

POLICY
OF SUSTAINABLE DEVELOPMENT
AND CORPORATE SOCIAL RESPONSIBILITY

Kyiv, 2024

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Address of Director General

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ADDRESS OF DIRECTOR GENERAL

Dear employees,

the world around us is changing rapidly, and our future is full of not only great opportunities, but also significant risks, which are caused by climate change, security issues, and growing inequality. No country or business can achieve strategic goals and long-term success in a high-risk or declining world. Convinced that general progress can be achieved only by adhering to the principles of sustainable development, which consist in reducing the Company's impact on the environment, observing the principles of rational consumption of natural resources, ensuring decent and safe working conditions, promoting the improvement of the standard of living in the regions and cities of the Company's presence, implementing charitable programs and educational projects, etc. The Sustainable Development Policy is the Company's public manifesto in commitment and support to the ideas and principles of sustainable development, as well as a roadmap for integrating these principles into our daily operational activities. I am sure that the implementation of the principles and approaches declared by this policy will allow the Company to make its positive contribution, and will contribute to the long-term prosperity of Ukraine, the strengthening of its economy, and the improvement of the lives of communities and their residents.

Ihor SMELYANSKY,
Director General
of JSC Ukrposhta

INTRODUCTION

The policy of sustainable development and corporate social responsibility is a policy aimed at implementing the Company's strategy regarding the interaction of JSC "Ukrposhta", as a national postal operator, with society and the implementation of its economic activities in accordance with the principles of responsibility and ethical norms. The implementation of this policy will reduce the negative impact on the environment, contribute to the solution of socially significant problems and promote the development of communities and regions of the company's activities.

1. MISSION

To provide high-quality, simple and affordable services, blurring the boundaries between people, countries, cities and villages. By changing ourselves, we change the country for the better.

2. VISION

To build a company that simplifies the life of every customer and contributes to the success of the business, employees and shareholders. A company that Ukraine is proud of.

3. CORPORATE VALUES

- ✓ **Success is cool.** Each of us is responsible for success: our own, team, company and country. And this is what inspires us to new victories.
- ✓ **Changes are a necessity.** We understand the importance of innovation and are ready to constantly evolve to meet the times and the needs of our customers.
- ✓ **Being honest is easy.** We do not accept theft and corruption at all levels. We value the trust of colleagues, clients and partners and do everything to justify it.
- ✓ **Simplicity is our choice.** We want to be simple in communication, products and services. Therefore, we remove the excess, 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 our own example.

4. DEFINITION

- ✓ **Sustainable development** is a general concept regarding the need to establish a balance between meeting the current needs of humanity and protecting the interests of future generations, including their need for a safe and healthy environment.
- ✓ **Global Sustainable Development Goals** - formulated by the United Nations in 2016, as a list of 17 goals and 169 tasks aimed at encouraging action to overcome poverty, protect the planet and ensure peace and prosperity. Businesses and organizations around the world are identifying projects and activities to join the global initiative to achieve the goals of sustainable development.




ГЛОБАЛЬНІ ЦІЛІ СТАЛОГО РОЗВИТКУ



- ✓ **Global initiative on reporting in the field of sustainable development** - reporting covering simultaneously the economic, environmental and social aspects of the activities of enterprises and organizations. This reporting indicates and proves to interested parties (state bodies, investors, communities, customers, etc.) that the enterprise pays constant attention to the environmental and social aspects of its activities, and the risks of social and internal conflicts, environmental sanctions are minimal for it.

5. KEY PRINCIPLES AND PROVISIONS

Based on the goals and specifics of the activities of JSC "Ukrposhta", as the national postal operator of Ukraine, the following **goals and tasks of sustainable development** are the most important and priority for us:

Goal "Ecology and energy efficiency"			Maximum rational consumption of natural resources and minimization of the Company's impact on the natural environment.
12 ВІДПОВІДАЛЬНЕ СПОЖИВАННЯ ТА ВИРОБНИЦТВО 	13 ПОМ'ЯКШЕННЯ НАСЛІДКІВ ЗМІНИ КЛІМАТУ 	15 ЗАХИСТ ЕКОСИСТЕМ СУШІ 	

The Company supports and promotes:

- Compliance with the norms of the current legislation of Ukraine in the field of environmental protection;
- Open interaction on environmental issues with representatives of regional authorities, public organizations and residents of the regions of activity;
- Rational use of natural and energy resources, minimization of the Company's impact on the environment;
- Support for initiatives to modernize the main means of production aimed at reducing emissions of pollutants into the atmosphere;
- Maximum efficient consumption of energy resources and use of energy-saving technologies in production processes, etc.;
- Giving priority to the implementation of environmentally friendly technologies and taking into account environmental consequences during the planning of new projects;
- Finding opportunities to reduce production volumes and increase production waste reuse volumes;
- Conducting regular monitoring and assessment of the Company's impact on the natural environment.

