



Think GLS. Think Responsible.

2012/13
Sustainability Report



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Foreword

Rico Back
Chief Executive Officer
General Logistics Systems B.V., Amsterdam

Think GLS. Think Responsible.

Mobility and the reliable supply of goods are the backbone of our economy. In its role as a leading European parcel logistics provider, the GLS Group is fully aware of its special responsibility to the environment and to society.

That is why sustainability is one of our five core corporate values. We believe that sustainability in theory and practice must cover more than transport or environmental protection alone; but that this concept must apply to our business as a whole.

Sustainability at GLS means long-term business growth with a minimal impact on resources, and the Europe-wide implementation of our quality and environmental management systems. Sustainability means proactive social responsibility in a fair, supportive partnership with our staff and transport partners as well as everyone we work with.

This Sustainability Report, the first issued by the GLS Group, sets out the activities and initiatives in the various divisions.

People are the centre and focus of all developments.

At GLS, we believe that in a successful company, excellence in parcel logistics for our customers goes hand in hand with job security for our staff. We plan sustainability projects to be transparent, effective and feasible in the long term.

Rico Paul



01

GLS–Profile

The Amsterdam-based GLS Group was established in 1999 and currently employs a workforce of approximately 14,000. We are one of the largest road parcel delivery services in the European courier, express and parcel market. We now provide parcel services in 37 different countries in our core European market, primarily through our subsidiaries, and in some cases in cooperation with approved partners. The company has 37 central hubs and 667 depots. 220,000 customers use our network and our services.

Over the course of just a few years, we have built up a strong logistics network and established a standardised, transparent product portfolio for our large B2B and growing B2C customer base. This basic range is supplemented by sector-specific and country-specific solutions such as freight services in the Benelux countries. Our key strength is and remains our customer proximity and our ability to adapt our portfolio to customers' changing needs.

"Quality leader in European parcel logistics" is our motto. Reliability, security, transparency, flexibility and sustainability are therefore the five core values which we stand for, act by and which our Group strategy is founded on.

The corporate philosophy of sustainability shapes approaches and actions in all areas of the company. We know from experience that effective sustainable economic solutions as a rule also benefit people and the environment. New delivery strategies such as our **FlexDeliveryService** are not only a practical and customised alternative for customers and parcel recipients; they also further increase the efficiency of our network, shorten transport routes and save resources.

We therefore see sustainability as a valuable management tool as we lead the way in responsible business development and business success for excellence in parcel logistics.

Facts & Figures

GLS Group

2012/2013

1.84

billion euros turnover

380

million parcels

~ 220,000

customers

~ 14,000

staff

37

countries

37

hubs

667

depots

~ 18,000

vehicles

Reliability. One of the core GLS values.

220,000 satisfied customers across Europe.

Main 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)
 DPD Systemlogistik (Germany)

Key:

¹ – including Luxembourg

² – including Monaco

³ – including the Vatican City and San Marino

⁴ – including Andorra

⁵ – including the United Arab Emirates, Bahrain, Yemen, Qatar, Kuwait, Oman, Saudi Arabia, Jordan, Lebanon, Syria, Egypt, Iran, Iraq and Pakistan

Partners in Europe

ACS–Air Courier Service
 (Greece and Cyprus)
 AKS Express Kurir (Serbia)
 Global Parcels Ltd. (Malta)
 Interlogistica Ltd. (Bulgaria)
 Itella Logistics (Lithuania, Latvia and Estonia)
 MNG Kargo (Turkey and Cyprus)
 Posten Norge (Norway)
 Parcelforce Worldwide (United Kingdom)
 Schenker (Sweden)
 Swiss Post GLS (Switzerland and Liechtenstein)

Global Partners

EMS Garantpost (Russian Federation)
 Gati Ltd. (India)
 MIDEX INTERNATIONAL (Middle East)⁵
 TF Logistics (Hong Kong)
 ZJS Express (China)

What GLS stands for—our core values



Reliability with GLS:

- An excellent and comprehensive European network
- Consistently high quality throughout Europe
- Quality management certified to DIN EN ISO 9001:2008
- Ongoing monitoring and inspection
- Centrally controlled local audits
- Cross-border process optimisation

Security with GLS:

- High security standards throughout the Group
- Multiple scans per parcel
- Video surveillance, alarm systems and access control
- Regular training for staff and delivery drivers
- Ongoing monitoring and inspection of parcel handing and loading

Transparency with GLS:

- Individual codes for all parcels—standardised across Europe
- Parcels scanned at all key interfaces
- All relevant parcel status data available online for both sender and recipient
- Consignment tracking almost in real time
- Advanced consignment tracking with YourGLS
- Digital recipient signature available online

Flexibility with GLS:

- Rapid response
- Local branches and customer proximity
- Sector-specific solutions
- Market and country expertise
- Individual product and service packages

- Simple and easy shipment with specialist GLS delivery systems

Sustainability with GLS:

- Low-emission vehicles
- Environmentally-friendly new buildings and modernisation
- Reductions in fuel, paper and electricity consumption
- Continuing professional development for our staff
- Close, long-term partnerships with our transport partners
- Social responsibility in practice nationally and locally

Reliability

Your parcel delivered on time

Top quality in the delivery sector means customers can rely on their service provider. That is why reliability is one of our most important corporate values, and one for which our staff work every day.

The entire GLS system—our site structure and network; our information technology; the coordination and monitoring of all our processes—is designed to ensure reliable logistics.

We monitor and safeguard the quality of all services across Europe, for example with a certified quality management and comprehensive key performance indicator system.

The result: GLS delivers over 90 percent of parcels in Europe within the set standard delivery times.

Security

Your parcel delivered safe and sound

To ensure that goods reach their recipients safe and sound, targeted security measures for shipment are absolutely essential. GLS has put in place standard European safety standards and systematic preventive measures.

This is why for years, the loss and damage rate at the GLS Group has been consistently low at below 0.02 percent.

Modern alarm systems are installed to protect consignments. In the hubs and larger depots, GLS uses video tracking of parcels. Each individual step in the process is monitored. We scan packages at all the major interfaces and analyse the data.

We also hold regular staff training to ensure that consignments are handled with care.

