



UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2018

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COMMUNICATION ON
 PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

CEO LETTER

In a dynamic, rapidly changing world, Girtaka Logistics, as a leading, internationally recognised brand, has a strong opportunity to set an example and initiate a positive impact on our society. As such, we are pleased to present our 4th CSR report, in which we highlight our achievements, as well as the actions showing how we are continuing to integrate and expand the Global Compact principles into our business strategy through training, development, and local cultural and environmental initiatives.

Our daily task is basically to deliver goods across a wide geographical area. Thus, in 2018 we announced having approximately 13 000 professional employees, more than 5 600 trucks and 5 800 trailers operating in Europe, Scandinavia and beyond. That represents an intense growth of 30 % this year. Being the largest asset based FTL transport and logistics company in Europe, our ambition is to grow to over 10 000 trucks and 23 000 employees by 2021.

Transport is a vital part of our everyday life, and we need to ensure that we manage and monitor the impact we make. Our rapid growth as an international brand increases our responsibility towards greater road safety.

Therefore during 2018, as part of a continuous cooperation with the Lithuanian Police, we participated in numerous significant, road safety related initiatives: Traffic Safety Day; the 100th anniversary of the Lithuanian Police; a campaign of distributing reflectors "Be Visible"; the discussion festival "Makes sense!" ("BŪTENT!"); and "Vision Zero" traffic safety conference.

One of the organizers of the latter event pointed out: *"This is the first time I have met a transport company that cares about road safety, drivers' safety, education, running traffic schools for children and providing Eco driving. Girtaka Logistics is the premium transport*

“

Transport is a vital part of our everyday life, and we need to ensure that we manage and monitor the impact we make.

”

company in Europe, and well trusted by its growing number of customers”.

Within our sustainability progress, our main objective remains towards the Vision Zero target. Our goal to help towards achieving this is to educate over 10 000 children by 2021. In addition, the implementation during 2018 of the innovative Transics system, empowering easier tracking and on-time communication with our drivers, substantially contributed towards their safety and helped to save resources.

Our mission statement perfectly emphasizes the social, environmental and economic responsibility we carry daily and a core principle of this mission is 'WE CARE'. It's a principle we are committed to and implement throughout all internal and external operations and decisions.

We are proud of the achievements, progress and positive impact Girtaka Logistics has made in corporate social and environmental responsibility throughout 2018 and we are looking forward to fulfilling our future challenges.

Kind regards,

Edvardas Liachovičius



WHO WE ARE

Our mission, vision and values are essential elements of Girtaka Logistics organizational strategy and serve as foundational guides in the establishment of our objectives.

OUR MISSION

WE CARE	 CLIENTS	 SHARE-HOLDERS	 OUR COMMUNITY	 HAULIERS	 COLLEAGUES
	TRANSPORTATION SERVICE RELIABILITY AND LONG-LASTING PARTNERSHIP	PROFITABLE GROWTH AND COST-CONSCIOUSNESS	ROAD SAFETY AND ENVIRONMENTAL PROTECTION	SUSTAINABLE COLLABORATION AND MUTUAL BENEFIT	WORKING TOGETHER, KEEPING PROMISES AND CONTINUOUSLY IMPROVING

VISION

Girtaka Logistics the first European company with 10 000 own trucks.

VALUES

THINK

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

ACT

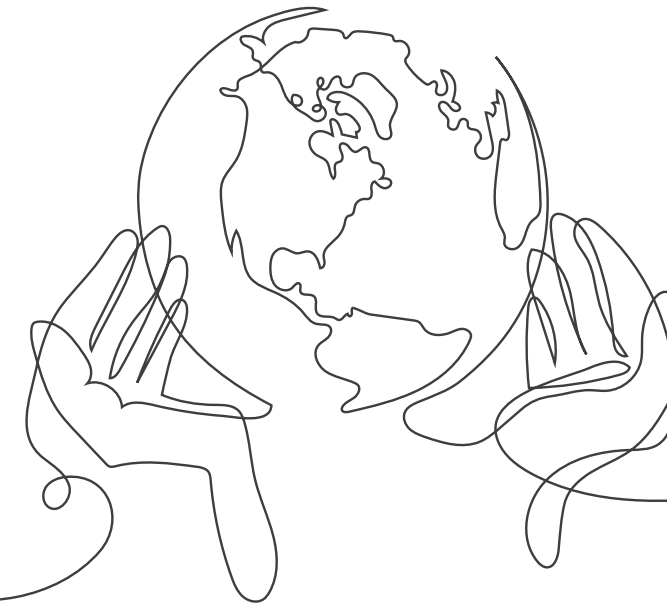
- We invest in technology and innovative management practices
- We take responsibility and achieve what we promise
- We aim to deliver on time, with traffic safety our priority in planning

LEAD

- We are flexible and take an individual approach to every request
- We help each other to be leaders in our work
- We act responsibly towards environment and communities

CSR /10 Principles of the UN Global Compact

WHAT IT IS AND WHY WE DO IT



Sustainability and environmental responsibility are an inherent part of our company's DNA. From our very beginning we have made consistent efforts to improve our social and environmental impact on the planet.

