

Sustainable development report

2020

NOVA POSHTA



About the report

Nova Poshta is the undisputed leader on the express delivery market in Ukraine. Every year we deliver millions of items, expand our delivery points network, increase the number of services and improve their quality. We are convinced that the indicators of leadership are not only market positions and records. A leader is one who is responsible for his/ her influence, ready to set trends and lead the way.

Annual reporting has become a good tradition, and today you are holding the fifth anniversary report of the company. We share key indicators and our progress for 2020 in it.

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Reaction to COVID-19

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Company's governance

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Social projects

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Introduction

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01

Riding the wave



"Everyone will remember 2020 as a crisis period. However, we would like to call it the year of Ukrainian entrepreneurs. Those who rushed to help the country, and those who needed help themselves. Those who were looking for ways to stay afloat and develop, and those who had to suspend their business, but who are already hatching a new business plan. All of them are a powerful engine of our economy. And it is on their shoulders that the welfare of the country and each of its citizens rests.

In 2020, Nova Poshta became the embodiment of stability and reliability for its



own employees, partners, clients. We have adapted to the new conditions in order to continue to unite people, develop entrepreneurship and drive both the e-commerce market and the entire Ukrainian economy. At the same time, we implemented important social projects and achieved the goals of sustainable development.

We gathered all our achievements and accomplishments for 2020 in this report. Thank you for using the services of Nova Poshta, partnership and engagement in our projects. We appreciate your support and move forward with it."



Volodymyr Popereshniuk, Viacheslav Klymov,
co-owners of Nova Poshta

Key figures and major events

8 149

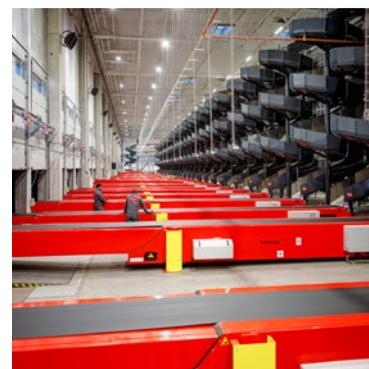
delivery points all over the country



822

delivery points received recycling bins for sorting secondary raw materials

In total, more than 1 500 delivery points are equipped with recycling bins

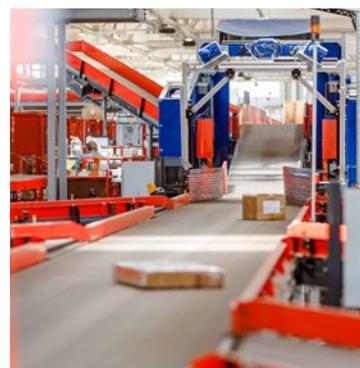


KIT 2

Built the 2-nd line of KIT

Nova Poshta International changed its name to

Nova Poshta Global



KhAI

Opened innovation sorting center in Kharkiv

> 38 mln UAH

spent for struggle against the pandemic



183 mln km

driven by the lorry fleet in 2020

> 200 mln UAH

spent for the protection of employees

"Nova Poshta supports 10 principles of the UN Global Compact on human rights, labour, environment and anti-corruption. We strive to make this Compact and its principles part of the strategy, culture and day-to-day operations of our company."



Oleksandr Bulba,
CEO of Nova Poshta

The key requirement for the signatories of the Compact is the annual reporting. Therefore, we summarize our achievements and progress in the implementation of these principles in the form of an annual report that you are holding in hands. We are glad that we have a lot to say and to be proud of."

On corporate social responsibility

Since the beginning of 2019, the company has a Policy of application of ISO 26000 standard on social responsibility, which testifies to the observance of the best world practices. Sustainable development of the company involves work in the following areas:

Sustainable development strategy



+

Reporting on sustainable development



+

Interaction with stakeholders



Key topics on which the Policy of application of ISO 26000 standard is focused:

- Organizational management
- Human rights
- Labour practices
- Environment
- Business ethics
- Liability to customers
- Society and communities

Stakeholders and major issues



Clients

- Quality service
- Data safety
- Innovations



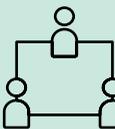
Employees

- Labour conditions
- Safety
- Training



Financial institutions

- Innovations
- Compliance



Partners and suppliers

- Transparency
- Development

"Nova Poshta has gained a reputation not only as an undisputed market leader and trend setter, but also as a true corporate citizen. We do not wait until we are asked for help, we act proactively, we notice current problems and help solve them."



Liliya Zahrebelna,
Director of the Department
of Social and Image Projects
of Nova Poshta Group of Companies

Local communities

- Ecology
- Safety
- Availability of services



Mass media, NGOs

- Compliance
- Transparency and reporting



Government

- Transparency
- Compliance





Company's governance

Mission and values	16
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Number of shipments	28
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Market position	32
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Innovations	42
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Business ethics and compliance	54
Security	56

Mission and values

Our mission:

**Easy delivery
for life and business**



Clients

Our values

We work to make the lives of millions of people better by delivering joy, care, love, dreams... We always carefully and punctually fulfill promises made to our clients. We respond to any of their needs – it is natural for us to help. A smile is a sign of our commitment to the client



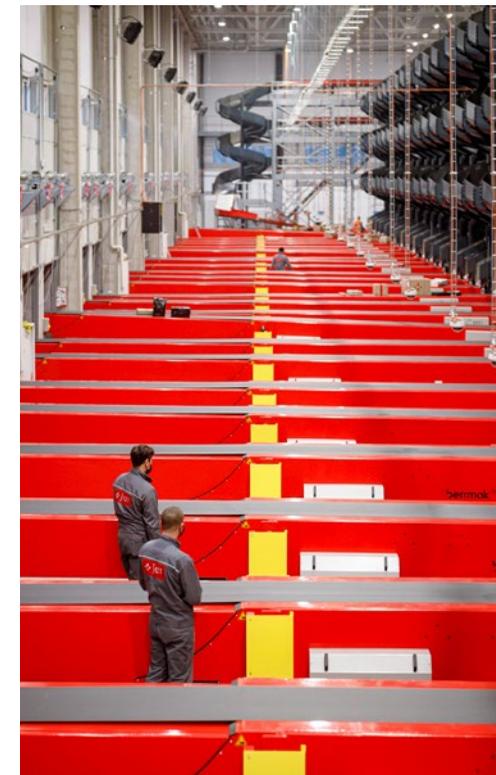
Employees



People in Nova Poshta are reliable, professional, not indifferent, forward-looking. Respect, honesty and openness are the basis of communication in the company. A possible failure is our motivation to succeed. A manager of any level is open to every employee. Discipline and fulfillment of obligations in a timely and high quality manner are part of our culture. Nova Poshta office is both a place for self-realization of professionals and a company to start a career.

Technologies

Technologies allow us to have efficient and safe production processes, which we strive to automate and robotize as much as possible. It is thanks to technology that our clients receive the best quality, service and reasonable prices. We study and implement the latest world innovations. We are part of the new digital world.



Only the synergy of the three values Clients-Employees-Technologies ensures Efficiency. It inspires us for investments and further growth. We are always looking for the most effective way to the maximum result. We strive to simplify processes and minimize costs while maintaining high quality services.

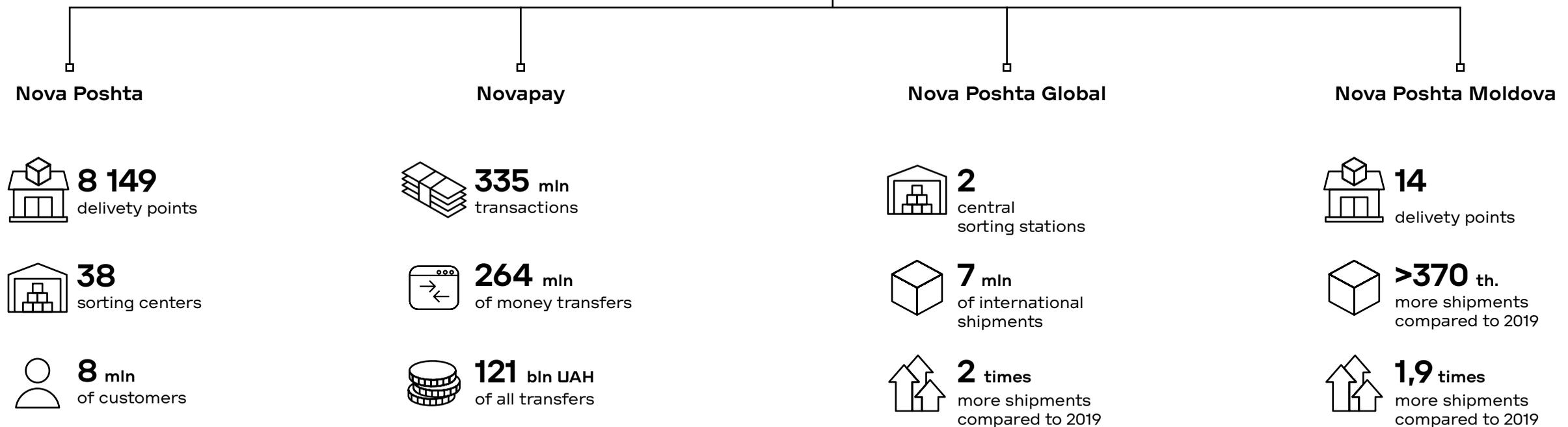
Efficiency

Structure

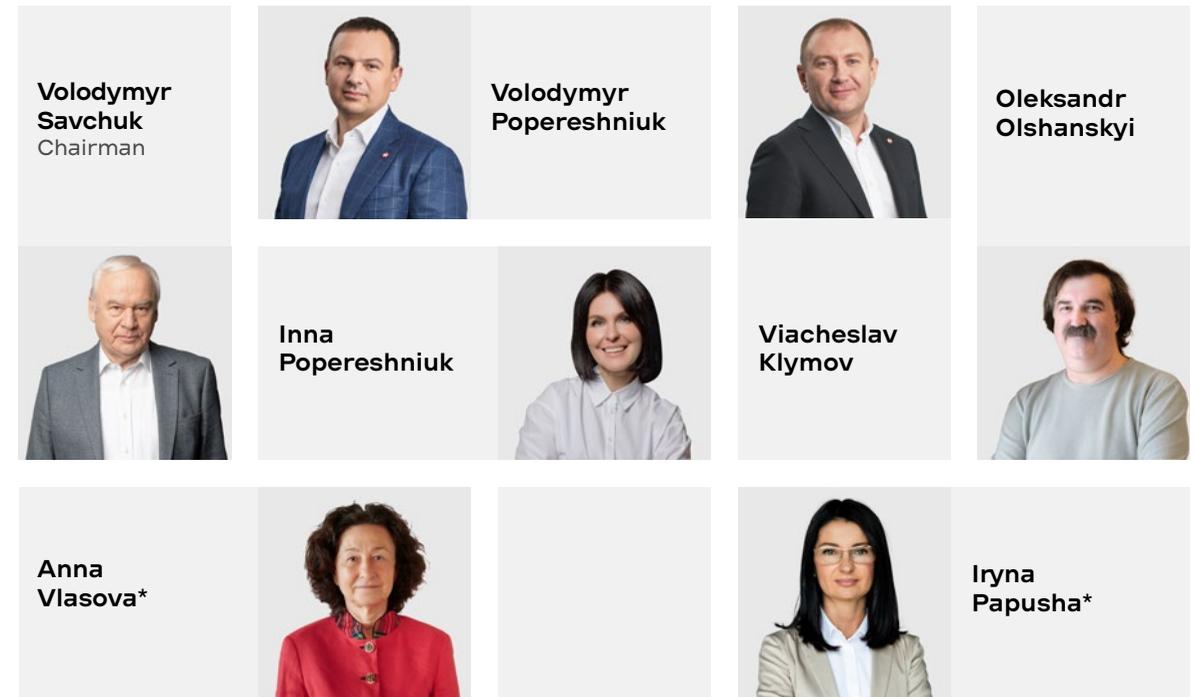
Committees:

- Investment Committee
- Human Resources Committee
- Audit and Finance Committee
- Strategy Committee
- IT Committee

Group of companies



Supervisory Board



* Anna Vlasova and Iryna Papusha joined the Supervisory Board in April and June 2021 respectively.

