



ThinkGLS. ThinkResponsible.

4th Sustainability Report 2018/2019





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GLS at a glance

Key figures	2016/2017	2017/2018	2018/2019
Business figures			
Revenue (in billion Euro)	2.5	2.9	3.3
EBITA (in million Euro)	196	217	201
EBITA margin (in %)	7.7	7.5	6.1
Operating figures			
Customers	> 270,000	> 270,000	> 200,000*
Parcel volume (in millions)	508	584	634
Long distance vehicles	approx. 3,700	approx. 4,000	approx. 3,500
Delivery vehicles	approx. 23,000	approx. 26,000	approx. 26,000
Distribution centres**	> 70	approx. 70	70
Depots and agencies	> 1,000	approx. 1,300	approx. 1,400
Sustainability figures			
GLS companies certified in accordance with ISO 14001:2015	20	20	20
CO ₂ e emissions (in tonnes)	621,171	667,135	706,633
Employees	approx. 17,000	approx. 18,000	approx. 19,000
Fatal accidents	0	0	0

* Due to a different counting method the number was adjusted.

** Regional and central hubs

About this report

With this fourth Sustainability Report of the GLS Group, we inform our stakeholders and interested ones of the general public about our aims, activities and progress in economic, social and environmental matters. The information contained in this report relates to the 2017/18 and 2018/19 financial years.

Data delimitation and comparability

Unless indicated otherwise, the figures refer to the GLS Group as a whole. Due to changes in the past two years, the environmental figures included in the report can only be compared to a limited extent with those from previous years. The locations of ASM and Redyser have been incorporated into GLS Spain and are therefore included in the life cycle assessment. The US locations have also been included in the life cycle assessment since the 2018/19 financial year. The Canadian locations are not yet included in the life cycle assessment.

The reporting on emissions and resource consumption for the 2017/18 and 2018/19 financial years, unless otherwise indicated, relates to all activities, products and services and all GLS entities that we have included in the scope of consolidation as at the relevant balance sheet date in accordance with the rules governing financial reporting and/or those entities that have a significant effect on the environment in this regard.

Reporting cycle

The full Sustainability Report of the GLS Group is published every two years in German and English, and can be accessed online. The Sustainability Report is also supplemented by an annual update. This report relates to the period from 01/04/2017 to 31/03/2019.

Additional information online

In addition to this report, the GLS Group provides information about its sustainability activities online: <https://gls-group.eu/EU/en/sustainability>

Accuracy

For presentation reasons, the figures quoted in tables and graphs have been rounded. However, exact figures are shown for changes against previous years and fractional percentages. For this reason, it is possible that a relative change may be reported even though the figure is shown as unchanged against the previous year. Due to the rounding of fractional percentages, it is possible that adding them may result in figures different to the ones reached when adding non-rounded fractional percentages. Due to rounding, it may not be possible, for example, to add percentages up so that a figure of 100 per cent is reached, although that would be the logical expectation.

Editorial remarks

For the purposes of legibility, we have not distinguished between the male and female forms of address. Thank you for your understanding. ■



“The expansion of core markets and growth by means of acquisitions and partnerships”

ThinkGLS – About us

General Logistics Systems B.V. (headquartered in Amsterdam) provides reliable, high-quality parcel services in Europe and North America, complemented by logistics and express services. In the 2018/19

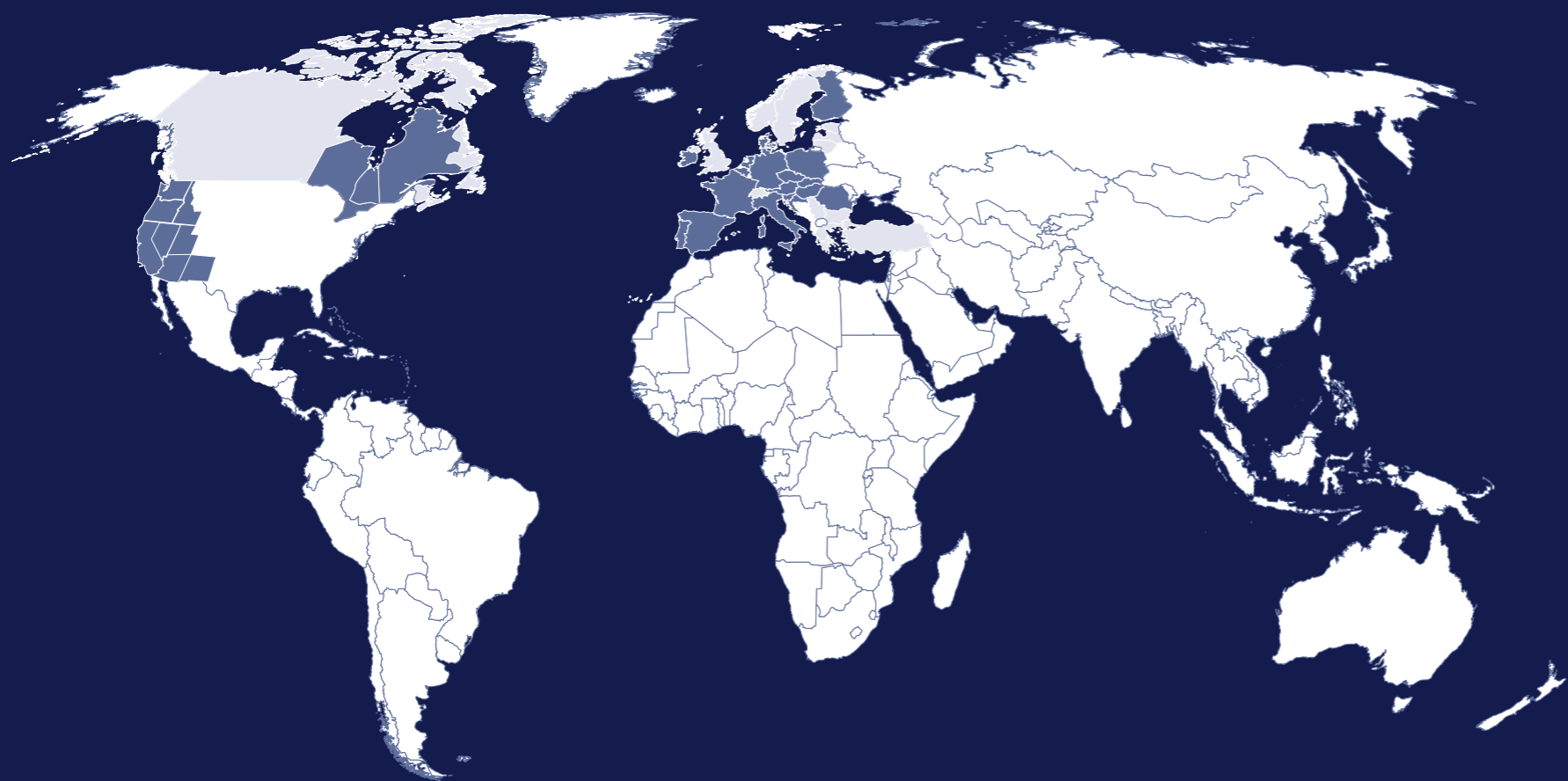
financial year, our parcel network spanned 43 countries and states, served by our own subsidiaries and our network partners.

Our customers and recipients

The core focus of GLS is business-to-business (B2B) shipping. This term describes the shipping of goods between business senders and business recipients, e.g. the shipping of tools and spare parts from a manufacturer to a construction company. In addition to traditional B2B shipping, business-to-consumer (B2C) shipping has also grown in importance in recent years. This is when business senders dispatch parcels to private recipients, such as when a private individual orders products from an online retailer. For both B2B and B2C shipping, goods are sent by companies and not by private individuals. These two shipping types are different from consumer-to-business (C2B) and consumer-to-consumer (C2C) shipping. In these cases,

the parcel is sent by a private individual, either to a company (such as when returning items ordered online) or to another private individual (such as when sending gifts to friends or family).

Our customers are the parcel senders, i.e. companies or, in some cases, private individuals. Additionally, we also have to consider the needs of the parcel recipients. The requirements are becoming more challenging, especially in B2C and C2C shipping, as it is harder to deliver to private individuals than to companies. A detailed description of how we respond to the differing needs of our various customer and recipient groups, can be found in the chapter ThinkQuality (see page 40).



Subsidiaries

- GLS Austria
- GLS Belgium¹
- GLS Croatia
- GLS Czech Republic
- GLS Denmark
- GLS Finland
- GLS France²
- GLS Germany
- GLS Hungary
- GLS Ireland
- GLS Italy³
- GLS Netherlands
- GLS Poland
- GLS Portugal
- GLS Romania
- GLS Slovakia
- GLS Slovenia
- GLS Spain⁴
- DER KURIER (Germany)
- Golden State Overnight (USA)
(Arizona, California, Idaho,
Nevada, New Mexico, Oregon,
Utah, Washington)
- Dicom Canada

European partner companies

- A2B Express (Bosnia and Herzegovina,
Kosovo, Macedonia, Montenegro,
Serbia)
- ACS – Air Courier *Service*
(Greece and Cyprus)
- Global Parcels Ltd. (Malta)
- Interlogistica Ltd. (Bulgaria)
- MNG Kargo (Turkey and Cyprus)
- Parcelforce Worldwide (United
Kingdom)
- Posten Norge (Norway)
- Posti (Baltic States, Finland)
- Schenker AB (Sweden)
- Post CH (Switzerland and Liechtenstein)

Global partners

- Gati Ltd. (India)

Legend:

- 1 – including Luxembourg
- 2 – including Monaco
- 3 – including the Vatican City and San Marino
- 4 – including Andorra

*Figures from the
2018/2019 financial year*



*Revenue of
€3.3 bn*



*634 million
parcels*



*29,500
vehicles*



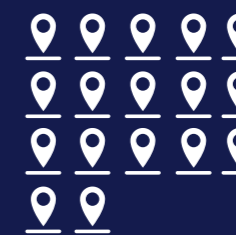
*More than
200,000
customers*



*19,000
employees*



*Approx.
1,400 depots
and agencies*



*70 distribution
centres*

The GLS Group value chain



Our transport partners

Our transport partners and their delivery drivers play an essential role in our day-to-day operations. They are experts in parcel delivery, which is why they handle the “last mile” on our behalf and also transport parcels between the hubs of the GLS Group. They are our face in the outside world towards our customers and recipients. In other words, they work hard for GLS every single day to provide high-quality services.

Task sharing is a concept that spans many sectors, making it possible to reduce complexity within companies and allowing them to react in a more flexible way. Our transport partners know their market and local conditions and are therefore experts when it comes to transporting, delivering and collecting parcels.

The GLS Group value chain

The value chain diagram shows how the GLS Group considers sustainability aspects at all stages of the process, from the time a parcel is dispatched by the sender through to its transit and its delivery to the recipient. The company provides a transport service that addresses the needs of the environment and society to the greatest extent possible.

Materiality analysis and matrix

In the context of the professionalisation our sustainability strategy, in 2016 we carried out a systematic materiality analysis in accordance with GRI reporting principles. This means that we identified key areas of action in the field of sustainability in conjunction with our internal and external stakeholders as part of a detailed, multi-stage process.

This process centred on two questions:

- What are the key opportunities and challenges for the GLS Group and its future strategic development?
- On what issues do our stakeholders expect transparent information and endeavours?

A survey of all relevant stakeholders was carried out at all GLS national subsidiaries using an online questionnaire. This questionnaire covered 24 relevant topics that had previously been identified and selected by decision-makers in the GLS Group. Stakeholders were asked to rate the sustainability issues in terms of their relevance for the GLS Group. Respondents included employees, customers, recipients, transport partners, delivery drivers and ParcelShop partners. A total of 2,900 questionnaires were completed. External stakeholders accounted for 65 per cent of respondents, meaning they were represented more than internal stakeholders, who made up 35 per cent of total respondents. 41 per cent of all respondents were our customers. In a process that ran parallel to the stakeholder survey, the areas of action were also analysed from the standpoint of the company. Following the completion of the online survey and the

analysis of the company, the results were assessed and the 19 key areas of action were prioritised and summarised in a two-dimensional materiality matrix (see right).

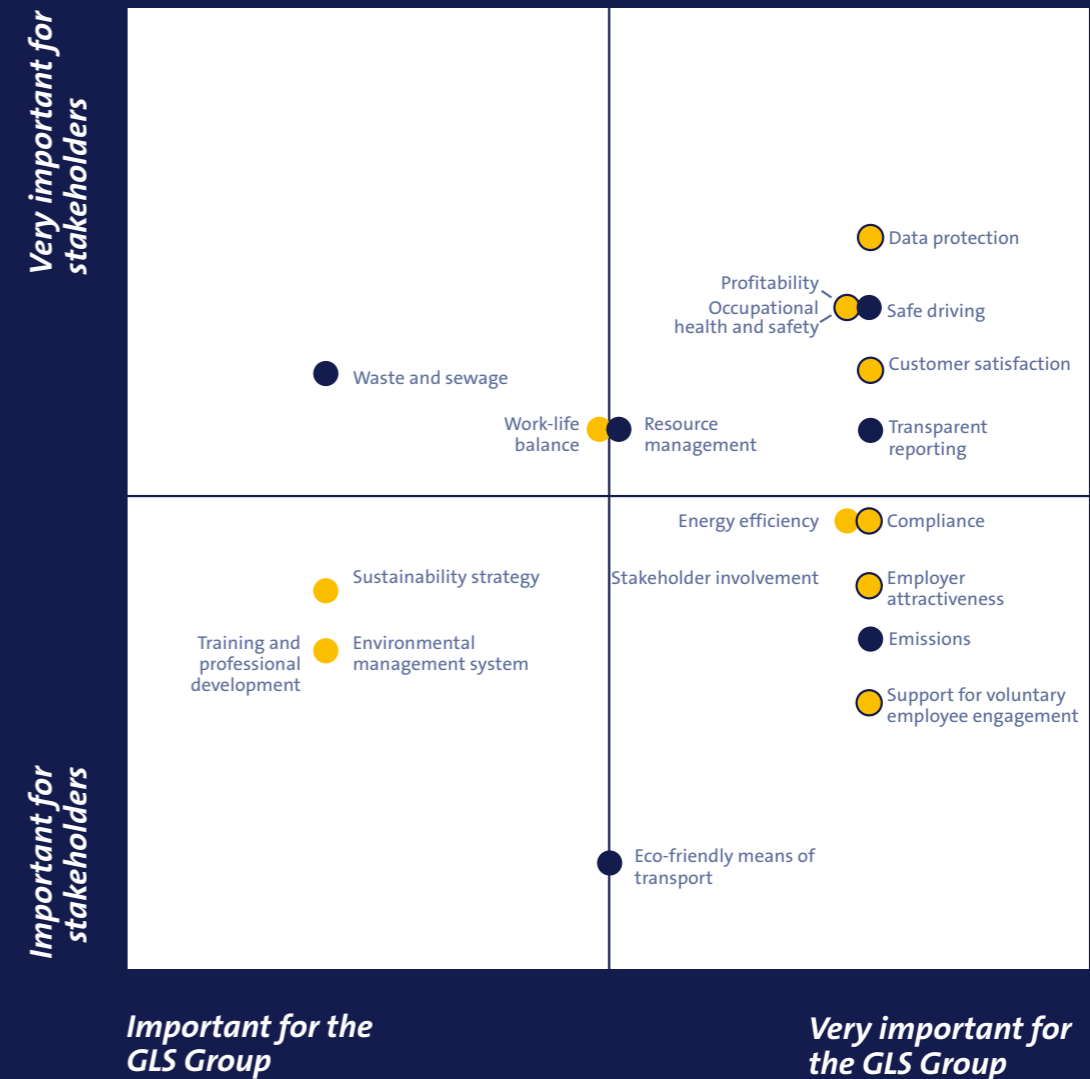
The materiality matrix

The materiality matrix guides the strategic direction of the sustainability commitment of the GLS Group. The clear prioritisation of areas of action enables the GLS Group to assume its role and responsibility within society and to consolidate sustainability awareness in its corporate strategy.

The 19 areas of action identified as being important have been assigned to one of four quadrants depending on their relevance. The upper right-hand quadrant contains the areas of action that are very important to both the GLS Group and our stakeholders. The colour code used for the items also shows whether good/poor performance in the area of action concerned has an impact on our external and/or internal stakeholders. Accordingly, data protection is of the utmost importance for both the GLS Group and our stakeholders. The performance level in this area of action influences the welfare of both external and internal stakeholders.

The GLS Group will continue to integrate the areas of action identified as very important into the business processes. Data protection at all national subsidiaries will remain a key area of focus in the years ahead (see page 48-49). We will also consider the issues of occupational safety and safe driving, such as within the numerous activities in the field of occupational health and safety (see page 74-75) and our ongoing road safety campaign (see page 38).

The GLS Group materiality matrix



- External impact
- Internal impact
- Internal and external impact



The GLS Group strategy

With GLS subsidiaries and partner organisations, the GLS Group covers 43 countries and states. Therefore, our slogan is “Think Global. Act Local”. We support and promote our 21 national subsidiaries by adapting to reflect the specific needs and characteristics of local markets and customers and by pursuing country-specific strategies.

Organic growth and sensible acquisitions

While our primary focus is on organic growth, we also expand our network by means of acquisitions, when it makes sense to do so. For example, in the period under review we acquired the US parcel service Postal Express (April 2017), the Spanish express parcel service Redyser Transporte (February 2018) and the Canadian parcel service Dicom Canada (September 2018). These transactions enable us to strengthen our operations in the Spanish market further and advance geographically focused expansion in North America.

As Rico Back, the former CEO of the GLS Group, was appointed CEO of the Royal Mail Group as of 1 June 2018, certain restructuring measures became necessary at the GLS Group which were implemented during the course of the 2018/19 financial year. James Rietkerk, formerly the CFO of the GLS Group, was appointed as the CEO of GLS Group. His successor as Group CFO is Thorsten Pruin, who was previously Finance Director of GLS Germany. The senior management team is supported by three Area Managing Directors.

IT – a core component of our business processes

Efficient information technology plays a key role when it comes to continuously optimising parcel shipping at GLS. It represents a vital touchpoint, both for our customers and parcel recipients. Accordingly, user-friendly IT systems that are tailored to customer requirements have a significant influence on the satisfaction and loyalty of our customers. Therefore, ongoing optimisation of our IT architecture contributes directly to the future viability of GLS.

Many operational processes are streamlined with IT support. For example, artificial intelligence helps us to optimise delivery routes, which results in huge reductions in journey times and distances. Here, the economic interests of the company and its pursuit of environmental sustainability go hand in hand. In terms of delivery, which is the most important operational process, mobile IT solutions help us to simplify and streamline the work of delivery drivers with intelligent software and intuitive user interfaces, and therefore optimise it without consuming more resources. To achieve this, new handheld scanners have been developed and implemented at many GLS subsidiaries. Furthermore, sustainable urban logistics would not be possible without new IT systems, as the resulting increases in planning and coordination expenses can only be offset by equipping micro depots and transport partners with the right technology.

Internally, information technology facilitates a sustainable working environment for our employees and effective collaboration. IT platforms used for collaboration (e.g. video conferences) now play a central role in day-to-day work and help us to reduce the number of face-to-face meetings and the flights/car journeys associated with them. Digitalisation also helps us to reduce unnecessary printouts and the physical sharing of paperwork when invoices are processed across different locations.

Lastly, our parcel recipients also benefit from technological advancement in the parcel sector. They are involved in the delivery process via apps and portals and can optimise their day-to-day routines thanks to sophisticated delivery options (*FlexDeliveryService*), up-to-date status notifications and reliable estimated delivery windows.

The technical modernisation of IT systems provides continuous support for the GLS goal of reducing the environmental footprint of the company wherever

possible. Over the past few years, for example, electricity consumption has been reduced by means of the virtualisation of the servers at GLS data centres.