Sustainability is essential to the way we do business, and as such, a keynote priority that

our board of directors and the company's executive leaders regularly communicate to our employees, clients and suppliers.

We continue to support the UN Global Compact corporate governance principles on human rights, better labour practices, environmental protection and anti-corruption.



ROAD SAFETY



Girteka Logistics is proud to be a member of the United Nations Global Compact. We aim to be a positive example in international logistics by actively participating in community events and contributing to social initiatives.

As one of the largest transport companies in Europe we are pleased to be able to contribute to the promotion of road safety throughout Lithuania. Our work in this field is actively supported and helped by a close partnership with the Lithuanian Police who has been educating children about road safety for more than ten years, and who is a regular coordinator of all of our external road safety awareness events.

EDUCATIONAL REFLECTION ZONE

Girteka Logistics has invested in transforming a trailer into a road safety educational zone. The inside walls in this have been covered with information panels, outlining road safety facts and figures and providing tips and advice on how to be safe on or near the road at night.



Inside, in complete night-time darkness, visitors use only a small torch to read the information. It is harder to see those visuals that are without reflectors, highlighting the importance of wearing reflectors in order to be

seen at night. To emphasize this point, visitors have to find three cat visuals (without reflectors) which are quite difficult to find, and which strengthens the reason why reflectors should be worn in the dark. This trailer is a regular part of all of our external events.

BE VISIBLE' CAMPAIGN

Organised by the Lithuanian Road Administration, the 'Be Visible' campaign was launched in October by Rokas Masiulis - Minister for Transport and Communications.

Girteka Logistics provided its educational reflective zone trailer, and local inhabitants were invited to visit it. Specialist consultations were provided by the Road Administration and the Ministry of Transport and Communications.

The campaign will see more than 20 000 light reflectors distributed free of charge to people throughout the rural regions to encourage them to be aware of the importance of being seen when walking near roads.

NATIONAL ROAD SAFETY DAY

In 2018 we were proud to be a key partner in the National Road Safety Day, along with the organisers - Lithuanian Police and Lithuanian Road Administration.

Girteka Logistics brought along two of its special event trailers to support this special day, including our educational reflection zone trailer. Trainers from the Girteka Logistics Drivers Academy pointed out blind zones for drivers and provided advice on how pedestrians should act when a truck is on the road. The truck cab was available for visitors to climb into and experience the view a driver has and to become acquainted with the cab's integrated smart system.

LITHUANIAN POLICE 100th ANNIVERSARY

At the end of September in Vilnius Cathedral Square, Girteka Logistics took part in celebrations for the 100th anniversary of the Lithuanian Police. The event began with a parade of the Lithuanian Police School cadets, and a number of welcoming speeches from the President's office and from several Ministers.

There was also an interactive zone introducing the public to police activities, and an entertainment space for children, along with the opportunity for visitors to experience the Girteka Logistics educational reflection zone trailer.

'BÜTENT' ('MAKES SENSE')

Girteka Logistics participated in the second annual discussion festival "Būtent!" (Makes Sense!). One of the main goals of the event is to demonstrate that important decisions are inseparable from a diversity of attitudes.

The initiative to hold discussion festival in Lithuania was inspired by the examples of Democracy festivals in all Scandinavian countries as well as Latvia and Estonia. We were invited to participate in the event by the Nordic Council of Ministers Office in Lithuania.

Our Strategic Partnerships Director, Kristian Kaas Mortensen, participated in a panel discussion on road safety entitled 'No-One Died On The Road This Year', held in the open air with fellow panelists including the Minister for Transport and Communications Mr Rokas Masiulis. The discussion revolved around activities and solutions that would significantly reduce the number of road accidents and help achieve "Vision Zero" - a strategy supported by the Lithuanian Ministry as well as by national Governments across Europe. "It was very valuable for Girteka Logistics and myself to join such a high level road safety discussion at Butent. Road Safety is at the heart of our company, and with 10 000+ truck drivers on the road we must engage at every possible angle to be the best in the industry," said Kristian Kaas Mortensen.

