



INTERACTION WITH STAKEHOLDERS 2022

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INTRODUCTION

1.1. GENERAL INFORMATION ABOUT THE GROUP OF COMPANIES AND ACTIVITIES



Private Enterprise “Ukrpaletsystem” and its subsidiary “Korosten-MBO” Limited Liability Company (hereinafter referred to as The “Ukrpaletsystem” Group) are Ukrainian enterprises operating in the Ukrainian fuel and lubricants market since 2003.

The main direction of operation of the “Ukrpaletsystem” Group is the retail sale of fuels and lubricants, for which the company is developing its own chain of petrol stations under the UPG brand.

As of the beginning of 2022, «UPG»
filling stations are present in

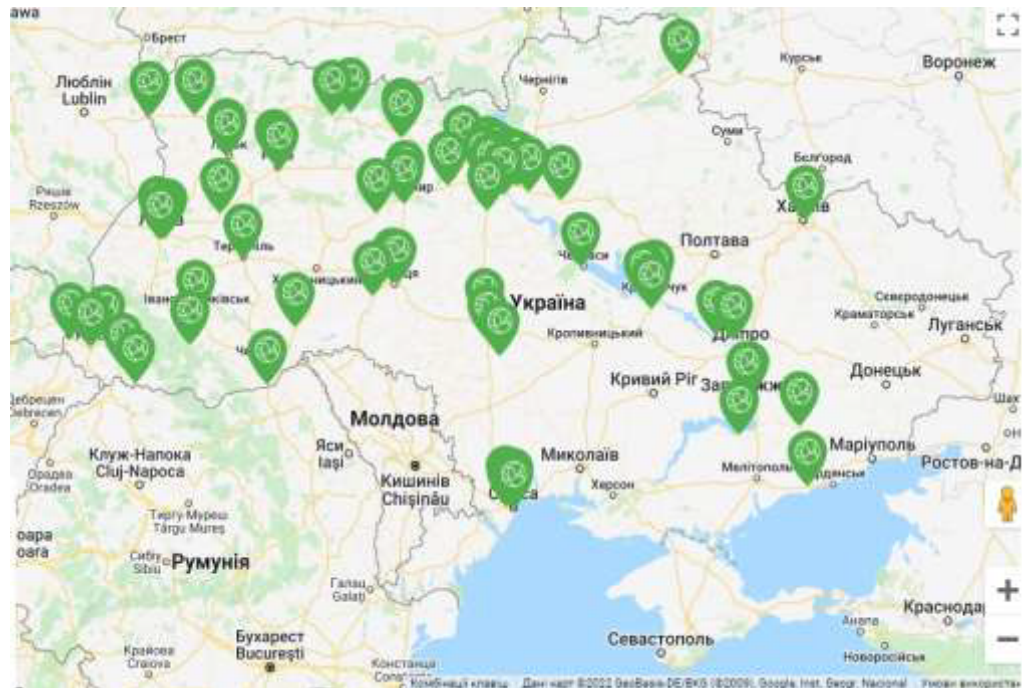


19 regions of
Ukraine



Total number
of filling
stations – 79

The UPG filling station chain
upg.ua/merezha-azs



1.2. MISSION AND VALUES OF THE COMPANY

The main goal of the Group is to provide high quality fuel and decent and upscale service.

Among the company's priorities are a reliable partnership, security, transparency and loyalty to customers



1.3. ABOUT THE COMPANY

The “Ukrpaletsystem” Group has been operating in the fuel and lubricants market of Ukraine since 2003. The company's activities cover two main areas: wholesale (fuel trucks volumes) and retail sales of light petroleum products (own chain of filling stations UPG).

The company owns one of the largest transshipment complexes of fuels and lubricants in Ukraine.

The group also has one of the largest fuel trucks fleets and its own oil depots throughout Ukraine.

The “Ukrpaletsystem” Group is a professional, dynamic and systematic company that does not stop at its current achievements and is confidently developing, improving the quality of its services every day.



