Joint Statement

Since December 2018, a group of community members from the villages of Olyanytsya, Zaozerne and Kleban in the Vinnytsia region of Ukraine have been engaging in a voluntary mediation process with Myronivsky Hliboproduct (MHP) co-facilitated by the European Bank for Reconstruction and Development (EBRD) Project Complaint Mechanism (PCM, and since July 2020 replaced by the Independent Project Accountability Mechanism (IPAM)) and the International Finance Corporation (IFC) Compliance Advisor Ombudsman (CAO). The goal of the mediation is to resolve the issues raised in the complaint voiced by the complainants from the three villages regarding the risks of environmental pollution, impact of heavy transport, odors, working conditions, and, according to the complainants, insufficient disclosure of information about MHP’s local activities. Respecting each other, the Parties signed agreements that guarantee the confidentiality of the negotiators and non-retaliation against each other, as well as non-disclosure of confidential information.

Through the period of 2019 - 2020, the Parties held 19 joint meetings to discuss the matters raised in the complaint by the three communities. The last 10 meetings were held online due to COVID-19 restrictions around social gathering.

During March – April 2021 the Parties had 3 more online meetings and discussed the land lease issues in the context of improving access of the local residents to information, and enhancing communication between PrJSC Zernoprodukt MHP and the landowners as well as water supply issues and access to water in view of how MHP is cooperating with local communities (working collaboration algorithm).

The discussion resulted in the agreement of the Parties on the following points:

1. MHP shall explain the procedure of renewing the land lease contracts to the landowners individually (taking into account the COVID-19 restrictions) by designing information letters covering the following points: the land lease rates, incentives/stimuli for the landowners (the amount of financial stimuli for renewing the contracts, the plowing of vegetable and garden plots as per the average size of the plot), assistance to cover funeral costs, benefits for child birth, details on formalizing the inheritance documents for the land parcels) and how landowners can access these incentives; the issue regarding the extension or amendments of Land Lease Agreements;

2. The information letter shall be disseminated in media, on information boards, on Company's (PrJSC Zernoprodukt MHP) Viber and on its Facebook page and communicated individually to the landowners in the villages of

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1 In June 2018, community members from Olyanytsya, Zaozerne and Kleban villages in Vinnytsia region, Ukraine, with the help of local and international NGOs - namely CEE Bankwatch Network, Accountability Counsel, and EcoAction Centre for Ecological Initiatives filed complaints with the European Bank for Reconstruction and Development (EBRD) Project Complaint Mechanism (PCM) and the International Finance Corporation (IFC) Compliance Advisor Ombudsman (CAO), in relation to EBRD and IFC investments in Myronivsky Hliboproduct (MHP).
Olianytsia, Zaozere and Kleban by the Company's managers by April 15, 2021.

3. Regarding the joint meetings with the landowners, MHP commits to holding such meetings within one month after Vinnytsia region receives the "green status" regarding the COVID-19 restrictions and commits to holding such meetings every March. This will be a separate event in addition to meetings in the village council.

4. Individual queries from the landowners are handled through an established procedure. Each landowner in the village has a dedicated contact person responsible for working with them: in Olianytsia, – Pavlo Hryhorovych Tsiomenko, tel. 983854172, e-mail: p.tsomenko@mhp.com.ua.; in Zaozeme and Kleban: Yulia Volodymyrivna Petrunko, tel: 0986037454, e-mail: yu.petrunko@mhp.com.ua

5. In future, the Company shall disseminate the templates of draft land lease contracts on a paper bearing a watermark saying ZRAZOK [TEMPLATE].

6. The Company together with the local self-government authorities will develop an information bulletin, which will describe the procedure for allocating funds from the Company’s budget to corporate social responsibility projects in the communities where MHP enterprises are operating. The bulletin will be published in January-February 2022.

28 April 2021
The present statement is jointly drafted by:
MyronivskyHliboprod (MHP), and
Representatives of the Complainants from Olyanytsya, Kleban and Zaozene villages and their Advisers