



UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2021

CONTENT

THE SUPPLY CHAIN
SAFETY

GREEN TRANSPORTATION ROADMAP
SUSTAINABILITY POLICY





Edvardas
Liachovičius

CEO LETTER

While 2021 was a difficult year we continued to grow sustainably with the aim to be among the top ten logistics companies in Europe by 2026

CEO LETTER

As we enter 2022, passing our 25 years milestone, I have during this time experienced many different market situations within logistics. The current situation is a unique one. Currently there is a huge demand for transport services, however the industry is struggling due to the economic conditions in Europe.

Since joining the United Nations Global Compact in 2015, we continue to support and adopt the principles of responsible business conduct alongside broader UN goals, including the Sustainable Development Goals.

The UN Global Compact principles are consistent with Girteka Logistics' Sense of Purpose and our commitment to sustainability.

During 2021 our trucks continued to work during the pandemic, delivering food, medicine, and other critical supplies. Although the growth of consumer spending resulted in rising demand for Full Truck Load (FTL) capacity, transport carriers had to in parallel manage the challenges of inflation and rising operating costs.

As a company we spent much of 2021 preparing for the EC regulatory changes coming in 2022 with the Mobility Package requirements. One of the decisions we made was to expand our operation in Poznan, Poland which should be fully operational by the end of 2022 as a base close to Western Europe and the Nordics.

Girteka Logistics and its intermodal rail network went from strength to strength. Overall, the company doubled the amount of FTLs it carried in 2021 compared to 2020 on the new freight lanes, with over 16,100 fully-loaded trailers travelling on rail tracks, reducing CO2 emissions by 14.4 million kilograms, as the FTLs travelled for more than 15.2 million kilometres throughout the EU.

Like other trucking companies in 2021 we saw an industry affected by the increase in operating costs, driver shortages, inflation, and a reduction in the availability of new and used vehicles. All of which meant a huge amount of pressure on the global transportation supply chain.

As the European continent's largest trucking company, we lead by example on how we conduct our CSR, our sustainability and in how we resolve any forthcoming challenges with our key stakeholders.

With our Communication on Progress 2021 we aim to be fully transparent in accordance with the requirements of the UN Global

Compact.

Within this report we highlight our efforts within the areas of human rights, labour, environment, and anti-corruption during 2021, and provide an update on our actions towards the achievement of the Sustainable Development Goals.



Edvardas
Liachovičius

OUR SENSE OF PURPOSE

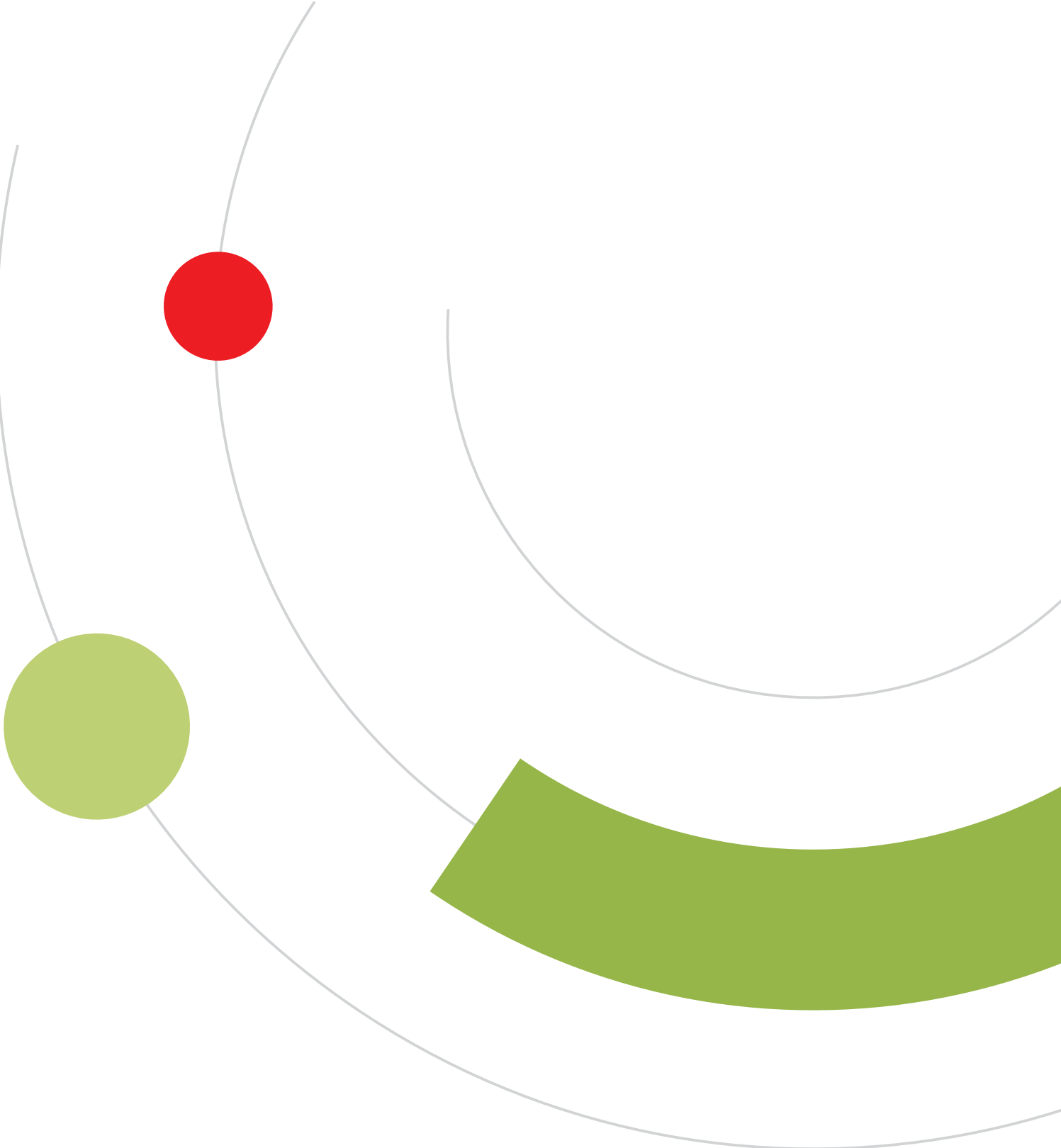
OUR SENSE OF PURPOSE DEFINES THE GIRTEKA LOGISTICS CULTURE, WORK VALUES, AND THE SERVICES WE PROVIDE OUR CLIENTS.