Transparency

Keeping track of your parcel

Being able to track their consignment is an important tool for many senders. They often also wish to provide recipients with parcel status information.

Ongoing IT-based tracking of every single parcel is an integral part of our excellence in service. Parcels at GLS are labelled individually and scanned at all important interfaces. This data is accessible to the entire Group, ensuring even cross-border consignments are processed smoothly and efficiently.

We provide all the relevant status information online from collection to delivery. In many countries, this data can already be accessed almost in real time thanks to state-of-the-art IT solutions and mobile data transfer from the delivery vehicles.

Flexibility

Finding the right solutions for you

Modern parcel delivery is a highly industrialised and standardised process. This is the only way to ensure top quality at competitive prices. At the GLS Group, we are nevertheless also committed to offering maximum flexibility.

Flexibility is ensured with a clear product and service portfolio. The Group has a standard range of basic products which it supplies across Europe. These can then be combined with individual,

specialised services, for example for e-commerce or for processing returns.

Many of our products and services are available throughout Europe. We also offer supplementary services that are tailored to specific countries and only available in those countries.

We offer customers simple and practical solutions for IT integration. These, together with on-site support from our local staff, ensure maximum flexibility.

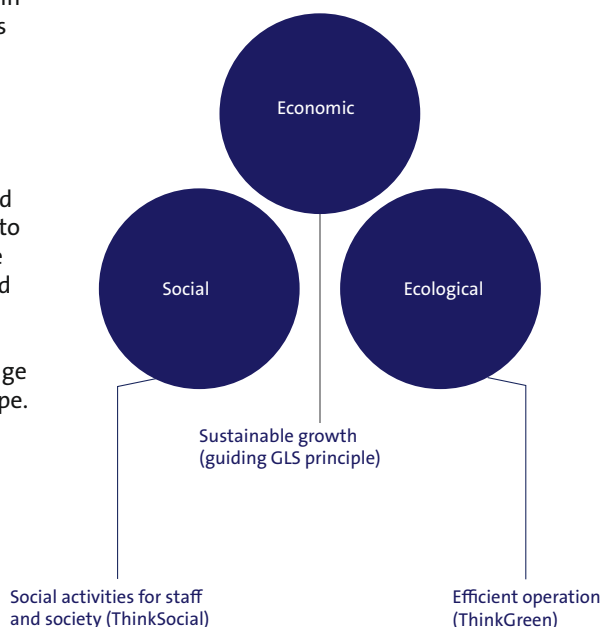
Sustainability

Acting responsibly

GLS takes its responsibilities towards its staff, society, and the environment seriously and is committed to equality, to education and to minimising environmental impact.

GLS fosters staff development with a range of training and professional development opportunities. GLS is committed to a close relationship of mutual respect with all staff, transport partners and other partners. We also regularly support charity campaigns and initiatives, both with donations and with the free provision of our core competence: transport.

Through optimised route planning, GLS manages to shorten its delivery routes. Furthermore, GLS steadily increases the number of low emission vehicles in its fleet. The Group also considers green aspects in new building projects, for example installing heat pumps and rainwater harvesting systems. The majority of GLS companies already operate an ISO 14001-certified environmental management system.





02

ThinkGreen— Environmental Responsibility

ThinkGreen—Environmental Responsibility

GLS works systematically to ensure environmental awareness guides all approaches and activities in all areas of the company. As part of this process, we launched the ThinkGreen environmental programme in 2008. The programme is a framework for coordinating and actively promoting activities within the GLS Group in three target categories: reducing emissions, saving resources and optimising disposal.

A fundamental aspect of the ThinkGreen initiative is sustainable construction. All new GLS sites are designed as “green depots”. Photovoltaic systems; rainwater harvesting; heat pumps: we use the latest technology and adapt design to the specific conditions in the region. Our 14th European green depot is scheduled to open in Austria in early 2014. We also work at existing sites on an ongoing basis to replace out-of-date systems with efficient, environmentally friendly alternatives.

The GLS Group looks ahead to the changing conditions in the sector and pioneers new ways to minimise the impact of transport and logistics on resources. Not only is our overall market growing, but more and more parcels are now being sent to private households. For our growing B2C business, we aim to deliver on our first call and have developed a range of strategies for this last mile delivery challenge. Our *FlexDeliveryService* in Germany, Austria and the Netherlands gives our customers a wide range of delivery options; we are also steadily expanding our network of ParcelShops in Europe.

Developing and implementing green ideas.

Green depots use 50 % less drinking water.

Another tool in ensuring smooth delivery is the ongoing modernisation of our fleet. And sometimes, we even reach our targets courtesy of a sporting inspiration, as demonstrated by a contribution to ThinkGreen at GLS Italy. We are the first parcel service to have successfully launched delivery by bicycle in Vicenza's mediaeval town centre.

Shared concepts and local implementation are fostering and developing our environmental goals. "Living" proof: the GLS tree-planting scheme along the access road to our Budapest site. The project was launched as part of the ThinkGreen initiative in 2008 and enthusiastically supported by our customers. Sixty maple trees now line the street.

Proactive for the environment

Environmental protection is a guiding principle for the GLS Group. Staff across Europe put this principle into practice in their everyday work. Environmental awareness is at the heart of methods and operations in all areas of the company, from transport planning and building to individual work stations.

Targets

The ThinkGreen programme pursues a range of environmental targets:

Reducing emissions

- Carbon dioxide
- Carbon monoxide
- Nitrogen oxides
- Particles

Using resources responsibly

- Electricity
- Heat
- Diesel
- Water
- Paper

Optimising waste disposal

The entire GLS Group pursues targeted measures to promote environmentally friendly parcel shipment. Our goal is to maximise resource efficiency and optimise our processes.

The GLS environmental management system facilitates implementation of the measures developed as part of our ThinkGreen initiative, and achievement of the goals we have set.

The framework

Certification & monitoring

The majority of GLS companies hold ISO 14001 environmental management certification. In 2011, the Netherlands, Belgium, Luxembourg, Germany and Austria became the first subsidiaries to be certified. In 2012, our companies in Poland, Hungary, Romania, Slovakia, Slovenia, the Czech Republic and Spain were also certified, and more countries are set to follow in autumn of 2013.

