

2019



COMMUNICATION ON PROGRESS

TRANSPORT AND LOGISTICS
BULGARIA

 <p>UN GLOBAL COMPACT COMMUNICATION ON PROGRESS</p>	<p>This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.</p> <p>We welcome feedback on its contents.</p>
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INTRODUCTION

We are Unimasters – a creative logistics service provider with three decades of valuable experience in a world that has never been more dynamic. We rely on our experience and in-depth understanding of the industry in order to provide the most efficient and convenient service. At the same time, being young at heart and with a start-up thinking we build tailored-made, adaptable solutions for each client.

We provide freight management and supply chain management end-to-end phy-gital services, based on inspiration from the best-in-class and most innovative technology players on the planet. Our specially designed resilient operating models match not only the current but also the future economic ecosystem.

Unimasters Logistics is a regional group of companies but with global impact - we have 18 offices and reach of operation in 180 countries. This makes us responsible to the societies we operate in and to our workplace – the entire world. In order to constantly grow, we set the technological trends for the rest of the industry in the markets we operate in, while staying sustainable and respectful towards the environment and our society. We value our people, our clients and our partners and treat everybody equally - with respect and honesty.

Being an active participant in the UN Global Compact and avid supporter for the last 17 years Unimasters is traditionally committed to making progress on each of the UN Global Compact Principles for the benefit of our employees, customers, suppliers, shareholders and wider society. In this report for the period August 2019 - August 2020 we share our recent activities on the important issues enshrined in the UN Global Compact Principles.



STATEMENT OF CONTINUED SUPPORT

Dear Stakeholders,

It has been an incredible year so far with the COVID-19 pandemic and the global economic slump disrupting our normal way of business and life. Despite the extreme difficulties in repairing broken supply chains and the shrinking transportation capacity, especially in air freight, the significance of our profession and industry has risen above any imagination.

Logistics has never been more important and exciting, having tremendous impact on society, global business and development of safe delivery technology. For five months digitalisation of our industry has jumped a lot more than in the last five years. Finally, our conservative industry has embraced the quick adoption of digital technology thus responding to ever increasing needs of customers and consumers for speed, flexibility and convenience.

Our relentless focus in Unimasters during these challenging times has been placed on people safety & security, on becoming uncompromisingly digital-first than physical although we cannot avoid being “phygital” for years to come due to the crumbling public infrastructure in the area and the dominant analogue thinking of public administration in Eastern Europe as well as on the sustainable future of our planet.

Despite the difficult economic environment, we continued to grow, breed and master our people and teams, resisting and successfully riding on the negative social trends such as demographic shrinkage, qualified labor shortage and continuing reservations for the sharing economy.

Bad things often bring good things, too. The COVID-19 pandemic has become once-in-a-lifetime opportunity to clean up our act and make green investments the priority to post-pandemic recovery. More and more we tend to associate with like-minded “green economy” partners and vendors that have built or are building services, solutions and technologies, designed to improve the health of our planet. Becoming carbon neutral is our ultimate goal for the next decade.

In today’s brave and hyper-connected world, we at Unimasters are sparing no efforts to offer wide range of smart choices to our employees and customers, leveraging knowledge, passion, engagement and technology to make change and rapid transformation in life and business for the benefit of all of us as well as for other society members.

Yours sincerely,

Nikolai Bozhilov
Executive Chairman



HUMAN RIGHTS AND LABOR STANDARDS

PRINCIPLE 1

Business should support and respect the protection of internationally proclaimed human rights

PRINCIPLE 2

Business must ensure they are not complicit in human rights abuses

PRINCIPLE 3

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

PRINCIPLE 4

Business should uphold the elimination of all forms of forced and compulsory labour

PRINCIPLE 5

Business should uphold the effective abolition of child labour

PRINCIPLE 6

Business should uphold the elimination of discrimination in respect of employment and occupation



**Code of
Business
Ethics**



**Health &
Safety
Policy**



**Recruitment
Procedure**



**Training
procedure**



**Company's
Values**

“

Our relentless focus in Unimasters during these challenging times has been placed on people safety & security.”

