

EMPLOYEE MANAGEMENT POLICY

Kyiv, 2024

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Statement from the CEO

Dear colleagues,

Team, Ukrposhta's employees are the treasure, the main source of success that allowed our Company to develop before the full-scale invasion, to work heroically and efficiently during the war, and, I hope, will become a key system in the restoration of a strong, independent Ukraine after the victory. A strong, professional team is not born in 1 day. It is a complex, systematic process that we started in 2016 and will continue in the coming years. Each of us spends most of the time at our workplace, the active time of our lives, so it is not just work, it is our real life which should be bright, dignified and happy. In these extremely difficult times, it should provide not just money, but also security and confidence, a sense of security and psychological comfort. It should bring satisfaction from what you do, with whom you do it and for whom you do it. At the same time, there should not be even a hint of levelling. Heroes in the Armed Forces of Ukraine are people who inspire millions around the world to continue fighting and winning. Similarly, the best employees of Ukrposhta inspire everyone to achieve their goals and should be rewarded accordingly, both financially and morally, and by creating conditions for their career development. They should feel both the gratitude of customers and the gratitude of the company's management. For this reason, we have defined and publicly promised to follow the principles in our HR management that will build an environment where people want to work and a team where people want to be. I am convinced that the vast majority of you will accept and support these principles and, I hope, already largely follow them, even if they have not been formally declared and approved. I am confident that the principles approved by this Policy will help to achieve the Company's goals by creating a favourable corporate culture, focusing on results, unlocking the maximum creative potential and professional fulfilment of each employee.

Igor SMELYANSKY,
Director General
JSC «Ukrposhta»

INTRODUCTION

As the national provider of postal and financial services in Ukraine, Ukrposhta plays a vital role not only in the field of communication and logistics, but is also one of the largest employers in Ukraine. This Human Resources Policy is intended to articulate our commitment to excellence in managing our most valuable and largest asset - our employees. In light of the challenges of the current situation, including a significant shortage of human resources, this policy aims to ensure the safety, development and fair treatment of our employees, while aligning with the company's strategic goals of improving customer service and efficient business process management.

1. Purpose and objectives of the policy

The main purpose of this document is to create a clear and comprehensive framework for the HR management of Ukrposhta to maximize the success of people and the organization in the long term.

We aim to

- promote a safe, fair and motivating work environment for all employees;
- build relationships between employer and employee based on respect, dignity and trust;
- support the company's strategic goals through effective HR practices;
- develop the company taking into account the needs and expectations of our diverse internal audience;
- motivate success and create conditions for achieving goals at all levels of the company

2. TARGET AUDIENCE

This policy is aimed at:

- Employees to ensure that their rights are protected, they are safe, and that they have opportunities for fulfillment and growth;
- Management to set expectations for managers in creating a positive and productive work environment;
- Stakeholders - to confirm our commitment to ethical and responsible business practices.

3. CORPORATE VALUES

- ✓ **Success is cool.** Each of us is responsible for the success of ourselves, our teams, companies and countries. And this is what inspires us to achieve new victories.
- ✓ **Change is a necessity.** We recognize the importance of innovation and are ready to constantly evolve to meet the times and needs of our customers.
- ✓ **Being honest is easy.** We reject theft and corruption at all levels. We value the trust of our colleagues, clients and partners and do our best to justify it.
- ✓ **Simplicity is our choice.** We want to be clear in communication, products and services. That's why we remove the unnecessary, leaving only what the client needs.
- ✓ **We are the team.** There are many of us, we are different, but in all our actions we focus on a common goal, respect each other, support and motivate by example

4. Key principles and directions of development

4.1 PRINCIPLE: Employee safety

Goal: to create a work environment where physical and psychological safety is a priority, adapting to the challenges of martial law.

Areas of development

- Physical security: Implement state-of-the-art security measures, including secure premises, emergency response plans adapted to crisis situations. Conduct regular safety, first aid, and emergency response training to equip employees with the confidence to act in crisis situations.
- Psychological support: Provide comprehensive mental health support services, including access to programs to help manage stress and certain manifestations and signs of post-traumatic stress disorder, taking into account the additional emotional burden on employees.

4.2 PRINCIPLE: Professional Development

Goal: to provide continuous training and development to ensure staff growth, excellence in customer service and high level of operational efficiency.