Certification was conducted by the global certification body DEKRA, which confirmed that GLS operates an appropriate and effective environmental management system. By seeking certification, we have committed to continuous improvements in our process to reduce resource consumption and emissions. This is also helping us to achieve our ThinkGreen initiative targets. As well as setting our own environmental targets, we naturally check that our suppliers



Vicenza, Italy: Parcel delivery by bicycle

and waste disposal contractors also hold environmental management certification. We provide training and regular updates on our environmental targets and measures for our staff, and for our transport partners and their delivery drivers. Environmental audits are implemented alongside our quality audits. These investigate a range of criteria such as facility energy efficiency, emission standards for vehicles and waste management implementation, and assess performance using a points system.

| List of GLS ISO certificates | Certification scheduled for autumn 2013 | Existing certificates 2013 |
|---|--|---|
| GLS environmental management system (certification in accordance with ISO 14001) | Portugal, France, Denmark, Finland, Ireland | Belgium, Germany, Luxembourg, the Netherlands, Austria, Poland, Romania, Slovakia, Slovenia, Spain, the Czech Republic, Hungary, Holding (GLS B.V.) |
| GLS quality management system (certification in accordance with ISO 9001) | Denmark, Finland | Belgium, Germany, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Poland, Portugal, Romania, Slovakia, Slovenia, the Czech Republic, Hungary, Spain, Holding (GLS B.V.) |

Local contact persons

Our local environmental representatives work every day to ensure that environmental protection measures are implemented at a local level in all European GLS companies. As a point of contact on the ground, they promote the exchange of ideas and ThinkGreen best practice throughout the Group.

Internal eco footprint

GLS regularly documents and monitors its progress on environmental protection. An internal eco footprint is used to record data on emissions, resource consumption and waste disposal at all GLS sites across Europe; this is produced with the assistance of the local environmental representatives. The emissions calculation method complies

with ISO standard 14064-1 and the Greenhouse Gas Protocol, as verified independently by DEKRA in July 2011.

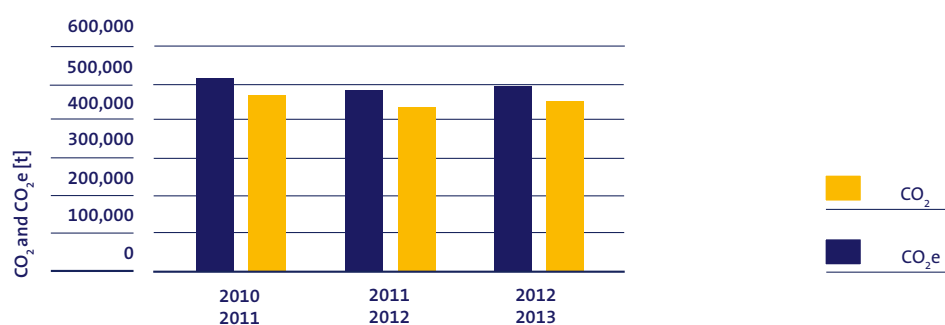
GLS Group results

We reduced CO₂-emissions from buildings (heating and electricity) in the 2012/13 financial year by 22 % compared to 2010/11. CO₂-emissions in the transport operations segment (operational vehicles) only fell by 2 % in 2010/11 to 2012/13; this was due to the increased parcel volume.

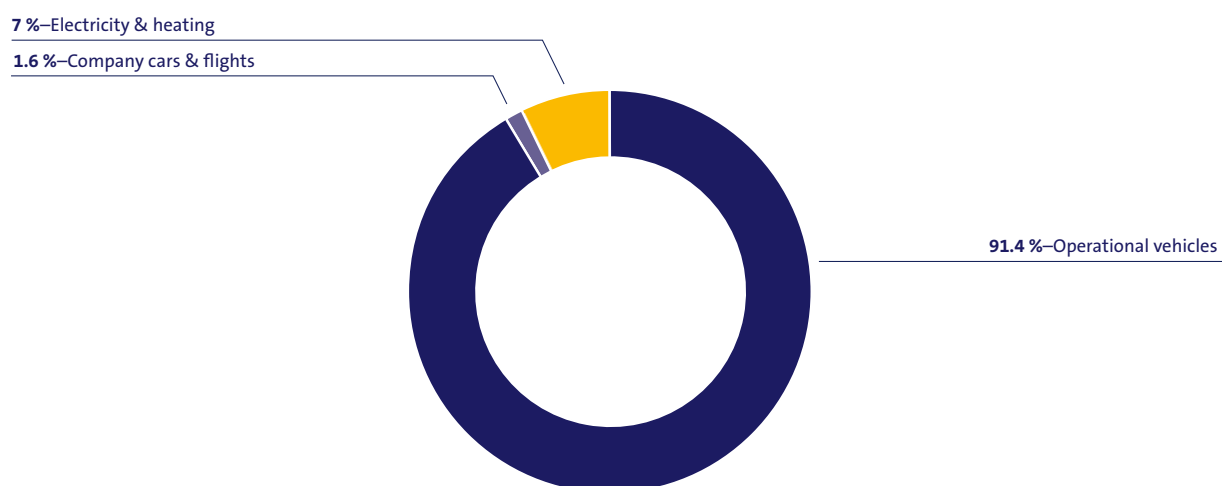
| Total emissions CO ₂ [t] | 2010/2011 | 2011/2012 | 2012/2013 |
|-------------------------------------|----------------|----------------|----------------|
| Operational vehicles | 427,907 | 403,748 | 418,037 |
| Company cars & flights | 6,080 | 6,542 | 7,059 |
| Electricity and heating | 36,335 | 30,326 | 28,435 |
| CO₂ Total [t] | 470,322 | 440,615 | 453,531 |

| Total emissions CO ₂ equivalents [t] | 2010/2011 | 2011/2012 | 2012/2013 |
|---|----------------|----------------|----------------|
| Operational vehicles | 459,650 | 433,739 | 449,155 |
| Company cars & flights | 6,624 | 7,109 | 7,650 |
| Electricity & heating | 43,906 | 36,506 | 34,438 |
| CO₂e Total [t] | 510,179 | 477,354 | 491,243 |

