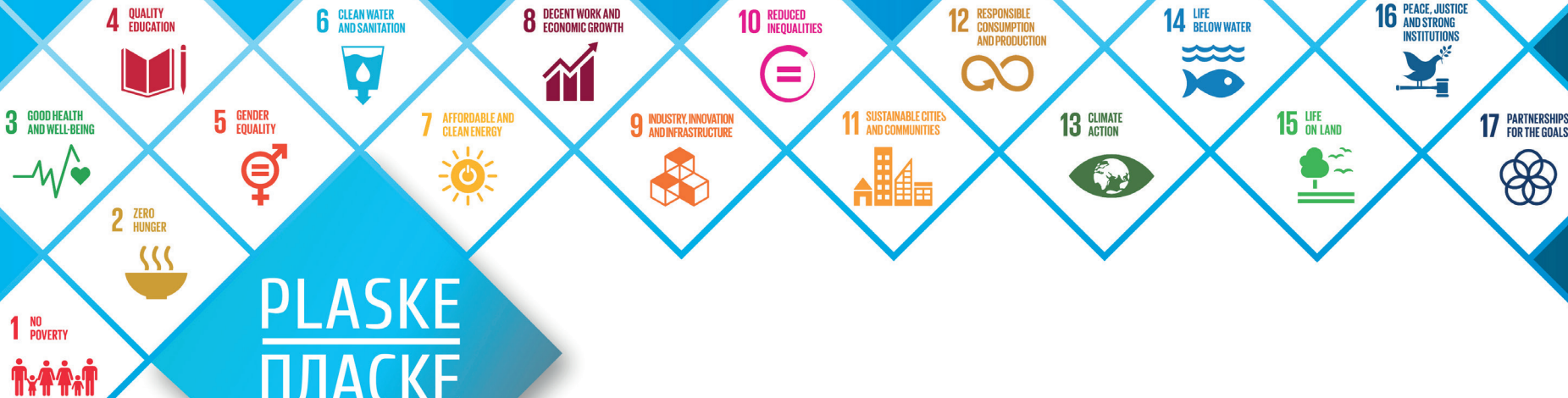


PLASKE
ПЛАСКЕ

Energy in motion

Communication on progress 2016



Mission

Energy in motion for success of society.

Vision

We are moving forward managing the energy in motion for the good of society.
In this motion we are committed to social justice, environmental protection, creation of safe products and sustainable economic growth of Organization.

Objective

Unique logistics solutions for an efficient economy.

View

To create unique solutions, introduce intellectual logistics and represent the interests of the cargo owner at all stages of a secure supply chain to ensure carriage and delivery of goods at the specified destination point right on time reducing the economic risks and costs for our Customers.

Terms and Standards

"PLASKE" JSC, Organization means PLASKE Joint Stock Company
OMS means Organization Management System
UN GC means United Nations Global Compact
EFQM means the European Foundation for Quality Management
ISO 9001 means Quality management systems — Requirements
ISO 10018 means Quality management — Guidelines on people involvement and competence
ISO 14001 means Environmental management systems — Requirements with guidance for use
ISO 20121 means Event sustainability management systems — Requirements with guidance for use
ISO 21500 means Guidance on project management
ISO 26000 means Guidance on social responsibility
ISO 27000 means Information technology — Security techniques — Information security management systems. Overview and vocabulary
ISO 27001 means Information technology — Security techniques — Information security management systems — Requirements
27002 means Information technology — Security techniques — Code of practice for information security controls
27003 means Information technology — Security techniques — Information security management system implementation guidance
27004 means Information technology — Security techniques — Information security management — Monitoring
27005 means Information technology — Security techniques — Information security risk management. General information
27007 means Information technology — Security techniques — Guidelines for information security management systems auditing
ISO 28000 means Specification for security management systems for the supply chain
ISO 31000 means Risk management — Principles and guidelines
OHSAS 18001 means Occupational Health and Safety. Requirements
SA 8000 means Social Accountability
ICC means Internal Code of Conduct

Contents

Stakeholders	5
1. Output of Products	6
2. Corporate Governance	8
3. Financial Statements	11
4. Human Rights	14
5. Labour Relations	18
6. Environment	28
7. Anti-corruption Measures	31
8. Social Partnership	36
9. Development Strategy	40

Introductory Word

9 years ago "PLASKE" JSC joined the UN Global Compact. It was a significant step for the development of the Organization's strategy reflecting the global trends. We are convinced that the business community within the UN Global Compact committed to its 10 principles is capable of successfully combating the current problems challenging humanity, i.e. corruption practices, violation of human rights, labor standards and negative environmental effects.

Guided by the national and international standards and confidently holding a leading position in the market we continue to develop our socially-oriented activity striving to increase the social capital in solving global problems. The Sustainable Development Goals were adopted by 193 Member States of the United Nations. At the heart of "Transforming our world: the 2030 Agenda for Sustainable Development" are the 17 Sustainable Development Goals (SDGs) which clearly define our daily activities.

The first goal of sustainable development — No Poverty — means to end poverty in all its forms everywhere. In our daily activities we are committed to fostering sustainable economic growth creating additional opportunities for all, thus reducing inequality, raising the basic standard of living, promoting equitable social development.

Harmonizing our goals and internal policies with 10 internationally recognized principles, in the framework of our participation in the UN Global Compact we have supported the "Call to Action: Anti-Corruption and World Development Program" initiated by the UNGASS Working Group on Anti-Corruption To improve the Management System of the Organization, guided by the internationally recognized practices, we are planning to implement the provisions of ISO 37001 «Anti-bribery management systems», published by ISO late in 2016.

To promote peaceful and inclusive societies for sustainable development we take an active part in the development of national and international projects aimed at maintaining social responsibility. "PLASKE" JSC plays one of the key roles in projects improving the social and economic environment in Ukraine namely, projects to simplify international trade and logistics procedures. They are: Single Window - Local Solution project, participation in the Interagency Working Group on Trade and Logistics Facilitation in Ukraine and work on the National Strategy for Trade Facilitation and Digital Economics. These initiatives allow us to

reduce corruption practices, simplify international trade and logistics procedures, reach a higher level of production thus attracting additional freight flows to Ukraine and encouraging sustainable development.

In 2016 our Organization was committed to Sustainable Development, which ensures the satisfaction of today's needs without undermining the ability of future generations to meet their own needs. The UN Global Compact principles and international standards allow us to comprehensively approach the implementation of international sustainable development strategy laid down in the SDG 2030, guiding our activities and the functioning of the Organization's management system.

Adopting the SDG-2030 as a benchmark for strategy and activities of the Organization, we build our Public Performance Report on this principle defining the most important Objectives requiring our efforts. This Public Performance Report overviews the results of our work in 2016 in the areas of fighting corruption, supporting cultural and social projects, the environment, labor relations, human rights, financial results, output of products and cooperation with Stakeholders. We strive to maintain a balance of interests of all Stakeholders, enforce human and labor rights in the Organization, ensure perfect conditions for the potential of each and everyone. We believe that economic growth should be environmentally-friendly.

To maintain the principle of transparent and public conduct of business, the Organization is registered as an open form of ownership. It is a joint-stock company that legally allows us to protect the rights and interests of the Shareholders, issue securities and report on our performance. To this end, the Organization issues reports published on the website of the public information database of the National Commission on Securities and Stock Market of Valuables.

Partnership, peace, economic growth, social integration and environmental protection remain our traditional values. Our mission is to support the process of sustainable development and to achieve the UN SDGs. We call on the leaders of the business community to join us and make their contribution to ensure the key task of mankind: to act for peace and prosperity.

Chairman of the Supervisory Board, "PLASKE" JSC
Oleg PLATONOV

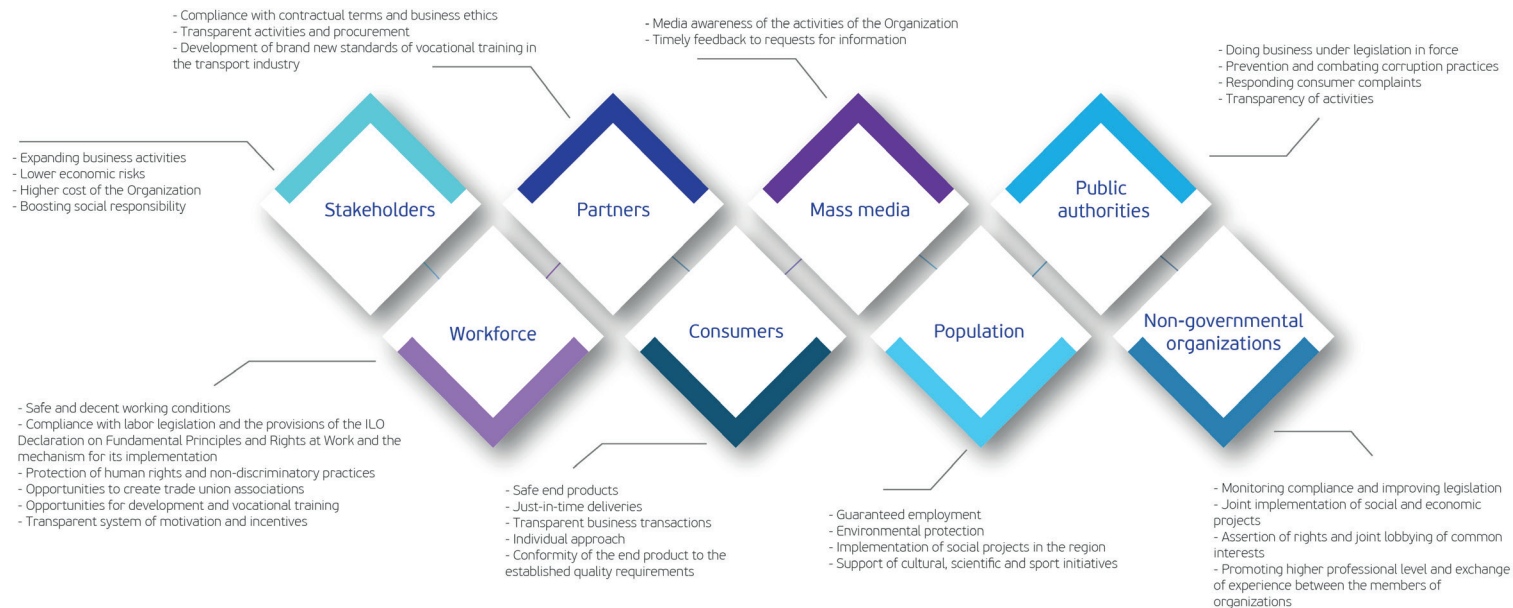
Stakeholders

The principles of Sustainable Development are the reference points in the work of the Organization in 2016 together with a valuable end product. Sustainable development is possible due to the balance between the interests of the Stakeholders. The policy and strategy for dealing with Stakeholders is based on the ten Principles of the UN Global Compact and the recommendations of the ISO 26000 Guidance on Social Responsibility (Fig. No.01).