GLS IT manages more than 100,000 terminal devices across the Group, including handheld scanners, ParcelShop systems and IT workplaces. In total, the combined IT systems of GLS process some 100 million data sets a day. To make this possible, GLS not only deploys established IT solutions from well-known market players, but also develops its own innovations, thereby responding to new market trends at an early stage. In this way, the base of GLS is kept at the cutting edge and stays fit to meet up to future challenges. To achieve this, the GLS IT department draws on state-of-the-art ideas such as agile working, open interfaces and short development cycles, therefore fulfilling our commitment to constant improvement and fast adaptation to changing circumstances.

With the increasing maturity of local parcel markets, specific requirements on local products and services are playing an ever greater role in the countries in which the GLS Group operates. GLS is investing comprehensively in further expansion of its local IT capacities in order to be able to satisfy these specific business models and ensure the rapid availability of solutions in the target market.

Local IT units are supported by a central IT function, which provides shared services and an overarching framework. The central IT department offers national subsidiaries shared services where they add business value and where local solutions would not be efficient. In addition to a central platform for sharing parcel data, the central IT department also offers infrastructure services such as central data centres and centrally managed desktops.

For GLS, the security of our IT systems and the data of our customers, partners and employees is one of the cornerstones of our business. In addition to regulatory requirements, we also impose stringent rules on ourselves. With a dedicated IT Security unit, professional processes and regular audits, we ensure that our high quality standards in the field of data security are implemented on a day-to-day basis. ■



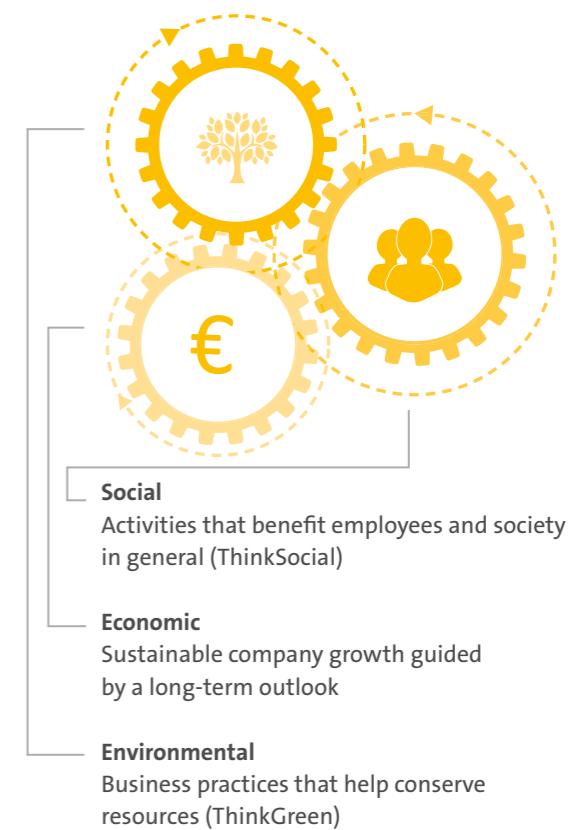


“The GLS Group is aware of its corporate responsibility”

ThinkResponsible Responsibility

The courier, express and parcel services (CEP) segment, of which GLS is a part, continues to grow. The European parcel market was worth more than €70 billion in 2018. The rise in relation to the previous year is mainly due to growth in online retail, which has stood at 13 per cent per annum since 2013.¹ Along with the positive trend, however, the sector also faces challenges. In addition to increasing competition and the resulting price wars, CEP companies also have to tackle issues such as lack of resources, climate change and environmental protection. Added to this are the increasingly stringent statutory requirements, such as emissions standards, toll fees, low-emission zones and vehicle bans.

The GLS Group keeps pace with changing conditions and is aware of its corporate responsibility. The aim of all activities is to achieve sustainable commercial success while considering environmental impacts. The GLS Group is also committed to its employees and to society.



¹ Apex Insight (2019): European Parcels Market Insight Report 2019.

Corporate responsibility strategically consolidated

The GLS mission is to be the “Quality leader in Europe”. That is why we are working systematically to meet the needs and wishes of our customers with top-quality solutions. At the same time, we take our environmental impact into account and value an honest and partnership-based relationship with our employees (see page 66 ff.) and transport partners (see page 35-39). Acting sustainably means assuming responsibility. In the GLS Group, all corporate responsibility activities are pooled and coordinated under the heading “ThinkResponsible”.

“ThinkResponsible” makes it clear that sustainability begins in the planning phase and that it is a guiding principle of all business activities. Successful corporate governance considers both the long and short-term social, environmental and economic impacts of business activities. Sustainability is not only the benchmark for the company and its employees, but is also necessary for the future development and success of the company. The Group-wide corporate responsibility strategy (CR strategy) forms the basis for transparent and realistic planning of our sustainability goals. We actively assume environmental and social responsibility in order to generate company growth that is sustainable, resource-saving and fair.

The role and responsibilities of logistics companies are becoming ever more complex on account of the changes both inside and outside the industry. We see social and environmental requirements, as well as the increased demands of our customers, as an opportunity to develop our core business further and to generate competitive advantages on the market.

In order to meet these requirements proactively, the GLS Group strategically consolidates sustainability and puts it into practice across the board. As a CEP provider, we have a special responsibility in terms of environmental protection. As an employer, we consider the welfare and development of our employees as especially important and are also committed to the transport partners who operate on our behalf and their delivery drivers.

We regard sustainability as the cornerstone of our own economic activities, because a sustainability commitment is not a self-contained project. Rather, it is an ongoing strategic process that is carried out in close consultation with all internal and external stakeholders. We consider our sustainability commitment to be a lasting investment in the future viability of the company, the environment and society. In order to achieve this, we are working in a proactive and targeted manner to professionalise our CR strategy and to implement it.

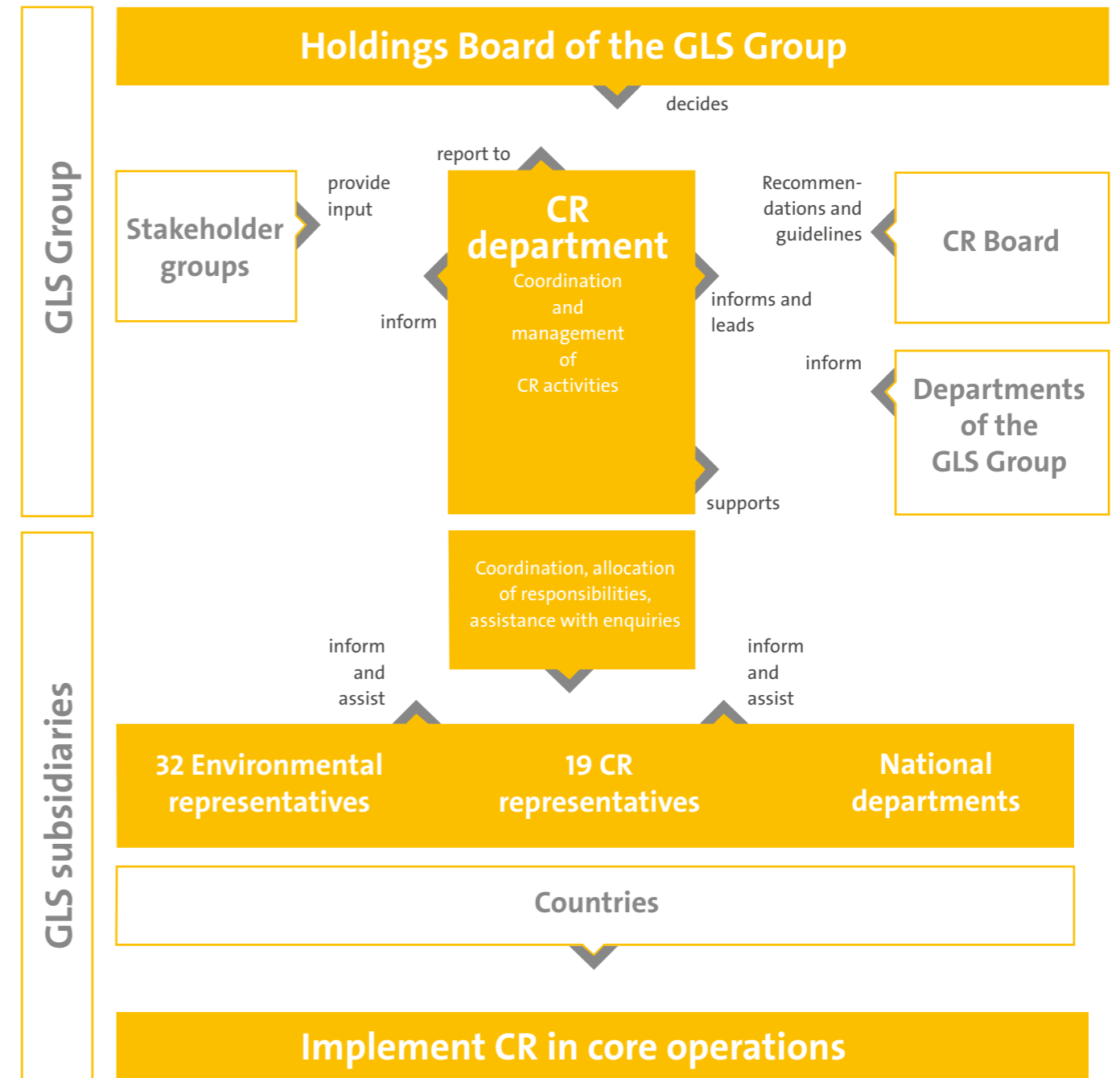
Our mission regarding sustainability: **ThinkResponsible is a key element of business at the GLS Group.** This mission is to be strengthened with various measures that are consolidated in our strategy and will communicate various messages.

The GLS Group acts in accordance with its core values: reliability, security, transparency, flexibility and sustainability.

- The GLS Group is the quality leader in Europe.
- The GLS Group is an attractive employer.
- The GLS Group is committed to its transport partners and their delivery drivers.
- The GLS Group assumes responsibility for society and the environment.
- The GLS Group helps its customers to act in an environmentally friendly way and to communicate this to them.

Since February 2014, the Corporate Responsibility department has acted as the central point of contact within the GLS Group for all issues related to the sustainability commitment. It coordinates all activities across the Group and provides the direction for our current and future commitment by means of the sustainability strategy. Thanks to the direct involvement of the CEO, implementation of the strategy is supported at the very highest level and its relevance for the entire company is clarified.

Involvement of the CR department



Dr Anne Wiese, Manager Corporate Responsibility GLS Group



Dr Wiese, sustainability is a very broad field that is not always easy to define. How do you determine the areas to focus on?

The direct link to our own corporate activities and their impact is extremely important to us in terms of our commitment. Therefore, we focus especially on alternative delivery methods and on reducing resource consumption at our locations. By means of our social activities, we aim to give something back to our employees and transport partners, as well as to the local communities in which we operate.

It seems that increasing attention is being paid to sustainability in both public debate and media coverage. Do you agree that awareness regarding the subject has increased in the past few years?

Yes, I also have the impression that sustainability is becoming ever more consolidated within society. Hardly a day goes by without us encountering the subject in one way or another. The Fridays for Future movement in particular has once again shown very impressively how much the younger generations in particular are dealing with it. And regardless of whether you are for or against school strikes, they at least illustrate with great clarity that sustainability is now regarded by many people as one of the most urgent issues facing society.

What extensive CR measures have you undertaken recently?

One of the most comprehensive and wide-ranging projects has been the development of our new sustainability strategy. We have also significantly developed our environmental management system in accordance with ISO 14001: 2015 and are continuing to work on it. Generally speaking, fulfilling our environmental responsibility is a dynamic process that is continually influenced by new insight and experiences. It is therefore essential that we, as the CR department, evolve continuously while rethinking and optimising existing processes. The fact that we advanced to Silver status in EcoVadis 2018 is further proof that our commitment is paying off. We are naturally delighted by such awards. At the same time, they also spur us on to incorporate sustainability activities even more fully within day-to-day working routines at GLS.

Looking ahead to the next few years, what do you think will be the key issues for your team?

I believe that our customers will focus even more closely on sustainability issues and that what they expect from us will also increase as a result. With this in mind, certificates and standards will play an increasingly important role. I also think that we will have to pay even more attention to alternative fuel technologies in the future. The experience we have gathered over various projects, coupled with the experience gained from future projects, will help us continuously to optimise alternative delivery services at GLS. I am convinced that the tasks of the CR department will continue to increase.

The sustainability strategy establishes the direction

The basis of our sustainability activities is the sustainability strategy, which is developed by the CR department and approved by the CEO. The new sustainability strategy was drawn up in the 2018/19 financial year, setting out the goals and measures for the financial years 2018/19 to 2020/21.

As with the previous strategy, the main objective for the years ahead is to professionalise CR activities further and to build on the commitment in order to remain well prepared for future developments. A further element of the sustainability strategy relates to the adaptation of activities in individual countries, e.g. emissions calculation and reporting. GLS Netherlands and GLS Spain, for example, have already published their own sustainability reports

in line with the Group Sustainability Report. The adaptation of emissions calculations at national/customer level and the launch of the climate-neutral *ThinkGreenService* at other national subsidiaries also form part of the new strategy.

A major area of focus is the strengthening of our Group-wide corporate responsibility network, which comprises the central CR department as well as Environmental and CR Representatives in national subsidiaries. Another key task is the continuous development of our environmental management system in accordance with ISO 14001:2015, which is done in close cooperation with individual countries and the Quality Management department. Furthermore, we will renew our EcoVadis certification every year.

Stakeholder dialogue – communication with our stakeholder groups

The GLS Group has a variety of different stakeholder groups which are significantly affected by our corporate activities. These stakeholders, whom we refer to as dialogue groups, also have different demands and interests with regard to the company. These groups include our corporate customers, private recipients and senders our employees, the transport partners contacted by us and their delivery drivers, ParcelShop partners as well as legislators, politicians and society in general.

As all stakeholders with their specific needs have a direct or indirect influence on our business operations and consequently on our aims and success, it is important to maintain continuous dialogue with these groups.

The dialogue with relevant stakeholders is a key component of a continual improvement process, particularly with regard to our sustainability efforts. We not only regard a structured and strategically oriented stakeholder dialogue as a key source of information, but also as an opportunity to involve those associated with the company actively in our planning. The acceptance and trust of our stakeholders is an essential requirement for the sustainable corporate success of the GLS Group. This results from a dialogue that is based on the principles of transparent communication and mutual respect between partners.

We communicate in a variety of ways with our most important dialogue groups on an ongoing basis (see pages 26-27).

Stakeholder activities

Dialogue group	Corporate customers	Private recipients/private customers	Employees	Transport partners	ParcelShop partners	Society	Parent company
Who are they?	<ul style="list-style-type: none"> Commercial senders from a range of sectors 	<ul style="list-style-type: none"> Private recipients are the customers of our customers Recipient contacts are increasing due to online retail Private customers are infrequent or small-scale senders 	<ul style="list-style-type: none"> 19,000 employees 	<ul style="list-style-type: none"> They handle the transport (collection and delivery) of parcels 	<ul style="list-style-type: none"> The people who run our ParcelShops There are approx. 23,000 ParcelShops in Europe 	<ul style="list-style-type: none"> The places in which our hubs and depots are located The society in which we operate 	<ul style="list-style-type: none"> Royal Mail plc
What are their expectations?	<ul style="list-style-type: none"> High quality Flexibility Excellent support and service Quick and reliable delivery Seamless collection Appropriate prices Low damage rate 	<ul style="list-style-type: none"> Quick and flexible delivery Real-time shipment tracking Speedy recipient service in the event of problems Ability to select the parcel company Ability to select the time/place of delivery during the order process Reasonable shipping costs Ability to rearrange the delivery time/place after the order process has been completed Straightforward returns handling User-friendly site for generating labels Low prices ParcelShops with convenient opening hours and good geographical density 	<ul style="list-style-type: none"> A secure and attractive job with long-term perspectives Training and professional development Additional benefits like kindergarten subvention and company pension schemes Family-like team, solidarity between colleagues and generational diversity Transparency and communication 	<ul style="list-style-type: none"> Fair working conditions and pay Transparency and communication 	<ul style="list-style-type: none"> Quick and simple processing of parcels Easy to contact us when questions or problems arise 	<ul style="list-style-type: none"> No adverse impacts caused by GLS business activities Local commitment Transparency 	<ul style="list-style-type: none"> Increased shareholder value
How do we communicate?	<ul style="list-style-type: none"> Sales and key account management Customer support Website Corporate customer portals Customer magazine (InSight Europe) 	<ul style="list-style-type: none"> Customer service line Social media (presence in 11 countries) Website Press relations Delivery drivers 	<ul style="list-style-type: none"> Internal newsletter Town hall meetings Employee events Intranet Employee magazine in DE 	<ul style="list-style-type: none"> Regular meetings with transport partners Activities for transport partners and delivery drivers at the depots Social networks 	<ul style="list-style-type: none"> Regular contact via staff responsible for ParcelShops ParcelShop newsletter Provision of promotional materials 	<ul style="list-style-type: none"> Website Information in the media 	<ul style="list-style-type: none"> Via GLS Group CEO Cooperation-between special-ist departments on selected topics Regular communication by means of reporting
What has already been achieved?	<ul style="list-style-type: none"> Recertification according to ISO 9001:2015 and ISO 14001:2015 at all European national subsidiaries New services launched (e.g. <i>LetterboxService</i> in DE) GDP certification (BE, DE, DK, IE, FR) Customer workshops and surveys Expansion of the cross-border <i>FlexDeliveryService</i> Participation in the EcoVadis certification programme 	<ul style="list-style-type: none"> Roll-out of the <i>FlexDeliveryService</i> to more countries Expansion of the ParcelShop network Launch of the GLS-ONE private customer portal in more countries (DE, Benelux, AT) New services launched (e.g. <i>InfoCourierService</i> in PL) Carrying out recipient surveys 	<ul style="list-style-type: none"> Expansion of employer branding activities (e.g. careers site in DE) Use of social networks Diverse professional development opportunities Employee surveys Delivery of compliance training Revised Code of Business Standards 	<ul style="list-style-type: none"> Digital tools that can help in terms of route planning and delivery if necessary Concentration of the depot network increased to shorten delivery routes 	<ul style="list-style-type: none"> Launch of a new logo Opening of own ParcelShops in DE, DK Use of ParcelShops as city depots as part of urban logistics activities 	<ul style="list-style-type: none"> Continuation of the volunteering day and social commitment Expansion of the alternative drive vehicle fleet Involvement in numerous urban logistics projects 	<ul style="list-style-type: none"> GLS activities included in the Royal Mail Sustainability Report and Annual Report Life cycle assessment prepared in alignment with Royal Mail
What is planned for 2020/21?	<ul style="list-style-type: none"> Expansion of the network by enlarging existing depots and building new ones Launch of new services Expansion of existing services Renewal of EcoVadis certification Launch of the new website gls-group.eu 	<ul style="list-style-type: none"> Launch of the new website gls-group.eu Expansion of activities in social networks 	<ul style="list-style-type: none"> Launch of an intranet (DE) 	<ul style="list-style-type: none"> Launch of new hand-held scanners Launch of further digital tools Expansion of the functionality of existing tools Further network expansion 	<ul style="list-style-type: none"> Expansion of the ParcelShop network Roll-out of the new ParcelShop logo 	<ul style="list-style-type: none"> Expansion of urban logistics projects Expansion of the alternative drive vehicle fleet Introduction of the GLS KlimaProtect programme in DE 	<ul style="list-style-type: none"> Continuation of current activities

Integrity and compliance are the basis of responsible business activity

Integrity and compliance

Strict compliance with all applicable laws is of paramount importance to ensure the trust of our customers and other stakeholders. It also forms the basis for responsible and sustainable corporate governance. Lawful behaviour has to be ensured at all levels of the company and must be the guiding principle behind all decisions taken.