Quantitative indicators and metrics are possible:

- Reduction of greenhouse gas emissions (CO₂);
- Reduction of specific fuel consumption and energy consumption (fuel for the vehicle fleet, electricity for buildings, gas and briquettes for heating);
- Increase the share of energy-saving technologies in the structure of the company's fixed assets (transport, lamps, etc.);
- Reducing paper processes and the amount of office paper used;
- Increase the share of sorted waste in the total amount of waste generated by the company and increase the share of waste sent for recycling.

Goal "Life and health of employees"



Preservation of life and health of our employees.

The Company supports and promotes:

- Compliance with the norms of current legislation in the field of labor protection and industrial safety;
- Creating safe working conditions and taking care of employees' health;
- Supporting initiatives to improve technological processes and equipment in order to reduce the impact of production factors on the life and health of employees;
- Finding and implementing measures to increase the level of industrial safety by improving the management system and implementing control mechanisms;
- Organization of training and advanced training of employees in the field of labor protection, industrial safety and health protection.

Possible quantitative indicators and metrics:

- Reduction of total recordable injury frequency rate in the company (TRIfr);
- Reduction of Lost Time Injury Frequency Rate (LTIfr);
- Reduction in the frequency of incidents related to road transport.

Goal "Education and science"



Contributing to providing the population with comprehensive quality education and encouraging the possibility of lifelong learning for all

The Company supports and promotes:

- Increasing the availability and quality of education through the improvement of the material and technical base of educational institutions, as well as the introduction of modern educational programs;
- Supports various areas of art, assistance in preserving and developing the cultural heritage of Ukraine;
- Promotes a healthy lifestyle and initiatives for the development of mass sports.

Possible quantitative indicators and metrics:

- Allocation of the company's budget for employee training aimed at developing professional skills and self-realisation (within the limits set by the company's strategic development plan and annual financial plan);
- Increase volunteer participation and involvement in the implementation of educational projects (allocation of time for employees to participate in initiatives, media and organisational support);
- Allocating a budget to support educational and artistic initiatives (within the limits set by the strategic development plan and annual financial plan).

Goal "Charity"



Promotion and implementation of measures aimed at overcoming poverty, hunger, achieving food security; ensuring the availability of water, sanitation facilities, and access to energy sources.

The Company supports and promotes:

- Providing assistance to socially vulnerable sections of the population, medical and children's specialized institutions, public organizations and charitable foundations, animal shelters;
- Encouraging and supporting volunteer activities of the Company's employees, which is aimed at solving acute social problems of society.

Possible quantitative indicators and metrics:

- Increase in volunteer participation and involvement in social and charitable projects (allocation of time of the company's employees to participate in initiatives, media and organisational support);
- Allocation of the budget to support social and charitable initiatives (within the limits set by the company's strategic development plan and annual financial plan).

Goal "Development of cities and communities"



Promotion of socio-economic, cultural, ecological development of the regions of the Company's presence.

The Company supports and promotes:

- Assistance to local communities, public organizations and associations in solving acute social problems of the territories of the Company's activities;
- Increasing the level of employment in the regions of presence, promoting the development of entrepreneurship in the territories of the Company's activities;
- Involvement of all interested parties, such as representatives of local authorities and residents of communities, in the development and implementation of social projects of the Company.

Possible quantitative indicators and metrics:

- Increased volunteer participation and involvement in the implementation of city and community development projects (allocation of time of the company's employees to participate in initiatives, media and organisational support);
- Allocation of the budget to support the development of cities and communities (within the limits set by the strategic development plan of the company and the annual financial plan).