IMPLEMENTATION

Last year the world faced a new unprecedented global challenge, which provoked us to change the way we think. The worldwide spread of the SARS-CoV-2 virus has put forward a number of urgent topics for review and priority re-assessment like health, hygiene, work routine, safety, society priorities, etc.

Together with the global business community we at Unimasters had to rethink our habits and priorities, considering the big changes coming. We, as company, had to be very quick and to respond immediately to the rising threat of the virus spread.

As a consistent company with common sense and agile behaviour we used our core values in order to reshape the way we work. Once again, we turned to our living values as a CREW to boost our collective spirit and act right. CREW stands for Creativity, Reliability, Excellence and Wisdom. We had to be creative in the way we work from now on as this situation was unheard of in our company history. We had to remain reliable – to continue to be trusted by our vendors and our clients. Only a “resilient organisation” would have been able to achieve its core objectives in the face of such adversity. Therefore, we had to keep our high standards and continue working with excellence. We had to think ahead, show foresight and adapt to quickly changing circumstances and disruptive events, setting our priorities wisely. Without any hesitation we took a number of steps to reshape our daily routines and keep all parties involved in the freight processes safe and secure:

Remote working - As much as we love being together as a team, we realised that safety and health came first. We introduced home office work and proved that while working with integrity we could keep the results high. As schools, kindergartens and day-care centres were closed during lockdowns, home office proved to be vital. Working remotely gave our colleagues the opportunity to look after their children while performing their duties. In the given circumstances this had few positive sides. On one hand avoiding big gatherings in the office helped us stay safe and not spread the virus. On the other hand, not engaging elderly relatives in childcare helped us keep safe the most vulnerable in these challenging times.

Safety standards - Logistics naturally was one of the most important industries during the pandemic. As a lot of industries were affected and had to shut operation or close shops and facilities, the freight community remained essential in bringing goods to the end customers. More and more people relied on logistic services, which meant that some of our colleagues had to continue working in the field. We took all measures to keep our colleagues and our clients safe, stressing on disinfection and contactless deliveries.



Contactless deliveries - No contact meant considerably lower risk of virus spread. Thus, as much as we stress on the importance of human interaction and great customer service, we decided to minimize it for the time being. In order to ensure the safety of both our customers and employees, we applied the following new safety measures for domestic deliveries:

Step 1 - The driver arrives at the delivery address and signals that they are at the location.

Step 2 - The driver leaves the shipment at the door, with the proof of delivery placed on top and pulls two steps back.

Step 3 - The client goes out, checks the shipment, leaves the money on the package without touching it (in case of COD) and pulls two steps back.

Step 4 - The driver checks the amount, leaves change if necessary, greets and leaves.

Step 5 - The client takes the shipment and the change and walks in.

Step 6 - Within 15 minutes after the physical delivery the client receives a message with a link to confirm that the delivery has been accomplished. If necessary, the client may add a note in the original proof of delivery with his own pen.

Stay tuned - One of the key elements in supply chain is real-time information. In order to relieve our clients' worries we have set up an emergency news section on our website where one can find updated information about current state of international transportation, border-crossing delays, admin challenges and resolutions.

Be forewarned - In addition to the web updates we send our clients up-to-date information from customs and countries' frontiers. This allows our clients and partners to be informed when strategically planning their freight services.

Workplace around the clock - Our advanced digital platform is the place where we can be virtually together. We created groups that raise awareness on important topics in the supply chain world 24/7 - changes in business, spread of the virus, situation in Europe and the world, etc. These groups were and continue to be a great source of information and a platform for know-how exchange, sharing new ideas and good practices from the "front line".

Find your answer - We also created a block panel for frequently asked questions containing information about our activities during the pandemic, the measures we have taken to ensure that the supply chain operates smoothly and to guarantee safe customer service.