1.4. PRODUCT QUALITY



All fuel sold at the UPG filling stations complies with European standards.

The principal position of the company is to sell only factory-supplied fuel of original quality without additives and mixtures. In order to maintain the high quality of fuel from the refinery to the fuel dispenser, the company constantly monitors each link of its way to the consumer. All batches of fuel have their own quality passport from the manufacturer. At the oil depot, the batch that has just been delivered, undergoes an additional test for which control samples are taken and sent to the laboratory.

Based on the results of laboratory tests, a certificate of fuel quality is issued, and on its basis a permit for its sale at filling stations is given. After filling the fuel trucks, all their hatches are sealed with UPG branded seals under the control of the company's security service.

TECHNICAL PARAMETERS

In general, fuel is purchased in different countries of Europe. The country of origin depends on the consignment. Detailed information on the main technical parameters of each type of fuel is presented and constantly updated on the Group's website:

<https://upg.ua/yakist-palnogo/>



PETCOM
INDEPENDENT CERTIFICATE OF QUALITY

CERTIFICATE OF QUALITY

Left Document (DIESEL):

Product: DIESEL
Batch: 123456789
Date: 12/12/2023
Lab: 123456789

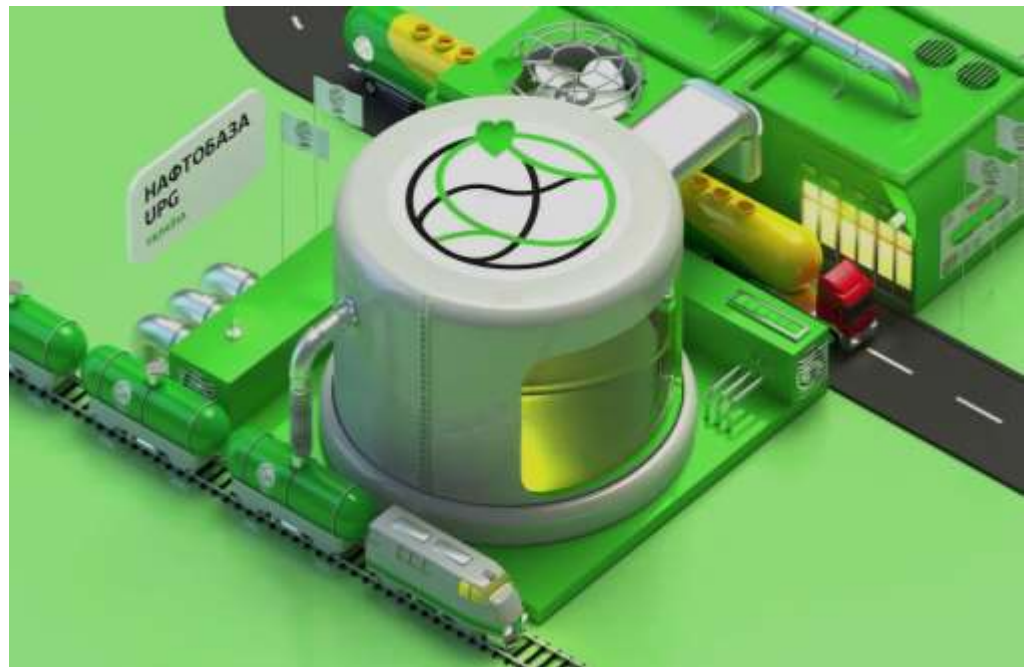
Right Document (GASOIL):

Product: GASOIL
Batch: 123456789
Date: 12/12/2023
Lab: 123456789

OIL DEPOTS

The “Ukrpaletsystem” Group has its own oil depots, which allows storing each type of fuel in a separate tank. Due to this, the fuel does not get mixed and retains the guaranteed high quality and factory characteristics.

High standards of fuel quality throughout the UPG filling station chain is provided by its own fleet of fuel trucks, the condition of which is carefully monitored by the company.



