

Annual General Meeting

Deutsche Post DHL Group

Speech by Dr. Frank Appel, CEO

Bonn – May 6, 2021

Check against delivery



Dr. Frank Appel

CEO

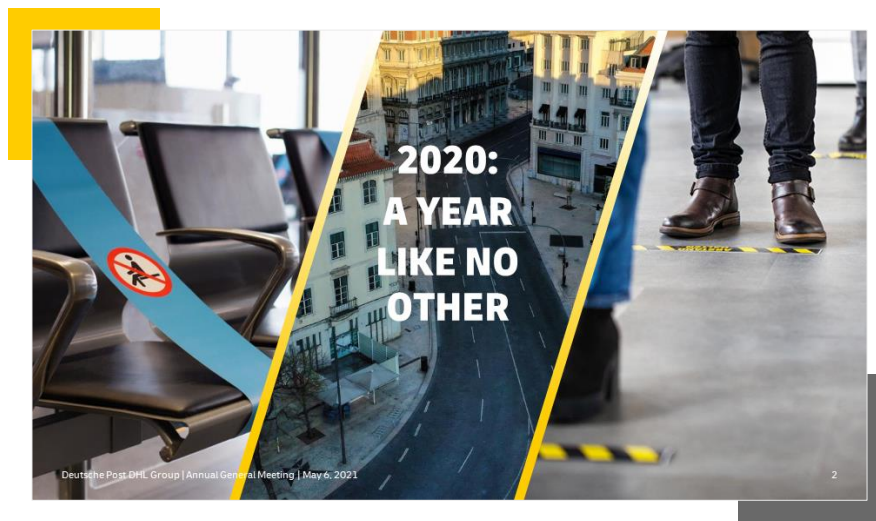
Deutsche Post DHL Group



Dear Shareholders,

Dear Viewers,

Thank you for being with us today. Too bad it has to be digitally again instead of in person. We all long for a return to normalcy. But we are at the mercy of Covid-19.



We look back on a year like no other. It has brought a lot of suffering. People have fought hard. For their health, their livelihoods, and even their lives. Not all fights were won. We grieve with those who have lost loved ones or friends.

2020 forced many of us to our limit. But people have also gone above and beyond what they thought possible. Especially in the areas of health and caregiving. And in families and neighborhoods, in government agencies and companies. Everywhere you look, there were and are many moving examples of can-do spirit, helpfulness and solidarity.

Medicine and science achieved great breakthroughs. Vaccines were developed in a very short amount of time. Finally we can look to the future again with more optimism.

Despite the global crisis, we also experienced an amazing amount of continuity. People remained in close contact digitally. Thanks to technology, many could continue working from home. Or in operations – at our facilities, for example – work could continue thanks to special procedures, hygiene and distancing rules, and testing. And supply lines stayed open.

We are proud of our contribution to maintaining this continuity. Last year our customers depended on us like never before. We were well prepared. Our worldwide

network proved to be extremely resilient. Our people outdid themselves. Our organization as well as our partners have done an impressive job.



The pandemic forced a number of abrupt changes upon us in logistics. In very rapid succession. This required prudent action under tremendous pressure. Early in 2020 we were delivering protective gear to China. And then the supply lines reversed direction, with China supplying the rest of the world with huge amounts of protective equipment. In April, with the global lockdowns, business was extremely slow. Then the pace suddenly picked up, with more and more people ordering goods online. Gradually, companies emerged from the lockdowns. And production resumed. And in the last months of the year we were handling record volumes.

In an environment like this, plans can very quickly become outdated. No one can plan or prepare in detail for extreme fluctuations, especially when visibility is so limited. Much more important than a plan is having a highly alert and agile organization. With teams that are flexible and can react quickly. With people who can make decisions on the ground. Who bring can-do spirit and are ready to tackle and solve problems on short notice.

Being prepared like this is critical to being able to deliver in a crisis. And we succeeded here. We remained reliable. Our teams did an excellent job. We responded immediately to the daily changes. When something changed in one part of the world, we analyzed the situation right away to figure out how it would impact us in other parts of the world. And then we made the necessary adjustments to our worldwide network. This allowed us to continue providing our customers with the good service they know and expect from us.

