

2020

Sustainability Report



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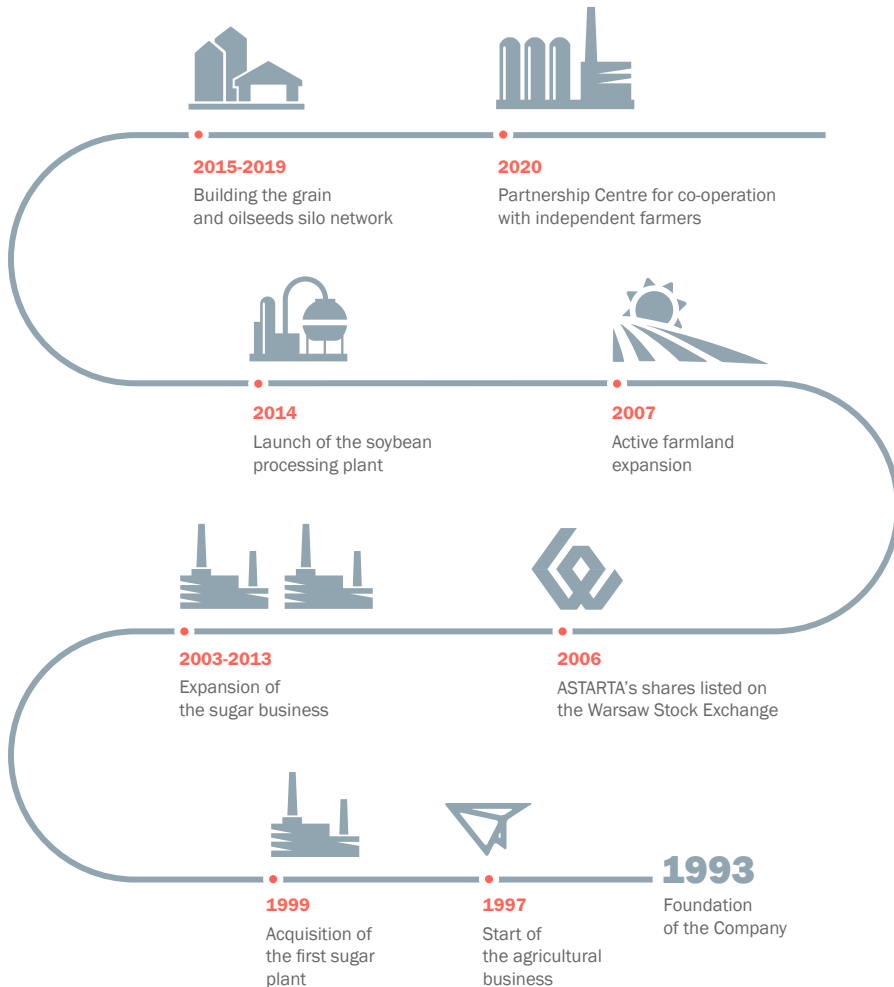
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ASTARTA

History of the Group



ASTARTA is one of the largest vertically integrated agro-industrial holdings in Ukraine. ASTARTA's main activities include grain and oilseeds production, sugar production from sugar beets, soybean crushing, milk production, as well as grain and oilseeds storage and handling services.

Since 1993, the Company has proven to be a reliable and trustworthy partner and supplier, committed to best international standards in terms of quality, innovation, and sustainability. Integrity, transparency, and strengths of its human capital has also been among ASTARTA's key priorities. The Company has established stable long-term business relationships with leaders of the Ukrainian food processing and confectionary industry. A growing part of its production is also being exported through international agricultural traders to more than 30 countries.

GRI 102-16

Company's Mission and Values

We, ASTARTA, are a vertically integrated agro-industrial holding in Ukraine, a public European company, running a socially responsible business and producing food commodities with a focus on global markets.

We are building a high-tech innovative company in Ukraine with a globally identifiable brand and impeccable reputation, attractive for shareholders and partners, creating products of the highest quality for the most demanding consumers, and providing an opportunity for development for each of the Company's employees.

Our mission is to build strong Ukraine and strengthen its credibility in the world, unlocking and multiplying the potential of the Ukrainian land and its people and inspiring the society with exemplary business conduct, based on the principles of fair partnership, ethics, and development.

While undertaking our mission, we rely on the following strengths:

- Stellar reputation of a responsible and reliable partner,
- Consistent quality of products made,
- Significant diversification and vertical integration of the business, and
- Strong employer brand.

While strengthening approach to doing business with a focus on global markets, we:

- Build marketing relations with the end users,
- Cultivate mutually beneficial partnerships with our stakeholders and customers,
- Create fruitful relationships with global peers,
- Develop business partnerships in Ukraine to promote national interests and improve the country's competitiveness in global markets,
- Develop the business towards more value-added products,
- Continue expanding organic production, and
- Build up commodity trading business.

Taking into consideration rapid development of innovative technologies in the industry, we

- Are fully engaged in building infrastructure and developing agriculture start-ups,
- Promptly adopt advanced industry solutions to the Company's business processes, and
- Evolve R&D and business capabilities.

By developing the Company's staff and shaping the business culture and principles of respect for dignity and professionalism, we

- Upgrade personnel training and development systems,
- Apply a more efficient approach to recruitment and engagement of employees, working continuously to raise their loyalty and create decent living and working conditions in the regions, and
- Develop external and internal talent pools.

To enhance efficiency, we embrace culture of lean manufacturing and energy-efficiency.

While being proactive in shaping our business environment and the society we

- Subscribe to the principles of sustainable development,
- Build the public-private partnership,
- Participate in industry and professional associations, trade unions and local government authorities,
- Promote vocational education and applied research in the country.

We carry out our Mission with full commitment to the values of impeccable business reputation, social responsibility, respect for human dignity, and results-oriented partnerships.

We get away from conformism and fear of change, wasteful attitude to the resources of the Company and the prevalence of individual interests over the team's ones.

We nurture values of entrepreneurship, personal efficiency and the pursuit of the impossible to achieve the maximum.

Chairman Statement



Despite Covid-dominated headlines, the global society intensified dialogue on climate change and how it had contributed to the current emergency and health crisis for human beings. The fragility of the global ecosystem, supporting life itself, was highlighted by the scientific community and led to signing of the international treaty on Climate

Change in Paris in 2015, followed the officially announced EU Green Deal calling the region to become carbon neutral by 2050.

As one of the key trading partners of the EU, Ukraine is striving to join the European effort on combating the climate change. For agriculture, specifically, there is a dedicated “farm-to-fork” programme targeting reduction in greenhouse gas emissions, use of fossil fuels, fertilisers, pesticides and antibiotics, while expanding organic farming to ¼ of the land acreage.

While the details of Ukraine’s participation in the EU Green Deal remain to be developed, the country has already adopted a seven-year plan on enhancing the system of environmental monitoring and committed to launching a carbon trading system.

ASTARTA has been at the forefront of anticipated changes having endorsed sustainable business practices for over a decade, and we can name a few more achievements in 2020, among others:

- We have further strengthened our policies with regards to certification to international standards (ISO-based), updated general corporate and environmental monitoring standards.

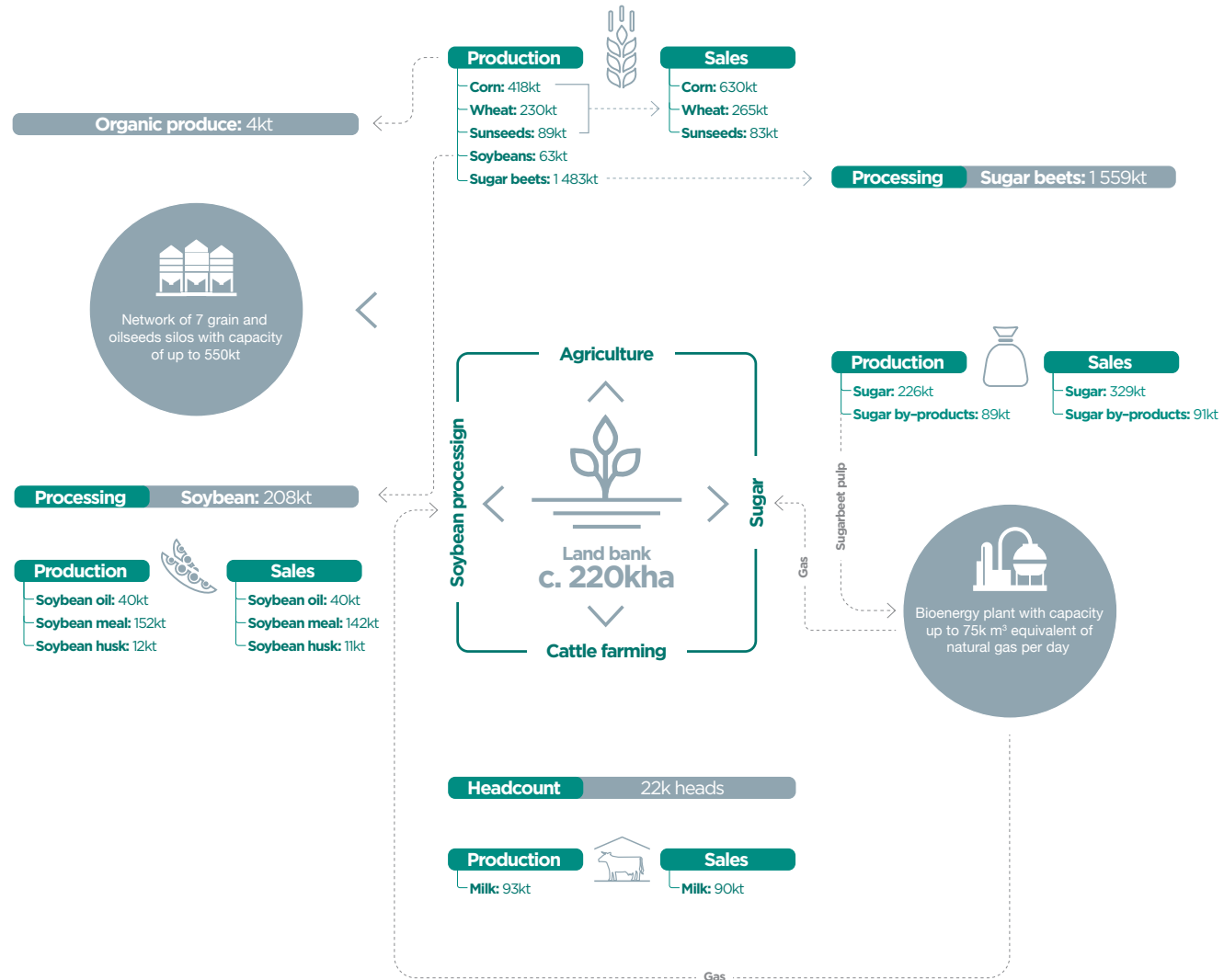
- We have introduced a system of monthly measuring of energy and natural resources and will calculate greenhouse gas emissions under Scope 1 on a quarterly basis from 2021.
- We had completed a three-year journey to the first harvest of organic grain and oilseeds crops in sync with the European trend of expanding organic farming methods.
- ASTARTA obtained an independent ESG rating by Sustainalytics which is now available publicly for review by all our stakeholders.

We will continue to closely watch developments on the climate change and have our business ready to contribute to the most central agenda for years to come.

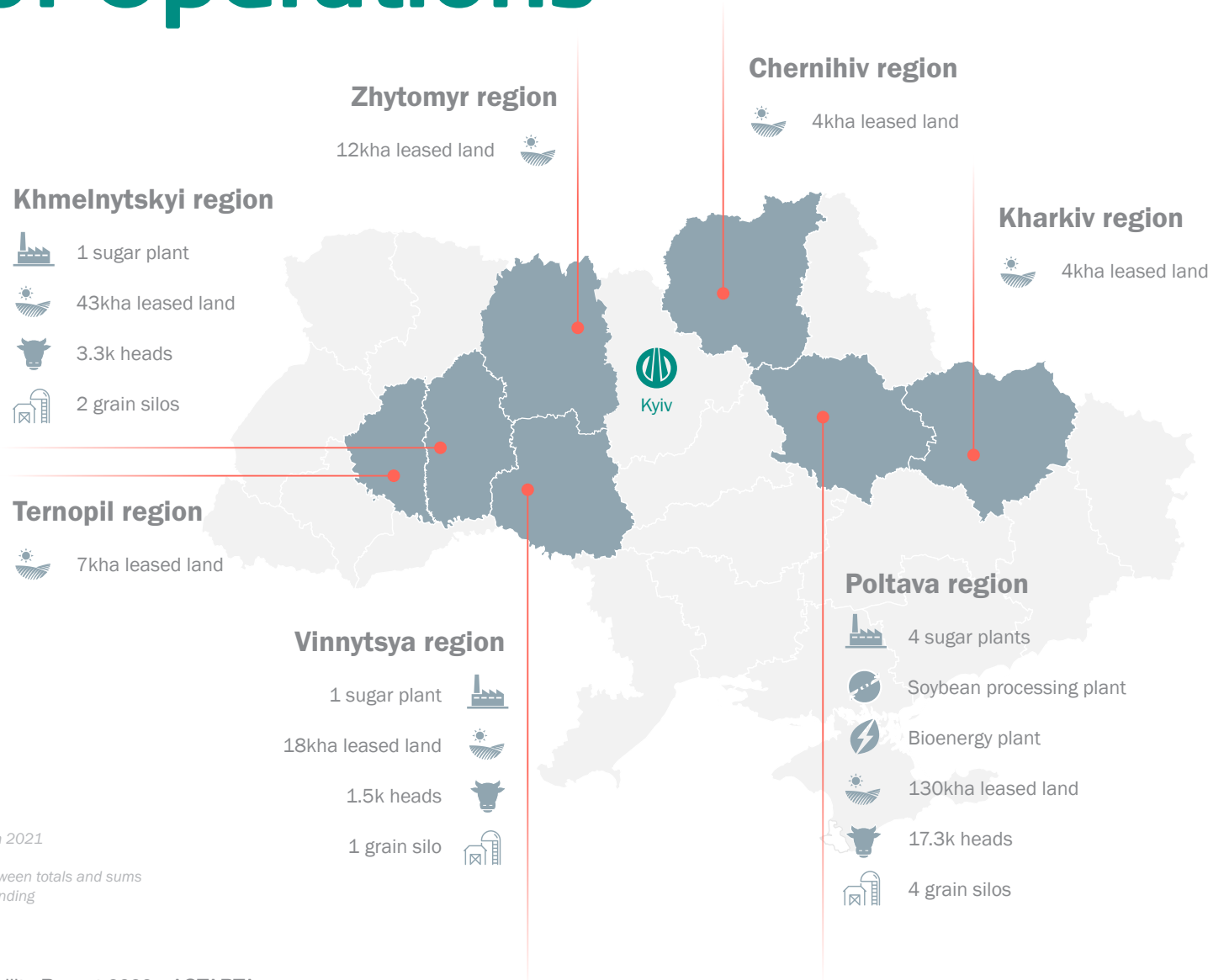
GRI 102-2, 102-6, 102-9

Business Model and Value Chain

The Company has a business model which integrates key segments based on common industry expertise, operational capability and market intelligence. Each business segment represents a consumer and supplier of materials or services from/to another business segment aimed at securing the required level of self-sufficiency. This business model places ASTARTA among the top grain and oilseeds producers, the largest sugar business in Ukraine, the leading supplier of milk and soybean products, grain and oilseeds storage and handling services provider as well as a biogas producer.



