

# UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2019



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COMMUNICATION ON  
PROGRESS



## CEO LETTER

“

**Smooth transportation of goods is a vital part of our everyday life. Especially when it comes to delivering food, medicine and other necessities essential to keep Europe going, even when confronted with crisis.**

”



*Edvardas Liachovičius*

# CEO LETTER

This year I am pleased to present our fifth CSR report, in which we highlight our achievements, as well as the actions we took to further integrate the Global Compact principles into our company DNA through employee activities, professional development, trainings and local, social and environmental initiatives.

Girteka Logistics is a well-established and internationally recognised company, known for its exceptional quality and standards. Over the years we have grown from strength to strength, setting an example within the transport logistics industry.

We recognise a strong opportunity for continuous, sustainable organic growth in our industry, driven by end-to-end digitalisation.

Using the latest technologies and its own dedicated fleet the best-in-class transport logistics solution to our clients and their end customers. In order to maintain our strength in industry digitalisation, we are partnering with SAP, a market leader in enterprise application software, to implement a new complete end-to-end transportation management solution. This will help to better the whole planning, management and accounting processes across every corner of our business.

Girteka Logistics mission statement perfectly reflects our commitment to social, environmental and economic responsibility that we carry in our day-to-day business: “WE CARE” is more than just a slogan, it is the core principle upon which we have built our business. WE CARE approach guides us throughout all internal

and external operations and decisions we make across five our pillars – Clients, Partners, Colleagues, Our Community, Shareholders.

“ **Smooth transportation of goods is a vital part of our everyday life. Especially when it comes to delivering food, medicine and other necessities essential to keep Europe going, even when confronted with crisis.** ”

This year we were pleased to see our employees working in teams with the “Good Vibes Challenge” and providing support and recognition to different people in the community who often go unnoticed in their daily lives. Separate from this programme was our continued commitment to road safety in the community. Something we are proud to be part of. Our partnership with the Lithuanian police force has once again helped to save lives and make the roads safer through a series of educational events and distribution of safety reflectors to citizens.

Our commitment to the UN Global Compact – a commitment we have had since 2015 – remains firm. We are very proud of the achievements, progress and

positive impact Girteka Logistics has made in corporate social and environmental responsibility throughout 2019 and we are looking forward to facing and fulfilling our future challenges.

*Best regards,  
Edvardas Liachovičius*



# WHO WE ARE

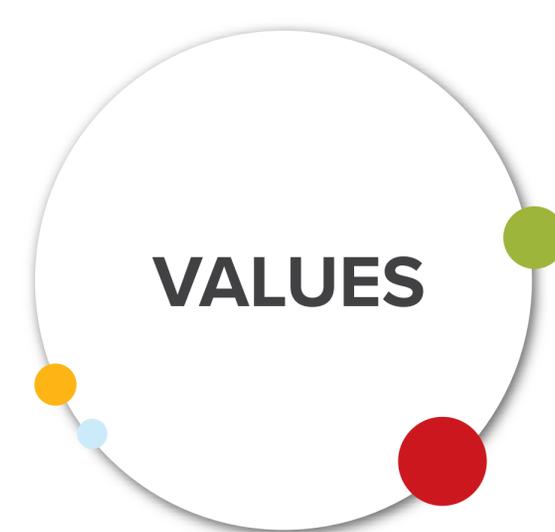
Our mission, vision and values are the foundations of Girteka Logistics organisational strategy and serve as guiding principles in the establishment of our objectives.



Our mission is to support businesses of all sizes and ensure smooth transport logistics services, delivering goods and supporting people in their everyday life. Choosing Girteka Logistics means choosing more than just logistics transportation provider – it means choosing high quality standards, safety and stress-free logistics solution.



For Girteka Logistics to become the most valued and technologically advanced asset-based logistics transportation company in the world by 2025, using the latest technologies and its own dedicated fleet to deliver the best-in-class transport logistics service to our clients and partners.



## **THINK**

We target excellence in all areas of our business  
We combine the best solutions for each and every client  
We plan and achieve best results, with a clear focus on the process

## **ACT**

We invest in technology and innovative management practices  
We take responsibility and achieve what we promise  
We aim to deliver on time, with traffic safety our priority in planning

## **LEAD**

We are flexible and take a tailored approach to every request  
We help each other to be leaders in our work  
We act responsibly towards the environment and communities

# CSR / 10 PRINCIPLES OF THE UN GLOBAL COMPACT

## WHAT IT IS AND WHY WE DO IT

This is the fifth consecutive UN Global Compact CSR report for Girteka Logistics, and it continues our commitment to the 10 principles within the themes of human rights, labour, environmental and anti-corruption.

For a company of our size – in terms of the number of employees and our geographical spread - it is essential that we consider our social and environmental impact, and how we successfully manage this in line with sustainable economic growth. More so, we recognise the importance of engaging with our local communities.

