



ThinkGLS. ThinkResponsible.

Update to the 3rd Sustainability Report
2017/2018



Foreword

Dear Readers,

This update to the “ThinkGLS. ThinkResponsible.” Sustainability Report informs you of our activities in the 2017/18 financial year. We have compiled information on relevant economic, environmental and social topics and hope to give you an interesting insight into developments during the financial year under review.

We are changing our reporting cycle with this update. It is now our intention to publish a full Sustainability Report in line with GRI every two years, with an update on our activities released in the years in between. By doing so, we wish to keep our stakeholder groups even more up to date with our activities.

We would like to thank you for your interest and hope you enjoy reading this update.

Anne Putz
Head of Communication and Marketing

Dr Anne Wiese
Corporate Responsibility Manager, GLS Group

GLS at a glance

Key figures	2015/2016	2016/2017	2017/2018
Business figures			
Revenue (in euro billions)	2.16	2.52	2.90
EBIT (in euro millions)	160	196	217
EBIT margin (in %)	7.4	7.8	7.5
Operating figures			
Customers	> 250,000	> 270,000	> 270,000
Parcel volume (in millions)	431	508	584
Long-distance vehicles	approx. 2,000	approx. 3,700	approx. 4,000
Delivery vehicles	approx. 18,000	approx. 23,000	approx. 26,000
Distribution centres*	41	> 70	approx. 50
Depots and agencies	> 700	> 1,000	> 1,000
Sustainability figures			
GLS companies certified in accordance with ISO 14001	20	20	20
CO ₂ e emissions (in tonnes)	550,022	621,171	667,135
Employees	approx. 14,000	approx. 17,000	approx. 18,000
Workplace accidents (per 100 employees)	4.2	4.0	3.5

* Regional and central hubs

About this update

With this update to the third Sustainability Report of the GLS Group, we wish to inform our stakeholders and interested members of the general public about our aims, activities and progress in economic, social and environmental matters. The information in this update relates to the 2017/18 financial year.

Data categorisation and comparability

Unless indicated otherwise, figures refer to the GLS Group as a whole. Due to changes in the 2017/18 financial year, the environmental figures included in the Report can only be compared to a limited extent with those in previous years. The sites of ASM have been incorporated into GLS Spain and thus included in the life-cycle assessment. The American sites, as well as the Redyser sites in Spain, were not included in the last life-cycle assessment and therefore do not count towards the environmental figures.

Reporting on emissions and resource consumption for the 2017/18 financial year relates – unless otherwise stated – to all activities, products and services and to all 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 material effect on the environment in this regard.

Reporting cycle

The full Sustainability Report of the GLS Group appears every two years in German and English, and can also be accessed online. This update relates to the period from 01/04/2017 to 31/03/2018. The publication of the fourth Sustainability Report is planned for the 2019/20 financial year.

Additional information online

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

Accuracy

For presentation reasons, the figures quoted in tables and graphs have been rounded. Exact figures are shown, however, 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.

ThinkGLS.

The GLS Group and its strategy

General Logistics Systems B.V. (headquartered in Amsterdam) provides reliable, high-quality parcel services, complemented by logistics and express services. Our parcel network spanned 41 European countries and 7 US states in the 2017/18 financial year. Therefore, our slogan is “Think Global. Act Local”. We support and promote our national subsidiaries by adapting to reflect the specific needs and characteristics of local markets and customers and by pursuing country-specific strategies. Whilst our primary focus is on organic growth, we also expand our network by means of acquisitions, wherever it makes sense to do so. In the 2017/18 financial year, we acquired US parcel service Postal Express (April 2017) and Spanish express parcel service Redyser Transporte (February 2018). This enables us to further strengthen our operations in the Spanish market and drive geographically focused expansion in the United States.

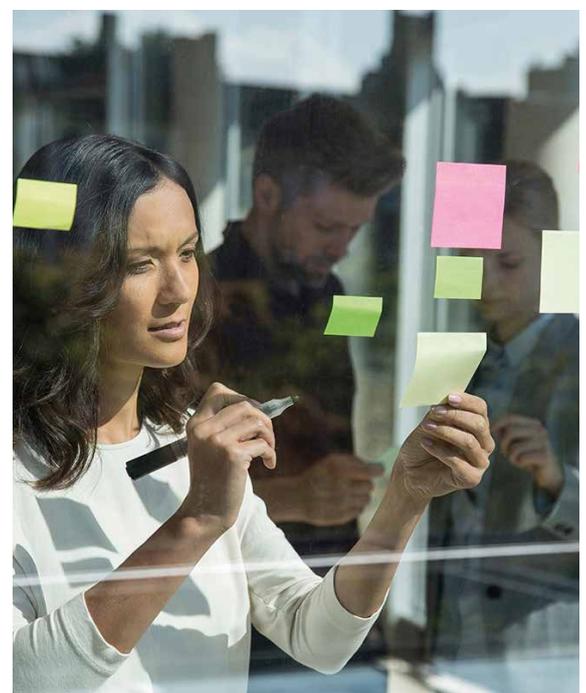
As Rico Back, the former CEO of the GLS Group, was appointed CEO of the Royal Mail Group as of 1 June 2018, certain restructuring measures have become necessary at the GLS Group; these will be implemented during the course of the 2018/19 financial year.