CO₂ and CO₂e growth



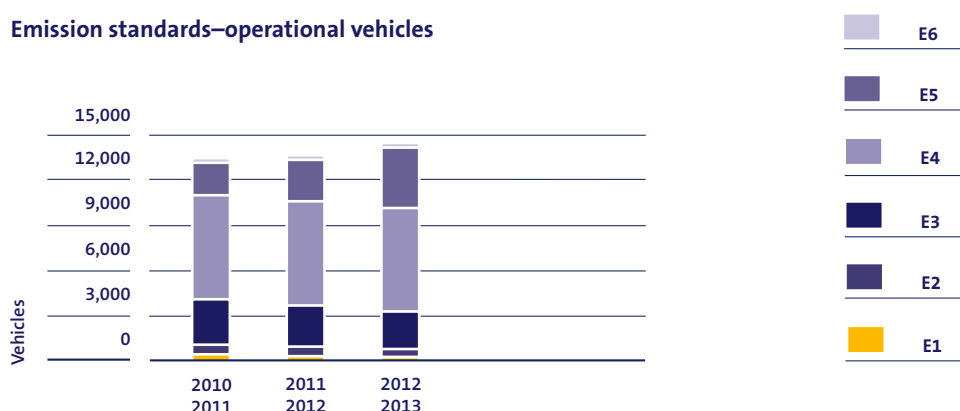
CO₂e (2012/2013)



Definition CO₂e = CO₂ equivalents. Covers not just CO₂ but also the greenhouse effect of other greenhouse gases (for example methane, nitrous oxides)

| Operational vehicles | 2010/2011 | 2011/2012 | 2012/2013 |
|-----------------------|---------------|---------------|---------------|
| E1 | 303 | 187 | 116 |
| E2 | 707 | 676 | 610 |
| E3 | 3,110 | 2,817 | 2,491 |
| E4 | 6,933 | 6,861 | 6,831 |
| E5 | 2,153 | 2,819 | 4,064 |
| E6 | 72 | 55 | 96 |
| Vehicles total | 13,278 | 13,415 | 14,208 |

Emission standards—operational vehicles



Eco-friendly shipment

In 2011, GLS Germany launched carbon-neutral shipments. This service offsets carbon dioxide emissions generated in parcel delivery with investments in a Verified Carbon Standard-certified (VCS) reforestation project in Malaysia. Senders can offset their emissions and improve their eco-balance thanks to the GLS *ThinkGreen Service*. Together with GLS, they can contribute to an environmentally friendly parcel service and strengthen their image as environmentally responsible businesses.

Carbon offsetting is based on the calculated carbon dioxide emissions per parcel. Calculations comply with CEN Standard EN 16258 and were verified by DEKRA when the standard was published in March 2013. GLS is the first parcel service in Germany to be awarded this confirmation. The remarkable thing about this European standard

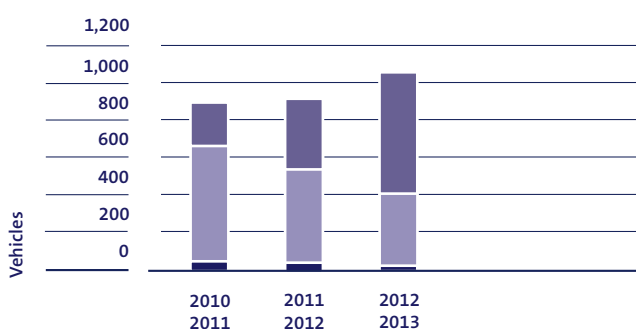
is that it is specifically tailored to the logistics sector. As it can be applied to transport services by all types of carrier, it improves comparability.

Transport Vehicles

One of our primary goals is the progressive renewal of the entire fleet operated by our contractual transport partners as we seek to improve fuel efficiency and reduce CO₂-emissions. We are also steadily replacing our own fleet of company cars with low-emission vehicles. The number of environmentally friendly vehicles underway for GLS is on the rise: over 75 % of our vans and lorries in Europe meet at least the Euro 4 emissions standard.

| Company cars | 2010/2011 | 2011/2012 | 2012/2013 |
|-----------------------|------------|------------|--------------|
| E1 | 0 | 0 | 0 |
| E2 | 0 | 1 | 0 |
| E3 | 39 | 25 | 17 |
| E4 | 624 | 505 | 383 |
| E5 | 225 | 377 | 648 |
| E6 | 0 | 0 | 0 |
| Vehicles total | 888 | 908 | 1,048 |

Emission standards—company cars



* Measurements in the size range of 0

GLS is also testing a range of alternative fuel vehicles, mainly in city centre areas in Germany, Italy and Poland. We are keeping a close eye on innovations in the market for vehicles with alternative drive systems.

At GLS in Italy, eight percent of vehicles operated by our transport partners run on alternative fuels. A number of delivery providers in Vicenza and Bergamo even use cargo bikes. In Poland, GLS has invested in 22 company cars with low-emission liquefied petroleum gas engines.

Vehicle modernisation is not the only aspect of our policy: driver training also plays an important part. The delivery drivers at our transport partners receive special training on how to minimise fuel consumption, either as part of their initial induction or, in some regions, at external seminars. This ensures they minimise the emissions generated in their daily work.

Transport planning

The use of modern, IT-based planning tools to improve operational processes and transport procedures is an integral part of our company strategy. Our flexible hub & spoke system optimises route planning across Europe and strategically reduces transport distances. GLS combines regions with a low transport volume for sorting at central hubs or regional transshipment centres.

This improves our use of transport capacity, offering benefits for production. In most countries, parcels are loaded loose and jumbo swap bodies are used on high-volume routes, which further improve transport efficiency. Five megaliners (25.25 metre long vehicles) are currently in use in the Netherlands to reduce fuel consumption per parcel even further. In Denmark, too, a total of three megaliners have been in operation since September 2013.


The challenge of the last mile

There are three stages in the parcel shipment process: collection from the customer, the line haul (transport from the dispatch to the destination depot, in some cases via a hub) and delivery from the destination depot to the recipient. Collection, delivery and the line hauls are usually organised at a regional or local level. Each depot is responsible for optimising all routes in its areas and by that minimises emissions.