Most countries
of the world
LPS partner

Live globally



"Nova Poshta Global has opened up a world of global shopping, easy exports and freight transport to customers anywhere."

Yuriy Benevytskyi,
CEO of Nova Poshta Global

USA
LPS + iHerb partner

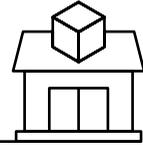
Europe
DPD partner

Ukraine and Moldova
countries of presence

China
Cainiao partner

2020

8 149



2019

6 061

2018

2 671

2017

2 348

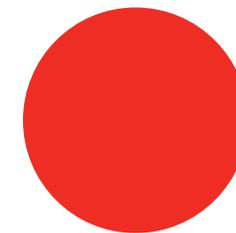
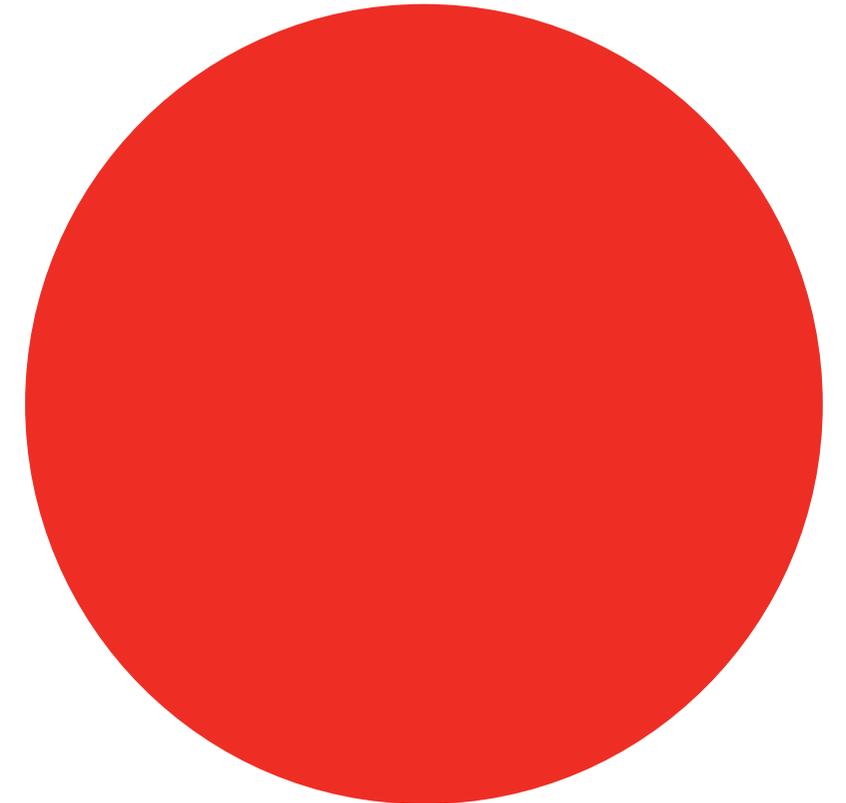
Delivery points network,

units



6 385
78%

delivery points
partner network



1 764
22%

delivery points
own network

"Nova Poshta continues to develop its delivery points network. Over the last two years, we have focused on small towns and villages, because it is important for us to fully provide services to everyone – both in villages and in megacities. Access to high-quality service allows villagers to sell their products and farm goods to consumers, as well as buy products, goods, medicines, medical supplies online, and then receive them at home."



Yevhen Tafiichuk,
Director of operations
of Nova Poshta



"Delivery points of the partner network, i.e. franchise partners are particularly important for us. This format of cooperation helps the company to quickly scale the geography of presence, and our partners – to create or expand their own business."

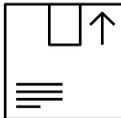
Maksym Melezhyk,
Franchising Director
of Nova Poshta



**Willing to become
a partner of Nova Poshta?**

→ Details: novaposhta.ua/becomeagent

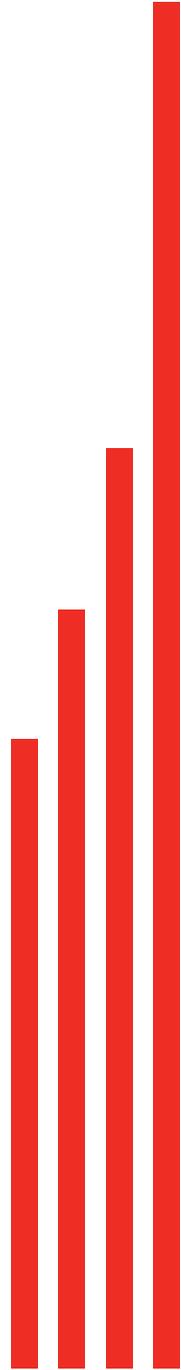


2020* **318 mln** 
 6,7 mln of international shipments among them

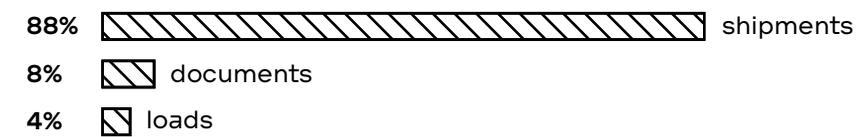
2019 **213**
 2018 **175**
 2017 **146**

Number of shipments,

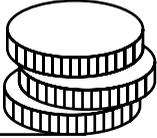
mln items



Categories



*From 2020, a new methodology for calculating the number of shipments is used.

2020 **5 bln UAH** 

2019 **4,3**

2018 **3,3**

Taxes,

bln UAH

2017 **2,3**

All taxes and fees of the entire Nova Poshta group of companies in Ukraine are taken into account

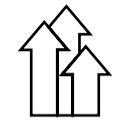
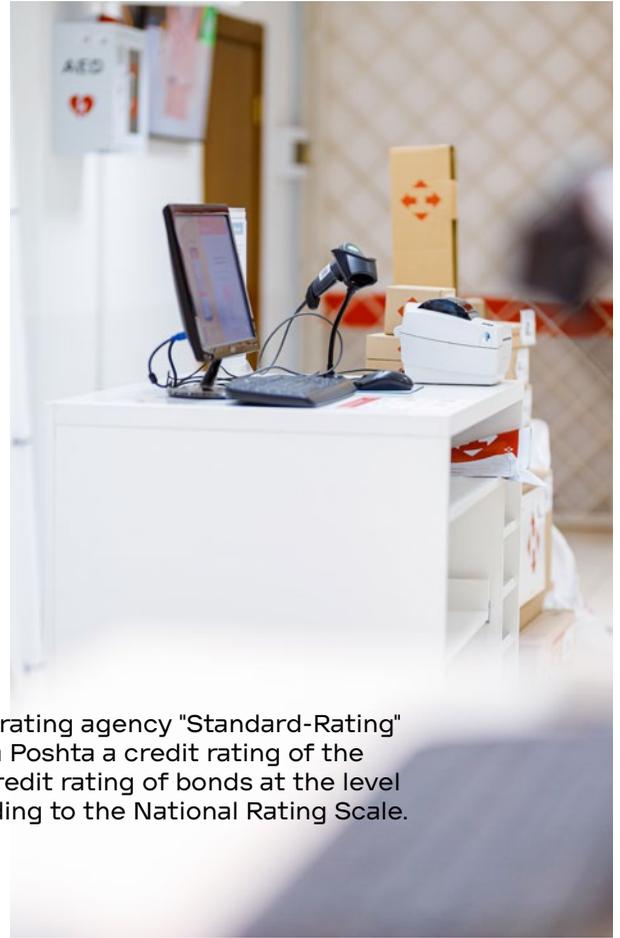
↑18%
compared to 2019



"In 2020, we have raised our credit rating to a new level of UaA – a confirmation of investment attractiveness and sustainable development of Nova Poshta. And also it is a signal for all market participants about reliability of work with our company."



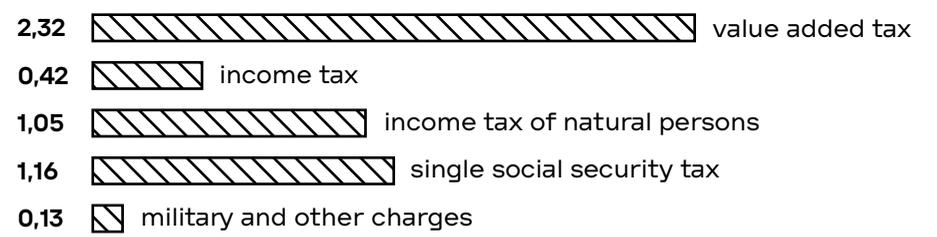
Piotr Fokov,
CFO of Nova Poshta group of companies



The Ukrainian rating agency "Standard-Rating" assigned Nova Poshta a credit rating of the issuer and a credit rating of bonds at the level of uaA* according to the National Rating Scale.

Structure,

bln UAH



Market position



Market position

Market position*

Brand recognition

100%

Clients used services

99%

Clients used services within last 6 months

95%

Company that comes to mind first (Top of mind)

85%

The level of trust is the highest among delivery services

79%

"We regularly conduct surveys of our clients to understand what we do best and what we still need to work on. In the last survey 68% of clients think we are fast and 37% and 31% think we are first and foremost reliable and comfortable respectively."



Olesia Kopchuk,
Director of Sales Department
of Nova Poshta

*The results of an online survey of Nova Poshta brand's health conducted by InMind in November 2020. We interviewed the urban population aged 18-60 years, who use delivery service.

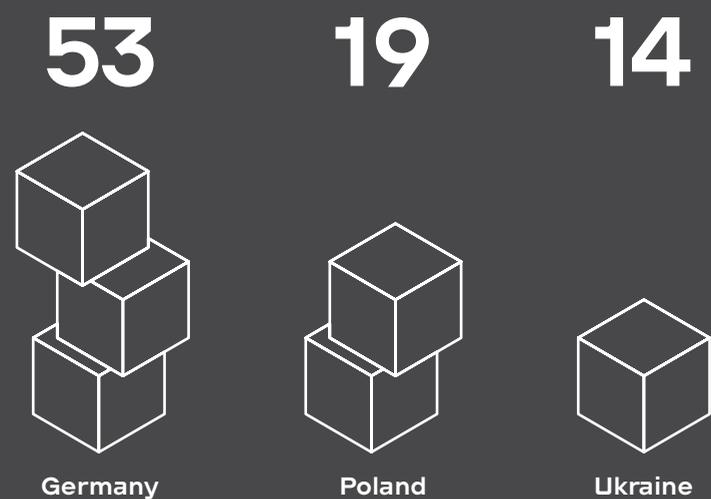


Quality indicators

<u>Undamaged shipments</u>	99,98%
<u>Timely delivery to the delivery point</u>	95,16%
<u>Timely pick-up at the address</u>	96,54%
<u>Timely delivery to the address</u>	84,05%
<u>NPS – customer loyalty index</u>	76%

The delivery market of Ukraine in comparison with the world*

Number of shipments per capita per year, pcs



*Analytics of Nova Poshta LLC for 2019-2020 among the population aged 16 and over.

