

GLS Group Environmental Standard

Guideline for
the reduction
of environmental
impacts by
GLS Group

This Environmental Standard outlines the environmental strategy and measures which underpin the GLS Group environmental approach.

Objective

GLS Group¹ is committed to providing reliable and high-quality parcel and freight services. To maintain this standard, we prioritise the reduction of our greenhouse gas (GHG) emissions and the conservation of resources. Together with our employees, customers, and suppliers, we aspire to reduce our environmental impact.

Science-Based Targets

To ensure our efforts remain aligned with the latest climate science, GLS² has set science-based targets in line with the Science Based Targets initiative (SBTi Services Limited, London).

We are committed to achieve net-zero³ by 2045, which means that we aim to reduce our absolute GHG emissions by 90% by 2045, using 2021 as the base year. Further, GLS is committed to the following near-term targets:

- 42% reduction in scope 1 and 2 emissions by 2030
- 36.9% CO₂e per ton-km reduction in Scope 3 for light commercial vehicles by 2030
- 31.7% CO₂e per ton-km reduction in Scope 3 for heavy freight trucks by 2030

Approach for reducing carbon emissions

Given that road transportation services are our core business, the reduction of carbon emissions from transport must be at the centre of our efforts. As part of our group-wide environmental strategy we are focused on the conversion towards electric and low-emissions⁴ transport modes, such as electric vans, cargo bikes or the usage of biofuel and biogas. Measures to introduce such vehicles are versatile, with specific measures differing from one country to another depending on local market conditions to maximise the individual impact. Among other measures, we foster the cooperation with electric emission vehicle providers and our transport partners to get access to latest available technology. Further, we are supporting the fleet transformation by investing in infrastructure upgrades at our depots. This includes installing charging infrastructure, enhancing the power supply, implementing load balancing systems and electricity meters, and upgrading fire protection systems. Besides these infrastructure measures, other examples may include, but are not limited to, offering incentives to subcontractors who carry out tours with electric vehicles, such as subsidised charging at GLS locations, or contractually requiring transport partners to convert vans to electric.

Furthermore, we are upgrading our existing depots and hubs to reduce our CO₂ emissions by increasingly using renewable electricity, installing photovoltaic systems and electric vehicle charging infrastructure, and exchanging current heating systems to renewable options such as heat pumps.

We take a holistic approach to these challenges and seek solutions both within our corporate boundaries and together with our business partners. This is further specified in our environmental strategy with the following ambitions:

By 2030:

- Change our company car fleet to 100% electric vehicles⁴.
- Increase the share of electric- and low-emission vehicles within the transport fleet to
- Consume 100% renewable electricity

By 2035:

- 100% of new transport vehicles will be electric and low-emission vehicles⁴.

Environmental measures

We pool our resources and expertise to implement measures aimed at continuously reducing our carbon emissions. This includes both emissions from our transport operations as well as indirect sources, such as purchased electricity or heat for our buildings.

Our key measures are:

- To increase the use of electric and low-emission transport vehicles⁴ in collaboration with our transport partners. We cooperate with vehicle manufacturers, infrastructure, and energy providers to foster innovation in the field of transport and charging infrastructure at GLS.
- To replace GLS company cars to electric vehicles by 2030. We are adapting our internal electric company car policies and encouraging all employees to switch to electric cars by offering incentives such as subsidised charging at GLS locations.
- To continuously optimise our transport network efficiency by using digital technology to optimise routes and reduce transport distances, thereby reducing CO₂ emissions. This also includes reducing last-mile emissions by implementing parcel lockers, parcel shops and other out-of-home⁵ delivery options.
- To increase the use of renewable electricity by installing solar systems on our own buildings where possible and purchasing electricity from renewable energy sources.
- To continuously develop and improve our environmental management system (ISO 14001).
- To continuously reduce resource consumption at our locations. Beside monitoring energy consumption, we also annually track water and waste consumption to identify areas of improvement. Within our environmental management system (ISO 14001), we set local targets for ongoing monitoring and reduction.
- To ensure that all employees and transport partners are fully aware of our environmental responsibilities through continuous exchange, instruction and training.
- To monitor and audit our environmental and energy performance, using the information to continuously improve our efforts.
- To cooperate with start-ups focused on reusable packaging and promote these joint initiatives to our customers.