1.5. SAFETY AT FILLING STATIONS



The highest value for the Group is the safety of health and life of employees and customers. Therefore, at all facilities, employees follow unprecedented security measures, which are controlled by both internal and external services.

The feeling of maximum security and comfort at all the Group's facilities, which is created thanks to the highest safety standards, is of main importance for socially responsible business. In addition, at all stages of activity the company does its best to minimize the impact on the environment.

1.6. LOYALTY TO CUSTOMERS

The group has developed its own **UPGgood** Loyalty Program, which encourages customers to be regular visitors to the UPG filling stations. All program members have additional benefits when refueling in the company's chain and shopping in its stores. Usually these are significant discounts, as well as the opportunity to prepay fuel in advance, which is beneficial in case of changes in oil prices or lower exchange rates.

As of the beginning of 2022, **554 459** drivers are registered members of the **UPGgood Loyalty Program**.

In addition, the company has developed a mobile application that helps avoid queues at the checkout and pay for refueling online in a few seconds.



VIVO CAFE

The structure of each UPG filling station includes cafes under the **VIVO CAFE** brand. All together there are **40 facilities with cafes**.

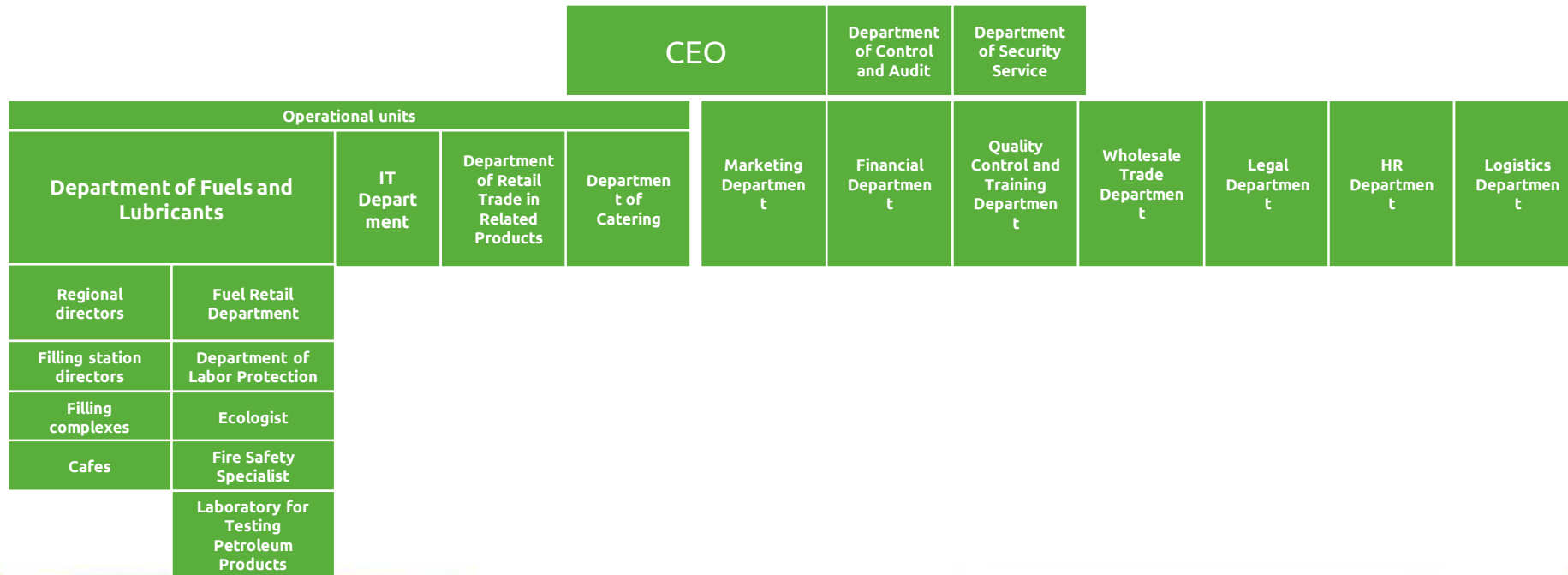
The menu of the cafe offers the freshest dishes that can be tasted in a cozy café or taken with you on the road as takeaway. Quality and sanitary norms are controlled at all stages of production and service.