"2020 has become a new challenge for the company as a whole and its customer service in particular. We were faced with several important tasks at once: to organize a safe space for clients and employees, as well as to preserve high level of service. We bravely accepted this challenge and were able to maintain our position as a client-oriented company that also cares for and supports its employees."



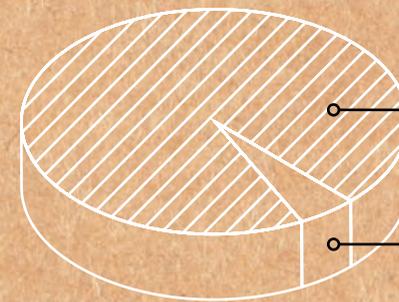
Serhii Symonov,
Director of quality and customer service of Nova Poshta

Handling requests



Handling requests

13 063 597
requests



94%
calls to call center

6%
online requests



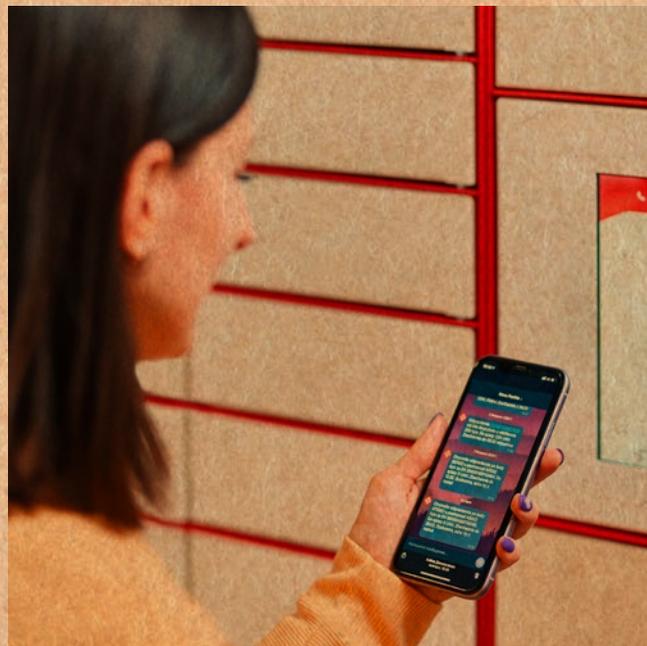
87%
requests
are processed
during the call



9:19
time of request
processing
(11:24 in 2019)

Online services

To provide quality customer service, we have own digital infrastructure. It allows us to improve operational processes and reduce the time spent at the delivery point.



The digital infrastructure for the client consists of three main services:

Mobile application

33 mln

electronic consignment notes (ECN)

6,2 mln

active users

- receiving shipments at parcel lockers
- new authorization for all services
- improved payment process

API-service

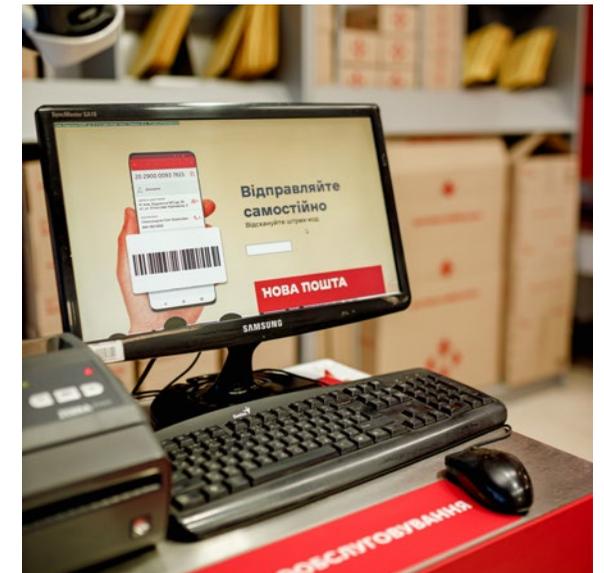
98 mln

electronic consignment notes (ECN)

New mobile application for HUAWEI AppGallery

~1 mln

users in less than six months



Business account

50 mln

electronic consignment notes (ECN)

5,2 mln

active users

79%

of all additional services are ordered online (52% in 2019)

GET IT ON
Google Play

Download on the
App Store

Available on the
AppGallery





NovaPay payment system

Socially important payment system according to the NBU classification.

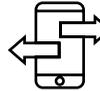
"Our own payment system allows us to support clients by our own means, without any assistance of third parties as well as to be more flexible and quickly adapt to new market challenges."



Andrii Kryvoshapko,
CEO of NovaPay



 **46%**
leader in the money transfers among non-banking organizations

 **2,2 mln**
transactions per day

 **PCI DSS**
certificate of the international data security standard

Innovations

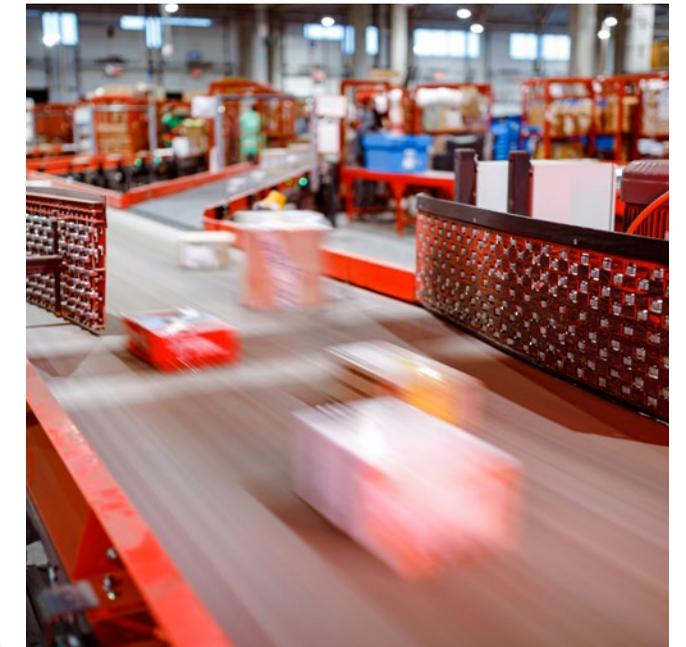
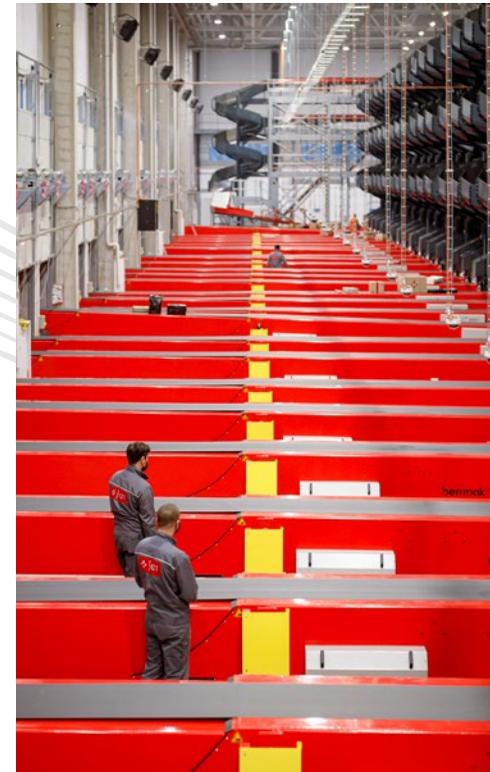


Oleksii Taranenko,
Director of Innovations
of Nova Poshta

"Technologies are one of the company's values. Due to this we have the opportunity to raise the standard of speed and quality of the logistics market. The secret of our success is that we constantly invest in the best logistics solutions."

KhAI

Fourth innovation
sorting center



KIT 2

The first in Ukraine innovation sorting center equipped with a three-level sorter to obtain the maximum sorting capacity within the minimum building area

257 979 555

Number of shipments that went through
innovation sorting centers in 2020

Innovation
sorting centers

Total area
(m²)

Sorting line capacity
(shipments/hour)*

KIT **16 400** **8 000**

Kyiv

KhIT **7 800** **9 500**

Khmelnitskyi

LEO **15 400** **11 800**

Lviv

KhAI **18 100** **13 200**

Kharkiv

KIT 2 **4 600** **34 400**

Kyiv



* From 2020, a new methodology for calculating capacity is used.

Robotic vehicles

60 SBR robotic vehicles move the load from the unloading area to the loading area.



Speed of load movement

0,8 m/s

Maximum load capacity

300 kg

The weight they can carry

up to **1000 kg**



New mezzanine of fulfillment center

The new mezzanine complex, thanks to the 5-level storage system allows to organize a working space of 4 000 m² on the area of 800 m²



800 m²

area



4 000 m²

working area



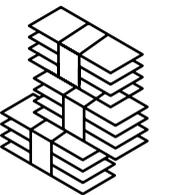
> 200

video cameras



30 000

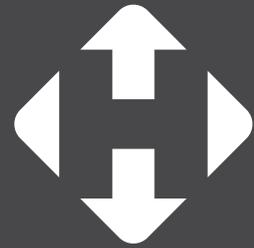
cells



> 33 000 000 UAH

invested in the project

Nova Poshta is getting even closer to its clients. In 2020, the company paid special attention to the opening of new parcel lockers. Thus, convenient parcel lockers were installed in shopping and business centers, supermarkets, shops and even in apartment building lobbies.



Parcel lockers

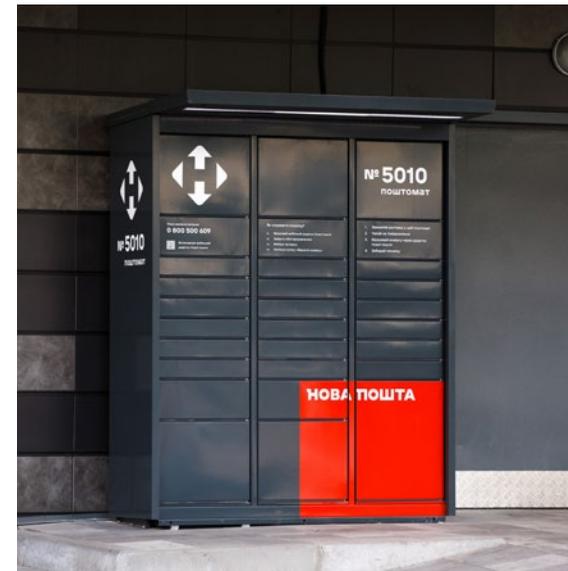
3 025

parcel lockers

271 – at SC, BC

1 768 – in lobbies

986 – on streets



43 820

cells

5 149 – at SC, BC

17 680 – in lobbies

20 991 – on streets

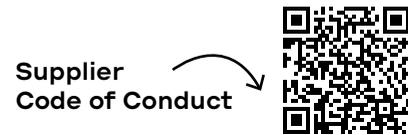
"Parcel lockers allow one to receive shipments in less than 10 seconds and completely contactless, which became especially important in 2020 against the background of the pandemic."

Oleksandr Lisovets,
Director of the Novobox network



It is extremely important for us to cooperate with partners on mutually beneficial terms, as reliably and transparently as possible. This principle of operation is provided by the automated purchasing management system APS Smart. Procurement takes place publicly on the web platform zakupki.prom.ua.

All suppliers are thoroughly inspected and are required to comply with the Supplier Code of Conduct, which contains requirements for labor relations, labor protection, environmental protection, corporate ethics and management system.



