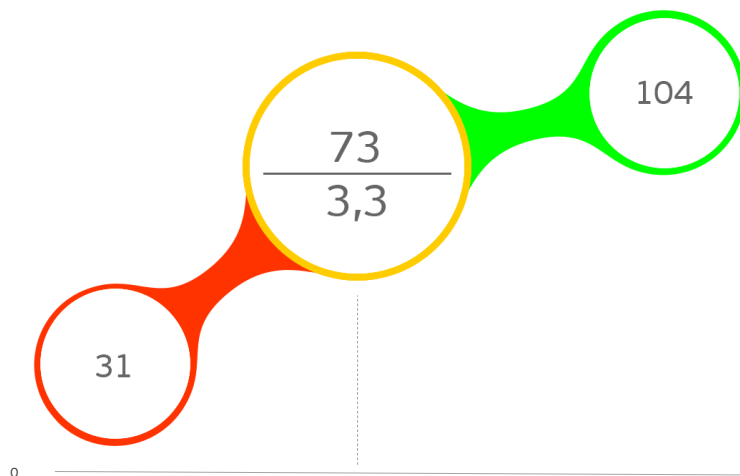
Table No 10.
Number of Personnel who received vocational training, 2013-2014, persons.

Nº n/n	2013	2014	Deviation: Increase (+) Decrease (-)	Deviation: Increase (+) Decrease (-), share
	1	2	3	4
1	31	104	73	3,3

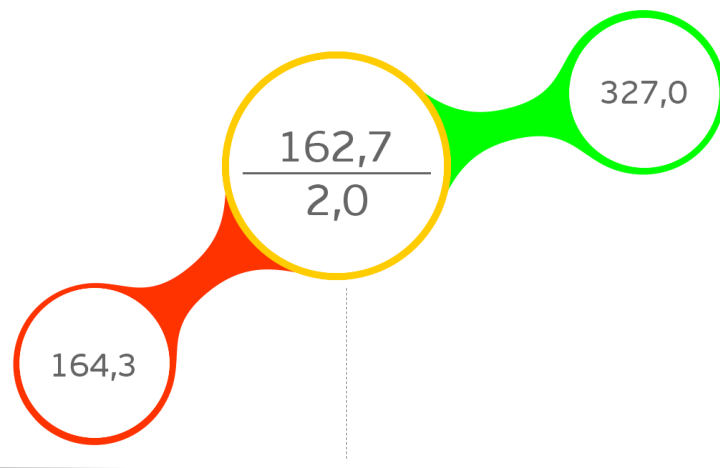
Table No 11.
Investments in the Personnel vocational training, 2013-2014, UAH thousands

Nº n/n	2013	2014	Deviation: Increase (+) Decrease (-)	Deviation: Increase (+) Decrease (-), share
	1	2	3	4
1	164,3	327,0	162,7	2,0

● reduction ● growth ● Deviation: increase/ decrease



Picture No 23.
Number of Personnel who received vocational training, 2013-2014, persons



Picture No 25.
Investments in the Personnel vocational training, 2013-2014, UAH thousands

Photo Gallery:
Vocational training of the Organization's Personnel



Comfortable and safe working conditions

The Organization is quite concerned about the health, well-being and safety of our employees. To ensure comfortable and safe working conditions we created and implemented a safety management system, which maintains the health, hygiene and safety in accordance with OHSAS 18001 and SA 8000 standards.

Each employee has modern communications to be able to perform his/her duties.

We have specially reserved places for eating; each employee has access to clean drinking water. Comfortable and safe working conditions contribute to reducing the risks of occupational safety and productivity of our Personnel. In 2013 there was not a single case of occupational injuries in PLASKE JSC.

Photo Gallery:
work places, premises for rest and eating for the Organization's Personnel



The system of motivation of employees and increasing their interest in the success is based on individual and collective results of the work. Our compensation strategy is closely connected to the performance of the Organization, the market and the market results of the Organization's activity.

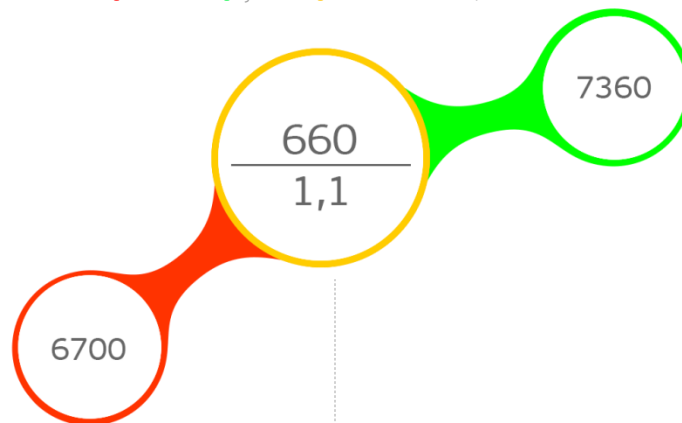
In 2014 the average salary of a full-time employee was UAH 7,360.00 which is 9.85% higher against 2013 (table 12, picture 25).

Table No 12. Average monthly salary of a full-time employee, 2013-2014, UAH

№ n/n	2013	2014	Deviation: Increase (+) Decrease (-), UAH	Deviation: Increase (+) Decrease (-), share
	1	2	3	4
1	6700	7360	660	1,1

Picture No 25. Average monthly salary of a full-time employee, 2013-2014, UAH

● reduction ● growth ● Deviation: increase/ decrease



Development of Internal Communications

Development and maintenance of internal communications with our employees are the foundation in the Organization's management system. We are fully committed to the principles of bilateral dialogue and feedback, guided by the principles of UN Global Compact in the field of labor relations and provisions ISO 26000, ISO 10018, SA 8000. We encourage all employees to open communications and promote respectful relations among all the Stakeholders.

In 2014 we started to improve the system of internal communications through the development and publication of organizational policy in the form of separate rights for personnel using the tools of the Administrative Technology which helps systematically to receive feedback between managers and employees of the Organization. New instruments of Administrative technology will improve the speed and quality of communication within the Organization by defining the vertical and horizontal command and communication lines. Currently, this technology is in the process of implementation and testing of the system of rapid flow.

Using the capabilities of information technology, we have provided internal communications of staff through implementation and constant maintenance of information up to date as on the internal electronic portal of the Organization. The portal provides daily news of organizations, personal blogs, event calendar, discussion forums, a place for ideas and suggestions, warnings and tips written by enterprising staff, helping colleagues with different work tasks. Also, information on the basic rules and procedures is up to date provides PLASKE JSC (including the skills required of leaders) and information on the planned activities of training and development. The portal is the link of all personnel of both in terms of formal and informal questions. Through the electronic system of the Portal we make extensive use of opinion polls of Personnel to get an understanding of the employees' positions on various aspects of the Organization's activity.

The Organization includes many various directions of activity and to provide functioning of all the Personnel rapid flow system we also arrange meetings where heads of internal divisions represent information about achievements of main directions of activity, innovations in the management system and new market trends. The most initiative employees can also take part and become a link between a source of useful information for work and all its recipients – all the Organization's employees.

Photo Gallery:
Pre-New Year's general meeting of the labor collective of PLASKE JSC



Chairman of the Supervisory Board
Platonov O.I.



Deputy Chairman of the Supervisory Board
Platonova L.I.



Deputy Chairman of the Supervisory Board
Platonova I.O.



Deputy Director General
Sokolov S.B.



Corporate Secretary
Glagoliev D.G.



Executive Director
Mshar A.O.



Head of Department
Turchak O.I.



Head of Department
Sverchkova E.A.



Head of Department
Mardar R.N.



Head of Department
Skidan A.N.



Pre-New Year meeting of the labor collective of
PLASKE JSC

Trade Union of Employees

Primary United Trade Union Organization PLASKE JSC plays an increasingly important role in all processes of the Organization. Trade union organization does not affect the production processes. To achieve its objectives between Primary United Trade Union Organization PLASKE JSC and the employer the collective agreement which fixes all the duties of Organization – employer and people – employees is signed every year. This document governs all social and economic, industrial and labor relations in the Organization, and ensures the creation of favorable conditions of work, leisure, sports, social welfare. Under the Collective Agreement the trade union organization defends the rights of members of the team, monitors compliance with labor legislation and compliance with the terms of the Collective Agreement.

In accordance with the Collective Agreement, the current Labor Code of Ukraine, International Labor Organization Convention (ILO) and the United Nations, the principles of the UN Global Compact, the provisions of ISO 26000, ISO 10018, "Investors in People" and the Organization SA 8000:

- We do not apply and do not support the use of forced labor.
- We do not apply and do not support the use of child labor.
- New Personnel is not required to place any money on deposit.
- We have implemented and maintain the occupational health and safety system, meeting the requirements of the Law of Ukraine "On Labour Protection" and OHSAS 18001.
- The salary is higher than the minimum subsistence level established in Ukraine.
- The payroll is regular: on working days in terms established by the Collective Bargaining.
- The bonus is paid to employees for their performance during the year.

Photo gallery:

Meeting of the labor collective and the trade union members



- We do not apply and support any discrimination during employment, remuneration, access to training, promotion, termination or retirement, regarding race, nationality, religion, sex, union membership, political beliefs or disability.
- We do not allow any behavior, including gestures, language and physical contact, which may be regarded as threat, insult, exploitation or harassment.
- We do not apply or support mental or physical coercion and abuse.
- We ensure the reasonable working hours - 40 hours a week with weekends.
- We involve employees to overtime only in exceptional cases agreed with the trade union and for no more than 120 hours per year.
- Each employee is provided with annual paid leave for 24 calendar days, as well as with additional paid leave and leave without pay.
- Each employee has the opportunity to have the extra day off on the day of his/her birthday.
- The remuneration is based on the "Regulation on Salary" subject to the requirements of legislation in force.
- We have developed, implemented and maintain the social responsibility management system.

