

## 1. INTRODUCTION AND COMMITMENT OF THE COMPANY

Bontrup Ukraine LLC (Bontrup Ukraine) places a high priority on sustainable development. Resources such as time and energy are invested in sustainable development, in a variety of ways. Bontrup Ukraine is committed to long-term and sustainable economic responsibility. We emphasize on this by supporting and integrating in our business operations and strategies the *OECD Guidelines for Multinational Enterprises* (the OECD Guidelines) in the areas Human Rights, Employment and Industrial Relations, Environment, Bribery and Corruption and Consumer Interests.

At Bontrup Ukraine we try our best to communicate to our stakeholders, the actions that we take to continually improve the integration of the recommendations of the OECD Guidelines into our daily operations. We are committed to sharing this information using our primary channels of communication.

## 2. BONTRUP UKRAINE

Bontrup Ukraine is a farm located in the northeast of Ukraine, measuring about 20,000 hectares. Bontrup Ukraine was founded in 2007. The company's objective is to carry on large scale agricultural operations with a long-term vision and finds it essential to do this in a sustainable way with respect for the local population and authorities. By making cautious investments in the high-quality farmlands, it is possible to achieve good results without exhausting the soil. Furthermore, Bontrup Ukraine focuses on motivating personnel with the goal to encourage them to work as a team to make the organization a trendsetter in the agriculture sector of the Ukraine.

Thanks to the hard work of a motivated team that aims for transparency and perfection, Bontrup Ukraine continues to show growth each year, in every area. Good results lead to trust in the Ukraine, a country that offers a vast range of possibilities and opportunities.

In January 2014, Dutch Development Bank (FMO), signed a financing agreement with the sole shareholder of Bontrup Ukraine, Bontrup Agriculture B.V.. With the support of a EUR 7.5mln senior credit facility from FMO, Bontrup Agriculture is further expanding its business in the Ukraine. The expansion plan consists of investments in farmland, machinery (e.g. tractors) and an expansion of the current warehousing.

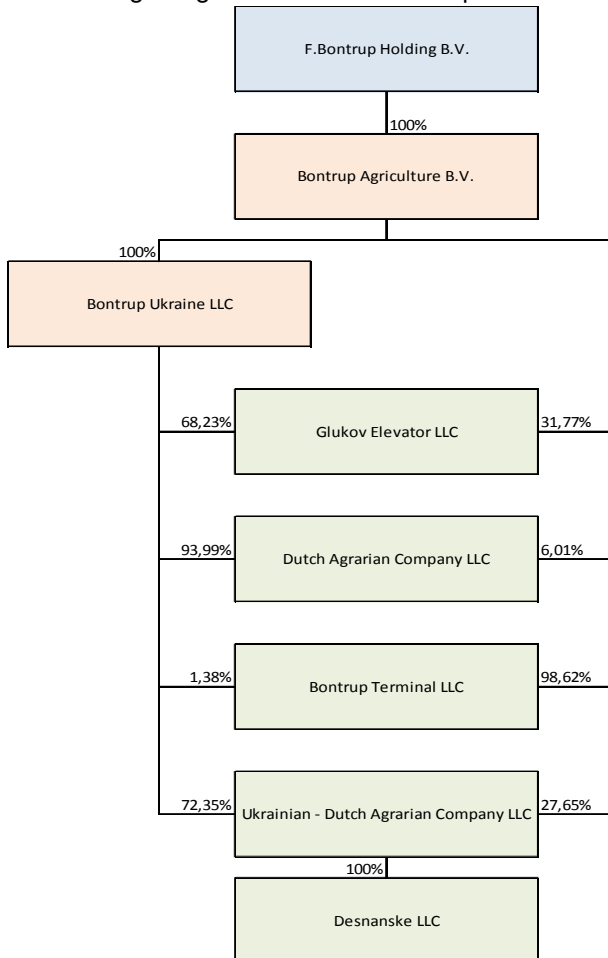
The FMO financing is being used to support the introduction of technology (high standard dairy farm practices and agricultural farming) in the Ghlukov region of the Ukraine. This is a remote region close to the border of Russia where high standard technology is not widely available.