During the two-day event, the audience was invited to experience the Road Safety Zone for children and adults, created specifically for this event by Girteka Logistics. Here children took part in interesting and entertaining lessons, learning road safety rules with an opportunity to apply them in practice. In charge of the activities was Police Inspector-Commissioner Aistė Dijokaitė, "There is a lot of information about road safety, but in my experience, children remember more and understand better when they get involved in the lesson and can participate by sharing their own experience, ask questions and get answers from a road safety specialist."

ROAD SAFETY DAY



“BŪTENT”



6 ROAD SAFETY INITIATIVES



LITHUANIAN POLICE 100 ANNIVERSARY

‘VISION ZERO’

In December, Girteka Logistics sponsored and participated in the two-day conference ‘Vision Zero for Sustainable Road Safety in the Baltic Region’, held in Vilnius. The major aim of the event was to highlight road safety by cooperation between Sweden, Norway, Denmark and Lithuania.

The event had 41 presenters including the European Commission Deputy Director General of DG MOVE. Participants and speakers came from eight European countries – all of who were also invited to visit the Girteka Logistics educational reflection zone trailer.

The event received considerable media coverage as well as a special commendation

from Sonja Forward, a Researcher at the Swedish Road and Transport Research Institute (VTI) *“This is first time I have met a transport company that care about road safety, driver’s safety, education, running traffic schools for children and who provide Eco driving. Because of this, Girteka is a premium transport company in Europe, well trusted by their growing number of customers”.*

Vision Zero for road safety originated as a concept in Sweden in 1995, to focus on the prevention of accidents so that no-one should die or be seriously injured in traffic. It is now an initiative that has taken off in many countries around the world.



Our reflector zone trailer at the “Būtent!”



HEALTHY Lifestyle

Girteka Logistics is a firm believer and supporter of promoting a healthy-lifestyle and sport activities. As part of our commitment to this, we have helped to organise a wide variety of employee related activities this year including basketball and football teams, running and biking marathons, an active summer party for employees, yoga, and much more.

CELEBRATING THE 25th ANNIVERSARY OF UNICEF

We actively communicate and invest in road safety by educating not just our drivers, but also the most valuable assets for the future – children. A Girteka Logistics trailer-scene decorated the UNICEF children's race: „For Every Child“. Another important national event that we happily participated in and one that we were very proud to have been part of. Even the smallest things contribute to a better tomorrow for children in need.

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

This initiative has become an integral part of social activities at Girteka Logistics. For one day each year, working colleagues are invited to bake and share cakes within the workplace. As well as a lot of cakes being eaten, the event provides not only a lot of fun but also raises a substantial amount of funds for the Lithuanian charity fund Mamų Unija. This year, almost all Girteka Logistics divisions in Lithuania were involved in the initiative, and we raised just over 2 000 Euro which went towards the improvement of the daily life of sick children.

SPORTS AND WELLNESS WEEK

In 2018, for the first time in the history of Girteka Logistics, we organized a sports and wellness week in all our offices. At six locations, over

200 colleagues took part in 21 activities, including a series of lectures, and healthy eating and work-out sessions in offices, all of which were organized and delivered by professional coaches from a variety of sports and health clubs.

Colleagues worked up a sweat and enjoyed taking part in: flexibility/relaxation workout with foam rollers; playday with board games; lecture on healthy cooking and eating; nutrition yoga; laughter yoga; conscious breathing; 'pound rock out'; and a special session on 'getting ready for running' with Ignas Brasevičius – a Lithuanian long distance runner and competitor in the men's marathon at the 2017 World Athletics Championships.

The wellness week was a great preparation for 100 of our employees who participated in the 'We Run Vilnius' half-marathon. All 100 completed their distance and proved the importance of sport and healthy lifestyle. The two fastest male and female participants were presented with special motivational gifts for their success.

'COMMUNITY CLEAN-UP CAMPAIGN'

Every year employees join a national traditional community spring clean-up campaign. Through this action, Girteka Logistics actively demonstrates its commitment to responsible environmental practices, and in doing so, encourages employees to consider more responsible social and environmental behaviour.

We believe, that the protection of the environment benefits us all, and we all share responsibility to ensure that future generations inherit a cleaner and more sustainable society. In addition to the clean-up action, Girteka Logistics plants 1 000 trees, making it a total of 4 000 trees planted since we started supporting this campaign.