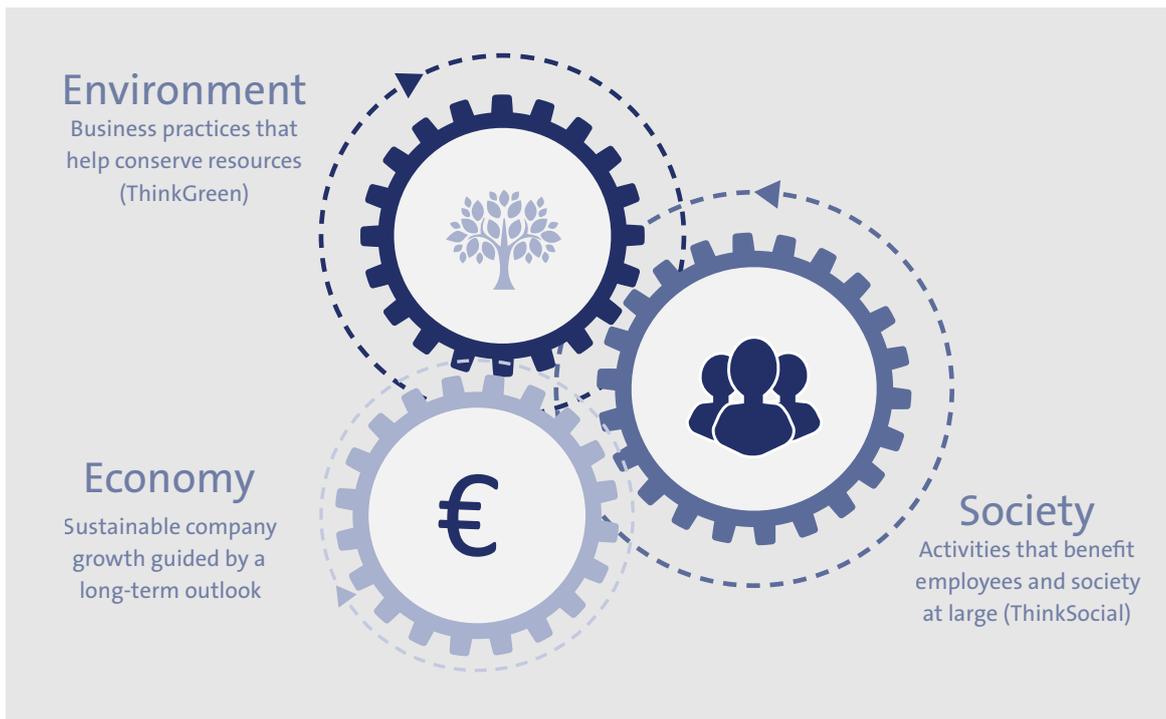
Alongside the aforementioned personnel changes, we focused on driving forward IT improvements in the 2017/18 financial year, as efficient IT systems are the key to successful parcel shipping. GLS therefore attaches considerable importance to state-of-the-art information technology as a means of boosting customer satisfaction and operational efficiency. Consequently, the strategy pursued by GLS IT is designed to facilitate the development of in-house innovations, identify new developments on the market and harness them for the benefit of GLS. In this way, the technological foundation of GLS is kept at the cutting edge and primed to meet future challenges. We are continuing to work hard on being perceived as a driver of technology – with optimum IT solutions – in the parcel market.

With the increasing maturity of local parcel markets, nuanced requirements, such as local products and services, are playing an ever greater role in the countries in which the GLS Group operates. In order to precisely address these specific business models and ensure rapid availability on the market, GLS is investing comprehensively in the expansion of its local IT capacities.

Furthermore, GLS has successfully taken key steps towards extensive improvement of the IT support underpinning parcel delivery. In Italy and Europe East, a new handheld scanner has been introduced whose technology is based on current smartphones, which makes it intuitive to use for delivery personnel. This reduces the need for training whilst boosting both delivery efficiency and quality. At GLS Netherlands and GLS Germany, plans have also been made about switching to a new generation of handheld scanners, which will be made available in either 2018 or 2019. The new devices will be the first to include fully integrated support functions, such as navigation and route optimisation.

Recent events at other parcel companies and in other sectors illustrate the vital strategic importance of the issue of cyber security for companies such as GLS. We believe that we were right to significantly bolster our cyber security, thus maintaining the ability of GLS to act in the event of cyber attacks. Activities in this area were pooled in a project at Group level, with additional investment.





ThinkResponsible

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 €64.9 billion in 2017. The rise of 4.5 per cent on the previous year is chiefly due to growth in online retail, which has stood at 14.9 per cent per annum since 2012.¹ Alongside 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 dwindling resources, climate change and environmental protection. Added to this are increasingly stringent statutory requirements, such as emissions standards, toll fees, low-emission zones and vehicle bans.

GLS keeps pace with changing conditions and is conscious of its corporate responsibility. Therefore, a central element of the 2017/18 financial year was the formulation of our new sustainability strategy, which sets out the key issues for the 2018/19 to 2020/21 financial years at Group level. The cornerstone of the strategy is the continued professionalisation of our sustainability activities in order to remain well prepared for

future developments. Another 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 the GLS countries.