We are proud to be a member of the UN Global Compact. Reporting on our CSR through the 10 principles has become an automatic commitment and is already part of the company DNA. As such, it exists throughout every level of the company, providing a focus on reducing our environmental impact, strengthening our social commitments, and ensuring that it is done in a measured and managed way.



# OUR COMMUNITIES

The core strength of Girketa Logistics is our workforce, the people who make everything happen. We therefore make sure that we create and encourage a healthy workplace and employee environment and in doing so, promote the wellbeing of our employees.

We must be an integrated part of the communities where we work and live, together with our now 18 000 colleagues we work to ensure that our CSR activities are meaningful and valuable for our communities.

We are especially proud of our focus on road safety and our strong partnership with the local Police Force and UNICEF here in Vilnius, Lithuania.

We continue to sponsor and encourage a range of sports activities inside and outside the company such as yoga, basketball, running and more. Vilnius city organises several highly competitive marathons and city runs each year, and Girketa Logistics is always well-represented in these.

We believe that our strength, continues to be our engagement with local communities and that a continued investment towards such activities is a strong must even during crisis.



## ROAD SAFETY - 6 000 SAFER LIVES

We completed our fourth year of successful cooperation with the Lithuanian Police Department in Vilnius and worked with them to promote our “Safer roads: Saving lives” campaign, one of the cornerstones of our social responsibility commitments. As part of this commitment and cooperation, we provided police patrols with 5 000 reflectors to give out to pedestrians. In Vilnius, more than half of road fatalities occur during the dark hours of the day. With the proper use of a reflector, a driver can spot pedestrians in the dark from a farther distance and react quicker.

Dainius Šalomska, Chief of the Vilnius County Police Headquarters Traffic Police Board says:

“ Reflectors are distributed to the public at events organised by the police, as well as to pedestrians travelling on an unlit roadside at night time. The more reflectors visible to other road users, the better visibility and safety for pedestrians.

In addition, Girteka Logistics handed out 1 000 reflectors during the “Be visible be safe” event in October. These were given to all visitors at our interactive educational reflector area.



**6 000**  
REFLECTORS  
PROVIDED



# ROAD SAFETY DAY

## IN VILNIUS

For the tenth consecutive year, Girteka Logistics celebrated and actively participated in the national Road Safety Day “Be visible and safe” campaign on September 29th. Organised by the Lithuanian Road Administration under the Ministry of Transport and Communications, the event to encourage road safety was held in the Cathedral Square in the heart of Vilnius. Hosted by an actor and local celebrity, Mantas Stonkus, over 1 500 people attended and took part in activities on the day.

Two Girteka Logistics’ trucks with trailers were on site from early morning until 4 pm. One of the trailers was used as a stage, and the other as an educational reflector zone, with the inside containing a series of tactile and sight and sound related educational activities. All visitors at the educational zone were given safety reflectors. Activities for visitors included invitations for volunteers to sit behind the wheel of a Girteka Logistics truck (with help from our driving instructors), an instant photo booth, a sponsored scooter racing, a fire and rescue safety services show, and live musical entertainment provided by Lithuanian musical stars.

## IN ŠIAULIAI

On the last Friday of August every year, Girteka Logistics’ Šiauliai base organises its own Road Safety Day dedicated to its employees and their families. The date is chosen so as to educate children just before they start school on September 1st and the event has already become a tradition for many years now.

This year the Šiauliai office was full of employees, who watched educational videos about traffic safety, practiced how to use a pedestrian crossing and learned different ways of ensuring their safety on and near roads.

In the afternoon the local police came to present additional safety information and provided some practical outdoor activities. These included a display of tricks and actions using a trained police dog, which showed its skills in retrieving keys/money and other hidden belongings. In addition, children and their parents had the unique opportunity to drive new police cars and learn more about the equipment being used. In return, our employees presented the policemen with the opportunity to drive a Girteka Logistics truck in the truck park.



OVER **1 500**  
PARTICIPANTS IN A  
ROAD SAFETY DAY  
IN CATHEDRAL  
SQUARE

WATCH  
VIDEO 



## HEALTHY LIFESTYLE

### THE NIKE 'WE RUN VILNIUS' EVENT

This year, a record number of 110 employees registered for the NIKE "We Run Vilnius" event in June. Runners were able to choose from three distances: 21 km half-marathon, 10 km and 5 km. Five colleagues decided to run the half-marathon, 24 challenged themselves with 10 km, and 81 signed up for the 5 km run. Our big cheerful bunch of employees all together wearing the same Girteka Logistics t-shirts attracted the attention of television journalists from national TV station TV3.

