

UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS 2020



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CEO LETTER

“ **Girteka Logistics continues its strong commitment to the UN Global Compact and the Sustainable Development Goals, working in coordination with our dedicated 18,000 employees** ”



Edvardas Liachovičius



CEO LETTER

As we enter 2021 and the 25th anniversary of our company, Girteka Logistics continues its commitment to responsible corporate leadership.

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

The UN Global Compact principles are consistent with Girteka Logistics' Sense of Purpose and our commitment to sustainability guiding my colleagues and I in decision making, both short and long-term.

During 2020, trucking revealed how essential an industry it is, by continuing to deliver food, medicine, and other critical supplies when Europe and many other parts of the world were under never before seen restrictions limiting the movement of people. As the European continent's largest trucking company, we must lead by example in how to conduct our CSR, our sustainability and in how to approach the unique challenges ahead with our key stakeholders.

With our Communication on Progress 2020 we aim to be fully transparent in accordance with the requirements of the UN Global Compact.

Our efforts are documented in this report within the areas of human rights, labour, environment and

anti-corruption for 2020, and provide an update on our actions oriented towards the achievement of the Sustainable Development Goals.

“ **Girteka Logistics continues its strong commitment to the UN Global Compact and the Sustainable Development Goals, working in coordination with our dedicated 18,000 employees.** ”

While 2020 was a difficult year for creating and implementing CSR, we were rewarded with exciting opportunities.

With every project and initiative our colleagues showed industry leadership and personal initiative, that brings an extra sense of purpose to our company.





OUR SENSE OF PURPOSE

Our Sense of Purpose is the foundation of Girteka Logistics organisational strategy and serves as a guiding principle in the establishment of our objectives.

Delivering on our clients' promises to their end-customers is what transport and logistics is all about.

Truckload by truckload we consistently strive to serve our clients best interests, driving between factories and consumers throughout Europe, Scandinavia, and Russia.

We strive to be the obvious first choice for our Community, Clients, Colleagues, Shareholders and Partners. We are driven by Our Sense of Purpose, that defines our culture, the services we provide and how we work.

We are transforming into a digital trucking company, blending traditional trucking with modern technology.

OUR SENSE OF PURPOSE

DELIVERING ON OUR CLIENTS' PROMISES

TO BE THE OBVIOUS FIRST CHOICE



CLIENTS

Transportation service reliability and long-lasting partnership



COLLEAGUES

Making a meaningful impact together with a driven team



OUR COMMUNITY

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



SHAREHOLDERS

Profitable growth and cost-consciousness



PARTNERS

Sustainable collaboration and mutual benefit



CSR / 10 PRINCIPLES OF THE UN GLOBAL COMPACT

WHAT IT IS AND WHY WE DO IT

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

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

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

Into our strategies, policies and procedures, providing an impetus to focus on reducing our environmental impact and strengthening our social commitments.

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

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

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





PARTNERSHIPS

FUTURE OF SAFETY

The 2020 edition of IRU's Logistics and Innovation Forum brought together mobility and logistics leaders and innovative service providers to discuss the future of safety in road transport.

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

The event enabled participants to gain exclusive insights into road safety innovations in areas such as fleet management and digitalisation of the supply chain, including distribution and warehouse systems.

Keynote speakers – including Kristian Kaas Mortensen (Girteka Logistics), Alexandre Petit (GlaxoSmithKline), Arun Karthikeyan (Amazon) and Daniel Buczkowski (Uber Freight).

2020 has been the year of further accelerating our digital focus, capturing the opportunity to be The Digital Trucking Company at each customer touchpoint. Recognizing the positive impact digitalization has on the efficiency and sustainability of operations, Girteka Logistics is determined to capitalize on both advantages.

During the year, we:

- streamlined core strategic partnerships, employing artificial intelligence (AI) and planning optimization technologies across our operational areas;
- strongly accelerated Girteka Logistics journey to become intelligent enterprise with industry-leading ERP SAP S/4 HANA and specialized core systems.

By increasing system integrations, our digitally initiated order numbers rose from 0 to more than 208,000 units by the end of the year, with further growth expected in the future. Further, we continue placing on focus on providing our clients more transparency and sense of control, with real time visibility and launch of self-service.