The work of the Organization within the Ukrainian and international markets as part of public organizations in particular stipulates its membership in numerous social groups. Our decisions and programs, standards and instruments adopted affect the interests of a significant share of society. Experience in implementing qualitative changes both within the Organization (for example, the management system) and within the whole market to improve the situation of those involved in the business process gives us the opportunity to steadily involve new social groups in these changes.

This activity shall ensure the sustainable development of the whole society for the sake of future generations. The main aspects of Stakeholder engagement are listed below.

Fig. No.01.
Main interests of the
Stakeholders



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8 DECENT WORK AND
ECONOMIC GROWTH



Output of Products

PLASKE Joint Stock Company was established in 1998 as a freight forwarding company. Today we represent an efficient partnership of separate companies located in 4 different countries, focused on the best possible satisfaction of Consumers' needs.

As a member of international organizations (OSJD, FIATA, IATA, EBA, ICC, etc.) we actively participate in the development of high business standards for all market participants and contribute to the unlocking of the high transit potential of the Odessa Region.

Providing consumers with a full range of services for air, rail, sea and ferry deliveries, we continue to expand the network of our reliable partners and provide the highest quality service. "PLASKE" JSC is an official operator of VIKING Train on the territory of Ukraine. We have been actively promoting the expansion of the multimodal transport opportunities in 2016 at numerous profile events in Ukraine and beyond.

We are convinced that the exchange of experience and vocational training is an indispensable condition for raising standards in the industry. That is why a year after the Organization was founded, a decision was taken to launch a new business direction: the information and consulting services. Today, experts from Odessa and all over Ukraine are trained in 14 courses related to freight forwarding, supply chain management, dangerous goods, air freight, global distribution booking systems GALILEO and AMADEUS.

Tourism contributes to the development of cooperation between Ukrainian and foreign marketers. The B2B tourism is a significant part in the work of our Travel Department.

Photo Gallery: Photos below demonstrate the main business directions of Organization

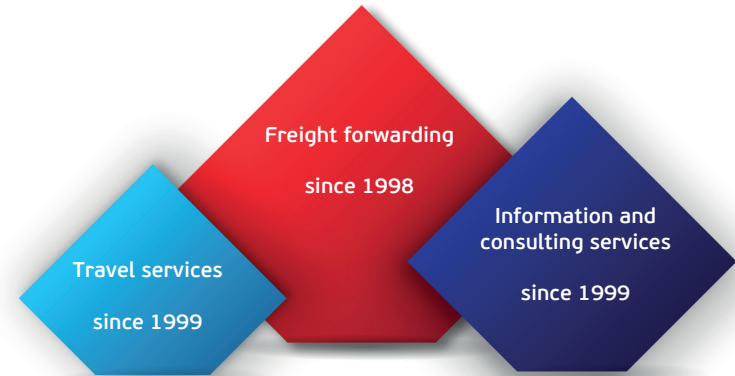


The development of the business community in the transport sector is one of our key priorities. In 2016 "PLASKE" JSC organized a series of events in Odessa for the 15th time in a row in the framework of the largest event in the trade and transport market: the International Transport Week, where opinion leaders and market participants could once again exchange their experiences and learn more about trade facilitation.

"PLASKE" JSC plays a prominent role in the development of anti-corruption measures. The implementation of the Single Window-Local Solution project was one of the important steps in this process. This project covers the activities of an Interagency Working Group and the development of the National Strategy for Trade Facilitation of Ukraine. The main objective of trade facilitation is to accelerate the international trade and reduce its cost while ensuring safety and security by reducing the cost of disruptive bureaucratic formalities. This means simplification of formalities, procedures and appropriate exchange of information and documents between those involved in the supply chain.

The whole set of our key areas of business — freight forwarding, travel services, vocational training, production of printed products and management consulting — help us to ensure the sustainable development of "PLASKE" JSC and society as a whole.

Fig. No.02.
Organization's key business directions



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9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Corporate Governance

We constantly seek to make the corporate governance as efficient as possible to achieve the sustainable development goals, to comply with the UN Global Compact principles and to fulfil our corporate responsibility obligations.

Using the highest standards, the experience of the leading world companies and the recommendations of international organizations we have implemented 14 universally recognized international standards and regulatory documents of the management system, including requirements of the International Organization for Standardization (ISO), UNECE, and EFQM.

In 2016 "PLASKE" JSC successfully passed the audit, which confirmed its compliance with ISO 9001, 28000, 14001, OHSAS 18001, SA 8000, ISO 26000 (Guidelines for Social Responsibility), ISO 10018 (Quality management — Guidelines on people involvement and competence), ISO 21500 (Guidance on project management), ISO 27001 (Information technology — Security techniques — Information security management systems).

In 2016 we conducted additional training to expand the range of skills and knowledge of our employees in the field of strategic management and the application of "Administrative Technology", which includes the following management tools: organizing scheme, administrative management scale, performance indicators system — statistics, weekly planning, strategic planning and management, a system of written communication and coordination, financial planning.

Strategic planning provides for an annual strategic session with brainstorming. This allows us to analyze the efficiency of the year and to build a new strategy respecting the objectives of the Organization, as well as to minimize the risks that should be taken into account when making managerial decisions.

Seven departments and twenty one division being the part of our Organizational Chart are clearly aware of their valuable end product, which qualitatively increases the effectiveness of the Organization's activities. In 2016, we paid more attention to the channels of promotion and communication with our potential Consumers. We created the Department of Distribution and the Department of Marketing and Communications to achieve success in this area. These changes moved the transparency approach when dealing with appeals from Consumers and Stakeholders to the brand new level.

Trying to make our management system better we share our expertise and best practices with the leading Ukrainian and foreign companies. In 2016 we participated in the first KAIZEN tour to the Sweden-based company Lantmannen Aksa, and took part in a business trip to Kuehne + Nagel, a leading logistics provider in Ukraine. The Japanese management system based on the continuous improvement of production processes, supporting business processes and management has broadened the views of our employees on the opportunities and capacities of the Organization's development.



Photo Gallery: Presentation of the Management System improvement delivered by the Organization at the Constellation of Quality Conference

Together with the European Business Association "PLASKE" JSC organized the business meeting "European Business Standards". Using the experience of "PLASKE" JSC as an international company we shared our views on implementing and applying European business management practices and integrating ISO international standards into a single management system with EBA members. Within the framework of the "Constellation of Quality" conference in 2016 our Organization has shared its experience in quality and personnel management and improvement of the management system with the business community of Ukraine.

"PLASKE" JSC attended the 11th EFQM Quality Tournament among the Central and Eastern Europe countries (CEEC) which recognizes industry leaders with an indisputable track record of success in turning strategy into action and continuously improving their organization's performance. The award ceremony took place in 2016 at the EFQM Headquarters in Brussels. "PLASKE" JSC was recognized for excellence personally by the EFQM CEO, Léon Tossaint.



In the picture: Photocopy of diploma presented by EFQM organization to "PLASKE" JSC

Following these events the Organization was invited to join the CEEC Quality Leaders Club as a Laureate of the Award. Quality Leaders Club is a voluntary elite association of the best enterprises in the region having the status of winners, laureates or finalists of the Quality Award within the CEE countries. The Club gathers the best enterprises of Kazakhstan, Lithuania, the Republic of Belarus, Russia, Hungary and Ukraine.



Photo Gallery: Ceremony of awarding the winners of the International Quality Tournament of the Central and Eastern European Countries. EFQM in Brussels.

Evaluation of the introduction of administrative tools in the OMS was the successful participation of the prepared [business case](#) "[The success of introducing new management tools](#)", in the project "Best in CSR", initiated by the magazine "Sustainable Business" in the program of interaction with the local community.

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8 DECENT WORK AND
ECONOMIC GROWTH



Financial Statements

Profit is what makes our main goal reachable. Respecting the principle of transparency "PLASKE" JSC publishes its financial statements for public.

The Organization strictly complies with the requirements of fiscal legislation, which was confirmed in 2016. "PLASKE" JSC won the 1st regional tour of the All-Ukrainian rating "Conscientious Taxpayers 2015" among medium-sized enterprises in the transport and communications sector of the Odessa Region, which

recognizes the contributions to the life of the country, its authority and fair trade. In this way the state publicly recognizes the achievements of the enterprises that fill the country's budget and welcomes their community spirit and good faith.

In 2016, the amount of the value added tax paid to the budget increased. At the same time, income and profits decreased (Fig. No.03).