Compliance programme and compliance organisation

As an international parcel company, the GLS Group is committed to fair competition, integrity and responsible business practices. In order to live up to its high demands in the key compliance-related areas of competition law, anti-corruption and the observance of sanctions, and to prevent damage to the company, as well as its employees and executives, GLS established a Group-wide compliance programme in the 2015/16 financial year.

A central Corporate Compliance Team is responsible for the development, organisation and monitoring of all compliance-related areas. Its other tasks include a comprehensive, Group-wide risk assessment, devising new policies and updating existing ones and organising staff training programmes.

The national subsidiaries are responsible for local adaptation, implementation and application. The first contact in this regard is the local Compliance Manager. This person can also be consulted on compliance-related issues by all employees of the national organisation by means of a dedicated compliance telephone number and email address.

Policies and training programmes

The GLS compliance policies set out the binding ground rules to ensure that employees act in a lawful manner. We will not tolerate any unlawful behaviour on the part of our employees. In particular, we have a strict zero-tolerance policy with regard to bribery and corruption. Our standards of behaviour are set out in the Group-wide policies on tackling corruption, competition law and trade/financial sanctions, which apply to all employees, and are documented in supplementary guidelines and procedures.

By means of accompanying online tutorials, all office staff are familiarised with the content relevant to them. Specialist, assistance based training is also held for focus groups such as sales staff.

Ombudsman system and dealing with allegations of misconduct

In March 2012, the GLS Group introduced a whistle-blower system to enable employees, business partners and third parties to report criminal acts and similar serious offences on a confidential basis. By appointing a lawyer as the ombudsman, we have ensured that the identity of the whistle-blower is not divulged, as they and their information are protected by legal confidentiality and privilege. Even the act of making contact with the ombudsman is protected, thereby reducing the inhibitions of potential whistle-blowers who wish to use the system.

The GLS Group takes allegations of misconduct on the part of employees and representatives extremely seriously. All relevant information is investigated further. If an allegation proves to be true, appropriate disciplinary measures are taken that may even result in the contract of employment or business relations with the person concerned being terminated. If procedural weaknesses are identified in the course of an investigation, these will be remedied.

GLS Group Code of Business Standards

The Code of Business Standards is the cornerstone of all commercial activities of the GLS Group. It also illustrates the commitment of the GLS Group towards its stakeholder groups i.e. employees, customers, business partners and the general public. In conjunction with the Guidelines of the GLS Group, the Code of Business Standards sets out the behavioural rules that apply to all employees of the GLS Group. These cover areas such as health and safety, data protection, quality, the selection of business partners and environmental standards. In order to emphasise the importance to GLS of acting responsibly, we published our new Group-wide Code of Business Standards in February 2018 (<https://gls-group.eu/EU/en/compliance>).



Memberships of associations

GLS Germany: Bundesverband Paket und Expresslogistik e.V. (BIEK)

GLS Denmark: Danish Transport and Logistics Association (DTL); Confederation of Danish Enterprise

GLS Poland: FORUM PRZEWOŹNIKÓW EKSPRESOWYCH (FPE)

GLS Italy: Federazione Italiana Trasportatori (FEDIT)

GLS Belgium: Koninklijke Federatie van Belgische Transporteurs en Logistieke Dienstverleners (FEBETRA); Vereniging voor Inkoop en Bedrijfslogistiek (VIB)



Business partner approval process and Supplier Code of Conduct

The GLS Group is committed to the very highest standards in terms of its business practices. Any GLS employee who is involved in the selection of business partners, and who therefore acts on behalf of the GLS Group, is responsible for ensuring that business partners are selected in accordance with an appropriate selection procedure. In this regard, we have also drawn up a comprehensive Supplier Code of Conduct (<https://gls-group.eu/EU/en/compliance>), which was implemented on a Group-wide basis in the 2018/19 financial year. The Supplier Code of Conduct sets out the expectations we have regarding our suppliers, such as in the areas of environmental and social responsibility. It is therefore a central part of the business partner approval process.

Transport partners

In accordance with the procedure for selecting business partners, which is applied at all GLS national subsidiaries, all standard contracts with transport partners contain a specific clause obligating the transport partner to comply with all applicable local legislation. GLS national subsidiaries also take additional measures according to local circumstances where necessary; examples of such measures include partner codes of conduct especially for transport partners, the aim being to establish suitable guidelines for such partnerships. GLS Germany, for example, has revised its Partner Code of Conduct (<https://gls-group.eu/EU/en/compliance>)

UK Modern Slavery Act

The GLS Group is part of the Royal Mail Group. Royal Mail plc is committed to preventing all forms of modern slavery and forced labour within the company and its supply chain. For more information on the 2017/18 Royal Mail statement on the Modern Slavery Act, please refer to <https://gls-group.eu/EU/en/compliance>.

Collaboration with our ParcelShop partners

The idea of introducing ParcelShops came about in 1997 following the closure of the first Deutsche Post branches. As a result, German Parcel (as it was known at the time) opened the first ParcelShop, making it one of the first parcel companies with a sales outlet of this kind in Germany. A few years later, it became apparent that ParcelShops were also suitable for handling deliveries of B2C parcels. This marked the start of systematic network expansion in Germany, and subsequently in Europe, in order to be able to offer customers a comprehensive network of outlets and improve delivery in the last mile. The GLS Group currently has approximately 23,000 ParcelShops in 15 different European countries. Of these countries, Germany, France, Denmark and Poland run the highest concentration of outlet networks.

ParcelShops are managed by self-employed partners alongside their main line of business. They are situated in locations such as petrol stations, newsagents and corner shops. Recipients can collect their parcels at one of our ParcelShops if it has not been possible to deliver directly to their home address. Delivery to a ParcelShop can also be selected by the sender as an option within our *FlexDeliveryService*. ParcelShops not only make it possible to collect parcels, but can also be used to send parcels and submit returns. As a result, we are able to offer our recipients an additional delivery and shipping option.

A partnership with GLS not only provides ParcelShop operators with an additional source of income, but also allows them to maintain and build on their own

customer base. GLS provides partners with the technical equipment necessary to set up a ParcelShop and also supplies basic advertising materials. All new ParcelShop partners also receive training. We work closely and on an ongoing basis with our ParcelShop partners to achieve maximum satisfaction on all sides. For example, both customers and ParcelShop staff can always contact our ParcelShop advisers.

GLS has now started opening its own ParcelShops in Denmark. These represent supplementary solutions for those areas of Copenhagen where no partners/companies offering sufficient space have been found. Own ParcelShops therefore help to meet sustained growth in parcel volume, thereby maintaining high standards of quality and service.

As the demand for environmentally friendly delivery is rising, especially in city centres, there is an increasing need for alternative delivery options and ParcelShops are able to play a significant role in this regard. Since a successful pilot project in Düsseldorf, Germany in 2016, where a ParcelShop now doubles as a micro depot for electric delivery vehicles, we have launched more and more similar projects. In 2017, for example, a cargo trike depot was set up in Austria, with cargo trikes based at the depot serving the centre of Graz. In late 2018, a further ParcelShop was opened in Herne, Germany, that also serves as an urban depot. The electric scooter used can be charged up at the ParcelShop and therefore has a range that is sufficient for deliveries within the entire city centre.





Partnerships with transport partners and delivery drivers

Lasting, trusting and transparent partnerships with our transport partners are extremely important to us. We strive to maintain lasting relationships with them, as they play a key part in helping us meet our quality requirements. We work together to make working conditions more attractive and processes more efficient. GLS Germany, for example, has been successfully working with more than a third of its transport partners for more than ten years.

All transport partners working on behalf of GLS Germany are committed to lawful employment contracts with their delivery drivers, subject to social insurance contributions. Compliance with all statutory requirements is an important component of these contractual agreements. GLS always supports the regular audits carried out by official bodies. In the event of allegations of breach of contract, GLS immediately makes contact with the transport partner concerned and attempts to resolve the issue. If a transport partner fails to meet their contractual obligations, we terminate the contract.

Communication and dialogue

To ensure that both sides are always kept well informed, we seek ongoing communication with our transport partners.

In GLS Hungary, for example, delivery drivers at all depots are surveyed to ascertain their satisfaction levels. These surveys also serve to identify areas where there is room for improvement or where new solutions need to be found. As an additional token of appreciation, GLS Hungary awards an annual prize for the best delivery driver, with this prize being officially presented at a GLS event. There is a similar prize at GLS Slovakia, where employees are treated to a meal. Alongside prizes for the best depots and delivery drivers, there are also awards for GLS Slovakia staff who have been with the company for either five or ten years.

In the area of safe driving, a very special honour was conferred upon one of the drivers in GLS Netherlands. The driver, who works for our transport partner Boonstra, took part in the NK Veiligste Chauffeur (“NK Safest Driver”) competition alongside 1,600 other professional drivers, and was put through his paces in a knowledge test and in several practical exercises. He emerged as the winner and was therefore crowned “safest delivery driver in the Netherlands”.

In addition to training provided by transport partners, some GLS national subsidiaries also offer their own courses that are open to transport partners and their delivery drivers. At the beginning of 2018, the GLS Belgium Training Academy was launched for delivery drivers, offering both courses for beginners and refresher courses for regular drivers. A theoretical introduction, which contains information about the product portfolio and on how to use the hand-held scanner, is followed by more practical content, with drivers completing virtual delivery routes and practising interaction with customers and recipients. Thanks to continuous evaluation, coupled with participant feedback and input from the transport team and the Customer Experience Manager, the training programme is updated and enhanced on an ongoing basis.

In 2018, GLS France developed an app that makes contact between delivery drivers and recipients much easier. In total, more than a thousand delivery drivers were equipped with a smartphone and the GLSRoute app. The app not only contains a digital copy of the delivery note, but also allows delivery drivers to notify customers of the arrival of the parcel by phone or text message with a single click. In recognition of the parcel delivery optimisations achieved, the app won the Trophée E-Commerce gold in the “Logistics Innovation” category in 2018.

GLS Poland has been using a similar app since November 2016. In addition to the simplified communication between depots and transport partners, and between delivery drivers and recipients, the Courier’s Assistant app comes with various other features that make day-to-day work easier. Delivery drivers can, for example, navigate straight to specific addresses or see how many parcels they still have left to deliver.

GLS Hungary made a training video in 2018 in order to help new drivers get off to a good start and to aid their introduction. By showing processes and rules in a visual format, they are easy to explain and can be permanently memorised by delivery drivers.

Transport partners at GLS Germany have a new productivity tool at their disposal that breaks new ground in terms of short journeys. This powerful tool not only helps transport partners manage their routes, but also makes it easier for delivery drivers to navigate while on their delivery routes. Apart from the fact that a suggested route considerably eases the

workload, the tool can also help to cut CO₂ emissions. By optimising the distance between stops along the route, emissions can be lowered by up to 25 per cent. Although the productivity tool has only been used on some routes, on account of its great potential there are plans to roll it out further.

In GLS Netherlands, a new QHSE (Quality, Health, Safety and Environment) department has been set up and is tasked with continuously improving central processes, especially at the depots. To this end, the department reviews aspects such as working conditions and employee health and safety in light of legislation and applying common sense, alerting depot managers to potential improvements. On the basis of its combined knowledge of workplace risks, the QHSE department identifies approaches for improving working conditions that can benefit both GLS employees and delivery drivers.

With the initiative “Business quality and social responsibility”, working in conjunction with the Danish Transport and Logistics Association (DTL), GLS Denmark developed a certification programme for all transport and courier companies back in 2014. The aim of the initiative is to boost transparency and reliability levels and create a better working environment within the sector. All GLS Denmark transport partners are now DTL-certified, and the certification has become compulsory for all transport partners, who must now obtain recertification by no later than 36 months after the initial audit. This is designed to ensure that quality and safety standards are met continuously.

For the purpose of improving cooperation, many national subsidiaries also hold regular events such as depot parties and group breakfasts with transport partners and their delivery drivers. GLS Austria invites all employees and transport partners to depot parties at the largest depots of the country. Employees, transport partners and delivery drivers at GLS Romania were invited to celebrate the company's tenth anniversary in September 2017.

Depot dialogues are another key aspect of communication. Here, transport partners and GLS depot managers discuss the specifics of their partnership on site. As a result, all necessary information about current issues is passed on, along with details of new educational/training programmes and any problems/questions are cleared up in open discussion forums.



The objective of depot dialogues is to

- Optimise processes
- Identify problems experienced by transport partners and delivery drivers at an early stage and look for potential solutions
- Collect proposals for improvement
- Share feedback and enable joint evaluation of what has already been achieved

Process optimisations and new technologies

Improvements to operational processes are intended to make the working times and routes of the delivery drivers better in the long term and to make the profession of delivery driver attractive. Here are a few examples from our national subsidiaries:

- The launch of new hand-held scanners in many countries enables intuitive operation and therefore saves time in day-to-day processes. In order to make the profession of delivery driver accessible for as many candidates as possible, the hand-held scanners are multilingual and increasingly feature a visual interface. Furthermore, multilingual training documents are often available.
- Productivity tools help introduce new employees and implement route changes.
- New depots are being opened at many national subsidiaries in order to keep pace with rising parcel volumes and shorten working times. Thanks to the greater proximity of the depots to the delivery area, working routes can also be shortened.
- Optimisation of the areas assigned to transport partners and the resulting changes in route allocation have reduced the journey time on some routes considerably.
- Pre- and re-sorting of shipments by GLS employees speeds up parcel handling and reduces working hours and time on standby.
- Separate late collection routes are operated for customers whose goods need to be collected in the evening.
- Evening deliveries in some conurbations help to boost the delivery rate with regard to private recipients.
- Training programmes for route planners and transport managers at the depots help to improve day-to-day communication with transport partners.

Digitalisation is also a great help. It provides national subsidiaries with different productivity tools and apps that help optimise routes or keep track of the necessary tasks in the form of a checklist (see the section entitled “Communication and dialogue”).

With this toolbox at the disposal of transport partners, they can now train new delivery drivers much faster than before. Extensive prior knowledge (e.g. local knowledge) is not necessary, but rather can be acquired on the job.

The advancement of alternative delivery also includes a new delivery driver profile. For example, students who would not traditionally seek employment as delivery drivers. Vehicles such as cargo trikes have evidently been very well received, making the job of delivery driver a more attractive one. On account of restructuring measures in urban delivery systems, it is also often possible to operate shorter delivery routes as opposed to the traditional full-day routes.

Safe driving with our road safety campaign

Delivery drivers are always on the road, whatever the weather and whatever the traffic situation. That is why careful driving is imperative, as the safety of delivery drivers and other road users comes first. The materiality analysis also confirmed that this is an important issue for our stakeholders (see page 14).

In order to do justice to the relevance of the issue, we launched a Group-wide road safety campaign in 2016 (see page 39 of the 2016/17 Sustainability Report). This campaign remains in operation. It addresses the principal causes of accidents, whether stress or distraction, incorrect driving or other factors such as weather conditions and drink-driving. ■





“GLS has firmly consolidated its quality commitment”

ThinkQuality

Our quality commitment is firmly consolidated in the GLS Group. Reliability, punctuality, transparency and performance standards are at the heart of our day-to-day endeavours. We also work to improve our quality on an ongoing basis in order to respond to the needs of our customers as effectively as possible. Our quality standards do not just relate to our transport services. In fact, the highest requirements also apply with regard to all internal processes and systems. Considering increased demands on precision and the measurement of quality, and the increasing complexity in all areas of the company, our quality management system has operated on a standardised basis for many years, which enables us to safeguard, monitor and improve quality at all locations.

In order to continue living up to our mission of being the “European leader in quality in parcel logistics”, we once again renewed our certificates in the areas of quality management (ISO 9001:2015) and environmental management (ISO 14001:2015) across the Group¹ in the two financial years under review.

As at the end of the 2018/19 financial year, five GLS national subsidiaries – Belgium, Denmark, France, Germany and Ireland – are certified in accordance with GDP (Good Distribution Practice). This means that the process quality of the entire system meets the stringent requirements of the European guidelines on the transport of medicinal products for human use (2013/C 343/01) and satisfies the criteria for safe, hygienic and undamaged delivery.

The GLS Group has also been certified by EcoVadis since the 2016/17 financial year. EcoVadis is an independent evaluation platform that uses standardised questionnaires and research to evaluate the sustainability commitments of companies. The relevant topics in this regard are based on internationally recognised standards such as GRI, the UN Global Compact, etc. On the first renewal of our certification in the summer of 2018, we achieved the EcoVadis Silver rating, putting us in the top 22 per cent in the sector. This reflects our understanding of sustainability as an ongoing process with a constant goal of improvement.

¹ GLS US and Dicom Canada are not ISO-certified.

The core business of GLS is business-to-business (B2B) shipping. These parcels account for approx. 60 per cent of our deliveries on average across the Group, although there are significant differences between national subsidiaries. In addition to B2B shipping, shipping to

private recipients (business-to-consumer – B2C) is growing in importance. Therefore, it is our goal not only to be a reliable partner for our major customers, but also to be an attractive premium provider in the market for private recipients and senders.

Our network as the backbone of successful parcel delivery

We have invested heavily in our network in order to safeguard our quality standards. In 2018, more than 30 new locations went into operation, with the focus placed on the growth in our eastern European markets (Croatia, Czech Republic, Hungary, Romania, Slovakia and Slovenia), in which 25 new depots were opened for these markets alone. Four new depots have also been added in GLS Poland. These include the largest depot in the country, which is located in Warsaw and can

handle 80,000 parcels a day. We also expanded our network in other regions. In Germany, for example, we added two new depots and expanded more than ten others, whereas GLS Italy took possession of 13 new or enlarged facilities. Capacity in GLS Ireland has tripled thanks to a new depot in Cork. On account of the integration of the former ASM and Redyser locations in Spain, a new international hub and two national hubs have been added to the Spanish network.

Our corporate customers: Reliable services for senders

The GLS Group focuses on its core business: deliveries between B2B customers. Senders with a high parcel volume need a strong parcel logistics company with a low damage rate, reliable delivery times, attractive value for money and an uncompromising customer focus. These characteristics are what our customers value in us; in Germany, 30 per cent of them have been loyal to us for ten years, while some customers have even been sending their parcels with us for 20 years.

To make sure things stay this way, we will invest further in our network, building new depots, expanding existing locations and deploying innovative technologies. Working with our customers, we will endeavour to find ways to boost growth further without compromising on quality.

The demands on a fast, reliable and integrated shipping processing are high. Our customers have modern and standardized, yet flexible shipping systems at their disposal, for all requirements and package quantities We offer reliable shipping for

companies of all sizes and various sectors. With the YourGLS online dispatch system, for example, the GLS Group offers a simple and intuitive tool in eleven countries, enabling smaller corporate customers to manage conveniently the shipping of 30 to 50 parcels a day. The system is tailored to the needs of senders and is designed to ease their daily workload. Similar systems are in place at the other national subsidiaries.

Should any acute problems arise, corporate customers in all countries can contact our Customer **Service** for assistance.

In addition, regular customer surveys also help us to gain an even better understanding of the wishes and needs of our customers. Customer surveys were carried out, for example, at our six eastern European subsidiaries, the aim being to receive feedback on our products and services as well as our processes and delivery drivers so that we could measure overall customer satisfaction. The surveys were also designed to provide an overview of outstanding wishes and needs.

GLS core values

The mission of our company is to be the “European leader in quality in parcel logistics”. In order to fulfil this commitment, the GLS Group focuses on five core values that guide all the company’s activities. We see these values as the key to success.