Suppliers

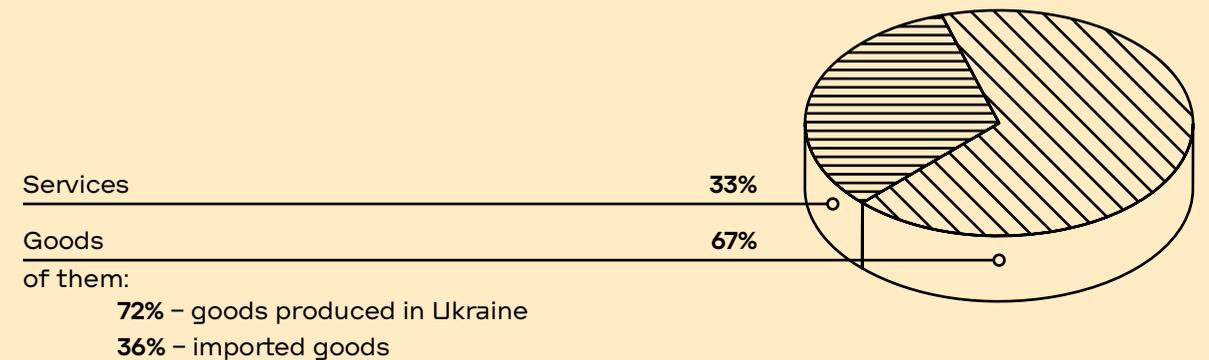
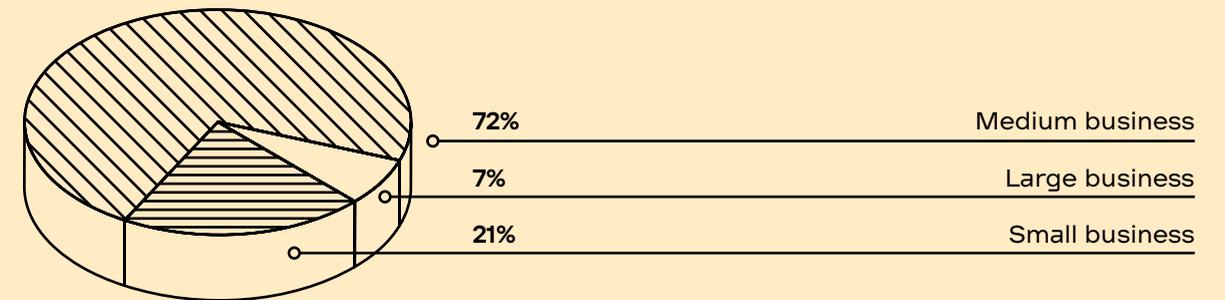
"Nova Poshta grew out of small business, so it is important for us to help small and medium-sized businesses in Ukraine develop. It is the development of electronic commerce and the creation of express delivery that have made it possible to create thousands of small businesses in Ukraine. SMBs are the backbone of the country's economy, so we are pleased that more than 90% of our suppliers represent this segment."



Olena Horulko,
Administrative director
of Nova Poshta

417

Total number



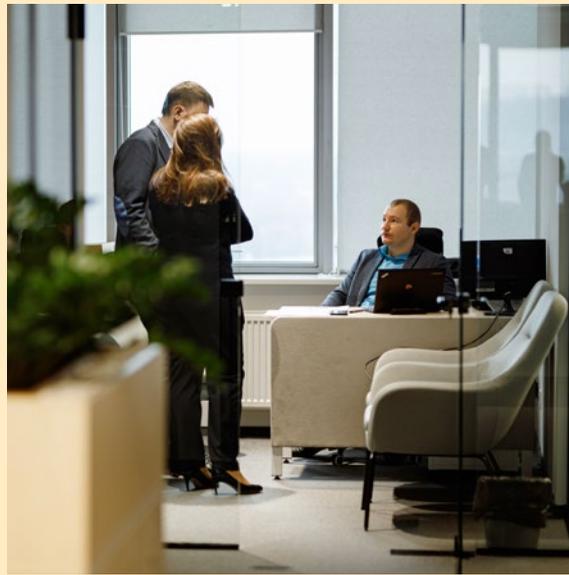
Business ethics and compliance

Code of Corporate Ethics

For us, the result is as important as the way we achieved it. So we have developed a Code of Corporate Ethics that all our employees refer to.

In particular, the code covers the following aspects:

- Relationship within the company
- Conflict of interest
- Relationship with:
 - > contractors
 - > clients
 - > state bodies
 - > mass media



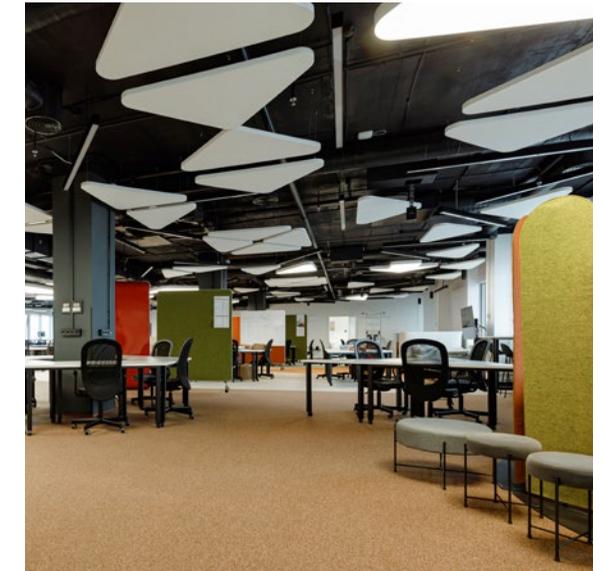
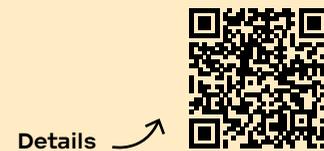
Anti-corruption policy

Nova Poshta declares zero tolerance for corruption. We raise the level of anti-corruption culture among our employees and encourage the adherence to the principles and requirements of this policy by all our contractors and others who have direct or indirect legal relations with the company.



Competition policy

We support and promote competition that gives clients the opportunity of choice, and we condemn any anticompetitive behavior in the logistics, postal and related services market.



Nova Poshta adheres to the legislation of Ukraine and the best traditions of business ethics and integrity. To do this, the company has a compliance system – a set of codes, policies and measures aimed at preventing risks.

"Compliance at Nova Poshta is not a now and forever thing. It is a fluid and dynamic substance. The world is changing, we are changing, relations within the company are evolving – all this is reflected in the Code of Corporate Ethics and in the formation of the function of compliance. But one thing remains the same – the position of zero tolerance for violations of the law and business ethics."



Inna Khomych,
Director of legal affairs
of Nova Poshta
group of companies

Security



Employees security

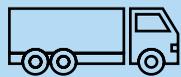
Passed courses on labor protection, fire safety and quarantine measures*	71 695
New medical rooms	20
Pre-trip inspections of drivers	654 626
The standard of supervisory audit	ISO 45001
Investment in improving working conditions	108,9 mln UAH
Investments in fire protection	46,2 mln UAH

*Each employee takes several courses.

Road safety

Nova Poshta has adopted a road safety policy aimed at preventing:

- mortality
- injuries
- accidents



386

new BDF-containers



0,0098

RBI*
(indicator of behavior on the road, where 0 is safe behavior)



1,08

TVAR*
(total number of accidents per 1,000,000 km)



The new BDF-containers are equipped with a reflective tape around the perimeter, which improves the visibility of the vehicle at night.



Cybersecurity

≈ 6,5 mln views
on video with advice
from Oksana Petrivna



Fraudster, Goodbye!

Nova Poshta has joined the information campaign "Fraudster, Goodbye!", initiated by the National Bank of Ukraine. The project aims to raise public awareness of information security rules.

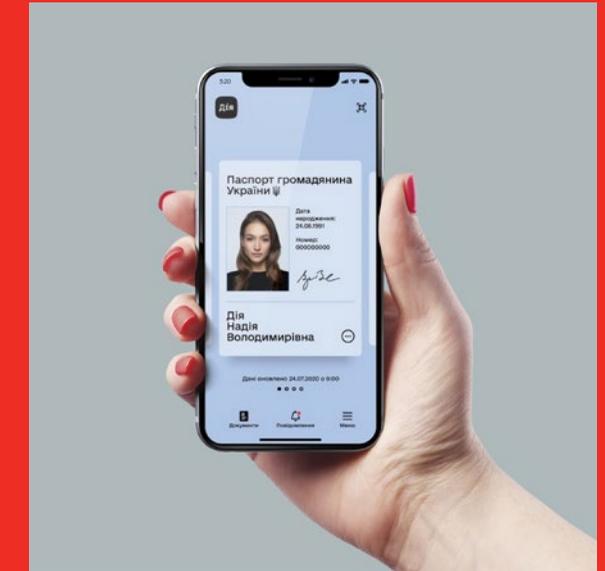
22,5 mln

the total number of contacts covered

In addition to the video, we used:

- comics about the rules
- posters with warnings
- animation on screens in delivery points
- audio clips on radio stations
- posts on social networks
- banners on the web-site
- banners in the mobile application

Receiving shipments using "DIYA" application



Now the company's clients can receive their shipments by confirming their identity using electronic documents in "DIYA" mobile application.



How does it work?

- The client opens the document in the application
- Operator reads the barcode using a scanner
- The client confirms the request to use the document
- The client's name is displayed on the operator's computer for a few seconds

Participation in unions

UN Global Compact Network

UN Global Compact Network in Ukraine is the official representative of the UN Global Compact, which unites companies that implement the 10 principles of the UN Global Compact and act as a translator of the Sustainable Development Goals. The Global Compact Network in Ukraine is a dialogue platform for business, investors, civil society, labor organizations, local authorities and the Government.

11 500+ companies

156 countries

73 504 public reports

SUP

The Union of Ukrainian Entrepreneurs is the largest independent union of Ukrainian business, formed without the participation of politicians and aimed at protecting and advocating of Ukrainian business.

The union provides an opportunity to learn from the experience of the most successful Ukrainian companies, increase visibility and expand the business audience, and most importantly – to publicly share problems and solve them together.

800+ companies

69 bln UAH of paid taxes

112 events per year

378 000 job positions

CSR development center

The center cooperates with Ukrainian companies, which activities are guided by the principles of corporate social responsibility. It is an expert organization that has been implementing corporate social responsibility and sustainable development for systemic and qualitative changes in Ukraine for over 10 years.





03

Reaction to COVID-19

NP_manifesto	66
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Providing services during the pandemic	76
Partnerships in struggle against the pandemic	80

03



NP_manifesto

On March 12, 2020, quarantine restrictions due to the COVID-19 pandemic came into force in Ukraine for the first time. Nova Poshta as a good corporate citizen could not be indifferent to the problem, and on March 15 the co-owners of the company published NP_manifesto.

Business cannot stand aside when a country is going through difficult times: an economic crisis multiplied by the threat of the coronavirus pandemic.

Now, in the new realities, those for whom we have built this business – the citizens of Ukraine, need our help.

Therefore, we allocate 25 million UAH on equipment and additional materials for hospitals. This is our support to doctors to defeat the virus and to preserve human health. We are convinced that the future can only be built together.

We believe in close cooperation between business and medical institutions to provide prompt assistance where it is most needed. No one can do it faster and better than a conscious business.

We, Nova Poshta, call on Ukrainian and foreign businesses operating in Ukraine to join our manifesto.