PUBLIC CONSULTATIONS AND INFORMATION DISCLOSURE REQUIREMENTS

2.1. THE «UKRPALETSYSTEM» GROUP. STRUCTURE AND MANAGEMENT

A.V. Mozhar, Director of the Private Enterprise “Ukrpaletsystem”, is fully responsible for communication with stakeholders.



2.2. CONSULTATION AND DISCLOSURE OF INFORMATION

In its activities, the “Ukrpaletsystem” Group strictly complies with the requirements of national legislation, ethical norms of doing business, as well as financial and other commitments. Public consultations and disclosures of information conducted by the Group meet the requirements of Ukrainian legislation and best international practice. The company is constantly improving the application of the procedure of verification of compliance with the law, which include, in particular:

- constant monitoring of changes in current legislation;
- analysis of business processes and business projects for their compliance with regulatory and ethical requirements;
- constant dialogue with governmental institutions on maximum compliance with relevant regulatory requirements;
- constant monitoring of the fulfillment of our obligations under agreements;
- prevention of corruption and financial abuse in the company.

Following such principles enables the Group to maintain the status of a reliable partner and a reputation in society of a company that works in compliance with ethical norms and rules.

CONTRACTORS

To eliminate legal and reputational risks, the Group has introduced a mandatory contractor verification procedure based on the "Know Your Customer" principle, according to which contracts are concluded only with those counterparties that meet certain reputational and legal criteria.

The company strictly adheres to all laws and regulations in all territories of its presence, including local and international norms and standards applicable to production and business in Ukraine.



2.3. LEGISLATIVE REQUIREMENTS

Ukrainian legislative and regulatory framework consists of (hierarchy):

- international conventions, treaties, protocols and agreements ratified by parliament (Verkhovna Rada);
- laws, resolutions and orders of the Cabinet of Ministers of Ukraine (CMU);
- Ministerial orders and various norms, rules, standards and instructions, often referred to as regulations, are approved by the Cabinet of Ministers resolutions and ministerial orders.

References to Ukrainian laws and regulations related to stakeholder involvement, requirements for public consultations and disclosure of information, on the environmental and social assessment process:

- CONSTITUTION OF UKRAINE zakon.rada.gov.ua/laws/show/254%D0%BA/96-%D0%B2%D1%80
- LAW OF UKRAINE "ON INFORMATION" zakon.rada.gov.ua/go/2657-12
- LAW OF UKRAINE "ON CITIZENS' APPEALS" zakon2.rada.gov.ua/laws/show/393/96-%D0%B2%D1%80
- LAW OF UKRAINE "ON ENVIRONMENTAL IMPACT ASSESSMENT" zakon.rada.gov.ua/laws/show/2059-19
- PUBLIC HEARINGS AT THE LOCAL LEVEL zakon.rada.gov.ua/laws/show/555-2011-%D0%BF

These legislative acts regulate the right and access of citizens of Ukraine to information of public interest and provide for the possibility of free receipt, use, dissemination and storage of information necessary for them to exercise their rights, freedoms and legitimate interests, tasks and functions.