Areas of development

- Comprehensiveness of staff development programs: the staff development system should meet all potential professional growth needs, from training in technology, products and operations to covering the development needs of the most relevant competencies, such as digital literacy, etc.
- Accessibility of staff development programs: the variety of development tools, channels of access to training, and training formats should be necessary and sufficient to cover the mandatory and optional needs of all levels of employees.
- Career paths: define clear career paths, offering mentoring and development opportunities for employees to advance within the company. The communication context should foster a culture of self-improvement.
- Performance management: The level of development of key competencies should become a mandatory component, as well as performance, that influences performance appraisals, ensuring that employees are recognized and rewarded for their personal development and contribution to the overall business.

4.3 PRINCIPLE: Fair treatment

Goal: To ensure fairness and unconditional respect for the rights of employees in all aspects of employment, from recruitment to promotion and compensation.

Areas of development

- **Transparent policies:** implement and communicate clear, transparent policies, rules and conditions governing recruitment, compensation, development and promotion.
- **Diversity and Inclusion Programs:** Strengthen diversity and inclusion initiatives to foster a workplace culture that values and respects differences.
- **Prejudice education:** Provide training for all employees, and especially for managers, to identify, recognize and address conscious and unconscious bias.

4.4 PRINCIPLE: Recognition and reward

Goal: to recognise and reward employees' contributions and achievements in a meaningful and motivating way, to identify the best and to support and retain them in the team.

Areas of development

- **Recognition programs:** Develop and implement a variety of recognition programs that motivate best performance and adherence to corporate values.
- **Reward system:** to create a comprehensive reward system that includes a wide range of different motivational elements, both monetary and non-monetary, including promotion, public recognition, flexible working conditions, etc.
- **Feedback:** introduce the practice of regular meetings where employees can receive quality feedback on their performance, gratitude for their contribution and constructive advice on further development.

4.5 PRINCIPLE: Environmental, social and governance (ESG) initiatives

Goal: Implementation of ESG principles in the company's activities, promotion of sustainable development, community engagement and ethical management.

Areas of development

- Sustainable development practices: to implement sustainable operating practices, such as waste reduction, energy efficiency, and promotion of green logistics solutions.
- Community involvement: participate in community support activities, including local development projects, educational programs and disaster relief initiatives.
- Ethical management: to maintain high standards of ethical management, ensuring transparency, accountability and integrity in all activities of the company.

4.6 PRINCIPLE: Employee engagement and feedback

Goal: Develop a culture of open communication where employees feel valued and heard.

Areas of development

- Feedback channels: create an integrated employee engagement system that provides two-way communication, including channels for employee feedback, including surveys, suggestion boxes, personal communication, and a hotline.
- Responding to feedback: Ensuring that feedback is acted upon, implementing changes where possible and communicating reasons where not.
- Engagement surveys: Conduct regular employee engagement surveys to gauge employee satisfaction and identify areas for improvement.

4.7 PRINCIPLE: Adaptability and resilience

Goal: To promote a flexible and innovative work environment that is able to adapt to changes and overcome challenges, especially those related to martial law.

Areas of development

- Alternative solutions: to ensure readiness for work and successful adaptation to crisis situations with minimal disruption.
- Building resilience: developing knowledge and skills to help employees develop resilience and cope with change.

- Innovation: Encouraging innovation through programs that allow employees to propose and test new ideas that will contribute to the resilience and adaptability of the company.

We expect that all persons involved in the company's activities will adhere to and support the principles of this policy, treating others with dignity, respect, understanding, and contributing to the development of the business environment on the defined principles. JSC Ukrposhta will strictly adhere to the defined principles and develop these areas.

The company will ensure compliance with all legislation on equality and the right of employees to formally file a complaint about violations of this policy, and he or she will not be punished. The Company guarantees all employees a fair consideration of their complaints and feedback on the results of their complaints.

5. ENSURING THE POLICY PRINCIPLES

The health, safety and well-being of our employees are the most important priority in the activities of Ukrposhta JSC. The company's activities are carried out in full compliance with the requirements of the current legislation in the field of labor protection and safety. In addition, the company takes all appropriate and practical measures to ensure a safe working environment and psychological comfort for all employees.