This is our country, where we work, live and raise children.

NOVA POSHTA

Reaction to Covid-19

"Our company decided without any hesitation to help Ukrainians in the fight against the virus. It is a great honor for us to lend a hand to our citizens and doctors who, through unbelievable efforts, resist the virus, save lives, and prevent the rapid spread of COVID-19 in Ukraine."



Inna Popereshniuk,
Co-founder of Nova Poshta,
member of the Supervisory Board



Municipal Clinical Hospital in Poltava № 5
→ 20 infusion pumps



Khotyn Central District Hospital
→ 10 000 medical protective masks

Chernihiv Municipal Hospital № 1
→ defibrillator
→ 6 mobile bactericidal irradiators
→ 5 pulse oximeters
→ 20 non-contact thermometers
→ 500 liters of antiseptic
→ 300 liters of disinfectants
→ 1 000 PCR systems
→ 27 000 PPE (medical coveralls, masks, gloves, respirators)



Myrnohrad Central Municipal Hospital
→ > 7 000 PPE
→ 2 bedside monitors
→ 1 infusion pump

Poltava Municipal Clinical Hospital № 5
→ 10 bedside monitors

 **March 18 – first delivery"**

Poltava Infectious Diseases Hospital
→ ventilators and other medical equipments

Poltava Regional Infectious Diseases Hospital
→ 8 100 respirators
→ 3 502 protective shields
→ 2 000 liters of antiseptic
→ 158 medical coveralls

Dolynska Central District Hospital
→ 2 000 medical coveralls
→ 2 000 respirators
→ 5 000 disposable lab coats
→ 7 000 medical masks and hats



Reaction to Covid 19

Center of primary medical care of Vesnyane village council of Mykolayiv region

→ humanitarian aid shipment



Mykolayiv Municipal Children's Hospital № 2

- 10 hospital beds "Biomed"
- ultrasound scanner
- 20 inhalers
- 4 infusion pumps
- 2 bedside monitors
- 5 heart rate monitors
- vascular transilluminator

Kremenchug Central District Hospital

- 2 electrocardiographs
- 2 bedside monitors
- infusion pump

Chernivtsi Municipal Hospitals

- 200 medical coveralls
- 5 500 respirators
- 11 000 masks
- > 10 000 disposable lab coats
- 2 000 sample tubes
- a few hundreds sets of shoe covers and protective eyewear



Kyiv Municipal Clinical Hospital № 8

- 25 medication dispensers
- 150 bacterial filters for ventilators
- 50 face oxygen masks
- 100 nasal oxygen catheters
- 100 catheters for bronchosanation

**Municipal Hospital № 1
Municipal Polyclinic №3
Primary Health Care Center "Sadgora"
Mobile Brigade of the Municipal Council of Chernivtsi**

- 2 000 medical coveralls
- 4 250 sets of high shoe covers

**Kamianets-Podilskyi Central District Hospital
Storozhynets Central District Hospital
Stebnytsia Municipal Hospital
Troyitska Municipal Hospital
Bilokurakyn Central District Hospital
Municipal hospitals of Zolochiv and Krasnopavlivka of Kharkiv region
Municipal hospitals of Haisyn, Vinnytsia region**

- modern medical equipment
- personal protective equipment
- 56 000 medical masks
- 8 900 respirators
- > 200 medical coveralls
- 300 medical gowns
- 1 800 protective gloves
- 1 200 disposable caps
- 5 200 sets of high shoe covers
- other medical devices



Poltava Municipal Hospitals № 3, 4, 5

→ 100 oxygen concentrators

"Svoyi" Charitable Foundation

→ 50 oxygen concentrators

"Monsters Corporation" Charitable Foundation

→ 40 oxygen concentrators

Chemerovets Central Hospital

→ 40 oxygen concentrators

Horodok Central District Hospital

→ 2 oxygen concentrators

Borshchiv Central District Hospital

→ 2 oxygen concentrators

Monastyriska Central Municipal Hospital

→ 2 oxygen concentrators



Hospitals in Khmelnytskyi, Ternopil, Zaporizhzhia, Poltava and Kyiv regions also received oxygen equipment. Lohvytsia, Hadiach, Zoloty Potok and nursing home in the village of Peremoha, Baryshivskiy district, received one oxygen concentrator each.



Collective award for the contribution to the struggle against COVID-19 from the CSR Development Center

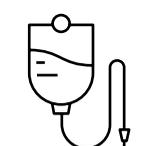
Total:

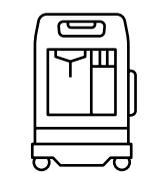
> 280 000
PPE for medical staff 

25
hospitals 

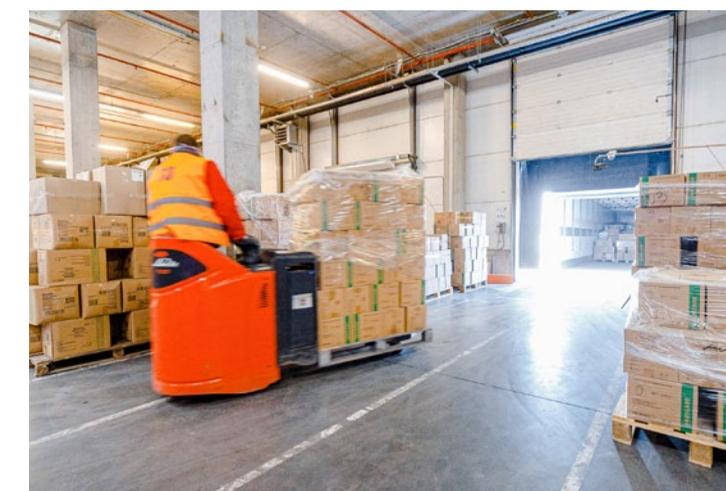
13
regions 

7500
liters of antiseptic and disinfectants 

> 4500
units of medical equipment 

> 275
oxygen concentrators in 2020 

> 38 mln UAH
Total amount of assistance         





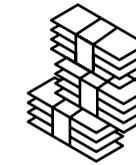
"Only a protected, healthy and insured employee can provide quality services. To ensure our employees feel supported, we have purchased personal protective equipment and disinfectants, provided additional insurance for more than 10 000 employees, and changed our processes to minimize physical contact with clients and co-workers."



Nina Masiuk,
Director of Human Resources
of Nova Poshta

Employee care

We understood the risks of the pandemic spreading around the world, so we provided all delivery points with antiseptic, canceled mass events, gatherings, training and business trips even before the start of state quarantine restrictions. Office employees were trained for remote work conditions, and they began working remotely on March 13, 2020. Employees in delivery points and couriers were provided with masks and gloves.



> 200 mln UAH

allocated to the COVID-19 protective measures for employees



Purchased items:

14 600 000
protective masks

30 800 000
gloves

227 000
liters of antiseptic

3 000
dispensers for antiseptic

22 300
means for disinfection of premises

Providing services during the pandemic

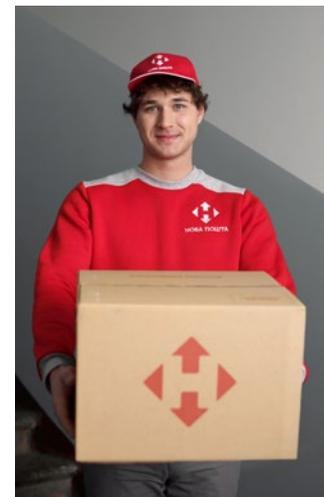
2 000

couriers were employed additionally



Work of delivery points

In the conditions of COVID-19 we did not stop our work, except delivery points located in shopping malls and other establishments, which work was suspended during quarantine restrictions.



Changes in processes for clients and employees safety:

- Entering delivery point is allowed only with the protective mask on
- All delivery points are equipped with antiseptics
- If there is a queue, clients are waiting outside
- Distance marking is applied in the delivery points
- New service of street operators was introduced



Storage of shipments

From March 18 to June 30, 2020, we abolished the fee for storing shipments in delivery points for all clients.



> 2 mln

shipments delivered from the beginning of work of street operators

840

delivery points with street operators

Delivery of medicines

On March 24, after amendments to the legislation of Ukraine, we began to deliver medicines from the leading pharmacy chains in Ukraine.



Delivery of food

- Together with partners Nova Poshta have launched a service of safe food delivery
- The project was launched in March in Dnipropetrovsk region together with ATB supermarket chain and Rozetka marketplace
- In April, the project was scaled all over the country



Contactless courier delivery

On March 25, the company introduced a new service – contactless courier delivery. If the shipment has already been paid for, the courier leaves it at the door, walks 1,5 meters away and waits for the client to pick up the shipment. If it is not paid, the courier calls the customer before the visit, asks to pay for the shipment in the mobile app and then makes contactless delivery according to the same algorithm.



Epidemiological service

A special algorithm of actions in case of COVID-19 spread in the company was developed.

Epidemic Prevention and Sanitary and Epidemiological Control Service was established, which includes:

- 8 doctors epidemiologists
- expert epidemiologist

9804 PCR tests of employees



Partnership to fight the pandemic

During crises, many companies look for the ways to respond and help their stakeholders. This happened during the coronavirus crisis. The company has teamed up with responsible businesses, charity foundations and NGOs to reduce the effects of the pandemic.

26.03.20

start of the program

> 73 000

delivered food packages

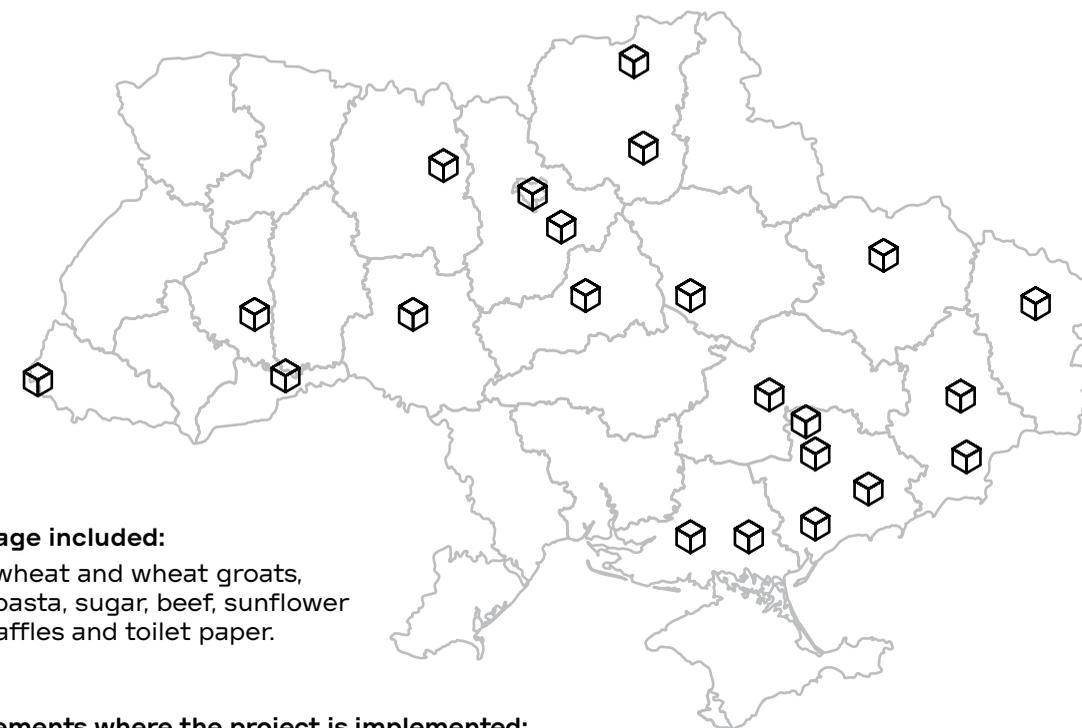
547 665 kg

total weight of all packages

Delivery of food packages

Nova Poshta has launched a project to deliver food packages to elderly people, who need care, together with the "Lifelover" Charitable Foundation and the Rozetka marketplace. We have formed a food package which included

the most necessary products, and anyone could buy and "place" such a package on the marketplace web site. Nova Poshta filled, packed and delivered these packages to the city's social security services.



