

ESG PRESENTATION Q1 2021

SUSTAINABILITY ROADMAP

Bonn, March 22, 2021

**Deutsche Post DHL
Group**



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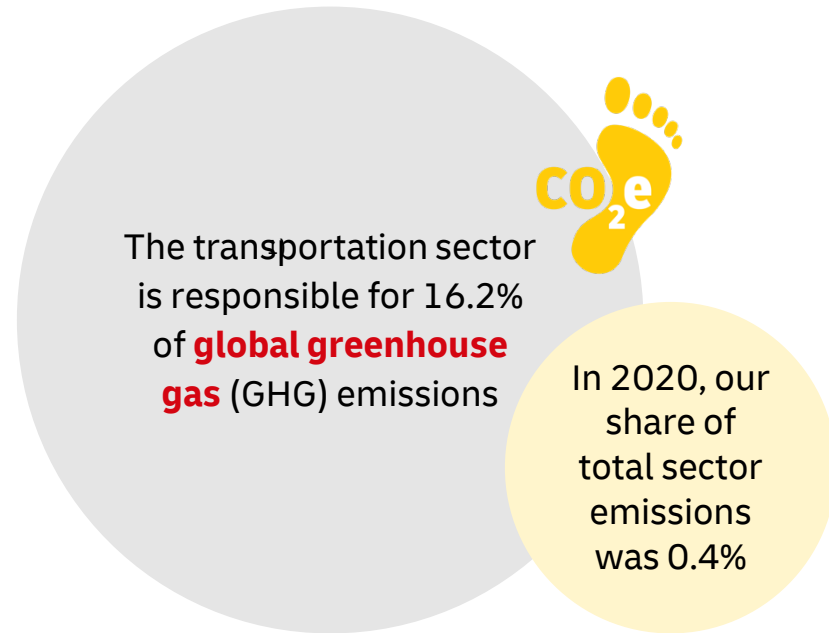
Introducing the Sustainability Roadmap of Strategy 2025

Acceleration of our ESG initiatives, in line with Strategy 2025 ambitions:

- Science-based target for **CO₂ reduction**:
More than carbon-neutral growth – absolute reduction by 2030
- **€7bn expected spend** on green technologies by 2030; first elements already reflected in 2021/23 guidance
- ESG targets anchored in **Corporate Board Incentivization**



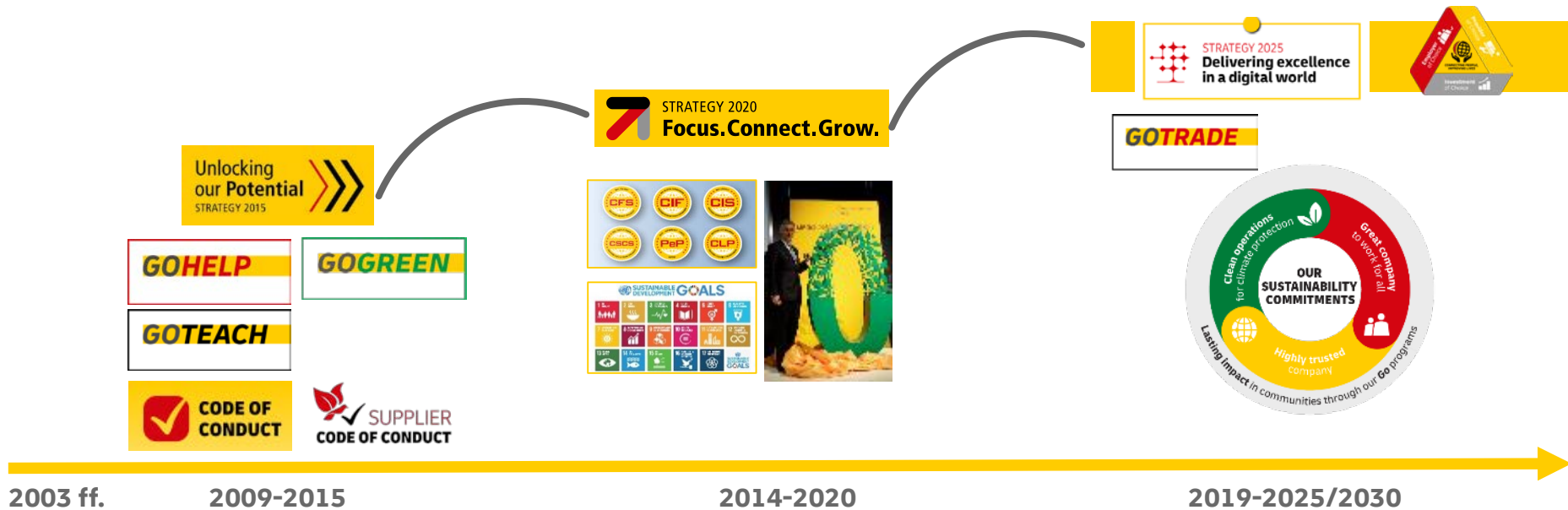
Our sustainability agenda is derived from who we are and what we do