Reliability



As a CEP service provider, reliability is of great importance for the GLS Group. Thanks to a comprehensive European network, close links between locations and a cross-border mechanism for process optimisation, we can ensure that parcels get delivered on time. And with our quality management systems and ongoing monitoring, we are able to guarantee an unwaveringly high standard of parcel logistics.

Transparency



Our senders and recipients want to be able to track their parcels. This is made possible by individual parcel codes and the use of scanning technology at all interfaces. All data are also available Group-wide, which means that national borders are no obstacle when it comes to tracking parcels. Thanks to state-of-the-art IT solutions and mobile data transfer, the information is available almost in real time in many countries.

Sustainability



The GLS Group takes its responsibilities towards employees, society and the environment extremely seriously and actively campaigns for greater fairness, increased education and a minimum impact on the environment. We demand and promote professional development for employees. In terms of environmental protection, the areas of energy efficiency and resource conservation are the main focus. With donations, volunteering days and free transport services for good causes, GLS contributes to the good of society.

Security



It is necessary to implement a range of precautions to ensure that each parcel arrives safely, and in one piece, at its destination. The GLS Group has high, Group-wide security standards that make it possible to send parcels safely. Alarm systems and video surveillance are in place to safeguard parcels in the depots. Our employees, as well as our transport partners and their delivery drivers, attend regular training sessions on how to handle parcels with care.

Flexibility



Despite a high level of standardisation, the GLS Group attaches a great deal of importance to service flexibility. The standardised, Europe-wide range of basic products can be combined with services tailored to different sectors and countries, thereby allowing personalised product-service combinations, such as in the processing of returns. Local presence and customer focus enable flexibility and short response times across Europe.

Bitten Brun Commercial Director, GLS Denmark



Ms. Brun, why is it important to focus on the subject of the Customer Journey?

The main reason for focusing on the Customer Journey is to ensure that we focus on value creation. As the Customer Journey describes the phases a customer passes before deciding to purchase a product or, in our case, a service, it plays an important role for value creation. This means we consider what is attractive to the customer and at the same time effective for GLS. To secure a high level of value creation we have to look across the chain of our activities as we all participate in creating satisfied customers.

Based on knowledge and insight about our customers, we define important touchpoints through the Customer Journey, for example discovering opportunities to communicate or create new services etc. In doing so, we try to improve the total experience with GLS and point out the most important actions for improvement.

Talking about customers is complex as we have more than one perspective at GLS; there is the sender, which is our direct customer, and the consignee, which is the customer of our customer. This makes it even more important to work with the GLS Customer Journey.

What developments do you expect in the future?

A customer centered approach and orientation towards GLS is a good starting point for a transformation. The merger of both our B2B and B2C/e-commerce customers as well as the approach to the market require a cross-functional consideration and corresponding measures. With time we can also shift our perspective and attention to technology. The aim is to find out how we can intelligently combine the use of technology and the human element. It is important to ensure the right balance and define where the biggest impact is obtained when adjusting the Customer Journey. For example, where the human element is essential for our customers to ensure their experience of value. Working with the Customer Journey will benefit both customers and employees.

A broad customer base makes us independent of any specific sector, with no single customer making up more than one per cent of overall turnover. The long-term and successful relationship with our customers is important to us. For that reason, a “loyalty tree” project is in place in Hungary, where a tree is planted for every customer who has been

with us for more than ten years. The project was launched in 2010 with the aim of cultivating a small wood measuring 1,000 m². Since then, almost 200 trees have already been planted.

Private recipients: convenient solutions for individual needs

Currently, around 40 per cent of all parcels across the Group are delivered to private recipients. Flexible systems are therefore essential if we are to guarantee an outstanding shipping and delivery service. We are continuously pressing ahead with innovations in B2C delivery in order to offer recipients genuine benefits and a delivery service that is reliable, secure and convenient. To this end, we have developed various services over the past few years, allowing us to respond to recipient needs in a flexible manner.

With our *FlexDeliveryService*, which was launched in Germany back in 2012, recipients are included in the delivery chain from the outset. Prior to the parcel even being sent, the recipient is sent an email informing them of the expected delivery window, provided that the sender has given us their email address. As a result, the recipient can decide what happens with the parcel up until the time it arrives at the depot in the morning of the delivery date. The GLS Group offers up to six options if it is not possible for the recipient to take delivery of the parcel in the planned time window: for example, delivery can be made on a different day or to a different address, such as a GLS ParcelShop. This increases the first-time delivery rate and therefore increases recipient satisfaction.

Almost² all European national subsidiaries offer *FlexDeliveryService* on a national and cross-border basis.³ In addition, Bulgaria, Greece, Switzerland and the UK are also incorporated within our network. By expanding its *FlexDeliveryService*, the GLS Group is responding to the growth in cross-border online retail and rising demand for international services.

The *ShopReturnService* makes it easier to return parcels, as recipients can simply and conveniently hand in their returns at a ParcelShop. This service is now available in

ten GLS countries, including beyond national borders in six of those countries. With these services, the GLS Group is responding to the wishes and expectations of customers in terms of convenience.

If the recipient knows that they are rarely at home, they can select the *ShopDeliveryService* when they place their order, allowing their parcel to be sent straight to a ParcelShop of their choice. The GLS Group has integrated the *ShopDeliveryService* across the borders of five countries: Austria, Belgium, Denmark, Germany and Poland.

Furthermore, the current network of more than 23,000 ParcelShops is expanded and improved on an ongoing basis (see page 32). In Spain, GLS has established one of the largest parcel outlet networks in the country by incorporating 1,600 CELERITAS drop-off points. Customers can now access our broad range of parcel services at more than 5,500⁴ ParcelShops.

GLS Denmark started setting up its own ParcelShops in Copenhagen in November 2017; as at the end of the 2018/19 financial year, it was already operating eight of its own ParcelShops. In addition to the existing ParcelShops based on the traditional model, which can be found on the premises of partner companies, own ParcelShops aim to uphold the high standards of quality and service, especially in the ongoing ecommerce boom.

Private recipients and senders can also rely on customer support at all national subsidiaries, with social media offering a further key platform for dialogue with our private recipients.

²The *FlexDeliveryService* is not offered for national consignments in Finland.

³Last updated: July 2019

⁴Last updated: October 2019

Private senders – uncomplicated services for small volumes

In addition to services for commercial senders, we wish to make it as straightforward as possible for private individuals to send parcels. Our convenient online solution in this area is called GLS-ONE and is available to our private customers in Austria, Belgium, Luxembourg and Germany. Features, such as address management and advanced shipment tracking, also simplify the sending process. Similar platforms for private customers, such as eBalik in eastern Europe, are also available at other subsidiaries.








Our ParcelShops also represent a key contact point for private senders. The entire shipping process can be handled from there (see page 32).

Social media presence

Our activities in social media have also been further developed as they are an important contact platform for our customers and recipients. The GLS Group has further expanded its social media presence since the previous Sustainability Report. 16 countries are now active on various platforms: Ireland is on Twitter; Slovakia, Canada and Belgium are on Facebook; and Slovenia is on LinkedIn and Facebook. In Germany, Instagram has been added to the range of existing channels, with Facebook added in Hungary and Twitter added in Spain. The overall aim is to present the company and to communicate with recipients, customers, employees and transport partners.

At GLS Germany, the social media strategy has been renewed. As there has been considerable change in recent years, especially in terms of stakeholder groups, the target groups for the various channels have been redefined. Facebook remains the channel with the greatest reach, especially as some of our customer service work is carried out via the platform. The main stakeholder groups there are employees, delivery drivers and recipients. A whole new strategy has been devised for Twitter in order to change the role of the channel from that of a pure service medium to a press relations instrument. On Twitter, we focus on providing journalists and industry experts with specialist information. YouTube is aimed at all interest groups, with different videos targeted at different audiences. The business platforms Xing and LinkedIn are geared towards current and potential employees. Enquiries received via Google My Business are still processed.

Social media presence

 Facebook	Austria, Belgium, Canada, Czech Republic, Denmark, Finland, Germany, Hungary, Ireland, Italy, Poland, Romania, Slovakia, Slovenia, Spain
 Twitter	Austria, Germany, Ireland, the Netherlands, Spain
 Instagram	Austria, Germany, Romania, Spain
 YouTube	France, Germany, Hungary, the Netherlands, Poland, Spain
 LinkedIn	Canada, Czech Republic, Denmark, France, Germany, Hungary, Ireland, Italy, the Netherlands, Poland, Romania, Slovakia, Spain
 Xing	Austria, Germany
 Trustpilot	Denmark
Other	Germany, Spain

Joachim Fritschi, Chief Information Security Officer (CISO) GLS Group



Mr Fritschi, how important is information security in today's world?

Today, information security is a top priority. First of all, system security makes an important contribution to the stability of IT systems and therefore to the efficiency of the business processes supported by them. In addition, information security helps to ensure that relevant laws such as the EU GDPR are complied with. Information security is also a key factor when it comes to acquiring new customers, as they impose stringent security requirements on their suppliers. Of course, it is also very important to maintain the trust of our stakeholders, as any failure on our part to protect their data and assets adequately would do lasting damage to our reputation.

What developments have there been in the past two years?

The EU GDPR came into force in May 2018, increasing regulatory pressure and leading to stricter requirements being imposed by customers and official bodies. Furthermore, the number of cyberattacks has been on the rise over the last two years.

How is GLS responding?

On the basis of ISO 27001, a Group-wide information security management system has been put in place and is being expanded further. A Group-wide information security team comprising 25 people has also been established. By means of suitable training programmes, we are also seeking to raise awareness in this area and further strengthen the existing expertise and the security culture within GLS. By establishing the Security Operations Centre, we are able to identify security incidents at the earliest possible stage and minimise the resulting damage. When analysing attacks, we look closely at the “lessons learned” so that we can modify our technology, processes or personnel in a way that prevents future attacks. We also focus closely on the topic of “security by design”, an approach that allows us to ensure that security is built into all new systems, applications and processes right from the start.

What developments do you expect to see in the future?

Cyber attacks are highly lucrative and cause great damage, which is why it can be assumed that the threat landscape will continue to worsen. In 2016, blackmailers are thought to have illicitly obtained some \$1 billion¹ just through ransomware (a very simple type of cyberattack). The day-to-day dependence on IT will also continue to rise, making the risks associated with seamless operations ever greater. We also anticipate that the regulatory environment will become more strict. In 2019, record fines for data protection breaches were imposed in the UK and Germany. Another reasonable assumption is that the security requirements of our customers will continue to increase. We have to be prepared accordingly.

¹<https://www.nbcnews.com/tech/security/ransomware-now-billion-dollar-year-crime-growing-n704646>



Data security and protection are key issues

Preparations for the implementation of the EU General Data Protection Regulation on 25 May 2018 were another important issue. The confidential handling of sensitive data pertaining to our customers, suppliers and employees is something we take extremely seriously, and is an essential prerequisite for a trusting collaboration. That is why data protection has always been a top priority for the GLS Group. When implementing the provisions of the GDPR,

our main focus was to optimise our structures within the Group and modify them in line with the new requirements. To achieve this, GLS has appointed a specially trained Data Protection Manager at each national subsidiary, with these managers receiving additional support at corporate level. All data protection guidelines are available in the various local languages on the following website: <https://gls-group.eu/EU/en/dataprotection> ■



“Environmental protection is a key component of our sustainability activities ”

ThinkGreen – Environmental protection

GLS transports millions of parcels through Europe and North America every day. The necessary logistical and transport processes have an influence on natural resources and climate change. Given the environmental impact of our business operations, the area of climate and environmental protection is a key component of our sustainability activities. For more than ten years, our endeavours in the cause of environmentally friendly parcel delivery have been pooled in our ThinkGreen programme.

Analysing our company's environmental footprint

GLS instigated the ThinkGreen environmental initiative in 2008. Targeted measures are based on the identification of key environmental issues and

the measurement of our environmental footprint. The core aims of ThinkGreen are the responsible handling of resources and, in particular, a reduction in emissions. To pinpoint potential improvements, it is essential to measure and categorise the environmental impacts caused accurately. Developments are monitored by means of our annual, Group-wide life cycle assessment.¹ This indicates developments in the areas of transport, buildings and business travel. As part of data collection for the life cycle assessment, information is also collated on the emissions classes of our transport and company vehicles and on alternative fuel technologies, the aim being to steer sustainable development in these areas on an information basis.

¹ Figures from Dicom Canada are not yet included in the current life cycle assessment. These locations will be integrated in the 2019/20 financial year.

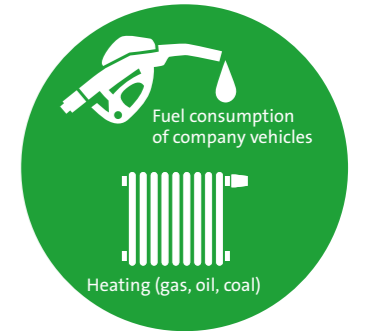
**A look behind the scenes:
how the life cycle assessment
is compiled**

In our annual life cycle assessment, we measure the climate-relevant environmental impacts that arise due to parcel transport, business travel and office/depot resource consumption. In order to ensure the high quality standard of our life cycle assessment, all data undergo numerous checks. Data collection at each national subsidiary is coordinated by that country's Environmental Representative. They receive the questionnaire links from the CR department for the purpose of online data collection and forward these links to the relevant locations. The managers at each location then complete the questionnaire. The Environmental Representatives review the plausibility of the information provided and check for unusual developments, such as significant deviations from the previous year. The data are then passed on to the CR department, where a further electronic check for deviations is performed. Any queries are dealt with by the Environmental Representative concerned. The data are then imported into our life cycle assessment software, where all locations are modelled individually. After finishing the analysis, all data are again checked by an external auditing company on behalf of Royal Mail.

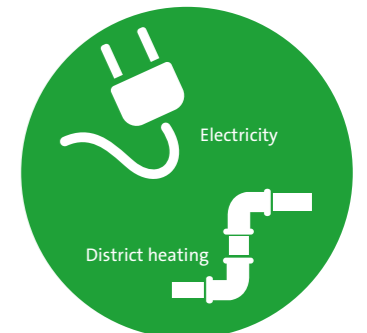


The values are determined using the categories of the Greenhouse Gas Protocol, which divides emissions into three main categories (“Scopes”): direct emissions, indirect emissions and other indirect emissions.

Scope 1:
Direct emissions caused by the burning of fuels on company premises and in company vehicles.



Scope 2:
Indirect emissions from the consumption of purchased energy (electricity, heating).



Scope 3:
Other indirect emissions attributable to third parties, such as emissions arising from the transport services provided by our contractors (scheduled services, delivery and collections) or from flights used for business travel. Additionally, scope 3 includes the emissions of the upstream chain from scopes 1 and 2.



“Well-to-wheel” explained



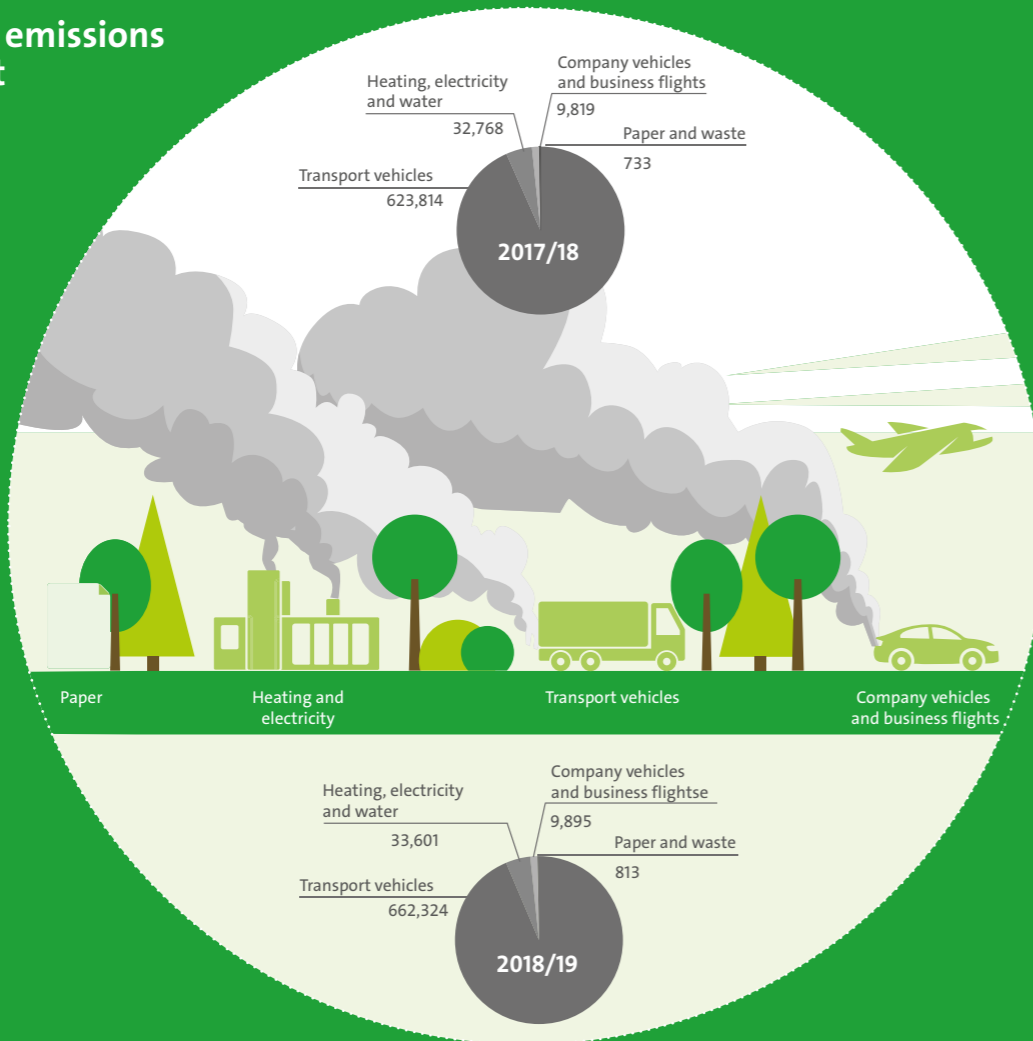
Emissions from heating energy and electricity/ fuel consumption are calculated using the well-to-wheel method, i.e. a complete analysis of the fuel cycle from fuel generation through to its use in road traffic.