Reliable partner for consumers and retailers

We made sure that people around the world could continue to meet their daily needs, despite the lockdowns. We made sure supply lines were up and running – all the way to the supermarket, all the way to the front door. For many retailers, we were their lifeline. If they hadn't been able to trade online, many businesses would not have made it.

Backbone for global trade flows

In spring 2020 there was tremendous concern about a possible collapse of global trade. Global air freight was severely impacted. Many aircraft were grounded, so were unavailable for transporting belly cargo. We played a very important role in this situation. With our fleet of more than 280 dedicated aircraft at DHL Express, we could provide much needed support to global trade. By making maximum use of our fleet, we could help compensate for this missing capacity and meet demand. We also helped our customers with alternative transport modes – with additional rail capacity from Asia to Europe, for example.

The global trade in goods has recovered quickly and is already growing again compared with the previous year.

Continuous supply chains for customers of all sizes

In the crisis, many companies have realized the value of reliable logistics. And we are doing everything to make sure our customers get through this period in good shape.

There is no template for this. Some customers scaled back significantly for a period. Others grew very fast. And others shifted their business more online. Or distributed their production out across several countries to better spread the risk. Whatever our customers want, we are by their side, ensuring the integrity of their supply chains.

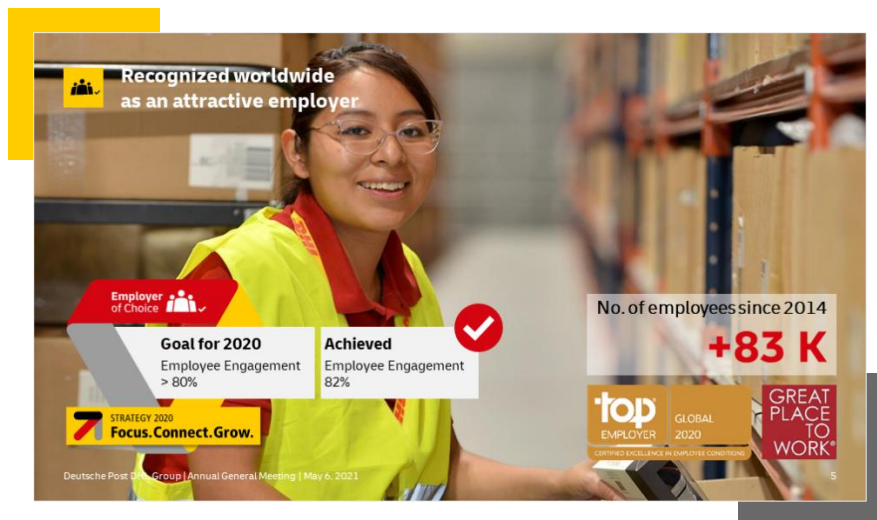


The pandemic made especially clear just how robust Deutsche Post DHL Group is. Our company has never been in such good shape. In our industry, success is often closely tied to economic growth. But even at a time when the global economy took a major hit, we were able to continue delivering reliably.

This success is not an accident. It's the result of years of hard work across our entire company. And it's thanks to our clear and coherent strategy.

It was seven years ago – in April 2014 – that we introduced our Strategy 2020. Back then, a pandemic of this magnitude was unthinkable. But we knew that we had to prepare our company for an uncertain future. We had to make it strong. We set the right course back then. We stayed true to our Strategy 2020 and achieved our targets. And our current Strategy 2025 continues to maintain this successful trajectory.

I am proud to be able to lead such an organization. We're doing the right things. And we're doing things right – for all customers, in all markets. Thank you to all of our employees! We stuck together in 2020 and made our contribution, very much in the spirit of our company purpose: connecting people, improving lives. I also want to thank everyone who contributed to and appreciated our work. This helped motivate us even more.

