

WE
CARE



United Nations Global Compact

COMMUNICATION ON PROGRESS 2017



CONTENTS

STATEMENT OF CONTINUED SUPPORT	5
ABOUT GIRTEKA LOGISTICS	6
HUMAN RIGHTS	11
LABOUR	17
ENVIRONMENT	23
ANTI-CORRUPTION	34



This is our **Communication on Progress** in implementing the Principles of the **United Nations Global Compact**.

We welcome feedback on its contents.

Contact person: Kristian Kaas Mortensen, CCO, kkm@girteka.eu



During 2018 we will continue to expand and develop our CSR activities and participate in our community, with the biggest focus on traffic safety.

Edvardas Liachovičius
CEO, Girteka Logistics



OUR MISSION

United Nations Global Compact Communication on Progress 2017

CEO STATEMENT OF CONTINUED SUPPORT FOR THE UN GLOBAL COMPACT IN 2017

We are very pleased to confirm that Girteka Logistics reaffirms its support of the ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this, our 3rd annual communication on progress, we describe our actions to continually improve the integration of the Global Compact and its principles into business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication. We hope to be a positive example in our industry and in our home country of Lithuania, we have created our CSR report based on the Global Compact COP, and publish this on all our communication channels.

During 2017 our company grew organically with more than **30%**, this further make us understand how important CSR is in our company's daily life. We have since our start in 1996 grown to be a sizable European leader in our industry. This position creates expectations from our stakeholders and more importantly from within. We take our industry and CSR leadership position serious. During the last few years we have continued to do so by investing our time and resources in many valuable projects, now mainly related to traffic safety for children.

Corporate Social Responsibility continues to take a growing and deepening interest in our company. We have during the last few years matured in this area and now understand that we have to focus our efforts in order to make the biggest impact. Our main focus going forward continues to be on traffic safety in our community, and especially where we can improve traffic safety for children.

Girteka Logistics had around 9.900 employees at the end of 2017, who work all over the European Union and beyond. With our employees in front we have realized and discovered how much we can, and must do, to be a responsible employer and corporate citizen while uniting around our mission, **WE CARE.**

We welcome the UN Sustainable Development Goals (SDGs) as a useful framework to set direction towards a more sustainable future. We contribute by investing in environmentally thought out operations, buildings and equipment. As an example then we were the first company in Europe to order the new TESLA electric truck when it was offered in 2017. We ensure our newly constructed warehouses, offices and garages are highly energy efficient, and engage with our employees to create and participate in relevant CSR projects.

During 2018 we will continue to expand and develop our CSR activities and participate in our community, with the biggest focus on traffic safety.

In this report we share our past results and future plans for implementing **the 10 Global Compact principles** into practice. We wish to inspire our colleagues, clients, partners, suppliers and other stakeholders to support the Global Compact.

Best Regards,
Edvardas Liachovičius



ABOUT GIRTEKA LOGISTICS

Girteka Logistics is Europe's biggest asset based FTL Transport Company, the company delivers more than 320.000 Full truck loads annually. The company grew organically from 600 trucks in 2010 to now 4.000 trucks and 4.500 trailers operating in Europe, Scandinavia and CIS/Russia.

Girteka Logistics has more than 8.000 professional truck drivers and 10.000 employees in total, and is often the FTL carrier of choice for the world's biggest brands.

Our customers range from local producers to big international companies with major regional distribution centers. Our clients are mainly located in Europe, Scandinavia and CIS/Russia where we focus on long distance full truck loads.

Our extensive network of routes caters to our client needs from the daily truck to big clients having 20.000+ full truck loads per year. On a daily basis Girteka Logistics have employees, trucks and trailers in more than 30 countries ensuring that our clients receive their valuable cargo on time.

Girteka Logistics thrive due to the high skills and dedication shown by our employees every day throughout our value chain. From the driver spending days away from his family in order to deliver fresh fruits or fish to European families, to the warehouse employees working closely with customs inspectors to clear goods, their daily dedication embodies our company Mission WE CARE.

Whether you are transporting salmon from Norway, dairy products from France or fruits from Spain then we have the expertise and experience to ensure it's done right.





GIRTEKA LOGISTICS ANNUAL PROGRESS AND OUTCOMES

This section highlights Girteka Logistics 2017 progress towards the UNGC and the Ten Principles in each of the four issues: Human Rights, Labor, Environment, and Anti-Corruption. For each area we shares our assessments, policy and goals as well as our implementation and measurement outcomes.

We are proud, that throughout the year our employees expressed their assent for social commitment. Regardless of where they work, everyone at Girteka Logistics takes part in our CSR initiatives. This creates opportunities to achieve even more in 2018.



