



GENERAL PRINCIPLES OF THE

# **SUSTAINABLE DEVELOPMENT PROGRAM**

OF THE OVOSTAR UNION GROUP  
OF COMPANIES

As a leading European producer of chicken eggs and egg products, accepting the UN sustainable development goals and understanding its contribution to it, Ovostar Union consistently implements high corporate standards that comply with the current legislation and international CSR principles.

As of September 1, 2020, the Ovostar Union Group of Companies includes two poultry farms, two feed mills, an incubator, a breeding site, a parent herd site, an egg product plant and three sales offices (in Ukraine, Latvia and the UAE).





Based on three pillars of sustainable development, the company strives for balance

**THE QUALITY OF ENVIRONMENTAL PROCEDURES,**

namely, minimizing the impact of the company's activities on the environment, as well as caring for the welfare of animals.



**RAISING SOCIAL STANDARDS**

for employees and local communities of production sites.

**MODERN MANAGEMENT PRACTICES** and economic sustainability.



Ovostar Union Group of Companies has identified the following priority goals for sustainable development:

- To produce uncompromising quality food, which is the basis for the health and well-being of the growing population of the planet.
- Save the resources of the planet, namely, invest in renewable energy sources, conservation of water resources, reduction of fuel consumption and carbon dioxide emissions.
- Support and develop the territorial communities in which the company's production facilities are located.
- Ensure high social standards, as well as provide opportunities and access to professional training programs for company employees.
- Taking care of the welfare of the poultry, which includes: taking care of the health of the poultry, modern housing conditions, investments in infrastructure, a varied and balanced diet and other components that allow us to produce a natural high-quality egg without the use of antibiotics and other synthetic substances.

**The company adheres to the following principles of business conduct:**

- 1 We respect human rights and freedoms regardless of the status for the company: employee, client, partner, supplier, investor, representative of territorial communities or non-governmental organizations, buyer and others.
- 2 We exclude any manifestation of discrimination, harassment or threats based on personal or political beliefs, gender, age, religion, education, disability, marital status, socio-economic status.
- 3 We condemn corruption and fraud and fight hard against their manifestations.
- 4 Counteracting conflicts of interest.
- 5 We protect the interests of the company exclusively by legal professional means in accordance with the legislation of Ukraine and generally accepted rules and norms of international law.
- 6 We are responsible for the impact that we have on the countries in which we do business.
- 7 We respect competitors and exclude any manifestations of unfair competition in our actions.
- 8 We build and maintain stable constructive relationships with the authorities and local self-government, which are based on the principles of legality, honesty, partnership, mutual trust and fulfillment of our obligations.



**TO PRODUCE PRODUCTS OF UNCOMPROMISING QUALITY**

The Ovostar Union group of companies produces food products that directly affect the health of people.

The quality of such an important product for the human diet as a chicken egg cannot be the subject of compromises or concessions — this is how we see the main responsibility of the company.

Eggs are the most affordable source of animal protein, as well as other important vitamins and minerals, with minimal carbohydrates and fats, making them an essential part of a healthy diet.

**We produce quality that people bring to their families** in Ukraine and in more than 50 countries around the world where the company's products are supplied.

**For this we**

- We created a vertically integrated business ecosystem with a closed production cycle, which allows to control the livestock at all stages of its life cycle and to minimize any external biological risks.
- We conclude contracts with local farms for the supply of plant ingredients for feed.
- We are modernizing poultry keeping technologies, egg sorting and packing areas.
- We are investing in new production facilities for egg processing and egg products production.

- We adhere to strict standards of veterinary and sanitary hygiene, we minimize human contact with poultry and finished products.
- We exclude intermediaries from the supply chain and conclude contracts with direct manufacturers of materials or service providers.
- We support a corporate culture based on honesty, open discussion of problems and challenges, as well as aimed at continuous development.
- We create comfortable and safe working conditions, provide employees with opportunities for training and professional growth.
- We develop the culture of egg consumption, introduce high consumer standards, educate the consumer in matters of product quality and healthy nutrition.