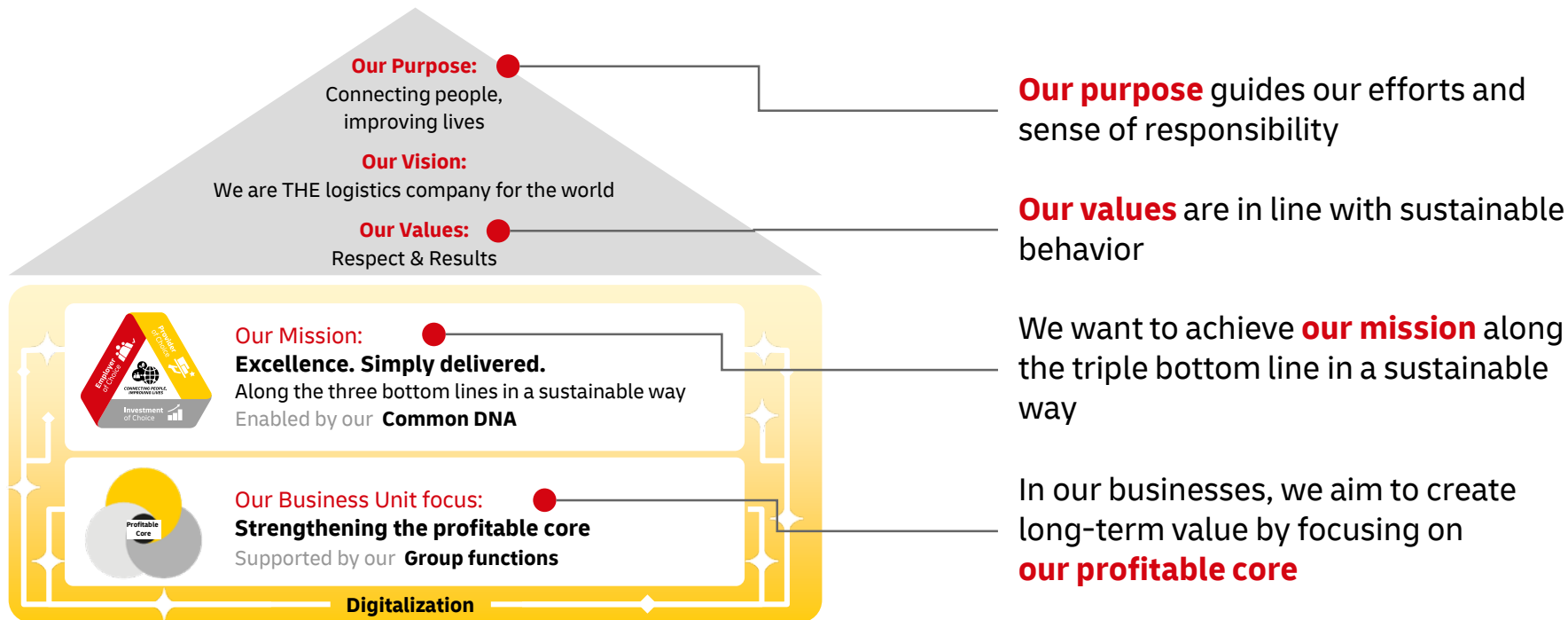
1) Source: Climate Watch, WRI (2020)