Package included:

buckwheat and wheat groats, rice, pasta, sugar, beef, sunflower oil, waffles and toilet paper.

Settlements where the project is implemented:

Dnipro, Zaporizhzhia, Kyiv, Lviv, Kharkiv, Malyn, Nova Kakhovka, Chortkiv, Boryspil, Kremenchuk, Hrodna, Vesele, Kamianka, Toretsk, Parafiyivka, Henichesk, Vinnytsia, Novoaydar, Uzhhorod, Khotyn, Semenivka, Kushugum, Nyzhni Sirogozy, Novooleksandrivka, Medivyn

Humanitarian Post of Ukraine

Nova Poshta already has an experience in responding to crisis situations. Thus, in 2014, the "Humanitarian Post of Ukraine" program was launched, aimed to help volunteer organizations to provide free delivery to the military, victims of the war and hospitals.

Since the spread of the pandemic, Humanitarian Post of Ukraine has expanded the range of partner organisations and added 19 new members. Straight away they started to help medical institutions: manufacturing and shipping masks, protective coveralls, screens etc. Other participants also joined the fight against the pandemic.

3 895
shipments
158 346 kg
total weight of shipments



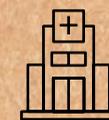
Health boxes

These are aid boxes with protective equipment purchased at the expense of the EU Delegation in Ukraine. Nova Poshta has filled and delivered 936 of such boxes for United Territorial Communities (UTCs) throughout Ukraine.



Nova Poshta delivered disinfectants from L'Oréal Ukraine and EVA network to more than 200 hospitals across the country free of charge.

Partnership in struggle against the pandemic



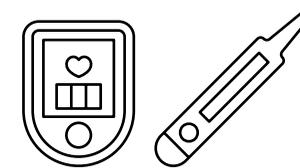
200
hospitals



> 136 500
delivered disinfectants

Delivery of medical supplies with the Office of the President

Together with the Office of the President, Nova Poshta delivered protective equipment and medicines to 24 regions and Kyiv city.



6 500 000
units of medical supplies sent to hospitals

04



People

Number of employees	88
Insurance	90
Employees' education	91
Trade union	94

04



32 000

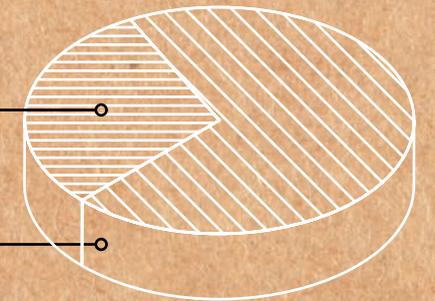
employees

30%

women

70%

men



Age,
years

By divisions:

up to 20	16%	Delivery points	42%
21-30	48%	Support office	16%
31-40	22%	Delivery service	12%
41-50	9%	Sorting centers	30%
51+	5%		

Employees' insurance

In July 2020, an additional insurance of class "E" was introduced. Under this program, employees are insured after 3 months of work. This class of insurance is aimed at medical support for diseases within the insurance sum and emergency care.

52 184 441 UAH

payments

2,5 bln UAH

the amount of insurance coverage



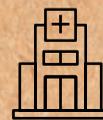
10 248

additionally insured employees under a short-term program



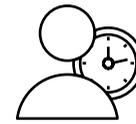
139 368

requests to the insurance company



6 077

medical institutions which participate in the program



34

average number of training hours per 1 employee

"Training and development programs, the internal personnel reserve system help to reveal talents, grow our employees and provide a high level of services to our clients."



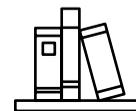
Oleksandra Hniti,
Director of Department of Training and Development of Nova Poshta

The Department of Training and Development has a system of distance learning and testing, training and practical programs for continuous development of employees.

Employees' education

Areas:

- Targeted training
- Training on changes in company processes and standards
- Primary and continuous training
- Training of drivers of motor vehicles



220

training programs



33 057

completed distance learning courses



7 013

completed classroom based learning courses



Corporate university

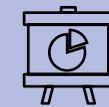
Improves the skills of managers of different levels.

Main areas of training:

- certification programs
- intro to the job position
- professional skills development programs
- general management
- LEAN
- personal development

Most popular programs:

- Microsoft Excel standard
- Queue management
- Sales school
- Solving PDCA cycle problems in A3 format
- LEAN



Active programs in the coaches portfolio

40



Courses taken by employees

2 040



Average number of training hours per 1 employee

19



Hours of management consultations that the coaches held for the company

159

Trade union

444 trips to the sea
and the mountains



12 000

members

3 053 000 UAH
paid for the trips

250

events



2 938 793 UAH
material assistance

9 000

visits to events per year

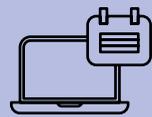
1 500 employees
received material assistance



Trade union has developed one of the best collective agreements in Ukraine, which provides for:

2 days

of additional leave
for working at a computer



Trade union actions during the pandemic:

- Provided all trade union members with additional antiseptic
- Presented training and educational books to members' children
- Provided material assistance to members aged 50+



→ Additional leave for job search during redundancy

→ 3 days of additional leave for members of volunteer fire brigades

→ Additional leave for participation in regional and national events of the Trade union

2 755 000 UAH

total amount of assistance





Environment

3R principle	100
Recycling collection	103
CO ² emissions	104

Environment

The company implements the principles of the environmental management system according to the ISO 14001: 2015 standard.

To this end, the company has developed and adopted policies, guidelines and a number of standards that allow better identification and management of environmental aspects and risks.

Energy saving

A new comprehensive energy accounting system has been introduced and a set of standards of energy consumption has been formed.

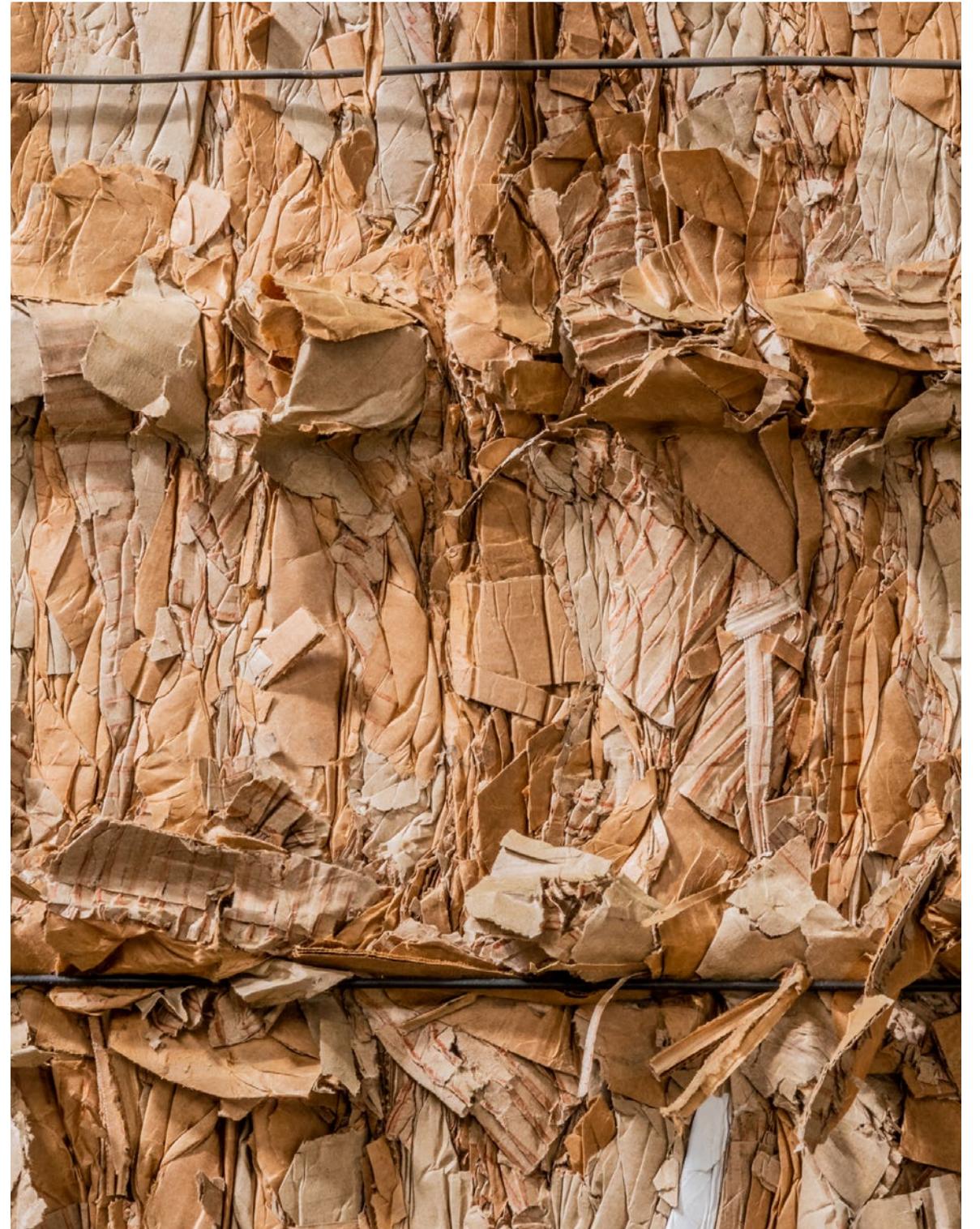
- Replacement of lighting sources with LED lamps. Estimated energy savings – **200 000 kW**
- Installation of energy efficient heaters. Estimated savings for the heating period – **900 000 kW**



3R principle

We work with packaging according to 3R principle

Reduce
Reuse
Recycle



Reduce

- Refused foam plastic usage
- **Introduced a new packaging** – a box-transformer with variable height
- Optimizing boxes:
 - Tube 60 cm – 33% less raw material
 - Tube 120 cm – 4% less raw material



Reuse

- Launched a pilot project on the reuse of cardboard boxes
- **16.5 thousand boxes** were reused in 2 months since the pilot launch.