### DANSKE BANK VILNIUS MARATHON AND CITY RUN

In September an impressive team of 75 employees took part in the Danske Bank Vilnius Marathon and city run, overcoming the heat to achieve some excellent results. The competition included a 5 km, 10 km, half-marathon and a full marathon run. Irena Džangirašvili, from our Excise Cargo Department, ran the full marathon in an unbelievable 3h 41 min. "It is the best result I have ever achieved in a marathon distance", - Irena said. Five

employees ran the half-marathon and 25 completed the 10 km run. The remaining 44 competitors started and completed the most popular 5 km track.

### GIRTEKA LOGISTICS 3X3 BASKETBALL TOURNAMENT

Girteka Logistics 3x3 basketball tournament – a tradition already for 13 years now - took place in April with as many as 19 company teams testing their athletic talent. The winner of this year's tournament was the "NORDIC I" team, with "Žalgirio fanai" in second place, and "Žaidžia po B krepšiu" coming third. These three teams were awarded cups and medals by Edvardas Liachovičius (Girteka Logistics CEO).

"NORDIC I" did not lose any games during the tournament, and in fact has a proud record of success in the tournament over the past four years. This year was their fourth year of achieving a medal position, winning three gold and one bronze previously. The team captain Mykolas Subačius and team members Deimantas Pavlovskis, Vitalijus Širokinas and Gytis Badaška unanimously agreed that their victory was due to intense physical training, personal effort of each player during all the competition and the motivation to keep the champion's name.



## HEALTHY LIFESTYLE

### CAKE DAY FOR CHILDREN'S CHARITY FUND "MAMŲ UNIJA"

This year the "Mamų Unija" ("Mother's Union") charity fundraising cake day event was held across all five Girteka Logistics' sites. The event is now a regular fixture in our social calendar, dating back to 2014. During the day, employees brought in homemade cakes and sweet pastries to share with colleagues. Whilst talking and sharing the cakes, donations were collected for the charity. This year we raised more than 2 000 EUR, which will go towards helping children with cancer, providing them with care and specialised facilities.

### BLOOD DONATIONS

During the last week of June, colleagues of Girteka Logistics warmly welcomed a mobile unit from the National Blood Centre to two of our main sites. In total, 140 employees volunteered to donate blood and as many as 31 employees were giving blood for the first time.

However, we are proud to say that we have a number of employees who have donated blood about 30 times. One person giving blood can potentially mean three lives being saved.

### TOGETHER WITH UNICEF – FOR EVERY CHILD

Every year Girteka Logistics contributes to a number of educational and cultural initiatives. One of these is to support UNICEF's sponsored run "For Every Child" that takes place in June. This year, the event was dedicated to the 30th anniversary of the UN Convention on the Rights of the Child, and this was our second consecutive year of participation.

Girteka Logistics set up a converted semi-trailer branded in UNICEF colours, which acted as a stage for performance, musicians, dancers and for famous Lithuanian celebrities to greet the young children participating in the UNICEF run.

We support and help to organise the UNICEF run "For Every Child" because we care about the future of our children and we want to encourage them to have healthy lifestyle habits.



# OUR COMMUNITY EVENTS

## SUMMER FESTIVAL

Our summer festival is a regular event that brings together colleagues from across the company for a day of celebration and fun. This year's theme was 'Together in Motion' and the tickets for the event were sold for a symbolic price of between two to five EUR, which was later donated to three charities, depending on each participant's preference. In total, we raised 3,291 EUR, which was split between our three chosen charity organisations: Project "Gyvas Miškas" ("Live Forest"); Charity "SOS Gyvūnai" ("SOS Animals"); and Charity "Mamų Unija" ("Mother's Union").

Over 1 000 colleagues came along to enjoy active participation in a mix of fun and games, team challenges, a live stage with dancers and musical performance. During the event, our employees had a unique opportunity to take part in many wonderful activities including the making of a beautiful painting called "wall of colourful hands" which was painted using only hands (and which is currently hanging in Girteka Logistics office); a "motion in the air" photo trampoline; a bracelet workshop; bubble workshop; and a face reader (attracting masses of people). There also was plenty of sporting action, including basketball, football and other competitive games.

## WINTER FESTIVAL

In December, Girteka Logistics held its winter festival event for staff colleagues with over 1 300 people taking part and enjoying the celebrations. Fun and games included: a room of mirrors, a fortune teller, a 360° camera to take your photo, a Girteka Logistics driver's simulator, and beauty treatments with neon paints and colouring.

In addition to the fun activities, awards were presented to exceptional project teams who made a major contribution towards the company's success throughout the year within the company's "We Care" categories of clients, shareholders, community, and colleagues.

Tickets for the Winter Festival came with a choice of donations to one of several local charities. This year almost 4 000 EUR were donated to the charity "Nobody's Children". The charity provides emotional support to orphans or children with no parental support who are admitted to hospitals. Girteka Logistics' donation will allow the charity to carry out activities in one city for three months, helping to support 20 children in hospitals.