Delivering on our client’s promises to their end-customers is what transport and logistics is all about.

We consistently strive to serve our clients best interests, driving between factories and consumers throughout Europe, Scandinavia, and Russia.

We want to remain the first choice for our communities, clients, colleagues, suppliers, and other stakeholders. Driven by our sense of purpose, that defines our culture, the services we provide and how we work.

in terms of staff development, the Sense of Purpose is transforming our approach by encouraging our employees to be Open & Respectful, to Create the Best Customer Experience, Foster a Team Spirit, Take Ownership and Strive for Continuous Improvement.



OUR SENSE OF PURPOSE

DELIVERING ON OUR CLIENTS’ PROMISES

TO BE THE OBVIOUS FIRST CHOICE



CLIENTS

Transportation service reliability and long-lasting partnership



COLLEAGUES

Making a meaningful impact together with a driven team



OUR COMMUNITY

Road safety and environmental protection, contribution to community well-being



SHAREHOLDERS

Profitable growth and cost-consciousness



PARTNERS

Sustainable collaboration and mutual benefit

THE UN GLOBAL COMPACT 10 PRINCIPLES

WHAT IT IS AND WHY WE ALIGN WITH IT

This is the seventh consecutive Girtexka Logistics CSR report, underlining our continued commitment to the Ten Principles of the UN Global Compact.

We believe corporate sustainability starts with a company's value system and their principles-based approach to business. This means running our business in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption.

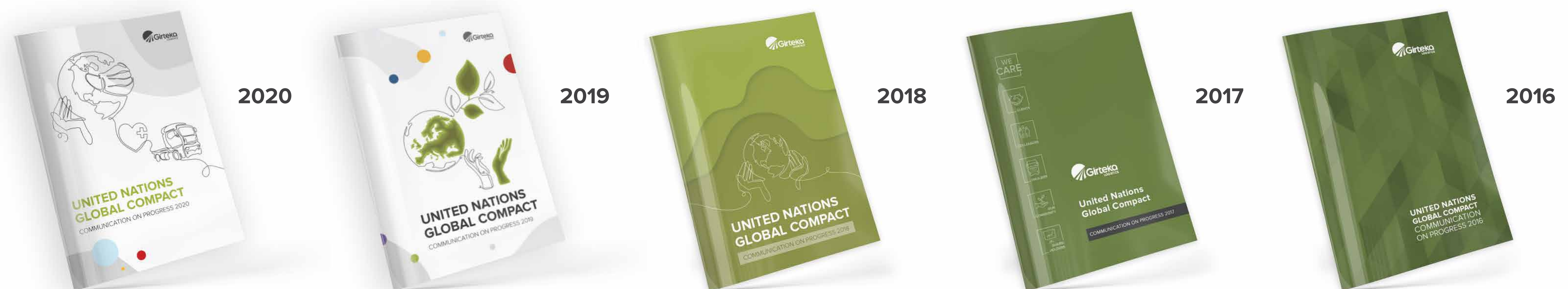
As a responsible business the Ten Principles of the UN Global Compact are incorporated into the company at every level.

Within our strategies, policies and procedures is our focus on reducing our environmental impact and strengthening our social commitments.

The Global Compact lays the foundations for us as a company to take actions and ensure that what is done can be measured and managed effectively.

For a company of our size – in terms of the number of employees and our geographical spread - it's essential that we consider our social and environmental impact and how we effectively manage this in line with sustainable economic growth.

We are proud to be a member of the UN Global Compact. Incorporating the Ten Principles and producing an annual CSR report has become an automatic commitment and is already part of the company's DNA.



PARTNERSHIPS / GROWING TOGETHER

SUSTAINABLE LITHUANIA

We are part of “Sustainable Lithuania” an initiative from the largest news portal in Lithuania “Delfi” where 10 businesses and state institutions have come together to promote the idea of a “Sustainable Lithuania”.

The Sustainable Lithuania project covers many areas, one of which is business. By understanding how to develop sustainable businesses there is a direct benefit for businesses but also real economic benefits delivered to the country as a whole.

The Sustainable Lithuania project aims to become a source of inspiration and knowledge, helping to answer the question of why we need to focus on sustainability, as well as enabling research on how to form and develop a successful sustainable business.

The aim of the initiative is not just to share good practice but also to address bad examples and question sustainability practices across Lithuania.



PARTNERSHIPS / GROWING TOGETHER

THE EUROPEAN CLEAN TRUCKING ALLIANCE (ECTA)

Girteka Logistics joins other ECTA members and other alliance partners to urge the European Commission (EC) to be more ambitious in its plans to decarbonize road freight in the European Union (EU), and to transition road transport to becoming emission-free.

As road freight activity is expected to double by 2050, ECTA aims to support the EU in the development and implementation of sustainable road freight transport policies to drastically reduce CO2 and air pollutant emissions.

As truck makers and other road transportation participants have made pledges and set targets to utilise more environmentally friendly vehicles, including zero-emission trucks, the infrastructure to support the charging and refueling infrastructure across the European Union is lacking.

Girteka Logistics, together with other ECTA members, welcomes the 'Fit for 55' legislative package from the European Commission (EC), which aims to reduce the bloc's emissions by at least 55% by 2030 compared to the 1990 levels.