PARTNERSHIPS

THE EUROPEAN CLEAN TRUCKING ALLIANCE (ECTA)

The recently formed coalition of European key players in road freight, the European Clean Trucking Alliance (ECTA), has asked the European Commission to accelerate the transition to clean trucks.

This is in order to meet the emission targets of the proposed EU Climate Law by 2030, achieve a carbon-neutral Europe by 2050, and accelerate the deployment of zero-emission vehicles and infrastructure

ECTA business members include along with Girtaka Logistics other major hauliers, logistics and consumer goods companies. Altogether, the ECTA business members employ more than 1.6 million people globally and have over EUR 325 billion yearly revenue.

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

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

Girtaka Logistics joined more that 150 business leaders to ask EU Heads of State to set higher 2030 emissions reduction targets. In an open letter, the EU

has been urged to back the European Green Deal and reduce greenhouse gas emissions by at least 55% by 2030.

The initiative is led by the **European Corporate Leaders Group (CLG Europe)**, a cross-sectoral group of European businesses working towards delivering climate neutrality.

“ Today trucks account for only 2% of vehicles on the road. Yet, they are responsible for 22% of road transport CO2 emissions in the EU. We cannot meet the Paris agreement without decarbonising road freight. Replacing our 7,400 Euro 6 trucks with zero-emission vehicles is a must. Joining ECTA (European Clean Trucking Alliance) brings a strong and united voice to our common goal of having zero-emission trucks,



said Edvardas Liachovičius, CEO, Girtaka Logistics.





OUR COMMUNITIES RESPONDING TO COVID-19

A BIG THANK YOU TO ALL OF OUR COLLEAGUES

During these difficult times Girteka Logistics and our industry colleagues continue to deliver food, medicine and other necessities, essential to keep Europe running.

Our efforts though were not limited just to transportation, we also focused on community outreach, bringing together communities young and old. From making video greetings to mobilising our resources for the Arts. And providing information and rapid updates to our workforce and clients during the pandemic.

And when we could, we also opened our doors and invited the academic community from the Vilnius Gediminas Technical University (Vilnius Tech) to visit the Girteka Logistics head office. This was their first visit and was a chance to lead a discussion on how to address the challenges that await the transport and logistics sector in the 21st century.

DRIVING CSR DURING A DIFFICULT 2020

As Europe teeters on the brink of entering a recession, many countries are preparing for the worst with financial stimulus packages. Supporting those industries and businesses that have been hardest hit, trying to keep them afloat.

The supply chain and transportation are a lifeline during these difficult times for people, business and society to function. Meeting the increasing demands for food, supplies and, more importantly, for medicine and medical equipment.

Under the recent extreme circumstances, Girteka Logistics' very own 14,000 fantastic, loyal and hardworking truck drivers have kept on working.

Like most people at this time our drivers would also have wanted to be at home with their families. But, due to the closed borders of Europe, the regular return home trip is near impossible.

Businesses, factories and retailers are hindered by a slowing economy, whilst also trying to prepare for the return to normality. With the increase in the



threat of COVID-19 pandemic and the new steps taken throughout Europe, Girteka Logistics is prioritising the safety of its employees, whilst keeping Europe's supply chain functioning.

“ **We have already taken proactive steps to ensure our employees' safety by carefully monitoring various EU governments' new actions and advice, as well as advice from the World Health Organisation [WHO],**



says Aušra Bijaminienė,
Chief People Officer at Girteka Logistics.





OUR COMMUNITIES RESPONDING TO COVID-19

IN THE FACE OF THE CRISIS, BUSINESSES ARE UNITING

Our drivers have ensured a continuous supply of essential goods and equipment have been delivered throughout Europe. Ensuring business continuity and delivering on our clients' promises by finding ways to deliver cargo to those areas most affected by COVID-19.

Girteka Logistics has been transporting humanitarian aid at home and abroad.

Joining the Lithuanian community initiative #SupportMedics, delivering much needed medical supplies from Lithuania to medical institutions in Italy.



STAYING INFORMED

Ensuring the correct dissemination of information across the workforce during the pandemic has been critical. Keeping employees and customers updated on the latest news and procedures, ensures a consistent company-wide approach.