The steady and continuous growth in e-commerce is posing a new challenge: we are delivering more and more parcels to private individuals (i.e. B2C shipment) who are often not at home to take delivery. This means that multiple stops are needed. In fact, B2C deliveries usually involve fewer parcels per stop than B2B. B2C deliveries thus generate higher emissions per parcel.

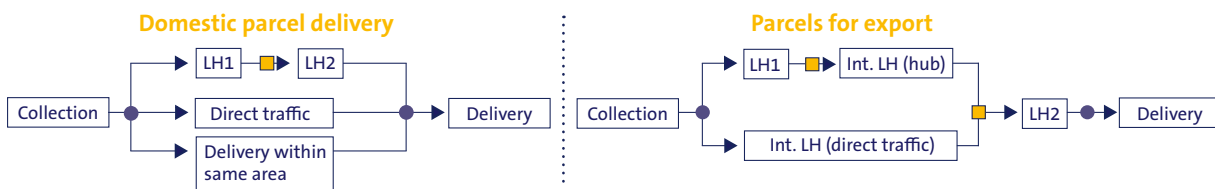
B2C solutions

To address this last mile problem, GLS offers senders and recipients a wide range of delivery options. In many countries, the parcel can be left with a neighbour or delivered to one of many ParcelShops if the recipient is not at home. Alternatively, recipients can also issue an authorisation to use an alternative drop-off point—the parcel is then left in their garden or garage, for example, if they are not at home.

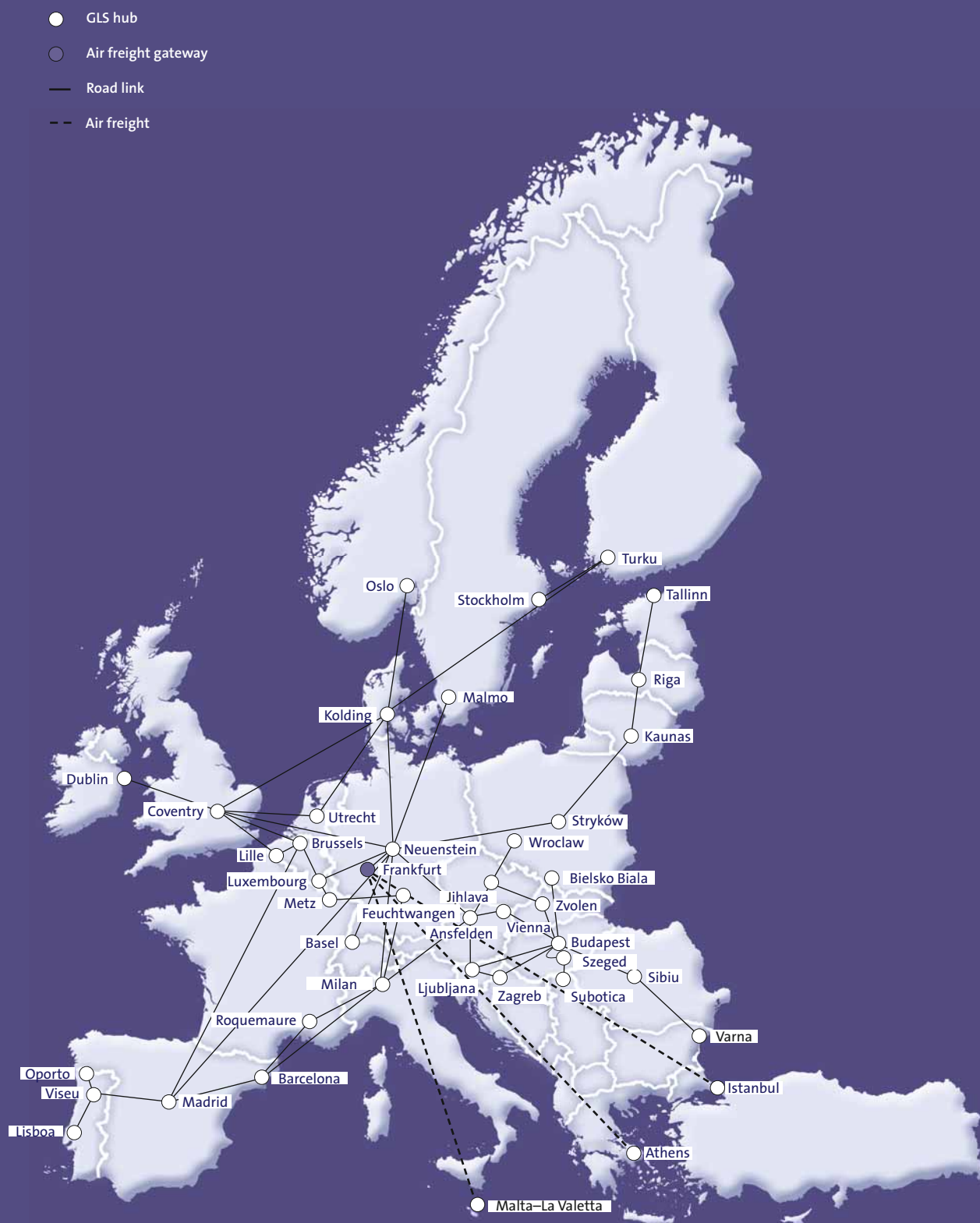
Following the launch of its *FlexDeliveryService* <https://gls-group.eu/DE/de/flex-delivery-trailer/>  in September 2012, GLS Germany offers the widest range of options for parcel delivery within the GLS network. Whenever GLS has a recipients' email address, we will send an email notification of the scheduled time slot for parcel delivery. If recipients are not available during this time frame, they can simply follow a link to our website to tell us how to deliver their parcels. Recipients have the following choices: change in the delivery date (within nine days), delivery to one of the many ParcelShops, or to any other address in Germany. Alternatively, the recipients can issue an authorisation to use an alternative drop-off point or collect the parcel from the depot themselves. GLS also sends an immediate email, notifying the recipient of the successful delivery in the chosen option. A similar service was launched in the Netherlands and Austria in 2013, and Belgium is planning to follow suit in the course of the year 2013.