OVER **7 000**  
EUR DONATED TO THE  
CHARITY DURING  
COMPANY  
FESTIVALS

# OUR COMMUNITY EVENTS

## CLIENT DAY IN COPENHAGEN

In Copenhagen in May, Girteka Logistics organised its first ever “Logistics, Supply Chain, and Transportation 2019+” strategic conference and client open day event. “Logistics, supply chain and transportation will, in the next few years, face unprecedented changes due to rapid digitalisation and growing customer needs. In order to maintain customer confidence, companies need to adapt quickly by proactively reviewing and changing their business models and processes,” said Girteka Logistics CEO Edvardas Liachovičius.

Around 80 of Girteka Logistics’ largest international clients were present, along with our own representatives. Eight experts from leading international companies presented on a range of themes within transport and logistics.

## OPEN DAYS AT GIRTEKA LOGISTICS

At our Vilnius HQ in May, Girteka Logistics hosted another popular Open Door Day event with 150 guests coming to look around the company. Visitors were introduced to representatives of different professions and heard about the company’s growth and success to-date, as well as possible career opportunities.

Meetings with our recruitment department team received a lot of attention. Those who were interested in job opportunities at Girteka Logistics could participate in job interviews on the site. Within 3 hours, 100 interviews were conducted with almost 30 people being invited to the second-round interviews.



## “GOOD VIBES” CHALLENGE

The “Good Vibes” challenge is an initiative that engages employees across the organisation to carry out tasks that spread positive vibes and better the society. The idea was initially launched in March 2018 by the Russian and Excise Departments. In May 2019, the project was relaunched with the rules updated, but the noble mission of providing social assistance remaining the same. It works with a team being given a challenge and once completed, setting a different challenge for another team, and so on. Each team has four days to complete the task.

Environmental “Good Vibes” challenges included: collecting litter and rubbish in the forest at Verkiai Regional Park; installing a bin for smokers to discard their cigarette stubs; tidying up abandoned graves, planting flowers and lighting candles at unattended graves in the Liepkalnis and Našlaitės cemeteries. Employees raised funds for the renovation of a home of an elderly lady who had survived a stroke and repaired the windows, painted the walls of the balcony - and assembled new furniture.

Closer to the workplace, colleagues presented drivers with coffee and pastries, and thanked the office cleaners with practical gifts. In the Russian warehouses, colleagues decorated the kitchenette, and generally took care of others around the office by giving them ice cream and offering good wishes for the day. There were many more meaningful challenges completed by Girtėka Logistics colleagues, creating good vibes not only amongst ourselves, but also within our wider community.



# INTERNATIONAL VISITS TO GIRTEKA LOGISTICS

## TRANSPORT AND LOGISTICS NETHERLANDS (TLN) ASSOCIATION

In October, the Dutch Association for Transport and Logistics (TLN) visited the Girteka Logistics HQ in Vilnius. The TLN unites Dutch companies working in the transport and logistics sector, and within TLN, there is a particular network for young transport operators and logistics managers under 41 years old, called YoungTLN. Members of this network are supported by TLN in their professional development through workshops, networking events and similar initiatives. Once every two years, they organise a foreign study trip with a combination of sector-specific content and some fun elements and this year YoungTLN requested a visit Girteka Logistics with the main aim to network, learn and get inspired.

The TLN group of some 40 participants were welcomed and later met representatives from the Quality and LEAN Division, and the Key Accounts Division.

## BELARUS INTERNATIONAL ROAD CARRIERS ASSOCIATION (BAMAP)

After visiting the Girteka Logistics Vilnius HQ in May, representatives of the Belarusian International Road Carriers' Association (BAMAP) returned in October to visit the company's Šiauliai transport site.

On this visit, BAMAP members wanted to study our business processes and to share experiences with our colleagues and business partners. They had the opportunity to personally see how the drivers' premises are arranged, their training and rest areas, and the truck and automotive service areas. The main motivation behind such visits is partnership development, which is directly related to the achievement of Girteka Logistics' business goals and has a positive influence on the company's growth.

## BALTIC LEAN FORUM – AWARD FOR THE BEST RESULT OF THE YEAR

In April, the Litexpo Exhibition and Congress Centre in Vilnius hosted the 6th Baltic LEAN Forum. The LEAN Awards for Best Results are also traditionally held at the event and this year Girteka Logistics won in the Best Result of the Year nomination. The prize was awarded for the successful application of LEAN philosophy in 2018 which included the solution of complex problems, standardisation of employee activities, as well as the transference of LEAN to the digital space.

Girteka Logistics has been using LEAN methods in its activities since 2014. According to the company LEAN and Quality Manager Ramūnas Stanišausas, "the implementation of LEAN in the organisation as well as its continuous improvement is a never-ending process, so we are not going to rest on our laurels this year".

