



I M M E R

GROUP

COMMUNICATION ON PROGRESS REPORT ON FULFILLMENT OF 10 UN GLOBAL COMPACT PRINCIPLES

OCTOBER 2018

Dear employees and customers, partners and suppliers!

IMMER Group joined the UN Global Compact in October 2017. In fact, our company has been committed to the principles of sustainable development earlier, intuitively, by our internal conviction, and for the sheer reason of feeling to do the right thing.

Having supported the UN Global Compact officially and openly, we have moved to a new level. Now we are more aware of the impact that we have on our employees and partners, customers and suppliers, on the environment, and on the transparency and honesty of the business climate around us.

Our company has a rich history dating back over 90 years. Our team went through serious transformations, and more than 20 years ago it stood at the origins of a new industry in their country. Our developments have constantly expanded the boundaries, setting new patterns for responsible and innovative production. Making commitments to comply with the 10 principles of sustainable development under the UN Global Compact is a natural and logical milestone on our way, the confirmation of our internal confidence that we have made the right choice.

IMMER Group will remain actively seized of supporting the goals and principles of the UN Global Compact, integrating the ideas of sustainable development into our business, our organizational practices and relationships with the stakeholders.

Irina Mirochnik
IMMER Group President



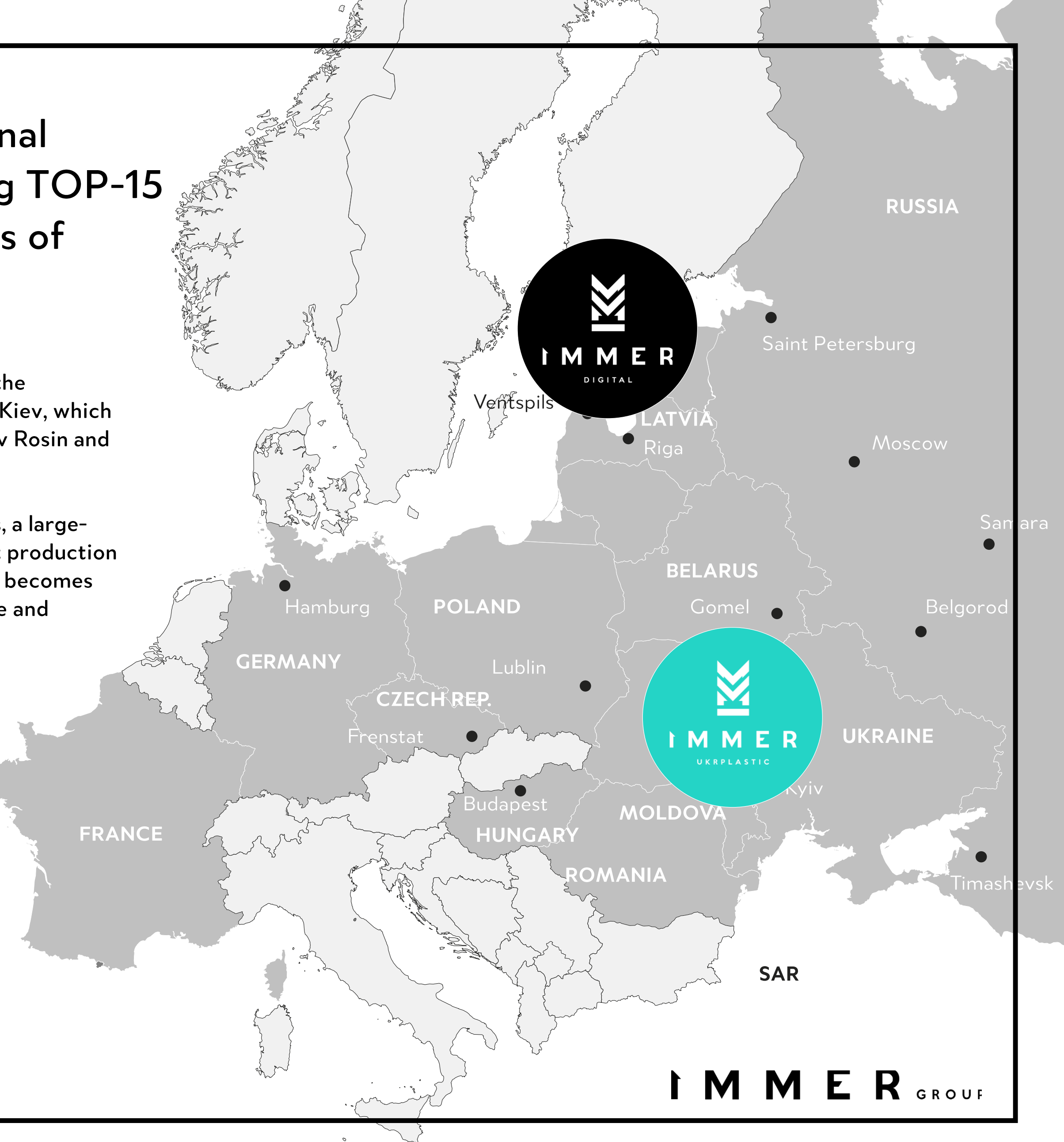
IMMER Group is an international industrial group ranking among TOP-15 of the European manufacturers of flexible packaging