Ukrposhta JSC:

- ✓ ensures equal conditions for hiring and transferring employees. No personal factors of the employee that are not related to work may be taken into account when making decisions on hiring or transferring to another position, as this would be considered discrimination.
- ✓ does not specify requirements when describing vacancies that may serve as a reason for discrimination against candidates: age, gender, appearance, etc;
- ✓ does not give preference to women or men in the process of hiring and firing employees, encourages the hiring of women and men in industries that are not considered "typical" for their gender;
- ✓ provides all employees with equal access to training, advanced training and professional development through all training and development tools available in the company.
- ✓ applies a unified and fair approach to evaluating employee performance based on individual contribution to overall results and professional qualifications.
- ✓ raises employees' awareness of the principles of equal opportunities and non-discrimination reflected in this policy by organizing and conducting special trainings, exchanges of views/experiences, and through electronic means of communication (newsletters, corporate social networks, etc.).
- ✓ works to improve the quality of internal processes and management in the field of equal opportunities and non-discrimination policy.

6. PARTIES OF THE PROCESS, THEIR ROLES AND RESPONSIBILITIES

The management and collegial governing bodies of JSC "Ukrposhta", including the Supervisory Board, management committees, the CEO and line managers at all levels of management, are responsible for compliance with the principles on which the HR policy is based in all aspects of the company's activities.

- ✓ The **Appointments and Remuneration Committee** of the Supervisory Board of the Company - decides on the methods of responding to situations of violation of this Policy; approves any exceptions to the Policy (for example, situations where positive discrimination is possible); analyzes the statistics and nature of complaints from employees regarding violations of the principles of this Policy and the results of training of the Company's employees; monitors the Company's management's compliance with the principles of this Policy; provides recommendations for improving the approach and practices of human resources management; ü The Nomination and Remuneration Committee is the highest point of escalation for any conflicts that are not resolved within the management's grievance reporting and complaint procedures, and the Nomination and Remuneration Committee is involved in reviewing any violations of the Policy involving any of the Company's top managers.
- ✓ The **Chief Executive Officer** is responsible for implementing the provisions of the Policy throughout the Company; he organizes employee training and ensures that the Company's employees receive training, reports to the Supervisory Board on the results of training and statistics and the nature of complaints received for consideration.
- ✓ **Managers at all levels of management** are responsible for following the defined principles and implementing the requirements of the Policy within their functional areas; monitor employee awareness and ensure that employees receive training; monitor and prevent potential situations of violation of the Policy requirements in the course of their activities.
- ✓ **Employees at all levels** are responsible for following the defined principles of business interaction, expressing their personal concerns, and reporting any issues that they believe may be related to violations of the Policy by other employees through the established whistleblowing channels.

A person who has reason to believe that actions have been taken against them that violate the principles defined by the policy must warn the party they believe to be the offender that the relevant behavior violates the Personnel Management Policy, which

may result in a complaint being filed with the Director General and compliance@ukrposhta.ua

Persons who believe that they have experienced or witnessed any form of violation of the principles of personnel management policy are recommended to immediately report the facts of violations of the principles of this policy to the email address of the General Director of JSC "Ukrposhta" and compliance@ukrposhta.ua

In connection with the notification by an employee of the company about the violation of the requirements of this Policy, it is not allowed to apply dismissal or coercion to dismissal, bring to disciplinary responsibility or apply other negative influence measures (transfer, change of working conditions, refusal of appointment to a higher position, reduction of salary etc).

All complaints and appeals will be promptly considered, taking into account the rights of all involved parties, the necessary and impartial investigations will be conducted, and all necessary measures will be taken to eliminate violations.

7. Rules for policy implementations controlling

The following indicators should be reported to the Nomination and Remuneration Committee as a tool for monitoring the implementation of the Policy.

On an annual basis:

- Survey data and indicators on HR metrics;
- Volume and categories of grievances, nature of grievances, typical solutions;
- A report on the implementation of steps to develop the business environment in accordance with the defined principles.

As soon as it becomes known:

- any external or publicly reported cases of violation of the Policy;
- any cases of violation of the Policy or suspected violation of the Policy involving the company's top management;
- any cases of whistleblowing or complaints where the established procedures have failed to resolve the issue and the employee insists on bringing the matter to the Supervisory Board.