The new legislation introduced several regulations that will influence the road freight transport industry going forward, namely the Alternative Fuel Infrastructure Regulation (AFIR) and the Energy Taxation Directive (ETD).

State members will develop and use an ever-growing network of chargers and refueling stations for zero-emission vehicles, including trucks, to ensure crucial infrastructure for the implementation of electric and hydrogen-powered trucks.

“

As an international road freight carrier, Girteka Logistics has looked for ways to reduce its greenhouse gas emissions, including the adoption of HVO and the expansion of the company's intermodal rail network. The new 'Fit-for-55' package only confirms that we have been on the right path in terms of our approach to slashing our emissions,”

”

comments **Edvardas Liachovičius**, the Chief Executive Officer (CEO) of Girteka Logistics.

There are approximately 40 million vehicles delivering across Europe, with trucks carrying more than three quarters of all freight transported over land.



 European
Clean
Trucking
Alliance

OUR COMMUNITIES

WORKING IN A TIME OF COVID - A BIG THANK YOU TO ALL OF OUR 14,000+ COLLEAGUES

During the COVID pandemic, Girtaka Logistics and our industry colleagues continued to focus on the essentials of ensuring the delivery of food, medicine and other necessities that kept Europe running.

Our efforts were not limited just to transportation, we also focused on community outreach, bringing together communities both young and old. We mobilised our resources for the Arts i.e. "Opera on Wheels" and ensured information was readily accessible to our workforce and clients during the pandemic.

Nevertheless, envisioning a scenario where trucks would stop moving cargo across Europe is hard to envision, as the very first wave of the pandemic showcased that despite the uncertainty, we continued to deliver on our customers' promises and delivered essential goods and supplies.

PRESSURE ON THE SUPPLY CHAIN IN 2021

Trucking companies in 2021 experienced an increase in operating costs due to the continued shortage of drivers and available vehicles.

Truck manufacturers have struggled to produce enough trucks for road transportation providers globally, due in main to a shortage of semiconductor chips for the trucks.

In addition, higher demand and limited availability has pushed up the prices for new, and subsequently used trucks, as manufacturers have struggled to finish enough vehicles to satisfy the needs of European road freight companies.

While having a very young fleet of trucks means we are more efficient in terms of our costs, we also provide a more comfortable environment for our drivers that eases their stress and workload.

While the pandemic has exacerbated the driver shortage in Europe, it also showcased how absolutely critical the profession is to the well-being of everyone in the continent, as our drivers were responsible for preventing supply chains from breaking.

The average price for a load in Europe has already reached record-breaking levels. Fuel prices have increased and along with rising inflation it means that there is a huge pressure on the global supply chain.

In 2022 with the Mobility Package new regulations

are set to make significant changes to how cargo travels on the roads in Europe. The biggest change will be the fact that drivers will now have the option to return to either their place of residence or their truck company's base, while the truck will have to return to the country of registration every eight weeks.

The European Commission has also looked into the rules of cabotage operations, as well as the working and employment conditions for drivers.

“

The Mobility Package, which will see the light of day in February 2022, will bring even more instability and a more volatile pricing environment, leading to even higher transport prices in Europe,

”

stated **Pavel Kveten**, Chief Operating Officer „Girtaka Europe West“

While this is a major improvement to the working conditions of the drivers, the issue is the lack of accommodation facilities throughout Europe, as current facilities do not have the capacity to accommodate the number of drivers and semi-trailers on the road today.

OUR COMMUNITIES

SAFETY FOR THE COMMUNITY

“BE SAFE ON THE ROAD”

Girteka Logistics is aware of its accountability for the social well-being of the population it serves as customers, colleagues, partners and the community.

A major focus for us continues to be to raise the awareness of road safety so that everybody can do their part to reduce road accidents. We actively invest in and participate at events and campaigns throughout the year at a local and national level.

In 2020 statistics showed that nearly 40% of car accident victims were children under the age of 10. In order to reduce these statistics, psychologists and traffic experts believe it is necessary to teach children road safety rules in a visual and engaging way.

By working with local communities and partners it helps us with outreach, with initiatives such as Būk Saugus Kelyje (Be Safe on the Road) we continue to educate and inform road users and pedestrians on how to stay safe around trucks.

The Būk Saugus Kelyje initiative was set up to:

- Increase awareness of a truck drivers restricted visibility
- Develop a mutual respect for all road users

- Make children aware of the importance of being visible and how to behave.

Partners for the initiative Būk Saugus Kelyje are Circle K Lithuania, Girteka Logistics, Volvo Trucks Lithuania, the Lithuanian Police and Save the Children. The objective is to draw the attention of children and their parents in order to encourage safer behaviour on the roads.

As a part of the initiative, 30,000 childrens books were published explaining how to observant and behave on the road, and how to stay visible and safe around trucks. The books were distributed by Circle K stores.

“ It is important to realize that it is only you who is responsible for your own safety on the roads, so it is necessary to respect yourself and those around you, to follow the generally accepted norms of behaviour. Still it is really important to raise awareness and understanding of safety on roads from an early age,

says **Renatas Siaurusaitis**, Chief Specialist of the Administrative and Traffic Supervision Division of the Lithuanian Police.



OUR COMMUNITIES

SAFETY FOR THE COMMUNITY

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As the company that manages the largest truck fleet in Europe, we feel obliged to make our contribution to road safety. For many years, we have been organizing and contributing to various initiatives to promote road safety, and one of the key tools for this remains the education of the public, especially the little ones for them to learn and apply road traffic rules.

says **Simonas Bartkus**, Head of Marketing and Communications at Girteka Logistics.

”

“

Through educational programs, together with our partners, this year we again are teaching children and teenagers how to behave safely on the roads near large vehicles. With this initiative, we aim to explain and show how vulnerable road users can better understand the risks of approaching a truck, driving nearby or crossing a carriageway. One of the most important goals we set is to help prevent traffic accidents and create a safe future for us and our children,

says **Laurynas Bričkus**, Marketing Manager of Volvo Trucks Lietuva.

