

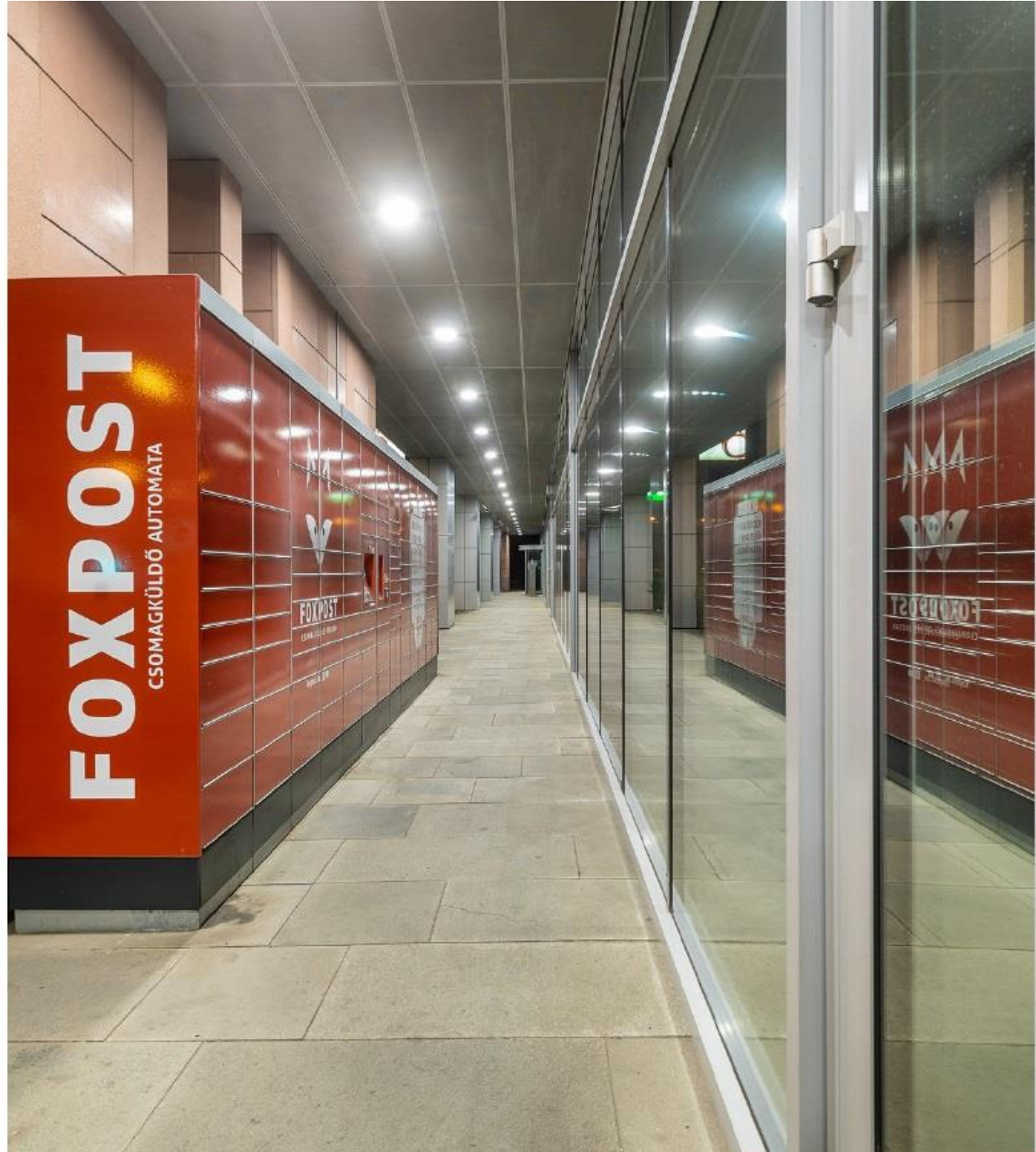


**SUSTAINABILITY  
REPORT  
2020**



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# FOREWORD, COMMITMENT, SUMMARY