The trade union of PLASKE JSC employees in order to fulfill their social guarantees in 2014:

1. Provided an opportunity for employees to attend cultural and recreational activities, namely sports for men. It was spent on the organization 32,000.00 UAH.
2. Conducted preparatory work for the implementation of cultural and recreational activities for the women's team, namely:
 - it was conducted a poll of the staff in the domestic electronic portal of the Organization;
 - negotiations with service providers were conducted;
 - service provider has been chosen;
 - an agreement on service provision was made.

3. Earmarking of charitable assistance – 5,100.00 UAH.

4. Payment of financial assistance for recuperation – 217,600.00 UAH.

5. For children of the employees of the Trade Union Organization:

- Arranged New Year gifts. It was spent on the organization 2,250.00 UAH;
- Arranged tickets for children's New Year's performance "Snow Queen". It was spent on the organization 5,215.00 UAH

Photo Gallery:
Active leisure of the employees of the Organization - football game

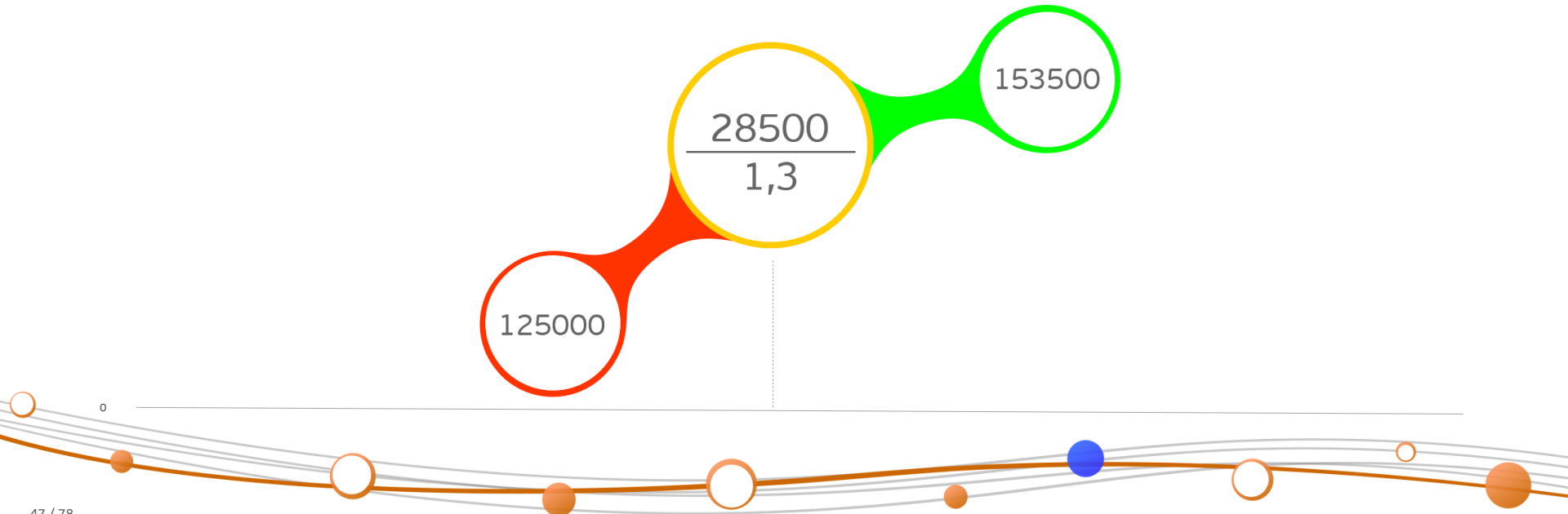


Table No. 13. Funds transferred by the Organization to the Trade Union of PLASKE JSC in 2013-2014

№ п/п	2013	2014	Deviation: Increase (+) Decrease (-), UAH	Deviation: Increase (+) Decrease (-), share
	1	2	3	4
1	125000	153500	28500	1,3

Picture No. 26. Funds transferred by the Organization to the Trade Union of PLASKE JSC in 2013-2014, UAH

● reduction ● growth ● Deviation: increase/ decrease

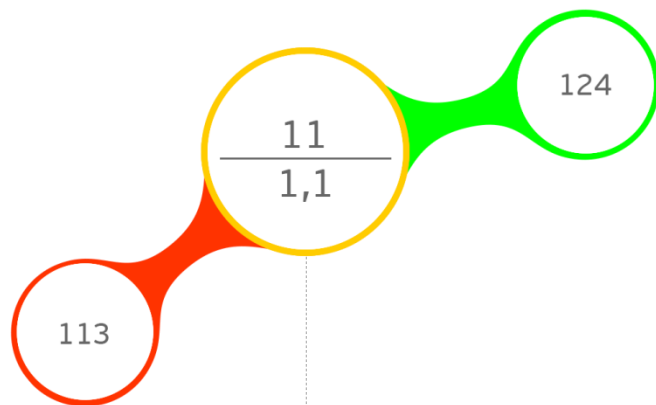


In the framework of the Labor Legislation every employee is granted a main leave. In this case employees can apply for a one-time payment of annual financial assistance for recuperation.

Table No.14. Number of persons who have received financial assistance, 2013-2014, Pers.

Nº n/n	2013	2014	Deviation: Increase (+) Decrease (-), UAH	Deviation: Increase (+) Decrease (-), share
	1	2	3	4
1	113	124	11	1,1

● reduction ● growth ● Deviation: increase/ decrease



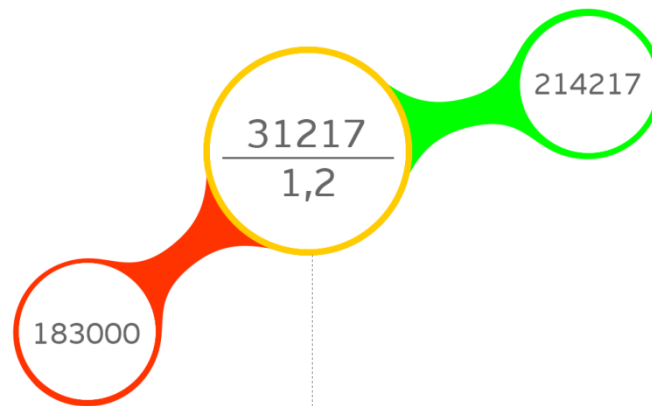
Picture No. 27.

Number of persons who have received financial assistance, 2013-2014, Pers.

In 2014 payment for recuperation was given to 124 persons, which is 11 people more than in the year 2013 (Table No.14, Picture No. 27). Amount to be paid was 214,217.00 UAH (Table No.15, Picture No. 28).

Table No.15. Financial assistance provided to the Personnel in 2013-2014, UAH

Nº n/n	2013	2014	Deviation: Increase (+) Decrease (-), UAH	Deviation: Increase (+) Decrease (-), share
	1	2	3	4
1	183000	214217	31217	1,2



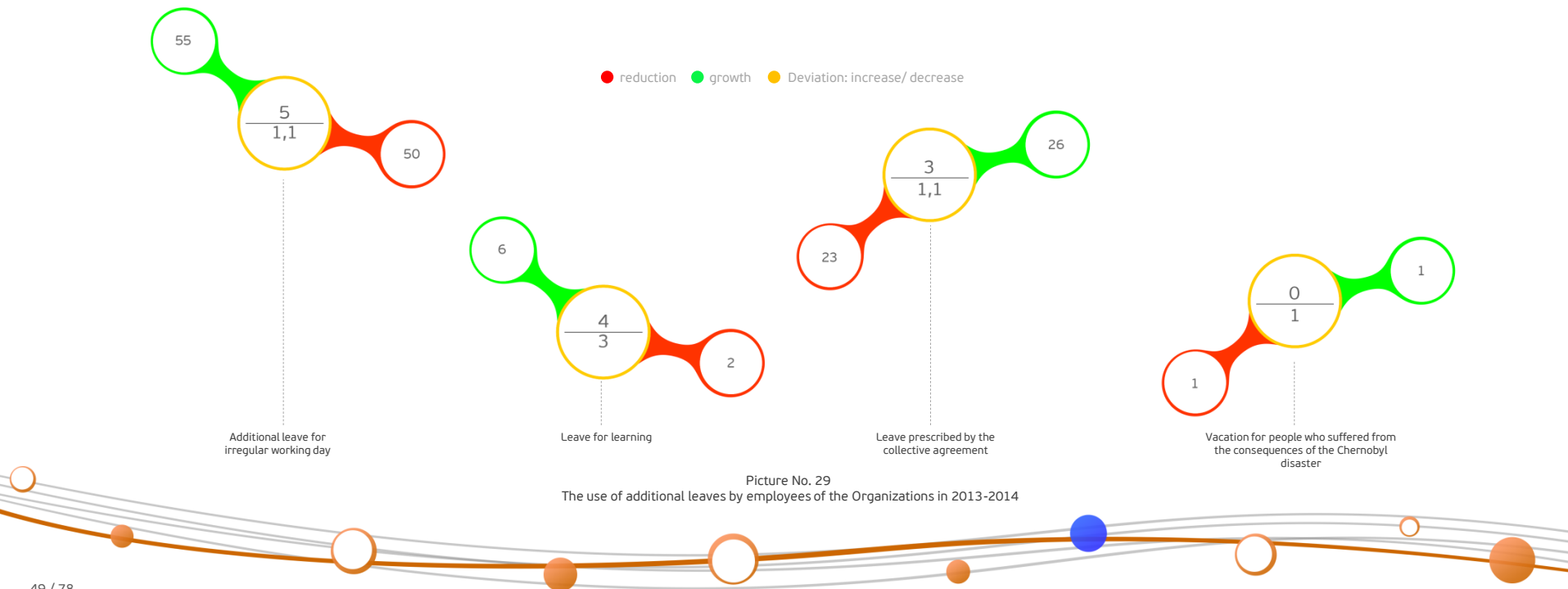
Picture No. 28.