”

To avoid accidents involving pedestrians, both cyclists and drivers should behave more responsibly: wear a reflector, wear a brightly coloured vest or other clothing with reflective elements (then the driver will be three times more likely to notice).

“

Helping children is a priority area of our company's social responsibility, so upon children returning back to schools, we aim to remind all road users to be more careful and make sure we see each other on the roads

says **Renatas Alekna**, Circle K's Director of Commerce and Marketing in Lithuania.

”



OUR COMMUNITIES

SAFETY FOR THE COMMUNITY

“BE SAFE IN THE WATER”

In Lithuania the lack of swimming skills has had tragic consequences, especially amongst young children. Working with the Lithuanian Swimming Federation we are supporting their efforts to encourage parents to teach their children to swim.

According to the specialists of the Lithuanian Swimming Federation (LSF), in many cases children who drowned could have survived if they had only been able to float or swim a few metres.

“ Together with Girtėka Logistics we want to draw attention to an important issue – the lack of swimming skills – and encourage parents to teach their children how to swim. It is the responsibility and responsibility of every parent to ensure that their child is able to behave safely in the water, and, if necessary, use their swimming skills,

says **Ignas Vaičaitis**, Project Manager of the Lithuanian Swimming Federation.

An opinion supported by Mindaugas Belickas, the head of the 5th Team of Kaunas County Fire and Rescue Board. According to him, it is necessary to teach children not only to swim correctly, but also teach them how to properly breathe, dive, and float on their back.

According to **Simonas Bartkus**, Head of Marketing and Communications.

“ For many years, our company has been taking care of educating the public, especially children, about safe behaviour on the roads. We encourage children to wear reflectors, to know the most important road traffic rules, however, not enough is being done regarding safety at water bodies and the issues are not discussed as much as is necessary. As we contribute to this social campaign, we want to draw attention to the importance of protecting both ourselves and our loved ones wherever we are – on the streets, on the roads, and by providing children with vital swimming skills.

For many years, LSF has been implementing the project “Learn how to Swim and Behave Safely in the Water” in order to teach second-graders how to swim. Thanks to it, almost fifty thousand children have learned how to swim during the eight years of the project’s existence.

“ Certified swimming training programs are extremely important because they allow children to gradually get used to the water, learn how to breathe properly, and how to float. During the classes, children are also taught the rules of safe behaviour in and near the water, they are introduced to the initial lifesaving operations,

says **Milda Šeibokaitė**, Head of the swimming training project.

With the new social campaign, LSF aims to reduce the number of drownings in Lithuania and to raise a responsible generation that knows how to swim and how to safely behave in or near water.



OUR COMMUNITIES

BRINGING OPERA TO THE COMMUNITY

The Lithuanian National Opera and Ballet Theatre, together with Girteka Logistics, expanded their joint project to bring opera for the second year running into the community.

With 14 free performances across Lithuania an audience of more than 10 thousand spectators watched and listened to the opera 'The Maid Lady' on a stage installed in the truck trailer.

“

From major cities to small, remote towns the opera performances from the stage installed in the trailer gave world-class artists the opportunity to be heard

”

said **S. Bartkus**.

According to Simonas Bartkus, Head of Marketing and Communications at Girteka Logistics, it was a great honour and pleasure for the company to contribute to the development of “Opera on Wheels”.

According to Jonas Sakalauskas, the General Director of the Lithuanian National Opera and Ballet Theatre (LNOBT)

“

the Opera on the Wheels project has significantly contributed to the reduction of social exclusion and we are glad that the unique transformation of the opera has also attracted the interest of international audiences,”

”

says **J. Sakalauskas**.

Last year, the opera performed in a trailer was nominated for a prestigious theatre award, the Golden Crosses of the Stage, in the category of Pandemic Resistant Theatre.



HUMAN RIGHTS

Girteka Logistics strongly believes in human rights as outlined in the Charter of the United Nations and the Universal Declaration of Human Rights.

It is our policy that all people who carry out work and services for Girteka Logistics, whether directly as Girteka Logistics employees or indirectly as employees of our suppliers, must be treated with dignity and highest respect to their fundamental rights.

UN GLOBAL COMPACT PRINCIPLES

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:

Businesses should make sure that they are not complicit in human rights abuses.

Girteka Logistics fully supports and always works to comply with conventional human rights and labour laws.

We recognise and support equal human rights.

We do not tolerate, irrespective of whether based on nationality, race, disability or gender, including

gender identity or gender expression, sexual, religious or political orientation, ethnic or social background:

- differential treatment;
- discrimination;
- harassment;
- inappropriate or unreasonable interference with work performance;
- physical, sexual, mental or verbal abuse is prohibited, as are threats of abuse and any form of intimidation.

Girteka Logistics' continued commitment to the principles of human rights is clear both within the company and to its employees and to our external clients, stakeholders, and community.

Working with our partners, we are determined to raise the standards of supporting human rights and commitment to safety, quality, and the environment.

For those areas of our business most exposed to risks, we have developed tailor-made awareness information and training resources, along with a management structure to support this commitment.

In particular, employee safety remains our key priority, and whether on the road, our own sites or those of our clients, we are committed to continuous monitoring and improvement.

GIRTEKA LOGISTICS ENSURES THAT:

- employees are provided with safe, suitable and sanitary work facilities;
- employees at Girteka Logistics are protected from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats;
- measures are taken to eliminate ingredients, designs, defects or side-effects that could harm or threaten human life and health during usage or disposal of products as well as while providing services.



HUMAN RIGHTS

ACTIVITIES AND FUTURE GOALS

We continue to focus with our partners on increasing road safety awareness at a local and national level.

Our employee publications, Code of Conduct, CSR report and annual reports are widely available, across all our sites and offices as well as on our Intranet and website.