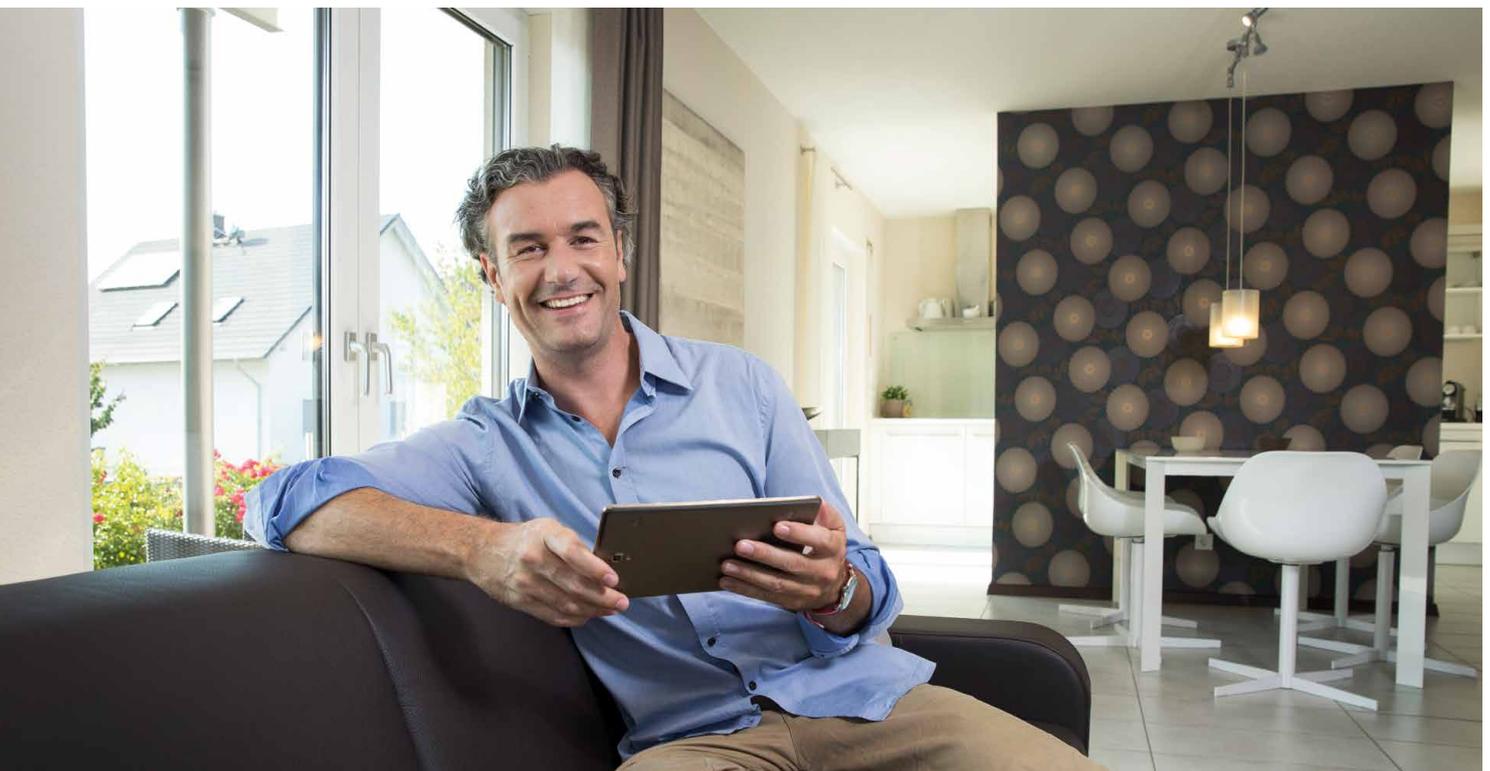
In order to emphasise the importance of acting responsibly, we published our new, Group-wide Code of Business Standards in February 2018 (<https://gls-group.eu/DE/en/gls-group/compliance>). This forms the basis for the actions of all GLS Group employees and defines our responsibilities in dealing with our four key stakeholder groups: employees, customers, business partners and the general public. The company's values, principles and guidelines are consolidated in this central document, meaning that we can support our stakeholders with binding standards in these times of change.

¹ Apex Insight (2018): European Parcels: Market Insight Report 2018

We have also drawn up a comprehensive Supplier Code of Conduct (<https://gls-group.eu/EU/en/compliance>), which is set to be implemented on a Group-wide basis in the 2018/19 financial year. The Supplier Code of Conduct sets out the expectations we have of our suppliers, such as in the areas of environmental and social responsibility.

Preparations for the implementation of the EU General Data Protection Regulation (GDPR) 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 spirit of trust. This 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 this end, 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#>.

We were able to build on the activities of recent years in respect of working relationships with our transport partners (see p. 36–38 of the 2016/2017 GLS Sustainability Report). In addition, GLS Belgium created the position of a Customer Experience Manager in 2017, the aim being to enhance customer experiences. This role also involves working together with our transport partners and their delivery drivers to improve the customer journey.