The Baltic LEAN Forum is the largest conference dedicated to LEAN and it attracts more than 300 participants each year. The main topics of this year's Baltic LEAN Forum included the sustainable implementation of LEAN, LEAN management skills, leader challenges and the transformation of change.

# HUMAN RIGHTS

**PRINCIPLE 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**PRINCIPLE 2:** Make sure that they are not complicit in human rights abuses.

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. We work closely both internally and externally to ensure high standards of safety, quality and environmental sustainability. Our clients are increasingly more demanding in these themes and insist on constant audits, ever increasing standards and a growing 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.

## ACTIVITIES AND FUTURE GOALS

We continued our cooperation with the Lithuanian police department on a number of road safety events, including the donation of over 5 000 night time safety reflectors.

The “Kaizen” internal system of encouraging employees to provide suggestions and ideas on ways to improve how we work went from strength to strength. This year we received a higher number of ideas which were implemented to help streamline our internal ways of working. We also upgraded the Kaizen process to a new digital system to increase its speed and efficiency.

Our publications and digital copies of our Code of Conduct, CSR report and annual report are accessible throughout all of our sites and offices as well as on our Intranet and webpages. We match this with working closely at every stage of our supply chain, with all of



our partners, suppliers and clients to ensure ethical, socially and environmentally conscious business decisions are made. Our future goals will be to:

- continue to promote our Code of Conduct and to revise where relevant feedback is received from colleagues and clients;
- monitor the new digital way of using Kaizen and ensure that 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

**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: forced and compulsory labour; freedom of association and the right to collective bargaining; child labour; discrimination and privacy; regular employment; 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 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 of 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 being 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 information.

## ACTIVITIES AND FUTURE GOALS

With high numbers of recruitment in 2019, and this pattern expected to continue in the next two to three years, we must ensure that we continue to support the recruitment process with 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 a high number of Human Resources (HR) partners working closely with managers and employees in all departments, to solve any potential issues and concerns. We believe that we have one of the very best HR teams in Europe. Our future goals will be to:

- ensure labour rights and employee conditions at the very top of our priorities 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 ;
- monitor and update the ‘Yammer’ intranet system to ensure it reflects the needs of employees.

# LABOUR EVENTS

## TOP LITHUANIAN JOB CREATOR

According to the business daily newspaper and website Verslo Žinios (Lithuania), Girteka Logistics came into 2019 as the top employer in Lithuania in terms of jobs created, a position we held throughout this year.

According to Aušra Bijaminienė, Chief People Officer at Girteka Logistics, “We actively hired not only truck drivers but also experienced professionals from Sales, IT, Business Development, Marketing, Transport and Logistics, Finance, Human Resource Departments and other areas to match the company’s growth. Employees are attracted to us by an opportunity to work with international companies and markets. Competing in an international market, we apply market-compliant salaries and provide our employees with opportunities for personal development; factors which determine a lower turnover of employees compared to the market average.”

In 2019, there was a total of 18 000 employees working in all Girteka Logistics offices in Vilnius, Šiauliai, Smolensk and Poznan, with back office employees making up 2 500 of these. In 2019 alone, we recruited nearly 3 000 new employees, which feeds into our goal of reaching a total of 30 000 employees by 2022.

## NEW MODERN OFFICE

In March Girteka Logistics opened its new 3 800 m<sup>2</sup> office extension to its current main office in Račių Str. in Vilnius. As the fastest growing employer in Lithuania, the extra space was much needed! At present, our headquarters now has more than 1 150 workplaces, and the total area of office space on Račių Str. is 9 500 m<sup>2</sup>.

There is a new reception area, and a new canteen with up to 100 sit down places and a self-service shop. Additional workplaces for over 500 employees are supplemented with 12 additional conference rooms. Some nice innovative touches were added to the interior design based on employee suggestions. One was the replacement of individual desk bins with communal bins in specific locations around the office. This encourages employees to reduce waste and exercise regularly whilst at their desk, as well as promote recycling both inside and outside the office premises.

## DRIVER # 13 000

In Smolensk in October, Girteka Logistics welcomed driver number 13 000. Alexander Gelvanovsky, the head of the Smolensk base, praised the progress his base had made in just five years since opening. The celebration for the 13 000th driver coincided with the fact that in the same week, Russia celebrated its National Driver’s day.

## “MARKET DEBUT OF THE YEAR” AWARD AT POLISH BUSINESS AWARDS

At the 8th Polish Business Awards in Vilnius in December, Girteka Logistics received the “Market Debut of the Year” award for the successful growth of its transport base in Poznan, Poland. Within its first year, the Polish unit celebrated its expansion to a fleet of more than 300 trucks and a professional team of 20 administration employees.