Andrieta Tamulevičienė, Drivers recruitment manager at Girteka Logistics, participating in new mission presentation event for our employees

HUMAN RIGHTS

Un Global Compact Principles Businesses Should:

- 1 Support and respect the protection of internationally proclaimed human rights
 - 2 Make sure they are not complicit in human rights abuses
-

Girteka Logistics is proactive in its commitment to employee safety. Those areas of our business most exposed to safety risks have developed tailor-made awareness information and training resources. Even so, safety must remain our key priority for the future. Whether on the road, our own sites or on those of our clients – **Girteka Logistics is 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.



OUR MISSION

United Nations Global Compact Communication on Progress 2017

SUPPORTING CHILDRENS RIGHTS

During 2017 we took further actions to raise awareness among employees on human rights and employee safety. As an example then Girteka Logistics as the only Lithuanian company was invited by the Embassy of Sweden in Lithuania to be a presenter and panel speaker at a high level "Conference on Children's Rights and Business Principles" at the Presidential Palace in Vilnius. This conference was under the National Campaign for a Safe Lithuania, an initiative by the President of Lithuania Dalia Grybauskaitė.

At the conference business leaders and media from all across Lithuania were invited to the event with the aim to deepen the understanding on how children are affected by business operations and how business can take action to contribute in securing good conditions for children.

Speaking at the conference were representatives from the Presidential Palace, the Ambassador of Sweden Ms. Maria Christina Lundqvist, the Ministry for Foreign Affairs of Lithuania, experts from Business Sweden and Global Child Forum. From business sector were IKEA, Telia, Girteka Logistics, Rimi Baltic and Tele2 sharing their knowledge.

IMPROVING WORKING CONDITIONS FOR OUR DRIVERS

Drivers are our biggest employment group and account for approximately 80% of our workforce, we consider them our company's frontline Ambassadors. We have during the last year made a number of significant investments in order to provide a better working climate for our drivers. This included buying more than 2.500 new trucks with better safety equipment, and improved comfort for drivers.

Another investment highly tailored towards improving working conditions for our employees is our new facility in Siauliai, Lithuania, that opened in 2016. This new office includes highly improved facilities for our drivers, such as a lounge, shower facilities and even a laundry area.

We also improved the on-the-road facilities with dedicated parking places in areas like Finland, Sweden and the Netherlands.

We continue to improve our driver's education via our Girteka Logistics Drivers Academy, in 2018 we plan to invest in truck driving simulators, to ensure we have the

CELEBRATING TRUCK DRIVER #8.000

Girteka Logistics recently reached employment of our truck driver number #8.000. This is a new milestone, and a strong testament to our efforts towards being the best company for trucks drivers in Europe. Girteka Logistics has for years worked on how to best manage a large group of drivers, meaning we have systems in place for everything that can make the daily work of our drivers better.



Together with our drivers celebrating truck driver #8.000



OUR MISSION

United Nations Global Compact Communication on Progress 2017

EQUAL OPPORTUNITY EMPLOYER

Girteka Logistics is an equal opportunity employer that welcomes everyone, regardless of nationality, religion, gender or sexual orientation.

With headquarters in a small country like Lithuania we are proud to employ 15+ different nationalities working together to provide excellent service to our clients. We employ people from Spain, Italy, Ukraine, Russia, Latvia, Chile, Argentina, Denmark, Norway, France and several other countries. Being an international company, we are often a preferred employer for

young Lithuanians who has studied abroad and return with new knowledge and language skills.

We employ a large amount of drivers from different nations. We realize that transport and logistics is historically a male dominated industry, however in recent years we have seen an increase in female drivers. In our headquarters and other office locations we have a much different situation where the number of female employees equal male employees. We only offer employment and promotion based on skills and experience.

Girteka Logistics management presenting new mission for employees



MEASUREMENT AND FUTURE GOALS

We were proud to be participants in the 2017 Swedish Institute Sustainability Forum – SISF. The Swedish Institute Sustainability Forum – SISF – is no ordinary event, it is a highly creative 48-hour global think-tank with a selected sustainability theme serving the dual purpose to develop real-life applicable solutions that help companies deal effectively with some of the key sustainability challenges of the 21st century, and to help society to be more resilient in meeting known and unknown challenges.

Joining such events are inspiration for our future CSR work, and helps us benchmark our achievements against International leaders. We continue our efforts to implement our Code of Conduct, and deepen the understanding of its importance in all aspects of our company. One of our aims for 2018 is to enhance employee participation and understanding of human rights and employee safety. We want to grow our CSR to be an International leader in this area.