We have a **strong track record** as a sustainable, purpose-driven company



Strategy 2025 – Sustainability is integral along all dimensions



→ [2020 Annual Report](#)

Our purpose is the driving force for our Sustainability Roadmap
3 commitments with concrete action fields



CONNECTING PEOPLE, IMPROVING LIVES





Our Sustainability Roadmap

Targets along 3 core commitments, aligned with incentivization

CONNECTING PEOPLE, IMPROVING LIVES

Clean operations for climate protection



- Reduce emissions to <29m tonnes CO₂e by 2030 (SBTi); no offsetting included
- Supported by targets on sustainable fuel, electrification and carbon neutral design
- Mission 2050: Zero emissions

Great company to work for all



- Consistent >80% score on Employee Engagement in employee opinion survey (EOS)
- Reduce LTIFR to <3.1 by 2025
- Increase share of women in management to 30% by 2025

Highly trusted company



- ESG roadmap supported by stringent internal reporting, training measures and policies
- External reporting in line with SASB and GRI core standards
- 30% weight for ESG targets in board annual variable pay; to be proposed to 2021 AGM (May 6th)

Pledge to **invest 1% of our net profit** each year into creating social impact, for example through our **GO Programs**

GOGREEN

GOTRADE

GOHELP

GOTEACH

Our Sustainability Roadmap

Sustainability as basis for long term success on all three bottom lines



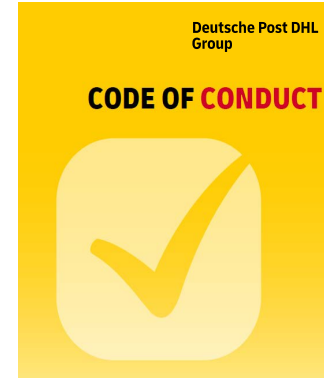
Deutsche Post DHL Group – **A signatory to the UN Global Compact** since 2006

We support the UN Global Compact by embedding its principles in our Codes of Conduct.



→ [2020 Annual Report](#)

10 principles embedded
in our Codes of Conduct



Our Commitment to the UN Sustainable Development Goals



We have selected six focus UN Sustainable Development Goals (SDGs), reflecting our company's responsibility and best possible impact on solving sustainable development challenges.



SDG 4 – We seek to make quality education and lifelong learning opportunities accessible for all

SDG 5 – We drive gender equality and take action to empower women and girls

SDG 8 – We support growth by facilitating global trade in a responsible manner

SDG 11 – We minimize air pollution in cities and support disaster-affected communities

SDG 13 – We seek to minimize our business' impact on the environment with our environmental protection program

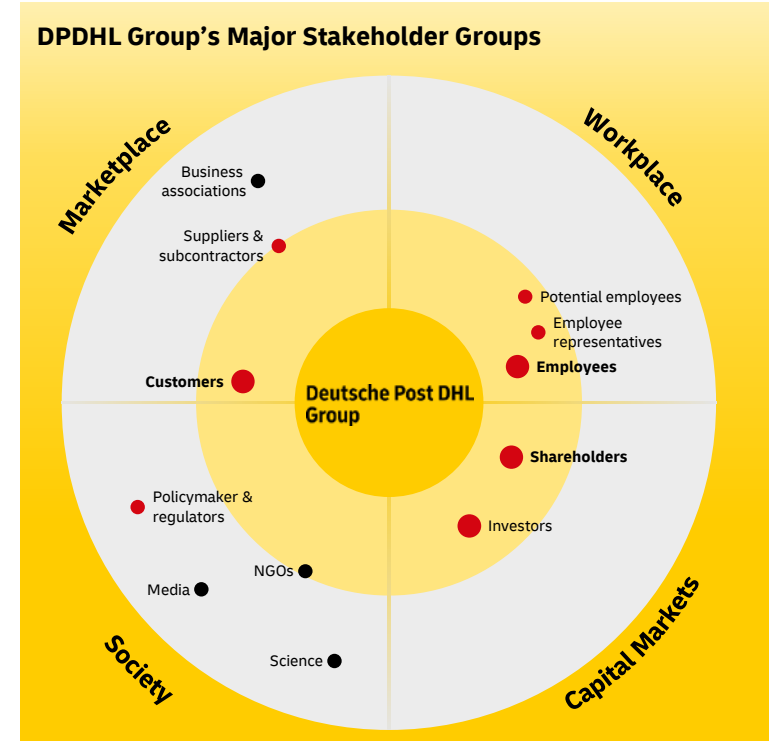
SDG 17 – We collaborate with the UN and other partners to ensure the sustainable impact of our activities

