



PROGRESS
REPORT,
2018





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Dear friends!

For 12 years already, OJSC “Savushkin product” has been bearing the title of a full member of the UN international initiative “Global Compact” proudly and under fully responsibility. Its 10 principles are the rules our company follows daily and steadily in order to make this world better, more beautiful and healthier. The main social program of OJSC “Savushkin product” - “Savushkin - for health of the nation”, announced by the company in 2005, is annually replenished with a variety of social projects which main purpose is to take care of people’s health through popularization of the principles of healthy eating and healthy lifestyle with an emphasis on its important component - natural dairy products.

However, “Savushkin product” focuses not only on concern for health of our customers, but also protection of the environment, responsible attitude to the employees of our company, respect for their rights and honest and transparent business conduct. Being a flagman of the dairy industry in our country, we are proud to be responsible for ensuring that our every step meets the highest international standards.

We are pleased to present the achievements of our company in the field of social responsibility for 2018. I hope they will allow assessing our progress in the field of corporate social responsibility as well as their compliance with 10 principles of the Global Compact.

Aleksandr Savchits, Director General



OJSC “Savushkin product”



“SAVUSHKIN PRODUCT” TODAY

OJSC “Savushkin product” is one of the largest producers of natural dairy products in the Eastern European region. It heads the ranking of the most efficient food industry companies in the Republic of Belarus.

Our company is engaged in a noble business: we provide people with dairy products, the regular use of which helps people strengthen their health. From the moment of its foundation, OJSC “Savushkin product” has been focused on quality and naturality. In our work we follow the main human values: caring, respect, diligence, honesty, openness, kindness and love.

In order to guarantee the quality and safety of our products, we buy only the best dairy raw materials from ecologically clean regions, obtained from animals raised without the use of fattening stimulating agents and hormonal agents.



WE PRODUCE PER DAY:



OVER 1,100 TN - NDP
(NATURAL DAIRY PRODUCTS)



OVER 25 TN
BUTTER



OVER 70 TN
CHEESE



90 TN
DRIED DAIRY PRODUCTS
(MAINLY, DRIED WHEY)



ABOUT 30 TN
JUICE

Over
600
AWARDS

Over
\$ 32 mln.
INVESTED WITHIN
9 MONTHS OF 2018

3750 tn/day
PRODUCTION CAPACITY

Over 2,000
AVERAGE DAILY VOLUME OF
PROCESSED MILK

MANUFACTURING SITES OF THE
COMPANY ARE DIVIDED INTO 3
ZONES: GREEN, YELLOW AND
RED ACCORDING TO THE
DEGREE OF RISK OF PRODUCT
POSSIBLE CONTAMINATION



The company uses the world's best in the dairy industry production technologies which allow ensuring sufficiently long shelf life periods of natural dairy products without the use of preservatives in strict compliance with the temperature regimes of transportation and storage from +2 to +6 ° C.

Nowadays “Savushkin product” carries out its production on 5 manufacturing sites, two of which are located in Brest and the others are located in Pinsk, Stolin and Kamenets, with their own specialization. The aggregate average daily milk processing volume is more than 2,000 tons.



The company has six dairy brands (“Savushkin”, “Brest-Litovsk”, “Optimal”, “Teos”, “SuperKid”, “Laskovoye Leto”) and one juice brand (“Na100yashchiy”). According to annual sociological studies, the company's products have become the leader in consumer preferences in Belarusian market for 17 years running.

THE KEY FACTORS OF SUSTAINABLE DEVELOPMENT OF OJSC “SAVUSHKIN PRODUCT” ARE THE FOLLOWING:

- SMART INVESTMENT POLICY FOR INTRODUCTION OF MODERN PRODUCTION TECHNOLOGIES;
- HIGH-QUALITY MILK RAW MATERIALS;
- COMPETITIVE NATURAL PRODUCTS WITHOUT PRESERVATIVES;
- STRONG BRANDS AND OWN DISTRIBUTION NETWORK;
- SMART TRANSPORT LOGISTICS;
- DIVERSIFICATION OF SALES MARKETS.

Another guarantee of high quality and safety of the products manufactured is availability of perpetual export license at “Savushkin product” company for the right to supply the whole range of products to the EU countries. By the way, our company is the only one dairy enterprise of the Republic of Belarus which from July 2013 regularly supplies traditional dairy products and its dessert group to the EU countries.

And this is not only a guarantee of quality, but also a good reputation of the manufacturer who can maintain the level of naturalness, safety and ecological properties of the finished product.



ABOUT
60 %

EXPORT SUPPLIES



THE COMPANY EFFECTS EXPORT
SUPPLIES OF ITS PRODUCTS TO
28 COUNTRIES OF THE WORLD:

AZERBAIJAN
ARMENIA
BULGARIA
GREAT BRITAIN
VIETNAM
GERMANY

HONG KONG
GEORGIA
EGYPT
ISRAEL
INDIA
JORDAN

THE CAUCASUS
QATAR
PRC
LITHUANIA
MALAYSIA
MOLDOVA

THE NETHERLANDS
UAE
POLAND
RUSSIA
SINGAPORE
TURKMENISTAN

THE UKRAINE
THE PHILIPPINES
ESTONIA
JAPAN
USA (NEW YORK)

Control over technological processes at the enterprise is fully computerized. No-contact of milk with the external environment and people within the manufacturing process makes for maximum food safety and has a positive effect on the quality of finished products. The company's investment policy is aimed at continuous technical re-equipment of production and introduction of the up-to-date technological processes.

All products are manufactured on modern production equipment from the leading global manufacturers, including Tetra Pak, Westfalia, Alfa Laval, Oram, Bosch, General Electrics (GE), GEA, etc.

In 2018, a number of equipment was installed which made it possible to eliminate manual labor and facilitate the work of employees in their areas of work.



CORPORATE VALUES OF “SAVUSHKIN PRODUCT”

The company's mission is “To give joy and health to people!”

IN ITS ACTIVITIES THE COMPANY IS GUIDED BY THE UNIVERSAL HUMAN VALUES:



LEADERSHIP

Striving to be the best in its business



FAIR AND OPEN BUSINESS POLICY

Consume-oriented, first-class service, naturality and high quality products



PROFESSIONALISM

We appreciate professional skills of our team and contribution of each employee to the company's development



QUALITY

Each employee influences the quality and safety of products by means of the results of his labour



PARTNERSHIP

Unindifference and involvement: we work as one team



INDEPENDENCE

Each employee is free to make decisions within his competence



RESPONSIBILITY

Close attention to the safety of products manufactured



CAREFUL ATTITUDE TO PEOPLE

People are the company's main value

HOW DOES "SAVUSHKIN PRODUCT" MONITOR THE QUALITY OF RAW MILK?

s and adheres to the rules of safe manufacturing processes management. As a matter of fact, years of hard work, naturality of a final product, production outputs, work places and company's reputation are put on the line, you know.