We work closely at every stage of our supply chain, with partners, suppliers, and clients. Together we will work towards ethical, social, and environmentally conscious business decisions.

Our future goals will be to:

- continue to assess and update our Code of Conduct with feedback from colleagues and clients;
- monitor the use of Kaizen to ensure it provides the same direct input into company improvements as the previous non-digital system did;
- continue to deliver training courses that enhance employee participation and understanding of human rights and employee safety;
- be recognised by our clients, community, shareholders and employees as an international leader in CSR.



LABOUR

Girteka Logistics' reputation and business depends on our compliance with all applicable laws, rules, regulations, and contractual obligations in all countries where we operate.

Every Girteka Logistics company and employee must follow all relevant national and international legislation as laid down by our recently updated **Code of Conduct**.

The Code of Conduct endorses the Fundamental Principles of Rights at Work, ILO declaration, the Ten Principles of the UN Global Compact and the International Bill of Human Rights.

Recently updated, the Code of Conduct supplements applicable law and external regulations and is the basis of our company policies and regulations.



Un global compact principles

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:

The elimination of all forms of forced and compulsory labour.

Principle 5:

The effective abolition of child labour.

Principle 6:

The elimination of discrimination in respect of employment and occupation.

Girteka Logistics is clear and unambiguous in its company Code of Conduct on labour and labour rights, and makes statements on the following key elements of labour and working conditions:

- compliance with the UN Human Rights
- fighting modern slavery;
- no child labour;
- regular employment;
- wages;
- supply chain security;
- health and safety;
- wages and working hours – including driving time and rest periods; safe driving and cabotage and international driving.

We operate ethical employment and business practices that respect and value the individuality and diversity of our employees and we do not tolerate any form of discrimination on any basis: gender, age, race, nationality, religion, disability, place of origin, gender identity, sexual orientation, or any other reason.

In parallel, we seek to create a positive and open working environment across all our sites and offices and wherever we operate.

Girteka Logistics ensures that:

- the company does not participate in any form of forced or bonded labour, nor do we accept child labour or the conditions that allow this;
- employee wages are in compliance with all relevant national labour laws and standards;
- employment-related decisions are based on relevant and objective criteria and agreed in partnership with employee representatives and unions;
- employees are granted freedom of association and are fully informed of their rights to collective bargaining.

We are committed to be a transparent organisation and sharing information with our employees is taken seriously. We communicate all news, such as changes in business structure, and major company deals, in at least three languages, to ensure all employees have equal access to read and understand the information.

LABOUR

ACTIVITIES AND FUTURE GOALS

We continue to expect a high number of new starters, supporting them with a professional and effective recruitment process. Providing the best opportunities in training and personal development for our new and existing employees.

In addition, the company has a diverse range of nationalities within its workforce, and we work hard to stress the importance of cultural inclusiveness and tolerance.

To support this, we have many Human Resources (HR) partners working closely with managers and employees in all departments, to address any potential issues or concerns.

With one of the best HR teams in Europe, our future goals will be:

- ensure labour rights and employee conditions remain a top priority and that the employee handbook reflects this understanding;
- continue to fund and support employee social activities and participation both inside and outside of the company;
- updated the 'Yammer' intranet system to ensure it reflects the needs of our employees.

Drivers Academy

The Drivers Academy continues to be a great source of pride for Girtoka Logistics with some very notable achievements this year.

As well as improvements to the training curriculum, we have added more training simulators, additional training programmes for our e-platform, and made improvements to our ECO League and the ECO Driving training programme.

For the 6th time we have awarded our drivers for excellent results.

Award winning drivers

The award ceremony was opened by the head of the Training Center **Karolina Žekaitė**, in her congratulatory speech she acknowledged that:

“

The team of the Training Center of the Girtoka Logistics is very pleased with the fact that our drivers often turn to instructors for

advice and show excellent results in eco-driving. Our team is working hard, trying to improve the knowledge and skills of drivers.

”

The winner was Andrii Chernov with an economical driving score of 95.18 points! According to Andrii, such motivational programmes as “ECO League” are very useful and necessary as they motivate drivers to do their jobs better.



ENVIRONMENT

Girteka Logistics is committed to the UN Sustainable Development goals and as a leading transport and logistics company, we take responsibility for reducing the environmental impact of the transport industry.

We have measures in place to minimise the adverse impacts on human health and the environment throughout the value chain. This includes minimising pollution, promoting efficiency and the use of sustainable resources, including energy, fuel and water, and minimising CO2 emissions.

Girteka Logistics has continuously attempted to be the leader in decarbonizing its road transport services, as the transport provider has operated a very young fleet of trucks powered by the latest Euro 6 diesel standard engines across its vehicle park.

In addition, the company, together with its partners, has looked to utilize Hydrotreated Vegetable Oil (HVO) and intermodal train solutions that reduce the CO2 emissions of road transport by up to 85% and 90%, respectively.

“While we operate the latest and the most environmentally-friendly trucks equipped with Euro 6 standard engines, we are closely monitoring the development of electric and hydrogen vehicles, as well as the infrastructure to support a zero-emission fleet,” adds the Chief

Executive. “Girteka Logistics, as well as other ECTA members, believes that turning the bloc’s environmental policy into a legally binding one will only accelerate the de-carbonization of the road freight industry,

concludes **Liachovičius.**



The main goals of our environmental strategy are:

- to reduce pollution, CO2 emissions, and waste; to increase the sorting and recycling of waste;
- to build awareness by involving employees and partners in efforts to protect the environment;
- to apply green criteria for purchasing;
- to comply with environmental legislation;
- to prevent potential environmental incidents and be ready to address any that might occur.

UN Global Compact Principles

Principle 7:

Businesses should support a precautionary approach to environmental challenges.

Principle 8:

Undertake initiatives to promote greater environmental responsibility.