In 2019 Bontrup Agriculture successfully finalized a loan agreement in the amount of EUR 3.5mln with the Dutch Trade and Investment Fund (DTIF). DTIF is funded by the Dutch Ministry of Foreign Affairs and is managed by the Netherlands Enterprise Agency (RVO). These funds are being used by Bontrup Agriculture to further invest in professionalizing and expanding its existing business in Ukraine in addition to the steps already taken.

### 3. Corporate governance

#### a) Corporate Structure & Share ownership structure

The legal organization structure is per 31 December 2020 as follows:



All companies mentioned in above structure are (in)directly 100% owned by F. Bontrup Holding B.V. (F. Bontrup Holding). F. Bontrup Holding is a limited liability company incorporated and operating under the laws of the Netherlands, with its registered office in Bunde, the Netherlands and is 100% owned by the Bontrup family.

#### b) Share ownership structure:

The office location and share ownership structure of the above mentioned legal structure is as follows:

Company	Office location	Shareholder(s)
<b>Bontrup Agriculture B.V.</b>	Bunde, The Netherlands	F. Bontrup Holding B.V. – 100%
<b>Bontrup Ukraine LLC</b>	Glukov, Ukraine	Bontrup Agriculture B.V. – 100%
<b>Glukov Elevator LLC</b>	Glukov, Ukraine	Bontrup Agriculture B.V. – 31,7707% Bontrup Ukraine LLC – 68,2293%
<b>Bontrup Terminal LLC</b>	Reni, Ukraine	Bontrup Agriculture B.V. – 98.6181% Bontrup Ukraine LLC – 1,3819%



## Sustainability Report 2020

Doc.: BUK-1-001.  
Rev.: 0  
Dato: 29-08-2021  
Page: 3 of 8

<b>Dutch Agrarian Company LLC</b>	Bereza, Ukraine	Bontrup Agriculture B.V. – 93.99% Bontrup Ukraine LLC – 6.01%
<b>Ukrainian – Dutch Agrarian Company LLC</b>	Makove, Ukraine	Bontrup Agriculture B.V. – 27,6608% Bontrup Ukraine LLC – 72,3392%
<b>Desnanske LLC</b>	Ivot, Ukraine	Ukrainian – Dutch Agrarian Company LLC – 100%

### Ultimate Beneficiary owned (UBO) F. Bontrup Holding B.V.:

Name	% shares
F.J. Bontrup	10.61%
M.J.H. Aben	9.89%
M.H.T. Voorwald – Bontrup	15.90%
P.F.J. Bontrup	15.90%
A.W. Bontrup	15.90%
W.A. Bontrup	15.90%
T.H. Bontrup	15.90%
<b>TOTAL</b>	<b>100,00%</b>

The statutory board of F. Bontrup Holding (the Board) is formed by Mr. F.J. Bontrup as executive Director, and Mr. A.W. Bontrup duly authorized as a representative having full power of attorney.

For management of the Ukrainian subsidiaries a General Manager with limited power of attorney is appointed for Bontrup Ukraine, being Svitlana Lakoba.. The General Manager supervises the local directors appointed at each of the subsidiaries, who each have limited power of attorney (up to UAH 300K). All legal acts representing a value over the amount of the power of attorney are to be signed/approved by the authorized representative of Bontrup Agriculture B.V. (being A.W. Bontrup).

#### c) Corporate governance policies

The Board is committed to applying the highest level standards of professionalism, integrity, ethics, fairness and social responsibility to the way the company conducts its business. It considers itself fully accountable to stakeholders in its ongoing commitment to applying the principles laid out in the applicable corporate laws of the Netherlands and Ukraine.

Independent external advisors are used to monitor regulatory developments, thus enabling the Board to make decisions on matters of corporate governance. The Board is of the opinion that the requirements of both the Dutch and the Ukrainian corporate laws have been met. The Board has to the best of its knowledge put in place processes in support of the relevant regulations.

It is the Boards goal to be transparent in its management process to assure its stakeholders that the company is managed within prudently determined risk parameters and in accordance with international best practice and ethical norms.

#### d) Internal audit, risk management and legal compliance systems

The Board is responsible for ensuring that appropriate internal control systems are implemented and maintained to ensure that F. Bontrup Holding's assets are safeguarded and managed in order to minimize potential losses arising from possible fraud and other illegal acts. Internal control is implemented through the proper delegation of responsibility within a clearly defined approval framework, through accounting procedures and adequate segregation of duties. No incidents have come to the attention of the Board that would indicate any breakdown in internal controls during the year under review.