Based on the practical experience of domestic and foreign poultry enterprises, the company has implemented business processes that allow the production of eggs and egg products that meet high food safety standards.

The current food safety management system at poultry farms is certified according to the FSSC:22000 v.5 standard, which reflects the concept of continuous monitoring of possible physical, biological and other risks and their control at critical points (Hazard Analysis and Critical Control Points, HACCP), preventing the very occurrence of hazards rather than just testing the final product.

Systematic determination, assessment and management of factors affecting the quality of food products allow poultry farms to produce natural and safe eggs without the use of antibiotics.



## TO SUPPORT AND DEVELOP TERRITORIAL COMMUNITIES

Helping people around us is one of the surest ways to make our world a better place. This ethical principle was implemented in the philosophy of the company more than 20 years ago by its owners. Our production sites are situated in eight locations, so Ovostar Union is constantly involved in the development of the territories of its presence.

Our charitable efforts are centered around financial contributions to solve community problems. We understand that not all community needs can be met by local budgets, and that it is necessary to support the most vulnerable social groups. Ovostar Union invests in infrastructure, education, culture, sports, hospitals, churches, and support for socially vulnerable groups of the population. Every year we implement dozens of

social projects, providing direct targeted assistance to territorial communities of Ukraine.

### Ovostar Union principles of assistance to territorial communities

- Due to close communication with territorial communities, we know firsthand about their problems and real needs, because often representatives of these communities are our employees.
- The priorities in the company's charitable strategy are to address the issues of infrastructure development and support for socially vulnerable groups of the population:

orphans, people with disabilities, veterans and others.

- We encourage social initiatives from below — 90% of the ideas of good deeds proposed by the company's employees are supported by the company's management.
- Ovostar Union always provides specific targeted assistance.
- The company does not participate in political actions and does not finance, directly or indirectly, any charity related to the political activities of any person or organization.
- Any assistance provided by the company is based on an assessment of the problem, common sense and is focused on the target beneficiary.
- Each appeal received is considered in accordance with the current procedure in

the company, and the decision is approved collectively by the heads of production departments and the top management of the company.

- We monitor the results of the assistance provided.

#### We do not help

- those who cannot indicate the intended purpose of assistance;
- if the applicant insists on the money transfer, and not on the provision of goods for what there is a need;
- if the request for help is accompanied by pressure or abuse.

You can apply for **Ovostar Union** support by e-mail [info@marketing.ovostar.ua](mailto:info@marketing.ovostar.ua) or by phone **+38 (044) 354 29 60**.



## TO ENSURE HIGH SOCIAL STANDARDS

The Ovostar Union Group of Companies employs about **1600** employees. By sharing corporate values, employees take responsibility for:

- organic growth and development of the enterprise;
- performance efficiency;
- quality of finished products;
- adherence to the principles of business ethics adopted at the enterprise;

- their words and deeds;
- ethical and respectful attitude towards each other and towards the partners of the Group of Companies.

Ovostar Union provides its employees with a safe workplace, creates conditions for open and constructive communication and a healthy business environment. In addition to material remuneration, programs for professional development, retraining and formation of career opportunities have been developed and implemented for the company's employees.

The projects of the corporate library and cross-functional internal training have been implemented, the participation of employees in conferences and other training programs is funded.

Receiving feedback on the involvement in the company's business processes, based on their proposals, comparison with the conditions of other

companies and analysis of the level of remuneration, the management of Ovostar Union regularly reviews the material remuneration of employees. The company has implemented systems of quarterly and annual bonuses based on performance. Employees are provided with social standards in dealing with issues related to health, programs of targeted assistance have been introduced in difficult life circumstances.



## TO SAVE PLANET RESOURCES

Taking care of the environment, Ovostar Union adheres to European environmental standards.

When designing and developing a vertically integrated eco-system, one of the criteria for making a decision by Ovostar Union to acquire and build new production sites is to minimize transport distances. In the course of operating activities, this factor contributes to the reduction of carbon dioxide emissions into the environment.