To help with this task, an online information resource for COVID-19 Prevention was created.

Digital was front of mind, so loading instructions have been sent to drivers via SMS, all related communications were all collected in one place and useful links to official related health and information pages were provided.

It has been used by staff whether they were on the road or in the office, with frequently asked questions. And, of course, information on how to protect yourselves and others from the virus.

WHAT DOES THE 2M SOCIAL DISTANCE LOOKS LIKE IN THE WORLD OF LOGISTICS?





OUR COMMUNITIES RESPONDING TO COVID-19

A COVID-19 SPRINT RESPONSE

Throughout the whole period of lockdown in Lithuania, Girtėka Logistics mobilised quickly, stayed focused, rapid, and united.

Each employee is acutely aware of the lessons learned, at work and in the community. And, how with their hard work, together we have contributed to the safety of friends, family and colleagues, and thus the success of the entire company.

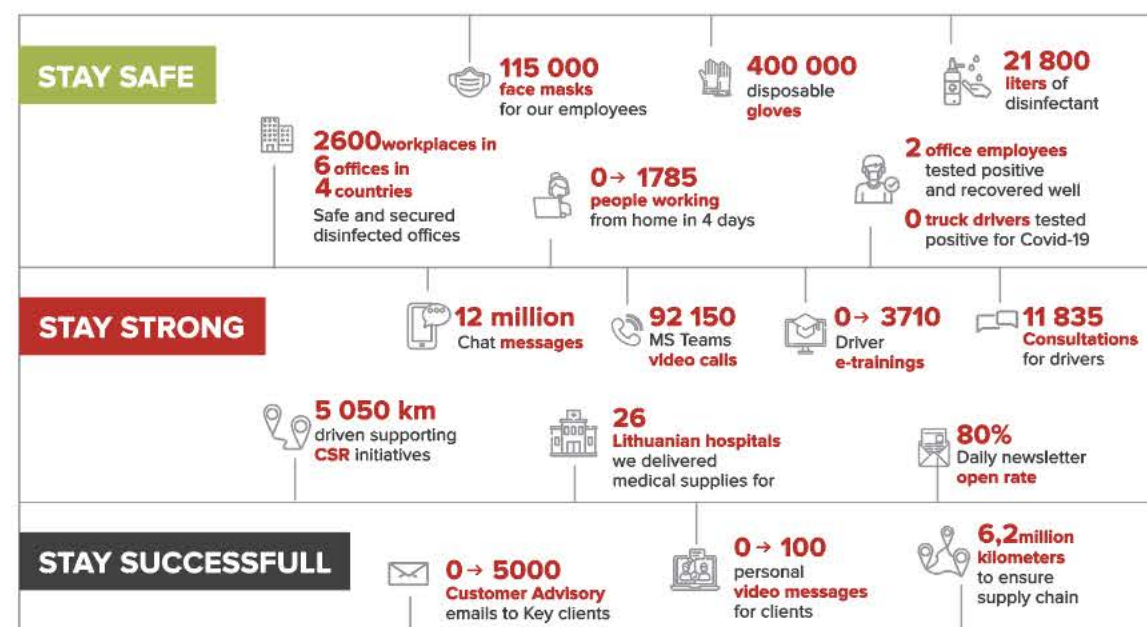
WE SAY A BIG THANK YOU TO ALL OF OUR COLLEAGUES

We will continue to stay focused and support each other during these turbulent times.

STAYING CONNECTED – EVEN AT A DISTANCE

You can never forget the power of human connection, and we did our best to share some happiness with those less fortunate in the community.

Our colleagues together with their family members made video greetings dedicated to elderly people from all over Lithuania! During the lockdown period nursing homes were prevented from allowing any family visits. The videos were a welcome distraction for what could be a very lonely time.





OUR COMMUNITIES

ROAD SAFETY

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

A major focus for us has been to raise the awareness of road safety for fellow road users and pedestrians. We actively invest in and participate at events and campaigns throughout the year at a local and national level.

Our objective is to educate and inform how everybody can contribute and do their part to reduce road accidents. Working with local communities and partners to help us with outreach, amplifying the safety message.