Map of Operations

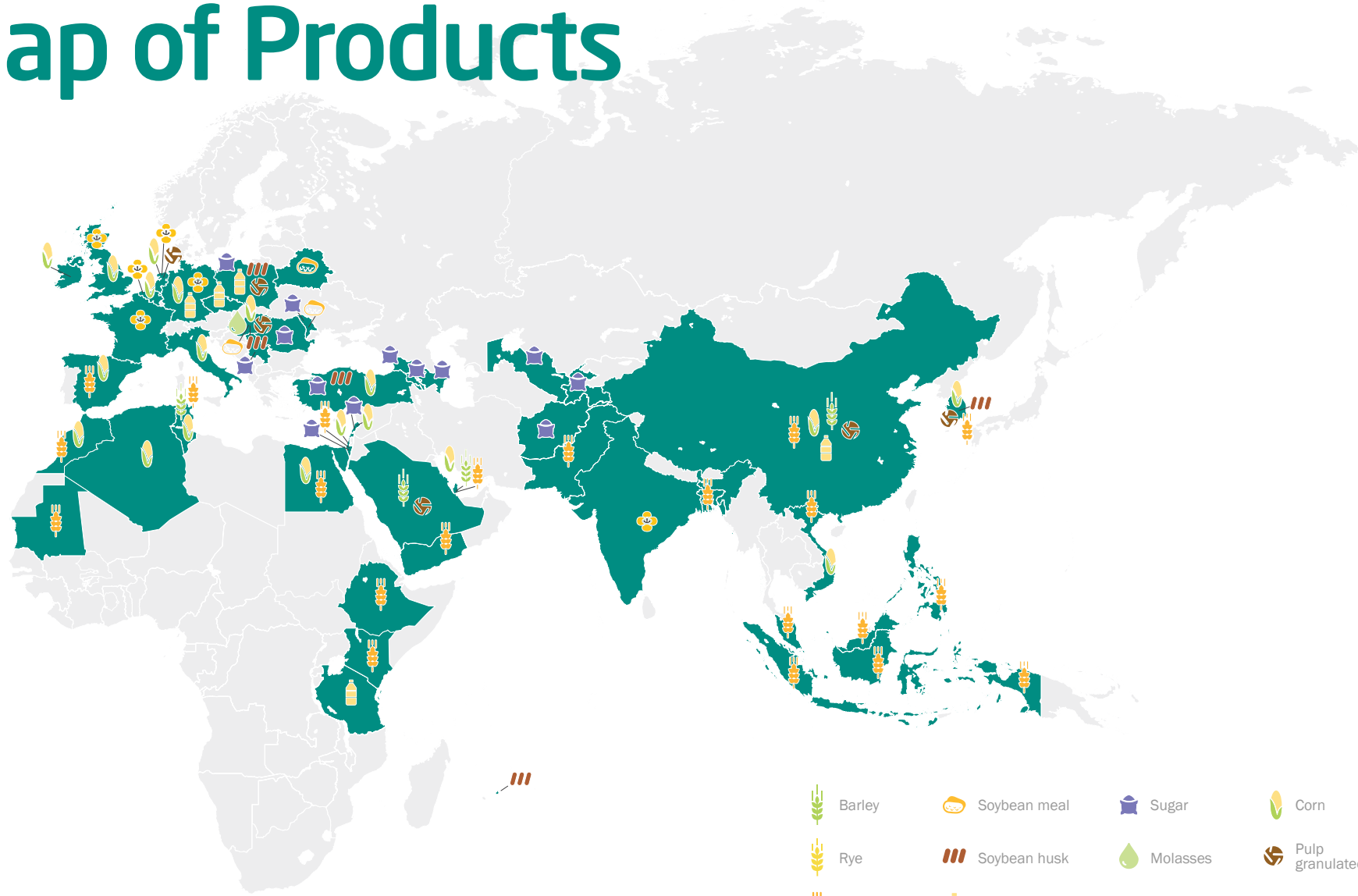


Note 1: Data as of the end of March 2021

Note 2: Hereinafter differences between totals and sums of the parts are possible due to rounding

GRI 102-4; 102-6

Map of Products



- Barley
- Rye
- Wheat
- Soybean meal
- Soybean husk
- Soybean oil
- Sugar
- Molasses
- Rapeseed
- Corn
- Pulp granulated

Engagement with Stakeholders

In 2020 ASTARTA continues disclosing comprehensive ESG data as a separate stand-alone Sustainability report for convenience of its stakeholders. The information is presented under the UN framework and GRI Standards: Core Option matching the Sustainable Development Goals and specific ESG achievements. Commitment to transparency and accountability remain the key basic principles for the preparation of the report. For better understanding of the Company's overall performance it is recommended to read it in conjunction with the Annual report 2020 published on the web-site of the Company (www.astartaholding.com).

The Company is engaging with stakeholders on a regular basis. ASTARTA has the Stakeholder Engagement Plan (the "SEP") and 19 SEPs for regional units. The documents specify stakeholder's engagement, depending on the operational profile.

The purpose of ASTARTA's SEP is to provide a framework for consultation and participation strategy which:

- Defines the applicable legal requirements concerning disclosure and consultation.
- Identifies stakeholder groups that could be affected or may have an interest in the Company's services.
- Ensures that such stakeholders are appropriately engaged through a process of information disclosure and meaningful consultation on issues that could potentially affect them.
- Maintains a constructive relationship with stakeholders on an ongoing basis through meaningful engagement.

- Provides a grievance mechanism to allow users and other stakeholders to register complaints, queries or comments that are addressed in a timely manner by the Company.
- Plans for stakeholder engagement which is free of manipulation, interference, coercions, and intimidation and is conducted based on timely, relevant, understandable, and accessible information in a culturally appropriate format.

The Company keeps track of stakeholders' attitudes and expectations and constantly improves communication with them. All stakeholders are eligible to register suggestions and complaints addressed to ASTARTA via a defined form.



GRI 102-46

Organisational and Content Related Reporting Boundaries

The information presented in this report includes data as of the end of fiscal year ending 31 December 2020 in comparison with 2019 and is applied to ASTARTA Holding N.V. with its subsidiaries and associates. ASTARTA evaluated the importance and applicability of key sustainability issues to its business and focused on those aspects that are material to the organisation and its key stakeholders, namely, issues that could result in significant economic, social, or environmental impact, or those that significantly concern stakeholders' perceptions and decisions. Lower priority issues are subject to monitoring and review.

GRI 102-40, 102-42

Identifying and Selecting Stakeholders

The Company defines the following group of stakeholders based on the business model of ASTARTA: shareholders and investors, employees, creditors, consumers, local communities, suppliers, media, local farmers, authorities, landowners and clients. The Company engages with all of stakeholders and consider all of them to be essential part of its business.



GRI 102-42

Approach to Stakeholder Engagement



Shareholders/Investors

The Company is committed to maintaining an open dialogue with shareholders and investors and have an engagement with them throughout the year. Feedback from the investment community is reported to the Directors regularly.

Form of engagement: Annual and interim reports, press releases, meetings, presentations, corporate website, participation in conferences, publications in media and social networks, official correspondence.



Employees

Every employee of the Company contributes to its success. Wide ranging channels of internal communication are used to keep an open dialogue with this group of stakeholders.

Form of engagement: Meetings, thematic seminars, corporate events, corporate publications, questionnaires, collective agreements, corporate ethics code, training sessions, consultations, the Company's "hotline", social networks, official correspondence. The Company launched an enterprise information portal (EIP) as a single information medium for all employees. Also, Viber and Telegram channels were activated to regularly inform employees about the Company's events.



Creditors

The Company commits to provide transparency on its performance to secure stable long-term business relationships with international development financial institutions (including IFC, EBRD, EIB) and local banks.

Form of engagement: Annual and interim reports, meetings, presentations, corporate website, participation in conferences, publications in media and social networks, official correspondence.

GRI 102-42

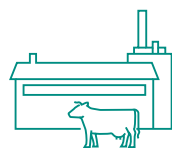
Approach to Stakeholder Engagement



Consumers/Clients

The Company serves a wide range of customers locally and globally and strives to maintain stable relationships with them.

Form of engagement: Corporate website, questionnaires, presentations, annual and interim reports, consultations, negotiations, interviews, corporate website, social networks, the Company's "hotline", official correspondence.



Local Communities/Landowners

ASTARTA has a remarkable history of community involvement because of open and transparent communication with local communities and landowners, it is one of the key priorities of the Company's development.

Form of engagement: Conferences, round tables, social and charitable programmes, publications in media, printed materials (posters, booklets), corporate website, regular meetings with local communities. In 2020, a Viber-channel was launched, which informs landowners and members of the local communities about the Company's events.



Suppliers

ASTARTA builds relationships with suppliers to better understand the markets where it is present. The procurement team engages with the suppliers on a regular basis.

Form of engagement: Corporate website, questionnaires, presentations, annual and periodical reports, consultations, negotiations, interviews, corporate website, social networks, the Company's "hotline", official correspondence.

GRI 102-42

Approach to Stakeholder Engagement



Media

ASTARTA engages in a continual dialogue with media in a number of ways from face-to-face interactions to the social media application and is committed to maintain an open dialogue with them.

Form of engagement: Annual and periodical reports, meetings, presentations, corporate website, participation in conferences, publications in media and social networks, official correspondence.



Authorities

ASTARTA interacts with a wide range of authorities both on national and regional level as they have an impact on how the Company does business. It is also a member of major associations in the key markets.

Form of engagement: Consultations and meetings, seminars, official correspondence, joint projects on local infrastructure development, official correspondence.



Local farmers

ASTARTA promotes cooperation with farmers creating more value-added opportunities for both sides (between a farmer and a processor). In 2020 the Company established the Centre for Partnership (CFP) to offer comprehensive co-operation through a “single window” concept. The CFP united all supply and procurement services and products offered to local farmers for their business needs. Our experience, size, scale of production and storage facilities allow us to make attractive offers to our partners.

Form of engagement: Conferences, round tables, social and charitable programmes, publications in media, printed materials (posters, booklets), corporate website, regular meetings with local farmers.



GRI 102-44, 102-47

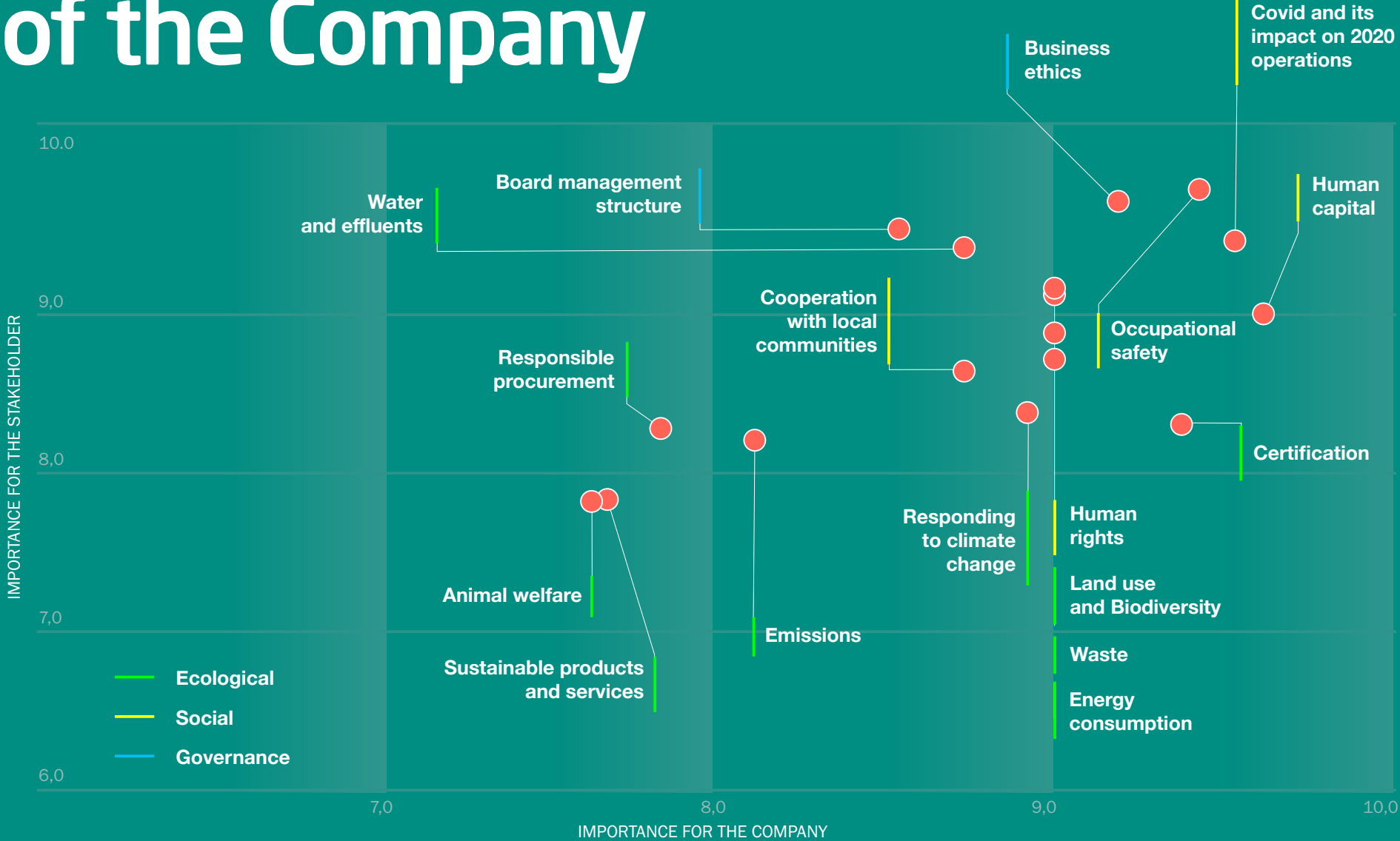
Key Topics and Concerns Raised

Throughout the year in-depth interviews were conducted with key executives from each business segment with the respective group of stakeholders to compile a list of material topics. Management board anonymously conducts ranking of these topics on a scale of 1-10, where 10 was scored as the most important issue, and 0 — a question of minimal importance. Based on ranking, the materiality matrix was prepared, pointing out the aspects that ASTARTA and its stakeholders consider to be material for the business activity of the Company.

In 2020 the Company reviewed the list of the material topics and grouped the questions according to the respective ESG direction. As a result, the following topics were evaluated for further assessment of their materiality:

- Ecological – energy consumption, waste, water and effluents, certification, responding to climate change, greenhouse gas emissions, animal welfare, land use and biodiversity, responsible procurement, sustainable products and services;
- Social – Cooperation with local communities, human capital, human rights, occupational safety, COVID and its impact on 2020's operations;
- Governance – Board management structure, business ethics.