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Environmental management system (14001)

At GLS, we monitor our resource consumption to mitigate our environmental impact, with a specific focus on reducing:

- electricity consumption,
- consumption of energy for heating,
- water usage and
- waste generation in our operations.

This is part of our environmental management system, which is annually certified across all European subsidiaries in accordance with the standard ISO 14001.

Transparent reporting

GLS Group is committed to reducing the environmental impact of its operations and to continuously addressing environmental challenges in the interest of all its stakeholders. Accordingly, we report transparently on our progress to external and internal stakeholders within our ESG Report in accordance with the GRI Standards⁶. The carbon emissions reported are based on internationally recognised standards, such as the Greenhouse Gas Protocol⁷ and DIN EN 16258⁸. An overview of GLS' reporting approach is available in the document "Basis of Reporting". For stakeholders, our environmental strategy is described in greater detail in our latest ESG Report and on the corporate website of the GLS Group and its respective country websites.

Communication

This Environmental Standard is translated into concrete instructions for all national companies. The Environmental Standard is available on all GLS Group and subsidiary websites.

Related documents:

- GLS Group Code of Business Standards (<https://gls-group.eu/GROUP/en/about-us/compliance/>)
- GLS Group Supplier Code of Conduct (<https://gls-group.eu/GROUP/en/about-us/compliance/>)
- IDS ESG Policy Statement (<https://www.internationaldistributionsservices.com/en/sustainability/governance/policies/>)
- GLS Group ESG Reports (<https://gls-group.eu/GROUP/en/our-responsibility/>)
- GLS Group 2023-24 Basis of Reporting (https://gls-group.com/GROUP/media/downloads/GLS_Group_Basis_of_Reporting_2023-24.pdf)
- ISO 14001 Certification (<https://gls-group.eu/GROUP/en/our-responsibility/certifications/>)

Validity

This Environmental Standard is binding for all GLS national companies.

Accountability

Within the framework of our environmental strategy, ESG Committee and ISO 14001 certified environmental management system, the achievement of our goals and the focus areas are continuously reviewed. The progress is reported in our GLS ESG Report.

Further information

For further information, please visit <https://gls-group.eu/GROUP/en/our-responsibility/climate-protect/>

¹ GLS Group encompasses all affiliated companies of GLS B.V. operating under the GLS trademark.

² The Science Based Targets initiative commitment of GLS B.V. encompasses all affiliated companies of GLS B.V. operating under the GLS trademark.

³ GLS B.V. is committed to reduce its absolute Scope 1, 2 and 3 greenhouse gas emissions by 90% by 2045, using 2021 as the base year. The residual emissions will be neutralized. This means the business counterbalances up to 10% of its CO₂e emissions with investments in carbon removal projects outside its value chain, in line with the SBTi Net-Zero Standard.

⁴ This means vehicles that during operation create either no emissions (e.g. electric or hydrogen vehicles) or fuels that create lower emissions than diesel- or gasoline fuel (e.g. Natural Gas, HVO, Biogas). Further, this also includes parcel deliveries on foot (as of today, only applicable for GLS Spain).

⁵ Delivery solutions that take place outside of the recipient's home, such as parcel lockers, parcel shops and other alternative delivery locations. This method aims to reduce the need for multiple delivery attempts and offers greater flexibility to recipients.

⁶ GRI: Global Reporting Initiative Standards, guideline for reporting on economic, environmental, and social impacts.

⁷ GHG-Protocol (Greenhouse Gas Protocol) is an accounting standard for quantifying and managing GHG emission.

⁸ European standard for calculating and declaring greenhouse gas emissions from road transport.