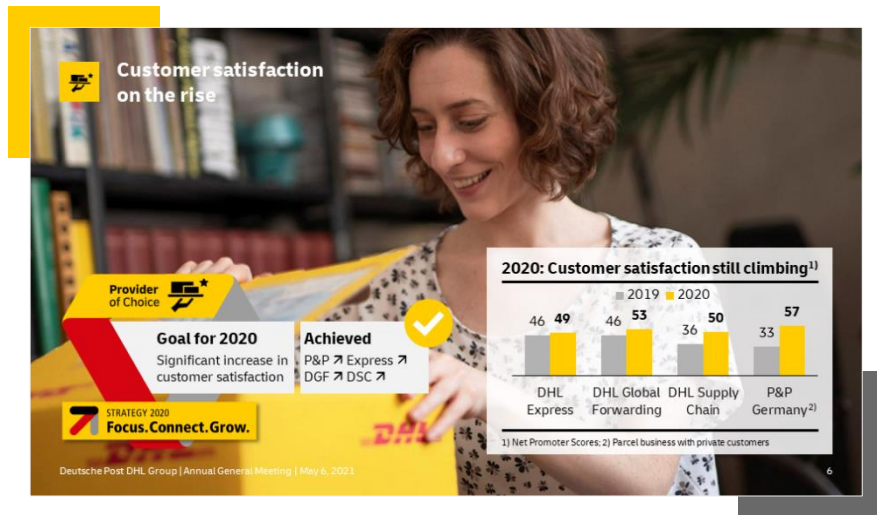


In fact our people have never been so motivated and satisfied in their work. The 2020 results of our annual employee survey set new highs. Which means we delivered on our Strategy 2020 targets.

It's a fantastic result. Because logistics can't function without engaged and committed people. They are the ones who keep our operations running day in and day out.

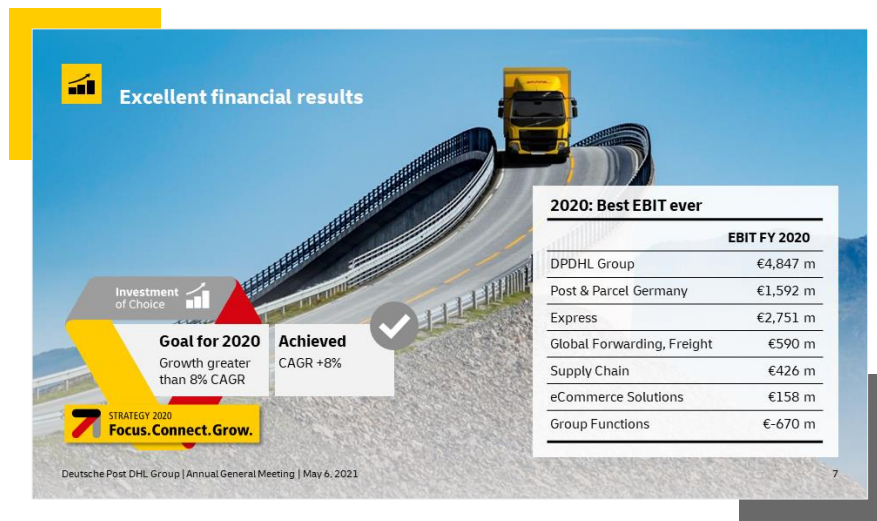
This level of job satisfaction is related to the importance of our work. Our people can feel how much they're needed. The results also attest to the fact that we offer highly attractive jobs in our industry. We were recognized in over 100 countries as a *Top Employer* and in 61 countries as a *Great Place to Work*.

Since 2014, 83,000 people have made the decision to join our company. That is more than most companies employ, in absolute numbers. And it also shows how attractive we've become as an employer.



A highly motivated workforce makes for high quality service. This connection is clearly visible in our case. We've seen an increase in customer satisfaction. This was also one of our Strategy 2020 goals.

Last year our satisfaction ratings climbed even higher. The customers saw how motivated we were. And this is consistent with our day-to-day experience. The gratitude of our customers was something we all felt. Seldom have we received so many compliments for our work.



Highly engaged teams and good service are the ingredients for sustained success. Our operating income has grown 8% annually on average over the Strategy 2020 period. That was also one of our strategic goals.

We presented outstanding numbers in 2020. Our EBIT came to 4.8 billion euros. That's our best result ever – about 700 million euros higher than in 2019.

And that translated into strong cash flow, which is what counts. That's how we pay our bills. Our free cash flow was 2.5 billion euros. This, too, is an absolute record. Our financial situation is rock solid.