Matrix of Material Topics of the Company



ASTARTA's Contribution to the UN Sustainable Goals

Since 2008 ASTARTA has been a participant of the UN Global Compact initiative. An integral part of the business is to uphold 10 principles of the UN Global Compact on Human Rights, Labour Relations, the Environment and the fight against corruption. ASTARTA adopts and shares the UN's 2030 Agenda for Sustainable Development with 17 goals and contributes to its achievement.

In 2020, Ukraine presented for the first time the National Voluntary Review of Progress in Achieving the Sustainable Development Goals. Part of this document is a review of the country's business progress in achieving the Sustainable Development Goals, prepared by the UN Global Compact in Ukraine.

The results of the First Voluntary National Review of SDG in Ukraine were evaluated in 2020. Part of this document is a review of the country's business progress in achieving the SDG, prepared by the UN Global Compact in Ukraine. ASTARTA's case is included in this document as one of the best examples in Ukraine.

<https://vnr.globalcompact.org.ua/en/>

Having reviewed the production processes across all business segments and community support programmes, the Company outlines its progress toward achieving sustainable development goals for the reporting period.





POVERTY ERADICATION EVERYWHERE

ASTARTA is a large taxpayer in Ukraine, especially in rural areas where, as a rule, taxes paid by the Company are the only source for local budgets. In 2020 ASTARTA paid EUR47m of taxes of all types, including taxes paid to local budgets - EUR28m.

ASTARTA pays its employees decent wages and provide social guarantees that support people and their families.

It also supports low-income families and poor people in local communities. In 2020 590 people received grants to address difficult life circumstances and obtain the necessary food, medicines and medical treatment.

As part of the COVID-19 programme and community support project, 3,000 lonely seniors received free food product packages.



ZERO HUNGER, SUSTAINABLE FOOD SAFETY, IMPROVEMENT OF SUPPLY AND PROMOTION OF SUSTAINABLE AGRICULTURAL DEVELOPMENT

As an agricultural company, ASTARTA contributes to UN sustainable goal #2. The Company introduces new digital solutions, through the subsidiary AgriChain, which is a proprietary integrated multi-module IT solution for agribusiness management. AgriChain products are not only used by the Company itself, they are also available for other agro-producers of Ukraine, introducing differentiated approach to agriculture, based on the principles of maximum efficiency and sustainability.

By increasing its productivity, ASTARTA strives to maintain a balance between the agricultural production and its impact on the environment.

In 2020 one of ASTARTA's agricultural subsidiaries obtained the status of a certified producer of organic crops. It took three years of inspections under the Ukrainian Organic Standards to confirm this status.

ASTARTA supports an eco-system approach in doing business by creating a mutually beneficial partnership environment. In 2020 ASTARTA established the Partnership Centre, which unites all services and commercial programmes that the Company can offer to other farmers to foster sustainable cooperation.

ASTARTA also provides food for children from low-income families in rural communities, in 2020 1,503 people received support from the Company.



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

In 2020 health issue was of the utmost importance due to the COVID-19 pandemic. ASTARTA initiated considerable support programme for medical institutions in the regions of its business presence and allocated UAH27.4m (EUR0.9m) for purchases of medical equipment, namely: 35 lung ventilators, 5 oxygen concentrators, 10 oxygen cylinders, 1 defibrillator, 900 oxygen masks, 50 pulseoxymetry devices, 2 patient monitors, 45,000 medical masks, 2,300l of disinfectants, 2,700 protective suits, 1,050 medical gowns, 1,000 testing systems, 2 laboratory devices, 25,000 medical caps, 90 infrared thermometers, 25,000 medical gloves.

Overall, the Company provided support to:

- 36 community hospitals – key hospitals, that were the first to receive patients with COVID-19
- 7 hospitals in Kyiv
- 222 medical institutions.

ASTARTA also contributes to promote healthy lifestyle in the local communities where it operates. In 2020 there were:

- 11 healthcare projects completed
- 5 teams and 135 participants received support to prepare for various tournaments
- 3 sports grounds were built
- 3 sport competitions were supported

Employees of the Company receive social support packages, in accordance with the legislation of Ukraine and corporate programmes, including covering cost of medical treatments, wellness programme, rehabilitation in specialised health centres, programmes of rehabilitation for children in summer recreation camps.

4 QUALITY EDUCATION



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

ASTARTA pays a lot of attention to professional development of its employees and implements different projects to help unlock and realise their potential.

In 2020 4,791 employees were trained (4,489 employees in 2019) representing 74% of the average annual number of employees. Total spend for trainings amounted to UAH12.5m (EUR0.4m) in 2017-2020.

ASTARTA also continued support to ongoing projects switching to online teaching during the pandemic. A new methodology for effective online education in partnership with the Ukrainian Agrarian Lyceum in the town of Uman was developed.

In 2020:

- Educational and other essential supplies to 68 schools and 29 children nurseries
- 7,254 children participated in extra curriculum educational projects, including “IT education in rural areas”, “Uprise!”, “RID: Develop, integrate, act”, “My Future in Agro”, “Environmental education”
- 6 webinars were held on remote working with students and students’ adaptation, tools for keeping children’s attention. Supported by ASTARTA 169 teachers improved their skills in conducting online training and webinars.

5 GENDER EQUALITY



ACHIEVE GENDER EQUALITY

The Company promotes equal opportunities policy for men and women.

Female personnel accounted for 36% of the Company’s total employees or 1,816 people as of the year end of 2020.

6 CLEAN WATER AND SANITATION



ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

The Company adheres to relevant production standards to ensure sustainable consumption of water resources supported by water recycling and modernisation of relevant equipment.

Quality of drinking water is a particular important issue in the rural areas. ASTARTA pays a lot of attention to drinking water supply and helps local communities to ensure access to it.

In 2020 14 water pipelines and wells have been installed in rural areas in cooperation with local communities.

14 LIFE BELOW WATER



7 AFFORDABLE AND CLEAN ENERGY



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

The production subsidiaries of the Company are running their daily activities based on energy efficiency programmes. Three sugar plants and the soybean processing plant received international certificates for energy management.

In 2020 ASTARTA was awarded for leadership in the energy management according to the results of “Energy Management Leadership Awards” by Clean Energy Ministerial – a global forum which brings together representatives of Ministries of Energy from different countries, European Commission and UNIDO

Along with traditional lines of business, ASTARTA develops a bioenergy segment as a source of renewable energy. In 2020 the Company produced 4m m³ of biogas at its Bioenergy complex in the Poltava region.

8 DECENT WORK AND ECONOMIC GROWTH



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

People are our greatest value. The Company cares about the well-being of its employees, creates favourable working conditions, provides social guarantees and pays decent wages.

For more information please read the Human Capital section of this report.

9 INDUSTRY, INNOVATION, AND INFRA-STRUCTURE



BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

The Company uses modern and innovative tools in its business activities. AgriChain, a subsidiary of the Company, is developing a unified information system for agribusiness management.

The Company supports the infrastructure projects in the regions of its presence. In 2020, 25km of roads inside villages and 88.5 km of public roads were repaired, 8 streets within local communities were lit.

10 REDUCED INEQUALITIES



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

ASTARTA is guided by a policy that provides equal access and broad opportunities for development to each of its employees, regardless of gender, age, religion, ethnicity, etc. The Company applies a uniform system of remuneration across its operations. ASTARTA also employs 425 people with disabilities who enjoy equal opportunities and decent working conditions.

11 SUSTAINABLE CITIES AND COMMUNITIES



MAKE CITIES INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

Through social partnership programmes, ASTARTA supports the development of cities and communities where it runs business. In 2020 the Company directed UAH49.3m (EUR1.6m) to relevant programmes.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

One of the priorities of the Company is rational consumption of natural resources.

ASTARTA actively engages its employees in promoting rational consumption of natural resources. In 2020 the next stage of the in-house operational efficiency programme (Lean philosophy based).

All Company's divisions and the Head Office joined the "Factory of Ideas" programme. This management system collects, reviews and implements employee initiatives to improve the Company's operations.

In 2020 ASTARTA's employees submitted 814 ideas for improvement, 12% of which had the economic effect estimated as UAH7.5m (EUR0.2m). Moreover, five process improvement projects were implemented in 2020 using Six Sigma methodology. The project resulted in UAH6.9m (EUR0.2m) savings mainly due to improvements in sugar production operations.

We also support projects in local communities aimed at sustainable resource consumption and energy efficiency, such as "Clean Environment" in the Vinnytsya region and "Waste Recycling" in the Poltava region. Communities are encouraged to sort household waste for recycling.



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

By implementing energy-efficient technologies, the Company aims to reduce atmospheric emissions.

In 2020 the Company developed and implemented a Policy on Climate Change, Greenhouse Gases and Energy Efficiency. The policy defines the main goals, objectives, principles of ASTARTA's actions aimed at reducing the negative impact of climate change by introducing the best available energy efficiency technologies and equipment.

Please see the Emissions and Acting on Climate Change section of the report for more details.



PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS, MANAGE FORESTS SUSTAINABLY, COMBAT DESERTIFICATION, AND HALT AND REVERSE LAND DEGRADATION AND HALT BIODIVERSITY LOSS

Adhering to the principles of sustainable development, ASTARTA cares about protecting natural ecosystems and biodiversity.

The Company does not have production units located in nature reserves, protected areas, areas with a high level of biodiversity, etc. At the same time, we understand the possible migration of species in ecosystems. The Company has developed a corporate biodiversity standard to manage all risks related to the diversity of ecosystems, identified key principles and approaches to sustainable consumption of natural resources. In 2020 during the annual environmental monitoring, ASTARTA undertook a biodiversity risk assessment of its operational facilities. The Company also introduced a Forest Protection Policy to ensure that its activities do not contribute to deforestation due to expansion of agricultural land or production activities.

Please see the Land Use and Biodiversity sections of the report for more details.

Each year ASTARTA conducts environmental events.

In May 2020 ASTARTA, together with the public organisation International Environmental Security, implemented an online project "Eco-education in communities". The programme was aimed at involving the younger generation in solving problems of environmental safety.

16 PEACE AND
JUSTICE
STRONG
INSTITUTIONS



PROMOTE PEACEFUL AND INCLUSIVE SOCIETIES FOR SUSTAINABLE DEVELOPMENT, PROVIDE ACCESS TO JUSTICE FOR ALL AND BUILD EFFECTIVE, ACCOUNTABLE AND INCLUSIVE INSTITUTIONS AT ALL LEVELS

Honesty, openness and accountability are indispensable elements of ASTARTA's corporate culture. The Company has adopted a Code of Corporate Ethics and the Anti-Corruption Policy. For the Company, the manifestations of corruption at any level are unacceptable. ASTARTA extends the same values to its supply chain. The mechanism for submitting proposals and complaints is open and accessible.

Please see the Business Ethics and Control section of the report for more details.

17 PARTNERSHIPS
FOR THE
GOALS



STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALIZE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

ASTARTA continues cooperation on sustainable development with many organisations and associations, including the UN Global Compact. It fosters partnerships in the field of sustainable development with 365 communities in Ukraine, other businesses and government organisations. The Company builds its business model on the principle of an open ecosystem, translating the principles of sustainable development to all partners.

ENVIRONMENTAL



GRI 302-1
Energy Consumption



GRI 306-2
Effluents and Wastes



GRI 306-1
Water Discharge



GRI 103
Certification



GRI 103
Responding to Climate Change & Carbon Footprint



GRI 103
Biodiversity

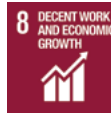


GRI 103
Animal welfare

SOCIAL AND INCLUSION



GRI 413-1
Cooperation with local communities



GRI 401-1. GRI 405-2
Personnel



GRI 103
Training and Education



GRI 103
Human Rights Assessment



GRI 403-2
Occupational Safety



GRI 103
Responsible procurement

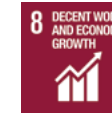


GRI 103
Other topics

GOVERNANCE



GRI 103
Board management structure



GRI 103
Shareholders and share price performance



GRI 103
Whistleblowing



GRI 103
Anti-corruption



GRI 103
Contractor management



GRI 103
Risk and compliance committee. Risk factors



GRI 103
Key challenges and outlook

Financial and Operational Performance

Financial Performance

	2018	2019	2020
PROFITABILITY			
REVENUE, EURm	372	448	416
EBITDA, EURm	68	78	113
EBITDA MARGIN, %	18%	17%	27%
NET PROFIT, EURm	(18)	2	9
NET PROFIT MARGIN, %	neg	0.4%	2.1%
ROE, %	neg	0.4%	2.6%
INVESTMENT VALUATION			
MARKET CAPITALISATION, EURm	134	94	143
ENTERPRISE VALUE (EV), EURm	458	370	272
EV / EBITDA, x	6.7	4.7	2.4
DEBT			
NET DEBT, EURm, incl:	324	276	129
<i>Lease liabilities</i>	104	139	98
NET DEBT/EBITDA, x	4.8	3.5	1.1

Operational Performance

PRODUCTION, kt	2018	2019	2020
GRAINS AND OILSEEDS	1 065	1 014	811
SUGAR	352	302	226
SOYBEAN MEAL	158	169	152
SOYBEAN OIL	40	44	40
MILK	103	96	93

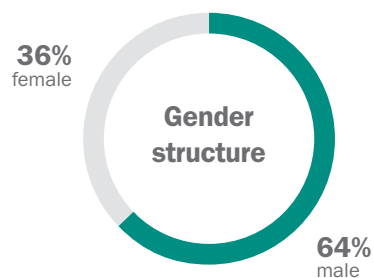
ASTARTA's Impact in 2020

Personnel

 **5 027**
people employed

 **4 791**
employees trained

FIFR* - **0.1**
LTIFR** - **0.2**



* Fatal Injury Frequency Rate

** Lost Time Injury Frequency Rate

Social

 **5**
social online projects
in rural area


 **7 254**
children participated
in educational projects


 **25km**
of roads across villages
repaired


 **258**
medical institutions received
support

 **EUR1.6m**
Social budget

Environment

 **3,237k GJ**
Energy consumption
(down by 12% y-o-y)

 **20kWh/h**
Consumption of electricity
in sugar production
(down 19% y-o-y)

 **72kg/ha**
Consumption of diesel
in agriculture
(down by 3% y-o-y)

 **EUR1.3m**
Environmental Health
and Safety budget



Managing Environmental and Social Impact

The development of agriculture leads to environmental and social impact. In alignment with ASTARTA's policies, requirements of local legislation, and the commitment to international standards and best practices, the Company endeavours to minimise its negative impact and to maximize local benefits in close dialogue with stakeholders.

In 2020 ASTARTA adopted the Sustainability policy that determines key priorities in the sphere of sustainable development. To follow policy principles an ESG committee was established by the Board of Directors with the Company's CEO as a Chairman. The Company has also determined the main principles of climate action in Policy on climate change, GHGs emissions and energy efficiency.

In 2020 ASTARTA developed and implemented corporate standard "Sustainable procurement". This standard provides an advanced approach to management of contractors and suppliers based on ISO20400 and the EBRD procurement principles.

The Company developed the Biodiversity corporate standard to manage all risks that are relevant to preserving the variety of species the ecosystem and promote protection,

conservation, and sustainable use of biologically diverse ecosystems.

The Company also focuses on compliance with the principles of animal welfare. In 2020 ASTARTA adopted the Animal Welfare Policy which outlines the basic principles and goals set.