Fig. No.03.
Consolidated income statement for 2015-2016,
UAH thousand

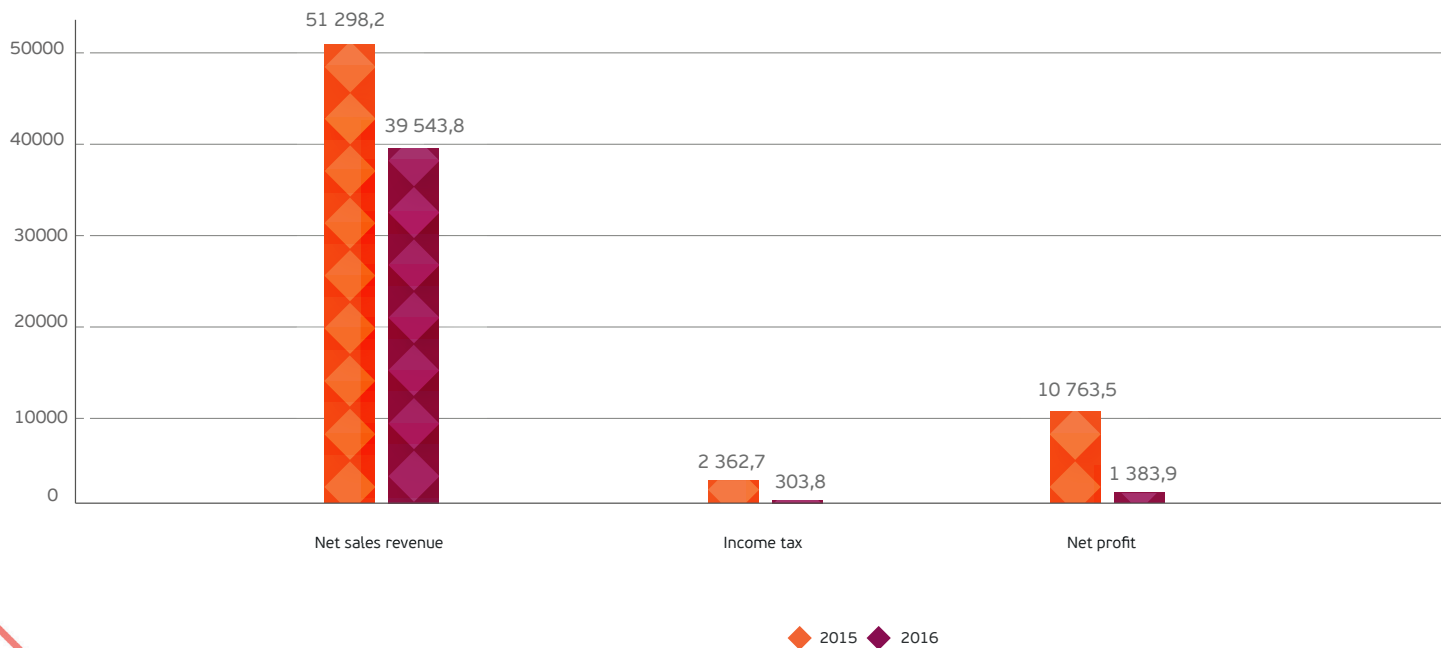


Fig. No.08.
Capital investment, 2015-2016, UAH thousand



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5 GENDER
EQUALITY



Human Rights

Protection of human rights, freedom of association and the right to collective bargaining, together with the prevention of human rights violations have been our priority since the foundation day. Today, these principles form the basis for the managerial and entrepreneurial culture in "PLASKE" JSC.

We recognize that every member of society has equal economic, social, cultural rights. We build our relationships with Stakeholders on this particular basis. The first three principles of the UN Global Compact concerning the human rights were originally laid down in the Organization's Policy and the Rules of the Management System. In fact, our Management System and Policy contain provisions on observing the balance of interests of the Stakeholders. The feedback system for staff and Stakeholders allows us to quickly track and respond to their needs and complaints.

High ethical standards and non-discrimination practices mean equal career opportunities for all employees of the Organization. To implement the fifth Sustainable Development Goal (gender equality and empowerment for all women and girls) we increased the percentage of female employees in 2016 as compared to 2015. To establish high-level corporate leadership for gender equality in political, economic and public life last year there was an increase of 2% in the number of women in executive positions in "PLASKE" JSC. This is 3% less than in 2015. In 2017 we plan to improve our training and development strategies in order to promote gender equality and empower women.



Fig. No.09.
Gender balance within the executive
positions, 2015, %



Fig. No.10.
Gender balance within the executive
positions, 2016, %

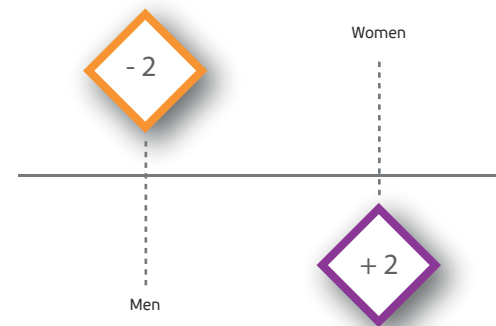
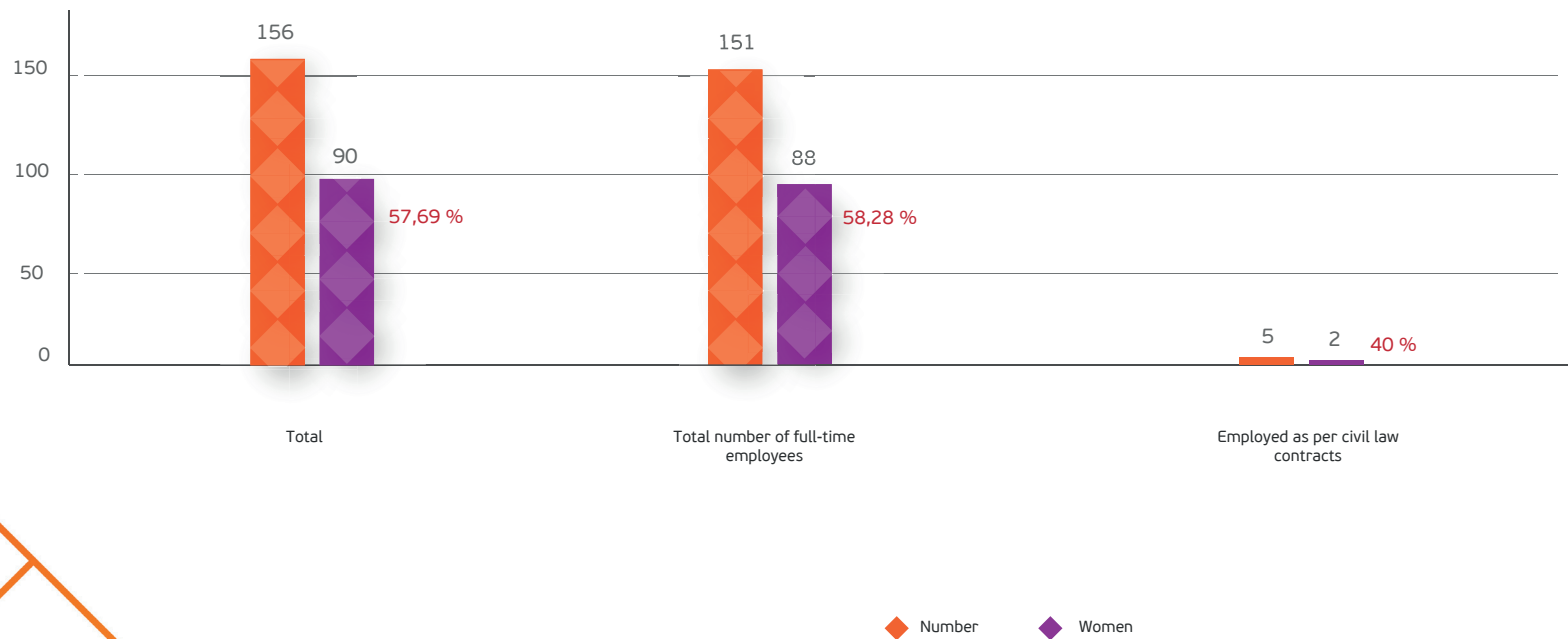


Fig. No.11.
Changes in the gender balance within the executive
positions, 2015-2016, %

As of December 2016, women accounted for more than 50% of the total number of employees (Figure 12).

Fig. No.12.
The number of women against the total number
of employees, 2016, ppl.



The age distribution of the Personnel in 2016 increased by 5% in the share of employees aged between 31 and 40 and the share of employees aged under 20 increased by 1% compared to the previous year. The latest trend indicates that "PLASKE" JSC is willing to employ young personnel providing them with a platform for growth and development within the Organization. At the same time, it is important that

more than half of all our employees work in the Organization for more than 5 years, which manifests the Personnel's loyalty, observance of human rights and comfortable environment for the development and implementation of labor rights for the Personnel.