Financial assistance provided to the Personnel in 2013-2014, UAH

Within the framework of the provisions of the Collective Agreement, the Organization provides its Employees with additional leaves (Table No.16, Picture No. 29).

Table No.16. The use of additional leaves by employees of the Organizations in 2013-2014

№ n/n	Type of holiday	2013	2014	Deviation: Increase (+) Decrease (-), pcs	Deviation: Increase (+) Decrease (-), share
		2	3	4	5
1	Additional leave for irregular working day	55	50	-5	-1,1
2	Leave for learning	6	2	-4	-3
3	Leave prescribed by the collective agreement	23	26	3	1,1
4	Vacation for people who suffered from the consequences of the Chernobyl disaster	1	1	0	1



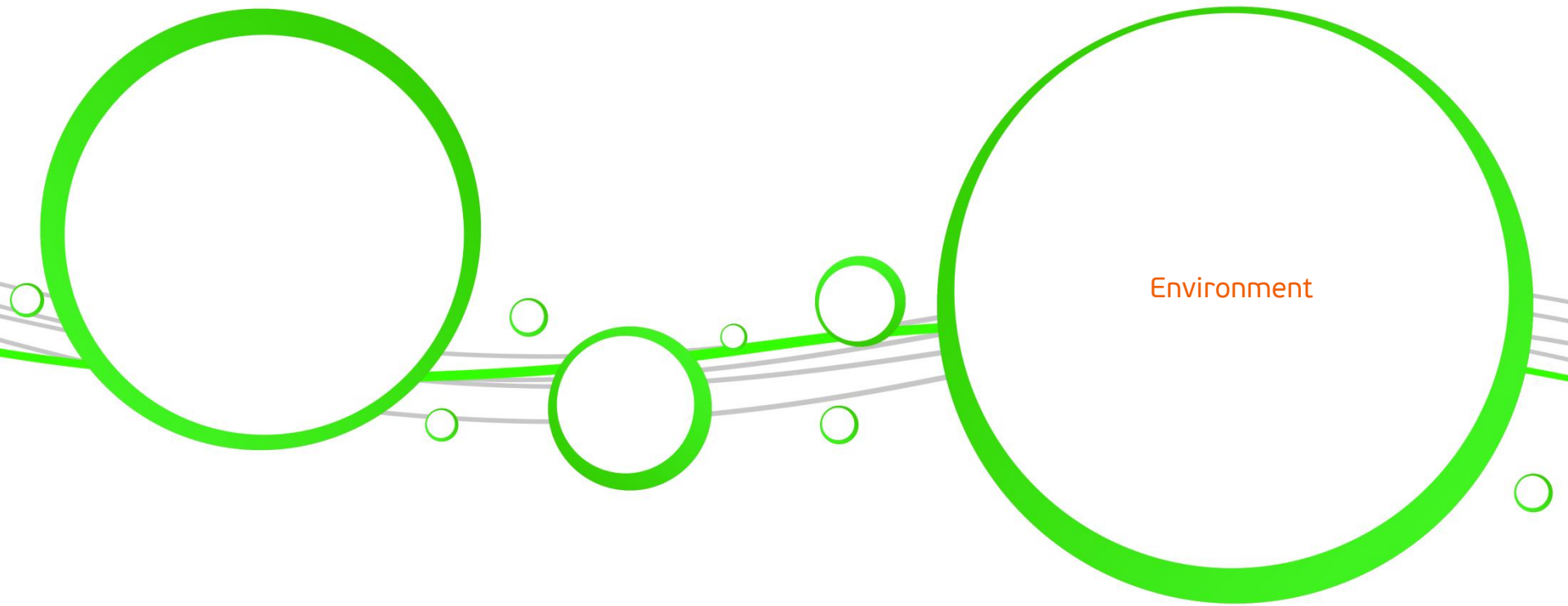
Our collective shows success in its professional activity. In the end of 2014 at the event devoted to summarizing of the year results new heads of departments were represented to the collective of the Organization, who voiced their vision of the situation according to the results of the outgoing year and has acquainted all participants with their plans for the upcoming 2015.

Unexpected for 25 employees of the Organization and we may say that it has become a tradition by now there was the awarding of diplomas following the results of the year "For High Professionalism, Dedication and Initiative" (Table No. 17).

Table No. 07.
Employees of the Organization who have received recognition of the management in the professional activity by the results of 2014

Surname, Name	Surname, Name	Surname, Name	Surname, Name	Surname, Name
Avdyeyenko Viktoria	Voronin Dmitry	Dovzhenko Aleksandr	Makarenko Lyudmila	Rakhmatolla Olga
Apostolova Elena	Galis Mikhail	Duplychuk Anastasia	Melnik Anatoliy	Semenova Maria
Barmotina Ksenia	Glovatskaya Anna	Zadorozhnyuk Aleksandr	Perinsliy Konstantin	Soroka Aleksey
Baron Oleg	Darakov Oleg	Ivanov Aleksandr	Polukhina Maria	Yarovoy Aleksey
Volyanskiy Nazariy	Dobrogurskiy Viktor	Litnyevskaya Rimma		





Life and activity of a human are impossible without favorable environment. Its constant impact affects us through material factors: physical, chemical and biological. Humanity is a consumer with respect to the environment and at the same time transforms the nature for his production needs by the use of natural resources.

As a result of economic activity of a human the environment is contaminated by hazardous substances and that leads to changes in climate and is the global negative tendency over many years. That is why support of the environment is the important aspect of the social responsibility of PLASKE JSC which has vivid principles and approaches reflected at the Policy of the Organization.

While the activities of PLASKE JSC is not associated with harmful production of finished products and does not cause significant harm to the environment, to implement its environmental policy we define the threats and risks that can serve as a source of environmental damage in the supply chain of our Organization.

Environmental risk management is part of the functioning of the existing system of management of the Organization in the field of life safety and based on the principle of minimizing the impact on the environment and ensure production processes to meet the requirements of the current national and international legislation in the field of environmental protection, the recommendations and requirements of international initiatives and standards, including:

- The Constitution of Ukraine
- The principles of the UN Global Compact
- ISO 14001 "Systems of Environmental Management. General requirements and guidance on the application"
- ISO 26000 "Guidance on Social Responsibility"
- ISO 28000 "Safety Management System of the Supply Chain"

Within the general objective of minimizing the environmental impact of PLASKE JSC:

- Continuously improve their environmental performance and prevents contamination of the environment;
- Reduces the consumption of natural resources through the use of energy-saving bulbs and lamps which are equipped with motion detectors, uses water cocks with photocells, introduces electronic systems to save paper;
- Continuously collects and sells waste to suppliers for recovery and recycling according to concluded contracts. The suppliers makes his choice according to the procedure of procurement of products, which includes the identification of the main selection criteria, including compliance with legal, sanitary and epidemiological norms;
- Develops environmental awareness among staff of the Organization through briefings, educational talks and a reminder to the rational use of resources;
- Ensures transparency of environmental information through dialogue with stakeholders. The organization annually issues public reports on the activities for the year, including the one that contains ecological indicators;
- Complies with international standards, applicable laws, regulations and other requirements relating to our environmental aspects

Through the systematic recording of data, PLASKE JSC has responsible attitude and monitors its impact on the environment (pictures No. 31-34):

In 2014, we reduced the cost of the use of electricity and water in relation to the number of personnel and the equipment used. Additionally in May 2014 to ensure problems of risk management of supply chain security and improve customer service, PLASKE JSC moved from the old office located to the address: Odessa, st. Bolshaya Arnavutskaya, 15 to the new office at the address: Odessa, 14a, Marazlievskaya Str. which affected the results of the use of natural resources in the management of the environment.

In the office at the address: г. Одесса, 2, Gefa Str. in 2014 compared with 2013 year was used more electricity and water because of the additional deployment of personnel and technical equipment to ensure projects in the field of freight forwarding. Also there is a flower bed on the adjacent territory which requires water consumption for irrigation. Therefore, the ratio of water use to the number of staff is higher as compared to other premises.

In the office at Odessa, 12, Zabolotnogo str., in 2014 compared with 2013 year has increased energy consumption to ensure construction and repair work in order to improve working conditions for staff and customer service. The use of water has been reduced.

In the offices at the following addresses: Odessa, 28, Preobrazhenskaya str., and Odessa, 2, Privokzalnaya Sq., in 2014 compared with 2013 year the use of water and electricity has also been reduced.

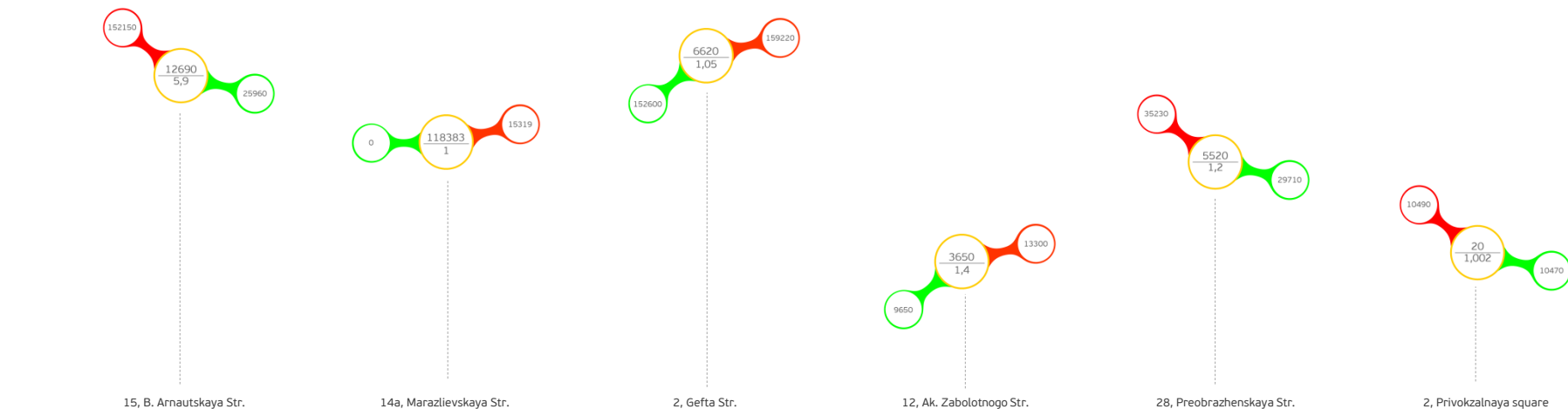
Pictures No. 35-37 display data on recovery. It should be noted that the waste is transmitted to the supplier for processing and recycling, as experience is based on the amount of floor space in the warehouse of the recyclable office equipment, gel lead-acid batteries and fluorescent lamps. Due to the fact that 2013 was cumulative, so in 2014 we transferred for recycling more waste fluorescent lamps and office equipment supplier for recycling.