Before being processed, each batch of milk undergoes thorough laboratory analysis. The first test for quality is carried out on the farm itself. Successfully tested raw materials are sent to sterile tanks of branded milk tankers, which are immediately sealed and sent to “Savushkin product”.

At the enterprise, samples of raw materials are sent to the laboratory of input control. This is a strict test for compliance with 30 required quality and safety parameters.



Do you know?

IN “SAVUSHKIN PRODUCT” MILK-RAW MATERIAL IS CHECKED ON 30 PARAMETERS.

It takes max. 20 minutes to check one tank. Modern laboratory equipment used in all manufacturing sites allows analyzing milk within the minimum period of time: to determine fat, protein, lactose mass content, its acidity, plate count, somatic cells number. All raw materials are necessarily checked for the residues of antibiotics, pesticides, mycotoxins, etc. Even in the event of minimal deviation, milk is returned to the supplier together with a covering letter. Only 100% qualitative milk is admitted to the manufacturing facilities.

We turn milk with successful results into hundreds of tasty natural dairy products that will help you enjoy healthy nutrition.

Important:

after high-quality milk got into the manufacturing facilities by pipes, the tank is cleaned, treated with hot steam, sealed and sent for a new batch of fresh cow's milk!





The only source of possible penetration of antibiotics in dairy products is raw milk. If antibiotics are present in raw milk, they will be contained in a finished product. And they can get there only if a sick animal was milked together with a healthy herd.

“Savushkin product” values quality of its products and duly carries out preliminary work: all the cows, milk from which comes to us for processing, have individual electronic chips with complete information about health of each animal. On the way to milking, all cows go through special gates equipped with sensors which read out all information about each animal and open the gates to the milking parlour.

Thus, cows that are sick and undergo medical treatment are sent to a special milking parlour, and it means that their milk will not get to the manufacturing facilities. This is because milk of these animals is not just healthless but can do a lot of harm to people.

To exclude completely the risks associated with the possibility of radiation contamination, milk raw materials are regularly checked for caesium and strontium.



TO ENSURE HIGH QUALITY AND SAFETY OF PRODUCED FOOD, THE FOLLOWING MANAGERMENTS SYSTEMS ARE INTRODUCED AND IMPLEMENTED IN “SAVUSHKIN PRODUCT” COMPANY:

- MANUFACTURING QUALITY MANAGEMENT SYSTEM IS CERTIFIED IN COMPLIANCE WITH THE REQUIREMENTS OF STB ISO 9001-2009;
- FOOD SAFETY MANAGEMENT SYSTEM IS CERTIFIED ACCORDING TO INTERNATIONAL CERTIFICATION SYSTEM FSSC 22000;
- MANAGEMENT SYSTEM (EMS), WHICH INCLUDES THE NATIONAL CONFORMITY CERTIFICATE STB ISO 14001 AND THE INTERNATIONAL CONFORMITY CERTIFICATE ISO 14001.

“SAVUSHKIN PRODUCT” IS A RESPONSIBLE EMPLOYER

LABOUR RELATIONS

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Businesses should stand for the elimination of all forms of forced and compulsory labour.

Businesses should stand for effective abolition of child labour.

Businesses should stand for the elimination of discrimination in respect of employment and occupation.



COMPANY IN FIGURES

3374

NUMBER OF
EMPLOYEES

3371

NUMBER OF THE TRADE
UNION MEMBERS

36 years

AVERAGE AGE OF THE
COMPANY'S EMPLOYEES

About

\$26 thousand

INVESTMENTS IN TRAINING AND RAISING QUALIFICATION
OF THE EMPLOYEES (FOR 9 MONTHS OF 2018)

\$158 thousand

SENT FOR MEDICAL SERVICE OF THE COMPANY'S EMPLOYEES
(FOR 9 MONTHS OF 2018)

SOCIAL POLICY OF THE COMPANY

“Savushkin product” appreciates its employees and surrounds them with care every day. Every employee in the company has the opportunity to get hot meals and medical care, attend a massage room, hydromassage and solarium. Functioning in the company health unit is open every day. And medical services in the health unit are provided to the staff free of charge.

takes into account interests and activities of each member of the team. If the employee actively goes in for sports - he has the opportunity to go to the gym and swimming pool free of charge. If he prefers cultural relaxation - welcome to the plays and concerts! Trade union organization of the company “Savushkin product” gives you the opportunity to develop physically and spiritually, that’s why it rents the gyms and tracks in the swimming pools and arranges many cultural events, including collective visits to the theatres, excursions and tourist weekend trips, corporate holidays, Health Days, tourist gatherings.

The company gives the opportunity for everyone to acquire new knowledge and develop professionally. Thanks to the current programme of continuing professional training, corporate trainings, international professional conferences and seminars are organized regularly for the staff.



“SAVUSHKIN PRODUCT” IS A RESPONSIBLE EMPLOYER

The company provides the prospect of career growth to everyone and tends to encourage the best employees within the framework of professional competitions. Professional skill competition for the title of “Best by Profession” is held annually and has already become a good corporate tradition.

“Savushkin product” has a collective agreement, one of the best in Belarus. A collective agreement is a document that establishes additional social guarantees, compensations and benefits for the company’s employees. Thanks to it, everyone in the company, being a member of the trade union, can count on receiving material assistance and place in the hostel, reimbursement for medical services, a place to the children’s health improvement camp or sanatorium for adults, etc. Collective agreement also covers the crucial issues in remuneration of labour, employment, labour protection, occupational and environmental safety, medical care, health resort treatment and provision of housing.



OCCUPATIONAL SAFETY

It is impossible to imagine anything more valuable and important than human life and health. The main principle and the main task of occupational safety in our company is preservation of these values by prevention of industrial injuries and occupational diseases, as well as creation of comfortable working conditions.

During the first 9 months of 2018, 25 events for occupational safety and improvement of working conditions were held for the amount of more than \$ 290 thousand.