Let's take a look at the divisions:

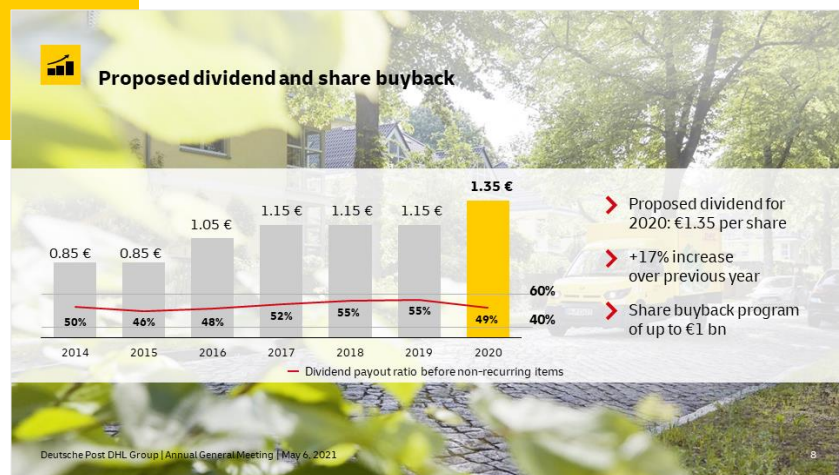
- At **Post & Parcel Germany**, EBIT improved by 29.4% to 1,592 million euros. Mail volumes did continue their decline, but the strong growth in parcels more than compensated for this. Our volumes are shifting from mail to parcel. So we are doing more to combine and leverage our different networks. In cities, our mail carriers now also deliver smaller items containing merchandise.
- Our **Express** division increased its EBIT by 34.9% to 2,751 million euros. That's an outstanding result. Made possible by a huge effort on the part of operations.

Having our own aircraft was a big advantage. This is because capacity was extremely scarce on the market. Express remained one of the few reliable providers.

- **Global Forwarding, Freight** also experienced a very turbulent year. It saw major declines in air and ocean freight volumes. At the same time, freight capacity remained scarce. It's a great achievement that they were able to increase EBIT from 521 to 590 million euros. It reflects cost discipline. And the fact that we were able to secure the necessary capacity for our customers quickly.
- Our **Supply Chain** division was impacted most by the pandemic. The business is very much dependent on individual customers and sectors. At several locations there was very little activity – at times none at all. This had a huge impact. Nevertheless, the division managed to stay profitable. EBIT was 426 million euros. The 2019 EBIT was 911 million euros – also due to proceeds from the sale of the China business.
- The boom in e-commerce has spurred our **eCommerce Solutions** division to new heights. It grew the fastest in 2020. EBIT increased to 158 million euros. In 2019 it was at -51 million euros. As this outstanding performance also shows: the new focus of the business, along with good cost and price management, is paying off.

We are proud of these results. We have emerged from 2020 stronger than before. And this has carried through into the first quarter of 2021. We've never had such a dynamic start to the year. We've seen every division post a significant jump in earnings. Overall, we earned 1.9 billion euros. For the first quarter of 2020 this figure was 592 million euros. And we saw free cash flow develop very positively as well. With an increase from -409 million euros in the first quarter of 2020 to 1.2 billion euros.

In short: We have a strong foundation. We have financial resources like never before. And we are ideally positioned for whatever comes next.



The Board of Management and Supervisory Board are therefore proposing a significantly higher dividend. At 1.35 euros per share, this is 20 cents higher than last year. This is in line with our financial strategy, which stipulates that we pay out 40 to 60 percent of net profit. The proposed dividend is in the middle of this range. If you approve the proposed dividend, it will be paid out on May 11th.

Due to the strong cash flow, we have also decided in favor of a share buyback program of up to one billion euros. Because we want excess cash to go to our shareholders. The market took this as a very strong, positive sign.



Our strength has shown in the stock price, too. Here we can see returns on our stock over the past several years – share price gains and dividends since 2014, which is when we introduced our Strategy 2020. Across this period we achieved returns of 130%.

The last year and a half, especially, have shown just how healthy this company is. Since the sharp decline in March 2020 due to Covid, the share price has risen steadily.



We want to be the First Choice – as an employer, a provider and an investment. We’ve accomplished this goal. And beyond this, we want to make a positive contribution. For society and the environment. More on this later.

Here I’d like to take a look at our carbon efficiency. This is another area where we took action early and set a strategic goal for 2020: to increase our carbon efficiency by 30% compared to 2007. We even reached this goal four years earlier than planned. And by 2020 we were already up to 37%.



