



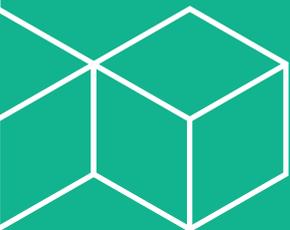
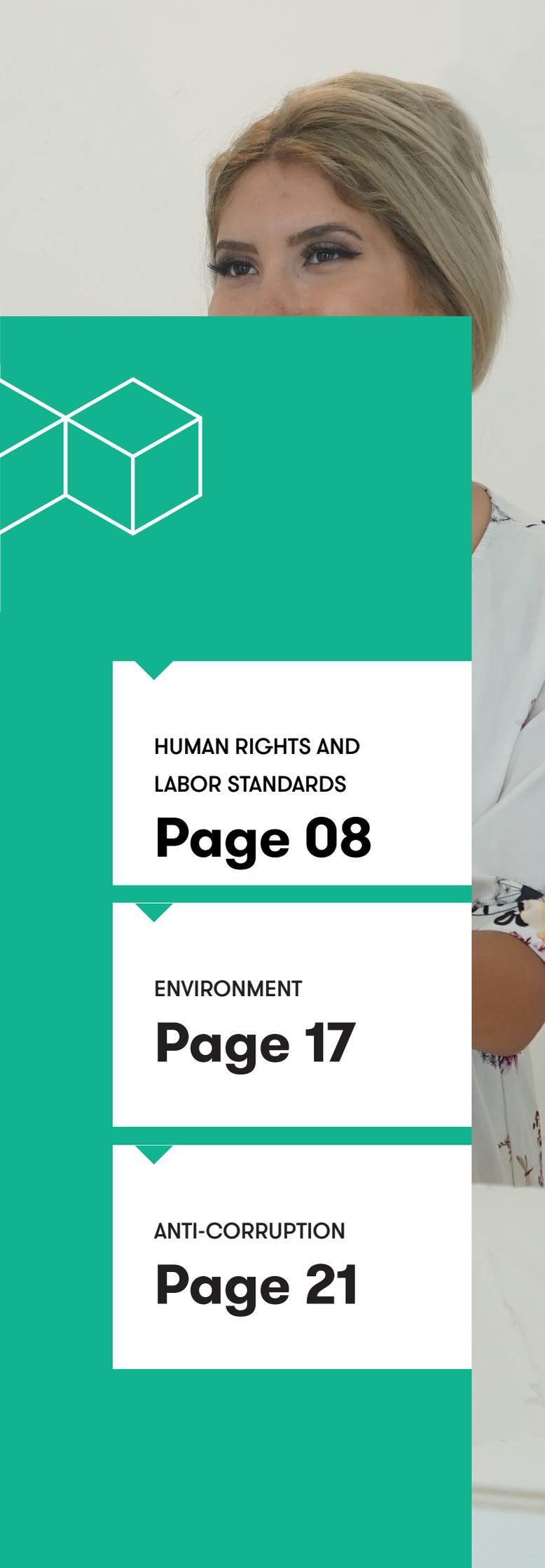
Communication on Progress 2020

Transport & Logistics
Bulgaria



Content Communication on Progress 2020

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Unimasters

Introduction



We are Unimasters - an innovative and experienced logistics service provider with high standards that specialises in delivering diverse transport solutions to individuals and businesses from various industries. We are adaptive to the new logistics and business world to keep the consistency that we built for more than three decades. We at Unimasters, combine start-up thinking and experience to provide added value and high quality logistics services to our customers.

We offer tailored phygital solutions in the field of transportation, freight management and 3PL/4PL services, based on inspiration from the best-in-class and most innovative technology players on the planet. Our operating models are designed to be successfully adapted to the rapidly changing economic and business ecosystems.

Introduction

Company Information

Unimasters Logistics is a group of companies with global reach that operates through its own 18 offices in Bulgaria, Romania and Hungary and through first-class partners in more than 180 countries around the world. 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 18 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 2020 - August 2021 we share our recent activities on the important issues enshrined in the UN Global Compact Principles.





There are
no secrets
to success.

**It is the
result of
preparation.**

Unimasters

Statement of Continued Support

Dear Stakeholders,

We went through another year of COVID-19 pandemic, which despite the signs of economic recovery, brought tons of uncertainty for any business on the planet and challenged even those companies that were mostly prepared to deal with global volatility. The soaring demand for transportation services due to constant ocean, air and truck capacity shortages, severe port congestions and reduced human force as a result of the four waves of coronavirus deadly impact, forced logistic companies to make a lot of extra efforts to alleviate cargo delivery burdens and satisfy desperate customer needs for seamless supplies. The quest of clients for regionalization of supply chains was another major driver of change in the logistic footprint, leading to redrawing services and supply lines in accordance with the materiel requirements.