All these measures increase our successful delivery rate and minimise wasted miles for unsuccessful calls. The result: lower emissions and more satisfied customers who appreciate the rapid and convenient delivery.

The parcel delivery process



LH = line haul ; ■ = hub ; ● = Depot



ParcelShops

The ParcelShop network is an important tool for GLS in cutting out unnecessary runs and improving customer satisfaction. ParcelShops are an alternative delivery address. They are used by companies with few or only occasional parcels to send and by private senders as a drop-off point for their parcels. GLS ParcelShops are operated by most of our national subsidiaries. For working people in particular this option is extremely useful as they can decide when to collect their parcels. Most ParcelShops are located in businesses with long opening hours. The **ShopReturnService** at ParcelShops in Belgium, Denmark, Germany, Austria and the Netherlands also gives recipients a simple and easy option for returning goods.

Buildings

Green depots

GLS is committed to green construction. All new builds and rebuilds and all extensions are designed to be environmentally sustainable.

Our environmental measures include:

- Rainwater harvesting
- Photovoltaic systems
- Use of recyclable building materials
- Heat pumps

Eleven green depots are now in operation in France, Germany, Belgium, the Netherlands, Poland and the Czech Republic. A further three are to open in Belgium and Austria over the course of the 2013/14 financial year.

The concept was launched in 2008 with a depot built in Vaihingen-Enz, Germany. GLS installed recyclable steel and sandwich panels, a heat pump, and a rainwater harvesting facility with percolation areas. This is the model for the GLS Group green depots. A number of new sites have now been built in Germany at Bornheim, Kürnach, Geretsried and Neumünster.

GLS France has already opened depots in Brest and Fréjus which integrate environmental aspects. Their special feature is that the roof trusses, facade and frame are all wooden. The first green GLS depot in the Benelux region is in Enschede in the Netherlands. Here, the lighting system automatically adjusts to the ambient brightness, and motion sensors in the offices activate the lighting only when it is needed.



Photovoltaic systems used in the green depots

The results are impressive: the building has halved its average electricity consumption for lighting. In Krakow, the GLS Group operates its most easterly green depot to date. The solar collectors on the roof, which generate energy for the hot water supply, are just one out of many environmental measures. Green depots also operate in Puurs (Belgium) and Jihlava (Czech Republic).

Saving resources

All eco sites so far collect, store and use rainwater as process water. This is allowing GLS to cut drinking water consumption and costs by approximately 50 percent. Most of our green depots are heated using heat pumps that extract heat from the ground and convert it to heat energy for the building. This cuts operating power requirements from 100 percent to 25 percent: ground source heat provides the remaining 75 percent. This reduces our dependency on fossil fuels, saves CO₂ and cuts running costs.

Eco-efficiency is also a key focus of the other GLS sites. Energy-saving light bulbs, special skylights to optimise the use of daylight, and dividing halls into zones, each lit only when required: all these measures are reducing electricity consumption. A number of depots in Italy are even fitted with solar modules. GLS has invested in new heating systems, modern boilers and extensive heating piping insulation. Strip curtains at the loading and unloading entrances in some depots keep the heat in the hall when it is cold outside.

Less paper

The GLS office is becoming a paperless office. A growing number of national subsidiaries are switching to electronic acknowledgements of receipt and electronic invoices for both external and internal transactions. Delivery drivers now often only take brief or digital lists on their tours instead of page-long print-outs. Many GLS divisions are showing the way forward—for example the Austrian human resources department, which now largely archives electronically and sends payslips via email.

Local initiatives

Think green, act locally

Hands on: in line with the options available in their respective countries, GLS staff develop and implement “green” concepts, living out the underlying values of the GLS environmental initiative. Here are just a few examples:

In Ireland, some GLS staff pedal their way to work. This measure is supported by the state “Cycle to Work” initiative which GLS Ireland is a part of. The initiative allows employees to buy bicycles from their gross salary.

Every spring for the past five years, GLS in Hungary has held a tree planting event at its head office, inviting customers to join in the ceremony. GLS in Spain is promoting staff eco-commitment with a competition for environmental concepts. Two winning suggestions that were immediately implemented: double-sided delivery lists to save paper, and improving the standard printer settings to reduce toner use.

For an annual regional kick-off conference in Germany, GLS had the non-profit organisation Prima-Klima e.V. plant 70 trees. This offset the CO₂-emissions generated by travel to the conference.





03

ThinkSocial– Social Responsibility

Looking forward to tomorrow means being socially responsible. We have a duty to future generations, to our staff and our partners, and to all those who need our support.

We are committed to the training and development of the next generation. This is an essential step towards meeting the complex parcel logistics challenges of the future. The GLS Group offers its staff professional development opportunities and leadership openings. Our staff development focus is a constructive combination of theory and practice.

We seek to demonstrate and foster appreciation, respect and understanding in all that we do. We have recognised the importance of deepening and strengthening cooperation and exchange with our transport partners. The first step in this process is the “Depot Dialogue”-programme which has been launched at all GLS Germany sites. We integrate findings from these events in our transport partner programme and code of values. This is a comprehensive, sustainable long-term concept, and is already successful in practice: intensive training and better communication between transport partners, their delivery drivers and GLS is improving satisfaction amongst our contractual partners and their staff. This in turn is reducing their staff turnover, and making their company more attractive to potential applicants.

We are committed to using our services to benefit those in need. Our social commitment is as diverse as Europe, and this approach allows us to use our local country structures to promote selected initiatives in each specific social environment.

Respect, appreciation and understanding in all our work.

90 % participation in the “Depot Dialogue”-programme in Germany.

The **GLS national subsidiaries** run both national and regional campaigns to support numerous charity projects. Since 2007 **GLS Germany** has been lending Father Christmas a helping hand with its toy donations project “Kinder helfen Kindern” (“Children helping Children”). **GLS Poland** sponsors a Krakow music festival, run by the “Mimo Wszystko” foundation, for the physically and mentally handicapped and donates to the association’s “Sonnental” treatment and therapy centre.

