



UAB DPD Lietuva

SUSTAINABILITY STRATEGY

A realistic plan for meaningful changes



July 2024

DPD Lietuva Sustainability Strategy for People, Environment and Responsible Business

With growing concerns about environmental, climate change, social and other cross-cutting issues, more and more businesses are turning their attention to their activities and the impact thereof. It is important to us that both people and the environment thrive and that the needs of present and future generations are met. That is the reason why we are working hard to ensure that our activities are not only successful, but also sustainable.

DPD Lietuva actions affect many people every day, i.e. employees, customers, communities and other businesses. Therefore, we want to listen to and not just hear their needs.



“In order to make our actions even more effective, we prepared the first DPD Lietuva Sustainability Strategy, which became a starting point and a call to systematically work towards real change. We believe that sustainability is not only a trend in business today, but also an effective way of listening to our stakeholders' expectations and ensuring the continuity of our operations in the future”.

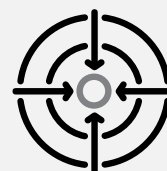
CEO of DPD Lietuva
Robertas Vilkaitis

About DPD Lietuva

UAB DPD Lietuva is part of the international parcel delivery group Geopost. DPD Lietuva provides efficient integrated logistics solutions for a wide range of businesses, e-commerce companies and the private sector.



Sustainability has been at the top of Geopost priorities for more than a decade. Geopost aims to become an international benchmark for sustainable delivery in the parcel delivery market by 2030. DPD Lietuva is also working towards this goal.



DPD Lietuva Sustainability Strategy reflects the directions of Geopost DrivingChange™ sustainability strategy, introduced in 2016, which aims to promote the integration of sustainable activities and add value to people, planet and communities.



We are outlining DPD Lietuva long-term sustainability goals and directions, which will indicate how the company will strive to contribute to Geopost's overall ambition to further strengthen its performance in the areas of environmental protection, social responsibility and governance.

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What is the Sustainability Strategy?

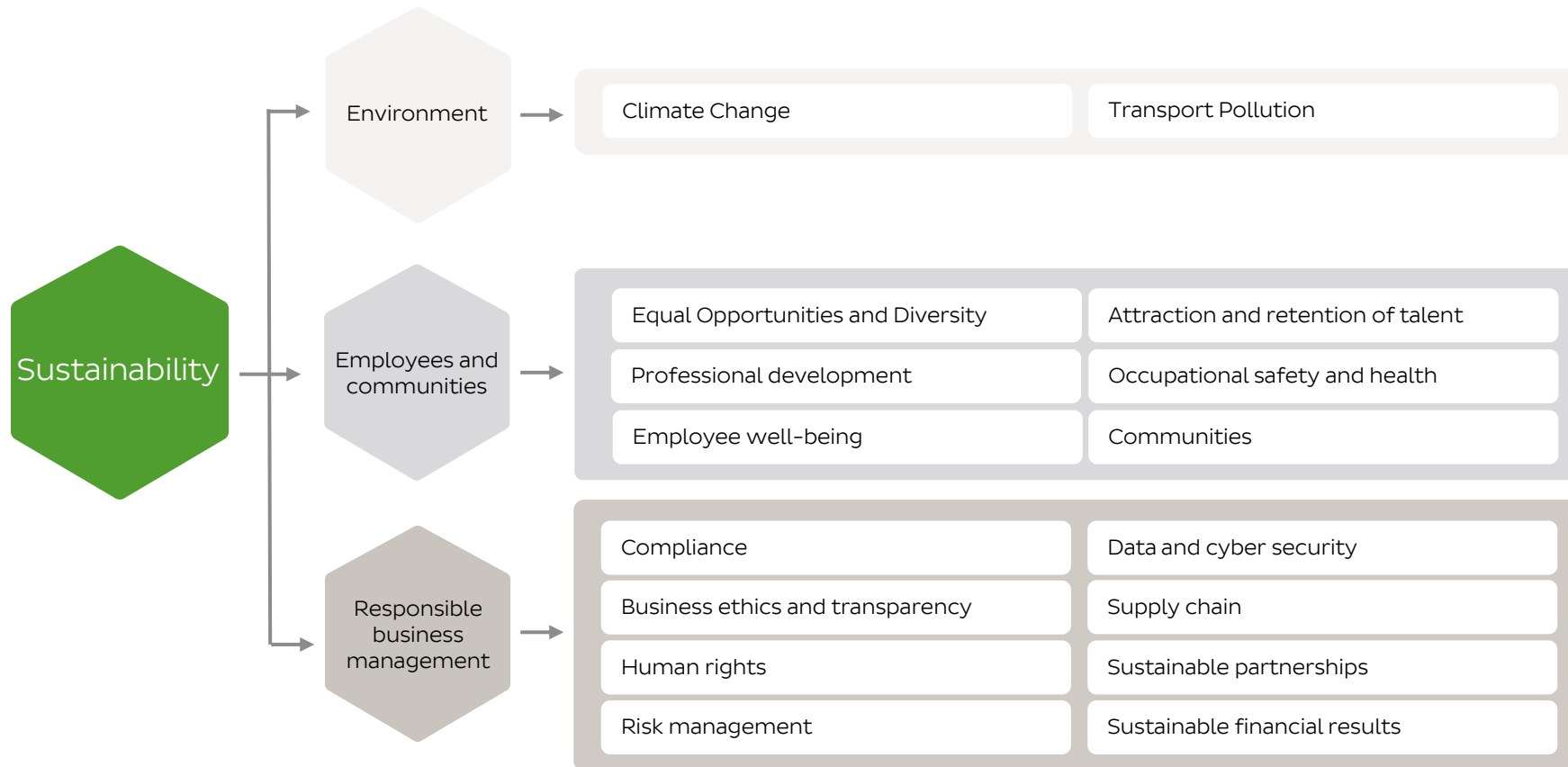
The Sustainability Strategy, also known as the ESG Strategy, covers the three key areas of sustainability: environment, social responsibility and governance. Under these pillars, companies aim to communicate the principles, policies, risks and opportunities associated with developing sustainable business practices.