The history of IMMER Group dates back to 1927 with the establishment of a small wooden packing enterprise in Kiev, which after 5 years of its existence was transformed into Kiev Rosin and Turpentine Factory.

In the early 1990s, with the advent of private investors, a large-scale program was launched to modernize and reorient production to world standards. A few years later, OJSC Ukrplastic becomes the flagship of flexible packaging production in Ukraine and gradually enters the TOP-15 of the largest European manufacturers.

In 2017, in order to realize the IMMER Group export potential in Latvia, a digital printing company, IMMER Digital, and an industrial design studio, IMMER Design Studio, began their operations.

IMMER Group focuses on the production of polymer films, printing, lamination, manufacture of packages and labels, and development of design solutions in the field of flexible packaging. The IMMER Group's customers include representatives of food, cosmetic, pharmaceutical and other industries in 35 countries around the world.



M ISSION

WE ARE INQUIRING INTO THE NEEDS OF MODERN BUSINESS AND STRIVING TO CREATE PRODUCTS, THE USE OF WHICH WILL BECOME A COMPETITIVE ADVANTAGE FOR OUR CUSTOMERS IN THE MARKET

VALUES

- ENVIRONMENTAL AND SOCIAL RESPONSIBILITY
- PROFESSIONALISM
- COMMITMENT
- STRIVING FOR IMPROVEMENT
- TEAM SPIRIT
- OPENNESS

IMMER GROUP IN **FACTS AND FIGURES**

OVER EUR

23

MILLION

TAXES AND BUDGET
FEES PAID

(for 2017 and for 8 months of
2018)

EUR

2

MILLION

INVESTMENTS IN
TECHNICAL RE-
EQUIPMENT AND
TANGIBLE ASSETS

(for 2017 and 6 months of 2018)

EUR

1.81

MILLION

INVESTMENT IN
RESEARCH AND
DEVELOPMENT

(for 2017 and for 6 months of 2018)

HUMAN RIGHTS PRINCIPLES

PRINCIPLE

1

BUSINESSES SHOULD
SUPPORT AND RESPECT
THE PROTECTION OF
INTERNATIONALLY
PROCLAIMED HUMAN
RIGHTS

PRINCIPLE

2

BUSINESSES SHOULD MAKE
SURE THAT THEY ARE NOT
COMPLICIT IN HUMAN
RIGHTS ABUSES

LABOUR PRINCIPLES

PRINICPLE

3

BUSINESSES SHOULD UPHOLD
THE FREEDOM OF
ASSOCIATION AND THE
EFFECTIVE RECOGNITION OF
THE RIGHT TO COLLECTIVE
BARGAINING

PRINICPLE

5

BUSINESSES SHOULD UPHOLD
THE EFFECTIVE ABOLITION OF
CHILD LABOUR

PRINICPLE

4

BUSINESSES SHOULD UPHOLD
THE ELIMINATION OF ALL FORMS
OF FORCED AND COMPULSORY
LABOUR

PRINICPLE

6

BUSINESSES SHOULD UPHOLD
THE ELIMINATION OF
DISCRIMINATION IN RESPECT OF
EMPLOYMENT AND OCCUPATION

PEOPLE OF IMMER GROUP



1468

EMPLOYEES

AVERAGE AGE OF EMPLOYEES

41 YEARS

GENDER COMPOSITION

30% WOMEN 70% MEN

EDUCATION

60% WITH UNIVERSITY DEGREE

25% VOCATIONAL EDUCATION AND TRAINING DIPLOMAS

15% WITH COMPLETE SECONDARY EDUCATION

IMMER GROUP SHOWS HIGHEST REGARD FOR **THE HEALTH CARE AND SAFETY OF ITS EMPLOYEES**

FOR THE EMPLOYEES:

- A SECURE BICYCLE PARKING
- THE TERRITORY OF THE ENTERPRISES IS A NON-SMOKING AREA
- A MEDICAL OFFICE ON PREMISE
- A CORPORATE CANTEEN WITH SPECIAL PRICES
- IMPLEMENTED HIV AND AIDS POLICY

BETWEEN OCTOBER 2017 AND SEPTEMBER 2018 IMMER GROUP HAD THE FOLLOWING INDICATORS

EUR 15.3 MILLION SALARY BUDGET, OF WHICH

EUR 4.8 MILLION BONUS BUDGET

1526 PARTICIPANTS HAVE COMPLETED INTERNAL TRAINING

1228 EMPLOYEES WENT THROUGH THE ANNUAL MEDICAL EXAMINATION,
THE TOTAL COST OF THE SERVICES – OVER **EUR 5355**

28 EMPLOYEES RECEIVED PROMOTIONS

4 GRADUATES OF EDUCATIONAL INSTITUTIONS COMPLETED THEIR
INTERNSHIP OR GOT THE FIRST JOB

0 ACCIDENTS AT PRODUCTION SITES

INDEPENDENT TRADE UNION ORGANIZATION WORKS ACTIVELY AT IMMER UKRPLASTIC FACTORY

FROM OCTOBER 2017 TO SEPTEMBER 2018:

657 EMPLOYEES ARE MEMBERS OF THE TRADE UNION

9 EMPLOYEES' CHILDREN
RECEIVED RECREATION
AT A KIDS CAMP;
OVER **EUR 1290**
REIMBURSED FOR
PARENTS

5 EMPLOYEES
RECEIVED FINANCIAL
ASSISTANCE FOR
TREATMENT
AMOUNTING TO MORE
THAN **EUR 4125**

750 SETS OF
CHILDREN'S GIFTS FOR
THE AMOUNT OF MORE
THAN **EUR 5255**
PURCHASED FOR THE
NEW YEAR HOLIDAYS

367 EMPLOYEES
RECEIVED FINANCIAL
STIMULATION FOR
HOLIDAYS FOR THE
AMOUNT OF MORE
THAN **EUR 3382**

IMMER GROUP WORKS IN CONFORMITY WITH **THE HACCP SYSTEM**

SOCIAL PROTECTION OF THE EMPLOYEES AND COMPLIANCE WITH SOCIAL STANDARDS ARE REGULARLY EVALUATED BY AN INTERNATIONAL AUDIT IN THE FRAMEWORK OF CONFIRMING COMPLIANCE WITH **THE INTERNATIONAL OHSAS STANDARD**.

THE COLLECTIVE AGREEMENT IS CONCLUDED AT IMMER UKRPLASTIC BETWEEN:

- ADMINISTRATION
- TRADE UNION ORGANIZATION
- EMPLOYEES



IN AUGUST 2018, IMMER UKRPLASTIC SUCCESSFULLY PASSED THE RECERTIFICATION ACCORDING TO **ISO 45001: 2018** (OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS)



IN APRIL 2018, THE ANNUAL **SOCIAL AND ENVIRONMENTAL IFC MONITORING** WAS SUCCESSFULLY COMPLETED

OUR OBLIGATIONS REGARDING LABOR AND HUMAN RIGHTS ARE REFLECTED IN THE IMMER GROUP CORPORATE SOCIAL RESPONSIBILITY POLICY. THE DOCUMENT WAS UPDATED IN JANUARY 2017 AND IS AVAILABLE ON THE IMMER GROUP WEBSITE