**OCCUPATIONAL SAFETY COSTS FOR THE FIRST
9 MONTHS OF 2018 AMOUNTED TO ABOUT**

\$ 500,000.

THIS AMOUNT INCLUDES:

- PROVISION THE EMPLOYEES WITH FREE PERSONAL PROTECTIVE EQUIPMENT;
- REPLACEMENT OF FIRE AND EMERGENCY SYSTEMS;
- MODERNIZATION AND REPAIR OF VENTILATION SYSTEMS;
- PROVISION OF FREE MILK;
- DELIVERY OF WASHING AGENTS AND DISINFECTANTS;
- PROVISION OF PRODUCTION WORKERS WITH BOTTLED WATER.



OCCUPATIONAL SAFETY AND HEALTH TRAINING IS CONDUCTED ANNUALLY WHEN CARRYING OUT:

- CONSTRUCTION WORK, TIRE FITTING;
- DURING WORK AT HEIGHT AND EARTHWORKS;
- WHEN WORKING WITH CHEMICALS;
- WHEN DOING WORK FROM MOBILE WORK PLATFORMS;
- TRAINING IS CARRIED OUT WITH PUBLIC HEALTH AND SAFETY INSPECTORS;
- ON ENVIRONMENTAL MANAGEMENT SYSTEMS;
- HEALTH AND SAFETY MANAGEMENT SYSTEM, ETC.



“SAVUSHKIN PRODUCT” IS A RESPONSIBLE EMPLOYER

Public inspectors (39 of them) daily participate in monitoring of compliance with occupational safety legislation. In a team with direct managers of works, employees of the occupational safety and ecology department, it is possible to reveal the most frequent and minor violations of working conditions and occupational safety, and to remedy the situation in time.

WITHIN 9 MONTHS OF 2018

1470

INSPECTIONS WERE
CARRIED OUT TAKING
INTO ACCOUNT
PRODUCTION
BRANCHES

637

RECOMMENDATIONS WERE COMPILED
AND INCLUDED INTO THE AUTOMATED
PERIODIC CONTROL PROGRAM.

Possible dangers and risks are assessed in each division. Each of the identified probable risks is controlled by means of preventive actions that help to prevent the possibility of injuries.



**THREE HEALTH UNITS FUNCTION IN THE COMPANY:
AT MANUFACTURING SITES IN BREST, STOLIN AND PINSK.**

HERE, THE FOLLOWING IS CARRIED OUT:

- reception of patients;
- injections;
- examination for admission to work;
- physiotherapeutic procedures;
- cardiogram;

ADDITIONALLY IN BREST:

- before-doctor reception;
- a therapist and a dentist consultations;
- manual and underwater massage sessions are held.

Employees also receive consultations from specialists and additional examinations, on the basis of contracts with city polyclinics and regional dispensaries.

In 2018, the overhaul and expansion of the health unit of the dentist's room in Brest was carried out with the furniture and equipment replaced.



CORPORATE SPARTAKIAD

Healthy lifestyle today is of high priority: doing sports is the key to a good health and mood of the employees, and hence, their high performance and efficiency. For the third consecutive year, “Savushkin product” has been holding a year-round corporate Spartakiad among all production and sales branches of the company.

The Spartakiad includes competitions in various kinds of sport subject to wide interests of the employees: athletics, badminton, volleyball, mini-football, table tennis, checkers and chess, swimming, billiards, petangue and darts.

Competitions form a team spirit and improve psychological climate in the team. Relay race and healthy competitiveness help to switch off from the routine of everyday problems. In addition, the employees will be pleased that they are given such an opportunity. They will be loyal to the company and to you personally.





ABOUT
700
PARTICIPANTS
OF THE SPARTAKIAD

11 SPORTS

10 TEAMS

“The Spartakiad attracts by the fact that it combines health, passion and the ability to communicate with colleagues in the informal surroundings. The trade union strives to 100% to introduce a healthy lifestyle to each employee, each team. After all, doing sports is the most effective way to maintain good physical shape, high spirits, as well as the source of inspiration for new labour success and achievements”.

Anatoli Lishuga

Sports Instructor of OJSC “Savushkin product”

“SAVUSHKIN PRODUCT” IS A RESPONSIBLE EMPLOYER

HEALTH DAY

The employees of “Savushkin product” have been looking forward to return of the Health Day for 8 (!) years. The last time picturesque surroundings of the Beloye Lake met sporty milkmen in this format back in 2010 ...

“In wonderful weather conditions, the “Health Day” was held on June 15-17 among the employees of OJSC “Savushkin product”. As such events have not been held since 2010, this holiday was long-awaited. Our employees live not only by work - and “Health Day” showed it. These days employees had the opportunity to relax completely. Of course, victory is important for everyone, so the desire to be better and stronger was demonstrated by all the teams. Our employees could show themselves, demonstrate their capabilities at various stages - from creative to sports. Health Day gave workers unforgettable impressions, good mood, cheerfulness. And we are glad about that”.



Svetlana Martynova

Chairman of the United Primary Trade
Union Organization of OJSC “Savushkin product”.





100 people being a part of 10 teams from different departments and branches of the company came first of all to communicate and get to know their colleagues, and you can't think of a better way than to join in one sports team.

However, a busy sports day was coming on Saturday, and the evening before the teams had to show themselves creatively at a song contest. All skills, starting with incredible charm were used for this.

The main program of the “Health Day” included 11 stages: from active games (streetball, megajump, relay) to competitions requiring on the contrary self-control (cycling, jenga, petanque). Teams in a certain order of priority took all stages, competing with each other. That extraordinarily gambling and in a good sense of the word tense atmosphere needed to be seen and felt.

ANTI-CORRUPTION MANAGEMENT

Businesses should work against corruption
in all its forms, including extortion and bribery.



“Savushkin product” maintains the highest ethical business conduct, values its reputation and uses only those methods that are based on the principles of openness and humanity and are recognized by the international community:

“Savushkin product” practices fair and transparent business relations practice, adheres to the moral standards of doing business, building long-term and stable relations with all interested parties, which are based on mutual trust, complete fulfilment of obligations and openness.

The company strives for creating and maintaining a corporate culture on the basis of trust and involving intolerance to corruption, including extortion, bribery, as well as preventing illegal payments to the staff. Salary is transferred through “Belagroprombank”, “Belarusbank”, “BelVEB” and “Alfa-Bank” to electronic cards.