A professional finance department has been set up which is also responsible for the internal controls and systems. This finance department reports independently to the Board. The internal controls are monitored by an external accountant, Kiev Audit Group, Ukraine, supported / controlled by BDO Maastricht, the Netherlands. The latest

reports its findings and recommendations to the Board and to the F. Bontrup Holding auditor, EY Maastricht, the Netherlands.

On both legal and fiscal matters for the Ukrainian business the Board is advised by Jurimex Kiev, Ukraine and Kiev Audit Group, Ukraine.

#### 4. HUMAN RIGHTS

Bontrup Ukraine LLC supports and respects the protection of internationally proclaimed human rights, and makes sure that our operations are not complicit in human rights abuses.

##### a) Human resources policy

Bontrup Ukraine LLC is considered a major employer within the regions of Eastern Ukraine. Recognizing this responsibility, the Company management developed and maintains a progressive human resource policy to maintain a loyal and motivated workforce. As a privately owned company we are proud of our work culture. Together we are a family.

##### *General*

Discrimination in employment based on gender, race, age, ethnic and religious background, or nationality principles including child labour and forced labour are prohibited within Bontrup Ukraine LLC. It is the policy of Bontrup Ukraine LLC that these values must apply also for our suppliers and contractors.

##### *Working conditions and terms of employment*

It is the policy of Bontrup Ukraine LLC to have collective bargaining agreements with workers representatives at its operations. Working conditions and terms of employment are stated in the national law and the extra benefits are stated in the collective agreements. Bontrup Ukraine LLC strives for a total package with:

- Comprehensive terms of employment including working hours , wages and benefits, leave for illness, maternity, vacation and holiday.
- Employees' rights for labour protection, the right to organize (trade unions).
- Social package to employees including onetime payment in specific circumstances; financial aid and social benefits.

The right to raise workplace concerns. This grievance mechanism for workers must involve an appropriate level of management to address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, without any retribution.

The agreements complies with national law (including deductions, overtime arrangements, pension schemes and termination procedures & rights) and IFC's performance standard.

##### b) Grievance Mechanism

Bontrup Ukraine LLC has established a company-wide grievance mechanism that provides its employees with the means to lodge a grievance, pose a question, an idea, or share a concern.

This formal Employee Grievance Procedure available to everyone in the company is designed to facilitate the resolution of situations related to employee grievances in line with the principles of the Code of Conduct. During this reporting period, a total of 35 grievances were reported from the various subsidiaries and departments (see table below).

<b>Department</b>	<b>Total</b>	<b>Done</b>	<b>Open</b>
Administration	12	12	0
Workshop	10	10	0
Warehouse	5	5	0
Machines	3	3	0
Extern	0	0	0
Miscellaneous	4	4	0

<b>Department</b>	<b>Health</b>	<b>Environment</b>	<b>Safety</b>	<b>Quality</b>	<b>Technical</b>	<b>Other</b>
Administration	2	0	6	0	4	0
Workshop	4	0	2	0	3	1
Warehouse	0	0	5	0	0	0
Machines	0	0	2	0	1	0
Extern	0	0	0	0	0	0
Miscellaneous	1	0	0	0	0	3
<b>Total</b>	<b>7</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>8</b>	<b>4</b>

#### Conclusion:

- Most of the grievances result in corrective actions. The management of Bontrup Ukraine LLC encourages the employees to report the possibility to take preventive measures so that we can accidents/corrective actions are prevented.
- None of the reported grievances implied monetary damages such as fraud, theft, or abnormalities with suppliers.
- There were no signs of discrimination in 2020. The management of Bontrup Ukraine LLC actively encourages employees and sub contractors to give feedback in this respect
- All grievances were duly investigated and acted upon. All the grievances of 2020 are closed.