ThinkQuality

The core focus of GLS is business-to-business (B2B) shipping. These parcels account for approx. 55 per cent of our deliveries on average across the Group, although there are significant differences between national subsidiaries. Alongside B2B shipping, shipping to private recipients (business-to-consumer – B2C) is growing in importance. Therefore, it is the goal of GLS to not only be a reliable partner for our major shippers, but also to be an attractive premium provider in the market for private recipients and senders.

In order to continue living up to our mission of being the “European leader in quality in parcel logistics”, we renewed our certificates in the areas of quality management (ISO 9001:2015) and environmental management (ISO 14001:2015) across the Group in the 2017/18 financial year. Germany and France were also able to validate their GDP (Good Distribution Practice) certification. 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. Moreover, Ireland and Denmark obtained GDP certification for the first time in 2017/18, whereas Belgium plans to achieve GDP certification in the 2018/19 financial year.

The GLS Group has also been certified by EcoVadis since the 2016/17 financial year, thus meeting the wishes of some of our customers. EcoVadis is an independent company that uses standardised questionnaires and research to evaluate firms’ sustainability commitments. The relevant topics in this regard are based on internationally recognised standards such as GRI, the UN Global Compact, etc. At the first renewal of our certification in summer 2018, we achieved the EcoVadis Silver Rating, putting us in the top 21 per cent in our sector. This reflects our understanding of sustainability as an ongoing process with a constant goal of improvement.

We have invested heavily in our network in order to safeguard our quality standards going forward. We have built new sites and/or expanded existing ones at numerous national subsidiaries. In Copenhagen, for example, the largest Danish depot has been fitted with a fully automated sorting system, boosting capacity by 30 per cent. In the 2017/18 financial year, GLS Czech Republic achieved the highest site density of all parcel service providers in the country, with 19 depots nationwide. In Spain, the integration of ASM sites continued,

whereas work was carried out to increase the capacity of many GLS Germany sites. In Slovakia, head office and the hub moved into a new building.

These activities will continue in the 2018/19 financial year. In May 2018, for instance, GLS Poland opened a new depot in Warsaw that can handle 80,000 parcels a day. Further new sites and site expansion projects are planned for countries including Belgium, Germany, Denmark, the Netherlands, the United States, Italy, Austria and Romania.

With a view to continuously improving our service – and with a focus on business customers – further countries (i.e. Europe East and Spain) were integrated into the *FlexDeliveryService*. This service includes recipients in the supply chain from the outset and allows them to indicate delivery preferences. Customers in 17 GLS countries are able to use the service on a cross-border basis. The inclusion of the United Kingdom is planned for the 2018/19 financial year, whereas preparations for flexible delivery are also under way for other countries, such as Finland, Ireland, Bulgaria, Portugal and Italy.

We have introduced the GLS-ONE customer portal in Belgium and Luxembourg to simplify the sending of parcels and to improve our service for private recipients. Alongside the expansion of the *FlexDeliveryService*, the cross-border *ShopReturnService* has been launched in seven countries. As a result, items ordered from an online shop based abroad can be sent back quickly and easily.

We have also stepped up our activities on social media, which represents a key contact platform for our customers and recipients, as well as transport partners and their delivery drivers. GLS Austria joined Instagram in March 2018. In total, the GLS Group is already active on social media in eleven countries.

ThinkGreen

GLS transports millions of parcels through Europe and the US every single day. The necessary logistical and transport processes have an influence on natural resources and climate change. Given the environmental impacts of our business operations, the area of climate and environmental protection is a key component of our sustainability activities. Ever since the 2008/09 financial year, our endeavours in the cause of environmentally friendly parcel delivery have been pooled in our **ThinkGreen** programme.

The aims of ThinkGreen are the responsible handling of resources and, in particular, a reduction in emissions. It is essential to accurately measure and categorise the environmental impacts caused so that potential improvements are revealed. Developments are monitored by means of our annual, Group-wide life-cycle assessment.² 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 sus-

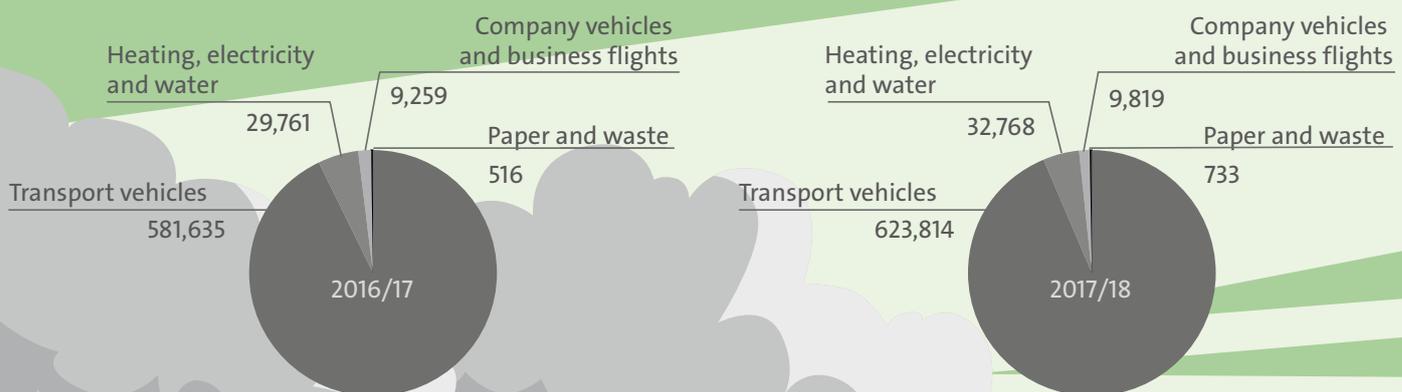
Emissions are quoted as carbon dioxide equivalents. Alongside CO₂, which is the most harmful greenhouse gas and the one that makes up the largest share of emissions, the carbon dioxide equivalents also factor in other gases that play a role in the greenhouse effect. The values are determined using the categories of the Greenhouse Gas Protocol, which divides emissions into three main categories (“Scopes”): direct emissions, indirect emissions and other indirect emissions. Emissions 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.