Stakeholder Engagement – Regular dialogue with our major stakeholders

Regular, open and constructive dialogue with our stakeholders is part of our strategic management process. We work together to develop solutions to future social and business challenges that we consider to be material for our company. Our dialogue formats are based on our Stakeholder Engagement Guidelines (AA1000 Standard)

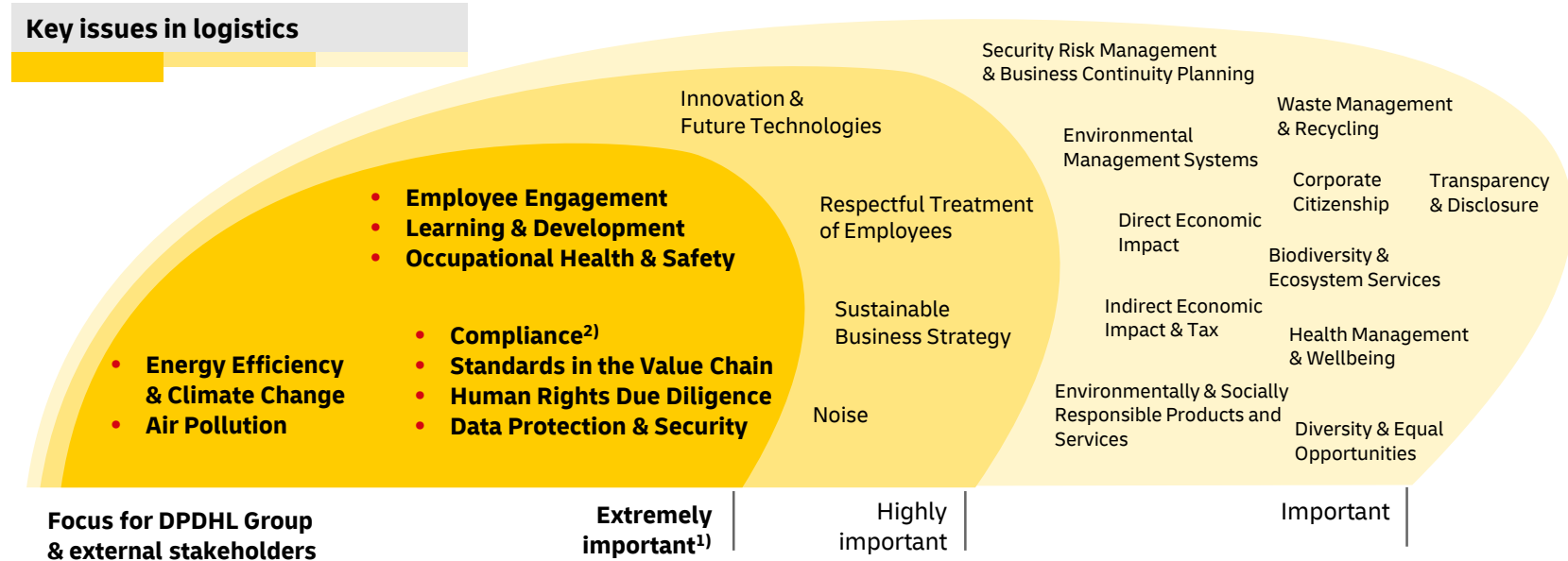
→ [Guideline](#)