“Savushkin product” stands for transparent business practices and strict observance of the requirements of the national legislation and the legislation of all partner countries in the field of anti-corruption. Not only internal relations within the company are based on the principles of honesty, fairness and integrity, but also its external communications.

Nowadays, “Savushkin product” maintains business relations with a great number of organizations in Belarus and abroad. And these relations are built solely on trust and mutual respect. The company practices tender procurements and conclusion of service contracts.

Suppliers of packaging, fillers, equipment and other partners are chosen by means of tender and must comply with, first of all, the requirements of safety and quality of their work, products and services provided. The company carries out all settlements with its partners by wire transfer.

“Savushkin product” is engaged into effective work for avoidance of fraudulent acts on the part of the employees and third parties. The property and assets of the company are used only to achieve the company's goals and never for personal benefits.

ENVIRONMENTAL PROTECTION

ENVIRONMENT

Businesses should support a precautionary approach to environmental challenges.

Businesses should undertake initiatives to promote greater environmental responsibility.

Businesses should encourage the development and diffusion of environmentally friendly technologies.



OJSC “Savushkin product” takes good care not only of processing of incoming milk, but also of environmental conservation. The company has 100% non-waste production. Nowadays, company “Savushkin product” completely processes “by-products” (cheese and cottage cheese whey and buttermilk), turning them into competitive goods demanded by the market. The company also closely monitors the ecology of its production, minimizing harmful emissions into the atmosphere.

**VOLUME OF WHEY PROCESSING
(9 MONTHS OF 2018)**

449,500 TONS

OJSC “Savushkin product” has introduced, uses and annually confirms the compliance of the environmental management system (EMS), according to the results of the certification audit held in 2005 by the national certification body RUE “Ekologiyainvest” the national environmental compliance certificate STB ISO 14001 was issued, on the results of the certification audit carried out in 2006 by the international certification body FLLC “Bureau Veritas Bel Ltd.” environmental international certificate of conformity to ISO 14001 was issued.





Being the manufacturer of natural dairy and juice products OJSC “Savushkin product” sets the tasks as follows:

- prevention and reduction of the negative impact of the company’s activities on the environment;
- provision of safety and preservation of the employees’ life and health during the manufacturing process.

TO ACHIEVE THE TASKS SET, THE COMPANY ASSUMES THE FOLLOWING OBLIGATIONS:

- To comply with legislative and other requirements in the field of environmental protection, health and occupational safety applicable to the activities of the company.
- To implement activities aimed at reduction of the negative impact of production activities of the company on the environment, prevention of contamination, rational use of material and energy resources.
- To improve technological processes and introduce resource-saving and energy-saving technologies, strive to select the most effective means of environmental management, determine priority areas of activity, set and implement goals in the field of environmental protection, occupational health and safety.

ELECTRICAL ENERGY CONSUMPTION PER 1 TON OF RAW MATERIALS, KWH

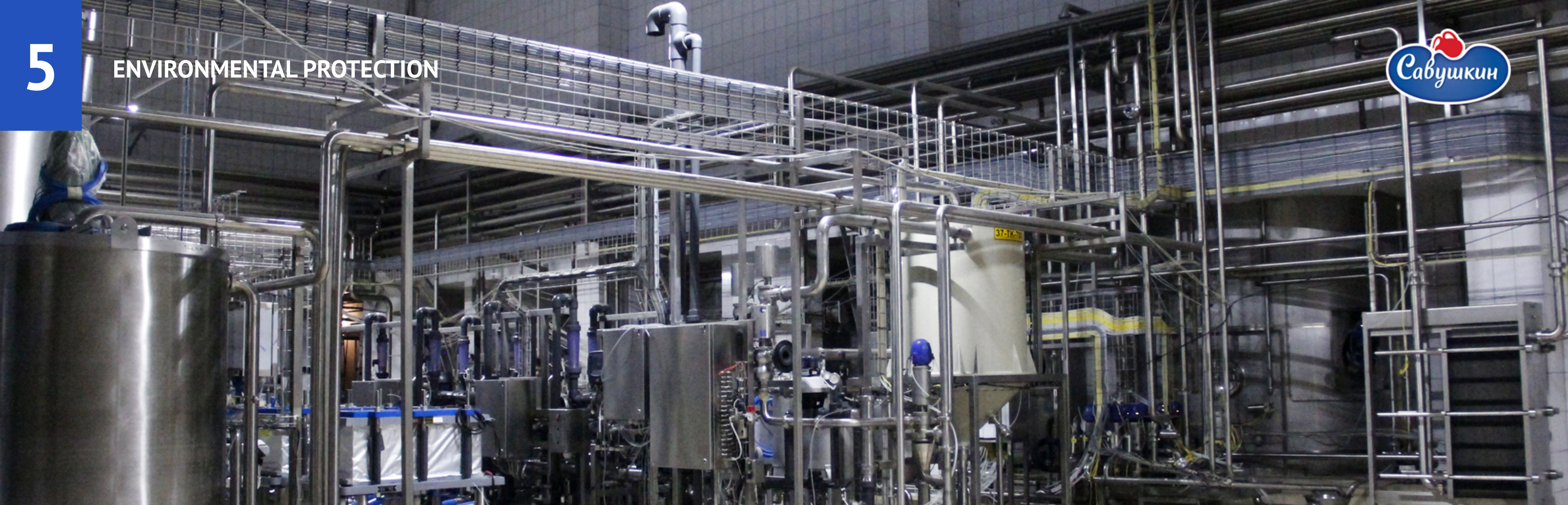
2016	48
2017	49
9 MONTHS OF 2018	47

WATER CONSUMPTION PER 1 TON OF RAW MATERIALS, M3

2016	2,5
2017	2,6
9 MONTHS OF 2018	2,25

- To carry out consultations with the employees on environmental protection, health and occupational safety issues, and involving their representatives in participation. To increase the competence and awareness of the employees in the field of environmental protection, health and occupational safety, to improve labor management.
- To monitor the compliance with environmental impact standards.
- To improve continuously the occupational health and safety management system, the environmental management system in order to raise the company's performance indicators.