Donato, Erika and Innocent participating in daily Asaichi meeting



LABOUR RIGHTS

Un Global Compact Principles Businesses Should:

- 3 The freedom of association and the effective recognition of the right to collective bargaining
 - 4 The elimination of all forms of forced and compulsory labor
 - 5 The effective abolition of child labor
 - 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, and we seek to create a positive as well as open working environment wherever we operate.

GIRTEKA LOGISTICS ENSURES THAT:

- The company does not participate in any form of forced or bonded labor, as well as do not accept child labor.
- Wages comply with minimum national standards.
- Employment-related decisions are based on relevant and objective criteria.
- Employees are granted freedom of association.



OUR MISSION

United Nations Global Compact Communication on Progress 2017

GENDER BALANCE AND DIVERSITY

Girtaka Logistics has signed on to the ParityPledge™, in which companies promise to interview at least one qualified woman candidate for every open position, vice president and above, including the C-suite and board. ParityPledge perfectly aligns with Girtaka Logistics values and mission.

In Girtaka Logistics we are proud of the work we have done to achieve gender diversity in our offices, but we believe we can do more to promote and attract this diversity, from our top positions to the drivers in our trucks. A diverse workplace allows us to leverage the strengths and unique qualities of all of our employees, and that is good for our business.

Signing onto the Parity.org pledge is another way we fulfill our “WE CARE” mission, the ParityPledge™ is an initiative of Parity.org, a nonprofit organization that focuses on bringing gender equality to the highest levels of business.

HEALTHY LIFESTYLE THROUGH SPORTS

In Girtaka Logistics we value a healthy lifestyle and support our employees sport activities. During the year we support a number of sports activities from Basketball to football teams. We also have Girtaka Logistics teams joining the Vilnius Marathon, and Vilnius Bicycle marathon.

This healthy lifestyle is evident and visual in all our activities, as an example then our employee summer party is focused around sports activities. Our head office education academy even doubles as a yoga facility afterhours for our employees.

Girtaka Logistics is a large international company with many energetic employees, again this year we had many colleagues who participate in the annual WE RUN in Vilnius Lithuania.

WE RUN Vilnius is an annual event running since 2012, and in 2017 more than 7.500 people participated.

We as a company and our more than 10.000 colleagues support a healthy lifestyle where sports in an important aspect of your daily living. Our colleagues were participating in 5 km, 10 km and 21 km races, and off course children participated in the family run.



OUR MISSION

United Nations Global Compact Communication on Progress 2017

IMPROVED ROAD SAFETY THROUGH DRIVERS ACADEMY

Girteka Logistics Drivers Academy annually trains our now more than 8.000 professional drivers in safe and ECONomical driving. Driving a truck is becoming increasingly complex, each driver must have detailed knowledge of European Union as well as national rules and regulations. Ensuring compliance with cabotage rules, resting periods, using tachographs in the correct manner and much more is something we constantly educate all our employees in.

Some of our new initiatives has been to introduce tablets for online tests, and we also have introduced online education and testing for how to use the cooling unit on our trailers and much more.

In 2018 we will add a new module to our driver's academy program, namely truck driving simulators.



**TRUCK DRIVING
SIMULATOR
IMMERSIVE
VISUAL SYSTEM**

MEASUREMENT AND FUTURE GOALS

Labor rights should be a key issue for all companies. It's not just about obligations, only companies who respect and improve labor rights is truly sustainable. Our ambition is to take this further, to increase engagement with our employees and other stakeholders, and to be the most attractive employer in our field.

Girteka Logistics has labor unions within the company that every employee is free to join. Labor unions are granted independence and collective agreements are signed. We have a wide scope of employees with different nationalities and cultural backgrounds, our aim is to further develop our achievements in cultural and gender diversity.



ENVIRONMENT

Un Global Compact Principles Businesses Should:

- 7 Support a precautionary approach to environmental challenges
 - 8 Undertake initiatives to promote greater environmental responsibility
 - 9 Encourage the development and diffusion of environmentally friendly technologies
-

Measures to minimize adverse impacts on human health and the environment are taken throughout the value chain. This includes minimizing pollution, promoting an efficient and sustainable use of resources, including energy and water, and minimizing greenhouse gas emissions in transport. The local environment at the production site, warehouse or the garage shall not be exploited or degraded.

GIRTEKA LOGISTICS ENSURES THAT:

- Environmental damage is avoided via regular maintenance of supply-chain and environmental protection system (air pollution control, waste, water treatment systems, etc.).
- Emergency procedures are created to prevent and address accidents affecting the environment and human health.
- Handling and storage of chemical and other dangerous substances is done in accordance to international requirements and rules (Girteka Logistics holds ADR certificate).