UNICEF - supporting community events



WE RUN Vilnius marathon



CAKE DAY / "Mamų unija" charity

OVER
3000
TREES PLANTED
IN LITHUANIA

LITHUANIAN STREET MUSIC DAY 2018

We love Lithuanian culture and invariably strive to be part of it. Street Music Day we transformed one of our trailers into a live stage and invited the locally renowned pop band "Skamp" to perform. The trailer was open-air, and the weather was warm enough for Skamp to perform live as we drove them around the streets of Vilnius.

OPEN DAYS AT GIRTEKA LOGISTICS VILNIUS AND ŠIAULIAI HQs

At our Vilnius administration HQ, we opened our doors to over 1 000 guests and visitors who came to see how we work, what we do, and how we do it – especially our LEAN system of operational management.

At our transport and logistics HQ in Šiauliai, we opened our doors to welcome some special guests and neighbours, the Royal Danish Air Force – who are currently conducting a NATO air policing mission at the Šiauliai Lithuanian Air Force Base. During the visit NATO pilots and support-staff had a brief presentation of Girtėka Logistics activities as well as a tour around the administration premises, including the drivers' academy and the maintenance services. One of the most engaging and entertaining highlights of the visit was the truck parking and slalom competition whereby two teams of pilots competed against our drivers to complete the tasks in the most precise manner possible.

SUMMER FESTIVAL

Sustainability and social engagement between working colleagues are one of the keys to work-place wellbeing. As part of our efforts to encourage this, we annually organize a summer festival which this year included a competition to reach the national record for having the most people (more than 1000) at any one time blowing bubbles - which we did!

'UNSEEN LITHUANIA'

Girtėka Logistics' Šiauliai transport centre appeared as a series of aerial photos in the photography album 'Unseen Lithuania' by the internationally acclaimed Lithuanian photographer Marius Jovaiša. The album shows unusual aerial views of the land and cities, of nature and historical buildings, and his pictures of our Šiauliai transport centre show the white tops of our trucks and trailers.



OPEN DOOR DAY



SUMMER FESTIVAL



Šiauliai transport base in the "Unseen Lithuania"



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.

Respect for human rights, equality and diversity are the main pillars in the workplace, and as such, are rooted into our company's culture.

Girteka Logistics is proactive in its commitment to the protection and safety of all employees. For those areas of our business most exposed to safety risks, we have developed tailor-made awareness information and training resources, along with a management structure to support this commitment.

Nevertheless, safety remains our key priority for the future, and whether on the road, at our own sites or those of our clients, we are committed to continuous 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.

MEASUREMENT AND FUTURE GOALS

During 2018, we substantially increased our visibility in the promotion of road safety and protection. This included high profile participation in two Lithuanian Ministry supported events: 'Butent' and 'Vision Zero'.

We will continue to encourage and monitor feedback from employees through our 'Kaizen' process - a system of improvement through suggestions made by employees. In addition, we will continue our efforts to promote a greater understanding of our Code of Conduct, in order to deepen the understanding of its importance across all levels of our company structure.

Building on our progress this year, one of our aims for 2019 is to continue to enhance employee participation and understanding of human rights and employee safety through an increased number of training courses and through management education courses. We want to grow our CSR so that we become a leader both nationally and internationally.

At every stage of our supply chain, we endeavour to work closely with all of our partners, suppliers and clients to ensure that we all conduct only ethical, socially and environmentally conscious business decisions and good practices.





COLLEAGUES

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 respects and values the individuality and diversity that every employee brings. 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, and we seek to create a positive and open working environment across all of our sites and offices 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.
- 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 clear and unambiguous in our company Code of Conduct on labour and labour rights, and make 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 include:

- Proactive commitment to workplace safety on the road, at our own facilities, and at client sites
- Respect for all individuals, valuing diversity
- and never tolerating discrimination of any kind

MEASUREMENT AND FUTURE GOALS

With ambitions to increase the number of employees substantially in the coming three years, it is an absolute prerequisite that we place labour rights and employee conditions at the very top of our priorities. Our growth and success is absolutely interdependent with the respect and value we afford our employees.

Therefore we must continue to engage with our employees at every step of our growth and ensure that the employee handbook reflects this joint understanding.

Girteka Logistics has labour unions within the company that every employee is free to join. We also have a range of employee activities funded by the Girteka Logistics that we will continue to support and seek feedback from in order to improve.

In 2018 we initiated the ‘Yammer’ internal intranet system. This system will encourage a greater culture of transparency, and help to gather ideas and feedback from across our workforce in order to improve relations with, and services for our work colleagues.