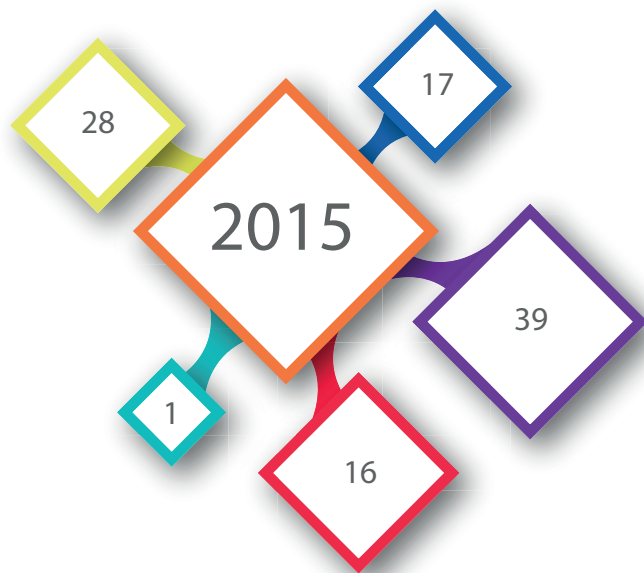


Fig. No.13.
Age structure, 2015, %

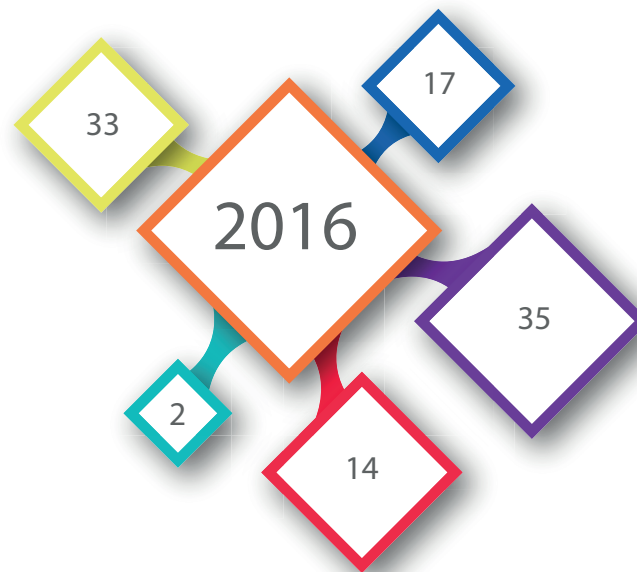


Fig. No.14.
Age structure, 2016, %

Age structure of employees, years old



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1 NO
POVERTY



4 QUALITY
EDUCATION



8 DECENT WORK AND
ECONOMIC GROWTH



17 PARTNERSHIPS
FOR THE GOALS



3 GOOD HEALTH
AND WELL-BEING



6 CLEAN WATER
AND SANITATION



10 REDUCED
INEQUALITIES



Labour Relations

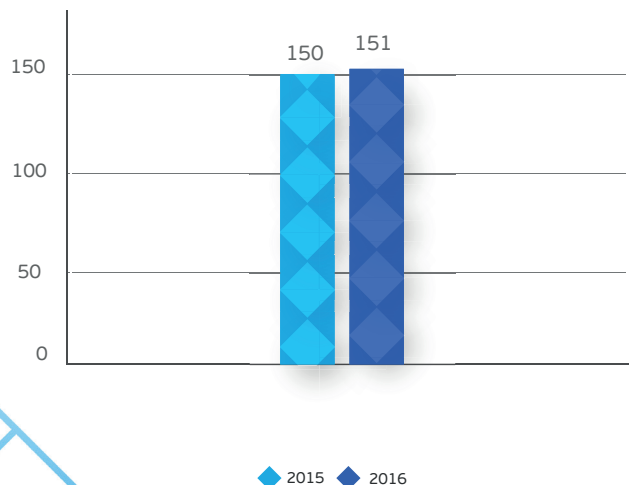
Human resource management

Human resource management in the Organization is regulated by the Ukrainian legislation and labor relations, which determine the relevant policy.

The number of personnel changed insignificantly by the end of 2016 compared with 2015. In 2016 the Organization introduced no significant quantitative changes within the departments and divisions as the focus was on personnel development and vocational training.

Total number of personnel increased on 1 person in 2016 (Fig. No.15).

Fig. No.15.
Total number of employees by the end of the year;
2015-2016, people



Significant relative growth was witnessed in the number of employees having more than 5-year time record as in 2011 we introduced staff increase. Most of the people employed in 2011 continue to work successfully within the Organization.

Fig. No.16.
Time record and seniority within
the HR, 2015, %

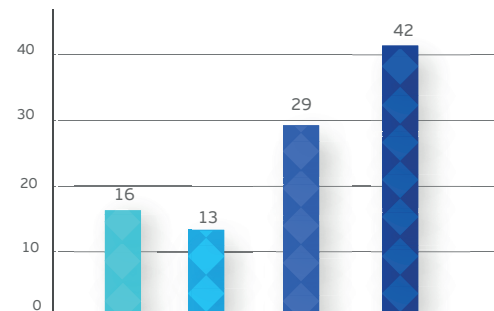


Fig. No.17.
Time record and seniority within
the HR, 2016, %

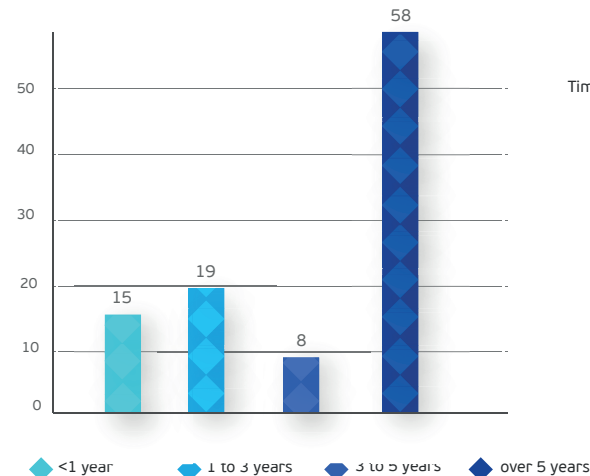
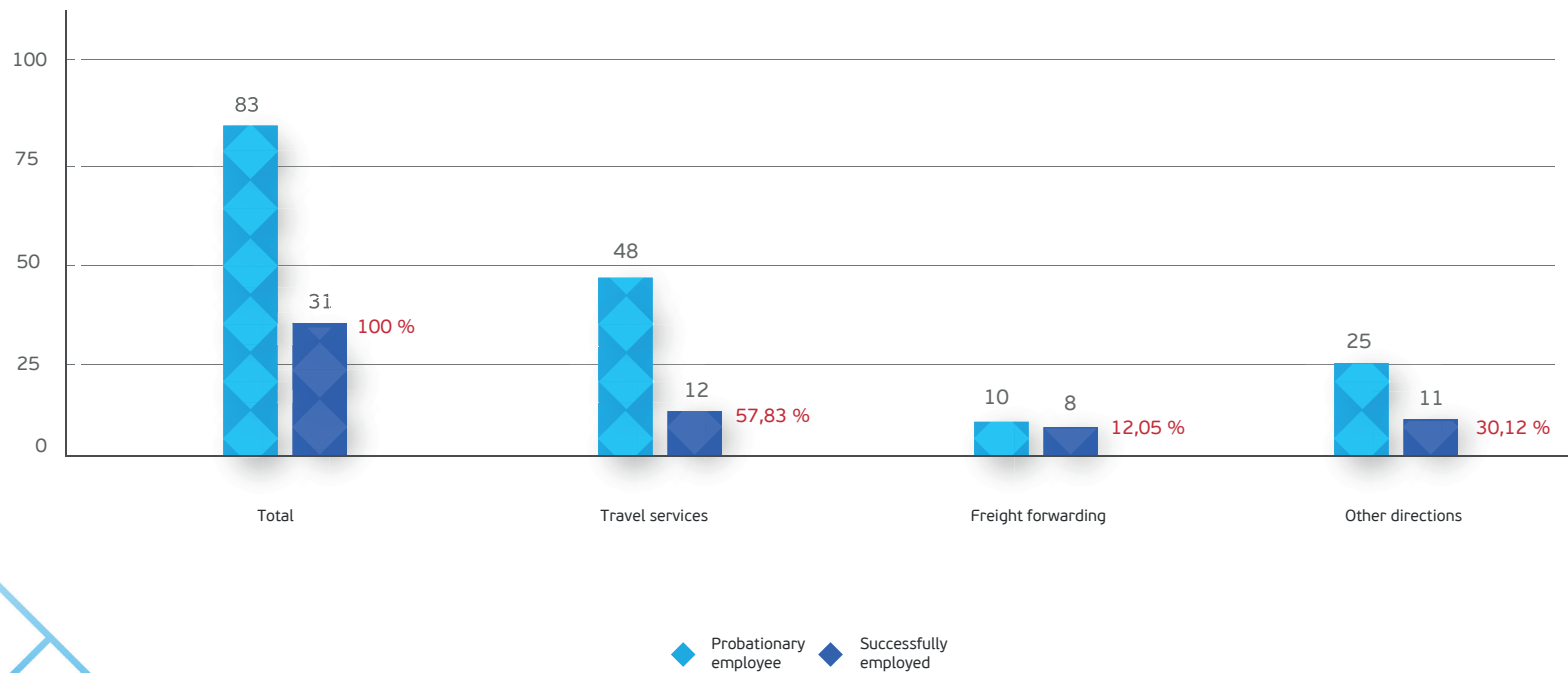


Fig. No.18.
Probationary employee as per business directions, 2016, people



Quality education

The driving force of the Organization is its competent personnel well-aware of its functions and responsibilities. This approach is an integral part of the Personnel Development Program in our Organization. Introducing Administrative Technology tools we decided to create the PLASKE Academy, which in addition to specific knowledge-oriented training develops managerial and soft skills.

Our Organization considers the staff development as one of its priority tasks. In the first half of 2015 there was a trend of increasing the number of personnel, who received training at the PLASKE Academy. We launched the Leadership School program, which consists of a nine-module six-month training program involving theory, interactive webinars, and practical skills development.



Photo Gallery: PLASKE employees taking vocational training course in tourism

The Competence Department was assigned to pay more attention to the managerial skills, respective knowledge and ways to apply Administrative Technology management tools in their daily activities. As there was a possible need to recruit a large number of staff, we also planned the development of aids that would help to learn the technologies applied within the Organization, as well as to improve the skills of existing employees.

"PLASKE" JSC pays great attention to the vocational training of its personnel. In 2016, 89 employees took part in seminars, trainings and courses that enhance the level of competence in various fields of activity. It should be noted that many employees have attended several training courses during the year or participated in two or more events.

57 employees have completed vocational training courses during 2016. This indicator is 5% higher against the previous year (54 people), which is yet another proof of Organization's interest in the professional growth of its employees, increasing their knowledge and skills therefore contributing their rising competence.

In 2016 we continued the trend of increasing the number of external training events as knowledge provided by highly-qualified experts is a prerequisite for doing business in a rapidly changing environment.



Photo Gallery: PLASKE employees at the first KAIZEN Seminar in the south of Ukraine



Brainstorming session for corporate employees within business hands-on seminar "Marketing Intensive"

In 2016 we paid more attention to training our managers at external events, namely: specialized professional training and advanced training for executives and mid-level managers. The number of external events increased more than 3-fold; the number of participants increased by 7%.

This is directly related to the need to improve the quality of management skills and change management approaches. We want to raise the competence of our managers through gaining external knowledge. At the same time, by the end of 2016, the number of personnel who attended vocational training decreased by 9%.