“BE SAFE ON THE ROAD”

This year, for the first time in Lithuania, a new initiative Būk Saugus Kelyje (Be Safe on the Road) was launched to educate road users on how to stay safe around trucks.

Partners for the initiative Būk Saugus Kelyje are Circle K Lithuania, Girteka Logistics, Volvo Trucks Lithuania, the Lithuanian Police and Save the Children.

As a part of the initiative, 30,000 children books were published. The books explain how to be observant

and behave on the road, and how to stay visible and safe around trucks.

“ **Because of a trucks size, cab height and large side-view mirrors there is a misconception that a driver has superior visibility. However, in reality truck drivers experience large blind spots and have a restricted view of their surroundings,**



explains Mindaugas Pasilauskas, Transport Asset Management Director at Girteka Logistics.

The Būk Saugus Kelyje initiative was set up to:

- Increase awareness of a truck drivers restricted visibility
- Develop a mutual respect for all road users
- Make children aware of the importance of being visible and how to behave.



“ **At the start of an academic year, drivers are often very aware of the children and try to support them. However, as children walking on the streets become a part of everyday life, it would be beneficial for children to learn about safe behaviour,**

says Rasa Dičpetrienė, Save the Children General Director.



OUR COMMUNITIES

ROAD SAFETY

DELIVERING ROAD SAFETY TO EVERYONE

Girteka Logistics participated at the 2020 Lithuanian Road Administration road safety annual event “Protecting me and you “. Working alongside other professional organisations and public institutions to educate fellow road users on how to remain safe, smart and aware.

“ Road safety is at the heart of our company, and with 15,000+ truck drivers on the road we try at every possible opportunity to be the best in the industry for our drivers and for the well-being of the community,



says Martynas Sarapinas, Chief Information Officer at Girteka Logistics.

During the event, the in-house Drivers Academy from Girteka Logistics showcased an interactive learning experience with three of the latest Volvo FH 500 trucks and trailers.

“ Understanding the challenges faced by truck drivers helps to increase our awareness as pedestrians,

explained Nicholas Kjaer, Managing Director at Volvo Lithuania.

Experiential learning is the most powerful tool to demonstrate the challenges faced by truck drivers. So, visitors were invited inside the truck’s cab to experience a drivers workplace and view of the road.

To keep the younger visitors interested, Girteka Logistics distributed safety awareness books and had a trailer set up to show the importance of reflectors and visibility.

In addition, officers from the Lithuanian police force, fire fighters, and the State boarder security all shared details of the daily work these public institutions undertake.





OUR COMMUNITIES CULTURE

BRINGING OPERA TO THE COMMUNITY

The Lithuanian National Opera and Ballet Theater, together with Girteka Logistics, joined forces in a project to bring opera into the community.

An extraordinary performance took place not just of “La Serva Padrona” at the palace of Grand Dukes, but for the first time, an opera performance took place in a trailer.

“ We are very proud to be a part of such a wonderful project. We are glad that with our help the opera performance can be delivered to the farthest reaches of Lithuania,



says Mindaugas Paulauskas,
Chief Transport Officer at Girteka Logistics.





HUMAN RIGHTS

UN GLOBAL COMPACT PRINCIPLES

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

PRINCIPLE 2: Businesses should make sure that they are not complicit in human rights abuses.

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

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

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

We recognise and support equal human rights.

We do not tolerate, irrespective of whether based on nationality, race, disability or gender, including gender identity or gender expression, sexual, religious or political orientation, ethnic or social background:

- differential treatment;
- discrimination;
- harassment;
- inappropriate or unreasonable interference with work performance;

physical, sexual, mental or verbal abuse is prohibited, as are threats of abuse and any form of intimidation.

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

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

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

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

Girteka Logistics ensures that:

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

Activities and future goals

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

The "Kaizen", our internal system for employee suggestions grows in use, recently upgraded with a new digital process.

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

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

Our future goals will be to:

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



LABOUR

UN GLOBAL COMPACT PRINCIPLES

PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4: The elimination of all forms of forced and compulsory labour.

PRINCIPLE 5: The effective abolition of child labour.