OJSC “SAVUSHKIN PRODUCT” ANNUALLY WORKS OUT THE PLAN OF ACTIVITIES FOR ENVIRONMENTAL PROTECTION, IN 2018 THE FOLLOWING EVENTS WERE CARRIED OUT TO THE FULL EXTENT:

- IN THE MANUFACTURING BRANCH IN PINSK, SCR CATALYTIC REDUCTION SYSTEMS FOR WASTE GAS PURIFICATION FROM GAS RECIPROCATING MACHINES HAS BEEN INSTALLED.
- WHEY HEAT-RECOVERY SYSTEM FOR HEATING TAP HOT WATER IN THE SOFT CHEESE AND CURD WORKSHOP HAS BEEN INSTALLED;
- HEAT-RECOVERY EQUIPMENT HAS BEEN INSTALLED IN THE COMPRESSOR WORKSHOP;
- OZONE-DEPLETING R22 FREON IN COMPRESSION-CONDENSING UNITS HAS BEEN REPLACED WITH AN ALTERNATIVE OZONE-SAFE MIXTURE IN BREST;
- INSTRUMENTAL CONTROL OF THE EFFICIENCY OF GAS-CLEANING UNITS OF THE COMPANY, PRODUCTION BRANCHES. NO EXCESS DETECTED.



“SAVUSHKIN PRODUCT” – FOR HEALTH OF THE NATION”

HUMAN RIGHTS

Businesses should support and respect the protection of internationally proclaimed human rights.

Businesses should make sure that they are not complicit in human rights abuse.

OJSC “Savushkin product” consistently follows the main idea of the UN international initiative “Global Compact”: achievement of commercial success always provided that the universal human values are respected and preserved.

In 2005, the company became the organizer of a large-scale republican social initiative “Savushkin product” - for health of the nation”. Year on year, it is replenished with a wide variety of social projects the main purpose of which is to take care of health of Belarusians through popularization of the principles of healthy nutrition with an emphasis on its important component - natural dairy products and promotion of a healthy lifestyle.

Numerous projects of the country’s flagman of the dairy industry again and again draw the attention of Belarusians to the need to take care of their health and health of their nearest and dearest. It is proposed to begin with the simplest - with a review of approaches to nutrition.

Statistics shows insufficient drinking of milk by most people. (on the average Belarusians consume at least 90 kg of dairy products less than recommended by the WHO rates.) Hence, the growth of diseases appears.

Milk consumption rate per year (kg per person) is 330-340 (according to WHO) see diagram

“MILK
CONSUMPTION
PER CAPITA”



MILK FESTIVAL

On July 27, Milk Festival “Clouds of Milk” for the third time burst into the Peace Park in Brest. This annual event is a must visit for everyone who loves summer, a healthy lifestyle, music and ... milk.

Traditionally, the organizer of the Festival was “Savushkin product” with the support of Brest City Executive Committee.

“Festival “Clouds of Milk” is the bar that “Savushkin product” has set for the enterprises of the city. This is a wonderful gift to the entire eastern micro-district. Other companies are starting to replicate this wonderful experience”.



A.S. Rogachuk

Chairman of Brest City Executive Committee



FESTIVAL IN FIGURES:



50 000
visitors

3RD CONSECUTIVE YEAR AT THE
END OF JULY, THE PEACE PARK
BECOMES THE MOST POPULAR
PLACE FOR REST IN BREST



1 100
users' mentions

IN SOCIAL NETWORKS UNDER
HASHTAG #CLOUDSOFMILK2018



4 000
balloons

AT 4 P.M. LIKE WEIGHTLESS CLOUDS
ROCKED UPWARDS THE SKY
ANNOUNCING THE OPENING OF THE
FESTIVAL

10

THEMATIC
GROUNDS

30

ACTIVITIES SUITED
TO EVERY FANCY

45

PUBLICATIONS AND ITEMS
ON THE TOP-RATED SITES IN BELARUS

6

GIFTS TO BREST
TWO BENCHES WITH WI-FI, ULTRA MODERN GAZEBOS,
THREE NEW ATTRACTIONS ON THE CHILDREN'S PLAYGROUND

“SAVUSHKIN PRODUCT” – FOR HEALTH OF THE NATION”



The Peace Park and part of Leningradskaya Street were divided into 10 thematic sites, which we call “clouds”, where more than 30 cool activities awaited the participants of the festival. “Pleasant clouds” grow from year to year which makes our guests very happy.

The heart of the milk festival was the main square under the open sky with “dairy” clocks and a small stage. During the day, everyone was waiting for performances of cover bands and dance studios, as well as a mini disco with SuperKid.

The official opening was attended by the mayor of Brest (A.S. Rogachuk) and the Director General of “Savushkin product” (A.V. Savchits).

See more details about activities prepared for our guests on thematic “clouds” in the longread:

<http://project76320.tilda.ws/page3295425.html>

WHAT ELSE AWAITED THE GUESTS OF THE FESTIVAL?

The food-court area of 35 different food-trucks with street food was arranged on the festival. 450 seats for gourmets from Brest. Connoisseurs of a healthy lifestyle will also find something to make their day: traditionally, milk café from “Savushkin product” will be open in the food-court zone.

During the festival, about 300 persons visited the manufacturing site of “Savushkin product” to see with their own eyes how natural dairy products are manufactured from fresh milk. Pre-registration for visiting the enterprise was conducted through corporate pages in all social networks (Vkontakte, Odnoklassniki, Facebook and Instagram).

11 photo zones were located on the “clouds”. Visitors took great photos and published them under the hashtags #cloudsofmilk and #cloudsofmilk2018.

At 8 p.m. a gala concert started in the stadium “Yunost” where “Tyani-Tolkai”, Nuteki, trio “Beatris”, cover band “Slaidy” and other Belarusian performers gave joy to the guests. A spectacular firework became an exciting commemoration of the start of Brest City Day celebration!



SITE IN THE PEACE PARK

“Along with milk festival, the Peace Park has also changed: several years ago we promised to turn it into a modern space and your favorite place for rest. As you can see, we keep our word, and we can’t act differently! Look how our park comes to life: it is filled with new interesting objects for both kids and adults. Last year, our company presented a playground to young residents, this year it was replenished with three more new objects. And for young people we built a beautiful modern gazebo and installed original benches with Wi-Fi. And this is just the beginning!”

**A.V. Savchits**

Director General of
OJSC “Savushkin product”



IN SEARCH OF HAPPINESS TOGETHER WITH SUPERKID. TRIP TO ZHITKOVICHY CHILDREN’S HOME

Winter is a time of miracles. The time when we particularly want to feel the warmth of our dearest and nearest, to share the good and joy with others...