One activity of freight forwarding is the organization of the delivery of dangerous goods. As a responsible business entity, we risk controlling supply chain security by selecting reliable suppliers of transportation services in accordance with regulatory requirements and processes of transport, prevents the impact of threats to the environment. In 2014 there was not a single situation related to the transport of dangerous goods

Table No18.
Data on the use of electricity in the Organization premises, 2013-2014 kW/h

№ n/n	15, B. Arnavutskaya Str.				14a, Marazlievskaya Str.				2, Gefta Str.				12, Ak. Zabolotnogo Str.				28, Preobrazhenskaya Str.				2, Privokzalnaya square			
	2013	2014	Deviation: Increase (+) Decrease (-), kW/h	Deviation: Increase (+) Decrease (-), share	2013	2014	Deviation: Increase (+) Decrease (-), kW/h	Deviation: Increase (+) Decrease (-), share	2013	2014	Deviation: Increase (+) Decrease (-), kW/h	Deviation: Increase (+) Decrease (-), share	2013	2014	Deviation: Increase (+) Decrease (-), kW/h	Deviation: Increase (+) Decrease (-), share	2013	2014	Deviation: Increase (+) Decrease (-), kW/h	Deviation: Increase (+) Decrease (-), share	2013	2014	Deviation: Increase (+) Decrease (-), kW/h	Deviation: Increase (+) Decrease (-), share
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	152150	25960	-126190	-5,9	0	118383	118383	1,0	152600	159220	6620	1,04	9650	13300	3650	1,4	35230	29710	-5520	-1,2	10490	10470	-20	-1,1

● reduction ● growth ● Deviation: increase/ decrease

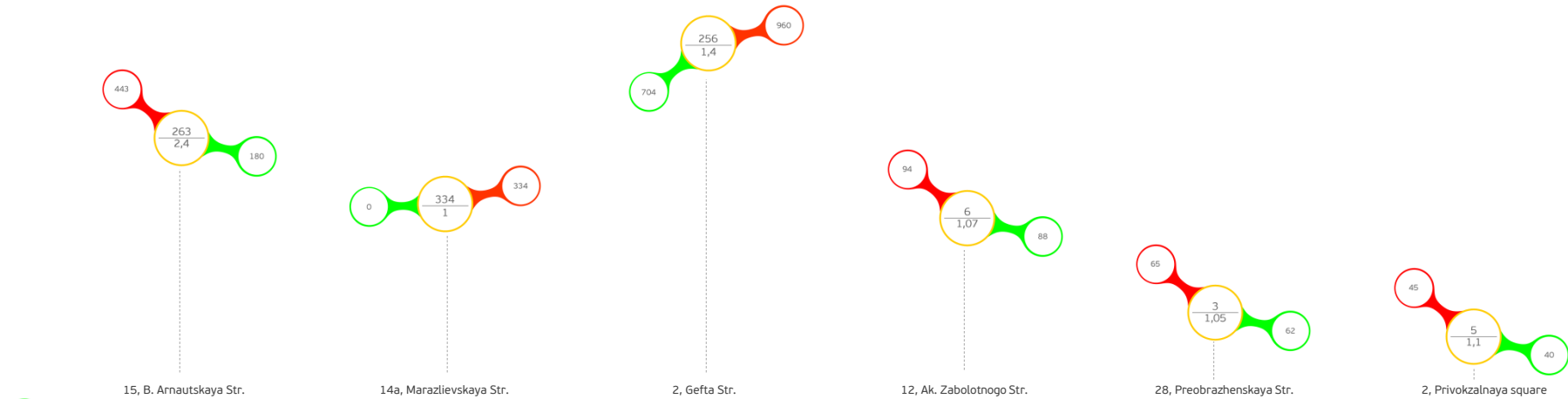


Picture No. 31
Data on the use of electricity in the Organization premises, 2013-2014 kW/h

Table No19.
Data on the use of water in the Organization premises, 2013-2014, M3

№ n/n	15, B. Arnauskaya Str.				14a, Marazlievskaya Str.				2, Gefta Str.				12, Ak. Zabolotnogo Str.				28, Preobrazhenskaya Str.				2, Privokzalnaya square			
	2013	2014	Deviat ion: Increa se (+) Decre ase (- , M3	Deviat ion: Increa se (+) Decre ase (- , share	2013	2014	Deviat ion: Increa se (+) Decre ase (- , M3	Deviat ion: Increa se (+) Decre ase (- , share	2013	2014	Deviat ion: Increa se (+) Decre ase (- , M3	Deviat ion: Increa se (+) Decre ase (- , share	2013	2014	Deviat ion: Increa se (+) Decre ase (- , M3	Deviat ion: Increa se (+) Decre ase (- , share	2013	2014	Deviat ion: Increa se (+) Decre ase (- , M3	Deviat ion: Increa se (+) Decre ase (- , share	2013	2014	Deviat ion: Increa se (+) Decre ase (- , M3	Deviat ion: Increa se (+) Decre ase (- , share
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	443	180	-263	-2,5	0	334	334	1	704	960	256	1,3	94	88	-6	-1,1	65	62	-3	-1,1	45	40	-5	-1,2

● reduction ● growth ● Deviation: increase/ decrease

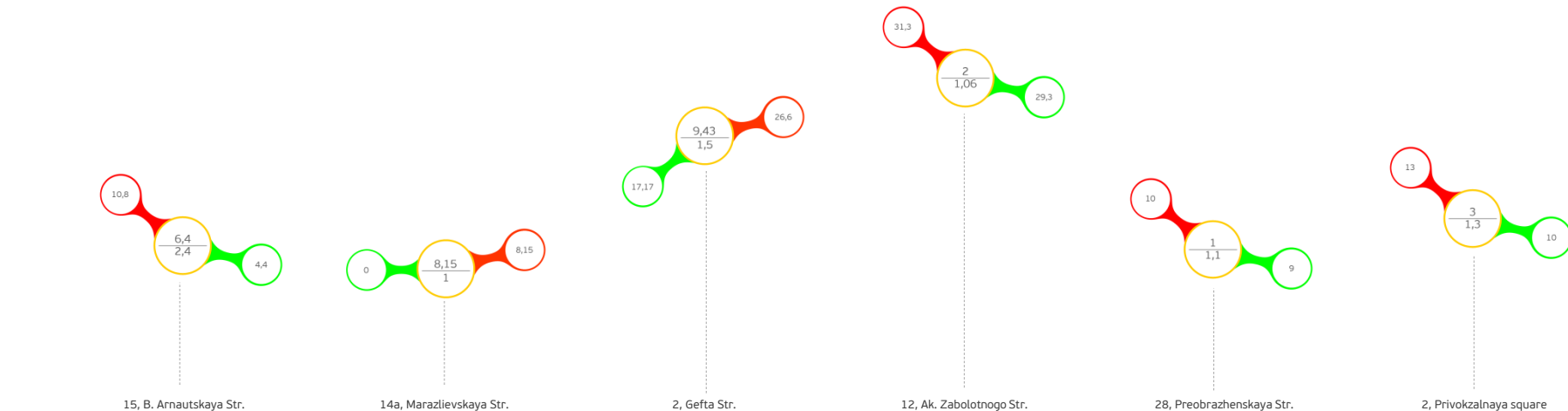


Picture No. 32.
Data on the use of water in the Organization premises, 2013-2014, M3

Table No. 20.
Data on the use of water in the Organization premises, 2013-2014, 1 person/year, m³

№ n/n	15, B. Arnauskaya Str.				14a, Marazlievskaya Str.				2, Gefta Str.				12, Ak. Zabolotnogo Str.				28, Preobrazhenskaya Str.				2, Privokzalnaya square			
	2013		Deviation: Increase (+) Decrease (-), kW/h	Deviation: Increase (+) Decrease (-), share	2013		Deviation: Increase (+) Decrease (-), M3	Deviation: Increase (+) Decrease (-), share	2013		Deviation: Increase (+) Decrease (-), M3	Deviation: Increase (+) Decrease (-), share	2013		Deviation: Increase (+) Decrease (-), M3	Deviation: Increase (+) Decrease (-), share	2013		Deviation: Increase (+) Decrease (-), M3	Deviation: Increase (+) Decrease (-), share	2013		Deviation: Increase (+) Decrease (-), M3	Deviation: Increase (+) Decrease (-), share
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1	10,80	4,40	-6,40	-2,45	0,00	8,15	8,15	-1,0	17,17	26,60	9,43	1,5	31,33	29,33	-2,00	-1,1	10,00	9,00	-1,00	-1,1	13,00	10,00	-3,00	-1,3

● reduction ● growth ● Deviation: increase/ decrease



Picture No. 32.
Data on the use of water in the Organization premises, 2013-2014, 1 person/year, m³

Table No. 21. Consumption of electricity in 2013-2014, kW/hour

Nº n/n	2013	2014	Deviation: Increase (+) Decrease (-), kW/h	Deviation: Increase (+) Decrease (-), share
	1	2	3	
1	360120	357043	3077	-0,1