Over and above material assistance, we also believe in the importance of personal interaction and getting involved—like our colleagues at **GLS Netherlands** in the “Alpe d’HuZes” cycling event in aid of cancer research.

Staff

Training and professional development

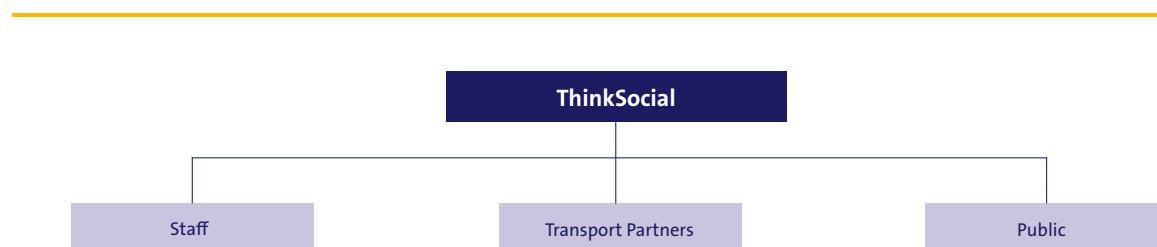
Staff development is a fundamental aspect of the GLS Group strategy as we seek to ensure long-term success for the company and its employees.

The main emphasis at **GLS Germany** is on training the next generation. For many years now, the company has been extremely active in vocational training across Germany, in particular in the courier, express and parcel segment. GLS also trains office administrators, IT technicians, office communication staff and system integration technicians. **GLS Germany** even makes alternative career paths possible through the dual degree programme run in cooperation with Stu-

diumPlus (TH Mittelhessen University of Applied Sciences) for logistics management and business informatics. Students study theory at university and get a taste of practice at GLS—in Germany or abroad.

GLS Italy is extremely proud of its 72 %-female workforce. Comprehensive training is offered for the various different roles, and the GLS Academy Italy works with both internal and external specialists and training staff. There is also a Management Development Programme for high potentials and managers to promote young talents from within the company.

GLS Belgium offers training and professional development opportunities, and also believes in building staff motivation through proximity to each individual employee and by promoting a feeling of community. At least once a year, the management team travels across the country and visits each depot. The aim is to engage in personal exchange with the staff, and to provide an opportunity for local problems, suggestions and criticisms to be raised and discussed. GLS also sponsors the Belgian national football team and reserves 150 seats for staff, transport partners and their delivery drivers at each home game.



ThinkSocial covers all activities at GLS aimed at promoting fairness and honesty in all dealings with staff, our transport partners, their delivery drivers and public at large.

GLS Poland has promoted development of its internal HR strategy over recent years with the input of its entire staff. For example, the LEA (Leadership Effectiveness Analysis) with 360-degree feedback has been introduced at a management level. This paints a detailed picture of existing potential and shortcomings. Special development plans, including external coaching and training sessions, were launched on the basis of detailed analysis of the feedback. The salary and bonus structure was also overhauled, an employee satisfaction survey conducted and management by objectives introduced. Considerable improvements in staff satisfaction were achieved and staff turnover was reduced.

Transport partners

Cooperation with transport partners and their drivers

GLS is committed to a partnership with transport partners and their delivery drivers founded on mutual respect. Intensive training and close contact between transport partners, their delivery drivers and GLS staff, and social activities such as depot events and delivery driver breakfasts foster a team spirit, identification and integration.

“Continuous exchange boosts communication.”

Selected events and activities in Germany, Poland and Austria

A closer and more transparent cooperation: that was the target for the first “Depot Dialogue” discussion events held at all **GLS Germany** sites in mid-2012. The findings were used in the partner programme for transport partners and in the code of values.

Participation in “Depot Dialogue” was a ringing endorsement of the event: nearly 90 percent of all transport partners took part in the discussions. The atmosphere was open and the suggestions for closer cooperation were constructive.

For GLS, the partner programme is not about short-term, immediate action. It is about developing a comprehensive and long-term concept to cover all areas of cooperation. There are four main aspects to the programme: processes, training, communication and values.



An ongoing exchange and close partnership with each individual employee

The field of process optimisation covers both short-term and long-term measures. These are helping to improve efficiency in parcel processing, supporting transport partners in their work with GLS and easing the daily workload for their delivery drivers.

GLS invested around 20 million euros in this area between 2011 and 2012. Measures range from changes in procedures to the use of new technology and the reorganisation of delivery zones. For example, opening three new depots in 2012—in Trier, Regensburg and Rostock—significantly reduced the journey times for many of the delivery runs. New scanners and the digital stop code list also save time in the morning for delivery drivers.

Procedures at the sites themselves have also been greatly improved. “Unloading areas” in a number of depots, where GLS staff rather than delivery drivers unload the parcels, are reducing the drivers’ time at the depot. Tours have also been split: special late tours now cover certain stops and deliver late collections at customers.

A new training programme has also been developed: transport partners are being offered more in-depth initial training and regular seminars for their new delivery drivers.

Communication is being improved through regular exchange, including the now established “Depot Dialogue”, one-to-one meetings, and joint events.

In consultation with its transport partners, **GLS Germany** has defined the main principles of cooperation and set these out in a Partner Code. This Code is an integral part of contracts between GLS and transport partners. Signatories undertake to comply with all applicable laws and regulations, and to oppose discrimination, bribery and corruption.

GLS Austria launched a special programme in the 2011/12 financial year to increase satisfaction amongst our transport partners and their delivery drivers, and to improve quality.

Delivery drivers receive close support from the transport partners from day one of their work for GLS. Following the induction phase, they sit a driver test and receive the “driver certificate” if successful. They are also allocated a mentor, an experienced delivery driver who is there to offer help and support. Twice a year, depot staff accompany drivers on their tours. This improves internal communication and fosters the team spirit.

GLS Poland also encourages its delivery drivers with monthly competitions and a delivery driver of the year award. Performance, efficiency and customer satisfaction are assessed. In 2012, eight winning delivery drivers were invited to the annual GLS staff party to receive their awards.

Society

Social activities

Each GLS national subsidiary is involved in a whole range of projects, from supporting charity fundraising campaigns and sponsoring sporting and music events to providing free transport.