On December 12, “Zhitkovichy Social-Pedagogical Centre with asylum” welcomed the guests. And what a wonderful, very warm meeting it turned out to be: a faithful friend of active and positive children, a funny chipmunk SuperKid from “Savushkin product” where only healthy natural dairy products are produced, the most real Snow Maiden with Father Frost assistant, doctor Aunt Motya from the fairy dairy country came to congratulate the educatees of the Centre and the children from family-type children’s homes on the winter holidays -

The guests shared a good mood with the children with joy and enthusiasm, held contests and relay races, danced and led round dances. And SuperKid told everyone, young and old (parents also took great interest in the discussion) about useful properties of milk and dairy products.

Each participant of the holiday prepared a healthy breakfast rich in protein, vitamins and hundreds of microelements that are useful for a growing children’s organism, which will charge you with energy and good health for the whole day. This seemingly difficult task did not cause any problems for the guys: everything was easy, simple and tasty. After all, the basis of healthy breakfasts were Greek yogurt “TEOS” and soft cottage cheese “Nezhnyi”. Gifts from the guests and genuine happiness on the faces of all guests became a high point of the holiday. No wonder they say: “If you want to be happy, behave as if you are already happy!”



“SAVUSHKIN PRODUCT” ON BREST HALF MARATHON. TEOS IS THE CAPTAIN OF THE TEAM

On June 24, 2018, Brest turned into an enchanting holiday of sports enthusiasts, the territory of health and healthy eating. And all because the first Brest half marathon was held in the city, which we were pleased to support both as platinum partners and as participants as well.

At 9 a.m. sharp, 1,100 participants from Belarus and other countries that set sights on 6, 10 and even 21 km started off from the Brest Fortress walls. In that burning with sports passion crowd of the daredevils, of course, it was easy to single out a brave team of “Savushkin product”. It is noteworthy that many runners swung at the most difficult distance - 21 km. We think this cannot do without pre-protein TEOS charging.





Fortunately, such a “doping” for athletes was just not only prohibited, but highly recommended (it could be found in the start package of each participant)! However, we not only tried to recharge the participants deliciously, but also to warm them up before the race properly: at TEOS promotion site, everyone could feel like members of a large sports family, warm up and take pictures with a record-holder of the national athletic team of the Republic of Belarus Alina Talay by the photo zone “the Tree of Power”.

SOCIAL AND EDUCATIONAL PROJECT “MILK ACADEMY”: TOGETHER FOR HEALTH AND SUCCESS”

“Milk Academy: together for health and success” is a social and educational project of “Savushkin product”, so beloved by Brest schoolchildren, conquered the capital in a new format. The first lesson of the “Academy” was held on September 15 in Gymnasium No. 56 in Minsk. On October 20, School № 12 opened the door to the project. On November 10, School № 11 met the project.

The main goal of “Milk Academy”, simple and noble, is to teach schoolchildren to take care of their health, to form a conscious attitude to their nutrition and to explain why dairy products should be included in the daily nutrition of each person. “Academicians” are the pupils of the ninth - tenth forms. The company has prepared an exciting and rich program for them, because serious information is remembered better in the form of a game.



WHAT DOES THE PROGRAM INCLUDE?

- Training from Alina Talay (a member of national athletic team of the Republic of Belarus, repeated prize-winner of the World Athletics Championships);
- Intellectual game “Mozgva” is a quiz on milk and healthy lifestyles with the team of Aleksandr Serikov. (Participants will be divided into teams and will compete answering difficult and funny questions about healthy lifestyles, nutrition and the benefits of dairy products. During the competition, teens will learn how to organize their daily lives properly in order to be healthy and successful, and what role healthy food plays in this. The winners will receive the fitness club membership and other pleasant surprises from “Savushkin product”);
- Master class from the blogger Anna Bond about secrets of a healthy lifestyle, healthy eating and trainings;
- A food-blogger and the honorary member of the Guild of Cooks and Chefs of Belarus Tatiana Nazaruk teaches how to cook the perfect breakfast quickly and tastily.
- Throughout the event, the “Dairy Power Recharging Station” will function at the project site. Here, children will be able to restore their strength, eat yogurt and learn useful information from the company representatives.



“SAVUSHKIN PRODUCT” – FOR HEALTH OF THE NATION

“Milk Academy” held the first meeting on September 15 in Gymnasium No. 56. Within three months of the project duration, the project was implemented in three gymnasiums, the pupils of which will soon receive the title of “dairy academicians”. The target audience is, as previously, upper-form pupils. We understand that adolescence is one of the most difficult periods both for children and their parents. At this very age physiological and psychological changes rapidly occur in the children’s body. All this requires not only special attention to children, but also special nutrition so that their bodies can grow and develop normally, - notes Elena Babkina, Deputy Director General of “Savushkin product”. - As a rule, teens do not want to listen to anyone who they are not interested in, they imitate and reach after those who are in the public eye doing what attracts the attention of a large circle of people every day. They have their idols. And we want these idols to inspire the guys to good deeds. We hope to attract not only teenagers’ attention to the project, but also their parents’ in order to demonstrate and help to understand that healthy lifestyle and healthy eating can give the pleasure!”

HOW MEETINGS OF “MILK ACADEMY” ARE HELD?

Actually, none of the teenagers listened to tedious lectures on the benefits of dairy products. But they could be inspired by personal example of opinion leaders - successful athletes, bloggers and media persons. Pleasant bonuses - gifts from organizers of “Milk Academy” for success in the intellectual competition: membership for group and individual classes in the gym, invitations to the carting club.

HERE IS THE OPINION OF “NEW ACADEMICIANS”:

Yelizaveta Shimkovich (form 10 “A”):

“At the current time, the mainstream is on a healthy lifestyle, and we also happily support it. I have not expected this weekend to be so interesting and, most importantly, fruitful!”

Aleksandr Dobysh (form 10 “B”):

“It’s cool when people tell you about a healthy lifestyle that are not just heard about it somewhere, but are themselves completely in it. I am well acquainted with this. But today, personally for me, my lifestyle has reached a new level. I felt like a part of a huge team. And it’s great!”