Measures to achieve the goals set out in this Policy are implemented without adversely affecting the operational and financial performance of the Company within the framework of the strategic plan and the approved annual financial plan of the Company. The achievement of sustainable development goals, planned quantitative indicators and metrics is assessed taking into account the possible negative impact of military operations (lack of eco-friendly fuel, restrictions in the energy sector, shortage of eco-friendly equipment, etc.).

6. ENSURING POLICY PRINCIPLES

This Policy is the public manifesto of the Company in commitment to the ideas and principles of sustainable development and corporate social responsibility. The Company plans to implement these ideas and principles:

- ✓ Determine long-term goals and sustainable development projects as part of the annual cycle of updating the strategic development plan of the Company (starting with the Company's Strategy for 2025-2027);
- ✓ Set annual short-term goals, projects and initiatives to achieve the goals of sustainable development and corporate social responsibility;
- ✓ Include in the company's financial plan a budget for capital and operational expenses for achieving the goals of sustainable development and corporate social responsibility;
- ✓ Monitor socio-economic, environmental indicators of the impact of the company's activities on the environment, in accordance with established long-term and annual goals;
- ✓ Publish information about sustainable development and corporate social responsibility in accordance with the approaches of the Global Initiative for Reporting in the field of sustainable development, including posting information about the principles and results of activity in the field of sustainable development on the corporate website; include a separate section in the official annual reports of the Company;
- ✓ To encourage our partners, suppliers and customers to implement the principles of sustainable development and corporate social responsibility in their activities.

7. PARTICIPANTS IN THE PROCESS, THEIR ROLES AND RESPONSIBILITIES

The management and collegial management bodies of JSC "Ukrposhta", including the company's Supervisory Board, management committees, the Director General and line managers at all levels of management, are responsible for observing the principles of sustainable development and corporate social responsibility in all aspects of the company's activities.

- ✓ **The Supervisory Board** of the Company - on the basis of the approved long-term goals of sustainable development included in the Strategic Development Plan of the Company, sets annual goals and objectives; approves the company's annual report on sustainable development and corporate responsibility; decides on methods of response to situations of violation of this Policy; monitors compliance by the management of the company with the principles of this Policy; provides recommendations on improving the approach and practices of sustainable development and corporate social responsibility; approves any exclusions from the policy; serves as the highest escalation point for resolving Whistleblowing complaints about the Policy breaches.
- ✓ **The General Director** is responsible for the implementation of the provisions of the Policy as a whole for the company; organises employee training and awareness and assures knowledge of ESG principles and targets throughout the company. General Director is responsible for preparing annual dashboard of company ESG metrics, proposes to the Supervisory Board a set of short term, medium term and long-term targets for the business. General Director proposes to the Supervisory Board any exclusions from the policy.
- ✓ **Managers of all levels of management** - are responsible for implementing the requirements of the Policy within their functional areas; monitor the awareness of employees and prevent the occurrence of potential situations of violation of the requirements of the Policy in the process of performing official duties. Managers are responsible for ensuring that all the new employees are passing required policy trainings within the onboarding period.
- ✓ **Employees at all levels** are responsible for strict adhering to the policy, for raising their personal concerns, as well as for whistleblowing any concerns where they believe the Policy might be in breach by other employees through the established whistleblowing channels.

A person who has reason to believe that there has been a violation of the principles of this policy is recommended to immediately report the facts of violations to the email address of the Director General 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, attestation (re-attestation), change of working conditions, refusal to appoint to a higher position, salary reduction, 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.

8. Policy Delivery Controls

The following metrics need to be reported by the management team to the Nominations and Remuneration Committee as a control instrument for reviewing Policy delivery.

On an annual basis:

- Full Dashboard of ESG Controls prepared with recommendations on the targets for next year, as well as results from previous reporting periods;
- Percentage of employees that are trained and passed certification on understanding the policy;
- Volume and categories of Policy complaints, nature of complaints, typical resolutions.

As soon as become known:

- Any external or publicly mentioned cases of Policy breach;
- Any cases of Policy breach or suspected Policy breach where top management of the company is involved;
- Any whistleblowing or complaints cases where established procedures failed to resolve the issue and employee insists on getting the matter escalated to the Supervisory board;
- Any exclusions from the Policy – e.g. allowance to apply positive discrimination in certain decision making processes.