OUR MISSION

United Nations Global Compact Communication on Progress 2017

ROAD SAFETY DAY WITH THE LITHUANIAN POLICE

Girteka Logistics Drivers Academy together with the Lithuanian Police created a road safety day in Vilnius, Lithuania. The day focused on road safety for socially supported children (age 6-12, total 45 kids and 10 adults, from three different organizations), and included our Drivers Academy educating their trainers in blind spot detection and accident prevention.

We invited Lithuanian police dogs and their trainers to demonstrate how Police dogs work and are trained, this enabled the children to understand the importance for the police. The children learned about road safety and how to safely behave in the traffic. Local police participated with expertise, equipment and sharing of best practice.

During an intensive 45 minutes lesson from Lithuanians most experienced road safety educator for Children – Police Commissioner Aistė Dijokaitė, the children learned the main rules for:

- HOW TO BEHAVE ON THE STREET
- WHAT ARE THE MAIN DANGERS AND HOW TO ACT CAREFULLY
- WHY DO WE NEED LIGHT REFLECTORS AND HOW TO USE IT PROPERLY
- WHAT ARE THE MAIN ROAD SIGNS AND ITS MEANING
- A VIDEO TEST TO ANSWER WHAT WAS WRONG IN THE EXAMPLE SHOWN
- WHY DO WE NEED A HELMET WHEN RIDING A BIKE AND HOW TO USE IT. THIS INCLUDED AN EXAMPLE WITH A MINI HELMET AND AN EGG WHICH WHEN DROPPING ON THE GROUND, PERFECTLY PROTECTED WITH A HELMET AND BROKE TO PIECES WITHOUT IT.

As traffic safety is of the highest importance for our company, we used this event to improve our company’s Drivers Academy understanding of how to protect children in the traffic.

The event introduced safe behavior to the children, and also allowed children to see and try the equipment used by Girteka Logistics and the Police. Each child had an opportunity to personalize their own safety vest to make it fashionable enough to be worn every day.



WE CARE



CLIENTS



COLLEAGUES



HAULIERS



OUR COMMUNITY



SHARE-HOLDERS

OUR MISSION

United Nations Global Compact Communication on Progress 2017

SUPPORTING LOCAL CULTURE

Girteka Logistics became a filming stage for a new Lithuanian-American co-production movie "001 Lithium X" directed by Israeli born, U.S. based director Guy Moshe. 001 Lithium X" is a fantasy drama about a near future: The ozone layer over the planet during the day has risen to 50 degrees Celsius thereby turning the rhythm of life upside down - people sleep during the day and live at night. Communication in the virtual world becomes the norm blurring the limits between what is real and what is virtual.

Well known actor James D'Arcy plays the main character who is aware that his heart is "unhealthy." His last hope is to use a government -funded program "to change the heart and cloned." The ex-wife agrees, but she has a different plan - not to only change the heart.

The major part of the fantasy drama is being filmed in Vilnius, Lithuania. There are 66 cinema specialists in the filming crew and most of them are Lithuanians.

SHARING OF EXPERIENCE

This year Girteka Logistics participated in the career days of two universities in Lithuania, Vilnius University and Vilnius Gediminas Technical University. Practitioners from Girteka Logistics shared their experience and expertise, and provided students with some career tips that might help them in the future.

As part of career Days in VU and VGTU we had interactive workshops, where students had a chance to manage our realistic everyday work-life situations. During these workshops their roles varied from HR, marketing specialists to planners and sales managers. We received great feedback from the participants; after all, it's true, that you learn better by doing.

Girteka Logistics strive to be transparent and have an open door policy, we therefore had many visitors to our company during the year.

We have almost weekly visitors to our company to study our LEAN practices, we are proud to share our work and thereby inspire and help other companies to become better. LEAN visitors included VNO, Vilnius Airport, UniCredit and Swedish Chamber of Commerce in Lithuania.

We are a growing company and have a constantly increasing need for young people to join our company, we therefore participate in career days in major Universities.

We want to be open to business society, and do so by inviting companies and business associations to visit our company, one such visitor in 2017 was the European Business Network.





OUR MISSION

United Nations Global Compact Communication on Progress 2017

ENVIRONMENTAL FOCUS

We have a continuous aim to further reduce our environmental impact by lowering CO2 emissions. Girteka Logistics only buy Euro 6 emission standard trucks, and during 2017 we invested in more than 2.000 such new trucks. We also continue to use fuel saving initiatives such as the Eurotunnel Le Shuttle Freight, ferries and trains. We are among the leaders in eco driving training and have measurable efforts from this training.