Table No. 22. Consumption of water in 2013-2014, m3

Nº n/n	2013	2014	Deviation: Increase (+) Decrease (-), m3	Deviation: Increase (+) Decrease (-), share
	1	2	3	4
1	1351	1664	313	1,2

Picture No. 33.
General data on the use of natural Resources by the Organization, 2013-2014

● reduction ● growth ● Deviation: increase/ decrease

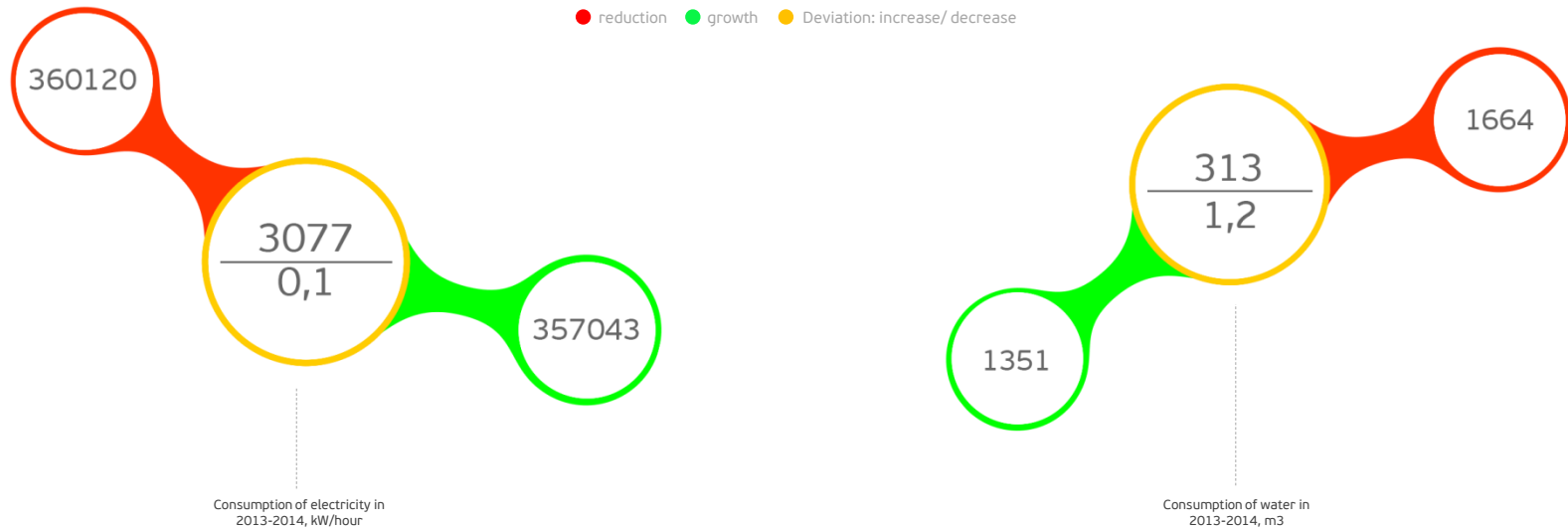
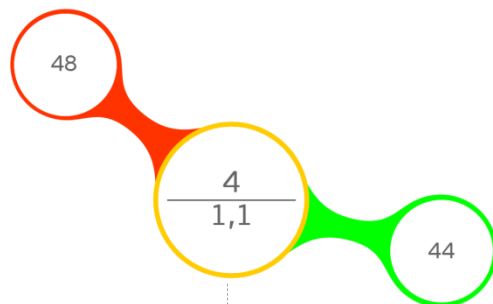


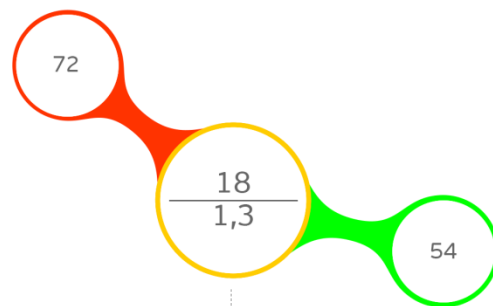
Table No.23.
General information on recycling, 2013-2014

Nº n/n	Name of data recovery	2013	2014	Deviation: Increase (+) Decrease (-), psc	Deviation: Increase (+) Decrease (-), share
	1	2	3	4	5
1	Disposal of batteries	48	44	-4	-1,1
2	Office equipment recycling	72	54	-18	-1,3
3	Recycling of fluorescent lamps	200	300	100	1,5

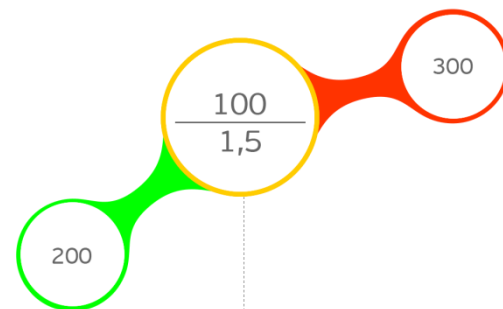
● reduction ● growth ● Deviation: increase/ decrease



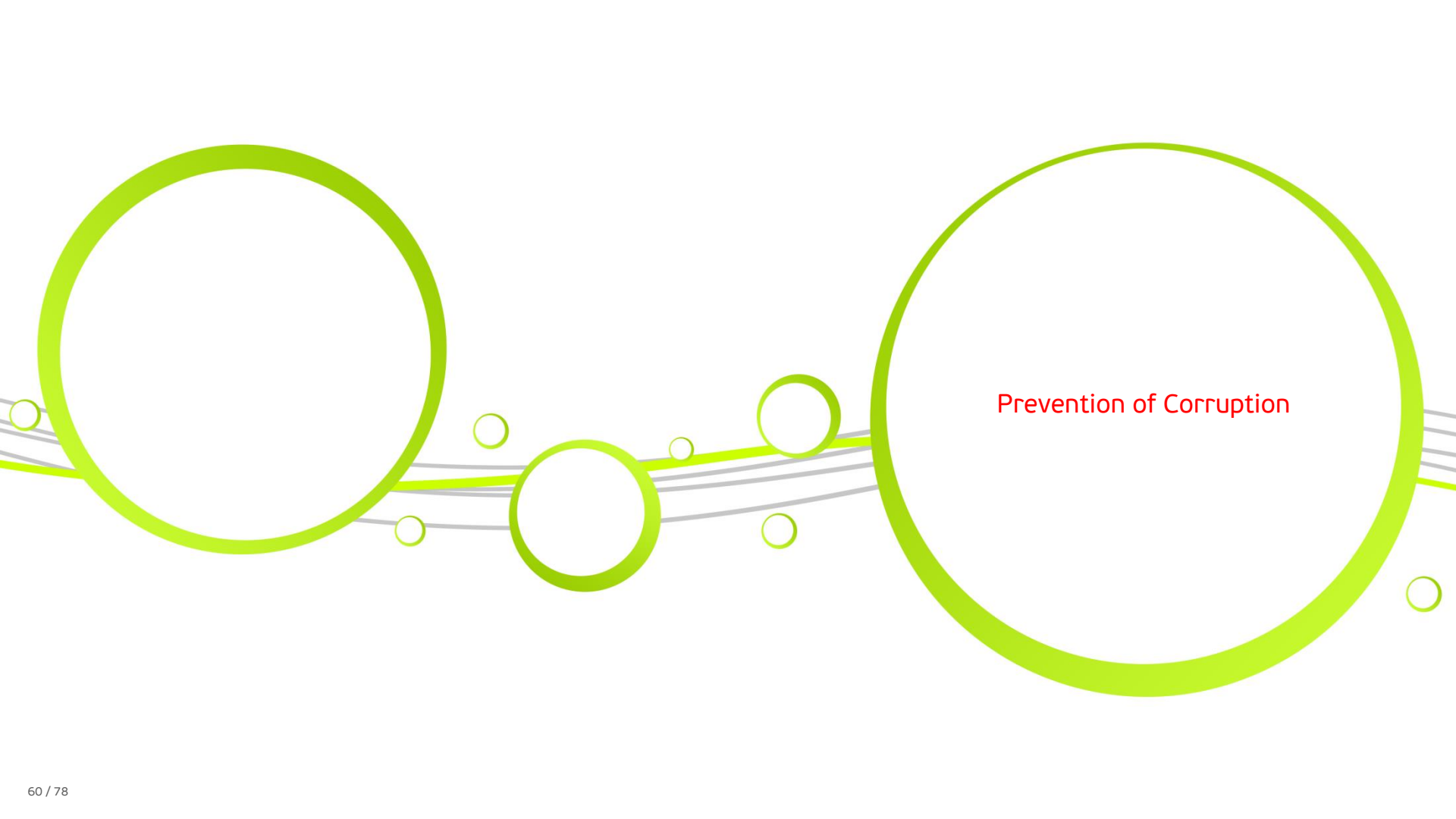
Picture No. 34.
Data on the disposal of batteries, 2013-2014, pieces



Picture No. 35.
Data on the office equipment recycling, 2013-2014, number of positions



Picture No. 36.
Data on the recycling of fluorescent lamps, 2013-2014, pieces

An abstract graphic featuring several green circles of varying sizes and a network of thin, light gray lines. A prominent green line runs horizontally across the middle, with several smaller green circles connected to it. Two large green circles are positioned on the left and right sides, with the text 'Prevention of Corruption' inside the right one. The overall design is clean and modern, with a focus on geometric shapes and a limited color palette of green and gray.

Prevention of Corruption

Principles of activity

Corruption is recognized as one of the biggest problems in the world. It is a major obstacle to sustainable development with a disproportionate impact on poor people and cause corrosion in the society. It also significantly affects the private sector; corruption hinders economic growth, violates healthy competition and raises the level of legal and reputational risks of organizations.

We favor and encourage other organizations to conduct their business openly and transparently to comply with legal requirements and support activities aimed at the prevention and elimination of corruption in all its manifestations.