Despite the extraordinary difficulties in the worldwide logistics and in our operations, we succeeded to deal with the unexpected challenges and to successfully cope with the necessity to experiment and apply a new hybrid business

model of work-life, balancing safety, productivity, flexibility and convenience with the presence at the workplace and physical collaboration. We have also adopted new supply chain risk management practices by introducing proactive monitoring of all our vendors and subcontractors, which boosted further our service quality.

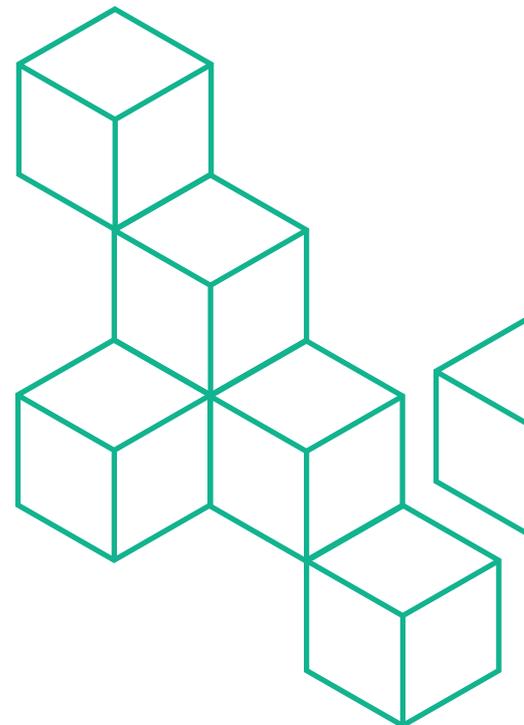
Alongside with the consequences of the health and economic crisis, we at Unimasters have placed even a greater emphasis on sustainability and transparency. We are on track with our plans for 2025 to reduce emissions through carrying more cargo on vehicles, reducing empty running or using EVs for domestic distribution thus eliminating carbon dioxide production and/or other harmful emissions, while using pure “green” energy in our warehouses & offices, and decreasing our overall energy consumption. We also truly enhanced our efforts to actively participate in the circular economy, pursuing “growth within” from less waste and improved resource efficiency.



The key to growing our business in changing times, while safeguarding people, nature and society, is to continue to apply and maintain Unimasters long-term strategy for sustainable development, agility, contactless digital interaction and business resilience. Build on the pillars of happy customer experience, latest technology and more than good operational delivery, we have a solid recipe for continued success in the near future, benefitting all our stakeholders.

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

Commitment



Code of Business Ethics



Health & Safety Policy



Training procedure



Company's Values



Recruitment Procedure



Implementation

Unimasters is a forward-thinking logistics company and is constantly seeking ways to keep high standards in terms of health, safety and welfare. We are facing new logistics challenges which also allow us to create new solutions to our customers since Covid-19 became part of our business and our daily life. Unimasters is a responsible organisation that spares no efforts to ensure both national

and international deliveries continue in order to help its customers and their business purposes during the pandemic. We believe that it is our responsibility to set an adaptive working standard and build a better working environment. We truly understand that together we can work to solve the new challenges and to become better versions of ourselves.

Principle 4

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

Principle 5

Business should uphold the effective abolition of child labor

Principle 6

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

Creativity. Reliability. Excellence. Wisdom.

We are creative in ways to present our products and services. Our organisation has a highly visible brand identity and our shared vision is strongly supported by our value pillars. We turned to our living values as CREW to create and sustain the success of our teams. Also we integrate them in our daily activities and special events, always having in mind what stays behind them. CREW stands for Creativity, Reliability, Excellence and Wisdom.



Creativity - We distinguish our company compared to the other logistics competitors. We are renovating and reinventing our systems constantly and by choosing the most creative ways to implement digital solutions into logistics. We set new standards for digitalisation and support the digital world to increase better results to help humanity to achieve more.



Excellence - We make no compromise in our commitment to the customers. Unimasters is a company with a purpose to provide a perfect customer journey. We believe in long-lasting relationships with our customers and partners as a strategy that improves our excellence and business success.