Article 9 of the Law of Ukraine "On Environmental Protection" entitles citizens of Ukraine to:

- participate in the discussion and submission of proposals to draft regulations, materials on the location, construction and reconstruction of facilities that may adversely affect the state of the environment;
- participate in the development and implementation of measures for environmental protection, rational and integrated use of natural resources;
- participate in public hearings or open meetings on the impact of planned activities on the environment at the stages of placement, design, construction and reconstruction of facilities and conducting public environmental expertise
search.ligazakon.ua/l_doc2.nsf/link1/T126400.html

Law of Ukraine "On Citizens' Appeals":

- entitles citizens of Ukraine to apply to public authorities, local governments, associations of citizens, enterprises, institutions, organizations regardless of ownership, media, officials with comments, complaints and suggestions, statements or petitions for the implementation of their socio-economic, political and personal rights and legitimate interests and a complaint about their violation search.ligazakon.ua/l_doc2.nsf/link1/Z960393.html

2.4. INTERNATIONAL PRACTICE

The “Ukrpaletsystem” Group maintains a constant dialogue with all stakeholders both inside and outside the company, as it helps to improve business processes, as well as understand and predict how the company's activities may affect society and the environment in which it is developing.

For the effective involvement of stakeholders, the Group adheres to basic principles in accordance with international standards. In particular:

- Providing relevant information in a format and language that is understandable to stakeholders and meets their requirements.
- Early provision of information to stakeholders before consultancy and decision-making.
- Providing information in ways and places that facilitate stakeholder access and are culturally relevant.
- Respect for local traditions, languages, time indicators and decision-making processes.
- Two-way dialogue, which gives both parties the opportunity to exchange views and information, listen and bring problematic issues for discussion.
- Inclusiveness in the expression of opinions, including age, gender, vulnerable groups and / or minorities.
- Processes exclude intimidation, coercion, or any encouragement of loyalty in decision-making.
- Transparent mechanism for responding to stakeholder appeals, suggestions and complaints.
- Including, where appropriate and possible, feedback, as well as reporting to stakeholders.
- Constant reporting to affected communities on the implementation of action plans on issues related to ongoing risk to people or impact on communities, as well as on issues identified by the consultation process or grievance mechanism for those communities.

These principles are constantly being revised, supplemented and improved.

The “Ukrpaletsystem” Group also complies with the international requirements for public consultation, which are specified in the following documents:

- The Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters.
- Directive 2001/42 / EC of the European Parliament and of the Council of June 27, 2001, on the assessment of the effects of certain plans and programs on the environment.
- Directive 2003/35 / EC of the European Parliament and of the Council of May 26, 2003, provides for public participation in drawing up certain plans and programs relating to the environment and for public participation and access to Council Directives 85/337 / EEC and 96/61 / EC.
- The Group applies international standards, including environmental and social performance standards of the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD), available to the public at the following addresses:

IFC https://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/Sustainability-At-IFC/Policies-Standards/Performance-Standards

EBRD <https://www.ebrd.com/who-we-are/our-values/environmental-and-social-policy/performance-requirements.html>

2.5. LIABILITY, INTERNAL STANDARDS AND POLICIES

In order to control all processes taking place in the company, as well as to ensure compliance with applicable law and protect the company and its employees from legal, business and ethical risks, the Group has established and constantly improves internal regulations and policies.

COMMUNICATION AND CORPORATE SOCIAL RESPONSIBILITY POLICY

The main principles of the Social Responsibility Policy are as follows:

- The Group is to maintain transparent, proactive and productive communication and accountability with all key stakeholders;
- Reporting and communications with the Group comply with applicable laws and regulations and best business practice;
- The team maintains the necessary tools, resources (including staff) and professional advisory services to ensure proper work in all matters related to communications;
- Only authorized and qualified personnel are involved in the external communications of the Company;
- The Group fully protects commercial and confidential information (including information about its business partners and employees) in its communication activities;
- The Group works with local leaders, communities and their representatives to improve mutual trust, minimize potential negative impacts on the environment and human rights, and to develop projects that improve local infrastructure and facilities.

EMPLOYEES

The company has united **3033 employees**, so it clearly adheres to the principles of gender, religious, racial equality, etc. Equal opportunities are provided for all employees. In the field of labor relations, the Group's policy is based on strict compliance with all norms of current legislation and international human rights standards. The group is building relationships with its employees based on the long-term fruitful cooperation, which is based on trust, mutual respect and focus on results.