The Grievance Mechanism is a part of the system and is continuously promoted by the management of Bontrup Ukraine LLC

## 5. Employment

### a) Size of the workforce

The table below gives an overview of the workforce of Bontrup Ukraine LLC divided over the different sites:

- Dutch Agrarian Company (DAC)
- Ukrainian - Dutch Agrarian Company (UDAC)
- Glukov Elevator (HE)

Site	direct employees сотрудники прямые					female direct employees женщины					Contract employees terminated сотрудники по договору				
	2017	2018	2019	2020	%	2017	2018	2019	2020	%	2017	2018	2019	2020	%
DAC	91	87	83	78	-6,0	19	17	17	16	-5,9	6	4	3	2	-33,3
UDAC	169	165	158	156	-1,3	49	51	50	48	-4,0	5	5	3	2	-33,3
HE	50	52	50	49	-2	10	11	11	10	-9,1	0	1	0	3	300
Total	310	304	291	283	-2,7	78	79	78	74	-5,1	11	10	6	7	16,7

Report Total numbers for each parameter	Direct employees Сотрудники прямые					Contractor employees Сотрудники по договору				
	2017	2018	2019	2020	%	2017	2018	2019	2020	%
Total number of Workers	310	304	291	283	-2,7	11	10	6	7	16,7
Total man-hours worked – Annual	511184	512453	503971	484500	-3,9	8148	7397	4330	4075	-5,9
Total number of days sick leave	1244	2215	2289	1428	-37,6	0	0	0	0	0
Total number of days due to pregnancy and childbirth	0	266	126	14	-88,9	0	0	0	0	0
Total number of lost workdays due to injuries	0	0	30	0	-100	0	0	0	0	0
Number of fatalities	0	0	0	0	0	0	0	0	0	0

### Conclusion:

- Stable workforce, covid didn't have a big impact on the size of our workforce.
- Reduction in the number of employees in connection with the transition to another job.
- No children are employed at the company
- Most sick leave is caused by domestic injuries and common illnesses. The number of days sick leave has decreased due to the ending of some long lasting illnesses.

### b) Labor policies, practices and goals

The company's policy regarding occupational health and safety

- Our employees shall have a safe and acceptable (responsible) working environment and shall carry out their work in such a way that their own safety and the safety of others is ensured.
- The work place has to comply with national law and IFC's performance standard.
- Every company shall carry out medical examinations of employees on a regular basis scheduled according to specific working conditions.

If an employee does not feel safe while working under the occupational health and safety conditions, they are entitled to suspend work and as result of the effective application of the occupational health and safety applications at the company.

### c) Implementation/ Outcomes

The following actions were taken to implement the labor policies and to reduce health and safety incidents:

- Housekeeping, the first step towards working safe
- Training (every year) :
  - Instruction programs how to work safe
  - Health and safety in general
  - Traffic and transport regulations
  - First aid
  - Rules for working at height
  - Safety rules working with gas
  - Working with pesticides and fertilizer
  - Safety rules working with electricity
- Fire Inspection, refill / recharge portable fire extinguishers
- Medical examination of employees executed (according to specific working conditions).

## 6. Environment

### a) Main environmental risks and impacts

Our main potential risk to the environment is the use and storage of hazardous materials. As Bontrup Ukraine LLC we comply with the local law regarding the storage and usage of hazardous materials.

### b) Environmental goals on pollution prevention and environmental protection

- Purchase and store no more pesticide than needed and rotate stock using a “first-in, first-out” principle so that pesticides do not become obsolete
- Substitute higher risk pesticides with the least hazardous;
- Minimize (goal is 0) the levels of pesticide residues in water resources
- Comply with the manufacturer’s directions on maximum recommended dosage or treatment and apply the minimum effective dose

### c) Implementation

The following actions have been taken in 2020:

New equipment at DAC:

- Tree lifter (less manual work)
- New Seeder (more efficient process)
- Spaders (higher efficiency/energy saving/ cost reduction/ less water loss).

New equipment at UDAC:

- 2 trucks (less fuel consumption/more environmental friendly)
- 2 tractors(replacing old ones, less fuel consumption/more environmental friendly)
- 2 seeders (more efficient process)
- Spaders (higher efficiency/energy saving/ cost reduction/ less water loss).

We are working towards precision farming.

### d) Measurement of outcomes Energy and water

The table on the next page shows an overview over the energy and water consumption.

General comment: due to Covid the usage of energy/water has changed in 2020.

Electricity use:

- DAC less use of electricity due to covid;
- UDAC less use of electricity due to covid;
- HE decreased due to less movement of grain by electric conveyors.

Use of natural gas:

- DAC increased due to greater use of gas for heating the office;
- HE increased due to higher grain moisture.