Looking back we can see that – with Strategy 2020 as our guide – we achieved a lot in many different areas. And we look ahead today full of confidence. We expect our 2021 result to be even stronger – at more than 6.7 billion euros. At Post & Parcel Germany, our target is an EBIT around 1.7 billion euros. In our DHL divisions, we expect EBIT to be more than 5.4 billion euros.



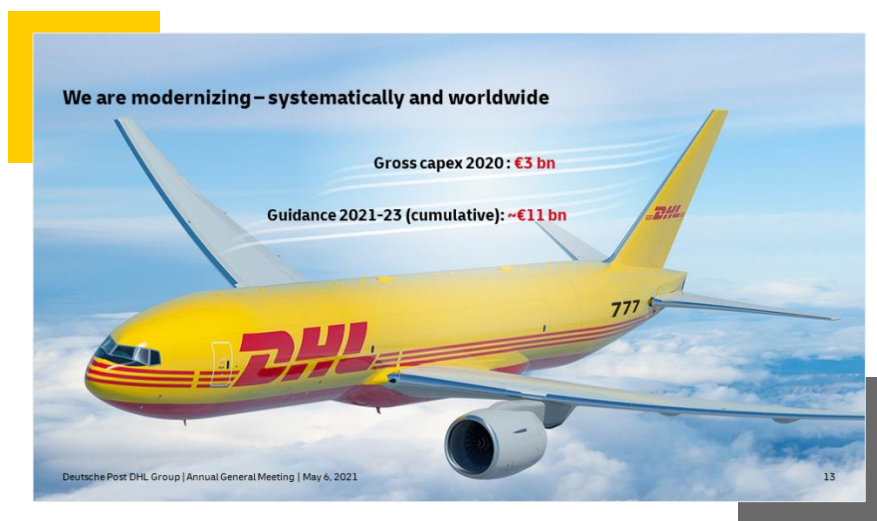
We are strong. We have momentum and we look forward to what the future brings. Our current Strategy 2025 keeps us on course. It has proven its worth during the crisis. Because it sharpens the focus on our profitable core business in logistics. And it

strengthens our identity and our team spirit. And thanks to our strategy, we're also very well prepared for the post-Covid world.

Many are wondering: What will the world look like after the crisis? Will our lives change fundamentally? I don't believe so. Sure, the pandemic marks a break. But people remain people. Our needs, habits and customs don't change that fast. We will meet up again with our friends. We will travel again. We'll go to restaurants, the theater, the movies and concerts.

But the signs certainly point to an acceleration of the major trends of our time. This is true for globalization. It has been vital in the crisis. Just think about masks, tests and vaccines. Digitalization and e-commerce have also gotten a boost in the pandemic. And sustainability is becoming more and more important. Awareness is growing for how vulnerable our world actually is.

We recognized the tremendous importance of these trends early on. They were on our radar before the pandemic. They are part of our Strategy 2025. Which is why we are well equipped today. But beyond that: our aspiration is to set the standards – the benchmarks – in our industry.



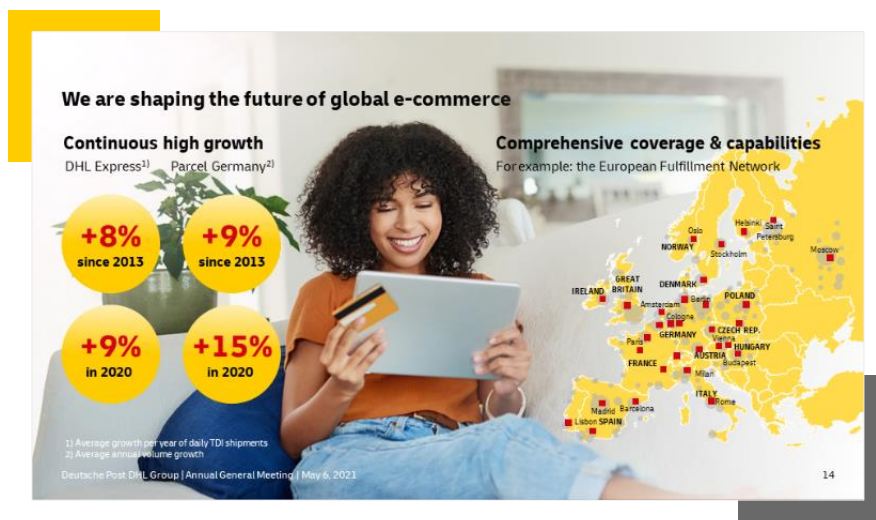
And one thing is clear: without state-of-the-art infrastructure we won't stay on top. To make sure we continue to grow, we're continuously modernizing our operations – a process that we plan well in advance, systematically and worldwide.