Direction of the organization for prevention and elimination of corruption comes from strictly following basic principles of:

- The law.
- Recognition, promotion and protection of fundamental rights and freedoms.
- Public and open activities.
- Integrated use of modern management, informational, organizational, socio-economic and legal measures.
- The priority of application of measures aimed at eliminating or anticipating of corruption.
- To support these principles and disseminate best practices we actively participate in community projects aimed at preventing corruption in all its manifestations.

Participation in the UN Global Compact initiative

PLASKE JSC is a participant of the UN Global Compact since 2007 which supports and popularizes its principles in Ukraine. UN Global Compact is the strategy initiative for organizations which intend to align their activities with ten universally accepted principles in the areas of human rights, labor, environment and anticorruption.

Call to Action

In 2014 UN Global Compact on the occasion of the 10th anniversary of The Tenth Principle Against Corruption initiated private commercial organizations to confirm their intentions and sign an additional initiative «Call to Action: Programm against Corruption and the World Development».

«Call to Action» is a result of development and consultations which lasted more than six months and was conducted by the Task Force which included members of the anti-corruption Working Group of the UN Global Compact, World Bank Institute, Initiative of the Open agreements and initiative «International transparency». They explored the anti-corruption private sector prospect and effective management in the program of global development.



«We cooperate closely with organizations which in practice give a clear signal to the authorities and business community representatives about the need to put an end to bribery and corruption in all its forms and during the UN anniversary event we would like to emphasize activity of such organizations», – writes George Kell, the UN Global Compact Executive Director in his letter.

It is important for our Organization that our actions towards preventing and warding corruption can make a total contribution into solving this problem in Ukraine. That is why PLASKE JSC signed the letter «Call to Action» which was addressed to the Secretary-General of the United Nations Ban Ki-moon. In connection with the fact that our Organization has joined this global initiative and its representatives were invited to take part at the events on the occasion of The Tenth Principle Against Corruption anniversary intended to prevent corruption which was held December 10, 2014 in New York.

Information on fighting corruption around the world was represented at the plenary session «Fight against Corruption - current trends and future possibilities»:

- Exchange of practical experience, introduction anticorruption policies;
- Introduction of measures against corruption;
- Data on research of organizations for 2013 indicate that a large gap remains between what is declared on anticorruption policies by organizations and implementation of these policies in practice. For example, while 7 out of 10 companies have anticorruption policy, only three out of 10 have a hidden hot line to report cases of corruption, and slightly more than half took a position of zero tolerance towards corruption.
- Data on research of organizations is a reflection of the fact that the trend of sustainable development is observed in recent years. Since 2009 more than 14% of the Global Compact signatories declare the existence of the policy against corruption and more than 13% have a management system to fight corruption. In addition, organizations are increasingly involved in collective action.

- Implementation of projects in five countries (Kenya, Brazil, Egypt, India, Nigeria and South Africa) on anticorruption issues through public-private dialogue.
- Cooperation of the UN Global Compact and the Principles of Responsible Management Education (PRME) for increasing the capabilities of future business leaders to fight corruption.
- Examples of issues were given like dilemmas to solve personal problems: "Where is the line between a gift and a bribe?"; "If you are delayed by a policeman at the airport, will you give him \$ 25 to catch a flight".

The signatories of the "Call to Action" were announced In the final part and PLASKE JSC was marked among them.

Photo Gallery:

Events on the occasion of the anniversary of the adoption of the UN Global Compact tenth principle aimed at preventing corruption, December 10, 2014, New York, USA



Photo: Welcoming speech by George Kell, Executive Director of the UN Global Compact



Photo: Speech by Oladzhobi Makindva, Head of UNGC Transparency and Anti-Corruption Initiatives



Photo: Plenary meeting of UNGC



Photo: Breakfast on "Collective Events on Struggle Against Corruption"



Photo: Our Organization marked among the signatories of the Call to Action and the Programme for Global Development



Photo: Denys Glagoliev, Corporate Secretary of PLASKE JSC

Participation in the project International Trade and Logistics Facilitation

Taking into account a task of the government to create favorable transit conditions and development of transport and logistics system for the integration of Ukraine into the European system PLASKE JSC together with "Odessa Commercial Sea Port" SE in 2012 initiated a project to introduce the technology "Single Window - a local solution" in the area of the Southern customs and ports of Odessa region. The project is aimed at the prevention of corruption, limiting bureaucratic procedures, security of the supply chain, standardization and computerization of international trade procedures in the context of Ukraine's integration into European and world markets.

At the same time an Interagency Working Group composed of representatives of public authorities, law enforcement agencies, business associations and unions - participants of the transport process was established in order to coordinate and control the course of the project, identify areas of its implementation. Decisions taken at the meetings find their realization on behalf of the Government of Ukraine which determine the specific executers and decision-makers at the central executive authorities.

Implementation of the project included the creation of a single port community information system (PCS) in ports located in the Odessa region This is the organizational and technical system, which enables the Port Authority, the public authorities, port operators, shipping agents, freight forwarders and other business entities that operate in the seaport to accumulate, validate, process, store and transmit information and documents in electronic form, necessary for the implementation of border, customs and other controls, to provide electronic document circulation, etc. with the help of hardware and software (Pictures No. 37a, 37b).

As a result of the Interagency Working Group work at the ports of Ukraine, the contactless technology for paperless processing of containers with foreign trade goods has been introduced which inter alia has proved an effective tool for reducing corruption factors in the activities of regulatory bodies as it eliminates direct contact with the persons concerned officials, decision-makers in the field of state control

Photo Gallery:
Seminar on Trade Facilitation and "single window"
15.04.2014, Kyiv, Ukraine



Photo Gallery:
International Seminar on Trade Facilitation and "single window"
27.05.2014, Odessa, Ukraine



Photo Gallery:
Round table "Trade facilitation and acceleration of the movement of goods across the border: Practical Solutions for Ukraine" in KNTEU, 11.27.2014, Kyiv, Ukraine



Information flow optimization with the use of PCS



Picture No. 37a.
The state of information flow in the port community without PCS



Picture No 38b.
Optimized information flow with the use of PCS

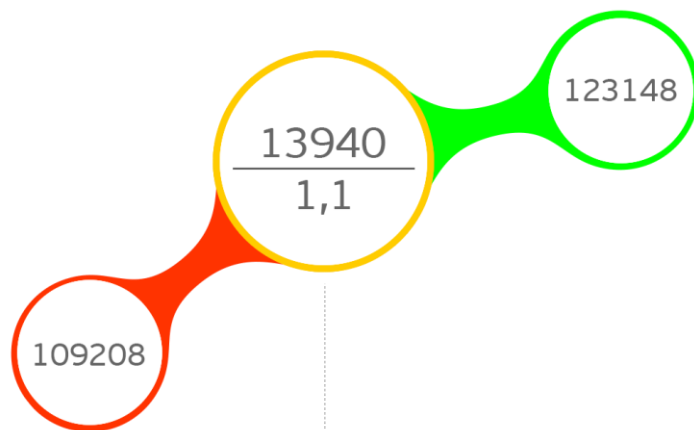
At the end of 2014 all information for drafting more than 260 thousand containers was entered into the PCS.

There is the dynamics of growth in the number of containers processed by the PCS in the table No. 24 on the pictures No.38-39.

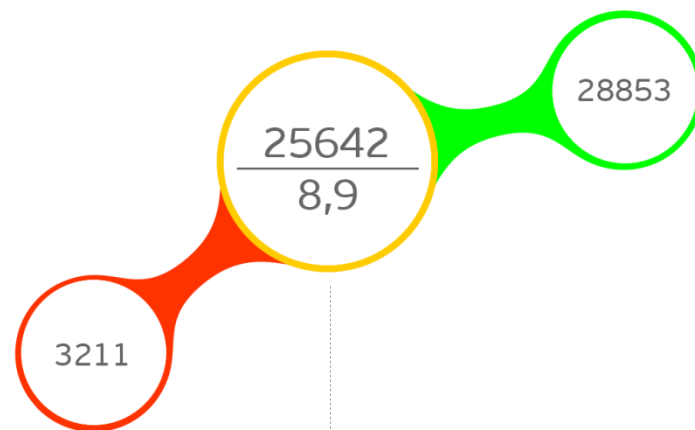
Table No.24.
Data on processed containers by the PCIS in Odessa Commercial Sea Port, psc

№ n/n	Place of work of PCIS	2013	2014	Deviation: Increase (+) Decrease (-), psc	Deviation: Increase (+) Decrease (-), share
		1	2	3	4
1	Odessa Commercial Sea Port	109208	123148	13940	1,1
2	Illichivsk Commercial Sea Port	3211	28853	25642	8,9

● reduction ● growth ● Deviation: increase/ decrease



Picture No. 38.
Data on processed containers by the PCIS in Odessa Commercial Sea Port



Picture No. 40.
Data on processed containers by the PCIS in Illichivsk Commercial Sea Port

Single Window – Local Solution

Consideration obligations of Ukraine taken in December 2013 during signing WTO Agreement on Trade Facilitation and also to provide proper execution of «Reforms Strategies - 2020» represented September 25, 2014 by the President of Ukraine P.O. Poroshenko in 2014 it was made a decision about a transformation of the Interagency Working Group on the introduction of the technology «Single Window – Local Solution» into the Interagency Working Group on International Trade and Logistics Facilitation.

The renewed Interagency Working Group will solve such problems as development and implementation of National Strategy of international trade and logistics facilitation, creation a base for establishment of National institution on trade facilitation in compliance with UN recommendations.