Our emissions rose from 667,135 t CO₂e² to 706,633 t CO₂e in the 2018/19 financial year. This is mainly due to the continuous growth of the GLS Group. The current life cycle assessment is the first to include the Group’s US locations³, which affects the comparability of the data. In addition, more than 30 new locations

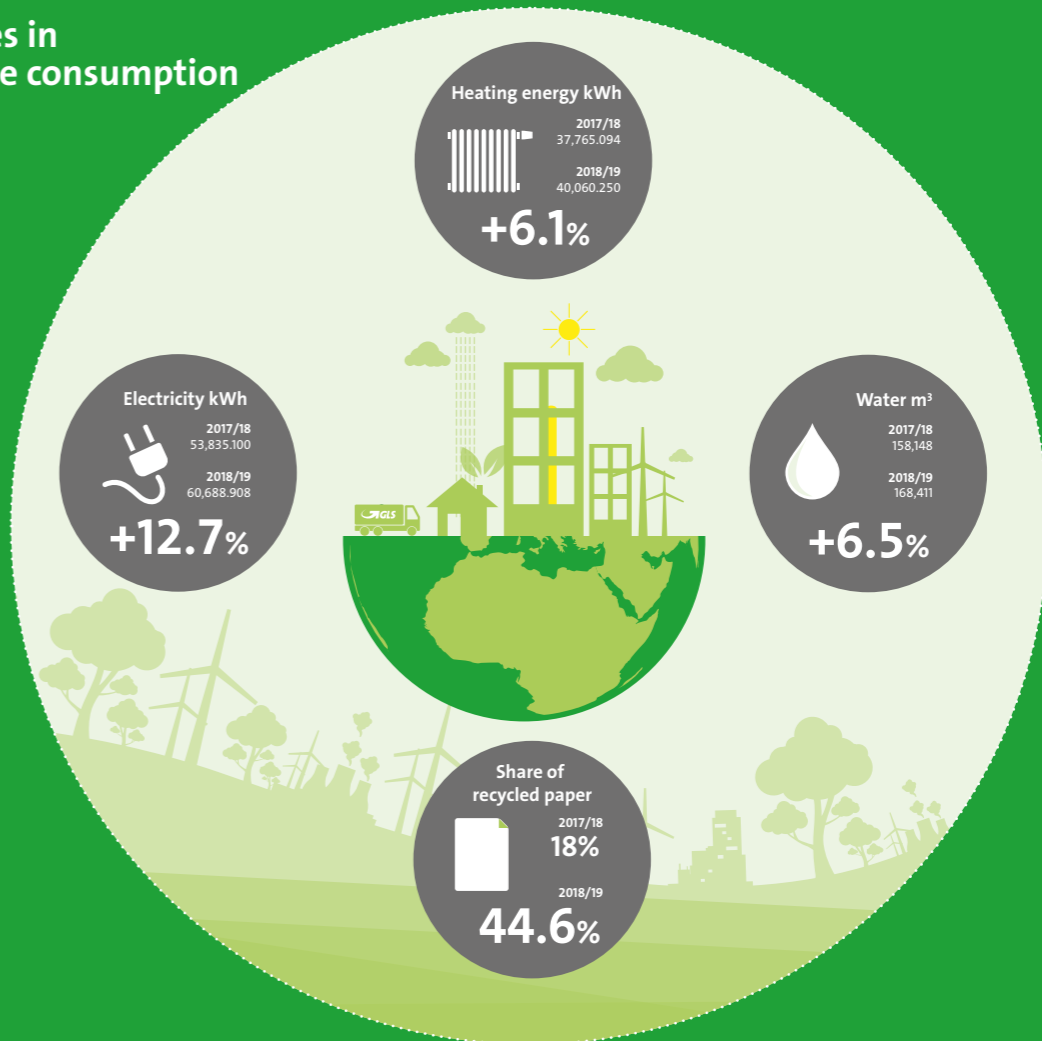
were opened, and more than 25 existing locations expanded, in the 2017/18 financial year. The parcel volume rose from 584 million parcels to 634 million parcels in 2018/19, meaning that more delivery, collection and long-distance journeys were needed. Heating and electricity consumption increased by 6.1 per cent

and 12.7 per cent respectively, compared with the 2017/18 financial year. Water consumption climbed by 6.5 per cent.⁴ The increases in resource consumption are chiefly attributable to first-time inclusion of the American locations. The share of recycled paper has increased to 44.6 per cent.

Total CO₂e emissions (WTW) in t



Changes in resource consumption



² Emissions are quoted as carbon dioxide equivalents (CO₂e). In addition to CO₂, which makes up the largest share of emissions, these also factor in other greenhouse gases that play a role in climate change.

³ Due to a change in the business model of GLS US, the 2018/19 life cycle assessment only includes data from buildings and travel, but not from parcel transport.

⁴ Due to an adjustment in the data concerning water consumption in Germany, the water consumption data for the 2017/18 financial year has been revised upwards from 127,545 m³ to 158,148 m³.

The transport of parcels is the core process of our business. In terms of fossil fuel vehicles, the size of the vehicle fleet has increased by 6.7 per cent to more than 23,000 vehicles. In addition, the fleet already includes 76 electric vans and 56 e-trikes.⁵ We continuously reduce the resulting emissions by modernising our fleet. This positive trend continued in 2018. More than 81 per cent of our transport vehicles already meet the Euro 5 or Euro 6 standard. In conjunction with our transport partners, we are working to improve this percentage further. In GLS Czech Republic, for example, new transport vehicles have to meet

at least the Euro 5 standard, whereas GLS Austria only uses Euro 6 trucks for long-distance journeys.

The share of modern vehicles is even higher when it comes to company cars, such as those used by field sales staff to visit customers. Here, some 98 per cent of vehicles already meet the Euro 5 or Euro 6 standard. Some countries, such as GLS Spain and GLS Finland, aim to only use Euro 6 company vehicles in their fleets. Alternative fuel technologies are also used in company cars. Across the Group, there are 36 hybrid vehicles, two LPG vehicles and nine electric vehicles.⁶

Measures designed to reduce our environmental impact



The GLS Group has introduced a number of measures to reduce the consumption of raw materials. These measures form part of our Group-wide⁷ environmental management system, which is certified in accordance with ISO 14001:2015. As part of the environmental management system, all locations set their own environmental targets and devise measures and responsibilities in order to achieve them. Attainment of the targets is reviewed on a regular basis by the national subsidiaries, allowing countermeasures to be instigated promptly in the event of deviations. The categories in which we set targets for the reduction of environmental impacts are the

reduction of water/electricity/paper consumption, the saving of heating energy and the reduction of waste. Furthermore, targets are set for the modernisation of company vehicles and the transport fleet. Employees and transport partners must receive training on environmental issues.

Continuous optimisation of transport and vehicle utilisation as well as the design of our network are strategic starting points for consistently improving transport routes and minimising unnecessary routes. Another area of focus lies in the use of alternative fuel technologies and new delivery concepts for city centres.

⁵ Last updated: 31/12/2018

⁶ Last updated: 31/12/2018

⁷ The environmental management system includes all European national subsidiaries. The USA and Canada are not included.

Johanna Birkhan, Senior Manager International Network Operations



the impacts of individual operational changes on the network as a whole and model a range of future scenarios. In turn, this enables proactive planning.

Another area in which we are working, and which has a direct positive impact on our carbon footprint, is a review of the vehicle load factor. On account of the heterogeneous consignment structure, there are huge fluctuations in the numbers and weights of parcels on loaded trucks. As such, the available data only allows us to draw limited conclusions as to the load factor of the vehicles.

*What are your plans for the future?
Where do you still see potential?*

Ms. Birkhan, what does your job entail?

On the one hand, I am responsible for the International Linehaul Germany department, which organises all system traffic from Germany to other countries. On the other hand, I am responsible for international network planning and development. This involves supporting countries with operational adjustments in their day-to-day business, as well as several other planning and coordination tasks.

The optimisation of transport routes and vehicle loads is a key lever to achieve more environmentally friendly parcel shipping. What is GLS doing in this area?

In order to optimise international transport routes, we are currently reviewing quotes from various providers in the area of network planning and simulation. The aim is to model the existing GLS network and consignment flows and analyse potential optimisations. If the number of journeys could be reduced through improved consolidation, this would make international parcel shipping more environmentally friendly while cutting costs. By launching a software tool of this kind, we will be able to analyse

One important recurring issue is improved transport planning with a view to avoiding empty mileage. It is also important for us to monitor the development of alternative fuel technologies for trucks, as they offer considerable potential when it comes to lowering emissions. For this reason, a systematic review of the current vehicle fleet in terms of emissions classes and diesel consumption represents another important factor. We also see significant potential in cross-border transport with super trucks, as their increased capacity would mean only two out of three trucks being needed. This would not only be good for the environment, but also attractive from a cost perspective.

Urban logistics and alternative fuel technologies

We further developed our concepts in the areas of urban logistics and environmentally friendly parcel delivery in the years under review. As the pressure associated with air pollution limits is growing in more and more cities, and with public awareness of environmental issues also increasing, many GLS national subsidiaries are now working to implement successfully delivery with alternative drive vehicles. This page provides a summary of the various activities at GLS national subsidiaries. In addition to those shown, GLS Netherlands and GLS Spain are also planning activities in this area.

Germany:

19 urban logistics projects nationwide (2018/19 financial year).

Involvement in the “ZUKUNFT.DE” funding project of the Federal Ministry of Transport and Digital Infrastructure: the testing of electric vans in various Federal States with a view to reducing greenhouse gas emissions in the last mile.⁸

The KoMoDo⁹ project in Berlin: the testing of potential sustainable solutions for delivery journeys in urban areas.



Italy:

City depots in Milan and Rome, which serve their catchment areas almost exclusively with alternative drive vehicles.

Working in conjunction with T&T Cargo Line Srl, GLS Italy uses super trucks on long distance routes.



Austria:

The cargo trike depot in Graz operates an on-site conveyor belt system and two unloading bays for trucks, as well as charging stations for e-bikes. The e-bikes replace almost three vans.

Czech Republic:

Three alternative drive vans (running on natural gas) have been operated and deployed in Prague since 2018.

France:

To assist with the pre-Christmas season, an e-bike was used to deliver Christmas parcels in Strasbourg. A further electric vehicle has been deployed in order to reduce pollution within the city. Natural gas vehicles also supplement the French vehicle fleet, with a further expansion of activities planned.

Hungary:

Two additional e-bikes are used to deliver parcels in Budapest.

Slovakia:

An additional e-bike is used to deliver parcels in the capital, Bratislava.

Group:

Conference held in Milan in summer 2018, where the national subsidiaries discussed the issues of urban logistics and alternative fuel technologies.

⁸ Electrification of parcel delivery in the so-called “last mile”. ZUKUNFT.DE: “Zustellverkehre kundenfreundlich, nachhaltig, flexibel und transparent. Durch Emissionsfreiheit.” (“Delivery routes: customer-friendly, sustainable, flexible and transparent. Through zero emissions.”)

⁹ KoMoDo: “Kooperative Nutzung von Mikro-Depots durch die Kurier-, Express-, Paket-Branche für den nachhaltigen Einsatz von Lastenrädern in Berlin” (“Cooperative use of micro depots by the courier, express and parcel sector for the sustainable use of cargo trikes in Berlin”)



Urban logistics in Dusseldorf – a pilot project in Germany



ThinkGreen, and therefore the search for new ways of reducing emissions, has long been a key issue at GLS. In summer 2016, we deployed our first e-bike in Constance. Numerous projects in the area of alternative delivery are now under way in Germany, with many electric vehicles (such as e-bikes and e-vans) now on the road on behalf of GLS.

In our pilot project in Dusseldorf, we are bringing together the initial insight gathered over the past few years. With this project, we wish to acquire further experience and use this experience in other cities. In Dusseldorf, we have set ourselves the dual targets of making city centre delivery completely electric and emission-free by 2020 and also integrating logistics and retail, thus reducing traffic at peak times.

Both the vehicles themselves and depots in strategically favourable locations have a key role to play to achieve these goals. With a depot close to the city

centre in Neuss and a city depot in the Karstadt multistorey car park, the circumstances in Dusseldorf are ideal. Cargo trikes can serve approximately 120 recipients a day and therefore replace one complete route of a diesel vehicle. However, their speed and range are not sufficient for transporting the parcels from the depot in Neuss to the city centre. Therefore, the parcels are made available in the city depot before being delivered to recipients with the e-trikes. Alongside the two cargo trikes, eight¹⁰ VW eCrafter vans are also in operation. In order to expand delivery operations further, the addition of six further VW eCrafter vehicles is scheduled for 2019, with the vehicles being funded through the ZUKUNFT.DE project.

To enable the charging of larger electric vehicles at the depot in the future, in conjunction with the city council and Stadtwerke Dusseldorf it is planned to install publicly accessible charging stations, with outlets for two VW eCrafters, in front of the multi-storey car park.

In the future, it is intended that GLS will itself generate the electricity needed for the delivery vehicles, thus ensuring completely emission-free delivery.

With the two e-trikes and the planned eight VW eCrafter vans, it would be possible to deliver 1,500 parcels a day in an emission-free manner, therefore saving approximately 40 tonnes of CO₂ a year. In order to build on this potential further, the company also plans to review whether other alternative drive vehicles could be deployed. In this regard, we are not only considering the current vehicle types, but also examining other options more closely, including electric cars, electric scooters and electric trucks. There are already firm plans for a 7.5 t truck, for instance.



¹⁰ Last updated: September 2019

Susanne Büren, Distribution Centre Manager, Depot 40

area, as well as exclusive access to these stations at the time of delivery, was another key issue, as these areas are publicly owned.

What makes Dusseldorf especially well suited to the project and what can other cities learn from it?

GL: The proximity of our depot to the city centre certainly helps this project enormously, simply because of the currently very limited range of electric vehicles. Much more important, however, is the high degree of open-mindedness shown by many stakeholders towards new urban logistics solutions. We have always sought, and continue to seek, active dialogue with the public through round-table meetings and exhibitions.

Ultimately, the decisive factor is the GLS depot itself. Here in Dusseldorf, our depot team has earned great respect by developing a carefully considered, end-to-end urban logistics model, and most of all by gradually and systematically putting it into practice. In other words, we get things done!

Ms. Büren, what are the positive effects of the project for you as a depot manager?

SB: First and foremost, the positive feeling I have in my day-to-day work, i.e. knowing and being able to say that at GLS we don't just talk, rather we act. In addition, we receive a positive response from customers, employees and also contractual partners, because we honestly mean our GLS KlimaProtect¹ promise and also want and need to think about tomorrow. The image of GLS and of the profession of delivery driver have definitely been enhanced.

Ms. Büren, Mr. Liebig, what achievements do you hope to be reporting on in the next Sustainability Report in two years' time?

GL: Over the next two years, we aim to demonstrate that GLS is able to deliver parcels in a large city centre sustainably without generating any CO₂ emissions. Making zero-emission delivery a reality goes hand in hand with sorting out rush-hour traffic and, ideally, with a reduction in city centre mileage.

We are currently planning another component: a photovoltaic system with storage technology and an intelligent charging infrastructure. As a result, the electricity required to run the Essen location will be generated completely independently of the public grid.

SB: In a best-case scenario, our Dusseldorf pilot project will have helped to reduce CO₂ emissions considerably in other large cities, very much in the spirit of our GLS KlimaProtect programme.

Gero Liebig, Region Manager West, GLS Germany



Mr Liebig, you initiated the German pilot project "Urban Logistics – the Dusseldorf Model", which aims to facilitate emission-free delivery in the centre of Dusseldorf. When did you notice that alternative drives will prevail in the long term?

GL: Although we had already received ample support within the city council and from the State government, I only started to believe following the developments in summer 2018, when a state of "climate emergency" was declared in cities. I then became truly convinced thanks to our young people, who are putting each one of us under tremendous pressure to act through their commitment in the current climate change debate.

What participants do you need to make the project a success?

GL: Once you deal with this subject in detail, you will once again realise how multi-faceted our exciting "logistics world" is. At our Neuss depot, we had to work with a variety of experts to resolve fundamental questions ranging from the electricity supply and the selection of electric vehicles through to the design of the charging infrastructure.

The questions were even bigger in the inner city of Dusseldorf. Here, the issues included maintenance of the electric cargo trikes used in the city centre, as well as the setting up of a city depot with Karstadt in their multistorey car park. How do you get the city to believe in the integration of trade and logistics? The installation of electric charging stations in the loading

¹ GLS KlimaProtect is a new GLS Germany programme, launched in October 2019, that enables climate-neutral parcel shipping.

Improvements at the locations

In addition to the optimisation of transport routes and the associated resource consumption, we are focusing on the task of making our hubs and depots environmentally friendly and reducing their consumption of resources.

A high percentage of our depot emissions is attributable to electricity consumption. That is why LED upgrade programmes are already under way in several countries, such as Austria, Denmark, Hungary and Slovenia. In Germany, all locations have already been upgraded to LED as part of a programme that started in 2014. In the Netherlands, the lighting was replaced at the head office in Utrecht, with care taken to approximate natural light in order to improve concentration and reduce headaches/eye problems. In addition to saving electricity, it is also important to increase the proportion of electricity from renewable sources. In Spain¹¹, 100 per cent of electricity already comes from alternative sources. At the new depot in Warsaw, Poland, solar thermal collectors were installed on the roof to supply hot water.

Other topics in many countries are the reduction of paper consumption and the increased use of recycled paper. Supported by an annual campaign, GLS Spain is committed to replacing 95 per cent of paper used with recycled paper, with a target of 30 per cent at the former ASM locations. As it is sometimes difficult to find the right approaches to saving paper, a system has been introduced in GLS Belgium that measures the consumption figures of printers and transmits these directly to the ThinkGreen representatives. As such, it is possible to analyse where paper consumption is highest and then devise measures to reduce consumption levels.

Ongoing process improvement also helps to reduce paper consumption. In Croatia, Hungary and Slovakia, for example, a new hand-held scanner with an electronic signature function has been introduced. The issuing of electronic invoices, an option available to customers in countries such as Belgium, the Czech Republic and Finland, is popular and serves to reduce paper consumption. Work is also under way on a similar transition in Germany, with approx. 75 per cent of invoices already issued in electronic form.

In addition to the careful and conscious use of resources, optimum disposal is another key issue. The Kolding location in Denmark sends its food waste to a recycling company, which uses it to make biogas

and fertiliser. GLS Czech Republic has stopped using stretch film and now sorts rubbish to separate aluminium and organic waste. GLS Spain reduced the thickness of its stretch film, thus lowering the total amount of material used.

Optimisation of day-to-day processes at our locations also helps to reduce our environmental footprint. The settings of the parcel conveyor belt at the hub in Budapest, Hungary, were optimised to reduce power consumption. In Denmark, curtains were fitted to the loading ramps to prevent incoming cold air.

Raising employee awareness of the subject of environmental protection is fundamental for achieving further process improvements. For this reason, all countries run training courses; for example, in GLS Spain each employee attends a personal ThinkGreen training session once a year. GLS Spain has also launched a campaign to encourage employees to use green energy at home. In conjunction with the energy provider Respira Energia, a tree is planted for every contract lasting 18 months or longer with a GLS location or employee.

Oferta para personal y agencia GLS
electricidad 100% libre de CO₂

Sin permanencia de ningún tipo

1 árbol por cada contrato*

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*Respira planta un árbol por cada 18 meses de operación continuada.

Some countries also support initiatives focused on making commuting to work environmentally friendly. GLS Czech Republic, for example, was the logistics partner of the “Do práce na kole” (“Cycle to work”) campaign, in which 21 GLS employees also took part. This equates to almost 30 per cent of the head office staff. GLS Slovenia has twice taken part in the “Pripelji srečo v službo!” (“Bring happiness into work”) campaign, which is held annually in September as part of EUROPE-ANMOBILITYWEEK. Further participation is planned.

Green shipping with the ThinkGreenService

Despite our efforts to minimise our emissions, it is not possible to transport goods without them. In Germany, we offer our customers the option of climate-neutral shipping. Launched in 2011, the *ThinkGreenService* makes it possible to offset CO₂ emissions. As soon as a customer opts for this service, the CO₂ emissions are offset by investments in climate protection projects run by our compensation provider PRIMAKLIMA e.V. All projects are certified in accordance with internationally recognised standards, meaning that they meet the very highest quality levels and make an effective contribution to sustainable development on the ground. We supported two projects in the 2017/18 and 2018/19 financial years. The project supported in Bolivia meets the Gold Standard, whereas the project in Indonesia is certified in accordance with the Verified Carbon Standard.

In Bolivia, ancient rainforests are being cleared to make way for farmland, one consequence of which is that large quantities of CO₂ are being released. As part of its project, PrimaKlima teaches the local population techniques that help them manage the existing forest areas sustainably. The organisation also replants previously destroyed forests and carries out conservation work. In the 2018/19 financial year, 2,303 t of CO₂ were offset here, which equates to the reforestation of 8.31 ha of land.