Recycle

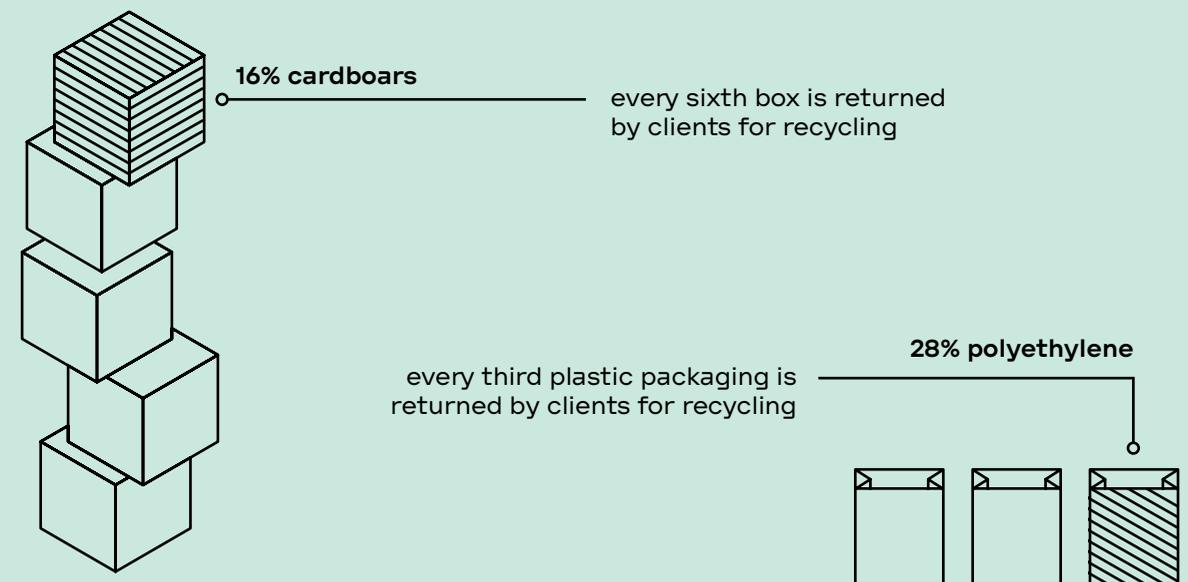
- Scaled the project to install recycling bins in the delivery points
- **820 delivery points** in **118 cities** joined the project. Now more than **1 500 delivery points** are equipped with boxes
- Launched a pilot project on the placement of recycling bins at sorting centers

Collected and handled for recycling:

1 913 403 kg
wastepaper (1 341 045 in 2019)

278 501 kg
polyethylene (272 814 in 2019)

Amount of recycled packaging:*



* Percentage of sold packaging that clients have given for recycling.

CO² emissions

The company takes into account all the factors that negatively affect the environment, in particular, we monitor CO² emissions.

To reduce the amount of CO² emissions, we are improving logistics, changing routes and increasing the efficiency of loading cars.

We are also updating the vehicle fleet: we stop using old cars and operate newer ones which have a higher class of the EURO standard.

EURO is an environmental standard that regulates the content of harmful substances in exhaust gases. The higher the EURO class, the less CO² emissions the car produces.

Euro 1	2%
Euro 2	6%
Euro 3	17%
Euro 4	33%
Euro 5	22%
Euro 6	18%
Electro	2%

t CO²/t cargo turnover

0,0912

kg CO²/EN number

0,68744



> 5800
vehicles

75%
vehicles of the EURO 4 standard and above

Electric scooters	2%
Cars	13%
Minibuses	23%
Load capacity up to 3 tons	14%
Load capacity up to 10 tons	24%
Load capacity up to 20 tons	24%

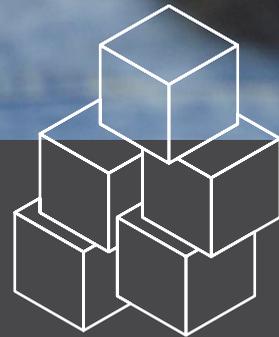


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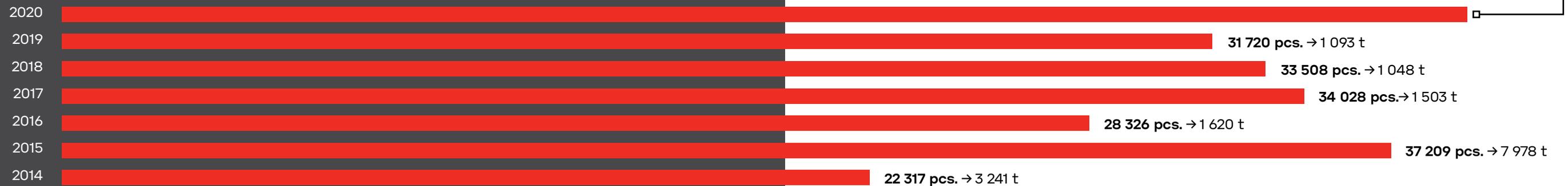
Social projects

Humanitarian Post of Ukraine	108
Nova Poshta School of Business	110
KRUTO Nova Poshta	116
Supporting a healthy lifestyle	122
Other projects	128

06



Number and weight of shipments



Humanitarian Post of Ukraine

- The largest number of shipments in the history of the program
- The largest weight of shipments since 2015, when there were active hostilities in eastern Ukraine



1 720 t

38 527

shipments
of which 3 895 shipments
with medical supplies



Nova Poshta School of Business

Nova Poshta School of Business was launched in 2016 as an intensive educational workshop for micro, small and medium-sized business owners.





5
years of the project



9
cities

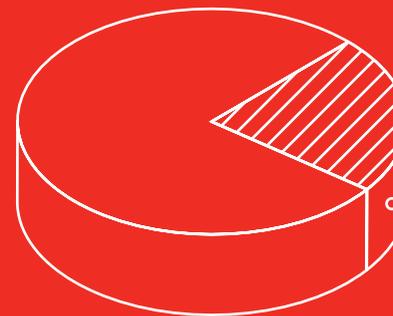
→ Kyiv
→ Kharkiv
→ Dnipro

→ Odesa
→ Lviv
→ Poltava

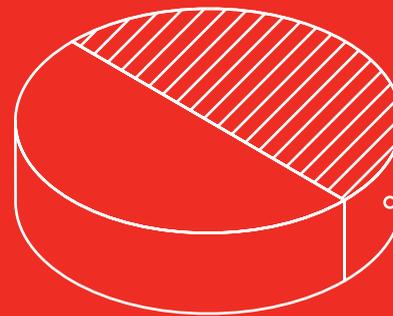
→ Khmelnytskyi
→ Uzhhorod
→ Ivano-Frankivsk



> 2 000
members



23% graduates
increased their profits by 100% or more*



> 50% graduates
increased their profits by 30-50%



*According to a survey of graduates.



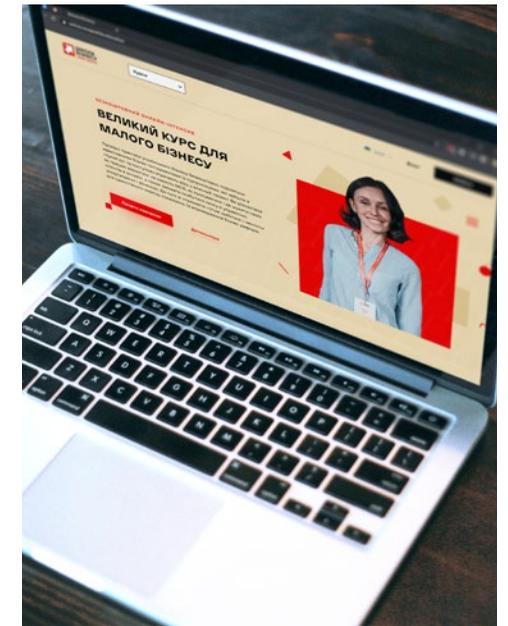
Winner of the "Partnership for Sustainable Development 2020" in the "Economic Development" category of the UN Global Compact in Ukraine.



Great course for small business

To continue to inspire small business owners to implement new progressive ideas, we decided to expand into online course and in 2020 launched our own learning platform and our first online course "Great course for small business."

Now entrepreneurs from all over Ukraine can study at the School of Business anywhere and anytime. And the best students of the online course have an advantage during selection for offline study.



7 training modules

- business processes
- finance
- sales
- price and value
- marketing
- online marketing
- people

> 9 hours
of training videos

159
subject tests

24
additional materials from coaches

certificate

after successful passing of 70% of test questions at the end of each module

92,5%
respondents rated the course high



KRUTO Nova Poshta

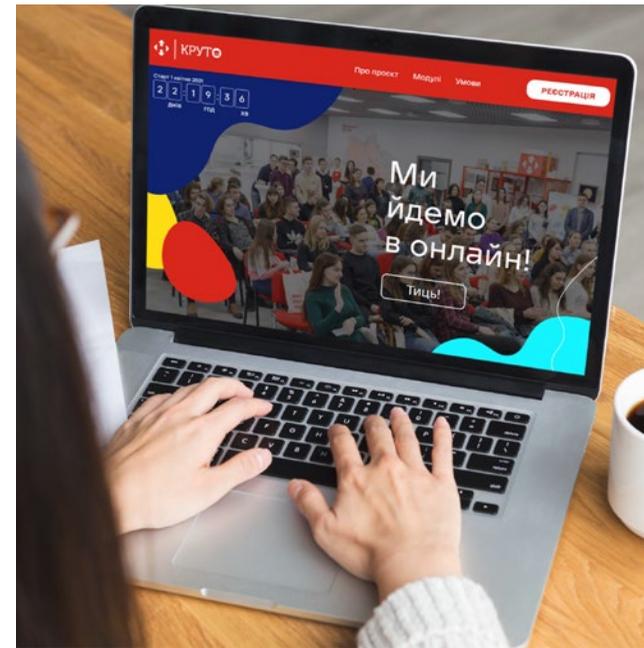
It is a project that combines Career, Development, Success, Talents and Education.

We teach students how to build a career and develop their practical and soft skills. We also give students a real chance to start COOL career in all aspects.





In 2020, within the KRUTO Nova Poshta project, we engaged students for internships for the first time.



We're going online!

In 2020, we developed and delivered an online training that brought together 1200 students from all over Ukraine. Video lectures, ZOOMs with coaches, group work, creative tasks and individual assessment made the program so comprehensive and intense, and after its completion the participants received impressive results.



1200 students
passed online training

1522
checked homeworks

2 months
of training

104 best students
received tech gifts, business literature, diplomas and certificates

8 modules

32
training videos

10 ZOOMs
of total duration over 20 hours

> 80%
NPS (Net Promoter Score)*

*willingness to recommend the project to friends.



Student's competition LoNG 2020

Nova Poshta in partnership with the Ukrainian Association for Management Development and Business Education, Kyiv Business School, Academy of Labor, Social Relations and Tourism held a competition of student teams **LoNG-2020 – Look of New Generation.**

The winner of the competition is the team "Challenge" of the Ukrainian State University of Railway Transport (Kharkiv).



13

cities

- Vinnytsia
- Zhytomyr
- Irpin
- Dnipro
- Lozova
- Kamianets-Podilskyi
- Kyiv
- Kryvyi Rih
- Sumy
- Kharkiv
- Chernihiv
- Kherson
- Khmelnytskyi



32

educational
institutions



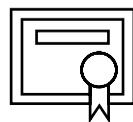
47

teams



This year, the pandemic has changed the lives of millions of Ukrainians. However, there are people whose energy cannot be stopped! It was for them that we conducted marathons in a remote format in compliance with all quarantine requirements.