We have built up such financial strength, that we're able to invest on a massive scale. In our global network. In state-of-the-art hubs. In robust IT. In ever-better sorting facilities, high-tech warehouses, and a green fleet.

DHL Express provides an impressive example of this. This year alone we've ordered eight more of the latest Boeing 777 freight aircraft, making our fleet even more efficient and sustainable. We've invested 110 million euros in a new hub at Milan Malpensa airport in Italy. This is our fourth largest hub in Europe. With systems that enable twelve times more sorting capacity than before.

We are also investing heavily at Post & Parcel Germany. Over the next few years, for example, we will build up to 280 new delivery bases throughout Germany. And these will be completely carbon-neutral.

This is how we make sure we're state-of-the-art. We will spend even more on this in 2021 and beyond than we did in 2020. This creates the foundation for future success.



One area, especially, has gained significance lately. I'm talking about e-commerce. Demand on the part of our customers is huge. We are seeing continuous high growth. At Parcel Germany, 9% on average since 2013; at Express about 8%. Per year! And 2020 saw this accelerate even more.

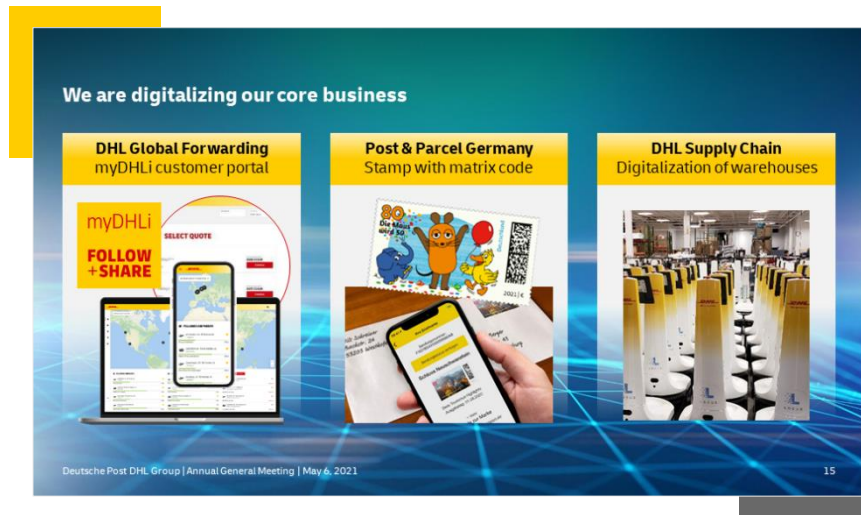
It was the right move to focus on this area early. With major investment. At Parcel Germany we've increased our sorting capacity by 34% since 2013. Our network of Packstations has grown from about 2,500 to over 7,000 during this time. At Express we've expanded sorting capacity by 66% since 2013. And we've seen the share of B2C business grow significantly there – from 10% to over 45%. At Supply Chain, 20% of employees work in e-commerce.

Today our investments are paying off. We've grown fast. It's another reason for the momentum we're feeling now. And we were well prepared for the flood of parcels in the pandemic.

E-commerce will remain an important focus of our future investments. We are constantly improving our products and services. As an example:

Supply Chain has introduced a new service in Europe. The European Fulfillment Network – a group of over 30 warehouses, all of which are located near major European cities. This allows goods get to the consumer even faster. Next day delivery? Throughout Europe? No problem! Until now, that was something that only large online retailers could offer their customers. We've made it possible now for small and medium-sized merchants as well. And at an attractive price, since the warehouses can bundle goods from multiple customers. This makes for greater efficiency. Services can be booked flexibly, depending on requirements and order volumes. And this service is highly standardized, which means we can add new merchants very quickly.

These kinds of solutions help our customers. And they help us. Because e-commerce will continue to grow in the future. Somewhat slower than during the pandemic, but starting from today's high levels. This is our focus; this is what we're preparing for.