Two UNECE Guidance training seminars on trade facilitation and preparation of evaluation of readiness of Ukraine to implementation of measures of WTO Agreement on trade facilitation were organized and conducted in 2014 in Kyiv in order to assist in the implementation of these tasks with support and participation of the Interagency Working Group for employees of Ministries and departments of Ukraine and also for representatives of business communities which will implement measures on international trade and logistics facilitation

Photo Gallery:

The meeting of the Interagency Working Group of the «Single Window», March 04, 2014, Kyiv, Ukraine



Prospects for the development of the project:

- Implementation of the «Single Window» principles not only in ports but also in all Ukrainian national crossing points
- International cooperation — connection of States with which trade relations are carrying out to the national «Single Window»
- Implementation of the «Single Window» principles into other spheres of public relations in Ukraine
- The transition from the «Single Window» to the national strategy on international trade and logistics facilitation in Ukraine
- Creation of the national body on international trade and logistics facilitation in Ukraine

Photo Gallery:

Seminar on UNECE Guidelines for Trade Facilitation and preparing assessment of Ukraine's readiness to implement measures of the WTO Agreement on Trade Facilitation, December 11, 2014, Kyiv, Ukraine



Participation in associations and unions

PLASKE JSC is one of the active participants of 11 national and international associations and unions. Participation and vigorous activity in such international organizations as FIATA, CLECAT, UIC, ORC, EBA and also national associations of freight forwarding and logistic organizations UKRVNESHTRANS and AIFFU let the Organization implement the prevention of corruption main principles in joint activity on the introduction of universally recognized instruments of facilitation of national trade, logistics and transport.

Picture No.40.
PLASKE JSC membership in national and international organizations



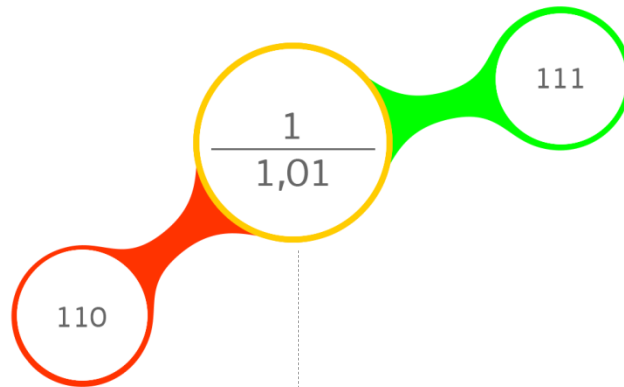
Photo:
Forum XII International Freight Forwarder's Day, May 31, 2014, Odessa, Ukraine



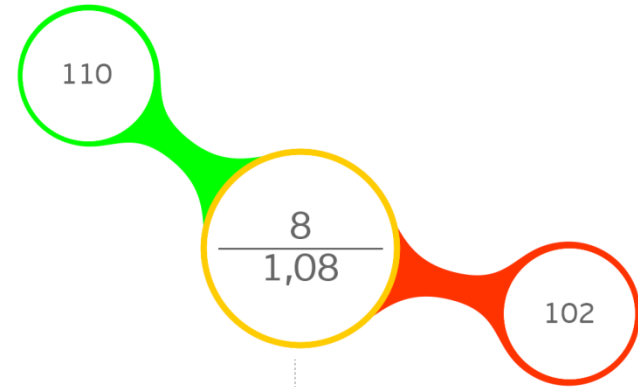
Table No.25.
Data on activities, 2013-2014, pcs.

№ n/n	Indicator	2013	2014	Deviation: Increase (+) Decrease (-), psc	Deviation: Increase (+) Decrease (-), share
		2	3	4	5
1	Data on the number of events which were attended by representatives of the Organization	110	111	1	1,01
2	Data on the number of participants who took part in events on behalf of the Organization	110	102	-8	-1,08

● reduction ● growth ● Deviation: increase/ decrease



Picture No. 41a.
Data on the number of events which were attended by representatives of the Organization, 2013-2014, items



Picture No. 41b.
Data on the number of participants who took part in events on behalf of the Organization, 2013-2014, persons

An abstract graphic featuring several large and small green circles connected by thin, wavy green lines. The circles are of varying sizes, with the two largest ones on the left and right sides. The lines are thin and wavy, creating a sense of movement and connection between the circles. The overall design is minimalist and modern.

Cultural and Social Projects

PLASKE JSC is fully aware of the importance of preserving cultural heritage, development of cultural traditions and values for future generations. We work with leading museums, theaters, libraries, public organizations and provide financial, organizational and technical assistance in a number of socio-cultural projects. We are concerned about organizations and social projects we support.

We are committed to sustainable cooperation that does not look like outbreaks of generosity. Therefore, our social projects are prime examples of long-term fruitful cooperation benefiting society as a whole and the organizations we implement them with, in particular.

Odessa Literary Museum

We continue our long-term cooperation with the Odessa Literary Museum. This museum can be considered as a museum of the history of Odessa through the prism of literature. Starting from Alexander Pushkin, who spent thirteen months in Odessa and up to Mikhail Zhvanetsky, a living classic, Odessa has always been a city that inspires and gives birth to talented writers and poets. Virtually the entire South Russian literary school consists of Odessa citizens, which certainly is a matter for pride and a detailed study of interesting facts from the history of our native land. Together with the Literary Museum PLASKE JSC has several regular projects, the most prominent are: the "Sculpture Garden" and "Odessa Calendar".

Also, several times a year, to promote the development of the museum itself and cultural level of the population, and the younger generation in particular, Odessa Literary Museum and PLASKE JSC jointly organize The Night at the Museum. It is a thematic cultural evening held several times a year, which gathers five thousand people in one night. This event has become quite popular within the youth, which is a positive shift in the cultural development of society.

Sculpture Garden

The tradition of multi-year project of sculpture exposition in the open air was founded April 1, 1995 when was opened a sculpture by Rezo Gabriadze was devoted to the main character of Odessa jokes, Mr Rabinovich. The Garden is regularly "updated" with new sculptural compositions every April the 1st, the day traditionally celebrated in Odessa as Humorina, i.e. the Day of Humor. Each sculpture, certainly, is devoted to our city, its celebrities, characters or events in literary works. This year the garden has a new sculptural composition, Museum Brotherhood. Sculpture dedicated to all museum workers and museums in the city. This composition by Chernoiivanov Oleg and Leonid Liptuga became the 17th in a row and the last in the project "Sculpture Garden", which this year celebrates 20 years.

Photo Gallery:

Sculpture Museum Brotherhood, opened in 2014 in the Sculpture Garden of the Odessa Literary Museum



Odessa Calendar

Another long shared cultural and social project of PLASKE JSC and the Literary Museum, which was launched thirteen years ago is Odessa Calendar. Each year, on the birthday of the city, on September the 2nd, the so-called Odessa Calendar is published. It starts in September and counts the years of Odessa. Each calendar is dedicated to the history of one of the oldest streets in the city, and describes the history of houses and famous people, who lived there. Each calendar has an application, i.e. a booklet detailing the history of every house and every institution that has ever been located in this street.

The scientific staff of the museum, along with the famous Odessa regional specialists, collects the relevant materials throughout the year to prepare for the next edition of the calendar. Calendars have long been the subject of collecting and attracted the attention of the public. The limited edition is distributed among the libraries, schools, museums, as well as among fans of Odessa from around the world. Calendar 2014-2015 of Odessa Year tells about one of the first streets of Odessa, this time it is Deribasovskaya, "Queen of all the streets of this world".

In the picture:
Odessa Calendar and brochure "The History of one Street": Deribasovskaya Street



Odessa National Academic Opera and Ballet Theater

Odessa Opera and Ballet Theatre is considered as the hallmark of Odessa. It was included in the top-five most beautiful theaters in the world. In 2007 the theater was reopened after the years of reconstruction. Architectural monument brought into perfect condition needed the high quality and unique opera and ballet repertoire. It also required a strong marketing promotion and popularization.

As a partner of the theater, the Organization together with the theater released several premieres, issued a set of colorful, presentable publications on the existing repertoire.

In 2010 PLASKE JSC was announced a general partner of the Odessa Opera and Ballet Theater

Pictures: Publications for Odessa National Academic Opera and Ballet Theater



World Odessit Club

World Odessit Club is a public organization, presented in different countries and bringing together the citizens of Odessa, which, as said, by Mikhail Zhvanetsky, the President of the Club, are spread across the globe. Its headquarter is located at the address: Odessa, 7 Marazliyevskaya Street. The club regularly gathers its members and friends, holds presentations, exhibitions, concerts, entertaining discussions on various socially important topics. As part of the World Club of Odessa and its Presidential Council - the people who are well known in Odessa: industrialists, bankers, lawyers, artists, doctors, writers, historians, scientists, musicians.

In the framework of social partnership with the Club, PLASKE JSC supports the project "Odessa Library". Four times a year we publish a literary anthology almanac "Deribasovskaya-Rishelyevskaya", as well as books of writers, poets, historians, classical and contemporary ones. Among them there are works of authors who have made a striking contribution to national as ("Workshop of Men"), as well as collections of columnist and critic Vlas Doroshevich ("Odessa, Odessa Citizens and Women from Odessa").

We published books about our local history. Oleg Gubar made a unique collection of autographs of historical figures. "The History of Odessa in the Names of its Streets" is the result of many years of research by Jacob Maystrovoy. Modern Prose - Sergei Ryadchenko's book "Sabbath was Made for Man".

Photos: Layouts of Publications in the framework of the project "Odessa Library"



Popularization of the Image of Ukraine

In 2014, the popularity of Ukraine in the world has greatly increased. This was due to the signing of the association with the European Union then with the escalation of the political and military situation afterwards. Despite the turbulence in the economy there are supported projects aimed at the development of different spheres of activities in Ukraine in the field of tourism in particular.

In 2014, the organization took part in the famous tourism fair ITB, which was held in Berlin from 5 to 9 March 2014. 10,147 exhibitors from 189 countries were represented in 26 halls. About 5,700 accredited journalists from 81 countries and around 300 bloggers from 25 countries covered the ITB Berlin. In total, about 114,000 trade visitors (eg in 2013: 109,616).