Reliability - We always keep open lines of communication to prove our reliability to our customers and partners. Unimasters' employees give hundred percent at their work to confirm honesty and openness as a part of our core values. We provide our policies accessible at any time to the employees.



Wisdom - We understand that sharing knowledge is a powerful key to grow the business and to be more productive. Our whole team has embraced and established a knowledge-sharing culture in the working process. We have set a standardised initial training for all newcomers. We make them familiar with company policies, values and structure from day one.



We had to adapt quickly to the changing circumstances and disruptive events and to set our priorities wisely. The year 2021 was varied and challenging. We did not change our consistency to be constant in all steps to keep high standards in the freight process. Actually, we decided to continue our personalised welcome onboarding and training in place so all new employees go through the same introduction from the very first day. All documentation needed for the alignment of all colleagues with the company's procedures is accessible on our digital platform.

As a company that combines remote working with the physical workspace, we took all measures necessary to ensure a safe working environment for our employees. Safety instructions and useful materials were still accessible to our staff through our internal communication platform - Workplace. For those who could not work remotely we provided safety instructions, posters and safety guidelines. Additionally, we spare an effort to integrate the new members of the team as effectively

as possible. It's essential when they are hired remotely in a way to protect the other employees in the company. We had a precise strategy to be part of different activities that respond to our corporate culture during the pandemic. We introduced each new employee to Workplace by Facebook - our corporate digital community. Furthermore, we uploaded a short introduction of new employees to present themselves to our team.

Being an international company which provides employment for more than 330 people, we understand the importance of collaborating together and getting to know each other. Workplace has its crucial role in our internal communication - it helps us work together, communicate, share thoughts and knowledge, charitable activities, discuss projects, collaborate and turn ideas into action. Last couple of years were more essential than we expected. 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 resources.

To keep the community strong - we continued to share our employees' stories. The initiative was called "Employee stories". We are happy that each member of Unimasters has a unique path and experience in the company and wanted to share their story. We decided to give voice to our colleagues to share what have inspired them at work, what challenges they have faced and how they have 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 meet them in their actual 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. At Unimasters, we always took pride in being fair to each and every employee, while treating everyone with warmth and respect. Without any hesitation we took a huge numbers of steps to continue our mission and process:



Remote working - Firstly, at Unimasters it is from utmost importance to provide a safe environment to the employees. We understood that fluctuations in the logistics industry during COVID-19 have affected our national and world trade markets. Unimasters prioritised all working processes to continue our work in a safe way. Working remotely gave our colleagues the opportunity to look after their children while permitting their duties. Another benefit is connected to the air pollution and reducing the use of personal cars. The pandemic was an unpredictable and stressful situation that changed our routines. To manage the impact of this situation on our employees, we created a closed group including our management and human resources teams. The main purpose of this group was to discuss steps to protect employees' health. Although we virtualised as many processes as we could in conjunction with COVID-19.