We are also investing heavily in digitalization. A total of 2 billion euros. Digitalization represents a huge opportunity. For increased productivity. For more quality. And for new customer services.

We have launched a comprehensive program. This includes modernizing our IT backbone. We're also boosting our expertise in areas such as data analytics and blockchain. There are countless initiatives underway in our operations. And we're seeing the progress everywhere. Here are just three examples:

- In 2020, DHL Global Forwarding introduced myDHLi. The portal lets customers view and manage their shipments – easily and conveniently. They can also request quotes and then book services digitally. Information can be shared with partners with just a simple click. Real-time tracking functionality gives users full control over shipments – from pickup to delivery. We have already moved customers in more than 60 countries over to the platform. And we'll be announcing new functionalities soon.

- This year, Deutsche Post introduced a new generation of postage stamps. Stamps with matrix codes. Customers can see when letters are in the sorting center. And when they arrive in the destination region. And the stamps are forgery-proof. So we can recognize whether a stamp has already been used.
- At DHL Supply Chain we are comprehensively digitalizing our sites. More and more collaborative robots are supporting our workforce, making their work more productive and less strenuous. LocusBots, for example, help with picking. We're also relying more on artificial intelligence to make our processes more effective and help us respond even better to fluctuating demand. The most important thing for our customers is to avoid supply chain disruptions. With artificial intelligence, we can achieve this.

These examples are just a small selection. There's not a single unit here in the Group that is not undergoing a digital transformation. Digitalization is not an end in itself, of course. Technology helps make us faster and more innovative. So that we can do what we do best even better: connecting people, improving lives – in 220 countries and territories.



Every single day we experience the opportunities that globalization brings and the positive impact of trade. Our business makes tangible how enriching global exchange

really is. We are proud to contribute to this positive force. And we're proud to be pace-setters and ambassadors for a connected world.

The pandemic has shown: without globalization our world would be worse off today. Just take the example of vaccines. These were developed in record time. A tremendous achievement, made possible by a concerted global effort. And vaccine distribution – to billions of people – also depends on global solutions. This is a mammoth undertaking and we are playing a central role in the required logistics. As of today we have already delivered vaccines to 120 countries. It fills our employees with pride when they see our aircraft bringing vaccines to their country.

But global supply chains are not only found in medicine and pharma. They're everywhere. They're making possible the distribution of food, raw materials and consumer goods. Despite the “death of globalization” being announced many times, global connectedness will continue after the pandemic. I'm certain of it. Already today we can see that global trade in 2020 dropped much less than feared. And we've seen the exchange of goods recover significantly already.

That is good for the world. We want even more people to benefit from this. Which is why we launched GoTrade – our new program dedicated to global trade. This becomes the fourth member of our “Go” family along with GoGreen, GoHelp and GoTeach. With GoTrade, we help emerging and developing countries reduce the red tape involved in trade processes. And we help small and medium-sized businesses in these countries access the global marketplace. This creates greater opportunity for local people and communities. And it allows us to contribute to sustainable economic growth.

We are pleased to be implementing the GoTrade program together with German and international partners. GoTrade is a perfect example of how we can share our expertise to make a positive impact.



We believe logistics can make a big contribution to a better future. A healthy planet and long-term business success are intertwined. More and more companies recognize this.

We must succeed in becoming more sustainable. In particular, we need to get climate change under control. It continues its steady march, with or without a pandemic. And it will have severe consequences. Which is why we need to take action now. I say this with the utmost conviction.

For years we have been climate pioneers in the logistics industry. And we've made great progress. But we're not stopping here. We want to continue to lead the way. We want to lead our industry to a sustainable future. You're familiar with our Mission 2050. We have committed to reducing our emissions to net zero by 2050. But how can we accelerate progress towards this goal? And how do we make our approach as holistic as possible?

Refining our approach to sustainability



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The answers are in our Sustainability Roadmap, which we presented just a few weeks ago. The Roadmap is embedded in our Strategy 2025. It outlines in detail what we plan to do in the areas of Environment, Social and Governance. This is the standard we've set for ourselves.

Why is this important? We want to be a company that has a positive impact on the future of our planet while being competitive and staying competitive. Everyone benefits from this – including you, our shareholders.

Let's take a closer look at each of these areas.