The year 2020 proved to be an extraordinary one. As peculiar as it is, we need to keep our routine as consistent as possible. Integrity is tested in times of crisis. At Unimasters we always took pride in being fair to each and every employee, while treating everyone with warmth and respect. As the company operates in a remote mode, it is as essential as ever that new employees receive a fair start in the company. We also believe it is important that each one of us lives 'the Unimasters way' from day one. Therefore, we decided to keep our personalized welcome onboarding and training in place so all new employees go through the same introduction from the very first day.

We familiarise them with the company policies, values and structure. All documentation needed for the alignment of all colleagues with the company's procedures is accessible on our digital platform. We give every member of our CREW a fair chance and a meaningful start of their path with Unimasters - the basis on which each of us builds their career. In addition to the company specifics, we give everyone an excellent chance to learn and develop in the desired direction. All Unimasters employees have access to our e-learning platform with a wide range of trainings varying from soft skills, business communication and management techniques to logistics specific trainings.

Additionally, we strive to integrate the new members of the team as effectively as possible. This is proving essential when they are hired remotely. We introduced each new employee to Workplace by Facebook - our corporate digital community. Being an international company and currently working mostly remotely - we understand the importance to stay together, be aligned and get to know each other. This gives our colleagues a better view of the company, a bigger chance to learn and share expertise and a way to communicate with the wider Unimasters community. Workplace has its crucial role in this process - it helps us work together, communicate, share thoughts and knowledge, discuss projects, collaborate and turn ideas into actions. This year this was more essential than ever.

To keep the Unimasters community strong - this is a central endeavour in today's challenging agenda. And each community is built through stories. In addition to that notion and our passion to stay together came the inspiration to tell our stories. The initiative we launched was called Employee Stories. We know that each member of our crew has a unique path and experience in the company and wanted to hear and share their experience. We decided to give voice to our colleagues and asked what inspired them at work, what challenges they faced and how they decided to build their careers in the logistics sector. The vlog format gave us the opportunity not only to hear our colleagues but also to see them in their work environment. We acknowledge that the positive effects of such initiatives are numerous. By allowing our employees to drive a narrative and share their stories online, we are building an attractive work culture.



What our employees share with each other and talk about on a frequent basis, becomes the scaffolding to build internal culture. Moreover, being online and accessible to people from outside of the organisation helps build a positive image of the company and the whole supply chain industry.

Building a positive face of the industry is only one side of our endeavour to shape a strong logistics society. As a socially responsible company we believe that knowledge and valuable know-how should be shared outside the company with the bigger freight community. Eager to spread our knowledge and wisdom with the community and wider society we celebrated for a third consecutive year the European Supply Chain through a highly interactive webinar. The topic this year was “The impact of COVID-19 on logistics - challenges and opportunities”. We promoted the online event among students, partners and clients. This format was chosen among others, aiming to be as inclusive as possible, as the world wide web offers limitless possibilities for the number of attendees and their location. In the current situation it was also the safest way to gather a public that shares the same interest. There was a discussion panel which allowed all parties to ask questions, share opinions and collaborate. Sharing our expertise in times of global challenges is an irreplaceable way to contribute to the common knowledge and exchange best practices with everyone, interested to develop in the sector. At the same time, we are aiming to create a freight community which collaborates and evolves.

Our experience and knowledge exchange are part of our culture. We participate in many industry leading events and conferences in Europe and around the globe, sharing our achievements, challenges and solutions. We collaborate with international universities, offer insights to students and junior professionals, take interns and run open days.

In the middle of the COVID-19 global crisis we offered partnership to a Bulgarian high school V “P.R. Slaveykov” in Pernik – an industrial city, close to many logistics sites. We believe that formal education is important, but practice is irreplaceable. This is the reason why we decided to provide practical education to students in relevant studies. Helping the young choose their path and find their professional passion is one of the key aspects of building a strong logistics community and ensuring that the future generation is ready to flow into the workforce and contribute with fresh ideas and new views.