In 2020 ASTARTA introduced key performance indicators (KPI) for its management which cover water and energy efficiency, GHG emissions as well as labour safety.

Responding to climate change ASTARTA pursues reduction in energy resources usage and pays a lot of attention to energy management. In 2020 ASTARTA received the award for leadership in energy management according to the results of the international competition "Energy Management Leadership Awards".

In 2020 ASTARTA joined to the Association of sustainable development experts (ASDE). The purpose of the Association is to establish long-term and mutually beneficial cooperation, exchange information, opinions and experiences, generate ideas, preview projects that can be implemented in business, discuss business decisions and their impact on sustainable development, achieve Global Goals,

study best practices of sustainable development in experience of other companies, discuss participation in joint commercial projects and programmes, involvement of state and commercial institutions in the implementation of projects and technologies in priority ESG areas at national and international levels.



In 2020 ASTARTA was rated by Sustainalytics, a global leader in environmental, social and governance (ESG) research and ratings. The rating agency conducted a fundamental assessment of ASTARTA's performance in the ESG area. According to the results of the assessment, the ESG risk rating score constituted 32.6 which corresponds to the 3rd position among 89 companies, ranked by the agency in the agriculture subindustry.

In 2020 UAH39m (EUR1.3m) invested in the environmental protection, occupational health and safety and certification.

Energy Consumption

Waste

Water and Effluents

Emissions and Acting on Climate Change


Animal Welfare

Land Use and Biodiversity

Certification and Sustainable Products and Services

ENVIRONMENTAL





Agriculture, as a food producing branch, on one hand plays a key role in provision of daily rations for people, and on the other puts significant pressure on natural resources and the environment. Thus, as a big agro-industrial Company, ASTARTA pursues sustainable agricultural practices aimed at preserving water resources, emissions reduction, waste management and conservation of biodiversity.

GRI - 302-1, 302-3

Energy Consumption

Management of ASTARTA is convinced that the sustainable approach to natural resources has more dimensions than just an economic one. It also applies to social and ecological impact on personnel and communities in the areas of operations.

The Company's policy is based on continuous improvement of its management of issues in the areas of environmental protection, labour protection and safety, energy consumption and safety of the products. These elements are part of the corporate integrated management system. The Energy Efficiency Programme was developed to improve energy use and reduce resource consumption at ASTARTA's production subsidiaries.

Processing of agricultural crops such as sugar beets and soybeans is an energy-intensive process with direct impact on environment. Management targets reduction of gas and electricity consumption as an important element of business sustainability. The Sugar segment is the biggest consumer of energy

among the Company's business segments. In 2020 the average natural gas consumption per tonne of sugar beets processed increased by 4% y-o-y to 23.5 m³. The growth of gas consumption came from a higher sugar content in sugar beets processed at key sugar plants implying higher energy intensive processing. At the same time, the total natural gas consumption decreased by 16% y-o-y to 44m m³ due to reduction in the number of sugar plants in operation.

Consumption of electricity per tonne of sugar beets processed reduced by 9% y-o-y to 20 kWt/h in 2020. Total electricity consumption by sugar mills declined by 18% y-o-y to 43m kWt/h amid reduction in the number of running sugar plants. Consumption of electricity in the Agricultural and Cattle Farming segments decreased by 19% y-o-y to 20m kWt/h reflecting cattle farms' optimisation. The reduction in soybean processing volumes lead to lower electricity consumption in the Soybean Processing segment by 13% y-o-y to 10m kWt/h.



In 2020 ASTARTA was awarded for leadership in the energy management according to the results of "Energy Management Leadership Awards" by Clean Energy Ministerial – a global forum which brings together representatives of Ministries of Energy from different countries, European Commission and UNIDO.

The Agriculture segment is the main consumer of diesel which is mainly used by agricultural machinery. In 2020 the consumption of diesel fuel totalled 72kg/ha of farmland (down by 3% y-o-y).

In 2020 the total energy consumption by the key business segments of the Company (as measured according to national technical standards) equalled 3,242k GJ (down by 11% y-o-y) of which 145k GJ (down by 17% y-o-y) was energy coming from renewable sources.



Environmental

GRI 306-2

Waste

The Company's subsidiaries generate mainly non-hazardous waste such as pulp, chuff, defecate, limestone screening, slaked lime and quicklime, coke screening, sugar rolls, manure etc.

The amount of hazardous waste is negligible and mainly includes fluorescent lamps, battery packs, used oils, residue from the use of pesticides and agricultural machinery etc. To dispose the hazardous waste, ASTARTA cooperates with companies that are reputable and licensed by relevant authorities to handle such waste. ASTARTA receives regular updates from the state authorities regarding the list of licensees.

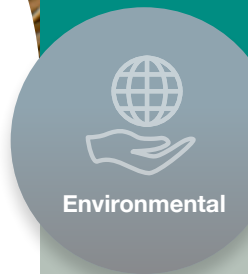
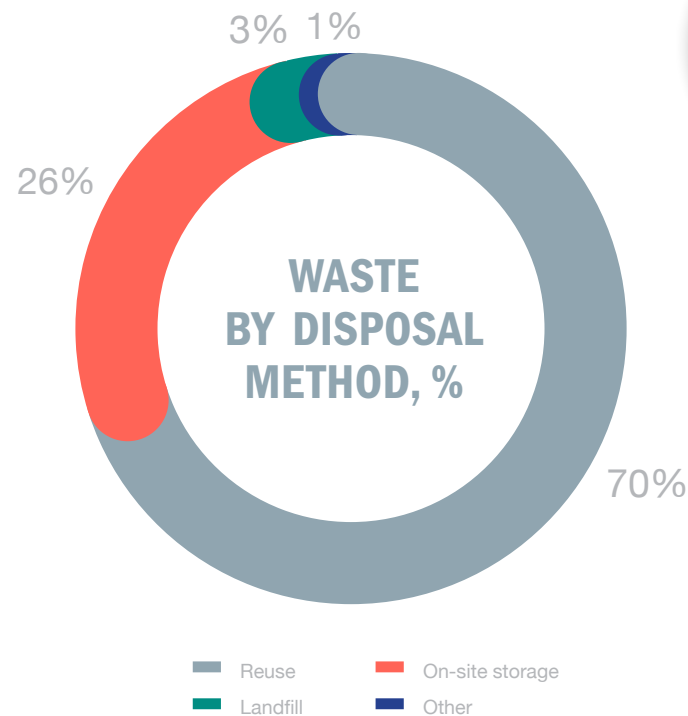
Sugar beets processing generates by-products such as sugar beet pulp and molasses. Molasses is sold as is, while sugar beet pulp is partially turned into a valuable product and sold, and partially is utilised. Sugar plants are equipped with facilities for sugar beet pulp granulation. Granulated sugar beet is used as an animal feed and is mostly exported (90% in 2020). Remaining sugar beet pulp is either sold to local farmers or used internally in the Cattle Farming segment.

Waste in the Agricultural segment consists mainly of residue after harvesting of agricultural crops. Those are left in the fields to preserve the quality of soil as well as used in cattle farming as a bedding material for cows.

The key element of waste in the Cattle Farming is manure which is used as a fertilizer on the fields of the Company.

Soybean meal and oil are the key products in soybean crushing. The by-product of the crushing process is husk which is sold to third parties. Therefore, the volume of waste generated in this process is minor.

Total amount of waste, excluding by-products, generated by the Company constituted 677kt, down by 32% y-o-y due to lower output in all business segments in 2020.



GRI - 303-3, 303-4

Water and Effluents

Sugar beet processing requires significant amount of water which is used for sugar beets cleaning as well as for cooling at sugar plants' power stations. In 2020 water withdrawal by the Sugar segment constituted 1.4m³ (down by 24% y-o-y) while water discharge totalled 1.3m³ (down by 18% y-o-y).

Sugar plants have different categories of water used in the process of sugar beet processing. I-st category water is technical water from water reservoir, II-d category water is clean water used for cleaning sugar beets and their transportation along the conveyor belt. III-d category water is wastewater that contains sludge from the technological process. The latter category of water is not returned to the cycle and is discharged to the absorption fields which are located nearby the sugar plants and are designed for biologic treatment of wastewater.

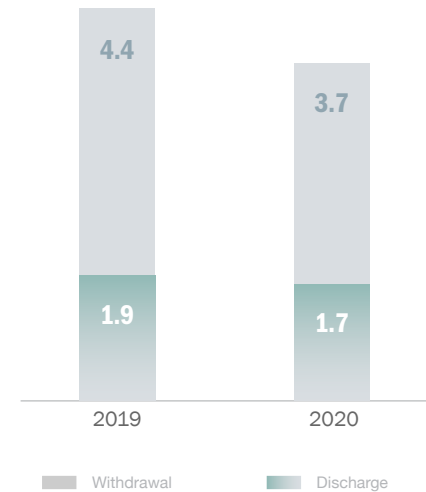
ASTARTA's agricultural and cattle farming operations withdraw water mainly for watering the animals and during the application of plants protecting agents. In 2020 water withdrawal by these two segments constituted 2.2m³ (down by 11% y-o-y) while water discharge totalled 0.4m³ (down by 18% y-o-y).

Water is withdrawn from wells according to limits and permits from local authorities. The discharged water is mainly wastewater that is collected in special reservoirs for further discharging and treatment by special organisations.

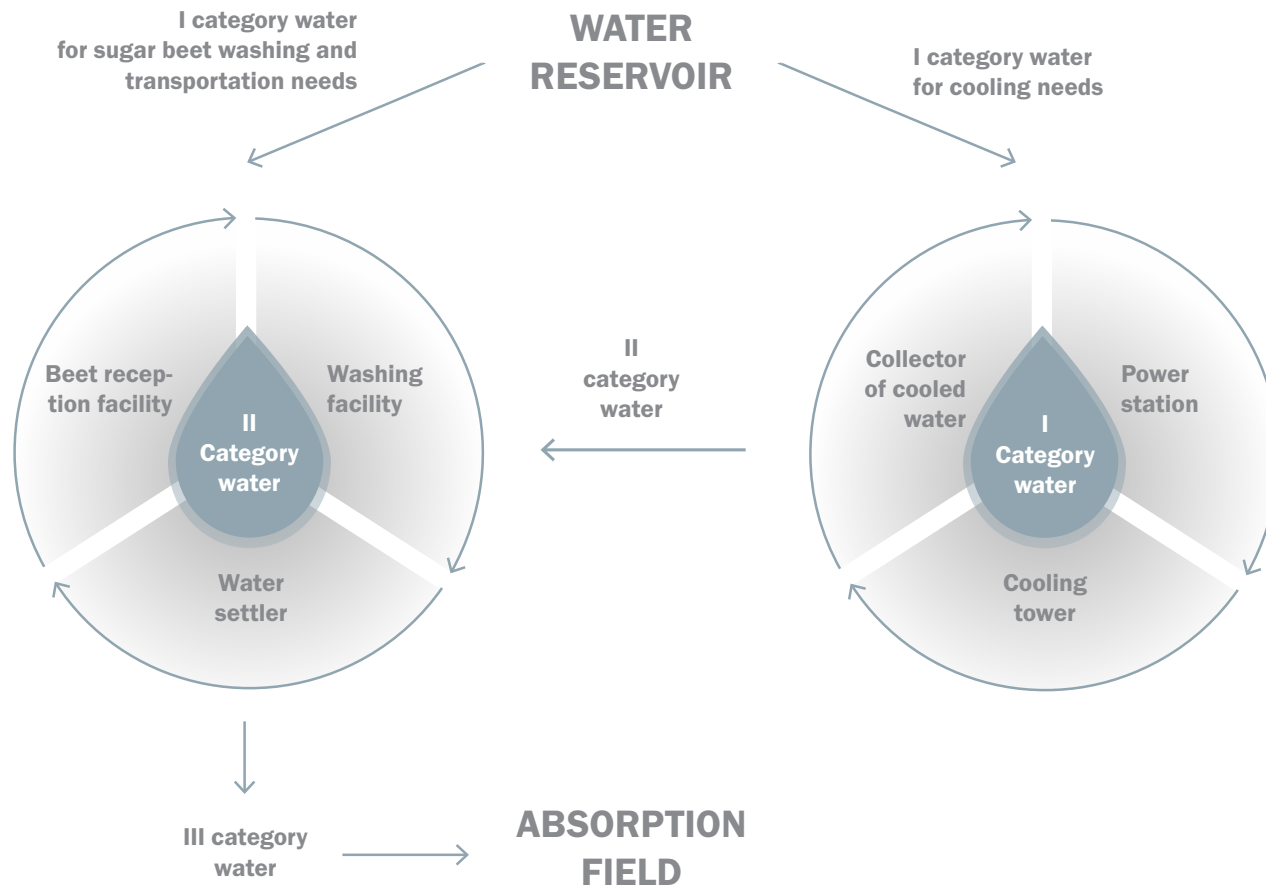
The Soybean segment withdraws relatively small amount of water from wells according to limits and permits from local authorities. Wastewater is discharged to the absorption fields which are located nearby and are designed for biologic treatment of wastewater. In 2020, the soybean processing operations withdrew 0.15m³ (up by 47% y-o-y) and discharged 0.05m³ (up by 34% y-o-y) of water.

To control the quality of wastewater that is discharged ASTARTA conducts its quality analysis on a quarterly basis.

Water withdrawal and discharge by key segments of the Company, m³



Sugar Plants Water Cycle and Discharge Scheme



Environmental

GRI - 305-1

Emissions and Acting on Climate Change

According to United Nations Emissions Gap Report during the decade since 2010 global greenhouse gas (GHG) emissions grew by 1.4% per year on average including land use change. In 2020 GHG emissions are estimated to decrease due to the COVID-19 crisis. At the same time this reduction is expected to be short run followed by a comeback in the amount of emissions in the coming years. It is vital for each country and business to contribute to the reduction of GHG emissions and, thereby, lower impact on the climate change.

Today global climate change leads to unpredictable and severe weather events which have enormous impact on business activities. In 2020 the extreme farming weather conditions, not seen in the Ukraine for decades, resulted in reduction of crops yields and in decline of grain production volumes.

ASTARTA's management understands the importance of taking actions against climate change and support sustainable approach. The Company has determined the main

principles of climate actions in the Policy on Climate change, GHGs emissions and Energy efficiency, such as:

- Compliance with national regulations and international standards (the IFC Performance Standards, EBRD Performance Requirements, the Montreal Protocol, the Paris agreement, the Global goals);
- Efficient use of resources and energy;
- Risk assessment and mitigation;
- Prohibition of usage of ozone-depleting substances.

In 2020 ASTARTA introduced a Corporate Standard on monitoring of GHG emissions generated by the Company. The Standard includes the methodology for calculation of GHG from stationary and mobile sources which is based on protocol calculation tools & Global Warming Potential values.

On January 1, 2021, the Law №377-IX on the Principles of monitoring, reporting and verification of greenhouse gas emissions came into force

in Ukraine according to the Directive 2003/87/EC. According to law, ASTARTA will report GHGs emissions generated by its sugar plants and the soybean processing plant. ASTARTA developed the corporate standard "GHGs monitoring and accounting" which determines the main principles of Scope 1 reporting. As agriculture generates three main types of gases that are dangerous to climate: nitrous oxide, methane and carbon dioxide, ASTARTA also committed to measure GHGs in its agricultural activities.