## Dear Reader,

Sustainability for FOXPOST is not just about following regulations and standards, but also about an approach that is part of our natural operation and strategy. Since the company's launch in 2015, it has been important for us to build a modern and environmentally-friendly logistics system that offers convenience and flexibility to our users. Our corporate responsibility extends to all those we help with our logistics solutions, and we build our corporate operations to integrate social, economic and environmental responsibility into our everyday lives. In doing so, we also promote sustainable development and opportunities for future generations. To this end, our current expansion plan is to make eco-friendly and smart parcel delivery or collection as widely available as possible by 2024, with more than 1,050 parcel locker terminals nationwide.

We believe it is important to offer simple, flexible terms of use to enable online trading for those who have previously only traded offline. The domestic e-commerce market itself is also facing transformation. Our key objective is to ensure that our ability to adapt to a rapidly changing environment makes FOXPOST, and thereby its customers, winners of this change.

We were reaffirmed by the fact that in a survey conducted by GKI Digital, online retailers voted us the best quality service provider every year between 2015 and 2020 and felt that we helped them. We have, therefore, embarked on a major IT upgrade, with a focus on customer experience.

Our processes are designed to be efficient and fast with the lowest possible environmental impact. Currently, when delivered to a locker, 60-70% less pollutants are released into the air compared to a parcel delivered to your door. As part of the FOX Green programme, we aim to achieve carbon neutral delivery in Budapest by 2025, and then to do so as widely as possible nationwide. That's why we were among the first to start using pure electric vehicles for deliveries. Thanks to this, we are now able to offer local carbon neutral parcel delivery to our dedicated lockers in the capital.

We are constantly working to create an open, inclusive and safe workplace for everyone, with equal opportunities and a non-discriminatory company culture. We believe in knowledge, which is why we train and educate our colleagues and have created an internal knowledge base to ensure that there are no barriers to creative ideas and sustainable development.

We want to make our operations and work more transparent and accountable and thus, starting this year, we will report on our sustainability efforts every year.

Best regards,  
**Ádám Bengyel**  
Founding CEO

## COMPANY DATA, CONTACT, IMPRINT

### FoxPost Group

FoxPost Zártkörűen Működő Részvénytársaság  
BIP Logistics Zártkörűen Működő Részvénytársaság  
Registered office: H-3300 Eger, Pacsirta utca 35/A

### Group's head office:

H-1097 Budapest, Könyves Kálmán körút 12-14  
Contact, customer service - +36 1 999 0369, uszi@foxpost.hu  
[www.foxpost.hu](http://www.foxpost.hu)



# 1. COMPANY PROFILE



## INTRODUCTION

The core activity of FoxPost Group is other postal and courier activities (5320'08), providing parcel delivery services to private individuals and businesses, with 158 parcel locker terminals nationwide as at December 2020, a warehouse in Budapest, 15 own vehicles and a head office. In 2020, it employed 68 people on a full-time basis and an average of 15 people in seasonal student employment. In line with industry data, the ratio of women to men in the workforce is estimated at around 15-85%.

With its pickup point network of 158 parcel locker terminals, FoxPost currently serves mainly small businesses and private individuals in Hungary. The logistics solution providing a parcel pickup management service is based on the emptying of the parcel locker terminals, the delivery of the parcels to a central warehouse and their redistribution.



Structure of the business model - parcel locker terminal - warehouse - parcel locker terminal, own fleet, milk runs

FoxPost Zrt., as a parcel logistics service provider, offers the following services:

### FOR PRIVATE INDIVIDUALS

- parcel dispatch and parcel delivery at automatic parcel locker terminals
- parcel home delivery

### FOR BUSINESS PARTNERS:

- Parcel pickup from business site
- Parcel dispatch from locker
- Parcel home delivery
- Parcel delivery to locker



In terms of services, **home delivery is available within 2 business days**, as well as **next-day parcel collection from a parcel locker**.