In Indonesia, we support a forest conservation project in the province of Central Kalimantan that creates sustainable jobs outside the palm oil industry. Thanks to targeted reforestation, the preservation of natural diversity and the teaching of new agricultural practices and manual skills, a variety of new sources of income are made available to the local population. The project creates a buffer zone around the Tanjung Puting National Park and therefore preserves the habitat of numerous endangered species. For example, this area

is home to the Bornean orangutan, the extremely rare Sunda clouded leopard and the smallest bear in the world, the sun bear. In 2017, 25 orangutans were released into the wild, with some females already observed with young in spring 2018. In the 2018/19 financial year, 3,760 t of CO₂ emissions were offset over an area measuring 1.86 ha. The lower surface area compared to the project in Bolivia is justified by the fact that a large portion of CO₂ emissions in Indonesia are offset through the preservation of peatlands. Peatlands are able to store large quantities of CO₂, making them one of the world’s most vital carbon sinks. For us, it is important that the projects not only benefit the environment, but that they also deliver added social value for the local population. In addition to the ecological benefit (which is the primary factor), we are therefore able to make a social difference.

The average CO₂ emissions per parcel are recalculated every year on the basis of the annual life cycle assessment. CO₂ per parcel is calculated in accordance with DIN EN 16258. Every parcel sent with the *ThinkGreenService* has the following label: “ThinkGreen: carbon-neutral shipping.” If a customer sends 1,000 or more parcels a year with the service, they receive a certificate showing the annual emissions offset. Therefore, our customers can join us in making a contribution towards climate-neutral shipping and thereby strengthen their image as environmentally aware companies.

In the 2018/19 financial year, 7.19 million national and international parcels were sent with the *ThinkGreenService* in Germany – a 20 per cent increase on the 2014/15 financial year. This means that CO₂ emissions of 6,061 t were offset in 2018/19. A total of 31,872 t of CO₂ have been offset since the partnership started in November 2011.

GLS Czech Republic also began offering the *ThinkGreenService* in April 2013. Working in conjunction with project partner Sdružení Krajina, 180 trees have already been planted as a result, as well as an extra 80 trees in the vicinity of our Jihlava location. There were two causes for celebration in 2018: the fifth anniversary of the *ThinkGreenService* in the Czech Republic and the centenary of the creation of an independent Czechoslovakia. To mark these occasions, GLS Czech Republic, together with the Czech Environmental Partnership Foundation and as part of the Trees of Liberty Campaign, donated 30 lime tree saplings, which were then planted throughout the country. ■

¹¹ The former ASM and Redyser locations will be incorporated into the project during the course of the 2018/19 financial year.



“GLS assumes social responsibility”

ThinkSocial For the people of today and tomorrow

In addition to its commitment to the environment, the GLS Group is also aware of its social responsibility – for GLS employees, our transport contractors and their delivery drivers and for today's society and future generations. We pool all activities related to fairness and integrity with these groups under the term “ThinkSocial”. We never lose sight of the company's environment and take social factors into consideration when making business decisions. We attach particular importance to our commitment to disadvantaged people and those in need, as well as to our support of charitable organisations.

The GLS Group aims to be an attractive and appealing employer for all current and future members of staff. After all, motivated and satisfied employees are the cornerstone of any company. Their productivity,

efficiency and knowledge form the foundation of structured and successful processes and the sustainable success of our company.

GLS employs 19,000 people in 20 countries across Europe and North America. All of them enrich the company with their individual specialist expertise and talents, as well as their background, personality and life story. For the GLS Group, it goes without saying that positions are filled solely on the basis of skills, performance and potential. That is because suitability is the decisive factor, irrespective of personal characteristics such as origin, culture, religion, age and sexual identity. We do not tolerate any discriminatory behaviour, whether in the recruitment of new employees or in day-to-day dealings with each other.

¹ Last updated: March 2019

For us, the decisive factors are the diversity, health and professional development of our workforce. We believe strongly in treating each other with respect and take into account the cultural differences that prevail in each country. It is necessary both to challenge and develop each employee if they are to remain loyal to us in the long term and perform their role to the highest standards. We can only live up to the future challenges of the CEP sector on the basis of continuous learning and commitment. It is essential that we offer ongoing qualifications for our new talent and develop our long-serving staff with training opportunities and personal support.

The GLS Group is proactively committed to a trusting and intensive relationship with its transport partners in order to secure strong partnerships on the basis of ongoing dialogue (see the chapter entitled “ThinkResponsible”).

We also want to give something back to society, which is why, for example, we support numerous projects by offering or subsidising parcel services. Thanks to our national subsidiaries all over Europe, as well as in the US and Canada, and the many ideas of our employees about how to help on the ground, we support an extremely diverse range of projects.

Employees

Our employees are the driving force that makes it possible to deliver top performance and exceptional quality every day. As at the end of the 2018/19 financial year, GLS employed 19,000 people. 37 per cent of our employees work on the commercial side of the business, such as in various administrative areas. The other 63 per cent of our staff work on the operational side, such as in the warehouses of our depots. Parcel delivery is handled by delivery drivers, who are employed by our transport partners. Therefore, the figures above do not include delivery drivers.

It is of great importance to us that our employees are healthy, qualified and benefit from social security. After all, they play an essential role in the success of the company. Our aim is to continue being a reliable and responsible employer while offering an optimum working environment. Our employees are also at the heart of our sustainability efforts: not only do they put the measures into practice every day, but they also help to improve everyday processes by virtue of their knowledge and experience. Some of our national subsidiaries carry out staff surveys with a view to including the ideas and opinions of our employees more in corporate decision-making. The surveys deal with issues such as overall employee satisfaction, feelings about the working environment, and questions on health and safety or professional development. GLS Hungary, for example, conducts an annual employee satisfaction survey, with employees asked to provide feedback on working

conditions and share their personal opinions on career opportunities and workplace appreciation.

A wide range of employee engagement measures are already in place at national level. GLS Italy carries out regular surveys at selected depots to analyse workplace satisfaction. In Austria, there is a one-to-one staff appraisal once a year, along with an email address for suggesting improvements and a social intranet for sharing news and information. Once a month, GLS France holds a social and economic affairs committee, giving employees the opportunity to contribute their ideas and needs to the decision-making process.

It also matters to us that employees are kept informed of the latest developments and management decisions. In GLS Hungary, for example, a meeting is held with the Country Director every six months including a Q&A session. In addition, there is also an annual employee event in a relaxed atmosphere to facilitate dialogue between depots and the senior management team. In Italy, the annual results and latest projects are presented at three locations every year. In Germany, regular Town Hall meetings with the senior management team are held at the company's office locations.

Diversity and inclusion

The GLS Group firmly believes that diversity improves common endeavour and enriches the company. People of over 100 different nationalities are employed across the GLS Group.





In particular, no one should be prevented from living a self-determined life, which includes the right to education and work, because of a disability. Due to the many physical tasks within our sector, however, the deployment of people with disabilities can be difficult sometimes. Nevertheless, there are many ways of including and supporting people with disabilities in GLS. GLS Italy works with organisations that promote the integration and inclusion of people with disabilities, thus helping to improve their chances of living an independent life. The Italian depot in Brescia, for example, buys calendars from the organisation La Mongolfiera Onlus and distributes these calendars

amongst its customers. And in order to give people with a disability a job, the depot regularly passes them on administrative tasks, such as the processing of invoices. Similar types of partnership are in place at GLS Spain. In cooperation with various NGOs, people are hired who, due to disabilities and other reasons, would otherwise have difficulty finding employment. One such partnership is with the La Calaixera centre, which supports people with mental illness and helps companies find employment for them. Together with La Calaixera, GLS Spain offers express delivery in Barcelona and the surrounding towns.

Putting people first

The competitiveness and innovative strength of a company is shaped by the qualifications of its employees. This is why the search for new talent, as well as employee training and professional development, is a key component of our corporate strategy.

Recruiting new talent

On account of the challenges posed by demographic change, GLS is focused on hiring qualified employees and ensuring their lasting loyalty to the company. We therefore strive to develop the next generation in several different ways.

GLS Germany has been committed to vocational training for many years. By training young people, it promotes and safeguards personalised development opportunities and ensures that a steady stream of qualified entry-level personnel join the company. Depending on their qualifications and personal interests, the school leavers can choose from a broad range of training schemes or a dual study course. GLS Germany also strives to attract more women to the male-dominated logistics sector. As a result, we once again opened our doors as part of the “Girls Day” initiative in 2018 and 2019

to show female pupil just how diverse a logistics company can be and to dispel their inhibitions about “typically male jobs”.

GLS Hungary takes part in the Supply Chain Day organised by the German industry association BVL (Bundesvereinigung Logistik) e.V. and opens the doors of its central hub for one day a year. The project was especially well received by educational institutions, with GLS Hungary receiving a growing number of requests from schools that would like to visit the premises on other days of the year too.

In December 2017, GLS Germany received the “Top Company Award” from the ratings portal kununu. This award is given to firms who have received particularly good reviews from their employees. Therefore, GLS Germany belongs to the exclusive club of 3.8 per cent of companies on kununu who are eligible for the award. It also spurs us on to remain an attractive employer going forward. In the two financial years under review, GLS Germany has also expanded its employer branding activities on the social media channels of LinkedIn and Facebook. A particular reward for this commitment came in the form of the company’s fifth place in the overall ranking in the BEST RECRUITERS study and first



place in the transport/logistics category. This annual study analyses the recruitment quality of major employers on a scientific basis. Using 203 criteria, BEST RECRUITERS assessed and rated over 400 major companies in Germany this year. The analysis focused on the careers website, mobile recruitment, social Web, online vacancies and interaction with applicants. As part of the study, applications were sent to all the employers tested, with the responses examined in terms of both content and timeliness. GLS achieved 88.5 per cent of the available points.

Developing and supporting staff

To ensure that our employees can continue to meet the needs of our customers in the future and do justice to the requirements of the market, today we take care of the necessary know-how for tomorrow.

The GLS Group strives actively to promote the individual strengths and talents of each individual employee. We therefore support our employees with personalised training courses and development programmes, thus helping them grow personally and professionally. Individual employee development measures are very much the responsibility of national subsidiaries. Group-level training is primarily aimed at Group A and Group B executives, i.e. the first and second tiers of management. Women account for 16.5 per cent of these 266 executives.

Moreover, the national subsidiaries regularly offer a wide range of in-house training sessions, seminars and talks covering all areas of our work.

We welcome new employees at all our national subsidiaries with numerous introduction programmes. The “onboarding” process in Germany includes a tour of the central transport hub in Neuenstein. Here, the participants not only gain insight into the “heart of GLS”, but also get to know colleagues from different departments and locations who are being trained with them. A similar programme is in place in the Netherlands. At the “GLS Introdag”, new employees are given an introduction to the company by means of an interactive presentation. They can also do some initial networking with their colleagues and familiarise themselves with the location on a guided tour.

As there is often so much information to process during this early phase, GLS Poland has compiled a brochure full of useful tips to help ease the transition for new employees. Employees in Belgium also receive a

brochure on their first day containing key information about the company, as well as a small GLS gift bag, which is handed over during the onboarding process.

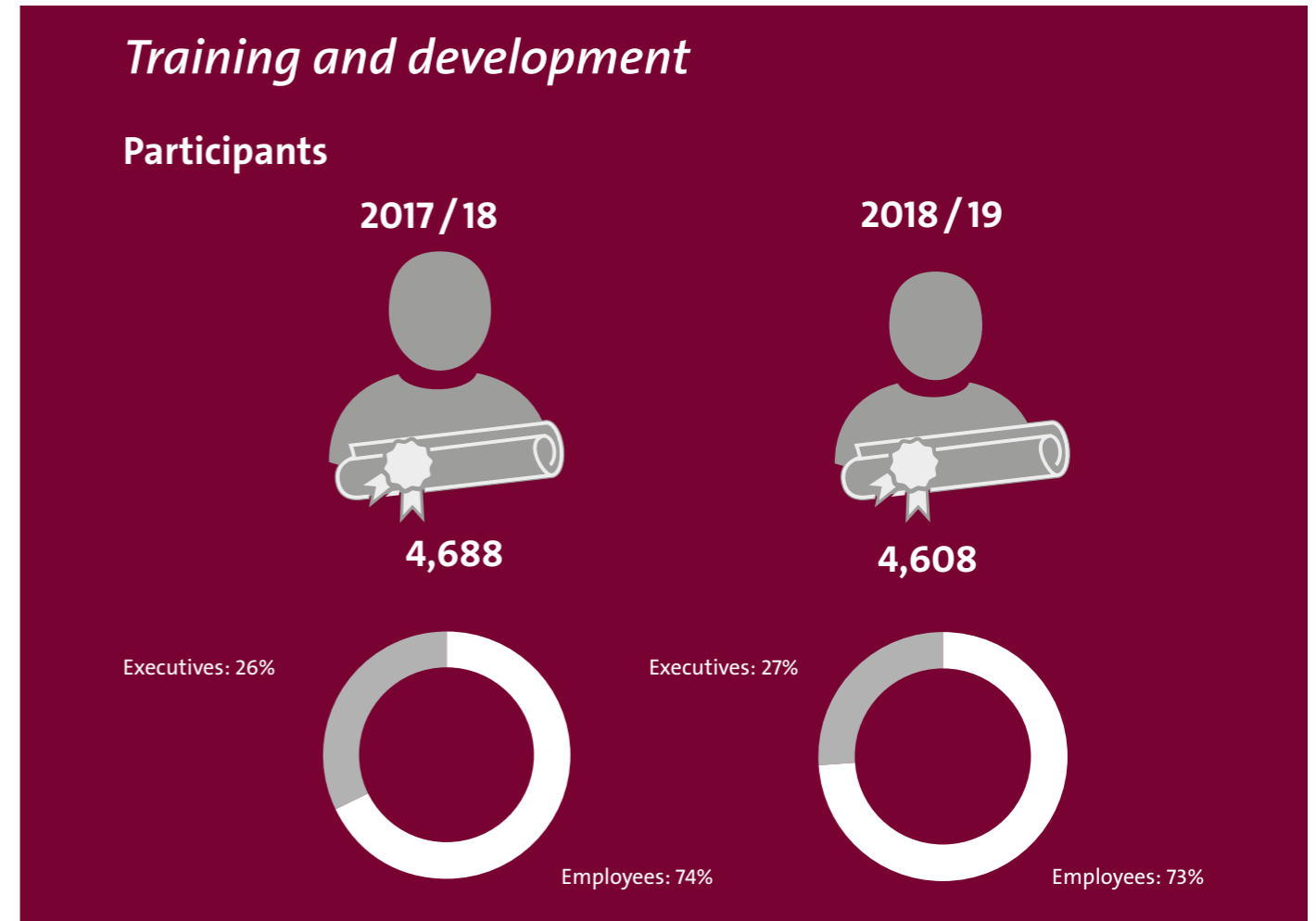
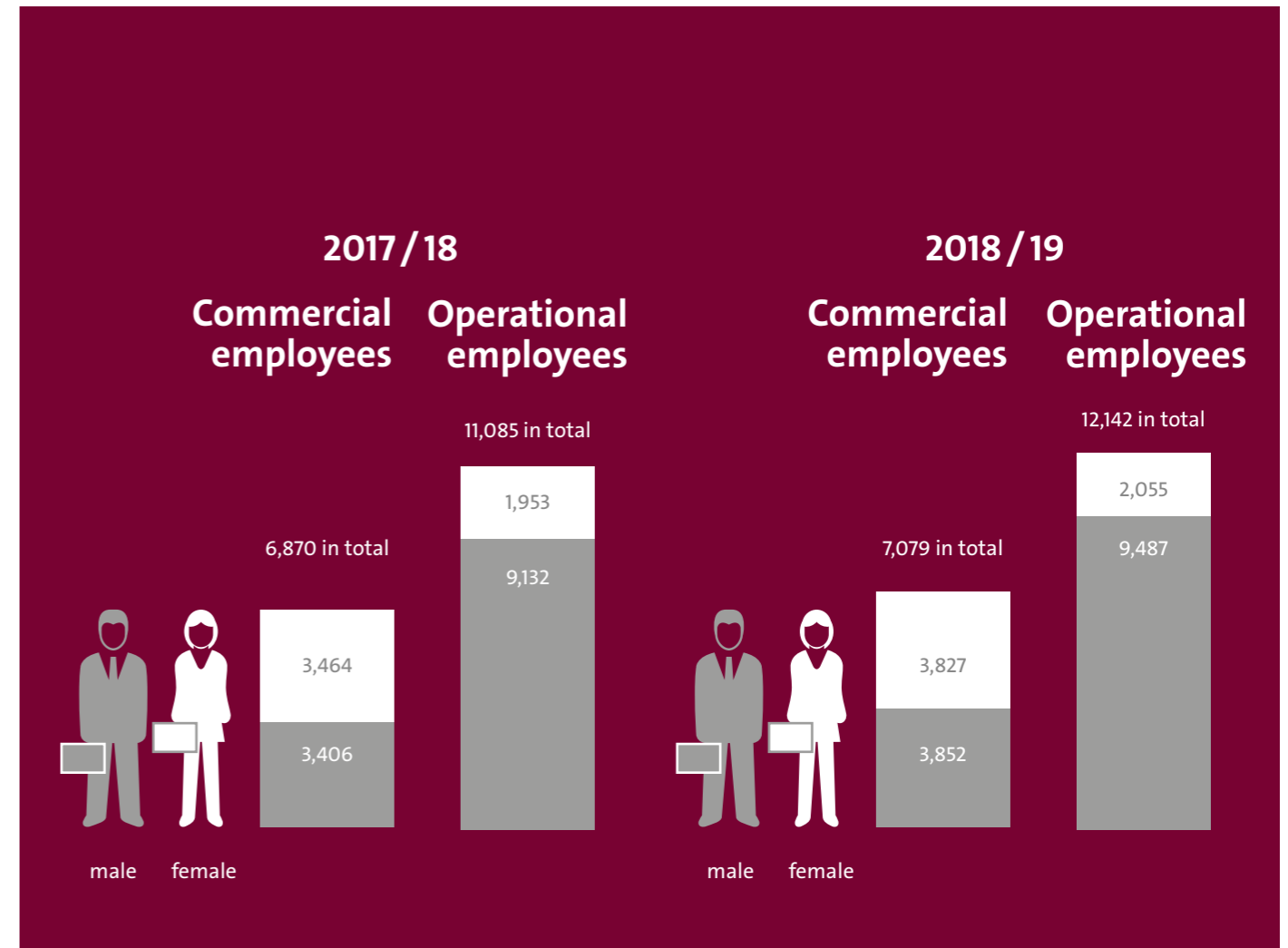
In order to continue developing talented personnel at the company, GLS France has introduced a training programme for selected employees, such as those who stand out on account of their outstanding leadership potential. From September 2017 to June 2018, participants in the talent training programme received training in various areas, such as stress management and knowledge of GLS. As the format was so well received, a second instalment, with a new group of employees, got under way in September 2018. In France, there is also a training programme aimed at all personnel in management positions. This programme covers the behaviour and skills that GLS France expects from its executives.

GLS Germany has been running the Management Development Programme (MDP) which prepares talented young staff for management positions since 2012. The participants have a variety of qualifications and backgrounds and complete a range of training modules. A business management programme has also been one of the professional development options in GLS Germany since 2014. The programme prepares young executives for leadership positions, such as depot manager, operations manager and transport manager. Successful graduates can go on to complete a bachelor degree and have their acquired credits recognised by universities.

In GLS Spain, there is a training course especially for middle management. It covers HR topics and company processes at GLS in order to provide the managers with more support in terms of their work. In GLS Belgium, employees attend several operational training courses. Depending on their role, some employees also have their knowledge refreshed via an online learning tool. GLS Ireland also offers numerous staff training courses. In May 2017, for example, there was a first aid course, fire safety officer training and specialist courses in the areas of ISO basics and GDP.

In addition to professional qualifications, GLS also attaches great importance to interpersonal relations with the aim being to achieve good overall results.