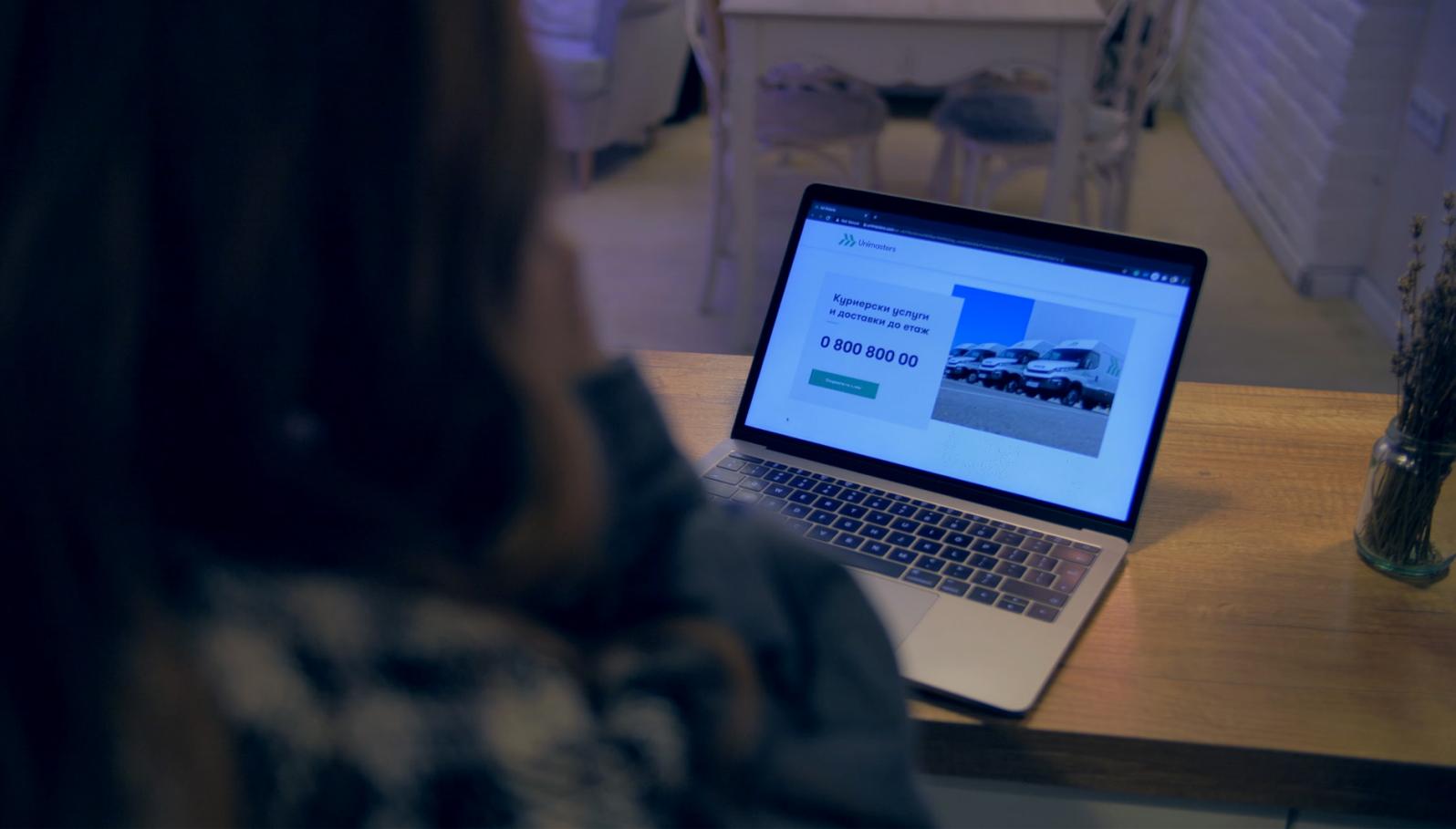
Safety standards - Logistics proved that it was one of the most important industries during the pandemic. A lot of industries were affected and we had to change our minds to remain in business. Additionally the demand for courier services had increased enormously which meant that we had to continue working in the field. On the other hand, our human resources team was 24/7 available to support employees with useful information. Also they gave personal consultation to protect their mental and physical health around the pandemic situation.



Contactless deliveries - No contact deliveries meant lower risk of virus spread. In order to ensure the safety of both our employees and customers, we still applied safety measures for domestic deliveries and on-site customer service. Contactless deliveries are prepared in a safe working environment. The drivers had to follow strict steps during the shipment which were combined with a high level of customer service and safety requirements.



Stay tuned - Real-time information is one of the most important elements in supply chain management. In order to be useful to our clients, we continued to update the emergency news section on our website where anyone can find helpful information about the impact of the COVID-19 pandemic on international transportation, border-crossing times, contactless delivery and other FAQs.



Workplace around the clock - Our advanced digital platform is the place where we can be virtually together. We had groups that increased awareness on important topics in the supply chain world 24/7 - changes in business, new challenges and circumstances, innovative solutions, situations around the world, etc. These groups were and continue to be a great source of information and a platform for know-how exchange, sharing good practices and ideas.



Support youngsters in logistics - As a socially active company we always pay attention to the young people in logistics. In 2020 the company helped thirteen high school students in their first career steps. Our organisation signed a contract with the Professional High School of Transport "Nikolay Botushev". Three of their students who studied "Freight forwarding, transport and warehouses" were engaged to meet our working process, company structure and services. We involved them in practical tasks connected to our administrative and operational process for 2 weeks. Their positive feedback confirmed that practical tasks are a recommended tool to increase basic knowledge and skills in the field of logistics.

Other four students who also studied logistics as a main subject at University were part of monthly internships to the different departments of the company. They had an opportunity to apply theoretical knowledge to real business cases. On the other hand, they improved their skills and competencies.

In 2020 Unimasters became the first workplace for seven students who have just graduated their higher education. The company invested in their introduction, training and development. We believe that is the way not only to build them as professional experts but also to contribute to the development and maintenance of a high professional level in logistics. Helping young people to 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.