**Extra service fees:** fragile goods handling, label printing



The home delivery service is provided by subcontractors who assist the Group in its work.

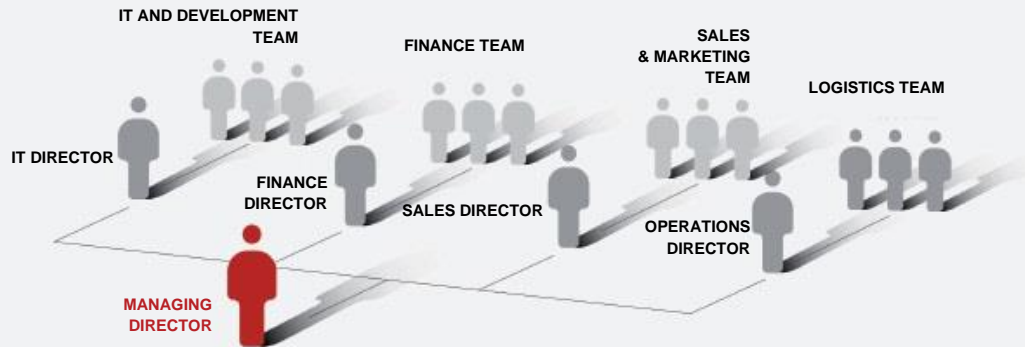
## ORGANISATIONAL STRUCTURE

FoxPost Group consists of FoxPost Zrt. and BIP Logistics Zrt.

The Group is supported by the directors responsible for sales, operations, finance and IT, alongside the CEO.

As a result of the company's growth process, the organisational structure is changing, and the figure below shows the structure typical for 2020.

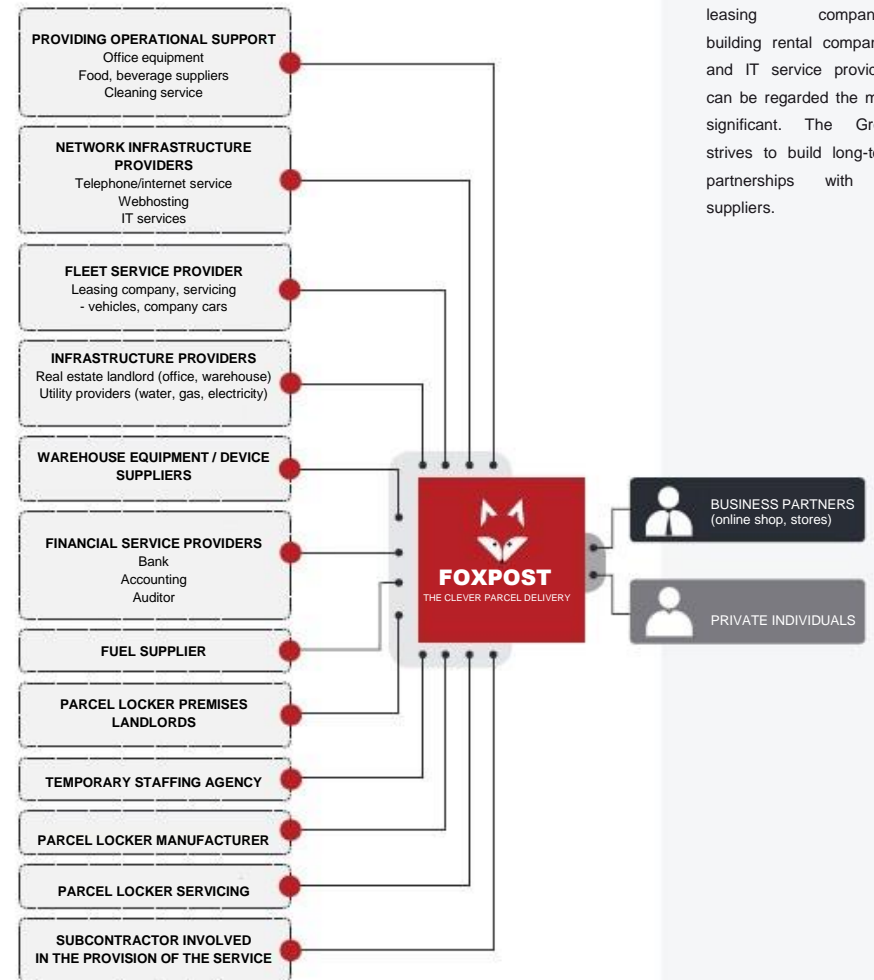
The CEO and the Board of Directors are responsible for formulating the Group's long-term strategy, setting objectives and defining the corporate values.