● Critical for our ability to operate
● Other stakeholders



Materiality Analysis – Key issues in the logistics sector

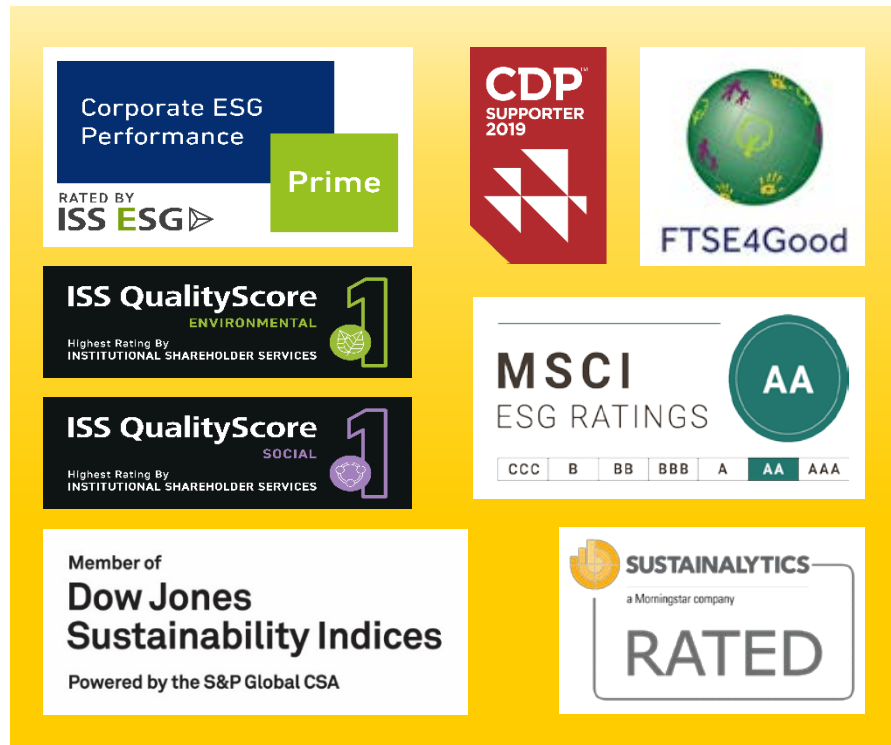
We regularly conduct a materiality analysis in line with the GRI standards. We review the results together with our key stakeholders (qualitative interviews).



1) Most recently, nine material issues were confirmed with this process in 2019; 2) Focus on Anti-Corruption & Bribery

DPDHL Group's **ESG performance – high ratings received** by the most important rating agencies and supplier platforms

Rating Agency	Performance
CDP	B Rating
FTSE Russel	Confirmed member of FTSE4Good index series for more than 10 years in a row
ISS Oekom	Prime Standard, highest quality scores in environmental and social aspects
MSCI	AA Rating
S&P SAM Research	Member of DJSI World, DJSI Europe
Sustainalytics	Rated as a low risk company
Supplier Platforms	<ul style="list-style-type: none"> Ecovadis 'Advanced'. DPDHL Group is among the top 4% of evaluated companies Responsible Business Alliance 'Low Risk Category'



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Our Sustainability Roadmap – Significant investment and science-based target for clean operations



Our Sustainability Roadmap – Clean Operations: Our CO₂ footprint

2020 GHG emissions down to 27m tonnes

Largest exposure in Scope 3 and by mode in air transport

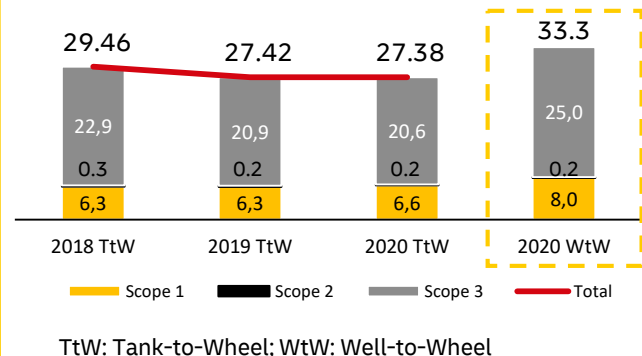
Change of measurement to Well-to-Wheel (WtW)