tainable development in these areas on an information basis.

Our emissions rose from 621,171 t CO₂e to 667,135 t CO₂e in the 2017/18 financial year. This is due to the continuous growth of the GLS Group, with new sites opened, and existing ones expanded, in the year under review. The vehicle fleet has increased by 15.3 per cent to a

² The information provided by GSO and Postal Express in the US is not included in the current life-cycle assessment. The integration of their sites is planned for the 2018/19 financial year.

Total CO₂e emissions(WTW) in t



Paper and waste Heating, electricity and water Transport vehicles Company vehicles and business flights

total of 21,760 vehicles. The parcel volume rose by 15.0 per cent from 504 million parcels to 584 million parcels in 2017/18, meaning that more delivery and collection journeys were needed in both national and international operations.

Heating and electricity consumption increased by 8.3 per cent and 9.2 per cent respectively. Water consumption climbed by 20.5 per cent. This is chiefly due to a sharp rise in water consumption in Italy, which, in turn, was mainly caused by two burst water pipes. The share of recycled paper has increased to 18 per cent.

Transporting parcels from A to B is the core process underpinning our operations. We continuously reduce the resulting emissions by modernising our fleet. This positive trend has continued in recent years. More than 71 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 further improve this percentage. At GLS Czech Republic, for instance, new vehicles added to the transport fleet have to meet at least the Euro 5 standard, whereas GLS Austria only uses Euro 6 HGVs for long-distance journeys.

The share of new vehicles is even higher when it comes to company cars, such as those used by field sales staff to visit customers. Here, almost 98 per cent of vehi-

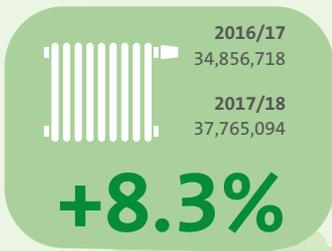
cles meet the Euro 5 or Euro 6 standard. Some countries, such as GLS Spain and GLS Finland, aim to only use Euro 6 company vehicles in their fleets. Alternative fuel technologies are also deployed on company cars; across the Group, there are five hybrid vehicles, twelve LPG vehicles and four electric vehicles.

GLS Hungary launched an environmental driving initiative in order to raise awareness of the topic of cost-effective and eco-friendly driving amongst drivers and all employees with a company car. All employees with a company car, and one driver per depot, attended and are now expected to share their knowledge.

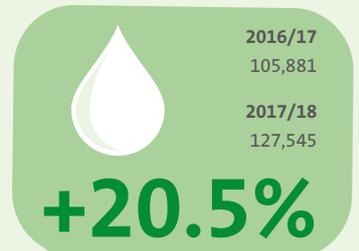
The GLS Group has instituted a raft of measures in order to reduce our energy and greenhouse gas consumption. When it comes to systematically improving transport routes and minimising unnecessary journeys, our strategic starting points lie in ongoing optimisation of journey planning, vehicle load planning and network design. Another area of focus currently lies in the use of alternative fuel technologies and new delivery concepts for city centres.