“We are so proud to receive this award, and to have our strong neighbouring country Poland as a partner. The 60m EUR investment in the Poznan transport base is a part of our growth strategy, and we aim to employ 750 truck drivers there” said Edvardas Liachovičius, CEO of Girteka Logistics.

The awards event was attended by Lithuanian ministers and the Polish Ambassador to Lithuania, as well as business leaders from both countries.

# EDUCATION

## ISM EXECUTIVE ACADEMY GRADUATES

In May Girteka Logistics celebrated the graduation of 59 of its managers from the ISM (International School of Management) Executive Academy. Having started their studies on a special leadership development programme in 2018, they returned to Girteka Logistics with an expanded knowledge of leadership, marketing, economics and social sciences.

All the managers were awarded special programme diplomas and completed their year of studies full of enthusiasm and motivation to apply all the theoretical knowledge gained in their daily work. As part of their final thesis, students worked in small groups on a number of team-based projects aimed at improving different areas within Girteka Logistics. A competition awarded prizes for the top three, with the ultimate winner receiving the prize of a team dinner at the "Stebuklai" ("Miracles") restaurant in Vilnius.

The company is actively investing in employee education: they deepen their knowledge and improve their competencies. The programmes focus on solving challenges based on situations at work. The new intake for 2019 to the ISM Executive Academy was 48 managers.

## GIRTEKA LOGISTICS OFFICE-BASED EMPLOYEE TRAININGS

In addition, in 2019 Girteka Logistics office-based employees have received a staggering number of more than 3 300 internal and external trainings to improve in their day-to-day work. These professional trainings have included: sales training (Module I & II), time management, talent acquisition, markets and their knowledge, specialised trainings for Key Account Managers and several others.



OVER **3 300**  
INTERNAL AND  
EXTERNAL TRAININGS  
FOR EMPLOYEES



WATCH  
VIDEO

# EDUCATION

## DRIVERS ACADEMY

The Drivers Academy continues to be a great source of pride for Girteka Logistics with some very notable achievements, as well as improvements to the training education curriculum. These were predominantly: several new programmes (such as Transics equipment training) and updates to others; practical driver training and the purchase of additional training simulators (a total now of four); start of training programmes in Poznan; transfer of training programmes on specific topics onto the e-platform; improvement to the testing process for new drivers by introduction of tablet testing - not only in Vilnius and Šiauliai, but also in Smolensk and Poznan; and continuation of, and improvement to, the Eco League parameters as well as updates to the Eco Driving training programme.

The Eco Driving training is of particular importance to Girteka Logistics because it can help reduce fuel consumption significantly. For example, a few years ago, 32ltr / 100km was the normal fuel rate, now the fuel rate can be lower than 28ltr / 100km. It has also had positive impact towards reducing the number of road accidents and associated claims.

We ran a wide range of carefully tailored programmes providing training across several different levels and topics including: traction, safe driving, driver behaviour on the road, economic (eco) driving, Code 95 (commercial freight), Scandinavian routes (including Norway) (SCAN and NOR), Europe (EU), GDP (Good distribution practice), and Transics software. Also, advice was provided to

drivers on how to organise practical loading-unloading, chain-laying, and general loader work. Some approximate key training figures from the Drivers Academy for 2019 include:

- 7 000 drivers participated in general training (in all units in Lithuania, Russia and Poland);
- 3 900 drivers in Lithuania participated in Code 95 initial and recurrent training;
- 9 000 drivers participated in Eco Driving Training;
- 8 600 drivers attended Transics training;
- 12 800 drivers completed GDP training;
- 3 000 drivers attended EU, SCAN and NOR training.

In total, our drivers have completed more than 54 000 trainings in 2019.

## NEW EU FUNED TRAINING PROGRAMME

Girteka Logistics already has a comprehensive range of driver training programmes at its training centres, but extra funding from the European Social Fund has made it possible to expand what we have and to add some new methods of delivery.

The new programme is quite intensive, with classes held daily in both the Vilnius and Šiauliai centres. Such training will comprehensively enhance the competencies

and qualifications of Girteka Logistics drivers and provide the company with a significant market advantage. Drivers' knowledge will be enhanced not only theoretically but also in practice, as they will learn to apply their knowledge by using one of four driving simulators that the company currently has (two in Vilnius and two in Šiauliai).

The project is expected to run for two years (until 2021), during which time it is expected that 14 000 Girteka Logistics Group drivers will have received training.

## GIRTEKA LOGISTICS DRIVER TRAINING VIDEOS

Konstantinas Saniuta, a driver at the Girteka Logistics Šiauliai transport unit for two years, is also known to other drivers as the person who has been filming detailed educational video clips in Russian about the use of special applications created for drivers, truck device settings and various functions. These easy to understand instructional videos received a lot of attention throughout the year from other drivers, with one video being viewed by 5 500 people.