These three pillars provide a globally recognised framework for describing and assessing sustainability performance against EU sustainability requirements. It is in line with these directions that DPD Lietuva Sustainability Strategy has been developed, describing its activities under the headings of “Environment”, “Employees and Communities” and “Responsible Business Management”.



Priority areas of DPD Lietuva Sustainability Strategy

DPD Lietuva publishes 16 key corporate sustainability areas and aspirations that shape the company's performance in the context of ESG.



DPD Lietuva sustainability goals

Environmental goals



- **Climate change:** To ensure proactive and systematic action that makes a significant contribution to climate change mitigation.
- **Transport pollution:** To reduce the environmental impact of transport used in the company's operations.



Goals for employees and communities



- **Equal opportunities and diversity:** To achieve equal opportunities and promote employee diversity.
- **Professional development:** To ensure continuous professional development for all employees.
- **Employee well-being:** To ensure a company culture that fosters employee well-being and good working conditions for all employees.
- **Attraction and retention of talent:** To ensure active efforts to attract and retain talent.
- **Occupational safety and health:** To ensure safe working conditions for all employees.
- **Communities:** To continue active and meaningful support for communities.



Responsible Business Management Goals

- **Compliance:** To ensure responsible business practices, compliance with laws, internal policies, procedures and contractual obligations.
- **Business ethics and transparency:** To ensure ethical business practices and transparency.
- **Human rights:** To ensure the protection of human rights.
- **Risk management:** To assess and mitigate potential sustainability risks in order to ensure the company's stability and sustainable growth.
- **Data and cyber security:** To ensure sound data and cyber security management practices in order to mitigate data breaches and cybersecurity violations.

- **Supply chain:** To ensure responsible management of the supply chain and the impacts it generates.
- **Sustainable partnerships:** To strengthen partnerships towards achieving sustainability goals.
- **Sustainable financial results:** To ensure sustainable financial performance of the company.





Environment

Human-induced climate change is the biggest and most widespread threat to the environment and society. These and other critical environmental problems, both in Lithuania and around the world, have a huge impact on ecosystems, the economy, society and human well-being. For this reason, DPD Lietuva strives to reduce the company's negative impact on the environment and contribute to the mitigation of climate change and other environmental issues.



Climate Change

Climate change is mainly driven by human activity. It is increasing global average temperature, changing precipitation patterns and increasing the frequency of extreme weather events. Such risks may eventually affect the economic efficiency of DPD Lietuva operations, cause physical damage to the infrastructure and have a negative impact on the company's employees and the surrounding communities.