Changes in resource consumption

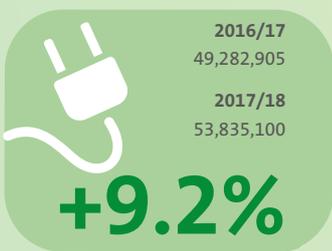
Heating energy in kWh



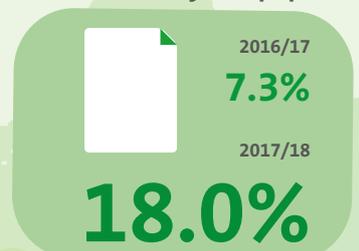
Water in m³



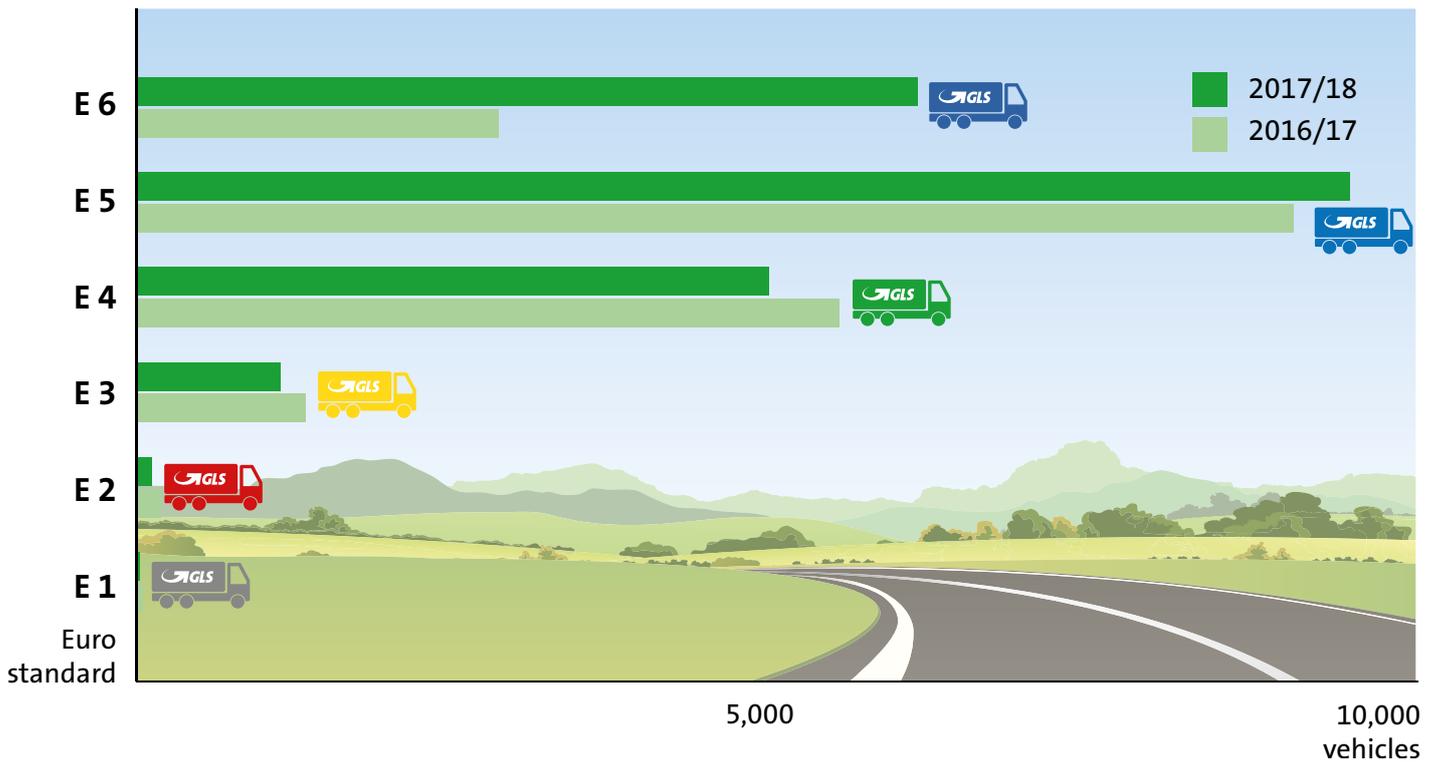
Electricity in kWh



Share of recycled paper



Transport vehicles



Urban logistics and alternative fuel technologies

We further developed our concepts in the areas of urban logistics and environmentally friendly parcel delivery in the year under review. Numerous GLS national subsidiaries can now point to examples of successfully implemented delivery concepts based on alternative fuel technologies. At the moment, Germany is a focal point, which is partly driven by the challenges cities are currently facing in terms of complying with set air pollution limits. Electric vehicles, as well as cargo trikes with electric pedal assist, are already being deployed in numerous German cities. Alternative fuel technologies are frequently combined with micro depots, where the parcels are temporarily stored before being collected for delivery during the course of the day. Within urban areas, this solves the problems of lower charge capacities and shorter ranges associated with the smaller vehicles. In the vicinity of the Dortmund depot, for instance, there are already three fully electric delivery routes, coupled with a micro depot. Further tests are under way in other cities, including with other vehicles. One example is an electric scooter, which is more agile than larger vehicles and therefore ideal for city centre deliveries. We are also proactively seeking contact with cities in order to find solutions together. And we are involved in the KoMoDo³ project in Berlin.

GLS Italy is another country with a variety of activities in the field of alternative fuel technologies. Alternative-fuel vehicles now account for about ten per cent of the transport fleet. The “Milano Duomo” urban depot in Milan is unique within the GLS Group, as it is almost exclusively served by alternative-fuel vehicles. In order to shine the spotlight on the topic of electric vehicles and inform transport partners, GLS Italy attended the “NISSAN – Solutions for a Logistic 100% Electric” event with Nissan and other partners in April 2017. GLS Italy was also a partner of the “City of Technology for Sustainable Mobility” festival in Vicenza in September 2017. Special driver training courses are held to familiarise drivers with the new electric vans. Furthermore, a get-together in Milan was organised in summer 2018 to promote improved dialogue between national subsidiaries on the topic of urban logistics and alternative fuel technologies.