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

Our commitment to environmental responsibility means constantly trying to balance economic, social, and environmental factors with our daily business activities throughout the supply chain.

We proactively take measures to minimise any adverse impacts on human health and the environment, ensuring:

- emergency procedures are in place to prevent and address accidents affecting the environment and human health;
- environmental damage is avoided via regular maintenance of the supply-chain and environmental protection system (air pollution control, waste, water treatment systems, etc.);
- we only invest in energy efficient facilities and equipment, from offices and warehouses to trucks and trailers, our goal is to be the most fuel-efficient road carrier in Europe;
- handling and storage of chemical and other dangerous substances is carried out in accordance with international requirements and rules.

ENVIRONMENT

SUSTAINABILITY POLICY

Our Road To Sustainability - People passionate about taking action.

Road transportation in the next few years will face unprecedented pressure to adapt to changing customer demands and market conditions.

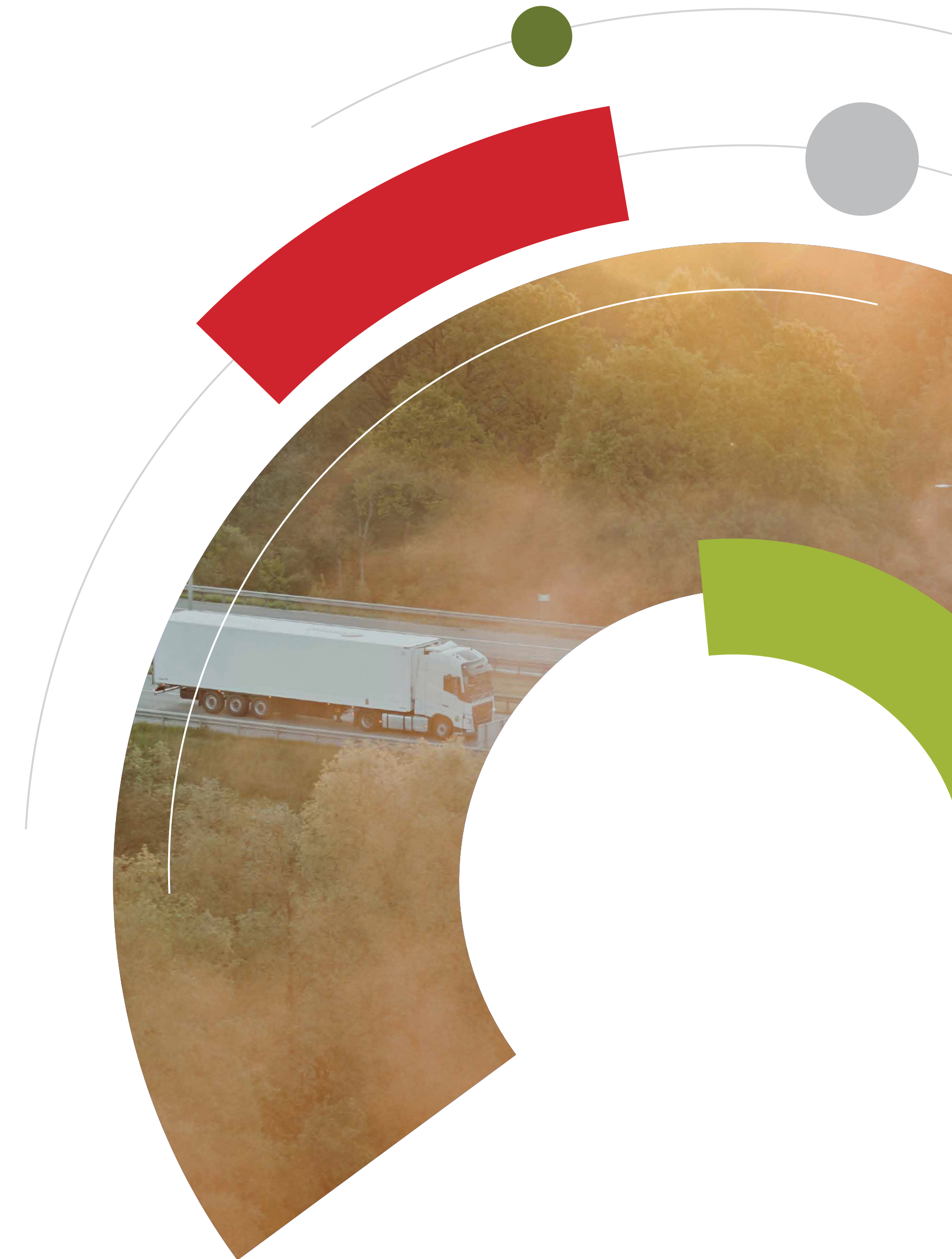
Girteka Logistics has a clear focus on transforming its transportation business to accommodate these changes in the world around us. We are committed to leading the industry in a sustainable direction.

To become the most technologically and digitally advanced, asset-based FTL road transportation company in the world by 2025. With best in class, sustainable, transportation solutions.

Girteka Logistics manages the emissions by employing numerous sustainability-oriented solutions:

1. Modernizing the vehicle fleet to achieve the lowest possible greenhouse gas (GHG) emissions.
2. Digitalizing our operations to reduce empty kilometres driving

3. Increasing the use of alternative fuels, with a particular focus on HVO for CO2 reduction
4. Increasing intermodal transportation
5. Educating our truck drivers on eco-driving practices to maximise engine efficiency and increase road safety
6. Ensuring our own responsible consumption.
7. Supporting all of our partners and colleagues in the drive towards sustainability.



ENVIRONMENT

ACTIVITIES AND FUTURE GOALS

Environmentally Friendly New Headquarters

Girteka Logistics admin staff will move to a new headquarters “Girteka Park” in Lithuania. The employees will be able to constantly change workplaces, choosing to spend their working day either next to their team members or in shared locations. One of the main advantages of the office are the large number of workplaces created to help stimulate teamwork.