Goal of DPD Lietuva

To ensure proactive and systematic action that makes a significant contribution to climate change mitigation.



Targets

- To reduce GHG¹ emissions from operational activities and the supply chain (scope 1, 2, 3 emissions).
- To reduce the GHG emissions intensity per parcel.

¹ Greenhouse gases, i.e. carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), ozone (O₃) and others.

Target result

DPD Lietuva is committed to achieving net zero GHG emissions by 2040, based on Science-Based Target Initiative (SBTi).

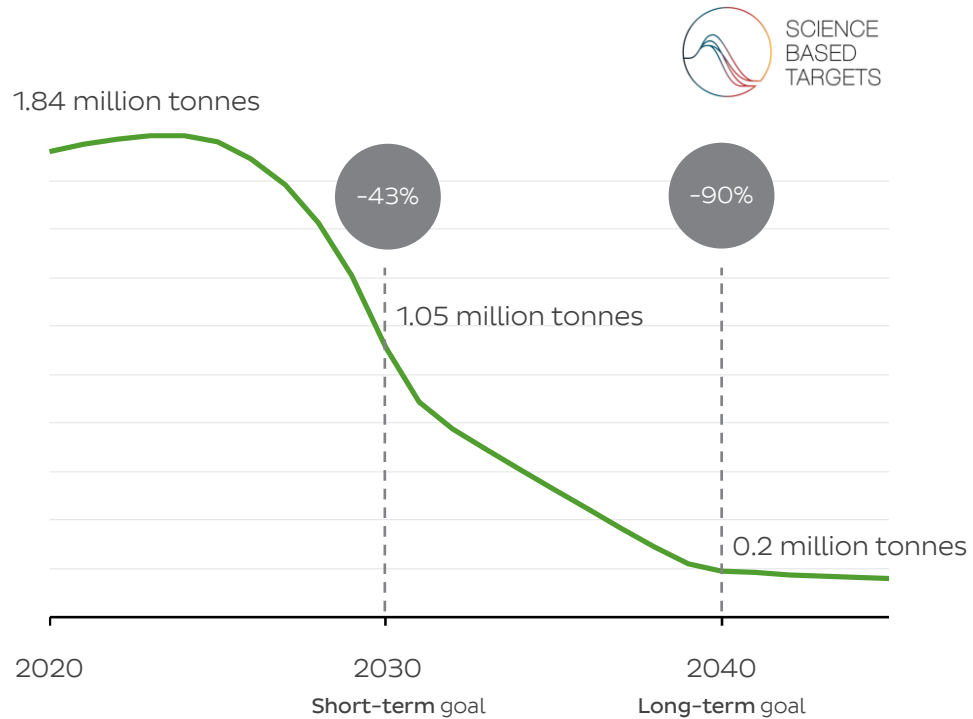
We meet our goals

To reduce absolute carbon emissions by 43 % by 2030 and 90% by 2040.

The remaining absolute emissions (up to 10%), which are difficult to reduce, will be offsetted by investing in responsible environmental projects.



Geopost science-based goal To reach net-zero by 2040



Geopost and DPD Lietuva commit to reduce CO2 emissions by 43% by 2030 and 90% by 2040. The remaining emissions will be offset. Reduction targets include total Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions.

DPD Lietuva measures to achieve net-zero



Electrification of the commercial fleet



Renewable energy use in buildings



Switch to alternative fuel powered trucks



Electrification of the administrative fleet

Example of current activities

67% of the electricity used in buildings comes from renewable energy sources.

Example of tracked indicators

We have reduced the CO2 emission intensity per parcel by 6% in 2023

Total emissions in 2023 amounted to 16,471 tCO2e

Transport Pollution

Pollution from transport, such as nitrogen oxides, particulate matter and volatile organic compounds, is a major contributor to the deterioration of air quality and harms human health.



Goal of DPD Lietuva

To reduce the environmental impact of transport used in the company's operations.



Targets

- To reduce air pollution from transport.
- To ensure active efforts to phase-out fossil fuel vehicles with cleaner alternatives, while contributing to transport decarbonisation goals.

² The first mile describes the part of the supply chain where the parcel is picked up from the manufacturer or trading partner, and the last mile is where the parcel is handed over to the final recipient.