Clean operations for climate protection



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Our measures

- Electrify 60% of last-mile delivery vehicles by 2030
- >30% sustainable fuels in air freight and long-haul transport by 2030
- Green alternatives for our core products
- All new buildings climate-neutral going forward

Our investments

€7 billion in climate-friendly logistics by 2030²⁾

1) Business-as-usual scenario (Well-to-Wheel) 2) Opex and Capex

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First: environment and climate.

By 2030, we want to reduce our carbon emissions to below 29 million metric tons. In 2020 we were at 33 million tons.¹ Without additional measures, our growth would result in a significant emissions increase by 2030 – to roughly 46 million tons.

It's an ambitious goal. We will spend a lot of money to get there. A total of 7 billion euros through 2030.

For shorter distances, we will continue to increase our use of electric vehicles. By 2030, we want to electrify 60% of our last-mile delivery vehicles. Last year this figure was less than 20%. By 2030, we plan to have more than 80,000 electric vehicles out on the road.

For longer distances, electric vehicles are not an option. At least not for the foreseeable future. Especially in aviation. Here we will rely on clean fuels. These are fuels produced from sustainable raw materials and renewable energy. And here, too, we have concrete plans for 2030. We want to increase the share of sustainable fuels to at least 30% in air freight and long-haul transport.

We are also investing in green buildings. All new buildings will be carbon neutral. And we are developing green alternatives for all core products and solutions we offer our customers.

Our goals are among the most ambitious in the industry. I will make sure we pursue them with 100% focus and commitment.

¹ Calculated on a well-to-wheel basis



We take our social responsibility and role as an employer just as seriously. After all, we employ significantly more than half a million people.

We want to continue to build on our position as the leading employer in our industry. This aspiration helps us. We see higher job satisfaction levels among our people. We attract and retain the best talent. And we gain a competitive advantage, since more and more customers base their purchase decisions on social standards as well.

We are implementing measures to ensure a safe, integrative and attractive work environment throughout the organization. With clear, measurable goals. By 2025, we want to reduce workplace accidents to below 3.1 accidents per 200,000 hours worked.

We also aim to further increase the share of women in upper and middle management from 23% today to at least 30% by 2025. And we've set a goal for employee motivation. This is something we measure every year in a global survey. We want results in the category Employee Engagement to remain consistently above 80%.

But it's about a lot more than KPIs. We want everyone to experience good working conditions with us. Everyone should have the opportunity to grow and develop in a culture that is inclusive and takes local circumstances into account. We've achieved a

lot already. One sign of this is the recognition we've received in many countries around the world, as mentioned earlier.

We want what's good for the company, of course, and we're also committed to the common good. We want to have a positive impact in the societies in which we conduct business. Our Go programs create the foundation for this. And we're now making an additional commitment to these programs. By investing 1% of our net profit in such projects every year. As an expression of our responsibility – and to make the world a bit better.



Our aim is to lead our company according to the highest standards. So that people trust us. Trust is a precious commodity. It's not formed overnight. You need to work for it, tend to it and safeguard it. Trust has to do with culture and proper conduct – with doing the right thing.

We are committing to even clearer rules than before – both internally and externally. One example are the mandatory internal trainings for our managers, which we conduct on a regular basis. We have also updated our Supplier Code of Conduct to align even better with sustainability criteria. And we've introduced a new Human Rights Policy Statement.

More and more KPIs on sustainability are being used to guide our management of the Group. We conduct thorough reviews of our divisions and countries on a regular basis, and do this by considering the whole picture. It's not just about financial performance. We also take a close look at sustainability – in all its dimensions. This makes progress visible as well as verifiable.

To lend it even more weight, we plan to link sustainability performance to variable remuneration for our board members. Starting next year, we want to tie 30% of the annual bonus to our Environment, Social and Governance goals. This will create an even bigger incentive to continue to make this great company even better.



Ladies and gentlemen, we are on the right track. We are steadily and systematically becoming more sustainable. And with our new roadmap, progress on this front will accelerate.

At the same time, we are in great shape now. We are a company in demand. One that many rely on. Especially now. More than ever, we are connecting people and improving their lives. Thank you to everyone who has made this possible. Especially to you, our

shareholders. Deutsche Post DHL Group is a strong company. A company that has a positive impact on millions of people every day. Today and into the future.

Thank you for your continued faith in us!

Thank you