In other countries – such as Austria, Spain and Hungary – there are also examples of alternative fuel technologies, which are predominantly used in urban logistics.

³ 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”)

ThinkGreen initiatives

Other measures in the areas of climate and environmental protection are consolidated as ThinkGreen initiatives. The primary aims are to make our head offices and depot buildings environmentally friendly and to reduce resource consumption.

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 Denmark, Hungary, Slovenia and Austria. In Germany, all sites have now been upgraded to LED as part of a programme that started in 2014. In the Netherlands, the lighting was replaced at head office in Utrecht, with care taken to approximate natural light in order to boost concentration and reduce headaches/eye problems. In addition to saving energy, the aim is to improve the sources of the power used. In Spain⁴ and the Netherlands, 100 per cent of electricity comes from alternative energies. At the new depot in Warsaw, solar panels 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. GLS Spain is committed to making recycled paper account for 95 per cent of its paper use, whereas the aim is to achieve a recycled paper rate of 30 per cent at the former ASM sites. This goal is supported by an annual campaign.

Ongoing process improvement also helps to reduce paper consumption. GLS Czech Republic, for example, has introduced a new handheld scanner, leading to increased use of electronic signatures. Electronic signatures have also been introduced in Hungary and Slovakia.

Alongside the careful and conscious use of resources, optimum disposal is another key issue. The Kolding site in Denmark gives 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 aluminium and organic waste. GLS Spain has reduced the thickness of its stretch film. A new ramp was built in Denmark to make it easier to sort waste.

Optimisation of day-to-day processes at our sites also helps to reduce our environmental footprint. The settings of the parcel conveyor belt at the Hungarian hub, for example, were optimised to reduce power consumption. In Denmark, plastic curtains were fitted to the loading ramps to reduce incoming cold air. GLS Spain is currently looking for an alternative to its small shipping bags. Whilst the current bags have been biodegradable for several years, it is now time to go a step further.

Raising employee awareness of the topic of environmental protection is pivotal in terms of achieving further process improvements. Therefore, all countries run training courses; at GLS Spain, for example, 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 energy provider Respira Energia, a tree is planted for every contract lasting 18 months or longer with a GLS site or employee.

Some countries also support initiatives focused on making the commute to work environmentally friendly. GLS Czech Republic was the logistical 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 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 EUROPEAN MOBILITY WEEK. Renewed participation is planned.

GLS

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⁴ The former ASM and Redyser sites will be incorporated into the project during the course of the 2018/19 financial year.

ThinkSocial

In the year under review, our national subsidiaries once again took part in a wide range of social activities in order to support the communities in which we operate. Below, you will find a few examples from different countries.



GLS Austria

On Valentine's Day 2018, GLS Austria donated gifts to the 40 or so residents of the Haus Miriam women's centre, which is managed by Caritas Vienna. The centre offers accommodation for homeless single women.

GLS Belgium

GLS Belgium held its first volunteering day in summer 2017: at the end of June, a team of roughly 40 employees, transport partners and delivery drivers from the



Deinze depot helped out at the "rolstoel wash" event. General maintenance work was carried out on more than 170 wheelchairs from Heilig Hart (a home for people with learning disabilities near the depot). The residents of the home were clearly delighted that their wheelchairs were now spick and span. To round off the day, GLS rewarded all the helpers by throwing a barbecue party at the depot.

GLS B.V.

Employees at the GLS Holding in the Netherlands 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.

GLS Croatia

For Christmas 2017, members of the Sales department raised money for a disadvantaged family with four children, two of whom have disabilities. They used the donations to buy food and toiletries.

GLS Czech Republic

In the 2017/18 financial year, employees of GLS Czech Republic supported the "Cista Vysočina" initiative ("Clean Vysočina region"), picking up litter along the route to the GLS head office. They also supported football club FC Vysočina Jihlava with free parcel delivery. GLS Czech Republic also has a long tradition of helping the Christmas fund-raising campaign "Daruj hračku" ("Donate a toy") as a logistics partner, delivering the donated toys pro bono.

GLS Denmark

GLS Denmark is the transport partner of Danske Hospitalskløvne (hospital clowns), Dansk Skoleskak (school chess) and Red Barnet (children's charity). GLS also provides financial support to the Danish Society for Nature Conservation, which campaigns for the protection of flora and fauna, Danish nature and a reduction in environmental pollution, as well as against the excessive use of natural resources.

GLS Finland

In the 2017/18 financial year, GLS Finland helped to fund tracksuits for Little Edges, a youth team of the Kaarinan Taitoluistelijat club.



GLS Germany

In the 2017/18 financial year, GLS Germany once again supported a broad spectrum of social activities across its six regions. As part of a volunteering day programme, GLS employees helped to build a rabbit hutch at the Schenklengsfeld primary school near Neuenstein, with GLS also contributing to the construction costs. GLS Germany also made a donation to support a charity run from Timmendorfer Strand in Germany to North Cape in Norway. The proceeds from the run go to Elternhilfe für das krebserkrankte Kind Göttingen e.V., an association which looks after the parents and relatives of children who are being treated as inpatients at University Medical Center Göttingen.