The biggest contributor of GHG emissions among ASTARTA's business segments is sugar production with 37% of the total, or 108kt in CO₂ equivalent, down by 22% y-o-y reflecting lower production volumes. In 2020 the Company started to calculate GHG emissions from livestock's enteric fermentation and manure storage in the Cattle farming. The segment's share in total 2020 GHG emissions was 37%, or 107kt in CO₂ equivalent. Share of the Agriculture segment (including silos) was 23% or 67kt in CO₂ equivalent, down by 35% y-o-y on back of lower production volumes. Soybean processing segment contribution was minor, compared to other segments, with 4% share in total GHG emissions or 11kt in CO₂ equivalent. In 2020 ASTARTA included emissions from use of biogas in total emissions generated by the Soybean processing segment.

Total GHG emissions generated by key segments of the Company constituted 293kt in CO₂ equivalent in 2020¹.



Environmental



Animal Welfare

ASTARTA seeks raising its standards and practices of animal welfare through investments and operational improvements. The Company improves animal keeping conditions by refurbishing premises, improving lighting and ventilation, usage of rubber mattresses for safe movement and comfortable rest of animals, etc.

An important contribution to improving animal welfare is the optimisation of animal feeding: procurement of high quality and nutritious feed, tailored diets, compliance with animal feeding technology and ensuring sufficient quantity and quality of feed and water.

One of the important aspects of maintaining animal welfare is the high quality and timely veterinary care, as well as the humane treatment of animals at all stages of their life.

In general, ASTARTA focuses on compliance with the principles of animal welfare stated in the Animal Welfare Policy adopted in 2020. The Policy refers to local and international laws and outlines the basic principles of animal welfare and the respective goals set by the Company.

In 2020 the Company introduced digital control of the animal feeding process. The ProFeed feeding system, aimed at comprehensive control and results analysis, has been introduced at eight cattle farms (out of 40). The system enables control over the mix of ingredients according to specified rations as well as timing of feeding.



Environmental



Land Use and Biodiversity

In 2020 ASTARTA expanded disclosure on biodiversity and included land use topic into this disclosure.

Agriculture has a direct impact on global climate change through deforestation and destruction of native vegetation for agricultural production leading to an increase of levels of carbon dioxide and other greenhouse gases. Sustainable land use can contribute to reducing the negative impact on climate change as land absorbs GHG from the atmosphere.

In 2020 ASTARTA introduced the Deforestation policy, recognising the vital role of forests in climate change mitigation, biodiversity protection and livelihood support. The Company doesn't clear land from forests to enlarge its land bank for agricultural operations. ASTARTA aims to use land in a sustainable manner which implies minimal impact on soil. Such sustainable cultivation allows preserving moisture in soil, protect soil from water and wind erosion as well as to reduce costs. At the same time transition from traditional cultivation to minimal

soil impact methods requires corresponding equipment and time for adaptation. The protection and conservation of biodiversity, the maintenance of ecosystem and the balanced management of live natural resources are fundamental to sustainable development. As part of its business activities, the Company is guided by the requirements set out in the Convention on Biological Diversity by the UN.

ASTARTA undertakes preventative and corrective measures not to deplete the ecosystem due to new projects and operational activities and performs relevant risk assessment annually.

ASTARTA does not have any production facilities located in nature reserves, protected areas, areas with high biodiversity rate or similar. At the same time, the Company is aware of species which live near its operations and neighbourhood areas. The Company developed a biodiversity corporate standard to manage risks that are relevant to ecoservices and natural resources, de-

termined key principles and approaches to sustainable natural resources consumption.

Ukrainian legislation provides for the need for environmental impact assessment (EIA) in the process of construction, reconstruction, or expansion of production assets. This procedure identifies risks and impacts on the environment and the social sphere. A mandatory component of the EIA is to hold public hearings.

In 2020 ASTARTA introduced biodiversity risk assessment for operational facilities as part of its annual environmental monitoring performance. According to the assessments results, there are no high-level risks for biodiversity from ASTARTA's activities.



Environmental



Certification and Sustainable Products and Services

The Company strives production in a sustainable manner. It uses modern technologies in agriculture that preserve the quality of soil and allows for high quality output.

ASTARTA also started organic farming. In 2020 the Company produced 3.5kt winter wheat, soybeans, buckwheat and other organic crops.

ASTARTA's key production assets are certified according to international standards. In 2011 ASTARTA introduced the Corporate Integrated Management System to achieve the best results and increase efficiency at each part of its business. The Corporate Integrated Management System covers quality, product safety, labour, environment protection, energy management and is based on international standards. The system enables ASTARTA applying common principles and approaches to ensure safety in its activities.

In 2020 ISO¹ 45001 was introduced at seven grain silos. Also, two grain silos were certified according to ISO 9001, ISO 14001, ISO 22000 (please see the table below for types of certification audits performed in 2020). The transition to the new version of FSSC² ver.5.0 was carried out at five sugar factories and at a soybean processing plant. The ISCC³ PLUS scheme ensures sustainable production of agricultural raw materials at the "Khmilnytske" LLC and the Zhdanivskiy Sugar Plant.

In 2020 List-Ruchky, one of ASTARTA's agricultural subsidiaries, obtained an organic producer status. The conversion process into organic farming took three years and resulted in the first harvest of 3.5kt of winter wheat, soybeans, buckwheat and other organic crops.

¹ International Organisation for Standardisation

² Food Safety System Certification

³ International Sustainability and Carbon Certification



Certification

AUDITS PERFORMED IN 2020

Audit type	Environmental management systems	Occupational Health and Safety Assessment Specification	Food safety management systems	Quality management system	Energy management systems	Sustainable Development	Organic	GMP+/ ISO 22000
Globinsky sugar plant	ISO 14001	ISO 45001	FSSC 22000	ISO 9001	ISO 50001			
Yareskiivsky sugar plant	ISO 14001	ISO 45001	FSSC 22000	ISO 9001	ISO 50001	ISCC Plus		
Narkevitskiy sugar plant	ISO 14001	ISO 45001	FSSC 22000/ISO 22000	ISO 9001				GMP+/ ISO 22000
Zhdanivsky sugar plant	ISO 14001	ISO 45001	FSSC 22000	ISO 9001		ISCC Plus		
Novoorzhytskiy sugar plant	ISO 14001	ISO 45001	FSSC 22000	ISO 9001	ISO 50001			
Globinskiy processing factory	ISO 14001	ISO 45001	FSSC 22000	ISO 9001	ISO 50001			GMP+/ ISO 22000
Khmilnytsky elevator	ISO 14001	ISO 45001	ISO 22000	ISO 9001				
Viytovetskiy elevator	ISO 14001	ISO 45001	ISO 22000	ISO 9001				
Lutovynivskiy elevator	ISO 14001	ISO 45001	ISO 22000	ISO 9001				
Skorohodivskiy elevator	ISO 14001	ISO 45001	ISO 22000	ISO 9001				
Yareskiivsky elevaor	ISO 14001	ISO 45001	ISO 22000	ISO 9001				
Krasylivskiy elevator	ISO 14001	ISO 45001	ISO 22000	ISO 9001				
Semenivskiy elevator	ISO 14001	ISO 45001	ISO 22000	ISO 9001				
Agricultural company "Dovzhenko"						ISCC Plus		
Agricultural company "Khmilnitske"						ISCC Plus		
Agricultural company "List-Ruchky"							Organic	



Environmental

Cooperation with Local Communities

Human Capital

Human Rights

Occupational Health and Safety

Managing COVID-19 Related Risks

Responsible Procurement

SOCIAL AND INCLUSION





Cooperation with Local Communities

ASTARTA has a remarkable history of community involvement because open and transparent communication with them is one of the Company's top priorities.

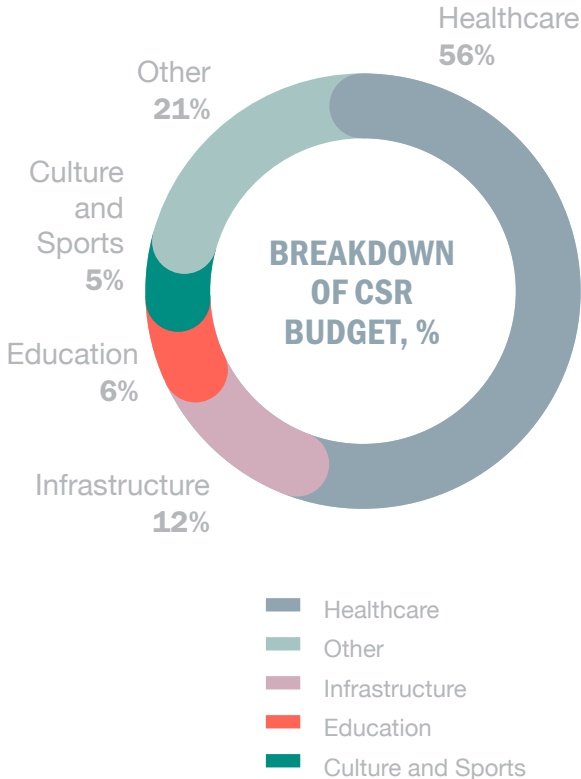
In 2020 ASTARTA's social responsibility focus moved to pandemic response and became one of its fundamental tasks. The Company invested UAH49.3m (EUR1.6m) in local community initiatives.

Having focused on fight against the Coronavirus, the Company also helped to equip schools and children nurseries according to new safety regulations before teaching at schools restarted. ASTARTA provided educational institutions with necessary equipment, PPE, sanitisers to ensure children study in safe environment.

Given COVID-19 restrictions, ASTARTA continued its social projects online. A new methodology for efficient remote education in partnership with the Ukrainian Agrarian Lyceum in the town of Uman was developed. By way of example, 169 teachers completed six webinars on distance learning, students' adaptation and attention-holding. These measures helped schools to adjust to online teaching.

ASTARTA also continued five ongoing social projects switching to an online format during the pandemic.

14 projects were financed and implemented





Uprise!

“Uprise!” project started in 2018 and is aimed at encouraging rural youth to engage in life of their communities using leadership skills, project thinking and experience of undertaking personal projects. The project is a result of joint efforts by ASTARTA, charity fund “Trust in Yourself” and the Ukrainian Academy

of Leadership (the UAL). In 2020 the project was held online with more than 160 participants – children, mentors, speakers, organisers and coordinators from seven regions of Ukraine.

Leadership workshop and project management for young people. Results over the three years:

- 2018**
 - 120** participants;
 - 21** concepts designed;
 - 11** projects selected and realised
- 2019**
 - 200** participants;
 - 45** concepts designed;
 - 18** projects selected and realised
- 2020**
 - 160** participants;
 - 41** concepts designed;
 - 14** projects selected and realised





My Future in Agro

School textbook and methodological recommendations;

25

Participation by 25 schools from 5 Ukrainian regions;

350

350 children took a course in "My Future in Agro";

25

Training of 25 teachers from the Ukrainian Agrarian Lyceum in the town of Uman;

19

19 children took part in a scientific project contest;

14

14 scientific works completed.

ASTARTA started the programme in 2018 to introduce students to modern agriculture and related professions.

In 2020 the project continued online. Children and teachers met online in groups to study theory and case studies. Students used the book "Agrosphere", sponsored by ASTARTA and published by the Ukrainian Agrarian Lyceum in the town of Uman. The scientific book project was also supported by the USAID programme "Agriculture - Growing Rural Opportunities" (AGRO). The participating schools have dedicated greenhouses, where students grow plants independently, explore the influence of the plant protective agents, perform experiments and write research. In November 2020, as part of "My Future in Agro" programme, a competition of scientific works was held, which showed that agriculture is an innovative subject for children's studies.

Four scientific works were awarded: they were recognised as the best for the relevance of the research topic and the depth of research.

3rd place - "How to grow the most fashionable microgreens of the season on a windowsill".

2nd place - "Comparative characteristics of morphological features of vegetable varieties of Ukrainian and foreign selection in the Left Bank forest-steppe area of Ukraine".

1st place - Two scientific works: "The feasibility of growing energy crops" and "Improving soil quality".

14 teams from nine schools presented their work to the expert jury. The works were assessed by specialists from the agricultural department of the Company.





In 2017 ASTARTA, in partnership with BrainBasket Foundation and Miratex company, initiated an ambitious educational project "IT Education in Rural Areas" to promote IT education to children and adults in rural areas.

The programme has become a unique opportunity for free learning by children and adults in rural areas. The adult course is designed for people over the age of 40 and is aimed at developing basic IT skills. The course for children is designed for students aged 9 to 15 years. It is based on visual programming language SCRATCH (developed by the Massachusetts Institute of Technology).

In 2020 the project continued online. There were 600 adults and 900 students who participated in the course. ASTARTA organised hackathons and thematic competitions for the participants to practice and create mobile applications, games, cartoons.

Works from 18 teams in nominations "Education", "Games", "SCRATCH Young Developers" and "ROBOTOTECH" were assessed by the jury and 12 teams were shortlisted in 2020.

"IT EDUCATION" – promotion of IT education in rural areas

3

schools in 7 regions took part in the project;

900

children received training in SCRATCH programming and ROBOTOTECH;

600

adults completed techno literacy course;

350

children took part in IT competitions;

40

IT projects developed.



Case Study

The team of Bilytska school (the Poltava region) with the help of Arduino hardware computing platform developed a prototype of an automated irrigation system, focusing on climate change and scarcity of moisture in soil. These young inventors became winners in the nomination "ROBOTOTECH". The team from Yuskovets School (the Ternopil region) won in the nomination "Education" for the development of an application that can predict yields and measure fields of irregular forms. Members of Balkovetskyi Study Centre (the Khmelnytsky region) team created a game "Farm 3", which teaches how to invest into and create a profitable farm. These coders won the "Games" nomination. And the youngest participants of the Hackathon - the team of Viitovets School (the Vinnitsa region) won in the nomination "Young developers of Scratch" with the project "Extra Class milk - what it should be like", focusing on the quality of milk.

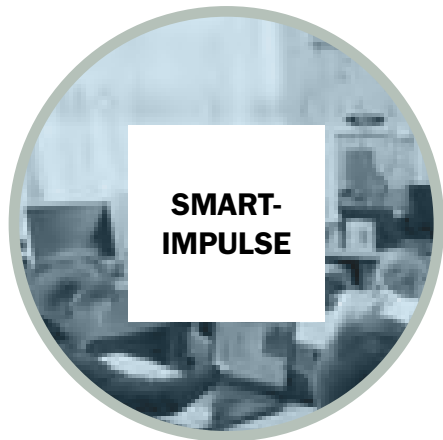


In May 2020 ASTARTA, together with the public organisation International Environmental Security, implemented an online project **“ECO-EDUCATION IN COMMUNITIES”**. The programme was aimed at engaging younger generation in solving problems of environmental safety. Experts conducted online webinars where they shared with young listeners information on environmental topics, organised various activities and quizzes. Participants of the project performed

homework, explored the possibility of reducing water and electricity usage, developed recommendations for sorting household waste. As a result, each participant created his own video-recommendation, calling to join sustainable consumption.

Results:

- 15 participants;
- 15 short films with recommendations calling to practice nature preserving consumption.