Use of diesel fuel:

- DAC increased due to the use of new aggregates and uprooting of trees;
- UDAC increased through the use of new units and the purchase of new diesel cars;
- HE decreased due to the shipment of grain without the involvement of vehicles.

Use of gasoline:

- DAC decreased due to the use of stationary rather than mobile security posts;
- UDAC decreased due to the replacement of old gasoline cars with new diesel.
- HE decreased due to a decrease in the number of vehicles.

Water use:

- DAC, UDAC, HE decreased due to more economical use.

To set new goals for 2021 is difficult due to the fact that covid has still an impact.

Utility Type	Site	2016	2017	2018	2019	2020 Goal	2020 results	% vs 2019	% vs goal	2021 Goal
Grid electricity (MWh)	DAC	102,98	101,716	126,821	112,79	110	86,049	76,3%	78%	105
	UDAC	439,851	429,955	640,133	645,658	550	592,064	91,7%	108%	575
	HE	511,82	843,378	650,612	510,51	610	447,857	87,7%	73%	600
	<b>Total</b>	<b>1054,651</b>	<b>1375,049</b>	<b>1417,566</b>	<b>1268,958</b>	<b>1270</b>	<b>1125,97</b>	<b>88,7%</b>	<b>89%</b>	<b>1280</b>
Natural Gas (m <sup>3</sup> )	DAC	6603	6077	5725	5341	5500	5899	110,4%	107%	5600
	UDAC					-	-			
	HE	800138	1751780	1131864	728472	1000000	866112	118,9%	87%	950000
	<b>Total</b>	<b>806741</b>	<b>1757857</b>	<b>1137589</b>	<b>733813</b>	<b>1005500</b>	<b>872011</b>	<b>118,8%</b>	<b>87%</b>	<b>955600</b>
Diesel (L)	DAC	490491	606052	617949	597379	600000	606924	101,6%	101%	600000
	UDAC	473630	511273	469761	504849	490000	513081	101,6%	105%	500000
	HE	14745	18071	15111	14169	15000	12070	85,2%	80%	14000
	<b>Total</b>	<b>978866</b>	<b>1135396</b>	<b>1102821</b>	<b>1116397</b>	<b>1105000</b>	<b>1132075</b>	<b>101,4%</b>	<b>102%</b>	<b>1114000</b>
Other fuel	DAC	36014	36703	29772	32338	30000	31289	96,8%	104%	30000
	UDAC	81987	79526	72398	66627	75000	43035	64,6%	57%	50000
	HE	12865	15365	15522	15581	15000	11142	71,5%	74%	14000
	<b>Total</b>	<b>130866</b>	<b>131594</b>	<b>117692</b>	<b>114546</b>	<b>120000</b>	<b>85466</b>	<b>74,6%</b>	<b>71%</b>	<b>94000</b>
Water (m <sup>3</sup> )	DAC	516	1445	1573	1196	1400	1144	95,7%	82%	1200
	UDAC	17116	18950	19250	19230	18000	18980	98,7%	105%	18500
	HE	822	480	326	343	600	286	83,4%	48%	400
	<b>Total</b>	<b>18454</b>	<b>20875</b>	<b>21149</b>	<b>20769</b>	<b>20000</b>	<b>20410</b>	<b>98,3%</b>	<b>102%</b>	<b>20100</b>

## 7. Bribery and Corruption

### a) Statement

Our company has not been involved in any legal cases, rulings or other events related to corruption and bribery. Our books and accounts are subjected to statutory external audit annually. These audits are used as one of the methods to identify any suspicious payments which could be related to bribery or corrupt behaviour. There has been no such incident reported in the period.

### b) Implementation

The company management is prohibited to grant or accept any gifts or rewards in any form, including money, things, discounts, commissions, non interest loans, travel tickets, free medical treatments, and other facilities, from any one known or reasonably suspected to cause conflict of interest to his/ her position or duties that can affect his/her judgement, action, and decision.

## 8. Consumer interests and product quality

Quality is the number one focus throughout our organization. Our company invests significant efforts in training and education of its personnel. A well trained and qualified workforce is the primary requirement to operate a quality organization. Training is available to all levels and functions within our organization and in many cases even mandatory.

To maintain the high quality of all our products, we have quality control personnel who constantly monitor our products.