We create jobs for people with special needs.



The main aspects of employee relations policy:

- Early provision of information to stakeholders before consultancy and decision-making.
- The Group adheres to all aspects of employee relations, including recruitment, training and development, mentoring, employee retention, communication, equal pay (subject to minimum wage legislation), representation, confidentiality, conduct, evaluation, working hours, grievance processes, differences, coercion, involvement of child labor, etc.
- The Group values each employee and encourages them to reach their full potential.
- The Group maintains transparent relations with employees and protects their confidentiality.
- The Company's policy establishes fair working conditions and specifically regulates such important issues as working hours, the right to leave, remuneration, evaluation, competitive wages and inadmissibility without the need for overtime, and in case of such need the Company guarantees proper payment for such overtime labor in accordance with the requirements of the legislation.
- The Group does not use illegal, forced or child labor.
- All employees of the company are officially employed and socially protected.

ANTI-CORRUPTION POLICY

The Group has developed and is constantly updating and supplementing the Anti-Corruption Policy, which is communicated to all employees and the public and is available on the corporate website.

2.6. TRANSPARENCY OF ACTIVITY

The “Ukrpaletsystem” Group is open for cooperation and timely provides all interested parties with the necessary information in an open, complete and understandable form for making rational decisions. The company maintains effective communication and interaction between the company's management, on the one hand, and shareholders, creditors, the media, other market agents and even society in general, on the other hand. The most convincing fact of this is the disclosure of the consolidated financial statements prepared in accordance with International Standards and the Independent Auditor's Report. Details at the link : <https://upg.ua/wp-content/uploads/audit2020.pdf>



STAKEHOLDERS AND COMMUNICATION CHANNELS

- **Stakeholders** are legal and natural persons, stakeholders who have a legitimate interest in the Company's activities, depend on it and can influence or feel significant influence on it, and where these interests and influences must be recognized if the result is to be successful.
- **Key stakeholders** are society, employees, media, government, business partners, investors, public organizations, international organizations, citizens' associations, etc.

| Categories of stakeholders | Stakeholders | Scope of interest |
|----------------------------|---|--|
| Governmental institutions | Government agencies at all levels and institutions at the territory of the Company's presence | Socio-economic cooperation |
| Local communities | Residents of settlements on the territory of the Company's presence | Informing about activities, interaction with the population, mutually beneficial partnership |
| Employees | Staff | Organization of the Company's operation |

| Categories of stakeholders | Stakeholders | Scope of interest |
|---|---|--|
| Non-governmental public organizations, associations of citizens | Citizens' associations, organizations | Informing about the company's activities, social cooperation, including impact on social, cultural, environmental, etc. areas in the regions of presence |
| Mass media | Local, regional, all-Ukrainian mass media | Distribution of information about the company's activities, communication of relevant information through the media for all groups of stakeholders |
| Business partners | Commercial organizations: suppliers and buyers, other customers. Banking institutions | Organization and conduct of commercial activities, mutually beneficial partnership |
| Investors | Shareholders of the company | Financial and operational activities of the company, informing about key events of the company |