- Measurement along the entire energy chain
- Covering all greenhouse gases
- Lifting 2020 base to 33m tonnes CO₂e

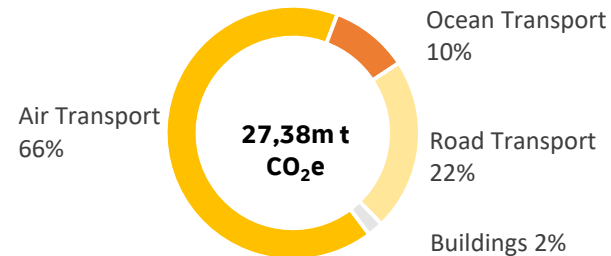
Continued industry growth expected

Based on expected business growth and current initiatives, our emissions would increase to an estimated 46m tonnes CO₂e by 2030

GHG Emissions Development (m t¹) CO₂e



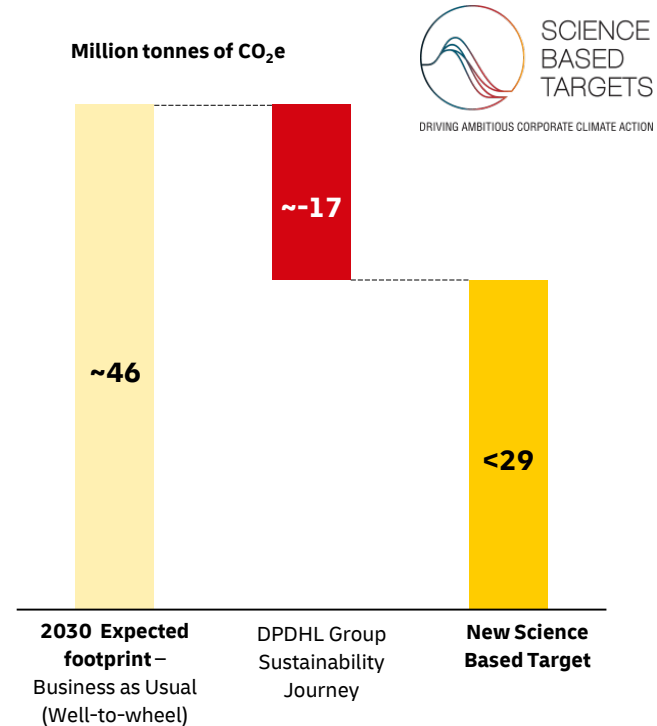
GHG Emissions by Mode, 2020, TtW



Our Sustainability Roadmap – Clean Operations

We will reduce our greenhouse gas emissions to under 29m tonnes CO₂e by 2030

We will **invest €7 billion until 2030** in Clean Operations (capex & opex) to reduce our emissions to under 29m tonnes CO₂e by 2030 and thereby commit to the Science Based Targets initiative (SBTi)



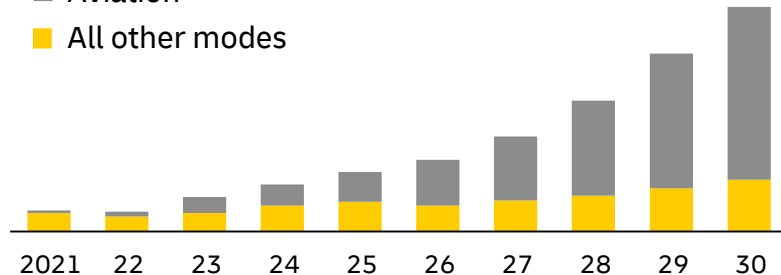
Our Sustainability Roadmap – Assumptions for €7bn investments

€7bn investments

ramping up through 2030

■ Aviation

■ All other modes



Investments include...