ENVIRONMENT PRINCIPLES

PRINCIPLE

7

BUSINESSES SHOULD
SUPPORT A
PRECAUTIONARY
APPROACH TO
ENVIRONMENTAL
CHALLENGES

PRINCIPLE

8

BUSINESSES SHOULD
UNDERTAKE INITIATIVES
TO PROMOTE GREATER
ENVIRONMENTAL
RESPONSIBILITY

PRINCIPLE

9

BUSINESSES SHOULD
ENCOURAGE THE
DEVELOPMENT AND
DIFFUSION OF
ENVIRONMENTALLY
FRIENDLY
TECHNOLOGIES

THE NATURE OF OUR BUSINESS
AND INVOLVEMENT IN THE
GLOBAL CONSUMPTION SYSTEM
REQUIRES SPECIAL ATTENTION
TO THE SAFETY AND QUALITY
OF OUR PRODUCTS

AT THE HEART OF OUR
DEVELOPMENT IS THE CONCEPT
OF SAFE AND REASONABLE
CONSUMPTION



THE PRODUCTS THAT WE DEVELOP AND PRODUCE

COMPLY WITH THE STANDARDS AND REGULATIONS REGARDING THE MATERIALS THAT COME INTO CONTACT WITH FOOD PRODUCTS (NO. 10/2011, NO. 1935/2004)

OUR PRODUCTS

CONTAIN ONLY SAFE INGREDIENTS THAT DO NO HARM TO PACKAGED PRODUCTS

RAW MATERIALS

HAVE BEEN DESIGNED AND MANUFACTURED IN ACCORDANCE WITH THE EUPIA AND XXVIII BFR RECOMMENDATIONS, AND COMPLY WITH THE FDHA REGULATIONS ON MATERIALS AND PRODUCTS, AND THE REQUIREMENTS OF THE FDA REGULATION