## PARTNERS, SUPPLY CHAIN

FoxPost Group is characterised by a relatively short supply chain for the provision of its services, as illustrated in the following figure. There were no significant changes in 2020 in terms of the partners involved. From the service provision aspect, the parcel locker terminal suppliers, vehicle leasing companies, building rental companies and IT service providers can be regarded the most significant. The Group strives to build long-term partnerships with its suppliers.

### The supply chain of FoxPost Zrt.



## STAKEHOLDERS

FoxPost Zrt.'s stakeholders are companies and groups of individuals who are affected by FoxPost's operations and services and whose activities may influence FoxPost in the achievement of its business objectives.

*We consider maintaining contact with our stakeholders a priority.*

FoxPost's stakeholders can be divided into four groups according to their level of influence and interest.

### 1.

**Level of interest:** high

**Degree of influence:** high

These stakeholder groups can be considered key stakeholders. They have a strong influence on the company's operations and a strong stake in its success. FoxPost's aim is to maintain a continuous relationship with them and to retain their support. They are part of the Group's decision-making processes.

*By preparing our Sustainability Report, we aim to make our work and operations more transparent for all stakeholders and to demonstrate that our continuous improvements help us move towards a common, sustainable future.*

### 2.

**Level of interest:** low

**Degree of influence:** high

These stakeholders have a great influence on the life of the company, but their interest is not significant and they are not actively involved in our life. FoxPost takes their objectives into account and their satisfaction is important to the Group. Their potential dissatisfaction poses a risk for FoxPost.

*We measure our customers' satisfaction after each package and provide a monthly summary. We measure our brand awareness through an ongoing representative survey of internet users. Our business partners' satisfaction is measured annually.*



According to GKI's research, FoxPost has been the highest rated logistics service provider by online shops for 5 years. <https://foxpost.hu/blog/uzlet/otodjere-is-a-legjobb-a-foxpost>

**Ranking of logistics service providers**  
SCORED BY E-RETAILERS



**SCORING METHODOLOGY:**  
All e-retailers rated their logistics partner on a scale of 1-5. The evaluation covered three main topics along a total of 20 sub-questions: goods structure, quality and speed of delivery, administration and communication



Online Retail Index – 2020/ROUND I

Online Retail Index – January-February 2020

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*Our customers' expectations include the need for more lockers and easier access to the service. We are constantly working on this and are striving to do so through our sustainability efforts, ahead of their expectations.*

**3.**

**Level of interest:** low  
**Degree of influence:** low

These groups of stakeholders have little influence on the life of the company and their interest in its activities is minimal. FoxPost monitors their activities, as their position and importance may change over time. The Group keeps them informed about its activities and tries to attract their interest.