We have a variety of employees with different nationalities and cultural backgrounds, and our aim is to support and further develop our achievements in cultural and gender diversity.

Our employees have annual mandatory work safety training courses in which they are instructed on safety precautions and ergonomic posture in their working environment.

CELEBRATING OUR 10 000th DRIVER

Approximately 80 % of our employees are drivers, and that is why we proudly call them our frontline Ambassadors. At the start of 2018, we reached our 8 000th driver employed and by August we were celebrating our 10 000th driver, a strong move towards our 2021 goal of having a total of 20 000 drivers employed by Girteka Logistics. We marked these milestones with celebrations and the presentation of a commemorative award to both drivers.

In line with how we value our drivers, we are constantly investing in better working conditions for them. During 2018 we purchased around 2 000 new DAF trucks and installed ‘Transics’ - a new transport management system. We continuously improve our driver’s education in our in-house Drivers Academy, where we have a driving simulator and 21 teachers.

In addition, we are very pleased that our drivers constantly initiate change and improvements through the Kaizen process, where they can submit ideas for improvements either via our website or in person at our transport centres.

DRIVING SIMULATOR



10 000th DRIVER



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.

Being an environmentally responsible company means getting the balance of economic, social, and environmental factors right. We take measures to minimize adverse impacts on human health and the environment throughout the value chain. This includes minimizing pollution and its impact, promoting an efficient and sustainable use of resources, including energy and water, and minimizing CO2 emissions in transport. Our aim is to ensure that the local environment at sites of administration, production, warehouses or garages shall not be exploited or degraded.

Girteka Logistics ensures 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 (Girteka Logistics holds ADR certificate).

MEASUREMENT AND FUTURE GOALS

We believe that the best measurement of environmental impact can be seen in our asset based investments. We only invest in new highly energy efficient buildings and operations. This includes environmentally correct collection, treatment and disbursement of any hazardous waste.

We continue to strive to have the most energy efficient fleet of trucks and trailers in Europe. We invest considerable resources in training our employees in using this equipment to the highest standards, including extensive eco-driving skills training (with our drivers winning awards in the process).

This year we continued our programme of reducing paper usage, of using only eco paper and encouraging e-invoicing which is now more than 50% of all of our invoices. In addition, we have continued our pledge of planting 1 000 trees per year, making our total to date of 4 000 trees planted.

Since 2011, Girteka Logistics has had a well implemented Environmental Management System which is certified under the ISO 14001:2004 standard and now upgraded to ISO 14001:2015 version. This helps us to

500 NEW DAF TRUCKS



FUTURE GOAL - 4 000 TREES PLANTING



improve our environmental performance through a faster and more thorough ability to identify risks and opportunities, how to minimise/maximise them, more specific qualitative evaluation, better awareness of life cycle economics, and more emphasis on communicating our results through external communication channels.

We are constantly strengthening our use of intermodal solutions in order to reduce our CO2 emissions and use more eco-friendly transportation of cargo. In 2018, a new intermodal train line was opened in Calais, France and we had the honour to participate in this event. This way of cargo transportation requires half the number of trucks and half the human resources, and reduces the occurrence of road accidents, technical damage or wear.

ENVIRONMENTAL MANAGEMENT SYSTEM ISO 14001:2015

Girteka Logistics has a well implemented Environmental Management System (EMS) which is certified to ISO 14001:2015 standard. Having this reassures both clients and employees of our green commitment and of wanting to make a real difference every day.

The main goals of our EMS 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 and procurement
- to comply with environmental legislation
- to prevent potential environmental incidents and be ready to address any that might occur

GREEN TRANSPORT TECHNOLOGY

Girteka Logistics is the leading FTL carrier in Europe, with with a new fleet consisting of comfortable and spacious Volvo, Mercedes-Benz, and DAF trucks. Making these trucks run at maximum technological capacity is something we invest heavily in.

TOP
100
EUROPE'S
DIGITAL
CHAMPIONS
(FINANCIAL TIMES)

ECO LEAGUE INITIATIVES



At the end of March, Girteka Logistics, installed “Transics” - a fleet digital transport management system . Since then, all trucks and trailers have integrated tablets with this innovative software that sends and receives all the real-time data relevant to managers and customers. For example, if a truck deviates from the route or changes its temperature, the Girteka Help Centre is automatically informed, and can then immediately contact and assist the driver.

This system also has apps for mobile phones, so communication with the driver is available even when the driver is outside the truck. This innovative fleet tracking system package helps us to improve fleet efficiency and customer service.