In 2017 we plan to involve more staff in training supporting the fourth Sustainable Development Goal to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Fig. No.19.
Number of training activities, 2015-2016, events/courses

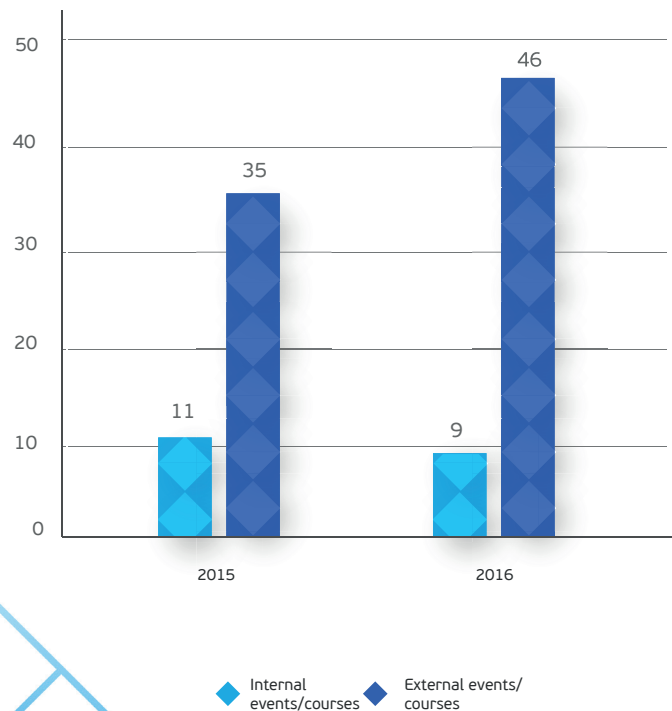
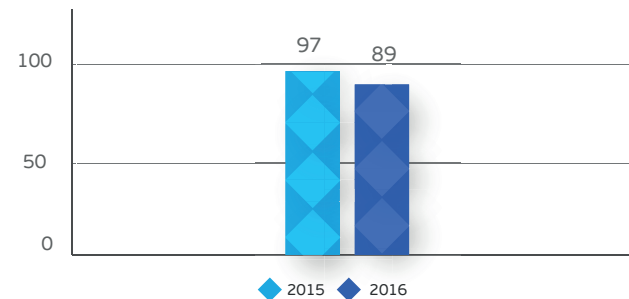


Fig. No. 20.
The number of Personnel successfully completed vocational training courses, 2015-2016, people



The number of staff trained and retrained within their competencies has increased in 2016. We are committed to evolve this trend in 2017 since the specifics of activities in all three business areas requires dynamic changes. The need to monitor and react promptly to them making the right decisions is vital for the development of the Organization and the economy as a whole.

Fig. No. 21.
Vocational training and retraining within the certain competencies, 2010-2015, people

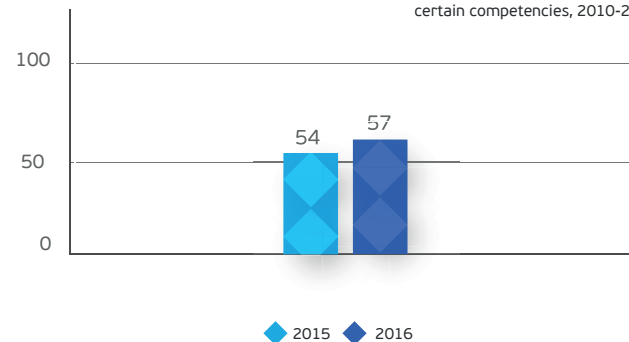


Fig. No.22.
Training for executives and mid-level managers, 2015

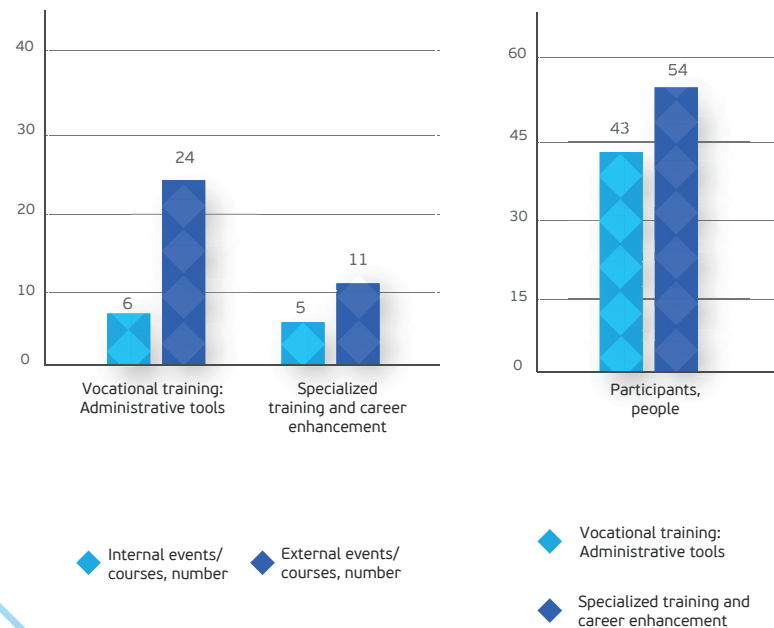


Fig. No. 23.
Training for executives and mid-level managers, 2016

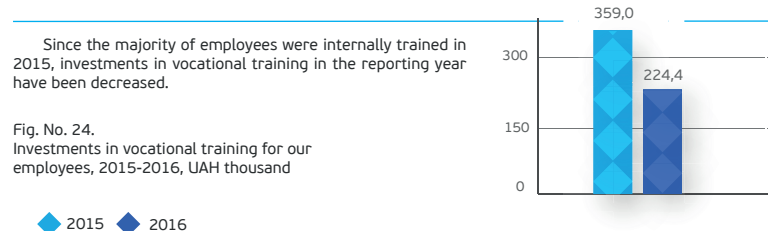
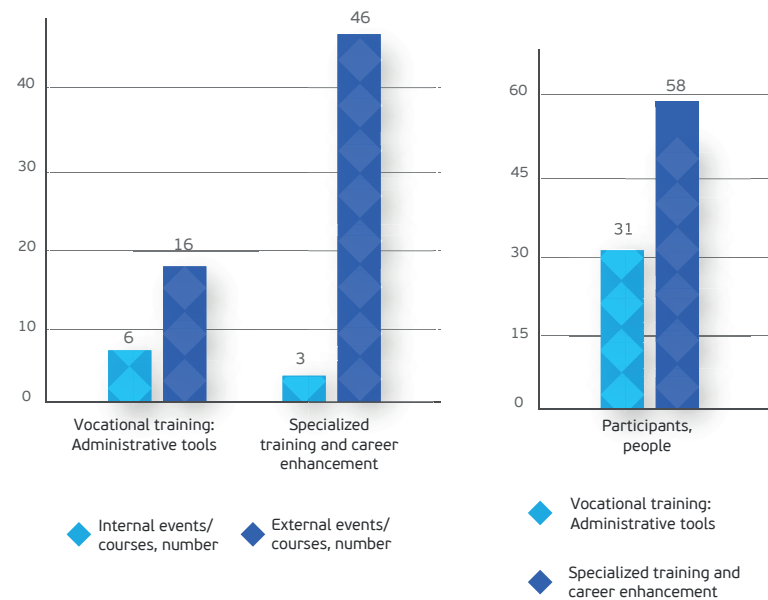
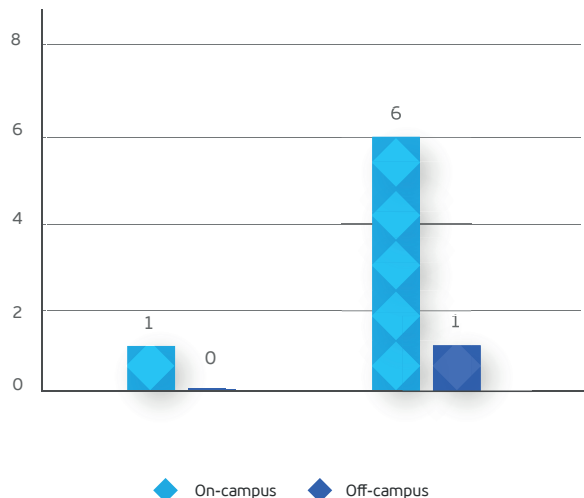


Fig. No. 24.
Investments in vocational training for our employees, 2015-2016, UAH thousand

Supporting young personnel

Alongside with the opportunity to learn and acquire the necessary knowledge and skills during working hours, the Organization supports its employees in their efforts to obtain higher education on-the-job. In 2016 seven "PLASKE" JSC employees got on-campus/off-campus education on the job (Fig. No.25).

Fig. No.25.
Number of people who got on-the-job education,
2015-2016, people



Well-being, incentives, outdoor activities

The third Sustainable Development Goal (to ensure healthy lives and promote well-being for all at all ages) has become one of the priorities for "PLASKE" JSC in 2016. The PLASKE team in mini-football successfully took part in the Odessa Shipping Cup 2016 championship. Our team won in all three matches reaching the first place in the A group.

PLASKE football team took part in the mini-football tournament on the Navy Day organized by the Odessa Commercial Sea Port.

In 2016 employees of "PLASKE" JSC also made several corporate trips to the picturesque corners of Ukraine: Sofiyivsky Park in Uman and Belgorod-Dnestrovsky Fortress.



Photo Gallery: PLASKE team takes part in indoor soccer tournament



PLASKE employees during the corporate tour to Belgorod-Dnestrovsky Fortress

Comfortable and safe working conditions

We have elaborated and successfully introduced the Organization's management system in the field of occupational safety to provide comfortable and safe working conditions for our employees. Health protection, hygiene and safety is ensured in accordance with international standards OHSAS 18001, SA 8000.

The following working conditions system operates in "PLASKE" JSC:

- modern workplaces and devices for internal and external communication;
- video surveillance in office premises to ensure the safety of our personnel and consumers;
- access control system;
- adjustable heating system, air conditioning and ventilation systems, which maintains the most comfortable temperature;
- modern facilities, corresponding to the established sanitary and hygienic standards;
- licensed software on personal computers;
- non-contact faucets for water saving;
- clean drinking water for our personnel; SDG 6 (визуализация)
- lamps with energy sensors to save electricity;
- constant maintenance of buildings and office premises by performing repair and construction works;
- 15-minute technical breaks for our personnel;
- specially equipped premises for lunches and coffee-breaks with access to clean drinking water.