In addition to our partnership with the said school, we organised a book collecting event. Our colleagues donated books for Chitalnyata’s (Readers’ Room) campaign - “Let’s collect 2020 books for Bulgarian libraries”. The books that were needed with priority were the ones hardest to find in public libraries - books for toddlers, children and youngsters, contemporary Bulgarian literature and new editions from the last 10 years. We are happy that our colleagues embraced this initiative wholeheartedly and helped to extend books and knowledge to local community.



As a socially responsible company, Unimasters continued to support the disadvantaged, the disabled, and families in need. Christmas 2019 was an opportunity to contribute to several socially significant causes. The company gave the employees a chance to choose among different causes by voting on Workplace and we organised a Christmas bazaar which traditionally was very well perceived by the audience. The money raised from the bazaar was distributed among the causes, chosen by our colleagues.

Another tradition that we kept was the Blood Donation campaign. In the reported period we organised the event simultaneously in Sofia and Varna. We invited two medical teams to carry out the procedures in the two offices. We are proud that traditionally our colleagues showed interest and all time slots were full.

We are happy and proud that our passion to make the world a better place is not unnoticed. Unimasters Logistics received the prestigious award for successful branding Superbrands Bulgaria for the third time. Superbrands is an independent institution focused on branding. It distinguishes and promotes the exclusive brands that stand out among others within the national market. The criteria for excellence are quality, reliability and distinction. According to the event's organisers, Unimasters' success relies upon digitalization and continuous modernization of the processes and technical base of the company.

At Unimasters we recognise our responsibility to uphold human rights in the workplace. In practice this means non-discrimination and diversity in personnel practices. Recruitment and retention activities in place reverberate our eagerness to hire professionals who share Unimasters' values and commitment to responsible business.

We at Unimasters are eager to provide all employees with a safe working environment. Now, as home office has changed the way we perceive workstations, we are still eager to raise awareness of key aspects of a safe working environment. Safety instructions and useful materials were made accessible to all employees on Workplace, regardless if they work remotely or in the field. Most trainings were delivered virtually. We created posters with safety instructions for those of our colleagues who cannot work remotely. Animated briefings with audio instructions were distributed among the whole Unimasters population. We acknowledge that safe working environment, especially one including remote positions, is everybody's responsibility and take all necessary actions in order to raise awareness on the subject.

We can proudly declare that during our 30-year company history there have been no incidents related to human rights abuse or labour standards non-compliance. The company respects the right to freedom of association and collective bargaining for all its employees. Representatives of employees are neither favoured nor discriminated against.



The company continuously provides a workplace, which is free of discrimination. And it pays equally to men and women for a particular position without compromise. In the reported period the male/female ratio for managerial position occupancy is 50/50%. Protection and support of vulnerable categories – pregnant women, mothers of children aged under 2 and handicapped people is a continued policy and practice at Unimasters. These groups can benefit from favourable work conditions and flexible working hours provided by the company. Unimasters Logistics gives young people and university students the chance to join the workforce by providing flexible work conditions and collaborative team support.



ENVIRONMENT

PRINCIPLE 7

Business should support a precautionary approach to environmental challenges

PRINCIPLE 8

Business should undertake initiatives to promote greater environmental responsibility

PRINCIPLE 9

Business should encourage the development and diffusion of environmentally friendly technologies



**Environmental
policy**

“ Becoming carbon neutral
is our ultimate goal for the
next decade. ”

IMPLEMENTATION

At Unimasters Logistics we work hard to reach the highest green standards in the way we do business. We realise that as much as it is important to keep the human capital safe, it is also vitally important to keep the globe in a good shape. Being sustainable and responsible are key characteristics of a modern freight company. We are proud of our continuous effort to improve all processes, facilities and technology in order to keep the environment that we live and operate in striving.

Unimasters' ecological accomplishments from the reported period are listed below.