Sustainable Aviation Fuel



Sustainable Maritime Fuel



Vehicles electrification



Bio Liquefied Natural Gas



Base principles of calculation:

- **Extra costs for clean technology**
- **No customer contributions included**

Clean operations for climate protection



All modes to contribute to targeted reduction of CO₂ emissions – key contribution to be achieved on aviation emissions



Target >30% sustainable aviation fuels blending by 2030



- Electrify 60% of our last-mile delivery vehicles by 2030
- Grow sustainable fuel share in line-haul to >30%



Offer green alternatives for all our core products/solutions



Carbon neutral design to be used for all new owned buildings

Clean operation – Our key levers to **become leader in Sustainable Aviation**

1 SAF blending

- On average above 30% SAF blending for air transport by 2030 (Scopes 1 & 3)
- Strategic partnerships with SAF producers and carriers to secure sufficient, cost effective SAF supply

2 Re-fleet

Continue to invest in the latest technology of most fuel-efficient, SAF capable, and alternative power aircraft

3 Fuel optimization

Improve flight operations efficiency by utilizing technology, ideal weight balance and optimized network design and choosing efficient carriers

4 Drive innovation

Support innovative technologies like the development of ePlanes and ready to scale Power-to-Liquid SAF plants

5 Decarbonize our ground handling

Use electrification and hydrogen technology to drive down emissions of ground operations at our major hubs

6 Green products for customers

Foster green product offerings, such as carbon reduced TDI and Air Freight



Clean Operations – Our key levers to **become leader in green last mile delivery & line haul**

- 1 Green Routes**
Electrify 60% of our last-mile delivery vehicles by 2030
- 2 Network Optimization**
Reduce fuel consumption through permanent network improvements
- 3 Driver Training**
Enable employee contribution through ecofriendly driving training programs
- 4 Green products for customers**
Foster green insetting and book & claim product offerings for end customers
- 5 Sustainable Fuels in Line-Haul**
Grow sustainable (bio)fuel share >30% by 2030
- 6 Drive Innovation**
Drive development and market availability of hydrogen and electric trucks
- 7 Transport Partner Activation**
Foster green transport of our subcontractors through standards, education and incentives to invest in green transport solutions



Our key levers to **become leader for Carbon Neutral Buildings**

1 Carbon neutral design
Starting in 2021, carbon neutral design for all new (owned) buildings, remaining emissions to be neutralized

2 Green Electricity
Further increase share of green electricity globally

3 Sustainable Heating
Foster roll-out of sustainable heating in our buildings

4 Power Purchase Agreements (PPA)
Directly procure Energy from sustainable sources (PPA) to ensure higher standards

5 Sector coupling
Convert locally produced electricity from renewable sources (e.g. solar power) into fuels for our electrified fleet

6 Building Automation
Use digitalization/intelligent building management systems to further reduce energy consumption



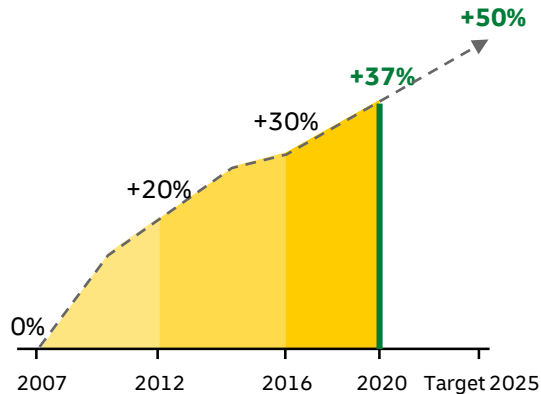
MISSION 2050

ZERO EMISSIONS



GHG Efficiency Improvement

CEX (Carbon Efficiency Index):



“As the world’s leading logistics company, it is our responsibility to move ahead and lead the logistics industry into a sustainable future“



Press Conference announcing our Mission 2050 in March 2017



Climate and Environmental Protection – Our Approach

The transportation sector is responsible for 16.2%¹⁾ of global greenhouse gas (GHG) emissions. Our share of this figure is 0.4%. The Group has set an ambitious target: Reduce GHG emissions to net zero by 2050 (including subcontractors, excluding offsetting).

