Name of the participating company/organisation:	UNIMASTERS LOGISTICS GROUP
Country:	Bulgaria
Sector:	Transportation & Storage
Reported period:	2004 – June 2005

Chief Executive's Statement of Continued Support:

UMLG is a member of the United Nations Global Compact Initiative and it fully supports and adheres to its ten principles concerning Human Rights, Labour Standards and the Environment. We are committed to running an environmentally friendly business and we make sure that the Company's activities are carried out in a way that ensures minimum adverse impact on the environment. We are trying to comply with the most stringent environmental and health requirements to ensure that we satisfy all applicable laws and regulations

UMLG recently studied with interest the World Economic Forums' LOGISTICS & TRANSPORTATION CORPORATE CITIZENSHIP INITIATIVE (L&TCCI). We found them well-grounded and will be working hard in 2005 to also implement these principles of corporate citizenship within Unimasters. Ensuring our people are fully engaged in the both initiatives is a key challenge for all of us during this year.

I look forward to reporting our full progress next year

Nikolai Bozhilov
Chief Executive
June 2005

INTRODUCTION

In today's marketplace brand image and reputation are increasingly seen as a company's most valued assets. An educated workforce, a safe working environment, good healthcare, corporate citizenship and the rule of law are all essential preconditions for business to operate.

At Unimasters Logistics Group (UMLG) we strongly believe in these preconditions and we strive to contribute constantly to the sustainable development of our communities. CSR is a core part of our business strategies and it is embedded in our culture of shared values. We make sure our people understand what CSR means across the business and how they can better contribute to the common good of people and the environment.

We do also believe that CSR is a vital part of our risk and reputation management and will continue to focus on different ways to contribute to society through responsible, efficient and profitable initiatives that produce multiple effects.

As a supporter of the United Nations Global Compact, UMLG is committed to incorporating the ten principles covering human rights, fair labour practices, the environment and anti-corruption practices in our daily operations.

At UMLG we believe that our Code of Business Ethics is a competitive advantage. The principles of business ethics are part of the induction programmes given to each and every new employee; they are demonstrated by the Management in its everyday business practices; they are guiding principles for every member of our team.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: make sure that they are not complicit in human rights abuses.

Since its inception, UMLG has built an impeccable reputation for conducting its business with integrity and with respect for those whom our activities can affect. The company explicitly incorporates human rights principles in its practices.

Employment is contracted based on experience and the qualifications of the applicants. The company is providing equal employment opportunities and has a clear and explicit policy on the issue. No discrimination as to age, religion, gender or ethnic backgrounds are accepted or implied.

A Code of Business Ethics directed at all employees, directors and officers was implemented in October 2000. It was printed out and distributed to all employees. The Code describes and reinforces conduct that is based on our core values, which we have consistently striven to implement in our daily work. It was amended and further developed in 2004.

LABOUR STANDARDS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6 : the elimination of discrimination in respect of employment and occupation.

Employees are UMLG's most precious asset. Amongst UMLG's highest priorities are its commitments to:

- Respect for human rights
- Fair and open recruitment practices
- Equal opportunities and no discrimination on racial, religious or ethnic grounds
- Investment in training and career development
- A safe, healthy and attractive work environment
- Performance-related pay and promotion on merit
- Regular appraisal and counselling
- Communication and proper consultative procedures
- A balance between business and personal life.

Unimasters Logistics Group directly provides employment for more than 300 people and gives each of them opportunities for personal and professional achievement. We pay special attention

to the induction period, when hiring new people, as the Company believes that the induction process is crucial to employees' future performance.

UMLG's recruitment strategy does not put barriers in the way of inexperienced young people. At Unimasters, we believe it is our corporate social responsibility to hire young people with no work experience from universities, and invest in their training and professional development.

The remuneration packages offered by the Company are designed to reflect the employees' real contribution to the achievement of Unimasters' business objectives and to ensure that employees have competitive social status.

At Unimasters, we retain our people not just by providing competitive pay and incentive packages, but also by ensuring long-term professional and career development. We carry out employee assessments twice a year to harmonise goals and expectations at all levels of the organisation, and we provide feedback and coaching to less experienced colleagues and to those whose performance is lagging.

UMLG maintains a policy of strong commitment on health and safety issues. The company carries out annual health and safety risk assessments and plans regularly how to cope with accidents such as fires, natural disasters, terrorist acts, diseases, serious injuries, etc.
As a responsible employer UMLG ensures the highest standards both in physical conditions such as lighting, heating, ventilation and air-conditioning and in safest work practices, thus promoting employee welfare and health.

We provide preventive training for all our employees, taking into account any specific risks they may face. We also continuously monitor the effectiveness of health and safety procedures and training.

Our policy is communicated to all employees and anyone else that could be affected during visits to our sites – customers, visitors, suppliers etc.

We make sure our people drive with seatbelts, observe a strict 'no-drink' policy at work, use helmets in warehouses and operational sites and carry light-reflecting vests where required.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies

UMLG takes an integrated approach to environmental management. The company's environmental policies are regularly reviewed by the Board, which is ultimately responsible for ensuring goals are achieved across the various sectors of our business.

We are strongly convinced that good environmental management is in the best interest of all stakeholders, improves business efficiency and helps us to add value to the service we provide for our customers

UMLG has well-established environmental management processes and systems in all our operational business units, particularly to those related to energy consumption and the associated emission of CO2 from road transport as well as to waste minimisation and recycling.

Our internal teams conduct regular environmental and safety audits and inspections. Thus, our environmental management processes are evolving continually

ANTI-CORRUPTION

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

UMLG insists on honesty and integrity in all aspects of its business and expects the same in its relationships with all those with whom it does business. The direct or indirect offer, payment, soliciting and acceptance of bribes, personal commissions or inducements in any form are totally unacceptable practices.

It is UMLG policy to comply in all its business dealings with the laws and regulations in force. Breaches of law, regulations or ethical standards are not justified by the pursuit of profit or the departure from acceptable practice by competitors.

At UMLG, we are committed to ensuring that all business-related information is recorded and reported accurately, honestly and in a timely manner. Directors, officers and employees must ensure that information is reported truthfully and correctly, and also exercise diligence in ensuring that reported information is organised in a way that is understandable and does not mislead or misinform those who receive the information. Our policy relating to the accuracy of company records extends to financial statements, commercial documents and servicing records.

The integrity of our financial reports is certified by reputable auditing companies.

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