For example, depots provide financial support to nurseries, schools, hospices, the “Lebenshilfe” special needs association and other charitable institutions. Many GLS companies also run special Christmas fundraising events for local social facilities and charitable organisations.

Here are a few examples from previous years:

GLS Netherlands in the fight against cancer

Together in the fight against cancer: a team of **GLS Netherlands** staff was in action at the 2012 charity cycling event “Alpe d’HuZes” in aid of cancer research, conquering one of the most famous climbs in the Tour de France.

The GLS staff mobilised private and business sponsors, and organised raffles, fundraising evenings and golf tournaments. This raised nearly 41,000 euros. Donations went via the “Alpe d’HuZes” fund to the Dutch Cancer Society, a charitable organisation that supports cancer research at universities and other scientific institutions.

GLS Poland supports “Mimo Wszystko”

GLS Poland committed to a partnership with “Mimo Wszystko” for the entire year 2012, making the parcel service provider now one of the official sponsors of the Krakow-based foundation. One of the organisation’s projects is a music festival for musically talented people with disabilities. The winners receive a scholarship to help develop their musical talent further. **GLS Poland** sponsored the event for the second time, donating the 10,000 złoty (~ 2,500 euros) for the second prize in the children’s category.



Charity cycling event “Alpe d’HuZes”

Once a year since 2005, **GLS Germany** has been delivering “organic breakfast boxes” to around 7,000 primary year one pupils in Frankfurt. The aim is to help show children and their parents what a healthy, appropriate children’s breakfast looks like.

In Toulouse, at the headquarters of **GLS France**, GLS staff collect plastic bottle tops for the “Bouchons d’amour” association. The screw caps are sold on to recycling companies and the proceeds donated, for example to buy sports items for athletes with disabilities.

GLS Hungary helped finance the construction of a salt room for children with lung disease at Szivárvány nursery in Alsónémedi. Banská Bystrica hospital paediatric cardiology unit was able to invest in new sterilisation equipment thanks to a donation from **GLS Slovakia**.

GLS Italy was amongst the sponsors organising a golf tournament which raised € 24,000 for wheelchairs for a basketball team in Varese.

“GLS supports children with disabilities.”

GLS Slovenia supported people with disabilities with a donation to CUDV DRAGA. As a partner of the “Donate a Toy” campaign, **GLS Czech Republic** transported toys free of charge for children with disabilities.

In 2012, for the fifth year in a row, **GLS Germany** and the television network Super RTL joined forces on the “Toggo–Kinder helfen Kindern” (“Toggo–Children helping Children”) campaign, calling on young people across Germany to donate a toy to children in need across the world. The donations were sent to Super RTL from GLS ParcelShops.

Customers of the Danish online shop “Små hjarter” can send donations for free via GLS ParcelShops. They receive a request for donations of children’s clothing and a completed address sticker along with their purchases. The clothing donations go to “Save the Children”, and the transport costs are covered by **GLS Denmark**.



Campaign “Toggo–Kinder helfen Kindern”

“To watch the Belgian national football team live!” This was the wish of a child suffering from cystic fibrosis, granted by **GLS Belgium**. GLS—which sponsors the “Red Devils”—invited the ten-year-old Kayleigh and nine other young patients and their carers to the stadium for the 2012 Belgium v. Croatia match. GLS Belgium’s main objective in sponsoring the national football team is to strengthen the team spirit amongst staff, and give staff the chance to watch matches together. Twenty tickets for the disadvantaged are also reserved for each home game.

GLS Ireland funded new strips for the “Dublin Lions” junior basketball team in GLS blue and white.

GLS Germany is the official logistics partner of the German Film Awards and delivers the nominated films to over 1,400 members of the German Film Academy. After the awards ceremony, GLS transports the LOLAs to the winners, no matter where they are—in Germany, Europe, or overseas.

The German Film Awards are not the only role GLS plays in the film industry. Since 2013, the parcel service provider has been responsible for all transport services for the newcomers’ film award First Steps. The **GLS Group** is also the official logistics partner of the European Film Academy for the European Film Awards. Since 2012, **GLS Austria** has been providing the transport services for Vienna’s LET’S CEE Film Festival.



| Glossary | |
|----------------------------|---|
| B2B | Business-to-business refers to parcel shipment from one company to another. |
| B2C | Business-to-consumer refers to parcel shipment from a company to a private individual. |
| CEN EN 16258 | European standard for the calculation of greenhouse gas emissions of transport services. |
| Depot | Branches from which parcels are delivered directly to the recipient and/or are collected directly from the sender. |
| E-commerce | E-commerce refers to online shopping (Internet Commerce or On-line Commerce). |
| <i>FlexDeliveryService</i> | GLS emails the recipient beforehand with the time slot for delivery, and the recipient can make other arrangements if they are not going to be home at that time. |
| Greenhouse Gas Protocol | Internationally accepted standard for quantifying and managing greenhouse gas emissions. |
| Hub & spoke system | “Wheel-shaped” transport network with a central hub and routes running like spokes straight to the hub. At GLS, the system also includes regional hubs. |
| ISO 9001 | International standard for quality management systems. |
| ISO 14001 | International standard for environmental management systems. |
| ISO 14064-1 | International standard for measuring, reporting and verifying greenhouse gas emissions. |
| Jumbo swap body | Swap body for a truck with an inside height of three metres. |
| CEP market | Market for courier, express and parcel services. |

| Glossary | |
|--------------------------------|--|
| Loose loading | The parcels are loaded individually (i.e. not on pallets). |
| Management by objectives | Management concept based on targets agreed with staff. |
| Quality audit | Internal audit of compliance with quality requirements and guidelines. |
| Stop code list | List (address pool) used to help delivery drivers plan their tour. |
| Transport partners | Independent transport partners and their staff deliver and collect parcels for GLS. |
| Hub | Parcels from multiple depots are coordinated, sorted and reloaded at the GLS hubs. |
| Environmental audit | Internal audit of compliance with environmental requirements and guidelines. |
| Verified Carbon Standard (VCS) | Voluntary international standard for the certification of climate protection projects. |

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This report is also available in German.
You can find both versions at:

www.gls-group.eu





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