**4.**

**Level of interest:** high  
**Degree of influence:** low

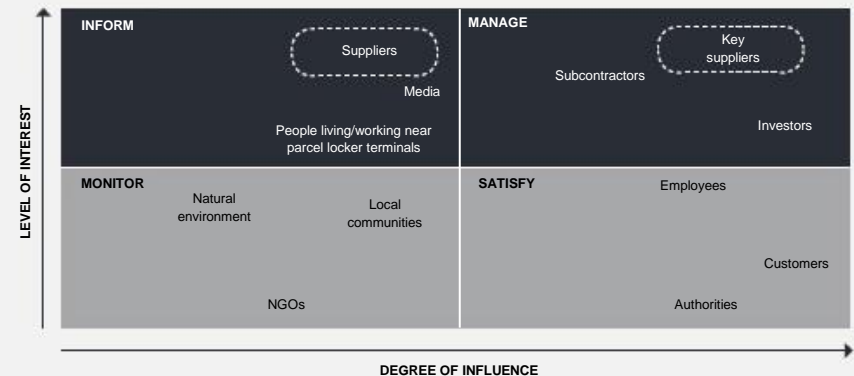
This category includes stakeholders who have a high level of interest in FoxPost's operations, but do not have a significant influence on the life of the company. The Group takes their needs into account and keeps them informed of its activities in order to maintain their support. FoxPost constantly monitors their interests and uses the information obtained to improve the company.

*We review the performance of our suppliers, strive to build long-term partnerships, focus on business processes, and engage in continuous two-way communication.*



*Our employees are very important to us, we keep in touch with everyone and give them feedback on their work. We provide a working environment of the highest quality in our industry, including workwear for our warehouse staff. We also fully comply with our legal obligations in the areas of health and safety and training. We have training plans for the logistics operation, we provide training for new hires and we try to reduce staff turnover. There is a high turnover in the warehouse due to night work and monotonous working hours, and lower turnover for our drivers, but still a problem though. Customer service and management are not characterised by staff turnover.*

**FoxPost's stakeholder map**





# SOCIAL, ECONOMIC, ENVIRONMENTAL IMPACT ANALYSIS

The impact of FoxPost Group's operations are presented in the following areas:

**Social impacts:** As a parcel logistics service provider, FoxPost Group contributes to customer safety by serving the movement of a large volume of goods generated by online purchases, particularly in the pandemic situation.

*The volume of e-commerce is growing, which we need to serve by increasing our delivery capacity and providing a higher quality service. This also creates jobs.*

**Environmental impacts:** Parcel logistics services generate a significant environmental impact, mainly in terms of urban air pollution and harmful emissions.

*Sustainable operations have been at the heart of our business model since its inception. In addition to its other benefits, the use of parcel locker terminals enables the provision of an environmentally-efficient service. We are also working to further reduce our emissions.*

**Economic impacts:** FoxPost operates in a highly competitive environment, and this continuously competitive environment is both an opportunity and a challenge.

*We support our partners with digitalisation improvements, contactless service, helpful customer service and parcel tracking.*



Our goals are to ensure a clean environment, to operate efficiently and sustainably, to provide outstanding services and to be a trusted partner to our customers. Our business ethics are characterised by our belief in the weight of the word and fair play.

In September 2015, the UN's 193 Member States have committed to a new global development agenda to build a sustainable future. This agenda consists of 17 Sustainable Development Goals.



In 2020, FoxPost Group supported the following with its activities:



decent work and economic growth



sustainable cities and communities



climate action

Accordingly, these areas are the focus of the current Sustainability Report.

<https://www.un.org/development/desa/disabilities/envision2030.html>

# 2. ECONOMIC PRINCIPLES AND RESULTS

## ECONOMIC PERFORMANCE

In 2020, the group generated sales of HUF 1,750 million. In terms of its procurement practices, most of its investments are made using foreign suppliers, but 90% of its day-to-day operations are carried out with Hungarian suppliers.

It employs domestic workers in both logistics operations and management. FoxPost employees earn around twice the minimum wage, while in logistics operations (warehouse staff, couriers, customer service) wages range from HUF 350-400,000 gross.

We fully comply with our tax and legal obligations.

Our annual report and other economic data are available here: <https://e-beszamolo.im.gov.hu/oldal/kezdolap>

*We are growing dynamically and our employees are benefiting from this growth.*



# 3. ENVIRONMENTAL AWARENESS



## BIODIVERSITY

### Fruit tree planting with GreenDependent

For Christmas 2019, instead of gifting its partners, FoxPost used the allocated funds to support a tree planting project on behalf of its partners.

The GreenDependent Association has organised the planting of 30 indigenous fruit trees in 2020, with a donation from FoxPost Zrt.