Girteka Park will be located in a 14,000 sq. m area, in a six-story A+ energy class building, which already has a BREEAM Very Good certificate for the technical

design of the building. Once the building is completed, solar panels will be installed on the roof of the building, which will produce about 10 percent of the annual electricity demand of the entire business center.

“ Seeking to create good working conditions for all members of our team, we are glad that more than 2400 administrative colleagues will move to work in an office that follows modern office trends and meets the needs formed by the new reality. When choosing the new headquarters, we focused on ensuring comfort for our colleagues looking for a convenient office location and the functionality of the building. We also wanted our HQ, which will bring together the most administrative staff, to be suitable for cooperation,

says **Mindaugas Aleška**, Chief of Staff.

Hybrid Work Scheme

The company has proposed to administration department employees in Lithuania the opportunity to work remotely from any country in the European Union. Once lockdown is lifted, employees can choose to work from both the office and remotely.

“ Aiming to adapt to the reality shaped by the pandemic, we have offered our employees to work more flexibly, giving an opportunity to combine work and free time in Lithuania or abroad. Taking care of our colleagues’ safety, at the start of the pandemic, in a short timeframe we moved to work from home, and we had enough time to confirm that remote work can be effectively. So as lockdown restrictions are being lifted both in Lithuania and in Europe, we want to propose our employees to work in a more convenient and flexible way,

shares **Jens Jensen**, Chief People Officer at Girteka Logistics.



ENVIRONMENT

ACTIVITIES AND FUTURE GOALS

New Transport Base Poland

The new base, located in Poland, will be the second transport base of the company in Poland enabling Girtaka to better serve its clients’.

To support the new plant with more than 2,000 trucks already based there, next year the company is looking to recruit more than 5,000 new employees, mostly new drivers, but also transport technicians as well as administrative staff especially finance and personnel professionals.

“

It is a great pleasure to open a new, modern transport base that will contribute to becoming the obvious first choice for our clients as well as for our employees since the new base will enable us with a strong additional force to provide our service. In addition, the new transport base will also allow us to cut carbon emissions of ours and contribute to road safety since in a long run we will cut “empty kilometres” significantly

says **Mindaugas Paulauskas**, CEO at Girtaka Transport.

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In five years, the company plans to invest at least five million euros to equip and maintain the new base.

Our future goals will be to:

- continue to invest in technological innovation and sustainability as we see this as the future of the transport industry;
- monitor, evaluate and improve our internal reduce, reuse and recycle policy.

Our fleet of trucks are now all EURO 6 diesels with the exception of a small number of LNG vehicles, making this a highly energy efficient fleet of trucks and trailers in Europe.

Our drivers are all trained in the very latest Eco-Driving techniques, improving the environmental efficiency of our trucks. Out on the road, we have started to make an impact on reducing CO2 emissions by expanding our use of of intermodal options for cargo transportation.

We are also one of the first road freight transport companies to be given the Green Carrier Certificate by one of our partners, DHL.

Plus Girtaka Logistics has successfully passed the fifth annual Good Distribution Practice (GDP) audit, scoring 96.45% following an independent assessment. The certificate will allow Girtaka Logistics to continue carrying cargo for our pharmaceutical customers, an important part of the company’s business.

Environmental Management System (EMS)

The EMS system has allowed us to identify risks and opportunities, and how to minimise/maximise them, providing a better awareness of life cycle economics, along with how to improve the communication of our results through internal and external communication channels.

Our EMS, certified under the ISO 14001:2015 standard, commits to the following main goals:

- reduce pollution, CO2 emission, and waste;
- increase the sorting and recycling of waste;
- build awareness by involving employees and partners in efforts to protect the environment;
- apply green criteria for purchasing;
- comply with environmental legislation;
- prevent potential environmental incidents and be ready to address any that might occur.

Our aim is to ensure that local offices, production facilities, warehouses, garages, and outsourced activities, including subcontractors, all take measures towards air pollution mitigation.

ENVIRONMENT

REDUCING CO2 BY EXPANDING OUR EUROPEAN INTERMODAL NETWORK

Girteka Logistics continues to reduce its carbon footprint through an expansion of its intermodal network by using the new freight lanes that now exist throughout Europe starting with the newly-opened Kaunas Intermodal Terminal, which connected Lithuania with Tilburg, the Netherlands in July 2021.

This allowed Girteka Logistics to carry double the number of Full Truckloads (FTL) compared to 2020, saving over 14.4 million kilograms of CO2 emissions throughout 2021.

In addition to the saved emissions, the company's commitment to sustainability was reflected in the fact that by carrying FTLs on trains this reduced the number of truck tires needed by the company in 2021 by 900 and avoided at least 61 accidents on the road, based on the average numbers in the industry.

Furthermore, Girteka Logistics' customers have access to its fleet of trucks that are powered by the latest Euro 6 standard diesel engines, as well as the option to complete first and/or last-mile deliveries by using Hydrotreated Vegetable Oil (HVO) or HVO100 fuel, further reducing the CO2 emissions of the whole process, as HVO can reduce the environmental impact to up to 90% compared to using regular diesel.

The Girteka Logistics plan for 2022 includes growing the number of FTLs carried by intermodal rail transport by 50%, intermodal rail freight services to and from the United Kingdom (UK) will be one of the main priorities going forward in 2022.

We have already invested in rail freight transportation as part of our commitment to sustainable development, as it optimises traffic flows and reduces the number of vehicles on the road.

“

The impressive growth of Girteka Logistics' intermodal operations, which now have doubled in terms of our capacity and our CO2 emissions savings for two years in a row, is no coincidence,

stated **Pavel Kveten**, Chief Operating Officer „Girteka Europe West“.