In 2016, no case of occupational injuries was recorded in "PLASKE" JSC. This again proves the fact that the Organization has created decent and safe working conditions.



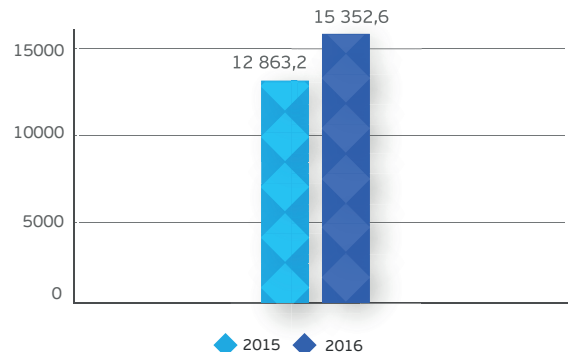
Photo Gallery: Safe and comfortable working places for corporate employees

Salaries and rewards

In 2016 despite the turbulence in the economy and the destabilizing production processes we increased the salaries for our personnel (Fig. No. 26).

Fig. No.26.

The average salary per one full-time employee, UAH thousand



At the end of 2016 the personnel voted for the best employees at the company's internal Portal. Following the voting results the winners were awarded at the corporate New Year party (bonus in the amount of the monthly salary).



Photo Gallery: Awarding the winners of the Best Employee Award

Trade union

PLASKE Trade Union shall collectively protect the rights and interests of its members and provide mutual assistance to employees. The Trade Union ensures the unity of the personnel and the protection of its interests. Primary Association of the Trade Union Organization of "PLASKE" JSC and the Employer annually conclude a Collective Agreement, which sets forward the obligations of the Organization as an employer and the trade union as employees. This Agreement regulates socio-economic, industrial and labor relations in the Organization and guarantees the creation of favorable working conditions, recreation, sports and other aspects of social security. In fact, the Collective Agreement is an instrument for achieving social peace through the mechanisms and tools prescribed in it for cooperation and ensuring the interests of both parties.

As regards the labor relations "PLASKE" JSC is guided by the current Code of Labor Laws of Ukraine, the Conventions of the International Labor Organization and the United Nations, the Principles of the UN Global Compact, the provisions of ISO 26000, ISO 10018 and SA 8000.

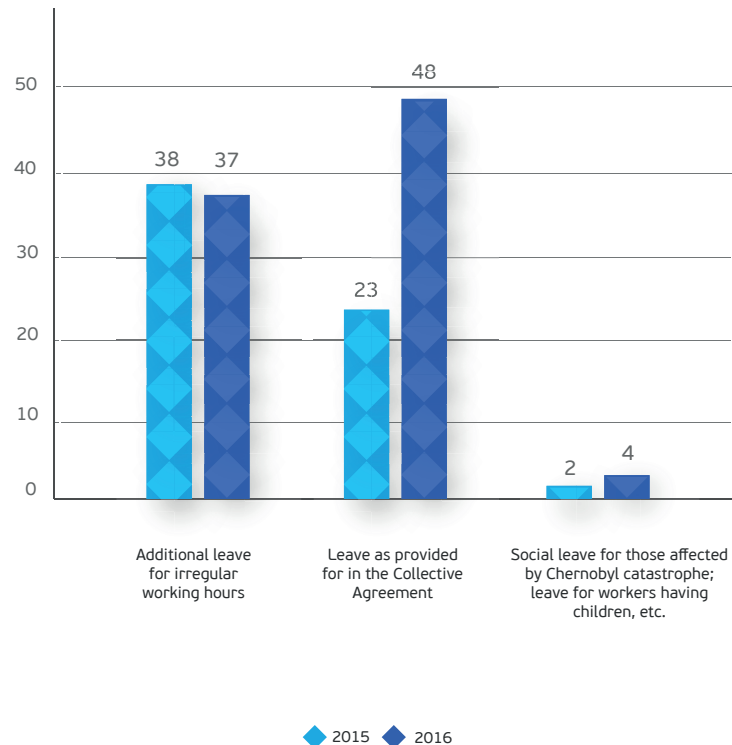
To maintain emotional wellbeing and health our employees attend fitness center (cardio, group and gym) at special rates and the football section. They also receive targeted help for recovery during the vacation.

In 2016 twice as many workers had a regular leave provided for in the Collective Agreement as well as a social leave (Fig. No.27). Also, the number of additional leaves for an irregular working hours remains practically stable in comparison with the previous year.



Photo Gallery: Voting during the PLASKE Trade Union meeting

Fig. No.27.
Additional leaves taken by our employees, 2015-2016, days



The amount of financial assistance provided in 2016 also increased (Fig. No.28 и №29).

The funds transferred by the Organization to the PLASKE Trade Union in 2016 have almost doubled (Fig. No.30).

Fig. No.28.
Number of people who received financial assistance,
2015-2016, people

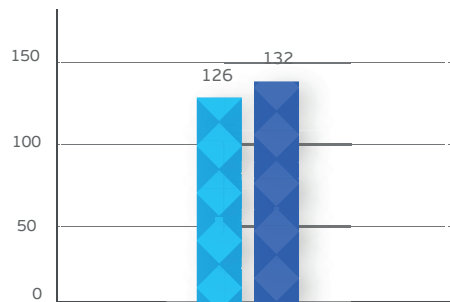


Fig. No.29.
Financial assistance provided to our
employees, 2015-2016, th. UAH

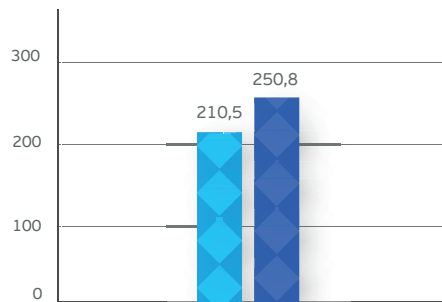
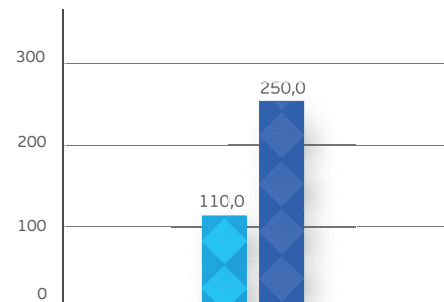


Fig. No.30.
The funds transferred by the Organization to
the PLASKE Trade Union, 2015- 2016, th. UAH



◆ 2015 ◆ 2016

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7 AFFORDABLE AND
CLEAN ENERGY



13 CLIMATE
ACTION



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



15 LIFE
ON LAND



Environment

Supporting the 7th, 8th and 9th Principles of the UN Global Compact is an important aspect of the Organization's social responsibility. We realize that increasing responsibility for the environment, approaching environmental issues on the basis of the precautionary and promoting the development and distribution of environmentally-friendly technologies are the key aspects on which the preservation of the environment depends.

Environmental risk management is an integral part of the current Organization Management System in the field of life safety. To implement the environmental policy we identify threats and risks in the supply chain that can cause environmental damage. We apply the principle of balance in minimizing the harmful effects on the environment in the management of environmental risks. Production processes are mandatory, taking into account the requirements of the current national and international legislation in the field of environmental protection, recommendations and requirements of international initiatives and standards, including the Constitution of Ukraine, the principles of the UN Global Compact, ISO 14001, ISO 26000, ISO 28000 standards.

The freight forwarding, key business direction of "PLASKE" JSC, includes the dangerous goods transport. We assume responsibility to reduce the impact of threats on the environment managing the supply chain security risks by selecting reliable transport service providers in accordance with the requirements of regulatory documents. In 2016 we registered zero environmental accidents during the dangerous goods transport.

Fig. No.31.
Electricity consumption, kW/h

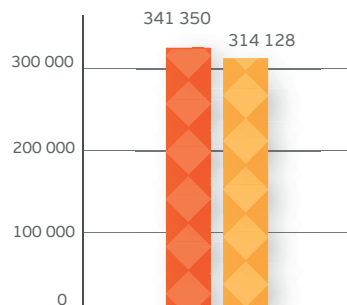
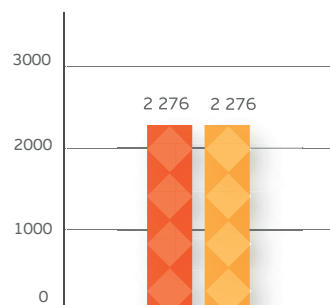


Fig. No.32.
Electricity consumption in the office premises,
1 person/year, kW/h



Our goal in the field of ecology is to preserve the environment. We use graphs in the form of inverse statistics to track our footprint. The less the use of natural resources, the more successfully we are moving towards this goal.

Also in 2016 to save the energy and water consumed by the Organization the following set of measures was taken:

1. Raising personnel awareness on the sustainable use of electricity and water resources.
2. Control over the burning mode of lighting and electric heating equipment in the office premises.
3. Step-by-step replacement of regular valves for LED lamps, which save the energy consumed. LED lamps do not contain mercury vapor, and are therefore environmentally safe and do not require special conditions for disposal.
4. Electric energy and water consumption meters were checked in due time.
5. Timely maintenance, preventive maintenance and preventive testing of electrical equipment, measurement of insulation resistance and grounding in the office premises.

The amount of resources consumed depends not only on measures to save them, but also on the number of staff and clients in office premises. In 2016, more events and training courses were held with the participation of people involved. For this reason, the amount of energy consumed increased compared to 2015.

Since the number of personnel and events carried out in the office premises increased, the water consumption also increased in 2016 (Pictures №33 и №34).

Fig. No.33.
Water consumption, m³

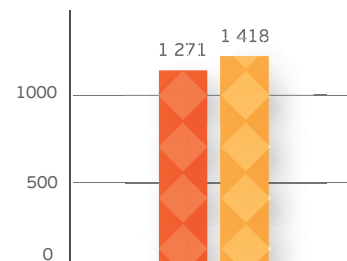
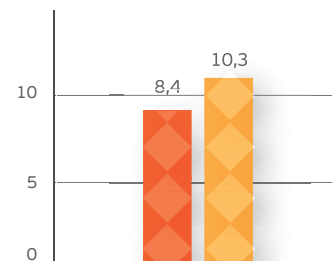


Fig. No.34.
Water consumption, 1 person/year



Recycling

Trying to reduce the impact on the environment we are committed to recycling and processing of waste. We have identified the waste products that are to be recycled and processed: burned-out lamps for lighting office space, office equipment, including batteries for uninterruptible power supplies, and used office paper for the printer.