MASS MEDIA RELATIONS

415

TOTAL NUMBER OF
MEDIA PUBLICATIONS FOR
9 MONTHS OF 2018

534

NUMBER OF POSTS
IN THE COMPANY'S SOCIAL
NETWORKS

ABOUT

3000

NUMBERS OF CONSUMERS'
RESPONSES IN SOCIAL NETWORKS
AND FEEDBACK SECTIONS

For wide informing the consumers about the importance of healthy eating and the role of dairy products in it, answering topical questions and increasing the consumers' loyalty OJSC "Savushkin product" actively cooperates with the most popular and top-rated MASS MEDIA. These are a weekly column "On Nutrition" in "Komsomolskaya Pravda in Belarus" (newspaper with the greatest number of editions), news and native materials on such web sites as tut.by, citydog.by, Кактутжить.by, kyky.org, village.me, Кактутесть.by, Бинокль.by, Rebenok.by, etc.

Also a regular education work was carried out in regional mass media of Brest and region (Zarya, Vecherniy Brest, Brestski Kurier, Narodnaya Tribuna, Virtualny Brest, etc.).

FEEDBACK WITH CONSUMERS

WITHIN 9 MONTHS OF 2018



481
appeals

WERE RECEIVED TO THE
FEEDBACK CHANNELS



125
appeals

“HOTLINE” CALLS



356

letters and messages online

SOCIAL NETWORKS OF THE COMPANY,
FORM FROM THE OFFICIAL SITE

“Savushkin product” is open to dialogue with its customers. From January 2009 onwards the company has a hotline, which is indicated on each product package (free call on 8-801-201-7777 within the Republic of Belarus). Calling the hotline any consumer will be able to make comments and suggestions about the company’s activity and its products, as well as to get any information of interest. “Hotline” service is set in the intra-corporate standard “Feedback”.

The company accepts electronic appeals of the customers which are sent via the web-site form and through corporate social networks (Vkontakte, Facebook, Odnoklassniki).

AWARDS

*To earn the trust of confidence is not easy.
You can't buy it like milk in a store.*

POPULAR RECOGNITION

For example, the annual consumer recognition award “People’s Choice Brand”. Its absolute favourite and winner in all four “dairy” nominations - “Yogurts”, “Hard Cheese”, “Processed Cheese” and “Traditional Dairy Products” has become our company not for the first time.





RESULTS OF THE AWARD SHOWED:

54,29%

MORE THAN HALF OF
BELARUSIANS PREFER YOGURTS
OF THE TRADE MARKS
“SAVUSHKIN”, “OPTIMAL” AND
“LASKOVOYE LETO”

42,01%

PRACTICALLY EVERY SECOND
INHABITANT OF THE COUNTRY
ADDS COTTAGE CHEESE, SOUR
CREAM, KEFIR, MILK, RYAZHENKA
AND SOUR-MILK “SAVUSHKIN” TO
THE FOOD BASKET

34,61%

AND FINALLY, EVERY THIRD
BELARUSIAN CHOOSES HARD

30,49%

AND PROCESSED CHEESES OF
THE COMPANY.

*And one more very pleasant
fact:*

*it was us who the consumers called in response to the
question who they consider to be the best of the best
among food producers in Belarus. As a result, the Grand Prix
“The Best Food Producer in Belarus” is our!*



“BRAND LEADER” IN EVERYTHING!

On January 26, 2018, “Brand of the Year” professional competition summarized its results. Traditionally (the 17th year in a row), dairy brand “Savushkin” is granted the title of the “BRAND LEADER”. This year, the company won in all three consumer categories: Traditional dairy products, Cheeses and Yogurts.

Another nice moment was the “Gold Medal” in the “Socially Responsible Brand” nomination for the information and educational projects implemented by the company that help consumers of different ages to be well-informed about the huge amount of dairy products presented on store shelves. “Active social position».



HERE IS HOW PROFESSIONAL EXPERTS EVALUATE THE WORK OF THE COMPANY:

“I see that “Savushkin product” has changed its approach to corporate responsibility - it has become more conscious and valuable: the team clearly understands assumed obligations and purposefully moves forward, realizing interesting and creative social projects. Such projects as “Milk Academy” and “Nevesomost” in which children and women are actively involved, awoke an echo in my heart. I would like to wish new victories and achievements to the company on such a difficult but very responsible path as social responsibility of business”.



Zhanna Filippova

Director of “New Eurasia” Information and Education Fund,
member of the jury of the “Socially Responsible Brand” nomination.

NEWS FROM RUSSIA

From February 5 through 9, the 25th anniversary international exhibition “Prodexpo-2018”, which became the main event in the food industry, was held in the Russian capital. 5 Gold medals and Silver medal for the best taste and quality, plus the 1st degree Diploma for high consumer properties - the highest rating of the professional jury and the brilliant result of participation in the competitions of “Savushkin product”.

“BEST PRODUCT-2018”:

“GOLD MEDAL”:

- crumbly cottage cheese “Savushkin Khutorok”
- butter “Brest-Litovsk”
- Greek yogurt “TEOS” natural
- Greek yogurt “TEOS” cherry-pomegranate

SILVER MEDAL:

- cream cheese “Brest-Litovsk”

COMPETITION OF THE INDEPENDENT INSPECTION SERVICE “SOYUZEXPERTIZA” OF THE CHAMBER OF COMMERCE AND INDUSTRY OF THE RUSSIAN FEDERATION

“GOLD MEDAL” “FOR HIGH QUALITY” AND 1ST DEGREE DIPLOMA “FOR HIGH CONSUMER PROPERTIES”:
-CURD CHEESE “SAVUSHKIN” CREAM.



МИНИСТЕРСТВО СЕЛЬСКОГО ХОЗЯЙСТВА
РОССИЙСКОЙ ФЕДЕРАЦИИ
РОССЕЛЬХОЗНАДЗОР

ДИПЛОМ
ЛАУРЕАТА
МЕЖДУНАРОДНОГО КОНКУРСА
«ЛУЧШИЙ ПРОДУКТ - 2018»

ДИПЛОМ

I-й степени

НАСТОЯЩИМ НАГРАЖДАЕТСЯ

ОАО «Савушкин продукт»

224028, РБ, г. Брест, ул. Я. Купалы, дом 118

ЗА ВЫСОКИЕ ПОТРЕБИТЕЛЬСКИЕ СВОЙСТВА

Образца: Сыр творожный «Савушкин» «Сливочный»
с массовой долей жира 60,0%, 250 г
представленного на 25-й Международной выставке
продуктов питания, напитков и сырья для их производства
«ПРОДЭКСПО-2018»

CRYSTAL COMPLIMENT

“We have known and admired dairy products of “Savushkin product” for quite a long time, but the Crystal Award for Greek yogurt “Teos” is above all praise. Just imagine how many famous not only in Europe but all over the world chefs evaluated this yogurt blindly, not knowing the country of origin and not seeing the packaging. And all definitively put the highest scores, the maximum possible. And like that the third year in a row, with different panels of the jury!”