PRINCIPLE 6: The elimination of discrimination in respect of employment and occupation.

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

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

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

Recently updated in 2020, the Code of Conduct supplements applicable law and external regulations and is the basis of our company policies and regulations.



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

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

We operate ethical employment and business practices that respect and value the individuality and diversity of our employees and 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 be a transparent organisation and sharing information with our employees is taken seriously. We communicate all news, such as changes in business structure, and major company deals, in at least three languages, to ensure all employees have equal access to read and understand the information.



LABOUR

Activities and future goals

We expect high levels of new starters and will continue to support a professional and effective recruitment process. Providing the best opportunities in training and personal development for our new and existing employees.

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

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

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

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

DRIVERS ACADEMY

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

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

The ECO League is a motivational programme of economic and ecologic driving for Girtoka Logistics drivers. The 2020 ECO League award winner Anatoly Romaniuk managed to score 97.01 points out of 100.

The ECO Driving training has made a significant impact to Girtoka Logistics because of the reduction in fuel consumption. For example, a few years ago, 32ltr / 100km was the normal fuel rate, now the fuel rate can be lower than 28ltr / 100km. In addition, it has also had a positive impact towards reducing the number of road accidents and associated claims.

In total, our drivers have completed more than 54,000 trainings in 2020.



GOAL 1 ENVIRONMENT

Optimize the use of fuel/100 km and reduce CO2 emissions as less fuel is used to cover the same distance.

GOAL 2 MOTIVATION

Motivate truck drivers to apply the knowledge from courses to their everyday work, through providing incentives for best performances.

GOAL 3 SAFETY

Improve road safety as truck drivers apply behavior-based safety principles and pay more attention to their driving skills.



LABOUR

EU FUNDED TRAINING PROGRAMME

Extra funding from the European Social Fund has made it possible to extend our comprehensive range of driver training programmes and add new methods of delivery. The project is expected to run for two years (until the end of 2021), during which time it is expected that 14,500 Girteka Logistics Group drivers will have received training.

The new programme aims to enhance the competencies and qualifications of Girteka Logistics drivers and provide the company with a significant market advantage.

AWARD WINNING DRIVERS

11 drivers from Girteka Logistics have been recognised as being the best by the world's road transport organisation (IRU).

The award is given only once in a lifetime, the drivers who received it must have:

- have at least 20 years of professional experience;
- have continuous work experience in one company - at least 5 years;
- drive at least 1 million kilometers on international or domestic routes;
- over the past 20 years, did not have serious accidents in which people were injured;
- did not have violations of traffic rules, customs rules, as well as administrative offenses for the past 5 years.





ENVIRONMENT

UN GLOBAL COMPACT PRINCIPLES

PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8: Undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9: Encourage the development and diffusion of environmentally friendly technologies.

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

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

The main goals of our environmental strategy are:

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

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

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

- emergency procedures are in place to prevent and address accidents affecting the environment and human health;
- environmental damage is avoided via regular maintenance of the supply-chain and environmental protection system (air pollution control, waste, water treatment systems, etc.);
- we only invest in energy efficient facilities and equipment, from offices and warehouses to trucks and trailers, 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.



ENVIRONMENT

SUSTAINABILITY POLICY

Our Road To Sustainability

People passionate about taking action

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

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

As a company, Girteka Logistics is powered by our people, they shape the company and its social and environmental commitments.

In this report, we outline the actions Girteka Logistics has undertaken, laying the foundations for our current and future sustainability efforts.

Highlighting the initiatives we have started, and, more importantly, identifying the next milestones needed to streamline and optimise our company and perhaps the transportation industry.

Girteka Logistics aims to lead the industry in sustainable development and environmental management. To become the most technologically and digitally advanced, asset-based FTL road transportation company in the world by 2025. With best in class, sustainable, transportation solutions.

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

1. Modernizing the vehicle fleet to achieve the lowest possible greenhouse gas (GHG) emissions.
2. Digitalizing our operations to reduce empty kilometres driving
3. Increasing the use of alternative fuels, with a particular focus on HVO for CO2 reduction
4. Increasing intermodal transportation
5. Educating our truck drivers on eco-driving practices to maximise engine efficiency and increase road safety
6. Ensuring our own responsible consumption.
7. Supporting all of our partners and colleagues in the drive towards sustainability.