For the disposal of waste materials we use the service suppliers that have been selected as per the procedure of responsible procurement.

In 2015 a large number of equipment was replaced. This means it would operate properly in 2016 without the need to utilize it.

In 2016 we made an important step towards the preservation of the environment by recycling of fluorescent lamps, paper and batteries (Fig. 35-37).

Fig. No.35.
Disposal of fluorescent lamps

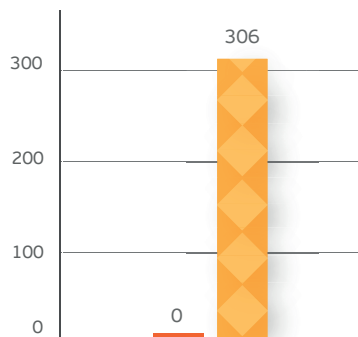


Fig. No.36
Battery recycling, units

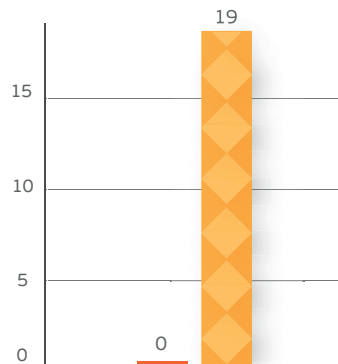
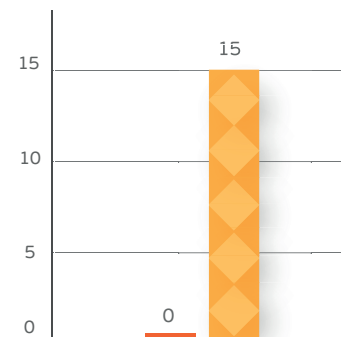


Fig. No.37.
Paper recycling, kg



◆ 2015 ◆ 2016

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8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



15 LIFE
ON LAND



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



14 LIFE
BELOW WATER



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



Anti-corruption Measures

Today the fight against corruption is a top-priority challenge for our nation. Along with government authorities fighting against corruption, promoting transparent and ethical business practices, the business community plays an important role in building a transparent global economy.

The geographical location of Ukraine makes an international trade an important priority in the development of our country's economy. The streamlining of economic activity is possible due to the simplification of trade procedures. This means that most of the trade facilitation efforts concern customs procedures. One of the obstacles to international trade is the processing of goods crossing the Ukrainian border. Dealing with transport and logistics in its daily activities "PLASKE" JSC realizes that changes in this sector are extremely necessary.

Following the UNECE Recommendations No 33, 34 and 35 "PLASKE" JSC jointly with Odessa Commercial Sea Port initiated a project for the introduction of the Single Window — Local Solution technology in the Southern Customs and the ports of the Odessa Region in 2012. The project was aimed at preventing corruption and promoting deregulation, limiting bureaucratic procedures, ensuring the security of the supply chain, standardizing and digitalizing international trade procedures in the context of Ukraine's integration into European and world markets.

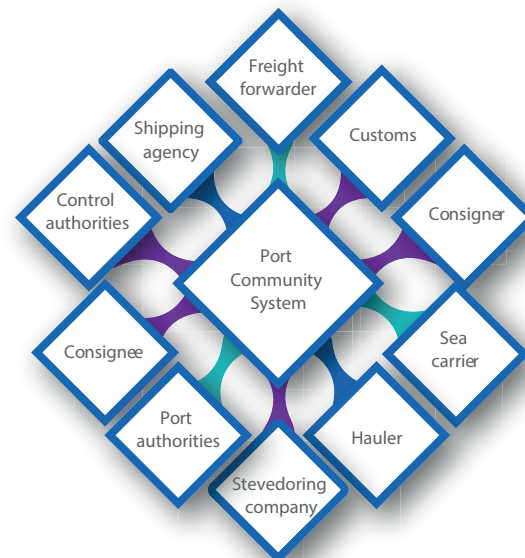
The project envisaged the creation of a unified information system of the port community in the ports of the Odessa region. This Port Community System (ISPS) accumulates, verifies, processes, stores, exchanges and transmits electronically information and documents for border, customs and other control authorities. It allows registration of persons, vehicles, goods, including cargo and luggage. This system complies with the legislation on electronic documents and takes into account the Single Window concept in international practice and the recommendations of international organizations in the use of electronic records and digital signatures.

«PLASKE» JSC has developed a data processing center for the port community system in Ukraine: «PPL 33-35» LLC, which created the hardware and software complex «Unified Port Community Information System» for the implementation of the tasks on automation of processes based on electronic recording and protected electronic digital signature. The key tasks of this company are:

- support for the developed software product;
- protection of electronic commercial information;
- development and improvement of information exchange between the authorized governmental and non-governmental organizations.

The software product speeds up the interaction between a large number of organizations and companies, preventing the corruption practices. Moreover, it provides non-contact, paperless handling of containers with foreign trade cargoes.

Fig. No.38.
Participants of the Single Port Community
Information System



The Port Community System is based on:

- openness;
- transparency;
- access-friendly approach;
- consistency;
- automation.

At the initiative of Ukrainian National Committee of the International Chamber of Commerce (ICCUkraine) an Interagency Working Group was established to coordinate and monitor the progress and to determine the direction of its implementation. It consists of the representatives of government authorities, law enforcement agencies, business associations and organizations, traders and transporters. In 2014 taking into account the Ukraine's obligations undertaken in December 2013 after the signing of the WTO Trade Facilitation Agreement and to facilitate the proper implementation of the "Reform Strategy-2020", a decision was made to transform the Interagency Working Group on Implementation of Single Window — Local Solution Project into the Interagency Working Group on International Trade and Logistics Facilitation in Ukraine.

The renewed Interagency Working Group's TOR include:

- development and implementation of the National Strategy for the International Trade and Logistics Facilitation,
- creating the basis for the establishment of the National Committee on Trade Facilitation pursuant to the UN recommendations.

The decisions taken at the three meetings of the IWG in 2016 were respected in the orders of the Government of Ukraine, which assign specific executors and responsible persons at the level of the central executive authorities.

The government sets itself the task of creating favorable transit conditions and developing the transport and logistics system of Ukraine for its further integration into the European system and community. The above initiatives encourage their implementation. This local solution was created as a pilot project. It is a basis for more extensive national projects.

Single Window — Local Solution: Development and Recognition by the Ukrainian and World Community

"PLASKE" JSC contributes the Interagency Working Group in conducting free seminars on the UNECE Guidelines for employees of ministries and departments of Ukraine, as well as for business community. Such events allow those involved in the supply chain to gain knowledge on ISPS operating in Ukraine.

In 2016 the Sixth International Seminar on Trade Facilitation and the Single Window "Trade Facilitation and Trade and Transport Corridors Development in Ukraine" was held in the framework of the annual International Transport Week in Odessa. The 13 speakers, leading experts in this area, presented the key topics of the seminar: the impact of the further implementation of the WTO Trade Facilitation Agreement and other international conventions and agreements on the development of transport corridors in Ukraine; the prospects for using the ISPS Port Community System (Single Window) implemented in the Odessa port as a hub for international trade and transport corridors in the country.

Activities of the Interagency Working Group and the relevant presentations of the speakers are located at singlewindow.org, open for the stakeholders. Here you can find regulatory documents on the project, minutes of meetings with the results of the project implementation, newsletters and data on the statistics of the use of ISPS by freight forwarding companies in the ports of Ukraine.



Photo Gallery: 23 Meeting of Temporary Working Group on Trade and Logistics Facilitation in Ukraine

The immediate plans of the ISPS development include its expansion to other seaports and ferry transport, enhancing information protection within the ISPS system and its integration into the information systems of state agencies.

At the request of the Ukrainian Sea Ports Authority complete transition to electronic registration of ships at all ports of Ukraine would be the next step in the ISPS development. As Ukraine is considering the development of its transit potential within the New Silk Road (in November 2016, Ukraine signed the Agreement on cooperation and the development of eSilkRoad electronic platform, the Memorandum on strategic cooperation between the Ukrainian House in Beijing and the International Chamber of Commerce of the Silk Road, the Cooperation Agreement between the center of modern China "Tianxiang Link" and the International Chamber of Commerce of the Silk Road) we can say that the ISPS as trade facilitator acquires new potential and value.

The government considers the Single window — Local Solution project as an extremely important measure to fight and eliminate corruption practices, which entails additional revenues to the state budget and positioning of Ukraine as an attractive axis for the fast transit, and as a basis for further rapid data processing systems based on Single window concept in other areas of public relations in Ukraine.

The implementation of this project demonstrated our Stakeholders that the private sector's efforts can improve the economic results that affect the whole society. This initiative of the public-private partnership to streamline economic activity undoubtedly strengthens Ukraine's position in international trade despite the difficult period for our state.

Addressing the issues of the global cooperation the Twenty-third Session of the Centre for Trade Facilitation and Electronic Business (UN/CEFACT) held from 3 to 4 April 2017 in Geneva approved the Recommendation No. 36 on Single Window Interoperability. The delegation from Ukraine, including the representatives of PLASKE JSC and PPL 33-35 LLC as independent experts, took part in its development.

Due to the successful implementation of the 10th principle of the UN Global Compact for the implementation of the "Single Window — Local Solution" project in 2016, "PLASKE" JSC took the opportunity to disseminate its experience and took part in the national project "Bestin in CSR", presenting the business case "Practical experience on counteracting corruption in Ukraine" which was successfully evaluated in the field of socially responsible corporate governance and reporting.

Membership and Partnerships

On its way towards SDGs 16 and 17 "PLASKE" JSC actively participates in international and national associations and organizations, which helps us to build an open society and intensify the work within the framework of the Global Partnership.