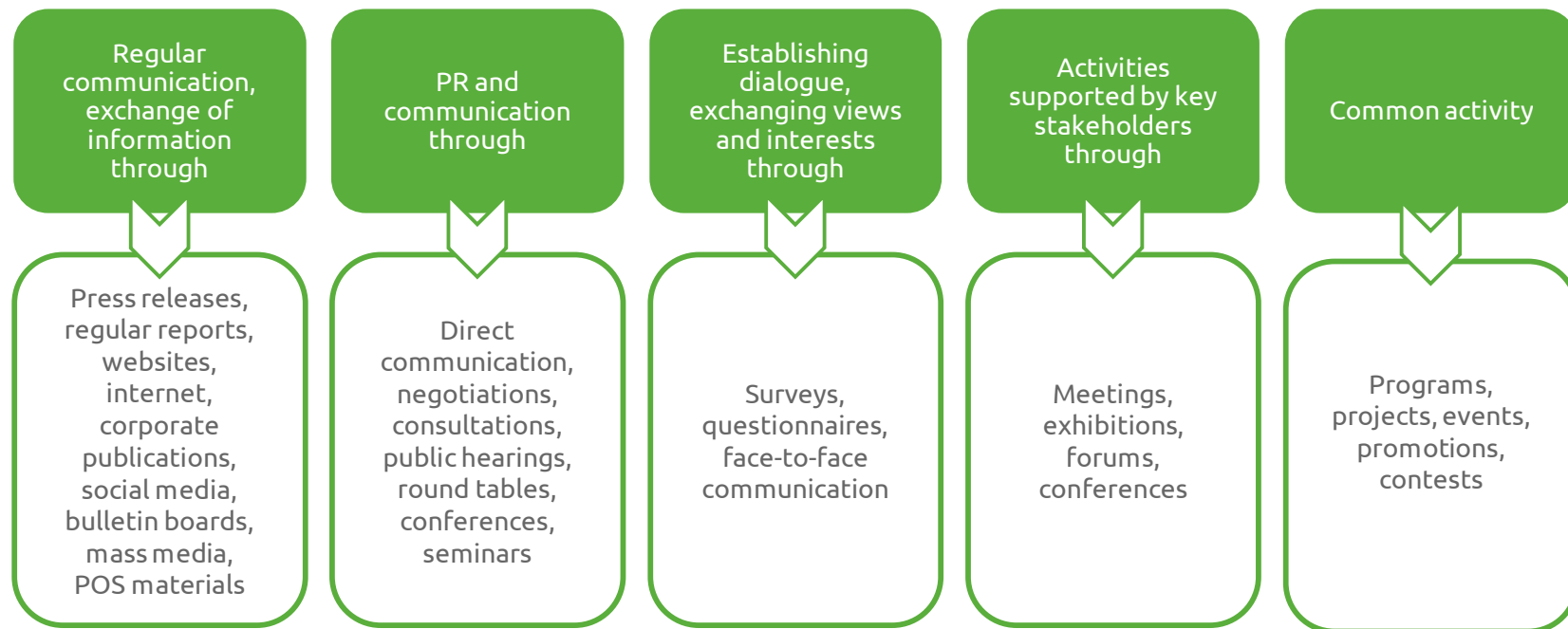
Realizing the social significance of its activities and responsibility to the state, the Group strives to build and maintain stable, constructive relationships with government and local authorities. They must be based on the principles of legality, good faith, professionalism, partnership, mutual trust, respect and steadfastness of commitment.

Also, the “Ukrpaletsystem” Group constantly interacts with the media and builds relations with them on the principles of openness and transparency, efficiency and readiness for dialogue, adherence to high standards of communication.

To understand the level of satisfaction with the quality of products and services from consumers, the Group uses various channels of communication with customers and, analyzing the results of such communication, is constantly improving its work. Maintaining the excellent quality of the Company's products and services, safety and mobility, environmental protection, professional development of employees and the team in general are priority directions. The company is constantly improving them and always strives to implement the best practice of leading Ukrainian and international companies.

The “Ukrpaletsystem” Group strives to maintain a constant dialogue with all stakeholders based on respect, long-term cooperation and principles of interaction. This helps to improve business processes, understand and predict how the Group's activities may affect society and the environment in which it is developing. To achieve this goal, the Group is constantly improving its communication mechanisms and channels.