Support Bulgaria at Eurovision 2021 - We already have a tradition to participate in art initiatives and programs for personal development. Unimasters support youngster talents in the fields of education, sports and music. Therefore, again we stood by a young music artist, this time Bulgaria's representative in Eurovision Song Contest 2021- Victoria Georgieva. One of the courier buses became a stage for Victoria's first Christmas Concert on Wheels. The young talent sang Christmas songs inside the courier bus while the bus was cruising around the main streets in the center of Sofia for more than two hours and created a unique Christmas atmosphere in the capital of Bulgaria. Unimasters also became her official logistics partner and provided logistic support in order to transport the stage equipment for Victoria's performance at the Eurovision contest in Rotterdam.



Charity support - As we understand the importance of supporting young and talented people, we participated in a charitable initiative, together with one of our customers by delivering furniture to the first and newly opened Career Center for people with diverse abilities in Bulgaria and Eastern Europe "JAMBA - Hub of Opportunities". The hub provides appropriate conditions for training and acquisition of professional skills and competencies to young persons with different types of disabilities. One of the most important benefits is that "JAMBA" is going to find a perfect job position, as they know their competencies and needs. We believe it is our corporate social responsibility to support facilities like this and we are proud to be part of this charitable cause.



Blood donation - Another tradition that we observe for many years at Unimasters is the Blood Donation campaign. In the reported period we organised the event simultaneously in our offices Sofia and Varna. We invited two medical teams to carry out the procedures at the two locations. We were awarded with certificates of appreciation as a company with the most blood donors from outsourced teams. We are glad that our colleagues showed interest and took part.



Certification and employee training - Unimasters organised training sessions for all employees from the air freight, sea freight, road freight departments and warehouse operations. During the reporting period we trained all newly appointed employees. We provided quality and comprehensive training in accordance with the highest standards in the logistics industry. They went through to the approved programs at national and international level and covered all aspects of knowledge about freight forwarding and shipping processes.



Social benefit programs - As a socially responsible company, Unimasters care about its employees' needs and benefits. We thought of a way to encourage physical activity at work and to stimulate our employees to practice sports more regularly. Therefore, we included a Multisport card in our remuneration package. It provides entrance and training free of charge to more than 700 sports and wellness facilities in the country, giving our co-workers access to first class services of their choice. Another benefit program is the health insurance package which provides medical and dental assistance. We believe that offering benefits to our employees is important. Although it shows that we want to invest in their future.



ACT festival - We love to be involved in any kind of supportage to various social and cultural events. Since 2017 Unimasters has been supporting "ACT Festival" by providing free logistics services to transport equipment for foreign guest performances. The event was organised by the Association for Independent Theatre for ten years. In 2020 the company again provided free assistance with the transportation of equipment for the visiting Bulgarian-German co-production "A better life" in partnership with MS Schrittmacher. The dance performance was presented for the first time to the public in Bulgaria through the International Artistic Program of the ACT Festival for Independent theatre.



Duke of Edinburg - We do not hide that we give support and opportunity for the development of young people. Unimasters has supported the Duke of Edinburgh's International Award since its establishment in Bulgaria in early 2014. It's an institution that makes learning an adventure for young persons. Also it is the world's leading youth achievement award eligible for youngsters between 14 and 24 years. The Award is a challenge which pushes young people to their personal limits and recognises their achievements. It is a life-changing opportunity for youngsters to develop skills, follow their passions, discover talents they never expected, get physically active, give service and experience adventure in non-formal educational milieu.



European Supplu Chain Day 2021 - We believe that building a positive face of industry is one of the sides that helps to create a strong logistics society. Unimasters is a socially responsible company which shares knowledge and wisdom to the community. One of the key moments to be effective in supply chain management is to exchange information. Our experts took part for a four consecutive year in the European Supply Chain Day by organising a highly interactive webinar. The topic this year was "The effect of COVID-19 on logistics and supply chain - one year later." A lot of questions on different topics were addressed to our presenters in regards to the recent supply chain challenges. Unimasters experts explained how supply chain and logistics have changed around the pandemic situation. Among the highlights of the discussion was the Ever Given container ship that blocked the Suez Canal for almost a week and affected the shipping industry and world trade markets for a long period.



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.

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 can proudly declare that in our company's 31 year 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. 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

Commitment



Environmental
policy

Implementation

At Unimasters Logistics we work harder to reach the highest green standards in the way we do our business. We realised 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 forwarding company. We are

proud of our continuous effort to improve all processes, facilities and technology in order to reduce the impact of our work on nature and human beings. Our passion is to support green initiatives and to promote them into our corporate culture. Unimasters' ecological accomplishments from the reported period are listed below.