GLS Hungary

In 2017, GLS Hungary supported a Christmas campaign run by the Malteser aid agency. Children donated parcels to children in need. These parcels were then collected from schools and delivered to the Malteser regional distribution centres, from where they were taken to recipients. In total, more than 6,000 parcels were delivered. A blood donation initiative was also conducted. Whenever a blood donation was used, the donor received a text message from the Hungarian National Blood Transfusion Service. 56 donations had already been used by the end of March 2018.

GLS Ireland

In the run-up to Christmas 2017, employees at GLS Ireland took part in the Christmas Shoebox Appeal, donating shoeboxes filled with small gifts such as socks, gloves and toiletries, which were then distributed amongst homeless people in Dublin.

GLS Italy

GLS Italy also found many ways to help in the 2017/18 financial year, such as by sponsoring the Adria Special Games, an international sporting event for athletes with disabilities. It also held the GLS Christmas Cup, where youth teams from various well-known clubs compete against each other. During the tournament, money was raised for Team for Children Vicenza, a charitable organisation that supports the children's cancer ward at San Bortolo Hospital.

GLS Netherlands

In the 2017/18 financial year, GLS Netherlands supported the Hotel Heppie project of Het Vergeten Kind, a foundation that makes it possible for socially isolated children to go on holiday. GLS contributed to the travel costs as well as bus tours to amusement and water parks, thus enabling more than 100 excursions. What's more, GLS also handled all deliveries required by Heppie free of charge, e.g. donated toys or equipment. A certain amount was also donated for each percentile of GLS staff taking part in the most recent employee survey, with the proceeds used to buy four go-karts for Heppie.

GLS Poland

GLS Poland supported three organisations with free deliveries in 2017/18. 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 the 2017/18 financial year, GLS Romania paid for 39 members of the NGO WeHelp to enter the Sibiu International Marathon. This NGO aims to give disadvantaged children a better life through a variety of activities and educational projects.

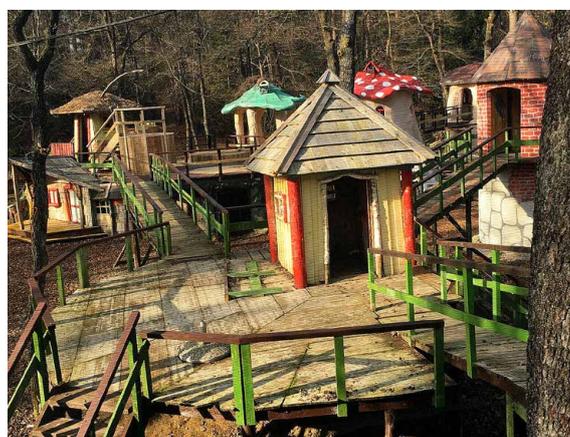
GLS Slovakia

GLS Slovakia sponsored the Patients Sports Games, run by the National Rehabilitation Centre, in 2017/18. The Centre helps patients recover following accidents and when fighting musculoskeletal diseases, and helps people in wheelchairs improve their health.



GLS Slovenia

In the 2017/18 financial year, GLS Slovenia supported the Gorajte fairy-tale kingdom, where disadvantaged children can watch plays and similar performances free of charge. Employees helped to set up the fairy-tale kingdom, with GLS also paying for LED outdoor reflector lights.



GLS Spain

In 2017/18, GLS Spain supported the Make a Wish organisation, which makes dreams come true for children with life-threatening illnesses. GLS Spain also assists the organisation Transportamos Esperanza by collecting plastic bottle caps. The proceeds collected by recycling the caps are used to fund research into rare childhood diseases.

ThinkFuture

The changes associated with digitalisation are a dominant issue across all industries. And the CEP sector is no exception. Whilst parcels will continue to be delivered offline, IT innovations are what frequently enable reliable and user-friendly solutions, as well as efficient processes. In turn, this allows us to generate added value for employees, business partners and recipients.

Some GLS national subsidiaries already have dedicated departments in order to master these new challenges in particularly effective fashion. At GLS Denmark, for example, the Business IT department was newly set up in 2017 and is based at head office in Kolding. The team

seeks to develop optimum solutions by using innovative methods such as reverse brainstorming⁵. The department's employees work closely with other departments in order to identify room for improvement. One of their current projects is the PakkeShop portal, which offers information for the ParcelShop partners and help for people to help themselves, as well as greater transparency and clarity about the day-to-day work of a ParcelShop.



⁵ Instead of trying to solve the problem directly, this approach explores how the situation could be made worse, with solutions then found on that basis.



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 integration of new subsidiaries.

On the basis of our sustainability strategy, which covers the years 2018/19 to 2020/21, we are working to put ourselves on an even more professional footing in the area of sustainability. Incorporating GLS US in the Group-wide life-cycle assessment is another task for the 2018/19 financial year. Ongoing improvement of our environmental management system will also

continue to occupy our attention. Urban logistics, combined with alternative fuel technologies, will remain important, with numerous pilot projects under way that will help GLS to position itself even more effectively. We will continue and strengthen our social commitment in all countries.

We are planning to publish our fourth Sustainability Report, which will once again comply with GRI guidelines, in the 2019/20 financial year.

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