SMART-IMPULSE FOR THE COMMUNITY. The project was fostered in partnership with the Embassy of Switzerland and consulting firm Deloitte in Ukraine. The authorities of the Volochysk Community began transformation of their community in close cooperation with expert partners in the field of self-government, economic analysis and sustainable development.

In 2020 the Company invested UAH49.3m (EUR1.6m) in local community initiatives.









SMART-IMPULSE for the Community in Partnership with the Embassy of Switzerland

Complex diagnostics of the Volochysk Community;

Identification of problem and growth areas ;

Development and implementation of SMART-ideas.

CSR ACHIEVEMENTS 2020

FIELD	PROJECT DESCRIPTION
 HEALTHCARE	<p>258 medical institutions received support 11 healthcare projects completed</p>
 EDUCATION	<p>Educational and other essential supplies to 68 schools and 29 children nurseries 1,503 children were provided with a free transportation and meals 7,254 children participated in extra curriculum educational projects</p>
 CHARITY	<p>590 people received a non-refundable financial aid</p>
 INFRASTRUCTURE	<p>To ensure road safety, the Company repairs public roads (interregional and national) and roads inside villages through social investments and involvement of local communities.</p> <p>25km of roads inside villages repaired 88.5km of public roads repaired 8 streets were lit 14 water pipes/wells installed and repaired 76,005 people received support in the form of development and improvement of their personal land plots</p>
 CULTURE	<p>33 cultural buildings, 1 library and 8 monuments were repaired 295 participants of creative teams received support</p>
 SPORT	<p>5 teams and 135 participants received support to prepare for various tournaments 3 sports grounds were built 3 competitions were supported</p>

GRI 401-1, 401-3, 405, 108-2

Human Capital

The Company's relations with its employees are guided by corresponding legislation and internal policies such as the Human Rights Policy and the Social Policy.

The Social policy is aimed at creating motivation and favourable working conditions for the Company's employees. The Policy also defines social benefits to enable comfortable working condition and stimuluses, such as:

- financial incentives;
- additional holidays;
- partial compensation of cost of holiday trips for children of the employees;
- assistance in improving housing conditions.

There are also additional benefits related to covering costs of medical treatments for COVID-19 and a choice of medical insurance or wellness programme for the head office employees.

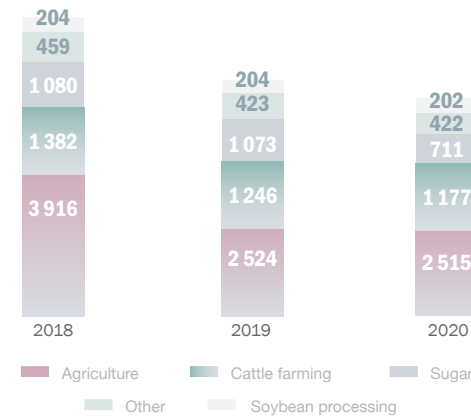
In 2020 ASTARTA was recognised as one of the best employers in Ukraine. According to Ukrainian business magazine "Focus"

ASTARTA was recognised as the best employer in the Ukrainian agricultural sector. The Company was highly rated for working conditions, preservation of jobs, students' involvement etc. Another business magazine "Delo" recognised ASTARTA among five best employers in Ukraine considering excellent reputation, social responsibility, personnel development.

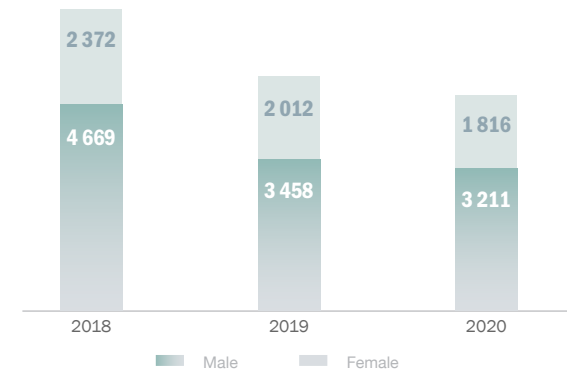
ASTARTA conducts its business nationwide, thus hiring people in different regions of Ukraine. As of the end of 2020, ASTARTA employed 5,027 employees, down by 8% y-o-y, due to optimisation of sugar assets and personnel. 99% of employees were part of the collective agreement.

The level of staff turnover cannot be measured precisely due to the specifics of the business – i.e. each business segment has different start and end dates, as well as different use of seasonal workforce.

NUMBER OF EMPLOYEES BY THE SEGMENT AS OF YE20



PERSONNEL GENDER STRUCTURE





EMPLOYEE INVOLVEMENT

814 ideas were introduced. The economic effect from implementation of new ideas was estimated as UAH7.5m (EUR0.2m) in 2020.

14% of the total employees or 710 people were up to 30 years old, 55% or 2,760 people were 30-50 years old and 31% or 1,557 were over 50 years old in 2020. The most labour-intensive segment was the Agricultural segment with 50% of the total employees or 2,515 people. Female personnel accounted for 36% of total employees or 1,816 people. The gender gap is due to the nature of agricultural operations. In 2020 85% or 4,250 employees were permanent workers compared to 83% or 4,566 employees in 2019. The ratio of the basic salary and remuneration of women to men improved and was almost equal in 2020.

ASTARTA respects the right of the employees to parental leave which is secured in corresponding legislation and internal policies of the Company. In 2020 202 employees were on parental leave, 199 of which were females. 59 employees (58 females)

discontinued parental leave, out of which 18 returned to work (17 females) and 41 resigned (41 females).

ASTARTA also actively involves its employees in promoting sustainable business practices. In 2020 the next stage of an in-house operational efficiency programme (the Lean philosophy based) was implemented with the following key achievements:

1) System for collecting of employees' ideas was spread Company-wide. The key goal of the system was to provide a clearly structured process for managing employees' initiatives on improvement of efficiency of business processes and safety of operations. As a result, 814 ideas were submitted. 267 ideas (32%) concerned improving working conditions, 140 ideas (17%) addressed safety issues, 132 ideas (16%) concerned labour productivity, 54 ideas (7%) were directed on energy efficiency etc.

Remuneration of employees for submission and implementation of ideas amounted to UAH0.7m (EUR0.02m) in 2020. Each ASTARTA's subsidiary has a dedicated employee managing the idea collection process as a project task.

2) Five process improvement projects were implemented in 2020 using the Six Sig-

ma methodology. The project resulted in UAH6.9m (EUR0.2m) savings mainly due to improvements in sugar production operations.

Training

ASTARTA pays a lot of attention to professional development of its employees and implements different projects to help unlock and realise their potential. To this end, the Company initiated "Mentoring" programme for team building, "Staff reserve" programme for employee retention, "Internal experts programme" to facilitate implementation of ideas etc.

In 2020 4,791 employees were trained (4,489 employees in 2019) representing 74% of the average annual number of employees (one employee can participate in several trainings). The trainings covered employees from all business segments. Top training areas were the following:

- professional training – 2,594 employees;
- development of personal and managerial competencies (including prevention of discrimination and human rights abuses) – 622 employees;

- labour protection and fire safety — 1,301 employees;
- product quality assurance — 217 employees;
- environmental protection — 57 employees.

Additionally, there were participants among the Company's employees who took part in other internal educational programmes and 13 webinars on in-house operational efficiency programme (the Lean philosophy based).

Annual weighted average number of training hours of per employee in 2020 was 12 hours, including: managers – 16 hours; specialists – 12 hours; workers – 25 hours. Total spending for trainings amounted to EUR0.1m in 2020, which is a 41% y-o-y reduction due to pandemic-related restrictions as considerable number of trainings was provided using internal resources.

Annual average number of training hours per employee by gender was: male – 19 hours, female – 13 hours.





Human Rights

ASTARTA is guided by its Human Rights Policy, which is based on best international practices defined in the Global Declaration of Human Rights and UN Global Compact. The policy is available and promoted at all production units of the Company via information boards and HR departments. The Code of Corporate Ethics also defines the basic principles of a Company's culture: openness, tolerance, respect for everyone.

In 2020 the Company's Human Right Policy was introduced to 4,258 employees, and 56 of its employees have undergone in-depth specialised training programme on protection of human rights and prevention of discrimination. Educational resources on the topic have also been distributed through the corporate knowledge base, including recommendations on preventing and counteraction of discrimination, links to video courses and training materials were published at the corporate resources. The training also addressed issues of gender equality, ethics, prevention of harassment and abuse. Testing was conducted at the end of training.

ASTARTA respects human rights and does not discriminate on political, religious, ethnical, gender, sexual or other grounds. The Company provide equal opportunities in employment, professional and personal growth to all employees.

ASTARTA respects the rights of employees to freedom of gathering and collective bargaining. The Company has collective agreements in place which support its policies and regulates relationships with its workforce. In 2020 100% of employees were unionised.

The Company guarantees safety at workplace. There is a Corporate Integrated Management System in place, the mandatory component of which is employee's health and occupational safety. All production facilities were assessed internally for occupational health and safety risks.

The Ukrainian law prohibits the use of child and forced labour. No person under the age of 18 works at the production units and there are no cases of forced labour at ASTARTA. The Company treats these issues as a matter of principle and strictly adheres to the rule of the law.

When making economic decisions, the Company always considers and assesses potential risks to human rights. Potential cases of human rights violations can be reported to local management team via dedicated hotline. The procedure for handling complaints and appeals is described in the Stakeholder Engagement Plan.

ASTARTA performs a regular internal audit to verify compliance with the Human Rights Policy. The internal audit confirmed that there were no violations of human rights at the Company's business units in 2020.

The policy is also shared by contractors and subcontractors who work with the Company. Monitoring of potential use of forced and child labour is also included into the Sustainable Development Questionnaire for suppliers, which is filled out by them and submitted as part of procurement tenders by ASTARTA.



GRI 401-1, 403-2, 403-5, 403-9

Occupational Health and Safety

ASTARTA takes care of employees' health and safety and is guided by respective legislation and internal standards on occupational safety.

The Company's occupational and health safety system is based on the Integrated Corporate Management system and a risk-oriented approach. All accrued incidents are registered within internal system for incidents monitoring to prevent personnel injury and fatal incidents in future and are investigated according to an internal Standard called "Incidents". In case of an incident responsible employees distribute information regarding incident to the employees indicating the reasons and actions taken. All measures in relation to avoidance of incidence are also discussed by management of the Company on a monthly basis. The internal procedures on occupational health and safety are revised annually to improve internal controls in the sphere of occupational and health safety.

Despite the strictness of the occupational safety procedures one fatal incident took place in the Agricultural segment in 2020.

There were also two non-fatal accidents in the Sugar segment with one light and one moderate consequence for the health of the employees. The management of the Company worked hard to investigate the circumstances leading to the accidents and how similar situations can be prevented in the future. No other accidents involving employees being injured happened during the reporting period.

To be proactive in preventing the risks of accidents and improve the safety of the employees the Company implements best practices including training and technical measures.

Considering that ASTARTA's business units are located in different regions of Ukraine the Company is required to provide transportation between its subsidiaries for the employees. Thus, the Company pays special attention to the traffic safety and keeps improving relevant internal procedures.

In 2020, the Company within the traffic safety undertook the following measures:

1. Establishment of the Road Safety Service of ASTARTA;
2. Introduction of the Road Traffic Safety Management Systems in accordance with international standards
3. Design of the Annual Communication Programme on road safety;
4. Introduction of dedicated data collection on road traffic accidents and performance indicators «Vehicle Collision Frequency Rate» (VCFR-D);
5. Distribution of special training materials on road traffic safety and provision of issue-related trainings to relevant employees;
6. Introduction of the system for risk assessment and incidents' analysis;
7. Conducting defensive driving training.

In 2020 1,301 employees were covered with labour protection and fire safety training. The training covered employees from all business segments.



Managing COVID-19 Related Risks

By the beginning of 2020, the COVID-19 pandemic reached every country globally and prompted introduction of measures aimed at containing further outbreak. Ukraine also implemented different measures to protect people and support businesses. The Government of Ukraine introduced quarantine measures on a country-wide basis regulating its strictness depending on the epidemiological situation. A host of economic and fiscal supporting stimulus were launched to overcome the consequences of the pandemic.

ASTARTA's operations had not been materially affected by the COVID-19 pandemic due to the outdoor nature of its agricultural operations and prompt management response aimed at mitigating the impact in line with the guidelines issued by the Government of Ukraine to guarantee the safety of its employees and to preserve continuity of business operations.





1. Personnel

- Intensive communication and education campaign on COVID-19 related risks to promote prevention among employees.
- Mandating working from home for office-based employees and providing them with all necessary remote working equipment.
- Active promotion of personal hygiene and distribution of cleaning and sanitising substances for use by employees and application to equipment and common areas.
- Extensive reporting and monitoring of absenteeism at the workplace due to illness or self-isolation.
- As a result, sick leave absences did not exceed usual seasonal levels.

2. Operations

- The Company replaced field equipment with machinery which allows for significant savings on human resources and maintenance at agricultural operations.
- In 2020 ASTARTA introduced enhanced monitoring of suppliers and off-takers and a more frequent review of counterparty limits.

3. Finances

- The Company kept close contact with its lending banks, with majority of them having financed its business for many years.
- Investments were limited to maintenance CAPEX only since 2019.

At the same time ASTARTA initiated considerable support programme for medical institutions in the regions of its business presence and allocated UAH27.4m (EUR0.9m) for purchase of medical equipment, namely: lung ventilators, oxygen concentrators, pulse oximeters, testing systems, patient monitors, defibrillators, etc.

Overall, the Company provided support to 36 hospitals and 222 medical and obstetric outlets in seven regions of Ukraine and kept a constant contact with the medical staff to monitor situation with coronavirus spread. The Company joined the Kyiv Volunteer Headquarters initiative and donated UAH1.0m (EUR0.03m) to provide doctors with personal protective equipment. In addition, 3,000 people from vulnerable groups in rural areas where the Company operates, received food packages. The Company's support extended not only to its employees but to land lease partners and their families.



GRI 308-1, 308-2, 414-1, 414-2

Responsible Procurement

ASTARTA pays significant attention to the entire processing chain of all the products it produces. In 2020 the Company introduced the Standard on sustainable procurement. This standard determines ESG evaluation process of suppliers at all stages. Part of the standard is the sustainable agreement as an addendum to the main contract with the supplier, as well as sustainability questionnaire, which the supplier is required to fill in. Also, the employees are required to give feedback about their experience with the suppliers. This information is collected, analysed and used by the procurement department to form a register of qualified suppliers.

The Company groups suppliers by the following criteria:

- Type of the supplier: state monopolists, related party, producers, and distributors, retail
- Geography: local, transregional, national and international.

Total number of engaged suppliers – 12,170, out of which 4,865 were recognised as a winning bidder (contractors).

Within the process of procurement, the Company goes through the following stages of contractor engagement:

- purchase object identification;
- purchase specification elaboration;
- purchase application;
- acceptance of the offer in the first round;
- review of the offer on conformity to specification;
- review of the offer in respect to non-price criteria;
- online tender.

In 2020 157 suppliers were assessed for ecological and social impact. Among assessed suppliers 37 were identified as having potential negative environmental and social impacts.