At the end of November, the Financial Times news portal announced a list of the top 100 most innovative companies in Europe. Among their ranks was a single Lithuanian company - Girteka Logistics. We were highly praised by the “Financial Times” for our achievements in corporate digital innovation this year.

GREENER TRUCKS AND TRAILERS

Girteka has the newest and most environmentally friendly fleet of over 5 600 trucks with an average age of just two-years. They meet Euro 6 emission standards, which compared with earlier models, release substantially less

CO2 and other pollutants into the environment. Our trailers also use the latest fuel-efficient cooling technologies, with solar batteries to charge the cooling units. Solar batteries are also used on our trucks to help maintain a GPS signal.

ECO LEAGUE – A NEW ECONOMICAL DRIVING INITIATIVE AT GIRTEKA LOGISTICS

ECO League is a motivational programme for drivers at Girteka Logistics to encourage safe and economical driving. By employing this initiative, we can reduce the risk of errors and accidents while protecting the environment and improving the quality of our services.

The first season of ECO League ran from July 1, 2018 until December 31, with the following criteria used to calculate the ECO score: idling time, coasting, average brake counter, average stop counter. Participants were those drivers who had completed ECO training.

Depending on the economic indicator collected, participants fell into a relevant category: bronze, silver, gold or platinum. Each of the drivers had the opportunity to rise from a lower qualification group to a higher one and vice versa.



Drivers Academy truck

On January 9, 2019 Vilnius Transport Unit of Girteka Logistics welcomed Laimutis Gervinskas as the winner of the first ECO League season. Laimutis, a longtime employee of Girteka Logistics, collected 97.19 points out of 100 and won a holiday travel voucher worth 1000 Euro. According to the winning driver, such programmes as ECO League are really beneficial and should be further developed.

Congratulating the winning driver, Chief Transport Officer Donatas Načajus said: "Today we are happy that our growth and development is proven not only by numbers, but also by ensuring the quality of transportation! When driving economically, we also drive safely and responsibly, thus reducing the risk of errors and accidents." The second season of ECO League started on January 1, 2019. The finish of the season and the calculation of results is scheduled for June 30 2019.

GIRTEKA LOGISTICS TESTS IVECO LIQUEFIED NATURAL GAS (LNG) TRUCKS

Girteka Logistics has an increasing number of clients who have extremely high environmental expectations, and as such we are continually looking to reduce our CO2 emissions from across our trucks and transport services. With these increasing client expectations, Girteka Logistics has recently been testing several

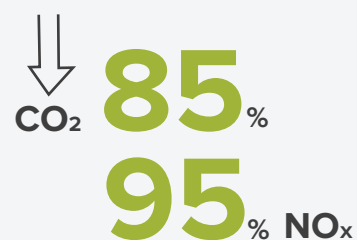


Iveco Stralis 460 LNG gas-powered trucks. The initial results look promising.

"We started our first tests with LNG trucks last year. Already then we noticed that 100 kilometers of LNG powered truck can drive about 20 percent cheaper. We checked not only the fuel consumption, but also how many kilometres a truck can overcome with fully charged gas reserves. The results showed that our drivers managed to drive 1500 km with a full tank of fuel" said Donatas Načajus, Chief Transport Officer at Girteka Logistics.

With 98% of Girteka Logistics' clients based outside Lithuania, the testing was carried out in the Benelux countries and in France. Trucks using Bio LNG can substantially contribute towards the reduction of CO2 emissions by up to 85%, as well as the reduction of particulate matter and nitrous oxide (NOx) by as much as 95%.

Although the cost of purchasing LNG trucks is higher than that of conventional fuel trucks, Girteka Logistics recognises that the environmental benefits are clear, and as such, we will remain committed to using LNG trucks in 2019. What's more, as our client base becomes more demanding in their environmental requirements, our move into building a larger fleet of cleaner fuel trucks will continue.



Girteka Logistics LNG truck



ANTI-CORRUPTION

PRINCIPLE 10:

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

Girteka Logistics has a clear ethics code and anti-corruption policy, 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

GIRTEKA LOGISTICS ENSURES THAT:

- Our company is not involved in and does not accept corruption when doing business.
- Anti-corruption and/or ethical behavior 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 continuously trained and expected to familiarize themselves with the

ethical business standards and uphold them in their day-to-day work. Our Code of Conduct is used as the foundation for our training on these subjects. The Code of Conduct was updated in 2017 and is available for download on our company website.