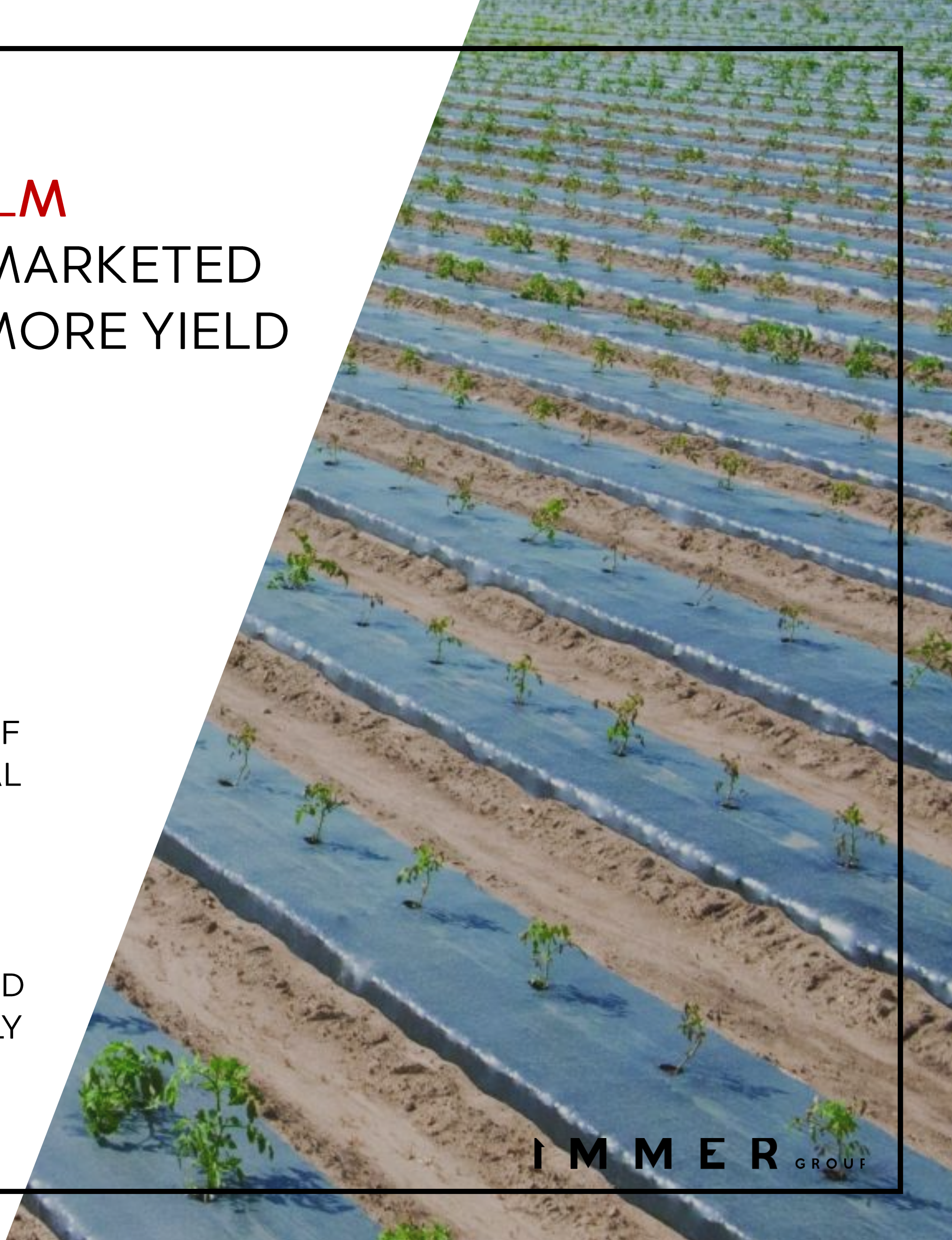


IN 2017-2018

BIODEGRADABLE MULCH FILM

WAS ACTIVELY TESTED AND MARKETED
TO HELP THE FARMERS GET MORE YIELD
WITH LESS HERBICIDE USE

- THE PRODUCTION PROCESS HAS BEEN ORGANIZED WITH THE CONSIDERATION OF THE REQUIREMENTS FOR ENVIRONMENTAL SAFETY
- AT IMMER UKRPLASTIC A RECUPERATING STATION IS BEING PREPARED FOR COMMISSIONING, WHICH WILL CATCH AND PROCESS UP TO 90% OF ALL INDUSTRIALLY GENERATED EMISSIONS



IN AUGUST 2018, IMMER UKRPLASTIC
SUCCESSFULLY PASSED THE **ISO 14001: 2015**
RECERTIFICATION (ENVIRONMENTAL
MANAGEMENT SYSTEMS) AND RECEIVED AN **OK**
BIODEGRADABLE SOIL CERTIFICATE
CONFIRMING THAT OUR BIODEGRADABLE FILM
MATERIALS DECOMPOSE IN SOIL

IN APRIL 2018, AN ANNUAL **SOCIAL AND**
ENVIRONMENTAL IFC MONITORING
WAS SUCCESSFULLY COMPLETED

IMMER UKRPLASTIC

IS A MEMBER OF THE RESPONSIBLE CARE, AN
INTERNATIONAL ENVIRONMENTAL PROGRAM



IMMER GROUP

IS THE OFFICIAL REPRESENTATIVE OF THE UN
SAVE FOOD INITIATIVE IN UKRAINE



IN OCTOBER 2017 JOINED THE UN GLOBAL
COMPACT



OUR COMMITMENT TO THE COMPANY'S SUSTAINABILITY IS REFLECTED IN THE IMMER GROUP CORPORATE
SOCIAL RESPONSIBILITY POLICY. THE DOCUMENT WAS UPDATED IN JANUARY 2017 AND IS AVAILABLE ON THE
IMMER GROUP WEBSITE

ANTI-CORRUPTION PRINCIPLE

PRINCIPLE

10

BUSINESSES SHOULD WORK
AGAINST CORRUPTION IN ALL
ITS FORMS, INCLUDING
EXTORTION AND BRIBERY

IMMER GROUP KEEPS TO THE PRINCIPLE OF ZERO TOLERANCE FOR CORRUPTION AND PROMOTES THE FULFILLMENT OF ANTI-BRIBERY AND CORRUPTION REQUIREMENTS AMONG ITS EMPLOYEES, BUSINESS PARTNERS AND SUPPLIERS.