Thus, all production sites are located at a distance of no more than 130 km from each other, and the poultry complex in Vasylkiv includes a feed mill, a poultry farm and an egg product plant, which eliminates the need to use vehicles.

Ovostar Union gives priority in the supply of raw materials for the feed mills to farmers in the regions of Ukraine close to the factories: Kyiv, Cherkassy, Vinnitsa, Zhytomyr and Chernigiv regions.

The company extracts water for production needs from artesian wells with a depth of at least 60 meters located at the company's production sites.

The water horizons from which the water is taken were calculated by specialized services and agreed with the state bodies for geological control and regulation of

the use and protection of waters, which eliminates the risk of dehydration of the water system of territorial communities.

Nipple drinking systems distribute water evenly throughout the drinker line, while providing the poultry with the right amount of water and not allowing water resources to be wasted. It should be noted that increasing the efficiency of the modern egg industry has a positive effect on its use of natural resources.

Over the past 20 years, technology has reduced environmental impact in many ways, from feed production to laying hens. Today, production of a dozen of YASENSVIT eggs requires about a third less water and half the amount of feed compared to the 1990s.

We pay special attention to the ecological disposal of production waste such as chicken manure, which contains such valuable substances as nitrogen, phosphorus and other elements. In agriculture, it is used as biofertilizer, as well as for energy production.

Modern technologies make it possible to turn manure into renewable biofuel, which also has a beneficial effect on the environment. Ovostar Union cooperates with companies that process manure into soil fertilizers and biogas.

When it comes to egg packaging, Ovostar Union has always set itself higher standards than required by the current legislation.

The first egg packaged in individual packaging under the TM «YASENSVIT» was released by the company in cardboard packaging.

The suppliers of packaging for Ovostar Union are the global manufacturers Hartmann and Huhtamaki, using exclusively recycled raw materials for production.

Ovostar Union develops green energy. Solar panels are installed on the roofs of the poultry houses.

The lighting standard is the use of energy efficient LED technology. On average, LED lighting reduces energy consumption by 10% and cuts greenhouse gas emissions.

As a company supplying products to the European Union, Ovostar Union regularly undergoes environmental audits by certification bodies of Ukraine and international operators.



## TO TAKE CARE OF THE POULTRY WELFARE

Ovostar Union shares the requirements of sustainable development with regard to aspects of livestock production such as biosafety, alternative poultry management, and the elimination of antibiotics.

The main areas of poultry welfare implemented at the Ovostar Union poultry farms are:

- caring for the health of animals;
- modern conditions of detention;
- investments in infrastructure, in particular in climatic conditions in poultry houses;
- varied and balanced diet.

The company has implemented such progressive standards for the management of industrial poultry as an enriched cage that complies with Directive 1999/74/EU, barn and free range.

To realize the genetic potential of the poultry, to satisfy its physiological needs and to produce a natural high-quality egg, the laying hen is provided with a balanced diet with an optimal set of nutrients and biologically active substances.

Ovostar Union independently produces exclusively plant-based feed for its poultry from high-quality ingredients without the use of antibiotics, growth stimulants or animal-based feed.

Modern automation technologies implemented in poultry farms make it possible to fully control the microclimate parameters, to carry out automatic egg collection, feeding, dropping, and virtually minimize human participation in the main processes in the poultry house.

Every day, the health of the poultry is monitored by specialists who carry out preventive, therapeutic or emergency measures. All poultry keeping sites are equipped with research laboratories, and veterinarians are always on staff.





## FINAL PRINCIPLES

Sustainable development and leadership are the first declared values of the company, along with other values such as product quality and safety, innovation, impeccable service and customer support, partnership and customer focus, professional development of the company's employees. For over 20 years we have been working and improving in order to produce

environmentally friendly and healthy food for the Ukrainian nation and our international clients.

The principles of sustainable development will allow Ovostar Union to continue this journey, improving the entire value chain and strengthening society both locally and globally.