According to the Standard on sustainable procurement the Company conducts permanent monitoring of its suppliers in respect of the following issues:

Administrative Management	Constant improvement in procurement and supply of products and services, development of decision-making procedure on supplier relationship.
Human Rights	The selection process of suppliers includes due diligence on human rights. Contract termination with supplier if employees' discrimination is detected. Requiring suppliers to respect political, economic, social rights and freedoms as part of the contract.
Personnel Management	Requirement and verification of compliance with appropriate working conditions by the supplier, including ongoing performance audit by the Company as a customer. Monitoring of social protection granted by the supplier for its employees, the level of competence and training for employees.
Environment	Verification and enforcement of contractors with due diligence on environmental issues, conservation of natural resources, pursuit of activities considering the impact on climate change and prevention of these risks, prevention of negative impact on biodiversity and waste management.
Transparent Business Activities	Anti-corruption management both within the Company and in interactions with suppliers. The Company adheres to the principles of fair competition and requires this from its suppliers.
User Compatibility	The Company adheres to the principles of ethical marketing, the duty of honest contractual performance, providing truthful and complete information about products and compliance with these principles by suppliers. The Company focuses on suppliers who provide customer support, guarantee consumer rights protection and product safety. The Company records all complaints and resolves disputes as per contractual arrangements with suppliers
Compatibility with Local Communities	The Company pursues active policy in local community engagement, involving them in educational, scientific development and other social programmes.
Contribution to Cascading of Taxes	By extending principles of sustainable procurement to suppliers the Company achieves a positive cascading effect within its supply chain through cooperation with socially responsible suppliers of products and services.

Board Management Structure

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GOVERNANCE



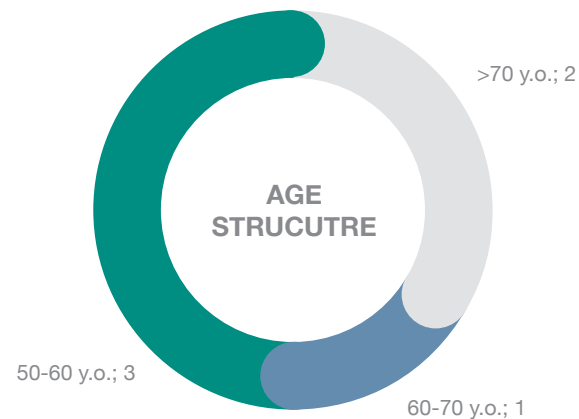
Board Management Structure

The Board of Directors of the Company consists of six members: two Executive Directors A, one Executive Director B, and three Non-Executive Directors C.

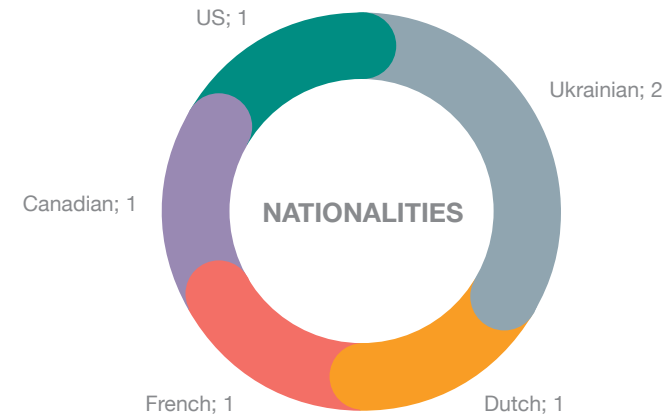
Directors A and Director B perform management duties and they are responsible for operational activity of the Company when the Non-Executive Directors have the supervisory obligations and shall bring specific expertise on activity of Executive Directors. Besides that two Non-Executive Directors – Mr. Dahl and Mr. Mettetal, are independent from the Company, shareholders of the Company and the other Directors. One of the Executive Directors – Mr. Van Campen – is also independent.

The Board of Directors is assisted by the corporate secretary responsible for ensuring that accurate and sufficient documentation exists to meet legal requirements.

COMPOSITION OF THE BOARD OF DIRECTORS



In accordance with Act on Management and Supervision large companies are required to have balanced composition on their boards. The act indicates that a management board, supervisory board or, in a one-tier board, board of directors are deemed to have a balanced gender distribution. ASTARTA has a one-tier board consisting only of men. Effective corporate governance is very much dependent on the skills and experience



of members of the Board, Executive and Non-Executive Directors as members of the Board of ASTARTA are selected only based on qualifications, abilities (including reputation and integrity) but not gender. If the Company has a vacancy at the Board of Directors, it will take into account the requirement in respect of gender balance and try to engage women to join the Board of Directors.



Governance

Profile of the Directors of the Board

VIKTOR IVANCHYK

(born in 1956)

Executive Director A, Chief Executive Officer, Ukrainian national

Mr. Viktor Ivanchyk serves as an Executive Director A with the Company and as the Chief Executive Officer since the Company's incorporation.

Prior to founding Astarta-Kyiv in 1993, he worked for the Kyiv Aviation Industrial Association (KiAPO) and then served at the State service. In 1993 he founded Astarta-Kyiv, which he has been the General Director of since then.

In 2005 he became a Deputy Chairman of the Counsel of the National Association of

Sugar Producers of Ukraine "Ukrsugar" and, in 2007, a member of the Presidium of Ukrainian Agrarian Confederation.

He graduated from the Kharkiv Aviation Institute named after N. E. Zhukovsky (1979) and from the French Business School in Toulouse (1994). In 2007 he completed a Senior Executive MBA Programme from the International Management Institute (IMI Kyiv).

Shares owned in the Company (as of 31 December 2020): 9,893,398 shares in the Company held through a Cypriot holding company named Albacon Ventures Ltd.



Governance

Profile of the Directors of the Board

HOWARD DAHL

(born in 1949)

Non-Executive Director C, Chairman of the Board of Directors, US citizen

Mr. Howard Dahl was appointed as a Non-Executive Director C with the Company and the Chairman of the Board of Directors on 17 March 2017.

From 1987 till 2016 Mr. Howard Dahl was the member of Board for several organisations, such as, North Dakota Council for the Arts, University of North Dakota Foundation, North Dakota Trade Office, Federal Reserve Bank of Minneapolis, Trinity International University. At present time Mr. Howard Dahl serves the positions in the Amity Technology LLC, Ethics and Public Policy Center and, The

Trinity Forum, Washington DC, Stoneridge Software, LongWater Opportunities, and the Center for Innovation Foundation (University of North Dakota).

Mr. Howard Dahl graduated from the University of North Dakota B.S., University of Florida and Trinity Evangelical Divinity School M.A.

Shares owned in the Company (as of 31 December 2020): 6,717.



Governance

Profile of the Directors of the Board

VIKTOR GLADKY

(born in 1963)

*Executive Director A, Chief Financial Officer,
Ukrainian national*

Mr. Viktor Gladky joined ASTARTA in 2012 and has been serving as an Executive Director A with the Company since 2014.

Prior to joining ASTARTA, Mr. Gladky worked at the National Bank of Ukraine (NBU) and was the Member of the Board of several state and commercial banks, including the State Export-Import Bank of Ukraine and Citi (Ukraine).

In 1985 Viktor Gladky graduated from the Kyiv State Shevchenko University with a degree in international economics.

Shares owned in the Company (as of 31 December 2020): 9,724.



Governance

Profile of the Directors of the Board

MARC VAN CAMPEN

(born in 1944)

Executive Director B, Chief Corporate Officer, Dutch national

Mr. Marc van Campen serves as an Executive Director B with the Company since its incorporation.

Prior to joining us, Mr. Van Campen served in several positions with Océ Van der Grinten N.V. and most recently, until 2002, as a general counsel of NBM-Amstelland N.V. a Dutch company listed on the Amsterdam Stock Exchange and at that time one of the largest companies in the Netherlands in the field of construction and project development.

Mr. van Campen has, in the previous seven years, been Director at Montferland Beheer BV at Schoonhoven (NL), Director at Ovostar Union NV, Amsterdam, quoted on the Warsaw Stock Exchange, Director of the European subsidiaries (outside Italy) of Salvatore Ferragamo SpA at Florence, Italy, Director of International Internet Investments Coöperatief U.A. at Amsterdam and Director of Global Worth Poland Real Estate N.V. at Amsterdam.

Mr. van Campen is still holding the positions in the following entities: Salvatore Ferragamo SpA and International Internet Investments Coöperatief U.A.

He graduated with a master's in law from the University of Nijmegen in 1968.

Shares owned in the Company: 0.



Governance

Profile of the Directors of the Board

GILLES METTETAL

(born in 1961)

Non-Executive Director C, French national

Mr. Gilles Mettetal has more than 30 years of international experience in financing agriculture, agribusiness and real estate corporate sectors. He has led and managed more than 600 transactions with EUR7bn of financing, and conducted key transactions with corporates, banks, investment funds and government and public institutions in over 40 countries.

Until June 2017 Mr. Mettetal was Director of the Agribusiness and Property and Tourism teams at the European Bank for Reconstruction and Development and also the Managing Director (interim) for

the Corporate Sector. He has held various positions as non-executive director both for multinational and local enterprises, such as Danone Industrial, Lu Polska, Kraft Bolchevik, Bonduelle Kuban, Agrokor and Axereal PEC. Today, he is also member of the Supervisory Board of Nibulon and Chairman of the Investment Committee of Diligent Capital Partners. He also serves as senior agribusiness expert for the United Nations Food and Agriculture Organisation, the African and the Asian Development Banks. He has knowledge of English, French and Spanish languages.

In 1983, Gilles Mettetal graduated from the Ecole Nationale Supérieure Agronomique de Montpellier: Diplôme d'Ingénieur Agronome.

Shares owned in the Company: 0.



Governance

Profile of the Directors of the Board

HUSEYIN ARSLAN

(born in 1962)

Non-Executive Director C, Canadian citizen

Mr. Huseyin Arslan has 30 years of international experience global pulses and staple foods business. He presided as the President of AGT's Arbel Group subsidiaries in Turkey for 21 years. Mr. Arslan was one of the founding shareholders of Saskcan, where he has served as a director or trustee since 2008 and Executive Chairman of the Board since 2009. He also served as a director of AGT subsidiary, Durum Gida Sanayi ve Ticaret A.Ş. ("Durum") and other companies in Turkey.

Mr. Arslan holds a Bachelor of Science in Electronics Engineering from Middle East Technical University in Turkey.

In 2015, Mr. Arslan was a President of the Global Pulse Confederation, as well as held positions in the Mersin Trade Commodity Exchange Council. Currently president of Mediterranean grain pulses and oily seeds Exporters Union in Turkey.

Shares owned in the Company: 0.



Governance

Board Committees

The Board of Directors established three committees: The Audit Committee, The Remuneration Committee, the Sustainability and Corporate Responsibility Committee.

The Audit Committee is responsible for oversight on the activities of the Board of Directors with respect to inter alia, the integrity of the financial reporting, internal control and compliance with all applicable regulations.

The Remuneration Committee is in charge of submitting to the General Meeting's approval, the remuneration policies for Executive Directors and other Directors and the individual remuneration package of each Director.

The Sustainability and Corporate Responsibility Committee was established in 2020 with the purpose to promote integration of ecological, social and governance aspects into policies, strategies and programmes of the Company.



Governance



Business Ethics and Control

Honesty, openness and accountability are indispensable elements of ASTARTA's corporate culture. The Company has a Code of Corporate Ethics, Anti-Corruption Policy.

The internal risk management and control systems include overall control in all sphere of business activities of the Company, such as: budgeting and planning; financial, economic and investing analysis; procurement control system; anti-corruption and whistleblowing.

In 2019 ASTARTA developed a compliance control system to manage risks of noncompliance with legislation, regulations, industry organisations and codes of conduct that may lead to legal penalties against the Company, financial and reputational losses.

ASTARTA also has the Compliance committee which was established on the management level. The compliance committee is involved in identification and assessment of risks in the fields such as: compliance with laws and regulations; anti-bribery; fraud; environmental protection; data protection; human rights and governmental relations. In 2020, the key focus area were competition law, human rights protection and data protection. In this respect, the numerous trainings were provided on compliance related topics to the dedicated audiences.

Aiming at enhancement and defend the Company's organisational value by providing risk-based and objective assurance, advice, and insight the Company has internal control system assessment which is conducted through Internal Audit Department.

The Company also has an electronic procurement system that ensures competitive procedures while selecting product suppliers. All procurements starting from USD5k by value shall be processed by this electronic procurement system and approved by the Tender Committee.





Anti-corruption

Compliance with relevant anti-corruption laws is an important element of the Company's business activity. ASTARTA is committed to conduct all activities with integrity and does not tolerate breach of anti-bribery and anti-corruption (ABC) procedures.

ASTARTA's approach to governance is based on:

- Security Policy adopted in 2018. The Policy specifies a common vision and approach to security, anti-corruption, fraud, abuse and other unlawful acts based on principles of complexity, timeliness, continuity;
- ABC Policy adopted in 2020 that defines goals, tasks, principles and directions of the Company's anti-corruption activities.

In 2020 about 15,000 counterparties were analysed for risk exposure and adherence to anti-corruption procedures by the Security Department. Employees of the security department studied anti-corruption practices under the framework of various security conferences, seminars, workshops.

Whistleblowing

ASTARTA runs an in-house whistleblowing facility which enables anyone to report concerns about conduct that is contrary to the Company's values and business ethics.

During 2020, 139 alerts were received via this hotline system, covering a broad spectrum of concerns, including land lease agreements, lease payments, offers for potential cooperation, reports on possible misconducts, violation of ethics.

All issues were carefully considered, resolved, and the complaining parties were provided with comprehensive responses.

For more information on Governance please refer to Corporate Governance section in ASTARTA's Annual Report 2020 published on the website www.astartaholding.com.





Shareholders and Share Price Performance

ASTARTA is a public company the shares of which have been admitted for trading on the Warsaw Stock Exchange since August 17, 2006.

As of the end of 2020 there were two main shareholders: the family of Viktor Ivanchyk (the CEO), who owned 39.6% of total shares outstanding through Albacon Ventures Limited, and Fairfax Financial Holdings Ltd which owned 29.9%. The rest of the outstanding shares are owned mainly by Polish pension funds and EU and US investment companies, such as Aviva OFE (3.9%), Aviva Group (3.0%), Kopernik (2.6%), Heptagon Cap (1.8%), OFE PZU (1.5%), MetLife (1.2%), NN Investment Partners TFI SA (1.0%). As of the end of the year the Company also held 2.8% in treasury shares.