THE MAIN GOALS, OBJECTIVES AND PRINCIPLES OF ANTI-CORRUPTION, WITH DUE CONSIDERATION OF THE REQUIREMENTS OF ANTI-CORRUPTION LEGISLATION, ARE REFLECTED IN THE IMMER GROUP ANTI-CORRUPTION POLICY. THE DOCUMENT WAS UPDATED IN APRIL 2018 AND IS AVAILABLE ON THE IMMER GROUP WEBSITE

IN PRACTICAL TERMS, IN 2017-2018 IMMER GROUP **IMPLEMENTED THE FOLLOWING**



ONE EXTERNAL AND TWO INTERNAL ANTI-CORRUPTION AUDITS WERE CONDUCTED (THEY HAVE BEEN CONDUCTING SINCE H2 2016 ACCORDING TO THE APPROVED ANNUAL PLANS)



THE COMPANY HAS INTRODUCED A PROCEDURE TO DECLARE A CONFLICT OF EMPLOYEES' INTEREST. THE COMPANY HAS ALSO ESTABLISHED A COMMITTEE TO DEAL WITH THE CONFLICTS OF INTEREST AND ADHERE TO CORPORATE ETHICS



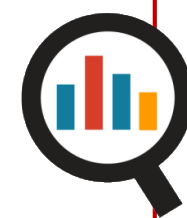
AN INDEPENDENT CHANNEL, THE TRUST LINE, FOR RECEIVING MESSAGES HAS BEEN ESTABLISHED IN THE COMPANY WHICH ENSURES A PROMPT RESPONSE TO THE FACTS OF POSSIBLE CORRUPTION OFFENSES AND OTHER ILLEGAL ACTIONS



PRINCIPLES OF FAIR COMPETITION ARE BEING FOLLOWED



THE INCLUSION OF ANTI-CORRUPTION PROVISIONS IN ANY CONTRACTS/AGREEMENTS CONCLUDED HAS BEEN INITIATED



THE COMPANY HAS APPLIED THE PRACTICE OF PRE-CONTRACTUAL EXAMINATION OF COUNTERPARTIES, INCLUDING ASSESSMENT OF THE LEVEL OF LOYALTY, BUSINESS REPUTATION AND PARTICIPATION IN CORRUPTION SCANDALS



ALL NEW COMPANY EMPLOYEES ARE TO BE ACQUAINTED WITH THE IMMER GROUP ANTI-CORRUPTION POLICY AT AN INDUCTION BRIEFING



THE BAN HAS BEEN SET ON REMUNERATION FOR SIMPLIFYING FORMAL PROCEDURES. ALSO THE RESTRICTION HAS BEEN APPLIED TO DONATION/RECEIPT OF GIFTS AND PARTICIPATION IN POLITICAL ACTIVITIES



THE COMPANY HAS BEEN COOPERATING WITH THE LAW ENFORCEMENT BODIES IN THE FIELD OF COMBATTING CORRUPTION

**IN 2018-2019 IMMER GROUP
IS PLANNING TO CONTINUE
CONDUCTING ITS BUSINESS
ACTIVITIES IN ACCORDANCE
WITH THE PRINCIPLES OF
SUSTAINABLE
DEVELOPMENT UNDER THE
UN GLOBAL COMPACT**



PRIORITY TASKS FOR THE IV QUARTER OF 2018 AND I-III QUARTER OF 2019

- 1 **OPTIMIZATION**
AND INCREASE OF PRODUCTION EFFICIENCY AT IMMER UKRPLASTIC (UKRAINE)
- 2 **ACTIVE INVESTMENT**
IN RESEARCH AND DEVELOPMENT AT IMMER UKRPLASTIC (UKRAINE), INCLUDING PRODUCTION OF PACKAGING FROM BIODEGRADABLE MATERIALS
- 3 **COMMISSIONING**
OF THE RECUPERATING STATION TO CAPTURE AND RECYCLE INDUSTRIAL EMISSIONS AT IMMER UKRPLASTIC (UKRAINE)
- 4 **EXPANSION**
OF PRODUCTION CAPACITY AT IMMER DIGITAL (LATVIA)
- 5 **SUPPORTING**
PROGRAMS UNDER THE UN SAVE FOOD INITIATIVE
- 6 **IMPLEMENTING**
THE GREEN OFFICE CONCEPT AND PROMOTING THE CULTURE OF RESPONSIBLE CONSUMPTION AMONG EMPLOYEES
- 7 **IMPROVING**
EMPLOYEES' LABOR CONDITIONS
- 8 **CONDUCTING**
MASSIVE TRAINING COURSES FOR EMPLOYEES ON ANTI-CORRUPTION
- 9 **INTRODUCTION**
OF NEW ANTI-CORRUPTION PROCEDURES



I M M E R
GROUP

RAINA BULVARIS 25, 6TH FLOOR, RIGA LV 1050 LATVIA
INFO@IMMER.GROUP