Emotional intelligence (EI) is playing an increasingly important role in GLS Denmark. In addition to an awareness of one’s own feelings and needs, EI is also about understanding and recognising the emotions of



others. Barriers can be broken down within teams and stronger bonds forged. The potential of EI has been recognised by the HR department. Personal profiles are no longer used solely in the recruitment process, but are also actively incorporated within the HR management process. They indicate to managers, for example, what they should bear in mind when dealing with their employees. However, executives also publish their personal profile to make their way of thinking and working more understandable. The response to this strategy in GLS Denmark has been extremely positive. Employees and executives report that many minor conflicts can be prevented as a result and that respect among the workforce has increased, as has the performance of each individual.

We also hold regular staff appraisals to support the development of our employees. In GLS France, for example, each employee has an annual review meeting with their line manager to discuss, among other things, any wish to change positions and potential professional development opportunities. GLS France also implemented a new programme for young executives in 2017 in which they are prepared for future management roles by means of a training course lasting several days. All employees who have been with GLS Denmark for more than a year are invited to a development appraisal with their line manager. In GLS Germany, a staff appraisal is held once a year.

It is important to us that employees from other countries are assisted with integration. GLS Denmark offers Danish courses so that employees can learn the language and understand the country's culture better. GLS Netherlands also offers Dutch courses for employees who are not native speakers.

When the newly acquired companies ASM and Redyser were merged with GLS Spain, different corporate cultures collided. In order to maintain a consistent and harmonious culture in GLS Spain, a cultural fusion project was held from September 2018 to June 2019 in conjunction with external consultancy firm Delivering Happiness.

GLS Spain works with various NGOs, such as to enable people over 45 to find employment, as they often find it hard to enter or re-enter the world of work.

In addition to work-related development, we also attach great importance to the personal well-being of our employees. A variety of approaches are pursued in order to achieve this objective.

GLS Netherlands invests in the long-term future of its employees by ensuring that they can not only perform their current role, but that they also remain fit, healthy and are able to work until retirement. This is achieved on the basis of personal financial planning, periodical meetings between employees and managers and individual health plans. Furthermore, the Employee Journey project was also launched in the Netherlands in 2018. Here, the aim is to develop a strategy that will develop employee motivation while also supporting them in terms of their health and professional development. These processes are seen as a journey, over the course of which GLS Netherlands will become a learning organisation.

In addition, a range of initiatives are carried out in order to promote cohesion between employees and create a pleasant working environment. To celebrate International Women's Day 2018, GLS Hungary and its employees produced a short film about valuing women at GLS and beyond (<https://www.youtube.com/watch?v=IQOTGiFjQD4>). Apart from sending a beautiful and important message, the project also served to strengthen team spirit, as all interested employees were able to take part in the filming.

In GLS Denmark, several strategies are pursued in order to increase overall employee satisfaction. An intranet update has been introduced in order to keep all employees informed of internal news and changes. With the help of various workshops, which were offered to all teams, plans of action have been drawn up in order to involve the workforce even more closely. Furthermore, the onboarding process for new employees has been enhanced to help ease their transition. In recognition of its considerable commitment, GLS Denmark has been named as one of the five most attractive employers in the country.

We also regularly involve the families of our employees in celebrations and initiatives. Once a year, GLS Poland organises a family day, on which employees, transport partners and their families can enjoy a wide variety of activities (e.g. large picnics) at many locations. In



Croatia, a Christmas party is held for the children of employees during the festive season. A very special employee party is held in Belgium. More than 400 companies attend the ThxVille festival (which is all about saying thank you to employees) in the Belgian

town of Boom. Alongside a wide selection of food and beverages, the programme is also full of activities and entertainment. GLS Belgium makes the most of the opportunity by inviting all its employees, transport partners and delivery drivers to the event to thank them for all their hard work. Whenever employees in GLS Spain become parents, they receive a "baby basket" as a present. These gift baskets are put together in cooperation with the Juan XXIII Roncalli Foundation, which works to promote the social and labour market inclusion of people with mental disabilities.

Workplace health and safety for employees and transport partners

For a company to be agile and productive, its employees have to stay fit and healthy. By means of preventive health and occupational safety management, we help employees maintain their physical and mental fitness.

There is a structured health and safety system with a wide range of activities at all national subsidiaries. GLS Italy has been certified in accordance with OHSAS 18001 (Occupational Health and Safety Assessment Series) since the 2015/16 financial year. The Group-wide Occupational Health and Safety (OHS) department is responsible for reducing the number of workplace accidents and setting minimum standards that are binding on everyone. On the basis of these standards and applicable local legislation, the individual GLS national subsidiaries develop their

own OHS systems. This allows us to ensure that country-specific requirements are taken into account and that all national subsidiaries comply with the safety standards stipulated by GLS. Regular reports are requested and on-site audits are carried out to verify that the standards set are being met.

In summer 2018, binding Group-wide workplace safety regulations came into force with the publication of a Group Occupational Health and Safety Manual, which is based on the guidelines of the European Framework Directive on Safety and Health at Work. In addition, the first-ever Group-wide OHS audit campaign has been running in all Group countries since January 2019. These audits verify compliance with the defined standards and identify

any necessary corrective measures, with the latter outlined in a plan of action and worked through at national level.

Four building blocks have been formulated to reduce the number of workplace accidents in the long term:

- Emphasis on the subject by the management and senior management teams, as well as emphasis on overall awareness
- Investigation of all accidents
- Definition of measures of improvement
- Confirmation of the effectiveness of measures of improvement

The implementation of these standardised building blocks in individual countries is planned in consultation with the relevant national authorities in order to take any exceptional circumstances and particularities into account.

In addition to the broad field of workplace health and safety, many small measures are taken with a view to encouraging our employees to be more health-conscious. In order to promote more exercise at work, a “take the stairs” week was held in Belgium, with the campaign motivating staff to take the stairs rather than the lift. In GLS Hungary, a blood drive was held at the hub in order to help others. As this initiative was very popular among the staff, it will now be held twice a year. A similar campaign was also very well received in Slovakia, where it will also be continued.

The sport of running is supported by many GLS locations in order to promote an active and healthy lifestyle. In Belgium, there is a GLS running team, which competed in the Spartacus Run in 2018, where the aim is to complete an obstacle course in the fastest-possible time. GLS Belgium paid the entry fees and donated €5 for every member of the team to the organisation Thousand Hills of Hope, which combats poverty in Rwanda. A company team was also set up at GLS Hungary, taking part in a total of three running events in 2018. A part of the GLS Poland budget is set aside for the GLS Runners’ Club, which took part in the Business Run along with 22,000 other runners.

2018 once again saw GLS Czech Republic support the “Bike to work” initiative, which encourages people to cycle to work rather than driving. Many GLS employees took part again, doing something for their health while also cutting down on CO₂.

In the US, May is “Brain Tumour Awareness Month”. Our colleagues in the US participated and on 18 May 2018, all wore grey to work, as this is the official colour of the brain tumour awareness ribbon. GLS US distributed these ribbons among the entire team, allowing them to show their solidarity outside the company too.

We also attach great importance to mental health. GLS France has set up a free telephone hotline, giving employees somewhere to turn to. If they are encountering work-related, family or personal problems, employees can call the number around the clock to receive support from psychology professionals. In Belgium, employees who have complaints or who feel uneasy about their work, and who do not wish to speak to their line manager, can contact either an adviser within GLS or an external adviser. In either case, the adviser will refer the employee in question to a psychologist if necessary.

In addition to responsibility for our own employees, we also ensure the health and safety of the delivery drivers who work for our transport partners. With our Group-wide road safety campaign (see page 38), we are strengthening awareness of the issue of safe driving. A drivers’ day has been introduced in GLS Portugal in order to gain a better understanding of the problems and challenges facing our delivery drivers. Here, employees and managers shadow the delivery drivers for one working day and talk to them about their experiences. Through the CEM (Customer Experience Management) project, delivery drivers in GLS Belgium also receive regular training. In GLS Hungary, videos are used to explain the most important points to delivery drivers in a quick and straightforward manner.



Andira Fara,
Director of Marketing,
GLS US



How important are social activities in GLS US?

Giving back to local communities plays an important role for us here in the United States. Studies show that more than 80% of consumers consider social responsibility and/or community involvement when deciding whether to purchase from a particular company. Community involvement also strengthens our reputation, improves employee morale, helps us build relationships with local organisations, and sets us apart from competitors.

Do you have an area that you focus on particularly with your social activities?

We like to focus on areas where we can use our delivery capabilities to help others. For example, we hosted a book drive with the Children’s Book Bank at our corporate office and collected 150 books. GLS delivery vehicles took the books to the Children’s Book Bank Library in Portland, Oregon. In Kent, Washington, we collected food and clothing items for poor and

homeless individuals and used GLS vans to deliver the goods to two local non-profit agencies. These activities have multiple objectives. On the one hand, we are able to bring GLS closer to the community and help it at the same time. Our employees feel good about how their employer contributes to and helps the local community.

Do you also support measures which do not directly need transportation?

Yes, we also try to raise awareness for important issues, even if that does not involve delivering goods. For the 2017 International Parcel Day, the staff wore grey in support of brain tumour awareness month, and several team members participated in the Bay Area 5K Tumour Walk in San Francisco.



Actively helping society

In the two years under review, our national subsidiaries once again took part in a wide range of social activities. Below, you will find a few examples from different countries.

GLS Austria

In order to put a smile on children’s faces, GLS Austria regularly donates to the children’s cancer charity Oberösterreichische Kinder-Krebs-Hilfe, for example at Christmas and Easter. It also provides regular support to Haus Miriam in Vienna, a centre that is run by Caritas and that supports women in need and helps them make a fresh start. On Valentine’s Day, for example, the residents of the centre were given shower gel, cinema vouchers and other small gifts.

GLS Belgium

GLS Belgium supports charitable football clubs in the country through a variety of initiatives. In March 2018, they organised a fundraising dinner using the proceeds and donations received to support the organisation “Homeless Football”. They also regularly invite players in the Homeless Cup and football fans living in refugee accommodation to games of the Belgian national team (the “Red Devils”).

In 2018, GLS Belgium was the official transport partner of “Rode Neuzen Dag” (“Red Nose Day”). The idea behind this campaign is to raise money for good causes by selling red noses and taking part in other activities. Starting with the red nose stickers on all GLS vehicles



and the transport of parcels carrying red noses through to the sale of these red noses in 57 GLS ParcelShops and other fundraising activities organised by employees, all staff really became involved, raising a total of more than €13,500. The money raised went to an initiative that helps children with mental health problems in their schools.

GLS B.V.

Employees of GLS B.V. in the Netherlands once again held a volunteering day in March 2018, assisting the De Heimanshof botanical garden in Hoofddorp. They refurbished the office area, got the educational garden ready for the upcoming season, built insect hotels and bird tables, and pruned trees.

Dicom Canada

Dicom has been working with Moisson Montréal for more than 20 years. In the run-up to Christmas, employees collect food donations, which are then passed on to families in need. In addition, a competition is held throughout the year in which employees can buy tickets for a prize draw, giving them a chance to win half of the money collected. The other half goes to Moisson Montréal.



GLS Croatia

In 2018, GLS Croatia provided free transport services for World Cleanup Day in Croatia. World Cleanup Day is an international initiative that sees more than 40 million people in over 150 countries come together once a year to work for a cleaner world.

GLS Czech Republic

GLS Czech Republic supports numerous social projects, with just a few examples outlined here. The Social Car project is about replacing the vehicles of social organisations and facilities that support the education, recovery and inclusion of people with intellectual or physical disabilities. GLS Czech Republic has funded the purchase of several vehicles since 2016. Since 2017, GLS has also been delivering starter packs to participants in the “Bike to work” project, which encourages the population to cycle to work. Since 2011, GLS has been delivering presents free of charge to children in orphanages, with the presents collected as part of the traditional “Daruj hračku” (“Donate a toy”) campaign.

GLS Denmark

One of the organisations supported by GLS Denmark is Save the Children Denmark (Red Barnet), which not only campaigns for the rights of children, but also organises holiday camps and outdoor activities in the country. Another chosen charity is “Danske Hospitalsklovne” (“Hospital Clowns”), which brightens up the lives of children in hospital.



GLS Finland

GLS Finland provides financial support to the youth ice hockey team Little Edges of the Kaarinan Taitoluistelijat club.

GLS Germany

GLS Germany supports a wide variety of social activities in all six of its regions. In 2017, for example, Christmas trees were donated to several care homes for the elderly, and decorated together by GLS trainees and residents of the homes. In the run-up to Christmas in 2018, GLS Germany supported a charitable campaign for severely ill children by delivering more than 500 parcels containing Christmas gifts free of charge to families and children’s hospices throughout the country. For several years, GLS has also been delivering organic lunch boxes to school starters on their first day of school in a bid to raise awareness of healthy eating among the children and their parents. In 2018, approximately 21,800 lunch boxes were delivered in Hamburg and Frankfurt.

GLS Hungary

In order to help raise awareness of health risks, GLS Hungary transported 8,000 copies of an oncology magazine free of charge to health centres and hospitals. For Christmas 2018, GLS Hungary also collected parcels for disadvantaged children from schools and transported them to regional Order of Malta centres, with the parcels having previously been filled with toys by the schoolchildren.

GLS Ireland

The GLS Ireland brand ambassador, sports commentator Dave McIntyre, raised money for the Peter McVerry Trust by taking part in a triathlon. The Trust supports homeless people by offering them low-cost accommodation, especially younger people and vulnerable adults with complex needs.



GLS Italy

GLS Italy is involved in a variety of projects. In autumn 2017, the company sponsored a hospital party for medical clowns, which also included several workshops for children and their parents. Support also goes to a wide range of sporting events, including the Adria Inclusive Games which

attracted people with disabilities from various Italian regions. Monetary donations are also made to the Italian Cystic Fibrosis Research Foundation, which focuses on research projects that aim to improve the quality of life of people with the condition.



GLS Netherlands

GLS Netherlands supports the Hotel Heppie project of Het Vergeten Kind, a foundation that makes it possible for children and teenagers living in difficult circumstances to go on holiday. In 2018, GLS contributed to the travel costs as well as to bus tours to amusement and water parks. With the help of GLS, more than 1,800 children and volunteer helpers were able to enjoy free travel. Additionally, GLS also handled all deliveries required by Heppie free of charge, e.g. donated toys or equipment.

GLS Poland

GLS Poland has been providing free transport services to three organisations for several years. Mimo Wszystko looks after people with mental/chronic illnesses. WeGirls organises wigs for girls who have lost their hair due to cancer treatment. Legal Culture raises awareness of legal download options for books, films, etc. and encourages people to make use of them.

GLS Romania

In 2018, GLS Romania took part in World Cleanup Day. They sponsored the organisation Let's Do It, Romania!, with whom they distributed flyers, rubbish bags, gloves and similar materials to the regional clean-up teams (which also included several GLS employees).

GLS Spain

GLS Spain works with several different NGOs in order to give employment opportunities to people who would otherwise have difficulty finding work on account of their age, sexual orientation or a disability. They also had a stand at the 2018 Disability and Employment trade fair in Madrid, with visitors able to submit their CVs at this stand.

GLS US

As part of Parcel Day 2018, GLS US teamed up with an organisation in San Francisco. Overnight, a total of 50 care packages for homeless children were put together and delivered with the help of GLS employees. In the US, May is "Brain Tumour Awareness Month". In order to draw attention to the cause, the company's employees wore grey to work on 18 May 2017. Pins were also distributed among the staff, several of whom also took part in the Bay Area 5K Tumour Walk in San Francisco.



GLS sponsorship activities

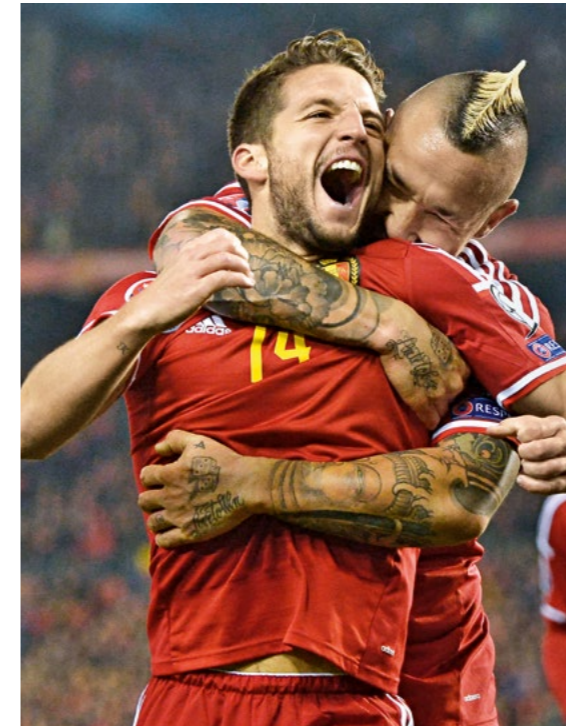
GLS Germany

GLS is the main sponsor of DLV

Competitive excellence is a trait that GLS shares with elite sport. For this reason, GLS Germany became the sponsor of Deutscher Leichtathletik-Verband (the German Athletics Association) in April 2017. This means, for example, that the GLS logo is visible on competitors' race number bibs at all athletics events. With over 850,000 members, the DLV is the largest athletics association in the world and therefore a wide-reaching national platform on which to showcase the GLS brand. GLS Germany also signed Julian Reus, the German 100 m record holder, as a brand ambassador.

Support for the film industry

Ever since 2012, GLS has been transporting the statuettes of the European Film Academy in its capacity as Official Logistics Partner. The European Film Awards are one of the most prestigious accolades in the world of film. GLS provides the event with logistical support for the seventh time, mainly handling the all-important transport of the trophies. The names of all winners (except those of the honorary prizes) remain secret until they are announced at the ceremony, meaning that they cannot be engraved on the trophies in advance. Therefore, the trophies are taken to the gala evening by GLS before being subsequently transported to London for engraving. Once engraved, they are delivered to the prizewinners all over Europe.



GLS Belgium

GLS Belgium sponsors its country's national football team, known as the "Red Devils", and combines this commitment with social support, as employees, partners and disadvantaged people receive free match tickets.

GLS Italy

GLS Italy supports a wide variety of sporting events. It sponsors multiple cycle races, such as the Trofeo GLS for children aged between six and twelve, which was held in San Giuliano on 29 April 2018. GLS is also represented in the world of motor sports, becoming the sponsor of motorcycle racer Michele Pirro for the 2018 season.



GLS Spain

Padel is the fastest-growing sport in Spain and is now the second most popular team sport in the country. Since March 2019, GLS Spain has sponsored the World Padel Tour (WPT) in the "Transport and Logistics" category. This sponsorship will run for the next two seasons and includes the national distribution of event consignments and presence at the main events. The world's best players go head to head at the major competitions of the World Padel Tour. GLS is delighted to be supporting values such as dedication, performance and team work in its role as sponsor.

GLS Poland

Speedway drivers are among the most successful sportspeople in Poland and have a huge fan base. Their successes in recent years have included a gold medal for the national team at the World Games in Wrocław, as well as the youth team's victory at the Junior World Championship. GLS has been the main sponsor of the Polish national team since 2017, providing support throughout the year. In return,



the GLS logo is not only visible on all the riders' suits and bikes, but also at all racetracks. On account of the strong partnership, GLS Poland went a step further in 2018 by becoming an official partner of PGE Ekstraliga for the next two years which is the best speedway league in the world. As a result, the GLS logo will appear even more prominently at events, e.g. on advertising banners or in the background at press conferences. In the past two years, GLS Poland has also supported various Business Run running events as the main sponsor. The entry fees, as well as donations collected at the charity runs, go to the Poland Business Run Foundation, which provides high-quality artificial limbs for people who have undergone amputations. ■



Outlook

Our focus will remain on continuous growth in the upcoming financial year. In this regard, we will concentrate on quality assurance, the expansion of environmentally friendly parcel delivery and the further integration of new subsidiaries, particularly in North America.