Activities and future goals

Environmentally Friendly Office Policies

Following on from our campaign in 2019 to reduce, reuse and recycle, our offices have graduated to become far more environmentally friendly. No longer using plastic cups, promoting e-invoices, adding more recycling points, adjusting office climate controls and more. All of which have generated awareness amongst our employees, tips and tricks they have adopted at home and in the workplace.

Our future goals will be to:

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

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

Our drivers are all trained in the very latest Eco-Driving techniques, improving the environmental efficiency of our trucks.

Out on the road, we have started to make an impact on reducing CO2 emissions through a more effective use of intermodal options for cargo transportation.

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



ENVIRONMENT

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Girteka Logistics has an established Environmental Management system (EMS), certified under the ISO 14001:2015 standard, reassuring clients of our commitment to the environment.

Our EMS 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.

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

GOING GREEN BY EXPANDING OUR EUROPEAN INTERMODAL NETWORK

Girteka Logistics continues to reduce its carbon footprint through an expansion of its intermodal network.

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

The company currently transports up to 650 full truckloads of cargo each week via a range of intermodal rail and ferry lines.

Intermodal train services provide an environment-friendly solution for long-distance FTL transfers. Compared to road transportation, intermodal services require half the trucks and human resources.

“ We are growing our investments in technological innovation and sustainability, as we see that it is the future of the transport industry. Moving loads in an environmentally friendly way is equally important for us, our clients and our community,



said Larisa Senkevičienė, the head of the Intermodal Service division at Girteka Logistics.

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

By 2025 Girteka Logistics aims to use intermodal solutions for 20% of long-distance transportation.



ENVIRONMENT

REDUCING 100 TONS OF CO2 EMISSIONS BY SUPPORTING PILOT INTERMODAL PROJECTS

Girteka Logistics joined the pilot LG Cargo intermodal train from Germany to Lithuania. Trailers were loaded and then eventually removed to be again connected to trucks to drive the last mile to their final point of unloading.

It was estimated that this trip reduced the CO2 emissions by up to 100 tonnes compared to the carriage of semi-trailers transported separately by trucks.

The long-distance transportation of semi-trailers by rail is encouraged by the European Union (EU), as it has a lower impact on the environment and increases road safety. In addition, it is easier and faster to cross borders between countries, thus avoiding long downtime and possible delays at customs.





ANTI-CORRUPTION

UN GLOBAL COMPACT PRINCIPLES

PRINCIPLE 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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

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

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

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

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

- corruption in any form is not accepted, including bribery, extortion, kickbacks and improper private or professional benefits to customers, agents, contractors, suppliers, or employees of any such party or government officials;

- we are committed to conduct business only with reputable customers and suppliers involved in legitimate business activities with funds derived from legitimate sources;
- our employees comply with applicable laws and regulations governing our business activities worldwide. We respect all competition laws;
- the confidentiality of all information and business data is respected.

Girtaka Logistics ensures that:

- the company is not involved in and does not accept corruption or corrupt practices when doing business;
- anti-corruption and/or ethical behaviour measures are mentioned while agreeing on contracts and business discussions with business partners;
- internal procedures are established to support the company's anti-corruption commitment.

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

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

Activities and future goals

Throughout 2020, we have invested in expanding and strengthening our procurement team and procedures. We place clarity and transparency in all our procurement procedures for the successful operation of the company.

With over 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 2020, we ran awareness workshops for all our employee groups to reinforce our values and 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 continue to be:

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



CERTIFICATES

ISO 9001 – QUALITY MANAGEMENT

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

ISO 14001 – ENVIRONMENTAL MANAGEMENT

Our environmental management system is certified according to ISO 14001 standard. Girtaka Logistics strives to take a green approach in everything it does. See the section of this site on environmental protection. Girtaka 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)

Girtaka 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 Girtaka 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, Girtaka 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)

Girtaka Logistics is working with many leading Pharma companies, we follow GDP (Good Distribution Practice). Girtaka Logistics GDP certified by SGS. Obtaining this GDP certificate from SGS further underlines Girtaka 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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