The fruit tree saplings come from the Tündérkert initiative in Pórszombat, Zala County, which aims to collect and propagate old Hungarian indigenous tree species in order to preserve biodiversity.

The 30 trees were donated to the Udvarom Social Cooperative - Banyaerdő, which creates jobs for disadvantaged women. The trees were planted in the cooperative's garden.





# 3. ENVIRONMENTAL AWARENESS

## EMISSIONS

The first version of the Greenhouse Gas Protocol (GHG Protocol) Corporate Standard was published in 2001 and has since been updated to become one of the world's best-known and most respected greenhouse gas emissions accounting guidelines. The GHG Protocol aims to help companies and other organisations to record their actual greenhouse gas emissions in a way that is transparent and comparable with other organisations. Furthermore, it is used to contribute to effective and successful emission reduction projects based on these records. The standard is developed by the World Resources Institute and the World Business Council for Sustainable Development, but a number of stakeholders have also been involved in its development (e.g. WWF, BP, Ford, KPMG, PricewaterhouseCoopers, US EPA, etc.).

*In 2020, our emissions measurement system covered the emissions from our own fleet needed to provide the parcel locker terminal service. We aim to extend the measurement system to our subcontractors in the coming years.*

According to the GHG Protocol, a company's emissions can be divided into three groups.

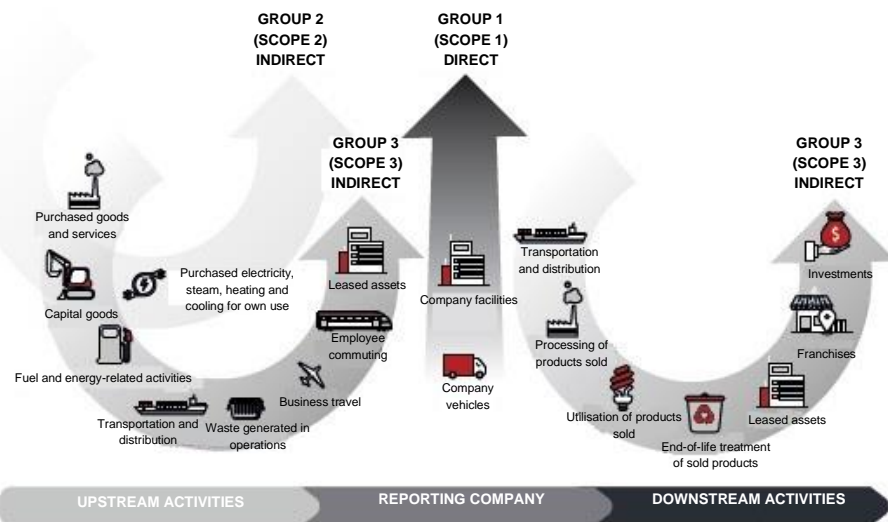
**Scope 1:** direct greenhouse gas emissions from the use of fossil (fuel) materials by a company in its core activities (e.g. transport, production, etc.).

**Scope 2:** indirect emissions, which are emissions linked to the production of the energy sources (e.g. electricity, heat) used (purchased) by the company.

**Scope 3:** includes emissions outside of the previous two. It can also be interpreted as including all indirect emissions for the company under review that are outside its direct activity, such as emissions from purchased services or employee travel.

The GHG Protocol calculators include conversion factors for different CO<sub>2</sub>e carbon dioxide equivalents. These factors are also partly included in the calculator for FoxPost Group, but adapted to the specificities of the Hungarian energy mix.

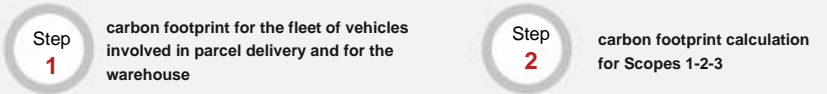
The organisational framework for the calculation was established after the outlining of FoxPost's activities.