MEASUREMENT AND FUTURE GOALS

We believe that a continued strong focus on our procurement operations remains of high importance to the way we operate and do business. We will continue to balance our negotiations and ensure transparent and open procurement procedures.

As a company we participate in numerous tenders and transactions in many different countries, both as an issuer and as a recipient of tenders. We believe we must monitor this area and educate our employees and management on a continual basis.

In 2019 we will continue to reinforce awareness of our values and of our Code of Conduct by including this in our education activities for all our employee groups. In addition, with over 3.000 clients and suppliers, we will continually strive to ensure that they are all fully aware of our commitment to the UN Global Compact 10 Principles.

Within the company, we have systems in place to allow employees the possibility to report safely and anonymously. This system we will continue to monitor and to ensure that it provides a safe and secure reporting structure for employees/clients to report any malpractices.





DIVERSITY - GENDER AND NATIONALITY

DIVERSITY - GENDER

The Drivers Academy is the heart and soul of Girteka Logistics. Here we annually train our 11 000+ professional drivers in a variety of technical skills including eco-driving, road safety, and a wide range of national and international specific industry requirements. Head of this academy is Mrs. Daiva Kirklienė, who has helped to develop the academy to be one of the leading technical training establishments in Europe. With her extensive team, she is constantly improving road safety through improving the skills and technical abilities of our drivers. She provides Girteka Logistics with a truly aspirational and exemplary model of female leadership within our company, perhaps especially so to the female drivers we have.

Girteka Logistics' Drivers Academy operates across three main centres: in Šiauliai, in Vilnius and in Smolensk. There are not only the administrative services of the training teachers, accounts team, and transport managers housed, but also modern facilities for drivers returning from voyages – including washing and drying machines, showers, toilets, kitchen, and snack vending machines.

The training duties are split between the three centres with those who carry cargo to and from European countries, trained in Šiauliai, those who transport cargo to the Scandinavian countries, trained in Vilnius and for transportation in the East are trained in Smolensk.

The training programmes are all overseen by the Head of the Drivers Academy, Daiva Kirklienė who is in charge of a team of 21 teachers. For some time now, Girteka Logistics has been working with reliable and

well-developed systems that combine not only IT solutions but also training and communication with drivers. *"We have been investing for many years in our drivers' theoretical and practical training at Girteka Logistics Drivers' Academy, so drivers choose Girteka Logistics when there is a shortage of such experienced and professional drivers in Europe and Scandinavia."* believes Daiva Kirklienė.

We asked Daiva a few questions about her and the work she does with Girteka Logistics.

Truck driving is traditionally considered a predominantly male domain, how did you get interested in truck driving and training programmes?

I always take all challenges life gives, and the chance to run the Drivers Academy was a completely new activity from the very start even until now. In addition, I like to drive and I learned to drive a motorcycle and a car while I was still studying at school. Only since working at Girteka Logistics have I learned to drive a truck, but I still don't have a truck driving licence.

Your training programme is split between theory and practical, how long does it take to complete the training and do you have a 100% success rate?

Training takes five days and is a mix of theory and practical learning. Depending on the type of training, every driver must repeat this every one or two years. Not all student drivers are successful however, and from the first day of training, there are always a few students who don't pass. For these, they receive a negative grade and must retake the whole course again in full. If they don't pass this they will not be employed by Girteka Logistics.



Head of the Drivers Academy, Daiva Kirklienė

ECO Driving, is this mandatory for all drivers or is it available for just those who are interested?

Our ECO driving training is mandatory and all our drivers are trained in ECO driving and afterwards eligible to take part in our ECO league.

Is your training programme self developed?

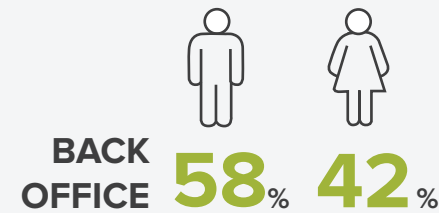
All of our training programmes are developed by us in accordance with EU regulations, and national directives on freight transport. When preparing and constantly updating programmes, we encourage and listen to comments and suggestions from our colleagues (processes, claims, law, transport, etc.). In developing the ECO driving training programme we cooperated with trailer manufacturers and we keep in regular touch with them, discussing various eco driving parameters. We are very pleased that trailer manufacturers are already taking our comments and suggestions into account when designing software upgrades to reduce fuel consumption.

With such a diverse range of nationalities, how do you manage the communication process within the academy?

With regard to the different nationalities we have – and we have around 18 different nationalities within our drivers - it's still enough to communicate mainly using Lithuanian and Russian. However, during this year, we plan to start training using also Polish and English.