Nova Poshta half marathon



Registration of the
record of Ukraine
"The largest widescale
online marathon 2020"

11 514 participants

250 cities and towns

25 regions

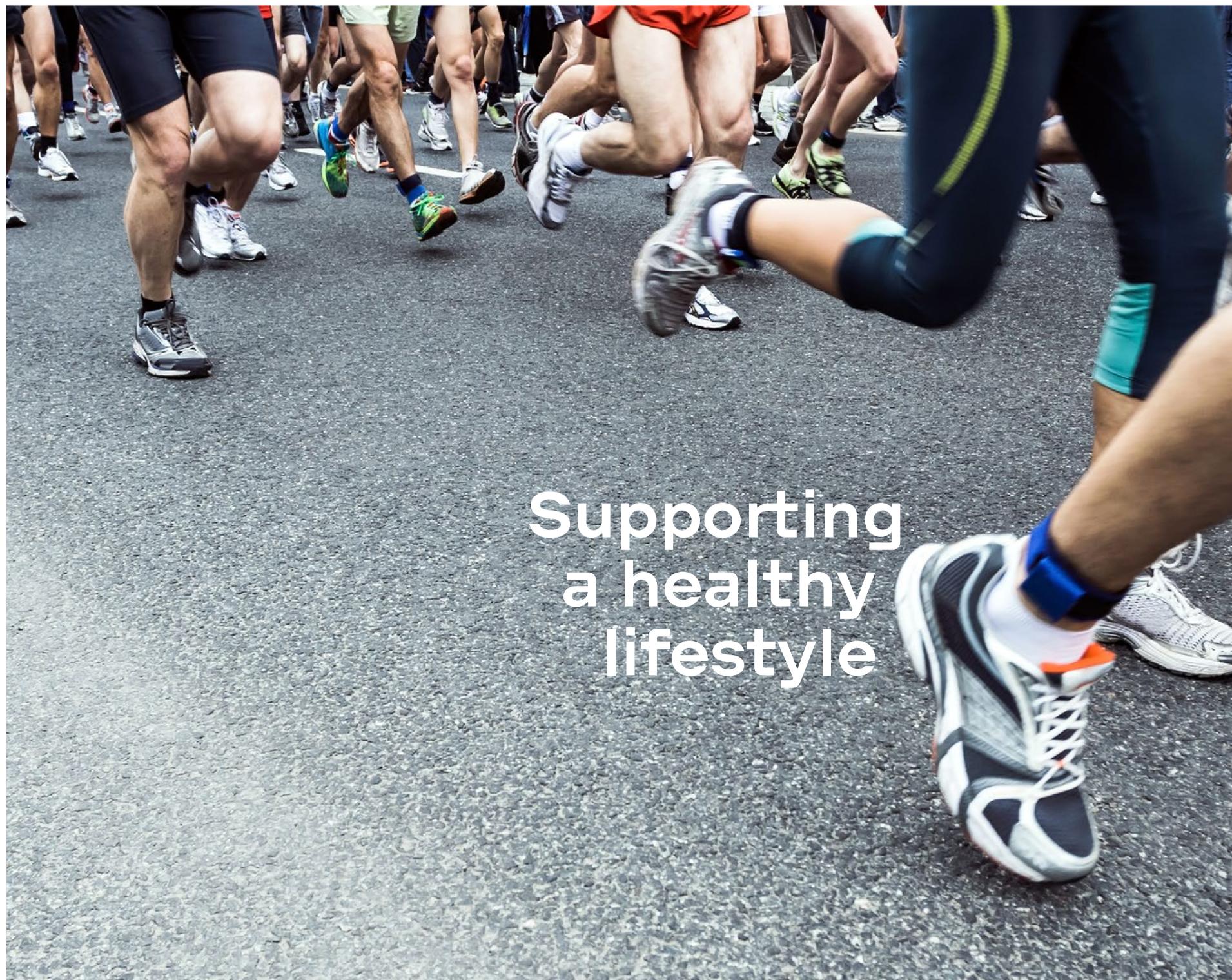
8 countries

9 years the youngest participant's age

74 years the oldest participant's age

18-39 years the average age of participants

70% men | 30% women



Supporting
a healthy
lifestyle



Nova Poshta Running Music Awards

The world's first running music award

> 1 000 nominations

12 707 votes on the web site

5 runs of the spring season

3 556 participants ran for the season

Marathon for all

Project supports those who deserve all the medals of the world. Anyone could run for someone who does not have such an opportunity.



Nova Poshta received **3 Effie Awards Ukraine 2020** for "Marathon for all"

7 days

800 posts and stories in social networks

5 runs of the spring season

> 1 000 participants

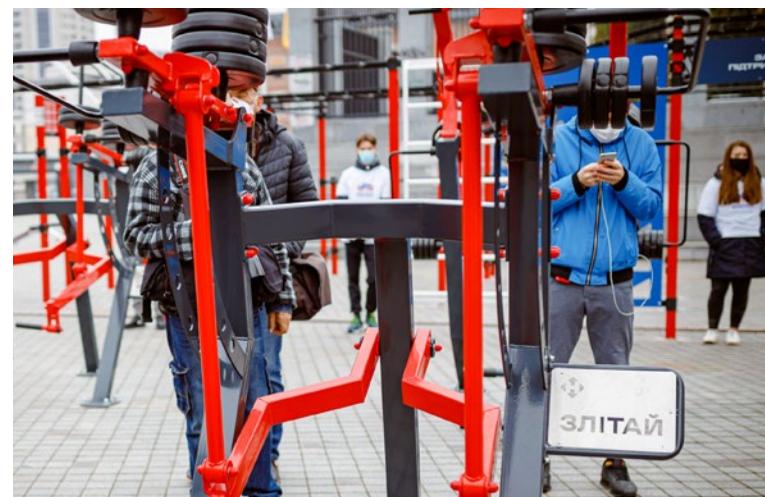


Sports ground at the NSC "Olimpiiskyi"

On November 13, a new sports ground from Nova Poshta was solemnly opened at the Olimpiiskyi National Sports Complex, which became a part of a unique open sports space in the main arena of Ukraine.

17 exercise machines for different muscle groups and different levels of load are available free of charge for everyone who wants to do sports and keep fit.

The venue was opened by the Minister of Youth and Sports of Ukraine, Vadym Gutzeit, the co-founder of Nova Poshta and NewRun Ambassador, Inna Popersheniuk, as well as the winner of the First League of Strongmen of Ukraine, the record holder of the Records Book of Ukraine, Denys Dubrovskiy.



Cooperation with Shalimov Institute



3,6 mln UAH

the total amount of donation to the institute for 5 years

The company consistently supports the National Institute of Surgery and transplantology named after O.O. Shalimov.

For five years, Nova Poshta purchased an electrocoagulator, a medical laser for vascular treatment, a biochemical analyzer, a clinical blood analyzer, X-ray tubes, and other modern equipment for the Shalimov Institute. The company plans to continue to support the institution in the future. In 2020, Nova Poshta also purchased the Soneus P7 ultrasound machine, which allows to monitor the progress of operations and perform them with high accuracy.

Delivery of good news

The project combines communication about key social initiatives and business news of the company through the prism of benefits for the customer. The main idea is to bring good news to people in difficult times and inspire to help each other.



12 dreams

came true within the project



2 000 gifts for children

For the seventh year in a row, we end the calendar year with a good deed: we offer everyone who wants to fulfill the dream of a child, deprived of parental care. The campaign "grew" from 500 gifts to 2 000. It is very easy to bring a fairy tale to inmates of children's homes: you need to choose a child's dream on the website, buy a suitable gift and take it to the Nova Poshta delivery point. We deliver all 2 000 gifts for free.



Delivery of books

Together with Daryna Zholdak Foundation, the "Library Country" Charitable Foundation and other participants of the Humanitarian Post of Ukraine program, we have been delivering books for school and village libraries for more than a year.



46 000

novelty books with alternate reality



6 000

libraries



26 000

books were sent to village libraries



Annexes

Compliance with the GRI standart
17 Sustainable Development Goals

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134

Compliance with the GRI standart

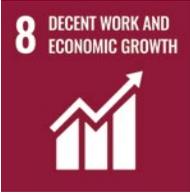
Nº	Disclosure	GRI indicators description	Link
Organizational profile			
1	GRI 102-1	Name of the organization	20
2	GRI 102-2	Activities, brands, products, and services	20
3	GRI 102-3	Location of headquarters	137
4	GRI 102-4	Location of operations	22
5	GRI 102-5	Ownership and legal form	novaposhta.ua
6	GRI 102-6	Markets served	22
7	GRI 102-7	Scale of the organization	20, 24, 28, 30
8	GRI 102-8	Information on employees and other workers	86-94
9	GRI 102-9	Supply chain	52
10	GRI 102-13	Membership of associations	62
Strategy			
11	GRI 102-14	Statement from senior decision-maker	10
Ethics and integrity			
12	GRI 102-16	Values, principles, standards, and norms of behavior	52, 54
13	GRI 102-17	Mechanisms for advice and concerns about ethics	novaposhta.ua, 52
Governance			
14	GRI 102-18	Governance structure	20
15	GRI 102-22	Composition of the highest governance body and its committees	20
16	GRI 102-23	Chair of the highest governance body	20
17	GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	20

Stakeholder engagement			
18	GRI 102-40	List of stakeholder groups	12
19	GRI 102-41	Collective bargaining agreements	94
20	GRI 102-43	Approach to stakeholder engagement	10
21	GRI 102-44	Key topics and concerns raised	12
Reporting practice			
22	GRI 102-45	Entities included in the consolidated financial statements	20
23	GRI 102-46	Defining report content and topic Boundaries	2
24	GRI 102-50	Reporting period	2020
25	GRI 102-51	Date of most recent report	June 2020
26	GRI 102-52	Reporting cycle	1 year
27	GRI 102-53	Contact point for questions regarding the report	137
28	GRI 102-55	GRI content index	132
29	GRI 102-56	External assurance	audit was not performed
Environmental indicators			
30	GRI 301-1	Materials used by weight or volume	102
31	GRI 302-4	Reduction of energy consumption	99
32	GRI 305-1	Direct GHG emissions	104
33	GRI 305-5	Reduction of GHG emissions	104
34	GRI 306-4	Waste diverted from disposal	103
Social indicarots			
35	GRI 401-1	New employee hires and employee turnover	89
36	GRI 403-1	Occupational health and safety management system	57
37	GRI 403-5	Worker training on occupational health and safety	57
38	GRI 403-6	Promotion of worker health	57, 74, 90
39	GRI 404-1	Average hours of training per year per employee	91, 93
40	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	91 93



Nova Poshta certifies that it adheres to the 10 principles of sustainable development and reports on progress in achieving the 17 Sustainable Development Goals.

17 Sustainable Development Goals

Goal	Description	Link
	Along with partners, Nova Poshta implemented a large-scale project to complete and deliver food packages to elderly people during the pandemic.	80-81
	Nova Poshta cares about the health of its employees, so we have a health insurance program. The company was also one of the first to respond to the spread of the pandemic and launched a large-scale campaign to support medical facilities.	64-85, 90
	The company pays a lot of attention to the quality of knowledge of its employees. We have also been implementing a number of educational projects for students and entrepreneurs for many years.	91, 93, 110-121
	Nova Poshta consistently improves working conditions for employees, helps partners and small and medium-sized businesses develop, being an important part of the infrastructure for business.	52-53, 57, 110-115
	The company invests a lot in its own infrastructure, which simultaneously increases the efficiency of logistic processes and convenience for service users.	42-51

	The company has implemented a Code of corporate ethics and adheres to its provisions on non-discrimination, as well as implements a number of projects that promote a healthy lifestyle among Ukrainians.	52-55, 122-129
	Nova Poshta is implementing a number of projects aimed at strengthening of local communities through education and humanitarian initiatives, and improves the accessibility of its services to local communities.	24-27, 50-51, 103
	We are changing our processes and technologies to reduce the use of raw materials in the manufacture of products, reuse raw materials and recycle them.	96-105
	The company continues its efforts to improve logistic processes and reduce greenhouse gas emissions.	104-105
	For over 6 years the Humanitarian Post of Ukraine program has been helping to implement humanitarian projects aimed at restoring peaceful life in Ukraine.	108-109
	Nova Poshta combines efforts with other businesses, the Government and non-governmental organizations for sustainable development. Pandemic projects have become a clear example of this.	80-85

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