3.1. MECHANISM OF INTERACTION WITH STAKEHOLDERS



3.2. MECHANISM OF MONITORING, REPORTING AND FEEDBACK

The “Ukrpaletsystem” Group maintains a dialogue with all stakeholders and provides them with reliable information about its activities, using the following main means:

- publication of up-to-date information about the company's activities on the company's website upg.ua/ru/glavnaya/;
- publication of annual reports on the company's activities, including environmental and social aspects upg.ua/wp-content/uploads/managment2020.pdf;
- arranging round tables, consultations with local communities in the regions of the company's activity;
- informing local communities about the company's social and charitable programs.

KEEPING DOCUMENTATION FOR COMMUNICATIONS WITH STAKEHOLDERS

The Group keeps records by clearly recording the basic information provided to stakeholders, as well as the main incoming appeals (e.g., general questions, complaints, etc.) addressed to the Company, together with a brief description of the measures taken. Consideration of appeals is carried out constantly.

Appropriate feedback is provided by the Group through communication channels such as the media and newsletters, surveys, exhibitions, individual and periodic meetings.

Future important public consultation meetings or public exhibitions will be organized on the spot so that stakeholders can participate in them.

COMMENTS BOOK

An open notebook (with a pen) is used to record anonymous comments. This book is presented in a visible spot that will not be directly controlled by subordinates who conduct the event (for example, at the exit).

The company records the information in a way that provides feedback to stakeholders and provides timely responses.



3.3. MECHANISM OF SUBMITTING AND REVIEWING APPEALS

Internal requests from employees, complaints and grievances are handled by the Group through informal means, such as:



Box for anonymous appeals / complaints (the box is located outside the office space in the company)



Direct communication with employees via senior managers



Direct communication with employees via the personnel department (if necessary)

For external stakeholders (persons who are not employees of the company), including anonymous ones, a form of complaints and appeals has been developed. Concerns and suggestions may be made face-to-face, by telephone, e-mail and on social media, the corporate website, as well as through the Group's help desk or local mailboxes, created in communities that serve this purpose. The application form is available on the Group's website.

Complaints and appeals are assessed in accordance with the legislation of Ukraine. According to the Law "On Citizens' Appeals", answers will be provided within one month.

All interested parties can submit appeals / complaints :

- **Personally:** requests are received in free or special form addressed to the Director of the Group.
- **By mail:** appeals in the form of letters received in free or special form to the address of the Group.
- **By phone:** appeals / complaints received orally by phone.
- **By e-mail, through the website:** appeals / complaints received in free or special form online using the form posted on the Group's website or by e-mail.
- **Using the complaint box:** appeals / complaints received in free or special form through the complaint box placed in the company.

All appeals / complaints are registered in the Registration Journal and processed by the specialist responsible for accounting and registration of appeals. Afterwards they are sent to the Group Director for consideration. In his turn, the Director personally provides instructions on the settlement and response to the appeal or appoints a person responsible for reviewing and deciding on the point of the appeal.

The response to the appeal / complaint shall be provided to the Applicant in the same manner as it was received, unless other options had been agreed with him.

The Group creates equal opportunities to contact the company and receive answers for all stakeholders (including for anonymous appeals / complaints). Complaints and appeals are handled systematically, which helps to resolve any issues faster and reduce potential downtime. At the same time, the Group has set deadlines for responding to the signal, identified responsible persons who should solve and fix an incident, and those who will control the speed and quality of troubleshooting. Thanks to this improvement in the process of processing appeals, no signal is ignored.

4. CONTACT DATA

Labor Protection:

Tereshchuk Olha Vasylivna
+38 067 411 37 08

PR and Mass Media:

Drobilko Kateryna Mykolayivna
+38 098 229 66 26

Ecological Issues:

Malashchuk Svitlana Vasylivna
+38 097 937 75 82

Person Responsible for Accounting and Registration of Appeals / Complaints:

Hrebenyuk Tetyana Olehivna
+38 098 659 50 06

HR Issues:

Hurianov Ihor Vitaliyovych
+38 067 550 69 04

Photographs provided by the UPG press office, graphics and photos from flaticon.com and freepic.com were used in creating the Stakeholder Interaction Plan.



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from the first tank