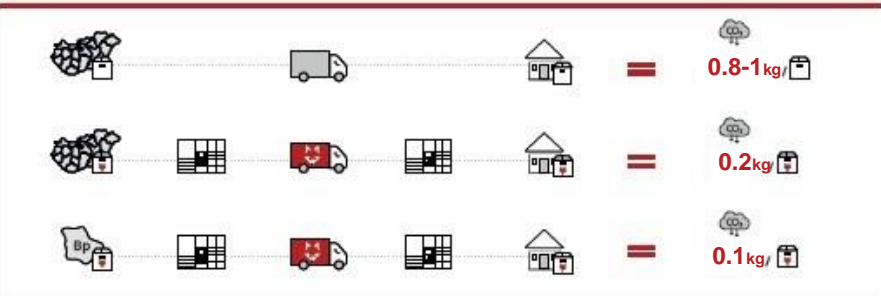
The corresponding scopes under the GHG Protocol for FoxPost are the following:

Scope 1:	Scope 2:	Scope 3:
direct emissions - e.g. fuel consumption, offices, warehouse consumption and emissions, parcel lockers' consumption, company cars' consumption	indirect emissions - e.g. purchased electricity, natural gas consumption	includes emissions outside of the previous two - e.g. emissions from purchased services, employee commuting, emissions by subcontractors

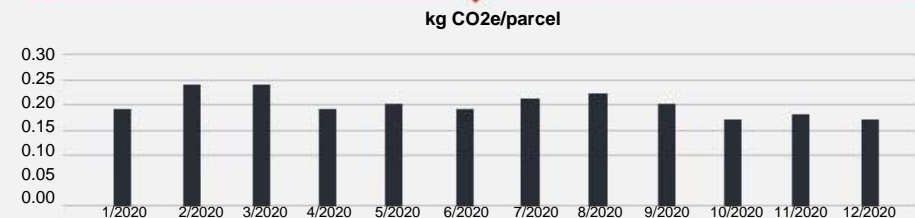
The first step in measuring FoxPost emissions is to record fleet emissions from Scope 1 and warehouse energy (electricity and natural gas) from Scope 2. A further direction for improvement could be to standardise calculations for all scopes.



The first step to reducing our emissions is accurate measurement. At the same time, we are reducing our emissions per parcel by increasing our operational efficiency.



An electric delivery vehicle has been introduced to reduce local air pollution. The aim is to test the characteristics of the vehicle, to gather experience on how far we can integrate electric vehicles into our operations with the current technological development.



# 4. SOCIAL RESPONSIBILITY

## LOCAL COMMUNITIES

Supporting local communities and future generations is of paramount importance to us.

In 2020, we supported the Amigos for Children Foundation. We helped Amigos deliver Christmas presents to hospitals. Thanks to our support, considerably more gifts were able to reach the children in need in hospitals in 2020.

We have joined the "Csodatáska a vidám iskolakezdéshez" (Wonder bag for a happy start to school) initiative, set up by the Hungarian Charity Service of the Order of Malta.

We helped the digital camp website of Bátor Tábor Foundation with the home delivery of the necessary equipment.

We supported online education during the pandemic by collecting computer equipment.



**FOXPOST**

DONATION LINE

**+36 1 4433231**



Let's help together!



[www.foxpost.hu](http://www.foxpost.hu)



**FOXPOST**  
THE CLEVER PARCEL DELIVERY

# DESCRIPTION OF THE REPORT

Our Sustainability Report has been prepared in accordance with the Core version of the Global Reporting Initiative (GRI) standard, taking into account the corporate boundaries of FoxPost Group, and supplemented with the requirements of the GRI 200, 300, 400 standard categories. No sustainability report has been previously prepared for FoxPost Group. Our aim now is to report on the year 2020 and to complement and improve our reporting practice in subsequent years. From this point onwards, we will publish our sustainability report in the first quarter of each year.

The list of the standards used is shown in Annex 1.

Please send your questions and comments on the Sustainability Report to the following email address:

[uszi@foxpost.hu](mailto:uszi@foxpost.hu)

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