In November, Edvardas Liachovičius (Girteka Logistics CEO), and Mindaugas Paulauskas (Chief Transport Officer), met with Mr. Saniuta to personally thank him for providing colleagues with such high-quality and relevant content, and in supplementing the knowledge drivers' obtained through the Girteka Logistics training.

# ENVIRONMENT

**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 that we constantly strive to maintain the right balance of economic, social, and environmental factors throughout all of our daily activities in order to maintain the highest environmental standards throughout the supply chain.

We take measures to minimize any adverse impacts on human health and the environment; measures which include minimizing pollution and its impact, promoting an efficient and sustainable use of resources, including energy and water, and minimizing CO<sub>2</sub> emissions in transport. Our aim is to ensure that the local environment at sites of production, warehouses or garages shall not be exploited or degraded, and we do so by making sure that:

- 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, where the goal is to be the most fuel-efficient road

carrier in Europe;

- handling and storage of chemical and other dangerous substances is done in accordance to international requirements and rules.

## ACTIVITIES AND FUTURE GOALS

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 automatically trained in the very latest Eco-Driving programmes, allowing us to get the highest environmental efficiency out of our trucks. Out on the road, we started to make reductions in our CO<sub>2</sub> emissions through a more effective use of intermodal options in the transportation of cargo.

The EMAS 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.

Out of this came the company campaign to reduce, reuse and recycle, which made a big difference to the use of resources internally in 2019. Employees no longer used plastic cups in the offices, and they also have access to a larger number of newly installed recycling points. In addition, e-invoicing is now at 60% of all of our invoicing – an increase of almost 7% from the 2018 figures. Social activities carried out by our employees saw over 1 200 trees planted, continuing our pledge to do this every year. 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;
- reduce our CO<sub>2</sub> footprint in 2020 by at least 4% the 2019 level, using intermodal transportation routes;
- ensure that our commitment to only invest in new highly energy efficient buildings is implemented in the development of the new Girtoka Campus in 2020;
- monitor, evaluate and improve our internal reduce, reuse and recycle policy.

# ENVIRONMENT

## ENVIRONMENTAL MANAGEMENT SYSTEM (EMAS) POLICY

Girteka Logistics has a well-implemented Environmental Management system (EMAS) which is certified under the ISO 14001:2015 standard that reassures clients about our commitment to the environment. Our EMAS main goals are to:

- 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.

With these in mind, we take measures throughout the company, and our supply chain, to minimise adverse impacts on human health and the environment. This includes reducing pollution and its impact, promoting an efficient and sustainable use of resources, including energy, fuel and water, and minimising transportation CO2 emissions. We want to ensure that local sites of administration, production, warehouses, garages and outsourced activities, including subcontractors, sign up to our goals.

## REDUCE, REUSE AND RECYCLE OFFICE POLICY

Girteka Logistics promoted an awareness campaign for all employees to be more environmentally-friendly with a set of tips on how to do so in the office. The campaign included tips on reducing paper through double sided printing; turning off the lights when not needed; reducing radiator heating capacity before leaving the office; more sustainable transport modes to and from the office; bringing your own lunch in from home (to help reduce the plastic and paper on foods bought on site); and bringing your own re-useable coffee/tea cup!

Within the office, the number of bins around desks and tabletops have been completely reduced, and totally removed from all meeting rooms. There are now, as standard, recycling bins for different materials and these are placed in and around common areas, kitchen, next to coffee/vending machines and other places.

Every new employee receives a welcome package, which includes a reusable water bottle. Also, the company no longer uses plastic cups, instead replacing them with ceramic cups and biodegradable paper cups for coffee drinkers.

During the warmer season we encourage cycling to the office, taking public transport, car-sharing to the

office, especially if there are colleagues that live close to each other. In addition, we are asking our employees to print less, or not at all if possible.

## PURCHASE OF SCANIA R 410 LNG TRUCKS

In December, Girteka Logistics - the first Lithuanian company to do so - purchased three new eco-friendly Scania R 410 trucks, marking the first phase of our investment in LNG trucks. These new trucks are significantly more environmentally-friendly, operating more silently and more cost-efficiently. Girteka Logistics will operate the new trucks in Western Europe where the LNG filling station network is most developed.



# ENVIRONMENT

## INTERMODAL TRANSPORTATION NETWORKS

Girteka Logistics continued to reduce its carbon footprint by expanding its intermodal network. We have already invested in rail freight transportation as part of our commitment to sustainable development, as it optimizes traffic flows and is safer. The company currently uses eight intermodal rail and ferry lines with around 250 full truckloads of cargo transported through these lines every week.

Currently, Girteka Logistics uses lines to transport goods between Italy - Germany, UK, Spain; France-Poland; Spain - Benelux, Germany, UK, Poland. Around 250 full truckloads of cargo are transported through these lines every week.