Christian de Bauw

A founder of the International Taste and Quality Institute.

The year of 2018 became truly significant for the company’s team and for the whole Republic as well: the most authoritative tasting competition in the global food industry, the Superior Taste Award, was held in Brussels and “Savushkin product” became one of its triumphers, the first in the history of the competition dairy company from Belarus and the CIS countries which was awarded with a special “Crystal Award” *.



“Crystal Award” – the mark of particular taste and quality evaluation which confirms: its holder is truly the best in its category. The condition for awarding is the highest marks from the masters of the global food industry, awarded to the same product 3 consecutive years.





The competition this year was just unheard of: 1,850 leading world brands in the food and beverage industry from 90 countries of the world- more than 2,000 products! The judges of the competition (175 chefs from the 15 most prestigious international associations and Michelin and Gault Millau restaurant guides) traditionally evaluated the competitors based solely on their many years' experience (and each of them has at least 30-year experience!), having no information neither about the product nor its producer during the tasting session.

But not only Greek yogurt received recognition of the best European gourmets: for five years in a row, our gold cheese brand “Brest-Litovsk” received “Two Gold Stars” and the invariable characteristic “wonderful taste”. And this is more than a decent estimate for Belarusian cheese in such a highly competitive global market.

“A bright, intense and attractive taste and smell of high-quality milk is really impressive. Combine this cheese with white wine, fresh vegetables with a sweet sauce to emphasize the contrast of tastes” .



Riccardo Carnevali

A chef of the Italian Chef Federation

And this year, the attention of the eminent jury was also attracted by classic crumble cottage cheese “Savushkin Khutorok”. Creamy with pleasant sour taste and unusual structure of this exotic for Europe product also deserved “Two Gold Stars”.

We appreciate and are proud of every award received at the Superior Taste Award. And this year we have a special reason for joy, in addition to the Gold Stars that have already become traditional for us, the Crystal Award is the highest mark, a sign of special distinction!

THE GOLD STANDARD OF INTEGRATION: V FORUM OF THE REGIONS OF BELARUS AND RUSSIA IN MOGILEV

The 5th Forum of the Regions of Belarus and Russia was held in Mogilev on October 10 - 12 of the expiring year. The event in the city on the Dnieper became milestone - the main events were held with the participation of the Presidents of the Republic of Belarus and the Russian Federation.

However, V Forum of the Regions of Belarus and Russia is not only a meeting of the state leaders and a discussion of the economic situation; it is a real unity of fraternal people: songs, dances, the fair, the City of Craftsmen. “Savushkin product” could not miss such an event!

Fairs from different regions of Belarus and Russia took place on the main square in the very centre of Mogilev. “Savushkin product” company generously treated Mogilev residents with Greek yogurt “TEOS”, cottage cheese, sour cream and delicious cheese “Brest-Litovsk”.





ANNUAL FESTIVAL OF QUALITY IN YEKATERINBURG

On October 30 - November 1, 2018, “Savushkin product” for the first time took part in a useful event with the support of the Administration of Yekaterinburg and the Ministry of Agro-Industrial Complex and Food of Sverdlovsk Region: the 16th annual festival of quality of cheese, butter, mayonnaise and fat-and-oil products.

The goal of the festival closely echoes with one of the goals of our company - the best satisfaction of consumer interests and increasing competitiveness among the manufacturers. Therefore, “Savushkin product” will become a welcome guest at the festival from the neighbouring country.

HIGH-SOUNDING “DOZHINKI” IN VYSOKOYE TOGETHER WITH “SAVUSHKIN PRODUCT”

“Savushkin product” knows perfectly well how to regale and how to entertain guests so that they are satisfied. Therefore, at “Dozhinki” in a small cosy town of Vysokoye, during the tasting session our staff generously treated the guests with natural, tasty and various dairy products, hospitably invited to try fresh pastries with hot tea in the Milk Café and then have fun both themselves and with the children at sites with activities...

All day long lively music sounded in all ends of the town, guests friendly danced, danced in a ring accompanied by the bayan, and the number one of the music and dance program, as always, was the mini-disco with SuperKid and prize drawing.

Both adults and children was happy to try on the role of a milkman or milkmaid - almost a real cow located in the centre of the “Savushkin” ground next to the original realistic photo zone on the farm theme. Well, TEOS zone prepared active games, a giant puzzle game “And you try it!” and even technologies for immersion in virtual reality were prepared for healthy lifestyle adherents!

In short, “Savushkin product” traditionally remarkably “joined” the celebration of the last sheaf in Vysokoye. And for us it is not only an opportunity to supplement the rich grain harvest with a jug of fresh milk, but first and foremost, the opportunity to talk with our consumer friends, hear their opinions and listen to their wishes!



THE BEST PRODUCTS ON THE RUSSIAN MARKET

At the end of September, the 27th International Exhibition “World Food-2018” was held in Moscow. According to the results of “Product of the Year” competition held within the framework of this largest forum of the food industry, the products of “Savushkin product” company were awarded three highest awards.

Three gold medals were awarded to the company for classic cheese “Brest-Litovsk”, Greek drinking yogurt “TEOS” (cherry-pomegranate) and cottage cheese “101 zerno”. Curd cheese “Slivochny” 60% for salad was awarded a silver medal.

The result is well-deserved: the quality of “Savushkin product” products, the uniqueness of their recipes, innovation, traditional taste and naturalness are once again appreciated by a professional jury!



“SAVUSHKIN PRODUCT” = “DAIRY SUCCESS”...

In the middle of September, “Savushkin product” became the winner of the highest award - the Grand Prix from the expert tasting commission and the honorary title of the winner of the International Professional Tasting Contest “Dairy success” in Sochi.

Classic cheese “Brest-Litovsk” was awarded the Grand Prix of the contest; laureate diploma was received by the first-class novelty of the company - drinking Greek yogurt “TEOS” with a taste of quinoa-seeds. One more diploma received cream curd cheese “Savushkin”.

The professional milk degustation competition “Dairy success” is traditionally held in the framework of the International Conference of the EEU on milk production and processing (Sochi, Russia). The organizer is the Milk Union of Russia (RUDP) with the support of the Ministry of Agriculture of the Russian Federation.



PROGRESS REPORT, OJSC “SAVUSHKIN PRODUCT”

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