”

Overall, the company doubled the amount of FTLs it carried compared to 2020, with over 16,100 fully-loaded trailers traveling on rail tracks, saving the environment of more than 14.4 million kilograms of CO2 emissions, as the FTLs traveled for more than 15.2 million kilometers throughout the EU.

By incorporating railways and ferries into the transportation process, the company significantly reduces CO2 emissions. It is estimated that moving freight by railway reduces greenhouse gas emissions by up to 75%. It is one of the most environmentally friendly ways to transport loads over long distances.



The company plans to continuously grow its intermodal rail network. By 2025, Girteka Logistics aims to complete 20% of its deliveries using intermodal transport to reduce emissions.

“

I also wanted to highlight the work of our partners who have ensured that our intermodal services were of the highest quality and allowing us to deliver trailers reliably throughout the year,” added the COO, noting that **“even in the worst-case scenario, our fully asset-based fleet enables us to react and alleviate any kind of issues on a very short notice, which is a key advantage of our intermodal offering,**

”

concluded **Kveten**.

ANTI-CORRUPTION

Our business must be defined by good business ethics, and we take a zero tolerance approach to corruption.

UN Global Compact Principles 1 - 10

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

As a leading transport and logistics company in Europe, Girtaka Logistics understands that it has to set the highest standards of ethical business. The company has a clear ethics code and anti-corruption policies, including transparent procurement procedures.

Girtaka Logistics operates using the following specific rules to address anti-corruption:

- bribery;
- kickbacks;
- facilitation payments;
- money laundering or financing of terrorism or other criminal activities.

We are clear and unambiguous in our company Code of Conduct on anti-corruption and compliance with laws, and in this, we make the following statements:

- corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers, or employees of any such party or government officials;
- we are committed to conduct business only with reputable customers and suppliers involved in legitimate business activities with funds derived from legitimate sources;
- our employees comply with applicable laws and regulations governing our business activities worldwide. We respect all competition laws;
- the confidentiality of all information and business data is respected.
- Girtaka Logistics ensures that:
 - the company is not involved in and does not accept corruption or corrupt practices when doing business;
 - anti-corruption and/or ethical behaviour measures are mentioned while agreeing on contracts and business discussions with business partners;
 - internal procedures are established to support the company's anti-corruption commitment.

Our employees are fully trained in understanding what our ethical business standards mean and how to uphold them in their day-to-day work.

Our Code of Conduct is used as the foundation for our training on these subjects, and it is annually reviewed to ensure it reflects any necessary changes or revisions.

Activities and Future goals

Throughout 2021, we have invested in expanding and strengthening our procurement team and procedures. We place clarity and transparency in all our procurement procedures for the successful operation of the company.

With over 10,000 clients, the company participates in a large number of international tenders and transactions both as an issuer and as a recipient of tenders.

We continue to monitor this area of activity and to educate our employees and management on a continual basis.

Within the company, we maintain and regularly monitor the systems in place that allow employees the possibility to report safely and anonymously any malpractices. Our future goals will continue to be:

- continue to run workshops on the company's Code of Conduct;
- continue to monitor our procurement processes and improve where necessary based on client and professional feedback;
- continue to provide employees a safe and anonymous reporting process for highlighting any malpractices.

CERTIFICATES

ISO 9001 – QUALITY MANAGEMENT

Our quality management system is certified according to ISO 9001 standard. Its key objectives are creating added value for clients in ways consistent with profitable growth, providing high-quality services on time, and regularly offering clients new solutions.

ISO 14001 – ENVIRONMENTAL MANAGEMENT

Our environmental management system is certified according to ISO 14001 standard. Girteka Logistics strives to take a green approach in everything it does. See the section of this site on environmental protection. Girteka Logistics as well works to reduce environmental pollution and CO2 emissions. We encourage the sorting of waste within the company for recycling and waste disposal.

EUROPEAN CLEAN TRUCKING ALLIANCE (ECTA)

Girteka Logistics is a founding member of ECTA, whose vision is to achieve the fastest feasible decarbonisation of the road freight vehicles and the sector in general. The aim of the Alliance is to drive the development, implementation and support for EU and national policies, programmes and initiatives to create an ecosystem, shifting away from fossil-fuelled vehicles to vans and trucks with zero emission tailpipe, consequently dramatically reducing air pollutant emissions.

SQAS (SAFETY & QUALITY ASSESSMENT SYSTEM) ATTESTATION

The attestation confirms that Transport service assessment has been carried out at Girteka Logistics. The assessment covers the “Core” and “Transport service specific” elements and has been carried out using the Cefic SQAS Transport service Questionnaire and Guidelines. SQAS – is a detailed report which each chemical company needs to evaluate according to its own requirements.

GIRTEKA LOGISTICS - MEMBER OF TAPA ASSOCIATION

Having been TAPA accredited carriers for several years already, Girteka Logistics has now become a member of the association. This is another step forward in securing our leadership position in logistics. Membership benefits include best practice exchange at international conferences, larger security assurance network which in turn aligns us with the requirements of certain customers.

TAPA TSR LEVEL 1

Our security management system is certified according to TAPA TSR level 1 standard. The Transport Asset Protection Association (TAPA) standard provides the minimum acceptable security requirements to ensure the protection for high value goods transportation.

GDP (GOOD DISTRIBUTION PRACTICE)

Girteka Logistics is working with many leading Pharma companies. We follow GDP (Good Distribution Practice). Girteka Logistics GDP is certified by SGS.

Obtaining this GDP certificate from SGS further underlines Girteka Logistics commitment to be the best in class in every industry it operates.

For GDP transport we use a dedicated part of our fleet, and employees who are trained in and fully understand GDP.

Part of our benefits are:

- GDP compliant fleet, where we only use our own trucks and trailers;
- new Frigo trailers with double deck capability;
- full FTL coverage in Europe, Scandinavia and CIS;
- GDP supported by standard operating procedures;
- access to our 24/7/365 service backed by our SOS centre;
- on time deliveries with high capacity.



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