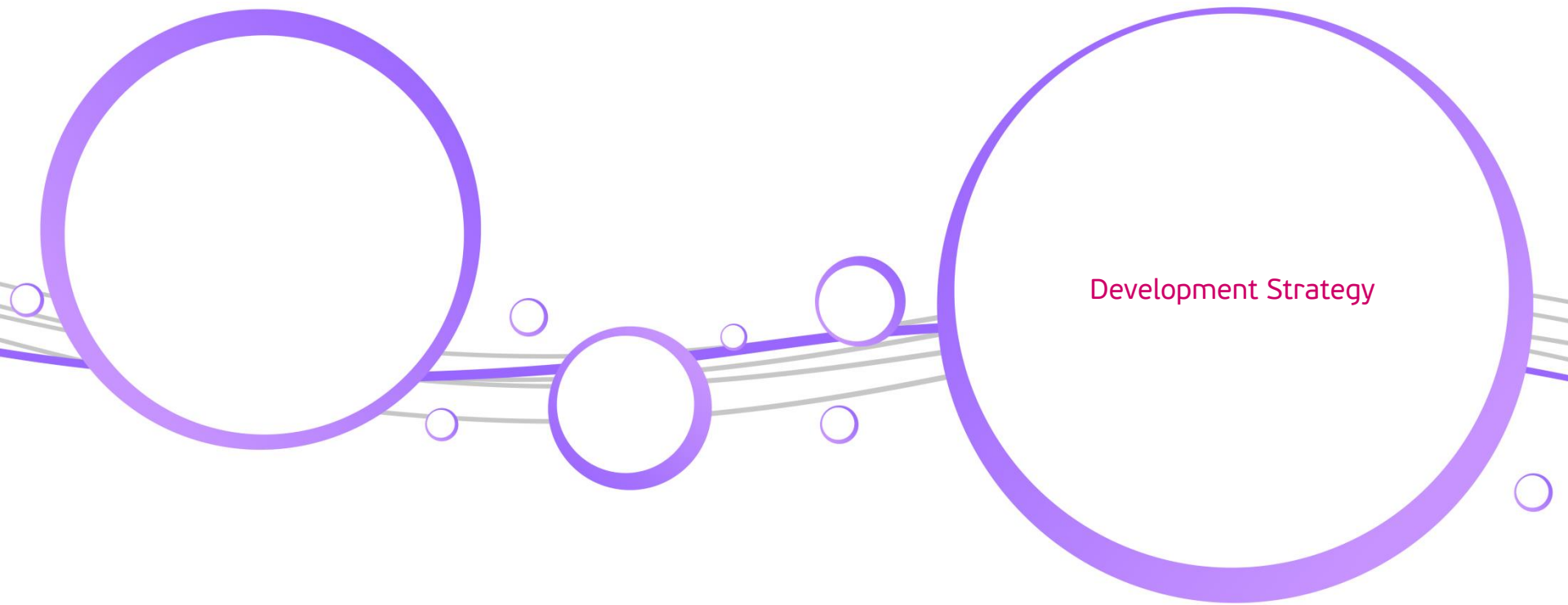
At the initiative of the State Agency of Ukraine for Tourism and Resorts and with the support of the Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine) and the German Society for International Cooperation (GlZ), Ukraine took part in the international tourism exhibition ITB and presented a unified national exposure. There were presented the west and east of Ukraine on the stand: in particular Kiev, Odessa region, Donetsk, Kharkiv, Lviv, Dnipropetrovsk, Ternopil and Cherkasy region, Crimea.

There were presented tour operators, travel agencies, hotels and other tourist business entities at the booth of Ukraine with a total area 412 square meters m2, as well as associations and other non-profit organizations of tourism. Our Organization was the Technical organizer of the National Stands. Design of Exposition of Ukraine was made in a single style according to new tourism brand in Ukraine.

Photo Gallery:
Exhibition stand at the National Exposition of Ukraine "ITB Berlin 2014"



Ukrainian exhibition in Berlin has become one of the most visited. Many members of the global tourism business just come to the booth to express support to Ukraine and to express their wishes in a special book "Ukraine. It's all about U". In addition over the past two years our country has received worldwide recognition in influential geographical and tourism studies. According to the World Tourism Organization Ukraine ranks 9th place in Europe in the number of tourists visiting our country. According to the version of one of the world's key tourism portals "TripAdvisor" rating of attractive tourist destinations Kiev won first place in Europe and third in the world. According to the publication «Lonely Planet» Lviv ranked second in the ranking of the best places to relax on the weekend in Europe and in the magazine «National Geographic» Crimea took first place in the world among the "20 places to see" in 2013



Our Organization's mission for 2015 is to maintain production volumes not lower than the level of 2014 and overcome all the challenges arising from economic turbulence in Ukraine.

In connection with the unstable situation in our country we are facing plenty risks which demand our close attention when making managing decisions. Currency fluctuations make up the risks and that is why we need to elaborate rules for working with Consumers to mitigate these risks. Also the Department of Distribution of the Organization should pay attention to Consumers - non-residents and that will allow concluding agreements in freely convertible currency.

Over 50% of men working in our Organization can be mobilized which also enhances the probability of increase in expenses on wages, since according to Ukrainian legislation when mobilizing an employee he retains his job, and the Organization is obliged to pay the salaries of such employee. This moment should be taken into consideration in the work of the Department of Constructing of the Organization. In regard with the ability to mobilize a part of the personnel we may need a prompt recruitment and initiation of a large number of employees. To do this, we need to improve the technology of Personnel selection and adaptation.

After the fall of the hryvnia against the USD prices for goods and services has increased several times in Ukraine but the Shareholders of the Organization would like to see the level of Personnel's salaries increased and our employees could be satisfied with their income so that their thoughts and creative possibilities were directed to the development of the Organization. With a high probability of increase in expenses for the Personnel it is necessary to budget additional expenditures to the financial planning program in order to have a realistic understanding of the Organization's income level.

In 2015, we plan to work on building effective communications with our Consumers improving the web site which will be more directed to the understanding of product, development and promotion of input products for creating a favorable environment for the market promotion

Today, due to the crisis many our competitors have begun to face difficulties with implementing their activities and at the moment there appears a possibility to increase our market share. Therefore the Organization needs a sound and balanced marketing strategy.

Due to the fact that at the moment the Organization has a very vague positioning we spend a large amount of funds but do not understand who our potential Consumer and final product Consumer is. But if we analyze the area and chose a specific target audience we will be able to stop spreading our capabilities on off-target audience.

Within 5-7 last years we have been working hard to create a favorable image with our service providers and that has allowed us to get special rates and working conditions thus we can offer our Consumers more than our competitors. But we pay little attention to the channels of promotion and communication with our potential and even existing Consumers.

For successful activity in the area it is necessary to work on improving as well but rather we should work on construction of the Department of Distribution and the Department of Development in Society so that all processes taking place there lead the Organization to increased production. In order to raise awareness of the Organization with the help of the Department of Development in Society we need to be confident in our products quality.

The Department of Compliance was established in 2014, but at the moment it does not work sufficiently to control the quality of production, and improve processes and technologies. In the period from 2015 to 2016 years it is necessary to introduce standards for the Organization's products, as well as standards for IOMS organizational processes. The Department of Competence should pay more attention to the ability and skills of managers to control, as well as their knowledge and possibility of applying different management tools in their work. With possible need to recruit a big number of Personnel there also arouses a need to develop materials which will quickly help unprepared Personnel to learn technologies applied in the Organization and upgrade existing Personnel's skills.

With possible need to recruit a big number of Personnel there also arouses a need to develop materials which will quickly help unprepared Personnel to learn technologies applied in the Organization and upgrade existing Personnel's skills.

Main tasks that confront us are improving revenue for creation a possibility of a higher life level of the Personnel, strengthening promotion and development of the Organization and establishment of a reserve for the Organization to exist for 6 months without receipt of incomes in the event of an emergency.

A process of planning is based on the results of the Organization's activity for previous periods. «SWOT-analysis» and evaluation of statistics indicators on the main directions of activity allows you to select the most important priorities to maintain the balance of interests of Consumers and Stakeholders. In this case the overall strategy is taken into account which is governed by the internal regulations of the Organization. According to the results of the strategic session which took place in the Organization in February 2015, we have defined a strategic plan, which outlines the main tasks of high priority to enable the Organization to bring a new level of perfection.

To achieve the objectives we have developed programs:



Indicators for evaluation of compliance with the tasks of the program are determined by the Supervisory Board



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Contacts

PLASKE Joint Stock Company
P.O. Box 299, Odessa, 65001, UKRAINE
Tel.: +38 (048) 7 385 385, 7 288 288
Fax: +38 (048) 7 385 375, 7 287 221
E-mail: odessa@plaske.ua
www.plaske.ua

Have any questions or suggestions?
Don't hesitate to contact us!
Corporate Secretary
Denys Glagoliev
email: quality@plaske.ua

Public Report on Progress of the Organization in 2014

Idea – Oleg Platonov

Project Coordinator – Denys Glagoliev

The team of authors – Lyudmila Platonova, Inessa Platonova, Ivan Liptuga, Artem Khachatryan, Vasiliy Zubkov, Denys Glagoliev, Sergei Sokolov, Aliona Sverchkova, Anna Mshar, Roman Mardar, Oleg Turchak, Andrey Skidan, Aleksandr Prunchak, Anna Glovatskaya, Larisa Zhecheva, Elena Kushcheyeva, Ksenia Barmotina, Viktoria Avdeenko, Tatiana Makarycheva

Editorial Board – Oleg Platonov, Lyudmila Platonova, Inessa Platonova, Ivan Liptuga

Photo – Sergey Trusov, Oleg Iatsenko, Denys Glagoliev, Sergei Sokolov, Aleksandr Prunchak, Stanislav Kalach, Mikhail Galis

English Translation – Yulia Finogenova

Design and layout – Denys Glagoliev

This Organization's Public Report on Progress 2014 is verified by the Audit Expert Commission and is the property of PLASKE JSC. To use full or partial information from this Report, please, provide the link to the original version