By incorporating railways and ferries into the transportation process, we significantly reduce CO2 emissions. It is estimated that moving freight by railway reduces greenhouse gas emissions by up to 75%. In 2019, Girteka Logistics reduced carbon footprint by 2 500 tons of CO2 by using intermodal transportation services.

## RENOVATED TYRES

A small but significant contribution towards our environmental impact is our reuse of tyres. In 2019, we renovated 2 933 tyres (of which 10-15% will be renovated again). We usually renovate around 80% of all the tyres we use. This is mainly work done in retreading truck axle tyres (2 316) and semi-trailer tyres (617 units).

## FUEL ECONOMY

All of the Girteka Logistics fleet of diesel trucks are EURO 6 trucks. Fuel consumption for these is very well managed and the training our drivers receive in the eco-driving training contributes significantly to further reduction in fuel consumption. For example, a few years ago, 32l / 100km was considered normal consumption, whereas now we can already see 28l / 100km and lower consumption amongst our drivers. A combined result of the training programmes all of our drivers undergo at Girteka Logistics.



## TREE PLANTING

For the fifth consecutive year, Girteka Logistics has been creatively joining the “Let’s do it” campaign in Lithuania and also contributing to the national campaign to plant trees! In April teams from different divisions at Girteka Logistics took part in planting fir trees, achieving their aim of matching last year’s record of 1 200 trees planted. All participants received a Girteka Logistics cap and snacks, coffee, and tea. So far, Girteka Logistics has already planted almost 5 000 trees that have turned into a fast-growing forest. We are happy to take part in this initiative, and to contribute towards making Lithuania the greenest country in Europe.

# GREEN TRANSPORT TECHNOLOGY

## HIGH-TECH SCHEDULING ALGORITHM DEVELOPED WITH VILNIUS UNIVERSITY

In cooperation with researchers at Vilnius University, Girteka Logistics has been developing a real-time traffic scheduling algorithm which will be tailored to handle a huge amount of data traffic and to help improve the efficiency of transportation operations.

When connecting a truck with a load, the planners have to take into account a number of different characteristics: the size, weight and nature of the load, as well as parameters of the truck and the semi-trailer, the driver's training, certificates and visas as well as the driver's work and rest balance.

"Our goal is to create smart technology that optimizes the management of transportation and selects the most semi-trailer and truck. This is a major challenge not only because of different parameters that need to be assessed, but also because of the size of the fleet being managed – at the moment it includes 7 400 trucks and 7 800 semi-trailers. We hope that by bringing together scientific and business knowledge, we will develop a solution to make our operations even more efficient," said Ramūnas Mikalauskas (Technology and Innovation Director).

The project involves collaboration with scientists from the Institute of Data Science and Digital Technologies at Vilnius University, as well as consultations with foreign experts. The development of the system is expected to

be completed within two years.

The total budget for this algorithm development project is 900 000 EUR, with Girteka Logistics investing over 500 000 EUR, and the European Regional Development Fund co-funding the remaining 400 000 EUR.

## TRANSICS – INNOVATIVE SOFTWARE TO OPTIMISE FLEET EFFICIENCY

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solution to make our operations even more efficient," said Ramūnas Mikalauskas (Technology and Innovation Director).

## ECO LEAGUE SEASONS TWO AND THREE

The second season of the Eco League competition ran for a six-month period from January until June, and the third season from July through to early January 2020. It's open to drivers who have completed their Eco-driving training programme, and drivers are rated on a 100-point system.

The Eco League competition provides a great motivational programme for drivers, which in turn has a positive impact on driving safety, economy and environmental friendliness. Another distinguishing feature of this initiative is the reduction of the number of accidents and truck/trailer damages.

For season two, drivers from five Girteka Logistics fleets participated in the League during this period, with a total of 97 drivers participating with each receiving updates on their personal results every week. The winner of season two was Dzianis Matsulevich, a driver from our Šiauliai transport site with a total of 98.51 points. For season three, 75 colleagues participated with the winner being Oleksandr Sapega, with a score of 91.47 points. Both winners received a 1 000 EUR holiday travel voucher.

During the three seasons of the competition so far, 192 drivers of Girteka Logistics have already received awards. On the 1st of January the 4th season of Eco League started. We wish good luck to all our drivers!

# ANTI-CORRUPTION

## 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. 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 regulations of competition laws;
- the confidence 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. The Code of Conduct is freely available for download on our company website.

## ACTIVITIES AND FUTURE GOALS

Throughout 2019, we have invested in expanding and strengthening our procurement team and procedures by hiring specialist professionals from outside the company with many years of experience working across many different sectors. We place clarity and transparency in our procurement procedures as highly important to the successful operation of the company.

With over 3 500 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. In 2019, we ran several awareness workshops for all our employee groups to reinforce our values and of our code of conduct. 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 be to:

- 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 work 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 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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