- **Sustainable energy.** We at Unimasters understand the importance of sustainability for our planet future. Therefore, all our company offices rely on renewable energy only. We partner in this endeavour with ENERGO-PRO Energy Services. They promote the production of electricity generated entirely from renewable resources. In 2020 Unimasters renewed the 100% Green Energy Certificate for our premises. The document is based on Guarantees of Origin
- **We grew in Varna.** The year 2019 was marked by a very important event for Unimasters Logistics. We opened a new cutting-edge logistics centre in Varna. Situated near Varna West Port, Port and Marine Logistics Center Logicorp was designed with the expert assistance of Hamburg Port Consulting. It consists of a modern container depot, groupage warehouse and MRO centre for trucks and containers, operated by highly qualified professionals. The new port and marine centre uses latest technologies for storage, handling and repair of containers, trailers and other transport vehicles. All processes are digitally-enabled, which means no paper protocols or documents of any kind are used for any operation. Optimised
- **Plastic caps campaign.** Together, as a team, we collected plastic caps for a third consecutive year in the campaign „Caps for the Future”. The quality of plastic used for bottle caps allows recycling, which eliminates tons of plastic garbage. At the same time the money raised from the recycling is donated for modernisation of vital hospital equipment.
- **On the road to plastic-free office.** We put our heads together and thought of further ways to keep plastic usage low. This brought us to the idea of filtering tap water. We bought and installed filtering machines which eliminated the need to use bottled water. At the same time, we keep delivering top quality
- **Vehicle fleets modernisation.** During the reported period we renewed our truck, van and car fleets with cutting edge vehicles compliant to the highest modern ecological standards. We replaced 50% of our fleets with vehicles of
- **Plant a tree campaign.** Alarming data for air quality in the colder months of the year was traditionally a matter of public concern. In addition to the ongoing modernisation of our automotive fleets, we decided to go the extra



mile in our ecological endeavours and took part in a campaign for tree planting. Trees are the natural air purifier and we are proud that we put up in the long-term fight against pollution.

- **Buy a tree, save a bee.** As previously mentioned Unimasters turned 30 in the reported period. This time we decided to turn tradition upside down and instead of receiving a gift, we made a gift. We bought 300 new bee-friendly trees. Bees among other pollinators rank at the top of the list of important insects ensuring pollination and the resulting production of vast parts of the fruit and vegetables that we rely on for nutrition. Bees are heavily affected by industrialisation. We are happy to have contributed to the cause to keep them safe.

At Unimasters we believe that staying responsible for the environment every day has an even bigger impact. Our endeavours are spread to the wider society through our co-workers and hopefully more people get to think about the ecological problems and the ways to work towards a better future for our planet.



ANTI-CORRUPTION

PRINCIPLE 10

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



**Code of
Business
Ethics**



**Corporate
Compliance
Policy**

“ We operate in accordance with the highest ethical standards and achieve our core values. ”

IMPLEMENTATION

Unimasters Logistics is committed to conducting its business in accordance with high ethical standards and in compliance with all applicable international and local laws. Our Code of Business Ethics promotes principles for conducting the business in a fair, transparent and legal manner and serves us as a starting point whenever needed. The Anti-Corruption Policy strictly forbids any form of bribery or corruption. All documents are uploaded in the e-learning system, accessible by all employees. We are consistently making sure that our partners are familiar with the Code of Business Ethics and the Anti-Corruption Policy. We want to be on the same page with all parties we do business with and set the standard high for everyone to follow.

The company's Quality Compliance Officer is responsible for the integrated risk management system which allows Unimasters to make risk-conscious decisions. The company is a subject to regular internal and external audits and has been actively engaged in the area of ethical conduct and compliance. All employees are trained and taught of all codes of the company as they start working in Unimasters and are systematically reminded and updated with the principles and procedures related to the company's legal obligations, local and international laws, rules and regulations and the consequences of non-compliance. Each employee is required to immediately report any violations of the Compliance Policy, Anti-Corruption Policy and Code of Business Ethics to the Quality and Compliance Officer. No claim or request for monetary sanctions for corruption was reported in the period covered by the COP.