Sustainable energy - As a socially responsible and innovative company, we at Unimasters strive to support green initiatives which promote environmental protection. Therefore, all our company offices rely on renewable energy only. We partner in this endeavour with ENERGO-PRO Energy Services. In 2021 Unimasters renewed the 100% Green Energy Certificate for our premises. The document is based on Guarantees of Origin.



Recycling campaigns - Together, as a team, we collected plastic caps for a fourth consecutive year in the campaign „Caps for the Future”. Additionally for the first year we added aluminum cans to the campaign. The quality of plastic and aluminum used for bottles allows recycling, which eliminates tons of garbage. At the same time the money raised from the recycling is donated for modernisation and the purchase of vital hospital equipment for premature babies such as neonatal ambulances and baby incubators.



Reduce & Recycle - Unimasters is responsible to the environment and reduces the cost of electricity by building light tunnels in our warehouses and also by using led lights in our office buildings. We registered more than 30% reduction in energy consumption. Moreover we have extensive policies for separate collection of waste to the offices and warehouses. In 2020, the company handed over 2182 kg of waste paper and 2489 kg of nylon for recycling which has saved 28 ten-year-old trees, 69 m3 water, 10 barrels of oil, 10 tons of petrol, 9593 kWh energy and 17 m3 space free from garbage. We received a certificate from “Chistota Balkani”. We are proud that our offices are continuously becoming more nature friendly.



#beatEwaste - Unimasters participated in the first campaign for collection of unused office electrical and electronic appliances. The campaign was organised by the Bulgarian network of the UN global compact and it lasted one month. The funds raised during the campaign will be donated to another environmental cause.





Vehicle fleet modernisation - As we previously mentioned, Unimasters strived to establish in all processes the newest green technology. We renewed our truck, van and car fleets with cutting edge vehicles compliant to the highest modern ecological standards. In 2021 we bought four of the latest model CNG trucks which run through the regional road network of Bulgaria. They have reduced emissions - the vehicles emit 15 % less carbon emissions and have lower noise pollution compared to the traditional diesel trucks.



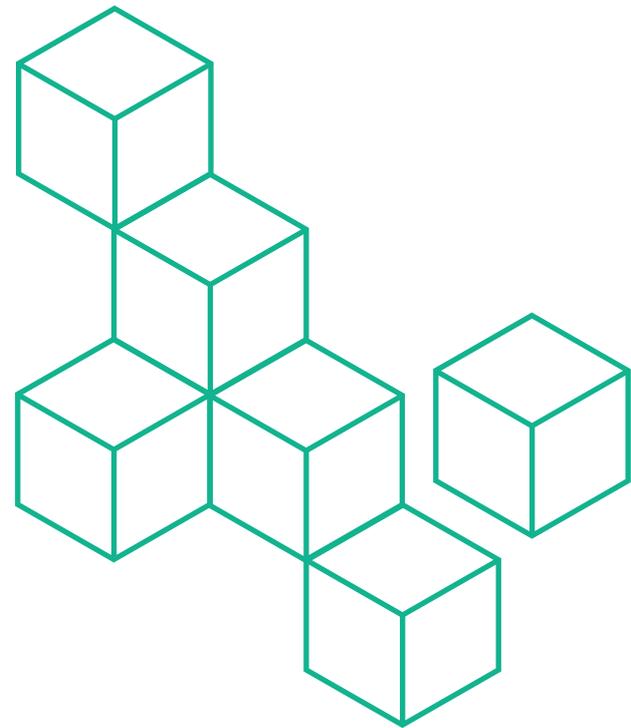
ELogii - One reason we maintained high results because we invested in digital tools to enhance efficiency and thus to become more competitive. In 2020 we introduced digital software (Elogii) which gave us the ability to better manage and to optimise routes for domestic deliveries. This allows us to have greater control over pickup and delivery operations, while providing total visibility for both operations teams and customers. At the same time, it helps to decrease transportation costs and minimise carbon emissions that are generated by vehicles.



Digital document workflow - Unimasters encourages paperless transactions and conducts policies for digital document workflow, both inside and outside the company. More than 90% of our customers access the information they need about their shipments via our self-service platform MyUnimasters. We encourage our customers and partners to decrease the use of paper in order to protect environmental pollution.

At Unimasters we believe that staying responsible for the environment every day has an even bigger social 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

Commitment



Code of
Business
Ethics



Corporate
Compliance
Policy

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.