We also invest in the most fuel efficient cooling units for our trailers, even using solar panels to power these units. Our new office and truck maintenance facility in Sauliai, Lithuania is a highly energy efficient building, and exemplifies our effort towards reducing our energy consumption. 2017 was also the year where we strengthened our usage of Intermodal solutions.



ADOPTING NEW TECHNOLOGY

Girteka Logistics as one of Europe's largest road transport companies, was the first company in Europe who ordered the new TESLA truck. Girteka Logistics want to be the greenest transportation company available, and electric trucks are the future.

During 2018 we will try to further understand how adopting electric and LNG trucks can positively impact the environment, and as well our company.



SUPPORTING ANTI BULLYING CAMPAIGN

Girteka Logistics supported the

#WeCare about building communication values since childhood.

#WeSupport #AntiBullying campaign and drawing contest in more than 1200 Lithuanian schools!

There were two ages groups competing – younger were drawing paintings about antibullying, teenagers were participating in a song contest, creating music videos about friendship as the best weapon against antibullying.

Happy to participate in Vaiku linija's projects and to support the award ceremony of the winners.



OUR MISSION

United Nations Global Compact Communication on Progress 2017



SUPPORTING YOUNG PEOPLE

Girteka Logistics joined a Volvo Trucks Lithuania initiated a project “Be. Discover. Choose”, the project attracted almost 350 young people to become better acquainted with the business of transportation and logistics, and potentially see their professional careers here.

The project concluded on September 21 with a unique final event – an economic truck driving contest “Students’ Fuel Challenge” which took place at the Nemunas Ring racing track in Lithuania. Girteka Logistics was among the event’s partners and sponsors.

Transportation is one of the most significant sectors for economic development, responsible for over 12% of the gross domestic product of Lithuania. The transportation and logistics sector is one of the key employers with up to 109,000 employees. During last year alone, the sector was responsible for creating 7,000 new jobs.





OUR MISSION

United Nations Global Compact Communication on Progress 2017

SUPPORTING A BETTER TOMORROW FOR CHILDREN

During the year Lithuanian, Kačerginė ring road sounded from the best Lithuanian masters of cars drifting who gathered to compete for a good purpose.

The sportsmen together with the foundation Mothers Union (lith. "Mamų unija") brought together a crowd of more than a thousand people and turned sports entertainment into a meaningful support for children with severe oncological diseases. The money collected was contributed towards non-reimbursed medicines and research for treatment of children.

Girteka Logistics is proud to have employees who takes part in organizing such initiatives. We happily supported the event by delivering the stage for the event where not only music was played by DJ but meaningful messages and kind words given from organizers and athletes coming to pick up awards for the best results of the day. We are happy to help and contribute for a happier today and better tomorrow!

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.

During 2018 we will continue our commitment, investments and resources to reach these goals.



ANTI-CORRUPTION

Un Global Compact Principles Businesses Should:

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

As a transport and logistics industry leader in Europe, we understand that Girteka Logistics has to adhere to and set the highest standards of ethical business. 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, and have been updated during 2017. The Code of Conduct is available for download on our company website.

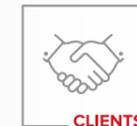
GIRTEKA LOGISTICS ENSURES THAT:

- 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.

COMMUNICATING WITH THE COMMUNITIES WHERE WE OPERATE

Girteka Logistics on average have up to 100+ trucks and trailers in each European Union country every day. We wish to communicate with these communities, and have an opportunity to listen to any suggestions for improvements. We therefore continue to have a sticker on each trailer with an email where any concerns, comments or compliments can be addressed. We generally provide responses in a very short timeframe to such emails, and use them to communicate with our drivers and implement improvements.

We also internally provide open and anonymous communication channels to all employees for any issues.



OUR MISSION

United Nations Global Compact Communication on Progress 2017

MEASUREMENT AND FUTURE GOALS

We believe that a continued strong focus on our procurement operations has a high importance, we must 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 2018 we will continue to reinforce awareness of our values and our code of conduct by including this in our education activities for all employee groups.



OUR MISSION

WE CARE



COLLEAGUES



HAULIERS



SHARE-
HOLDERS



OUR
COMMUNITY



CLIENTS

 +370 5 239 4090

 info@girteka.eu

 www.girteka.eu



[/company/GirtekaLogistics](https://www.linkedin.com/company/GirtekaLogistics)



[/GirtekaLogistics](https://www.facebook.com/GirtekaLogistics)



[/GirtekaLogistic](https://twitter.com/GirtekaLogistic)

UNITED NATIONS
GLOBAL COMPACT
COMMUNICATION
ON PROGRESS 2017