DIVERSITY - NATIONALITIES

Girteka Logistics welcomes and embraces a range of different nationalities. Our Code of Conduct makes clear our stance on diversity in the workplace ensuring that there is no discrimination on nationality, religion, sexual orientation, and gender. We are proud of the diversity in our nationalities and can cite amongst our drivers citizens from such diverse countries as Azerbaijan, Bulgaria, Georgia, Moldova, Kazakhstan, Tajikistan, and the Philippines.





EDUCATION A DIVERSE WORKFORCE OF 13 000+

EDUCATIONAL AND CULTURAL INITIATIVES

Employee development and improvement is a highly important value to us, and one in which we are constantly investing in. We have more than 10 training programmes focused on solving emerging challenges in working situations, as well as external training courses, e-learning programmes, and the newly established Masters and leadership courses in partnership with ISM University.

In 2018 Girteka Logistics' Training Academy's the most popular training programs were Newbie Day for 500 back office employees and sales & customer service trainings for 400 managers.

We also provide career orientation for young people, including programmes for university career days in partnership with universities and colleges.

For younger children we organise a range of highly successful events through the year such as Traffic Safety Days organized with the local police.

LEADERSHIP MANAGEMENT-PARTNERSHIP WITH ISM UNIVERSITY


As many as 80 Girteka Logistics company managers have started their studies at the ISM University of Management and Economics where they will learn effective leadership skills and management methods and techniques. This programme is the first business-oriented product of such a large scale developed by the ISM University, setting a new standard for company investment in employee education. The long-term cooperation between Girteka Logistics and the ISM University is the result of an innovative approach to business trends and

quick adaptation to market changes. *"Cooperation with the ISM University of Management and Economics is essential for us as a fast growing company in order to train professional managers and motivate our reserve managers. We strive to make sure that our managers employ methods that are consistent with future business trends to ensure effective teamwork and internal corporate culture. It is our goal to inspire our colleagues to grow and improve together with the company."* says Edvardas Liachovičius, Chief Executive Officer of Girteka Logistics.

ATTRACTING NEW DRIVERS

European companies are greatly challenged by a lack of truck drivers, whilst Girteka Logistics has now grown to more than 3 000 new drivers in 2018.




80 MANAGERS STUDYING IN ISM UNIVERSITY
500 PARTICIPANTS IN NEWBIE DAY

"We have a significantly different business model than our main international peers such as DSV, DB Schenker, DHL and Kühne & Nagel, in that we own our trucks and employ our own drivers. Our ability to deliver high quality and increasing capacity with our own assets has put us in pole position", - says Kristian Kaas Mortensen, Strategic Partnerships Director, Girteka Logistics.

Girteka Logistics continues to implement simple, yet industry leading and business improving initiatives ranging from advanced truck driver recruitment and training to setting up a technology lab outside the company that will further empower technological advances. Girteka Logistics expects to deliver nearly 450.000 full truck loads in 2018, making the company a noticeable logistics leader.

WINNING TRUCKS DRIVER CHAMPIONSHIP

Every two years, the Volvo Trucks Driver Challenge highlights the very best drivers who take safe, fuel efficient and productive driving to an art form.

We are so proud that Girteka Logistics Drivers Academy teachers took part in, and won first three places in the national heat of the Volvo Trucks Driver Challenge.

The winner of the Lithuanian truck driver championship Mr. Vygintas Vitkauskas has been qualified as the single Lithuanian representative to compete in the international Volvo



Trucks Driver Challenge 2018 that took place in Gothenburg, Sweden in September.

Vygintas said: *"It was my first participation in this type of competition. I was not particularly prepared for the competition, but every day spent teaching others to drive safely and economically helped enormously"*.

There were around 12 000 drivers from 44 markets worldwide participating in national qualifying competitions. The Lithuanian qualifying tournament in fact turned out to be a very good day's work for Girteka Logistics, as we scooped the top three prizes in an extremely tough and challenging driving competition.

The final in Gothenburg, Sweden saw Vygin-tas compete against 32 of the best drivers from all over the world to showcase top-class skills for the World Champion title. We firmly believe that representing Lithuania was a top award for Drivers Academy and a great recognition for Girteka Logistics.

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.



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 center
- On time deliveries with high capacity



SQAS (SAFETY & QUALITY ASSESSMENT SYSTEM) ATTESTATION

The attestation confirms that Transport service assessment has been carried 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 detail report which each chemical company needs to evaluate according to its own requirements.



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.



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