Data/Year	2016	2017	2018	2019	2020
Opening price (PLN per share)	35	55	52	24	16
Highest trading price (PLN per share)	55	72	58	33	27
Lowest trading price (PLN per share)	28	46	23	15	10
Closing price (PLN per share)	54	51	23	16	26
Closing price (EUR per share)	12	12	5	4	6
Market capitalisation as of 31 December, PLNk	1 351 250	1 287 250	575 000	400 000	655 000
Market capitalisation as of 31 December, EURk	305 436	308 626	133 721	94 025	143 121





Material Risks and Mitigation

RISK	IMPACT	MITIGATION
Country risk	Political instability could negatively affect the country's economic situation, reduce investment attractiveness and complicate business operations	<ul style="list-style-type: none"> • Strong business model • Expansion of export sales
Regulatory risk	The business may be affected by changes in fiscal, tax or other restrictive mechanisms	<ul style="list-style-type: none"> • Compliance and monitoring of regulatory environment • Participation in industry associations in order to represent the interests of the Company
Climate risk	Unfavourable weather conditions could have a negative impact on crops and direct implications for the per-unit cost of production	<ul style="list-style-type: none"> • Location of the Group's business units in different climatic zones of Ukraine to ensure the geographical diversification of the risk • Professional management and the use of advanced technologies • Diversified portfolio of products • Modern agronomic solutions





RISK	IMPACT	MITIGATION
Personnel risk	Lack of experienced staff could potentially impact the business.	<ul style="list-style-type: none"> • Several social projects initiated by the Company are intended to encourage young people to choose profession in agronomy and promote attractiveness of the industry for prospective employees • Internship for students with a prospective job placement • Professional training and development programmes
Manufacturing risk	Deterioration of product quality may negatively affect the Company's reputation and customer relationships	<ul style="list-style-type: none"> • Modernisation programmes • Quality management and certification
Logistics and storage	Logistical challenges may negatively affect relations with clients and disturb the optimal functioning of business processes	<ul style="list-style-type: none"> • Silo infrastructure expansion programme • Own railway fleet
IT risk/cyber risk	Data loss or dissemination may have a negative impact on the financial position and reputation of the Company	<ul style="list-style-type: none"> • Implementation of the information security and cyber-risk management systems, Business Continuity Planning (BCP) • Cloud storage systems, systems of independent servers, and backup systems
Technical risk	The use of outdated technologies may carry risk of productivity loss	<ul style="list-style-type: none"> • In-house control systems • Improvement of the existing production processes and technologies • R&D solutions





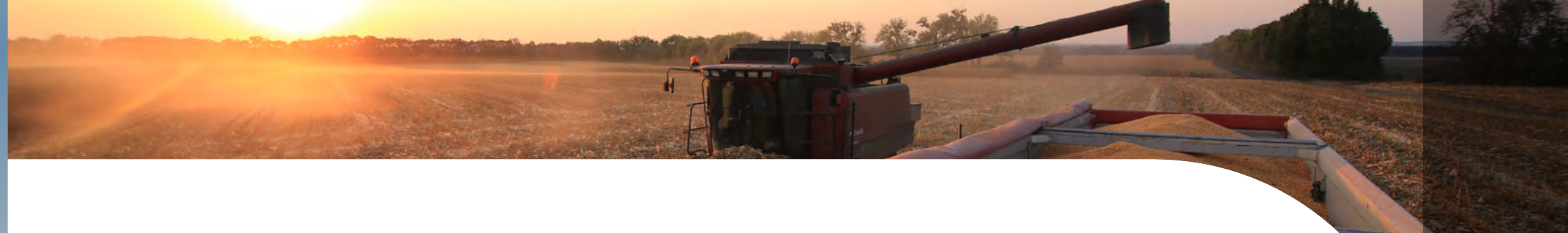
RISK	IMPACT	MITIGATION
Land assets risk	Liberalisation of farmland circulation can motivate certain landowners to sell their land plots instead of rolling over land lease agreements	<ul style="list-style-type: none"> • Increase the share of long-term land lease agreements (up to 49 years) • Monitoring of legislation for possible changes in Country's farmland circulation model • Prompt response on possible changes into the Farmland Legislation
Volatility of global prices	Volatility of global prices for grains, oilseeds, sugar, milk and soybean products may affect operating results and profitability	<ul style="list-style-type: none"> • Diversified portfolio of products • Balanced portfolio of customers • Flexible sales policy
Volatility of gas, fuel and energy prices	Volatility of raw material prices could affect the operating results and profitability	<ul style="list-style-type: none"> • Strategic and long-term cooperation with suppliers and a diversified supplier base • Energy saving programmes
Credit risk	Non-fulfilment of financial obligations by counterparties may adversely affect the Company's financial position.	<ul style="list-style-type: none"> • Risk policies and counterparty risk assessment systems • Regular analysis, verification and monitoring of counterparties
Liquidity risk	The Company's inability to meet its financial obligations in a timely manner may have a negative impact on the financial results	<ul style="list-style-type: none"> • Strategic and financial assessment of the Company's current performance and quick response to deviations from set targets





RISK	IMPACT	MITIGATION
Interest rate risk	Changes in interest rates may affect the financial performance	<ul style="list-style-type: none"> • A long-term financing strategy at fixed interest rates. For more details please refer to the corresponding notes in the consolidated financial statements notes
Currency risk	High volatility of the Ukrainian hryvnia and exchange rate fluctuations may negatively affect the business.	<ul style="list-style-type: none"> • Focus on export sales • Timing of export sales with the purchase of inputs denominated in foreign currencies • Locking in purchasing prices in the national currency
Investment risk	The Company's inability to proceed and finish planned investment programmes due to lack of financial resources	<ul style="list-style-type: none"> • Prioritisation of investment projects • Search for alternative sources of financial resources
Corruption risk	The inability of the Company to manage the corruption risk may damage Company's reputation and impact financial results	<ul style="list-style-type: none"> • Strict adherence to the Anti-corruption policy • Robust internal audit to identify any discrepancies in the application of the Anti-corruption policy in business processes
Transition risk	Due to changes in global climate, energy policies and a shift to low-carbon technologies the Company can face higher prices for inputs and change in demand for the Company's products	<ul style="list-style-type: none"> • Implementation of energy efficient and low-carbon technologies on the Company's production assets





RISK	IMPACT	MITIGATION
GHG risk	Introduction of legislation in the environmental sphere aimed at reduction of GHG can result in additional taxes and fines from the Government	<ul style="list-style-type: none"> • Strict control over GHG emissions and Implementation of programmes aimed at its reduction
Water scarcity risk	Lack of water can affect business of the Company as water is used in the production process	<ul style="list-style-type: none"> • Improvements in production processes aimed at reduction of water use. Modernisation and improvement in technology
Reputational risk	Inappropriate actions of the partners, management or employees of the Company can threaten the good name of the Company resulting in decline of market capitalisation	<ul style="list-style-type: none"> • Introduction of response and contingency plans, proactive communications
Legal and compliance risks	Incompliance with applicable legislation can cause exposure to legal penalties and material losses	<ul style="list-style-type: none"> • Control over compliance procedures, compliance committee





Key Achievements and Outlook

AGRICULTURE

Key achievements

ASTARTA is ranked among Ukraine's Top 5 agricultural businesses with a total farmland used for grain and oilseeds growing as well as cattle farming of c. 220kha. The Company is the largest sugar beet grower with 1.5mt harvest in 2020, as well as for large-scale row crop grower (corn, wheat, sunflower and soybeans) with crops yields typically higher than the average Ukrainian ones. In-house storage & handling facilities with capacity 550kt satisfy all internal needs for keeping the harvest as well as leave ample room for third party services.

ASTARTA launched a pilot organic crop project by dedicating c. 2kha of farmland to growing organic produce with the first harvest of 3.5kt in 2020.

The Company continues to modernise its agriculture machinery fleet in strategic partnership with John Deere. Management focuses on technological improvements in fertilizer and plant protection application (differentiated sowing and fertilizer application, $\frac{3}{4}$ of farmed land covered by daily remote monitoring of crops).

Outlook

In 2021, ASTARTA's management focus in the Agriculture segment is on the following:

- Continued optimisation of land resources by rolling over or terminating lease contracts depending on quality of assets.
- Enhancing management through an integrated IT solution – AgriChain.
- Further fixed costs reduction.
- Growth of specialty crops such as rapeseeds or sunseeds for High Oleic oil.
- Further improvements in the crops growing technologies, including precision farming and irrigation.
- Leveraging off ample storage capacity and developing partnerships with independent farmers to expand scale of forward and spot trading activities, among others



Governance



Key Achievements and Outlook

SUGAR

Key achievements

ASTARTA preserved leadership position locally with a market share of 20% in 2020 according to Ukr sugar.

The Company managed to sustain high quality of sugar despite adverse weather conditions and suboptimal sugar beet harvest: high quality sugar production at 99% of total in 2020, compared to 96% in 2019. Share of sugar with turbidity up to 20 units increased from 22% to 31% in 2020.

As an industry leader, ASTARTA certified its production (ISO, FSSC) to preserve key relationships with reputable clients such as Coca-Cola, Mondelez, Pepsi, Danone (c. 1/5 of total by volume).

Outlook

ASTARTA intends to concentrate production at its core five sugar plants to better manage supply logistics and production costs.

Until sugar price demonstrates a steady recovery, the Company is not planning to increase sugar beet planting area.



GRI Content Index

GRI Standard	Disclosure	Description/reference
102-1	Name of the organisation	Astarta Holding N.V.
102-2	Activities, brands, products, and services	<p>ASTARTA is one of the Ukraine's top 5 agriproducers by land bank and production. Key activities of the organisation include: agriculture, sugar and soybeans processing, cattle farming, storage and handling, transport logistics</p> <p>Please also refer to the section Business model and value chain on the page 8</p>
102-3	Location of headquarters	Registered office: Jan Van Goyenkade, 8, 1075 HP Amsterdam. Organisation's administrative centre: str. Yaroslavska 58, Kyiv, Ukraine, 04070
102-4	Location of operations	ASTARTA operates in Ukraine
102-5	Ownership and legal form	ASTARTA Holding N.V. was incorporated as a public limited liability company under Dutch law on 9 June 2006. The Company is registered in the commercial register of the Chamber of Commerce and Industry for Amsterdam under number 34248891
102-6	Markets served	The Company's production assets are located in Ukraine. Markets served: sugar and sugar by-products, grains and oilseeds, soybean crushing products, cattle farming; grains and oilseeds storage services. Products are offered locally and internationally to industrial food processing companies, traders, individual consumers, etc
102-7	Scale of the organisation	Please refer to the pages: 9, 10, 30, 49, 69
102-8	Information on employees and other workers	Please refer to the pages 49-51



GRI Standard	Disclosure	Description/reference
102-9	Supply chain	Please refer to the page 9, 56
102-10	Significant changes to the organisation and its supply chain	In 2020 ASTRATA established the Partnership Centre for co-operation with independent farmers. Please also refer to the page 94 of the Annual Report published on ASTARTA's website www.astartaholding.com
102-11	Precautionary Principle or approach	Ukrainian legislation provides for the need for environmental impact assessment (EIA) in the process of construction, reconstruction, or expansion of production assets. This procedure identifies risks and impacts on the environment and the social sphere. A mandatory component of the EIA is to hold public hearings. ASTARTA implemented a number of internal corporate standards in order to assess the related risks.
102-12	External initiatives	ASTARTA endorses the following initiatives: UN Global Compact; A Statement from Business Leaders for Renewed Global Cooperation; WBCSD and Human Rights. CEO Guide to Human Rights; Global Reporting Initiative (GRI).



GRI Standard	Disclosure	Description/reference
102-13	Membership in associations	<p>ASTARTA is actively involved in business life and is an active member of the following organisations:</p> <p>Ukrsugar - National Association of Sugar Producers of Ukraine</p> <p>Ukrainian Agrarian Confederation (UAC)</p> <p>U.S.-Ukraine Business Council (USUBC)</p> <p>The Federation of Employers of Ukraine (FEU)</p> <p>European Business Association (incl. Logistics Committee)</p> <p>Centre for CSR Development in Ukraine</p> <p>UN Global Compact (Ukrainian Network)</p> <p>Donau Soja</p> <p>The Union of Ukrainian Entrepreneurs (SUP)</p> <p>Ukrainian Agribusiness Club (UCAB)</p> <p>Professional Association of Ecologists of Ukraine (PAEU)</p> <p>Ukrainian Business Association</p> <p>The fund of economic security support of Ukraine (FESSU)</p>
102-14	Statement from senior decision-maker	Please refer to the page 7
102-16	Values, principles, standards, and norms of behaviour	Please refer to the pages 5-6
102-18	Governance structure	Please see pages 59-66 of the Report. The Company has a one-tier system of management that means that managing and supervisory duties are joined in the Board of Directors. There are Audit, Remuneration and CSR committees.
102-40	List of stakeholder groups	Please refer to the page 13
102-41	Collective bargaining agreements	99% of employees are covered by a collective bargaining agreement



GRI Standard	Disclosure	Description/reference
102-42	Identifying and selecting stakeholders	Please refer to the page 13
102-43	Approach to stakeholder engagement	Please refer to the pages 14-16
102-44	Key topics and concerns raised	Please refer to the page 17
102-45	Entities included in the consolidated financial statements	Please also refer to the page 94 of the Annual Report published on ASTARTA's website www.astartaholding.com
102-46	Defining report content and topic Boundaries	Please refer to the page 12
102-47	List of material topics	Please refer to the page 18
102-48	Restatements of information	Changes in Emissions classification, cattle farming GHG measurement introduced in 2020 (page 37). Expanding the scope of reporting in Water and effluents (pages 35-36) and Human Capital (page 49)
102-49	Changes in reporting	Please refer to the page 17
102-50	Reporting period	12 months period ending 31 December 2020
102-51	Date of most recent report	The most recent publication was on April 8th, 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	IR@astarta.ua
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	Please refer to pages 77



GRI Standard	Disclosure	Description/reference
Material topics		
ENERGY CONSUMPTION		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Please refer to pages 18, 33
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Please refer to page 33
302-3	Energy intensity	
WASTE		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Please refer to pages 18, 34
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 306: Waste 2016		
306-2	Waste by type and disposal method	Please refer to page 34
WATER AND EFFLUENTS		
GRI 103: Management Approach		



GRI Standard	Disclosure	Description/reference
103-1	Explanation of the material topic and its boundary	Please refer to pages 18, 35-36
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 303: Water and effluents 2018		
303-3	Water withdrawal	Please refer to pages 35-36 of the Report
303-4	Water discharge	
EMISSIONS		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Please refer to pages 18, 37
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Please refer to page 37
LOCAL COMMUNITIES		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Please refer to pages 18, 43-48
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 413: Local communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programmes	Please refer to pages 43-48



GRI Standard	Disclosure	Description/reference
EMPLOYMENT		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Please refer to pages 18, 49-51
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 401: Employment		
401-1	New employee hires and employee turnover	Please refer to pages 49-50
401-3	Parental leave	
GRI 405: Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	Please refer to page 49
405-2	Ratio of basic salary and remuneration of women to men	
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Please refer to pages 18, 53-54
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 403: Occupational health and safety		



GRI Standard	Disclosure	Description/reference
403-1	Occupational health and safety management system	Please refer to pages 53-54
403-2	Hazard identification, risk assessment, and incident investigation	
403-5	Worker training on occupational health and safety	
403-9	Work-related injuries	
OTHER MATERIAL TOPICS NOT COVERED UNDER GRI STANDARDS		
	Human rights assessment	Please refer to page 52
	Board management structure	Please refer to page 59
	Shareholders and price performance	Please refer to page 69
	Whistleblowing	Please refer to page 68
	Anti-corruption	Please refer to page 68
	Material risks and mitigation	Please refer to page 70
	Key achievements and outlook	Please refer to pages 75-76