DPD Lietuva target result



85%

of first and last mile² vehicles for parcel delivery electrified by 2030 and 100% by 2035



90%

of the administrative fleet electrified by 2030 and 100% by 2040.

Example of current activities

From autumn 2021 onwards, DPD Lietuva couriers deliver parcels in Vilnius with 60 new electric vans. In 2024, We have launched 12 new electric vans in Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys.

Example of tracked indicators

11% of the first and last mile transport fleet in Lithuania in 2023 was made up of electric vehicles

We delivered over 1.5 million parcels by electric vehicles in 2023



Employees and Communities

Sustainable operations are not just about protecting the environment and reducing pollution, but also about caring for the well-being of employees and society. DPD Lietuva therefore strives to create a socially responsible and inclusive business model that benefits both the company and wider society. This pillar refers to the company's commitment to contribute to the well-being of its employees and other stakeholders (partners, community).



Equal opportunities and diversity

Diversity representation across the workforce, management and departments ensures equal opportunities and human rights, and the quality of corporate decision-making.

We aim for every employee to feel welcome and listened to, regardless of gender, age, nationality, religious beliefs, etc.



Goal of DPD Lietuva

We will ensure equal opportunities and promote diversity.



Targets

To promote employee diversity in order to ensure the quality of decision-making and equal opportunities for all employees.

Target result



36:64%

Proportion of women and men in senior positions



40:60%

Women's and men's share in company management



Closing the gender pay gap

Example of current activities

We carried out an equal opportunities survey in order to assess the current state of gender equality in our company.

Example of tracked indicators

In 2023, the company employed 31% of women and 69% of men

In 2023, 42% of employees were aged <30 years and 8% of employees were aged >50 years

Employee well-being

Employees are more productive and motivated in a company where they feel happy. They are also less stressed and put more effort into their daily tasks. This not only ensures the efficiency of the company, but also the loyalty of its employees and promotes a positive company culture.



Goal of DPD Lietuva

To ensure a company culture that fosters employee well-being and good working conditions for all employees.



Targets

- To ensure good working conditions and promote the well-being of all employees.
- To ensure a fair, competitive and transparent remuneration and benefits package for all employees.

Target result



>80%
Employee engagement indicator



>15
Employee Net Promoter Score (eNPS)



0
Number of incidents of discrimination

Example of current activities

We have developed a motivating benefits package for our employees that covers not only physical and emotional health, personal development, but also other practical benefits.

Example of tracked indicators

Employee inclusion rate in 2023 – 83%

1.7% of employees took parental leave in 2023

Occupational Safety and Health

Unsafe working conditions have a negative impact on employees' mental and physical health, with potentially long-term consequences. Effective company efforts to ensure the safety and health of employees help reduce accidents. This maintains employee productivity, satisfaction with the working environment, a sense of security and the ability to perform their job properly.



Goal of DPD Lietuva

To ensure safe, healthy and legally compliant working conditions for employees in order to prevent work-related injuries and illnesses.

Target result

To ensure monitoring of incidents, accidents at work and occupational diseases and develop appropriate preventive measures accordingly.

To periodically carry out internal health and safety inspections, monitor the working environment and the work that employees do in order to ensure that they are not at risk of injury or harm.

Example of tracked indicators

Number of workplace incidents

Number of accidents at work

Number of days of incapacity for work due to accidents and occupational diseases



Communities

By staying close to our communities, we can improve our business performance and help tackle sensitive social issues, thereby contributing to the well-being of vulnerable groups. In this way, both the company and the community can effectively meet the challenges and work together in order to create an inclusive environment and contribute to tangible and necessary sustainability change.



Goal of DPD Lietuva

To ensure active support for vulnerable groups through financial and service support.

Target result

To target the development of support projects and to ensure comprehensive monitoring of the support provided.

Example of current activities

For more than 10 years, we have been part of the Children Dreams initiative by helping to make the dreams of children living in difficult social conditions in Lithuania come true. Benefactors can send the items free of charge via DPD Lietuva parcel lockers.

Example of tracked indicators

In 2023, we contributed to 7 support projects

Value of support granted in 2023 – EUR 29,000

The Sustainability Strategy also includes the following social directions:

- **Professional development**, which aims to ensure continuous professional development and access to training.
- **The direction of talent attraction and retention**, which helps to ensure a proactive effort intended to attract and retain talent, thereby improving the company's performance and innovation progress.