Anti-corruption measures and joint activities to elaborate efficient tools for trade, logistics and transport facilitation are implemented through our membership in IATA, FIATA, OSJD, the European Business Association and the International Chamber of Commerce.

Improving standards in the industry is our key goal reached within the membership in international organizations. The second year in a row we have been developing the recommendations on common approaches in vocational training for rail undertakings within the framework of the OSJD Temporary Working Group. The Chairman of this group is a representative of "PLASKE" JSC. Further work in this direction to be continued in 2017.



Photo Gallery: PLASKE's active participation in the work of partner organizations — Participation in the signing of FIATA/OSJD Memorandum of Understanding at the FIATA Multimodal Transport Institute session

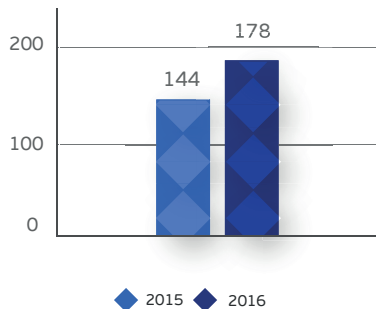
"PLASKE" JSC is a member of 14 international associations and organizations (Fig. No. 39).

Fig. No.39.
Participation of "PLASKE" JSC in the national and international organizations



In 2016 the number of events we attended has increased due to active social and business position of "PLASKE" JSC as a member of the national and international associations (Fig. No.40). Our responsible impact on the global processes in the business community towards SDGs has also increased.

Fig. No.40.
Number of events attended by our representatives



Membership status of JSC "PLASKE" in associations and business unions:

1. FIATA (International Federation of Freight Forwarders Associations) Individual Member
2. OSJD (Organization for Cooperation of Railways) Affiliated Enterprise
3. IATA (International Air Transport Association) Accredited Cargo and Passenger Agent
4. UIC (International Union of Railways) Affiliated Member
5. ICC Ukraine (Ukrainian National Committee of International Chamber of Commerce) Full Member
6. ORCC (Odessa Regional Chamber of Commerce) Member
7. UKRZOVNISHTRANS (Association of Freight Forwarding and Logistics Organizations of Ukraine) Associate Member
8. ACBU (Association of Customs Brokers of Ukraine) Full Member
9. UAPQ (Ukrainian Association of Perfection and Quality) Member
10. DBA (Digital Business Alliance) Corporate Member
11. EBA (European Business Association) Associate Member
12. IPCSA (International Port Community System Association) Member
13. BLB (Association of Exchange Brokers and Logistics Experts) Associate Member
14. Odessa Tourism Member

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11 SUSTAINABLE CITIES
AND COMMUNITIES



Cultural Partnership

For many years so far "PLASKE" JSC has been supporting projects that develop cultural traditions and values for future generations and contribute to the preservation of our cultural heritage. We care about financial, organizational, technical support of a number of projects, theaters, museums, and libraries. Given their scale these activities strengthen the tourist and intellectual attractiveness of our city and the region in the whole. At the same time the criteria for project selection are the systematic nature of its activities and its future benefits for society. That is why our social projects entail many years of fruitful cooperation.

Sculpture, Literature and Time: Joint Projects with the Odessa Literary Museum

The Garden of Sculptures, Odessa Calendar, Festival of Literature and the Long Night of Museum are four projects we implement together with the Literary Museum.

The Garden of Sculptures is an open air exposition of sculptures. Founded in 1995 in the courtyard of the Literary Museum for two decades so far the Garden has been a popular tourist spot. The Garden houses the works of Odessa-based, Ukrainian and foreign sculptors. Each sculpture is somehow connected with Odessa city, Odessa literature and writers who created a unique image of our city in their works of art.

In the picture: Books and other culturological printed materials published with the support of "PLASKE" JSC



In the picture: 2016 Odessa Calendar

The Odessa Calendar is published annually on the Odessa Foundation Day, the 2nd of September. It starts in September and presents the history of one of the oldest streets of the city. During the year research assistants of the museum together with famous Odessa local ethnographers collect materials and prepare the calendar for publication. By the 222nd Foundation Day "PLASKE" JSC, Literary Museum and Tourism of Odessa Association have issued yet another 14th calendar dedicated to the history of Yekaterininskaya Street (named after Catherine the Great).

The calendar has a brochure with a detailed description of the history of each house and every institution that has ever been located in this street. Such calendars have long been the subject of collecting. A limited circulation is distributed among libraries, schools, museums, and also among those who admire Odessa city from all over the world.

The Long Night of the Literary Museum is thematic cultural event held annually, gathering up to five thousand people overnight. The museum night has become a popular spot for the rising generation, which is an indicator of an increase of the cultural level of society.

For the second consecutive year Odessa hosts the International Literary Festival. This year, the number of participating writers has doubled: about 40 authors from 18 countries represent their works in Odessa. Visitors of the festival had the opportunity to get acquainted with the literature of Romania, Indonesia, Canada, Argentina, the United States and many other countries.

In 2017, literary readings of works by Odessa authors are planned within the flashmob, which will be held on July 13, the day of awarding the first Babel Prize. "PLASKE" JSC will support this event organizationally and technically.

As part of our social partnership in 2016 we continued supporting the projects of the Odessa National Scientific Library, including the XVII All-Ukrainian Exhibition Forum «The Ukrainian Book in the Odessa Region», which contributes to the preservation and enhancement of the spiritual and cultural heritage of the Ukrainian nation, the development and functioning of the Ukrainian language in the public life, the rise of the domestic publishing business, the assertion of the prestige of the Ukrainian book in the society, the dissemination and popularization of new books published in the current Year in the territory of Ukraine, providing the libraries of the Southern region with the new literature.

Odessa National Theater of Opera and Ballet

"PLASKE" JSC is the General Partner of the Odessa Opera and Ballet Theater and has been promoting the activities of the theater over the last six years. Acting as a partner "PLASKE" JSC produced several premieres, created a lot of presentation products within the marketing support for theater. It is important for us not only to replenish the repertoire of the theater, but also to promote it. After all, the more people visit opera, concert and ballet performances, the more public resonance these performances will produce and the more vivid traces will be left in the minds of our contemporaries.

In 2016 we supported the premiere of the ballet *Cipollino*



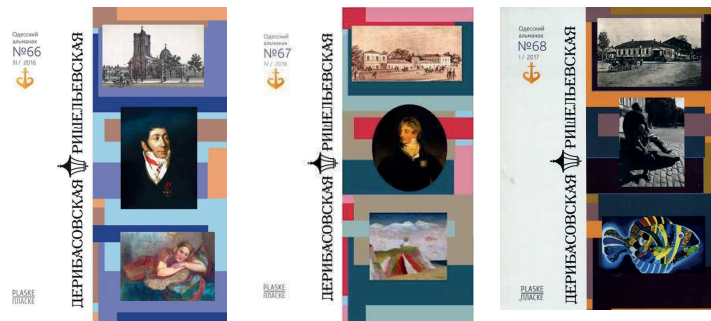
In the picture: Poster for *Cipollino* Ballet, published in 2016 with the support of "PLASKE" JSC

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. The members of the World Odessites Club are well-known writers, musicians, bankers, journalists, businessmen, local historians, artists, lawyers, doctors, well-known in the city and far beyond... The club regularly gathers its members and friends, holds presentations, exhibitions, concerts, entertaining discussions on various socially important topics. This amazing phenomenon in the life of the city has been actively growing and developing for 26 years.

Our social partnership concerns the publishing industry. We support the project "Odessa Library", which publishes books of outstanding Odessits and works about Odessa as well as the almanac *Deribasovskaya-Rishelyevskaya*.

Since 2009, the almanac has become a part of the Organization's powerful cultural projects. During this period 33 issues of the almanac "Deribasovskaya-Rishelyevskaya" were published. A new design concept was created, as well as an almanac matrix with permanent sections: poetry, prose, first steps (where children and adolescents may publish their works). As a result the publication became more popular and famous. Today this is the only publication in which Odessa writers, local historians, art historians, poets, and journalists can share their views and experiences with the general public. It is important to note that this is not a commercial publication, and its issues are presented not only to the authors, libraries of the city, museums, but also to honorable guests of the World Odessites Club.



In the picture: Issues of "Corner of Deribasovskaya and Rishelievskaya streets" yearbook, published in 2016 with the support of the Organization

Support for Orphanage

We try to develop new activities and directions for the social responsibility of business expanding the circle of Stakeholders and increasing their impact in this area.

In 2016 at the suggestion of the Peace Manifesto Foundation, we held an event for the children of the Odessa "Svitanok" orphanage.

We invited them to visit the administrative office of the Organization on the New Year's eve.

Our employee told about the company's work: "Regardless your background and the starting conditions you should always dream on and do your best to achieve success!" In one of the premises of "PLASKE" JSC they played a business game: they organized their own company with director, accounting, department of production, quality control, marketing and organized their own coffee break. In the process of interaction each kid happily tried on his or her new responsibilities from the future "adult life". At the end of the meeting they received delicious gifts and educational games.

This was a kind of professional orientation, a motivating meeting, during which each child from the orphanage could try on a new profession. An indicator of the importance of such events is the lively response from the orphans. At the end of the meeting, some of them asked "What should I do to work in your company?" And we answered: «You should study hard and believe in your own strength".

In 2017 we will happily respond to proposals for organizing such events for children from vulnerable groups.



Photo Gallery: Business role-playing game and presentation about "PLASKE" JSC activity for children from "Svitanok" orphanage.

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3 GOOD HEALTH
AND WELL-BEING



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



4 QUALITY
EDUCATION



6 CLEAN WATER
AND SANITATION



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



Development Strategy

The guidelines for the organizational policy of PLASKE JSC are the Principles of the UN Global Compact and the Sustainable Development Goals 2030.

Participation in 14 international and national associations and organizations, public activities and the recognized status of one of the market leaders enable us to track global and sectoral trends and plan our activities so that together we can change the world for the better. Analyzing global trends and initiatives of different levels we compare them with the values and guidelines of our Organization and form long-term and short-term tasks in accordance with the global agenda.

Fig. No.41.
Strategic tasks of "PLASKE" JSC,





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.

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PLASKE JSC

Communication on Progress 2016

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