On the basis of our current corporate responsibility strategy, we are continuously working on improving our processes. The continuous improvement of our environmental management system is a subject that will continue to be of our concern. The area of urban logistics in connection with alternative drives also remains important. Numerous pilot projects are currently underway and will help to position GLS even better.

Another major focus will be the formulation of long-term environmental goals at group and national level, with which we would like to anchor our contribution to climate protection in the long term. We will also continue and strengthen our social commitment in all countries.

In the area of employee care, we will continue existing measures in many national companies and introduce new activities for employee retention and motivation, for example, new ways of communicating via a social intranet

The aim of all our activities is to ensure that local freedom and creative engagement can still go hand in hand despite Group-wide harmonisation and ever higher standards, including in the area of CR. Our slogan “Think global, act local” will continue to be a central element of our actions.

We are once again planning to publish a short update to this Sustainability Report in the 2020/21 financial year. The next report prepared in accordance with GRI guidelines will be published in the 2021/22 financial year. ■

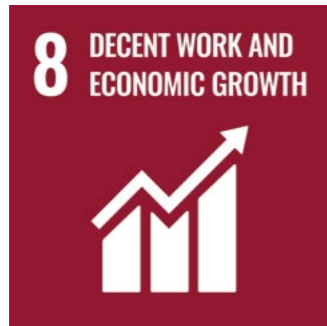
The Sustainable Development Goals at GLS

SUSTAINABLE DEVELOPMENT GOALS

At its 2015 General Assembly, the United Nations set 17 Sustainable Development Goals (SDGs) (<https://sustainabledevelopment.un.org/?menu=1300>). These are designed to ensure sustainable development encompassing economic, social and environmental aspects.

169 individual targets form a framework to guide the actions of nation states, enterprises and individuals. These cover everything from the sustainable production of goods and development of services through to protection of the environment, joint efforts to combat poverty and hunger, gender equality and the right to education.

With its sustainability work, the GLS Group is also helping to make the SDGs reality.



Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

The logistics sector facilitates the movement, transport and availability of goods, thereby making a vital contribution to economic growth. Qualified workers are essential in terms of safeguarding this growth. GLS is therefore not only committed to the training and professional development of its employees, but also to their health and social security as well as to respect for cultural diversity. As an international company, it goes without saying that GLS judges its employees on the basis of their qualifications and performance, with personal characteristics such as origin, culture, religion, age and sexual identity playing no role whatsoever in this regard. Furthermore, GLS never tolerates discriminatory behaviour.



Goal 10. Reduce inequality within and among countries.

GLS assumes social responsibility and is committed by providing a variety of means to selected projects and institutions. In addition to nationwide campaigns, GLS also focuses on regional initiatives. We also provide free parcel delivery for charities and social organisations.



Goal 11. Make cities and human settlements inclusive, safe, resilient, and sustainable.

Sustainable delivery systems and alternative drive vehicles are at the heart of modern, environmentally friendly and low-emission urban logistics. That is why ideas and technologies for the last mile are so important to the GLS Group. The combination of electrically operated cargo bikes with so-called micro-depots has proven itself for GLS and will be further expanded.



Goal 12. Ensure sustainable consumption and production patterns.

In July 2018, the GLS Group drew up a Supplier Code of Conduct to supplement its Code of Business Standards. The Supplier Code of Conduct addresses key issues such as rules and regulations on environmental matters, bribery and corruption. And as part of our environmental management system, which is certified Europe-wide in accordance with ISO 14001:2015, we are working continuously to reduce our environmental footprint.



Goal 13. Take urgent action to combat climate change and its impacts.

Under the banner of its ThinkGreen initiative, the GLS Group promotes the responsible handling of resources and seeks to reduce emissions. Following the introduction of GLS KlimaProtect in October 2019, GLS Germany now delivers all parcels in a climate-neutral manner. A dual approach model is intended to reduce and avoid emissions through a variety of measures. On the other hand, it is supporting a reforestation project in Indonesia to offset the emissions generated during parcel shipping. In order to reduce emissions outside the scope of parcel transport, GLS Germany only uses sustainable electricity.



Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems.

GLS Germany works with PRIMAKLIMA e.V. to offset the emissions generated during parcel transport. In the 2017/18 and 2018/19 financial years, two projects certified in accordance with international standards were supported, one in Indonesia and one in Bolivia. Planting trees not only removes CO₂ from the atmosphere, but also creates a habitat for many species of plants and animals.



Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

GLS has a zero-tolerance policy on all forms of corruption and bribery. GLS employees may neither directly nor indirectly offer or grant an impermissible personal benefit in the expectation of, or in return for, unlawful behaviour or an advantage provided. Furthermore, GLS will not tolerate, in connection with business activities carried out for GLS, such impermissible benefits being offered or granted by consultants, representatives, external sales representatives or other business partners acting on behalf of the company. ■

Glossary

Business to business (B2B)	Parcel shipment from one company to another.
Business to consumer (B2C)	Parcel shipment from a company to a private individual.
CEP sector	Courier, express and parcel services sector
CO ₂ equivalents	The CO ₂ equivalent is a unit that indicates the extent to which a particular substance contributes to the greenhouse effect. In other words, the greenhouse potential of various gases is quoted in relation to the impact of carbon dioxide (CO ₂).
Compliance	Compliance describes all measures taken to ensure that the company, its governing bodies and employees act lawfully in respect of all statutory regulations and prohibitions.
Corporate responsibility (CR)	Corporate responsibility sums up the extent to which a company takes responsibility for the effects its operations have on employees, customers, society and the environment.
Depot	Branches from which parcels are delivered directly to the recipient and/or are collected directly from the sender.
DIN EN 16258	European standard for the calculation of greenhouse gas emissions of transport service providers.
GHG Protocol	The Greenhouse Gas Protocol is an internationally accepted standard for quantifying greenhouse gas emissions.
Global Reporting Initiative (GRI)	An organisation founded in 1997 that uses a participatory approach to develop criteria for the preparation of sustainability reports.
Good Distribution Practice (GDP)	The umbrella term for all guidelines, regulations and directives that govern the storage and transport of medicines.

Greenhouse gases	Gaseous substances that contribute to the greenhouse effect and whose origin is both natural and man-made (anthropological). The main natural greenhouse gases are steam (H ₂ O), carbon dioxide (CO ₂) and methane (CH ₄). The main anthropological greenhouse gases are carbon dioxide caused by burning fossil fuels and methane from agriculture and factory farming. Other man-made greenhouse gases are nitrous oxide (N ₂ O), chlorofluorocarbons (CFCs), sulphur hexafluoride (SF ₆) and organochlorides.
Hub	At the hubs, parcel flows from multiple depots are consolidated, sorted by route and reloaded.
ISO 14001	International standard for documenting environmental management systems.
ISO 9001	International standard for documenting quality management systems.
OHSAS 18001 – Occupational Health and Safety Assessment Series	An occupational health and safety management system developed by the British Standards Institution in conjunction with international certification bodies. It can be applied to any company, regardless of sector and the size of its organisational units.
PRIMAKLIMA e.V.	A charitable organisation that seeks to reduce CO ₂ emissions and to offset unavoidable CO ₂ emissions by forest protection and planting trees.
Stakeholder	Individuals or groups who formulate requirements of a company and who pursue these requirements themselves or through their representatives. Stakeholders include: shareholders, employees, customers and suppliers.
Sustainable development	In the words of the World Commission on Environment and Development (Brundtland Commission) published in 1987, sustainable development is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. For companies, this means not only focusing on economic factors, but also living up to their social and environmental responsibilities. It is about striking a balance between all three aspects: economic, social and environmental.
Well to wheel	Sum total of all CO ₂ emissions in energy and vehicle processes.

General standard disclosures

Indicator	Short description	Consideration in the report
GRI 102: GENERAL DISCLOSURE		
ORGANISATIONAL PROFILE		
GRI 102-1	Name of the organisation	GLS at a Glance, ThinkGLS – About us
GRI 102-2	Activities, brands, products and services	p. 9ff.
GRI 102-3	Location of headquarters	p. 9ff.
GRI 102-4	Location of operations	p. 9ff.
GRI 102-5	Ownership and legal form	p. 9
GRI 102-6	Markets served	p. 10f.
GRI 102-7	Scale of the organisation	p. 9ff.
GRI 102-8	Information on employees and other workers	<p>p. 70 Germany, France and Italy are the largest countries, in which GLS operates and make up about 63 % of the turnover. There is no further breakdown by gender per region as this information is not control-specific. There is no representation of staff by workers and employees as well as there is no information about the percentage of staff, which is admittedly self-employed, workers and employees of contracting partners.</p> <p>All transports of GLS are conducted by self-employed transport partners.</p>
GRI 102-9	Supply chain	p. 10 ff., p. 42, p. 45
GRI 102-10	Significant changes to the organisation and its supply chain	About this Report, ThinkGLS – About us, Outlook
GRI 102-11	Precautionary principle or approach	p. 21ff.
GRI 102-12	External initiatives	p. 41, p. 51
GRI 102-13	Membership of associations	p. 30f.
STRATEGY		
GRI 102-14	Statement from senior decision-maker	This sustainability report was published in July 2020. Due to a personnel change in the position of the CEO of the GLS Group in June 2020, the original statement of the highest decision maker was removed. Information on our strategic CR approach can be found in the chapter ThinkResponsible and in the interview with Dr. Anne Wiese, Manager Corporate Responsibility GLS Group.
GRI 102-15	Key impacts, risks, and opportunities	p. 21ff., p.25, p. 51
ETHICS AND INTEGRITY		
GRI 102-16	Values, principles, standards and norms of behaviour	p. 28ff.

Indicator	Short description	Consideration in the report
GOVERNANCE		
GRI 102-18	Governance structure	p. 22f.
STAKEHOLDER ENGAGEMENT		
GRI 102-40	List of stakeholder groups	p. 14f., p. 25
GRI 102-41	Collective bargaining agreements	<p>As an international operating company GLS orients itself by the frameworks and legal requirements of the respective countries. There are no collective agreements. The remuneration is guided by the local job market.</p> <p>With the conduct of transport orders, transport partners are contractually bound to employ their drivers in employment contracts that are legally compliant and subject to social insurance contributions.</p>
GRI 102-42	Identifying and selecting stakeholders	p. 14f., p. 25
GRI 102-43	Approach to stakeholder engagement	p. 25ff.
GRI 102-44	Key topics and concerns raised	p. 25ff.
REPORTING PRACTICE		
GRI 102-45	Entities included in the consolidated financial statements	p. 7
GRI 102-46	Defining report content and topic Boundaries	p. 14f.
GRI 102-47	List of material topics	p. 14f., p. 26f.
GRI 102-49	Changes in reporting	p. 14f., p. 25
GRI 102-50	Reporting period / Reporting cycle	p. 7
GRI 102-51	Date of most recent report	December 12, 2018 (Update to the 3 rd Sustainability Report)
GRI 102-52	Reporting cycle	p. 7
GRI 102-53	Contact point for questions regarding the report	Imprint p. 95
GRI 102-54	Claims of reporting in accordance with the GRI Standards	GRI Index
GRI 102-55	GRI Content Index	GRI Index
GRI 102-56	External assurance	There was no external assurance and approval of the data and texts published in this report.

Specific standard disclosures

Indicator	Short description	Consideration in the report
ECONOMIC PERFORMANCE		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 21ff.
GRI 103-2	The management approach and its components	p. 21ff.
GRI 103-3	Evaluation of the management approach	p. 21ff.
GRI 201: ECONOMIC PERFORMANCE		
GRI 201-1	Direct economic value generated and distributed	p. 6 There were no payments for governments. Further data in the annual report 2018/19 of the Royal Mail, p.168
GRI 201-2	Financial implications and other risks and opportunities due to climate change	ThinkResponsible - Introduction, ThinkGreen - Introduction
INDIRECT ECONOMIC IMPACTS		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	pp. 10-11, pp. 54-55, p. 66
GRI 103-2	The management approach and its components	
GRI 103-3	Evaluation of the management approach	
GRI 203: INDIRECT ECONOMIC IMPACTS		
GRI 203-1	Infrastructure investments and services supported	See Royal Mail presentation for the Capital Market Day 2019, slide 126 https://www.royalmailgroup.com/media/10705/fy-2018-19-results-and-strategy-presentation.pdf
GRI 203-2	Significant indirect economic impacts	
PROCUREMENT PRACTICES		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	No definition possible on group level, cooperation with local transport partners. All transport partners are obliged to follow the GLS Group Supplier Code of Conduct.
GRI 103-2	The management approach and its components	No definition possible on group level, cooperation with local transport partners. All transport partners are obliged to follow the GLS Group Supplier Code of Conduct.
GRI 103-3	Evaluation of the management approach	

Indicator	Short description	Consideration in the report
ANTI-CORRUPTION		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 28ff., p. 35ff.
GRI 103-2	The management approach and its components	p. 28ff., p. 35ff.
GRI 103-3	Evaluation of the management approach	p. 28ff., p. 35ff.
GRI 205: ANTI-CORRUPTION		
GRI 205-2	Communication and training about anti-corruption policies and procedures	p. 28
GRI 205-3	Confirmed incidents of corruption and actions taken	For the calendar years 2017-2019, 18 compliance cases have been reported for the areas supervised by GLS Group Compliance. All cases have been investigated and solved.
ANTI-COMPETITIVE BEHAVIOUR		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 28ff., p. 35ff.
GRI 103-2	The management approach and its components	p. 28ff., p. 35ff.
GRI 103-3	Evaluation of the management approach	p. 28ff., p. 35ff.
GRI 206: ANTI-COMPETITIVE BEHAVIOUR		
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal actions in the reporting period
ENERGY		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 51f.
GRI 103-2	The management approach and its components	p. 51f.
GRI 103-3	Evaluation of the management approach	p. 51f.
GRI 302: ENERGY		
GRI 302-1	Energy consumption within the organisation	p. 53ff., p. 56
GRI 302-2	Energy consumption outside the organisation	p. 53ff., p. 57
GRI 302-4	Reduction of energy consumption	p. 56, p. 58, p. 62f.

Indicator	Short description	Consideration in the report
EMISSIONS		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 53ff., p. 57
GRI 103-2	The management approach and its components	p. 53ff., p. 58
GRI 103-3	Evaluation of the management approach	p. 53ff., p. 59
GRI 305: EMISSIONS		
GRI 305-1	Direct (Scope 1) GHG emissions	p. 53ff.
GRI 305-2	Energy indirect (Scope 2) GHG emissions	p. 53ff.
GRI 305-3	Other indirect (Scope 3) GHG emissions	p. 53ff.
GRI 305-5	Reduction of GHG emissions	p. 56, p. 58, p. 62f.
COMPLIANCE		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 28ff.
GRI 103-2	The management approach and its components	p. 28ff.
GRI 103-3	Evaluation of the management approach	p. 28ff.
GRI 307: COMPLIANCE		
GRI 307-1	Non-compliance with environmental laws and regulations	There are no cases for non-compliance with environmental laws known for this reporting period.
SUPPLIER ENVIRONMENTAL ASSESSMENT		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 28ff., p. 35ff.
GRI 103-2	The management approach and its components	p. 28ff., p. 35ff.
GRI 103-3	Evaluation of the management approach	p. 28ff., p. 35ff.
GRI 308-1	New suppliers that were screened using environmental criteria	p. 31
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	pp. 50ff.
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 74f.
GRI 103-2	The management approach and its components	p. 74f.
GRI 103-3	Evaluation of the management approach	p. 74f.

Indicator	Short description	Consideration in the report
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	p. 6 Due to a mistake in the data collection, we cannot report information on work accidents at the moment.
TRAINING AND EDUCATION		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 69ff.
GRI 103-2	The management approach and its components	p. 69ff.
GRI 103-3	Evaluation of the management approach	p. 69ff.
GRI 404: TRAINING AND EDUCATION		
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	p. 69ff.
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 65f.
GRI 103-2	The management approach and its components	p. 65f.
GRI 103-3	Evaluation of the management approach	p. 65f.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
GRI 405-1	Diversity of governance bodies and employees	p. 66, p. 70f. Holdings Board GLS BV: 100 % male, minorities 0, 50 % German, 50 % British. Further information in the Royal Mail CR Report, p. 48
NON-DISCRIMINATION		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 65f.
GRI 103-2	The management approach and its components	p. 65f.
GRI 103-3	Evaluation of the management approach	p. 65f.
GRI 406: NON-DISCRIMINATION		
GRI 406-1	Incidents of discrimination and corrective actions taken	The GLS Group has developed a reliable and multiplex complaint management, which is also employed for complaints regarding human rights. In the case of justified complaints appropriate countermeasures are taken.

Indicator	Short description	Consideration in the report
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	As an international operating company GLS orients itself by the frameworks and legal requirements of the respective countries. There are no collective agreements. The remuneration is guided by the local job market.
GRI 103-2	The management approach and its components	As an international operating company GLS orients itself by the frameworks and legal requirements of the respective countries. There are no collective agreements. The remuneration is guided by the local job market.
GRI 103-3	Evaluation of the management approach	As an international operating company GLS orients itself by the frameworks and legal requirements of the respective countries. There are no collective agreements. The remuneration is guided by the local job market.
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	For the reporting period there are no known incidents, in which the freedom of association of employees was endangered. All legal requirements were fulfilled.
CHILD LABOUR		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 28ff. Further information on the Modern Slavery Act Statement 2018/19 of the Royal Mail, see https://gls-group.eu/EU/en/compliance
GRI 103-2	The management approach and its components	p. 28ff. For more information on the 2018/19 Royal Mail statement on the Modern Slavery Act, please refer to https://gls-group.eu/EU/en/compliance .
GRI 103-3	Evaluation of the management approach	p. 28ff. Further information on the Modern Slavery Act Statement 2018/19 of the Royal Mail, see https://gls-group.eu/EU/en/compliance
FORCED OR COMPULSORY LABOUR		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 28ff. Further information on the Modern Slavery Act Statement 2018/19 of the Royal Mail, see https://gls-group.eu/EU/en/compliance
GRI 103-2	The management approach and its components	p. 28ff. Further information on the Modern Slavery Act Statement 2018/19 of the Royal Mail, see https://gls-group.eu/EU/en/compliance
GRI 103-3	Evaluation of the management approach	p. 28ff. Further information on the Modern Slavery Act Statement 2018/19 of the Royal Mail, see https://gls-group.eu/EU/en/compliance

Indicator	Short description	Consideration in the report
SUPPLIER HUMAN RIGHTS ASSESSMENT		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	With the conduct of transport orders, transport partners are contractually bound to employ their drivers in employment contracts that are legally compliant and subject to social insurance contributions.
GRI 103-2	The management approach and its components	With the conduct of transport orders, transport partners are contractually bound to employ their drivers in employment contracts that are legally compliant and subject to social insurance contributions.
GRI 103-3	Evaluation of the management approach	With the conduct of transport orders, transport partners are contractually bound to employ their drivers in employment contracts that are legally compliant and subject to social insurance contributions.
CUSTOMER PRIVACY		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 49
GRI 103-2	The management approach and its components	p. 49
GRI 103-3	Evaluation of the management approach	p. 49
GRI 418: CUSTOMER PRIVACY		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 49
COMPLIANCE		
GRI 103: MANAGEMENT APPROACH DISCLOSURES		
GRI 103-1	Explanation of the material topic and its boundary	p. 28ff.
GRI 103-2	The management approach and its components	p. 28ff.
GRI 103-3	Evaluation of the management approach	p. 28ff.
GRI 419: COMPLIANCE		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	For the reporting period no non-compliances are known.

Legal notice

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