Responsible Business Management

Responsible business practices include DPD Lietuva governance activities, management structure, transparency of financial reporting as well as compliance with laws and other obligations. Disclosure of these activities helps shareholders to assess the effectiveness of corporate governance, and helps the company to be accountable to its stakeholders as well as to ensure the long-term economic success of the business, while contributing to the achievement of social and environmental sustainability goals.



Business Ethics

Employee awareness and transparent company processes ensure that human rights are respected in the company's operations and supply chain. Preventing money laundering, corruption, fraud and conflicts of interest protects the interests of stakeholders and prevents economic damage and market distortions.



Goal of DPD Lietuva:

To ensure ethical business practices and transparency.



Tasks:

- To ensure high business ethics, active prevention of corruption and fraud and management of conflicts of interest.
- To ensure that employees are educated about business ethics.
- To ensure transparent communication with stakeholders.

Target result

0

Number of corruption, fraud and unmanaged conflicts of interest detected and proven

≥ 1 case/year

Employee training on business ethics

Example of current activities

We periodically organise employee training on business ethics, covering various areas (corruption, fraud, deception, prevention of conflicts of interest, etc).

Example of tracked indicators

1 training course on business ethics was organised in 2023

Risk Management

Comprehensive corporate risk management, including sustainability risks, has a positive impact on business, the environment and people. Appropriate risk management reduces the chances of intellectual property losses, legal and economic risks.



Goal of DPD Lietuva

- To ensure systematic and comprehensive management of sustainability and other business risks;
- To assess and mitigate potential sustainability risks in the company's operations in order to ensure stability and sustainable growth.

Target result

≥ 1 case/year

The process for assessing enterprise risks, including sustainability risks, has been carried out



Data and Cyber Security

Cyber or data management problems can lead to data leaks, privacy breaches and affect stakeholder trust.



Goal of DPD Lietuva

To ensure proactive efforts towards data and cyber protection.

Target result

To avoid and minimise data protection breaches

To avoid and minimise cyber security incidents

Example of tracked indicators

In 2023, we did not record any critical data breaches



Sustainable Partnerships

Establishment and maintenance of sustainable partnerships enables us to effectively manage the company's environmental impacts and achieve other strategic sustainability goals. These partnerships can help to improve efficiency and foster innovation as well as community involvement.



Goal of DPD Lietuva

To ensure strong and long-term relationships with sustainable partners.

Target result

Tracking of sustainable partners, establishment of new partnerships with sustainable partners.

Example of tracked indicators

We will start tracking the turnover rate of long-term partners

We will start tracking the turnover rate of sustainable partners

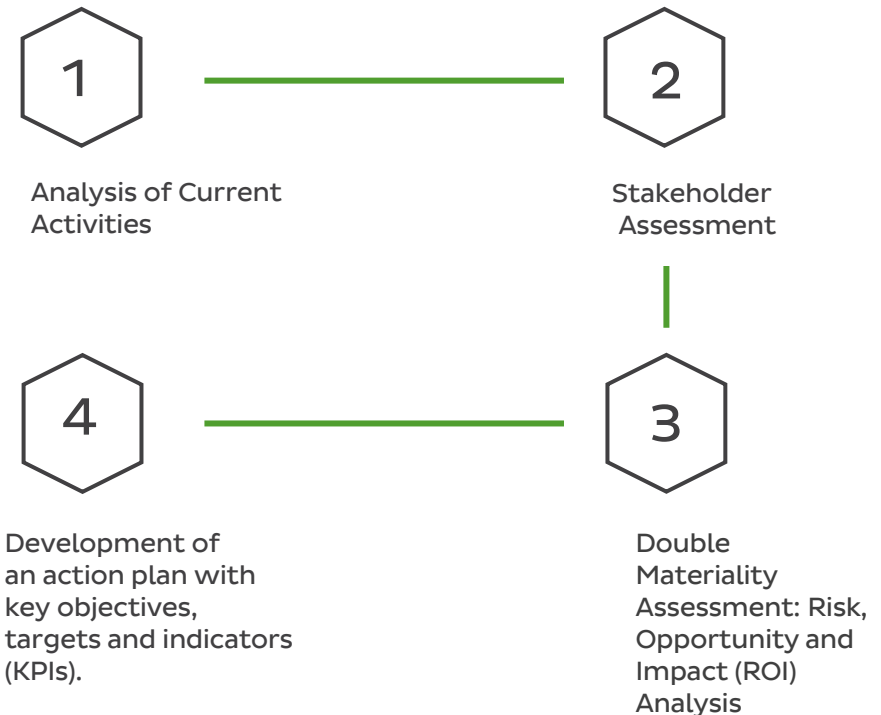
The Sustainability Strategy also includes the following governance areas:

- **Supply chain.** We aim to ensure responsible management of the supply chain and the environmental impacts it creates.
- **Sustainable financial results.** We aim to ensure sustainable financial results.
- **Compliance with the law.** We seek to ensure responsible business practices, compliance with laws, internal policies, procedures and contractual obligations.
- **Human rights.** We strive to ensure the protection of human rights in our business activities.

Process and Methodology for Developing the Sustainability Strategy

DPD Lietuva Sustainability Strategy was developed based on the results of the Strategic Leadership Sessions held between October 2023 and March 2024, the discussions from these sessions, and in cooperation with a sustainability consultancy company. The process of developing the Strategy was carried out taking into account the latest Lithuanian and EU legal requirements and the requirements of the Corporate Sustainability Reporting Directive (CSRD).

Steps in the development of the Sustainability Strategy



Analysis of Current Activities

1

The analysis of activities reviewed existing business processes and the social and environmental activities already in place. For example, in the environmental area, an inventory of existing emissions was carried out in order to identify the most significant sources of GHG emissions in operational segments. It was also evaluated how existing sustainability activities are aligned with the company's mission, values and long-term vision, as well as the added value they create.



Stakeholder assessment

2

In order to identify the negative and positive impacts and create value for stakeholders, it is necessary to take into account the sustainability needs of stakeholders.

To this end, a stakeholder analysis was carried out in 3 steps:

1. Stakeholder identification;
2. Identification of key stakeholders;
3. Stakeholder involvement.

Once the company's stakeholders were identified, a stakeholder mapping exercise was carried out and a stakeholder engagement plan was developed to meet future expectations.

Double Materiality Assessment: Risk, Opportunity and Impact (ROI) Analysis



The double materiality assessment is a comprehensive assessment method that took into account two distinct but interrelated aspects of DPD Lietuva sustainability materiality. First, the materiality of impacts has been assessed, i.e. the extent to which the company's activities affect the environment and society. Second, financial materiality was assessed, focusing on how the impacts of the ESG areas may affect the company's financial performance. The double materiality assessment followed the recommended guidelines set out in the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The assessment of double materiality consisted of three main steps:

1. Identification of risks, opportunities and impacts (ROIs);
2. Assessment of the materiality of impacts;
3. Assessment of the materiality of risks and opportunities.

Impacts, risks and opportunities have been evaluated through an in-depth analysis of the company's operations and value chain, business relationships, the company's existing sustainability activities, expert assessment performed by external consultants, as well as academic sources, and general trends in the transport sector in Lithuania and globally.



Action Plan with Objectives, Targets and Indicators (KPI's)

4

In order to successfully manage the identified material impacts, risks and opportunities, the following sustainability directions were established:

1. Objectives reflecting DPD Lietuva ambitions to manage relevant impacts and create value;
2. Key Performance Indicators (KPIs) and additional Performance Indicators (PIs);
3. The targets that can be set for this period, which refer to the assessment of the effectiveness of the measures in achieving the ambitions set.



Enabling Change Now and in the Future

In order to track the progress of the Strategy effectively, the implementation plan for Sustainability Strategy has been formulated and will be carried out and updated responsibly.

Our plans for the future include a regular review process of the Strategy, at least once a year, and monitoring of the implementation plan.



The set goals, targets, key performance indicators and their progress will be reviewed and disclosed in an annual DPD Lietuva Sustainability Report. We commit to overseeing and coordinating all aspects of the Sustainability Strategy, including implementation, monitoring, updating and regular reporting on progress towards achieving sustainability goals.

We focus not only on solving current problems and challenges, but also on ensuring that actions are relevant and effective in the long term. DPD Lietuva Sustainability Strategy is therefore a combination of ambition and practicality, tailored to meet today's sustainability challenges, while remaining flexible to the changes required in the future.

- Your delivery experts