- **Material topics:** Energy efficiency and climate change, air pollution
- **Policies²⁾:** Our Environmental and Energy Policy defines measures to minimize our effects on the environment. In line with our investment policy all new acquisitions must be demonstrably more carbon efficient than existing assets
- **Management system:** We implement our environmental standards across the Group and create a uniform framework for a 'green' thinking and action (based on ISO standards)
- **Renewable energy:** Renewable energy is the primary source of electricity across the Group

Our programs and partnerships support the UN Sustainable Development Goals.

1) Source: Climate Watch, WRI (2020); 2) Environmental Policy, Investment Policy, Green Electricity Policy



→ Environmental & Energy Policy

Air Pollution – Our Approach

Burning fossil fuels results in local air pollutants such as mono-nitrogen oxides (NO_x), sulfur dioxide (SO_2) and particulate matter (PM_{10}), which negatively impact air quality, especially in urban areas.

Our business model bears a share of this responsibility, which is why we want to minimize air pollution with zero-emission solutions such as pick-up and delivery by foot, bicycle and electric vehicle. In addition, these measures help reduce noise pollution and take some of the pressure off the parking problem in cities.

Zero-emission delivery in pick-up and delivery operations

- Post & Parcel Germany: ~28,500 bicycles, including ~8,000 e-bikes and ~8,700 e-trikes, 4% of delivery districts by foot
- Express - City Hub solution: ~100 cargo bikes to pick up and load pre-sorted delivery containers at central points



GHG emissions savings per year

- E-bike up to 5 t¹ CO₂e
- CubiCycle up to 8 t¹ CO₂e

1) Tank-to-wheel; metric ton (= 1,000kg)

→ [2020 ESG Statbook](#)

Air Pollution – Modern Air Fleet



Our air fleet consists of 280 dedicated cargo aircraft including smaller feeder aircraft.

We are continuously modernizing our own aircraft.

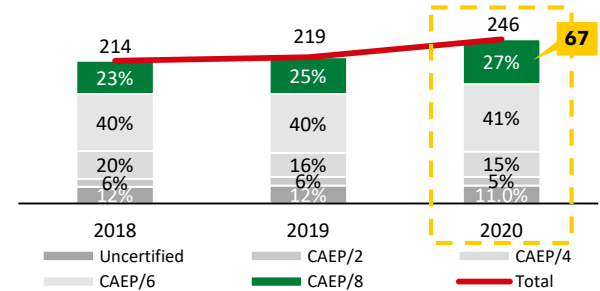
14 Boeing 777 freighters are gradually being brought into operation. They will generate 18% efficiency improvements and consume less fuel compared to the aircraft replaced

- **27%** of our aircraft¹⁾ comply with the highest NO_x emission standards
- **30%** of our aircraft¹⁾ comply with highest noise regulation standards

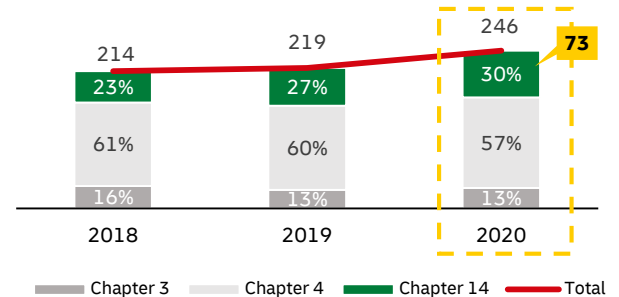
1) Without feeder aircraft.



Dedicated Aircraft¹⁾ by NO_x Emissions Standards



Dedicated Aircraft by Noise Standards



Air Pollution – Modern Road Fleet



Our road fleet consists of ~106,000 vehicles:

- 73% vans, 10% trucks, 17% cars
- ~18,000 of our vehicles are equipped with alternative drive systems (equivalent to 17% of our road fleet); an increase of 32% compared to 2019
- 15,400 e-drive systems already in operation

We continuously upgrade our conventional vehicles in accordance with the latest emissions standards.

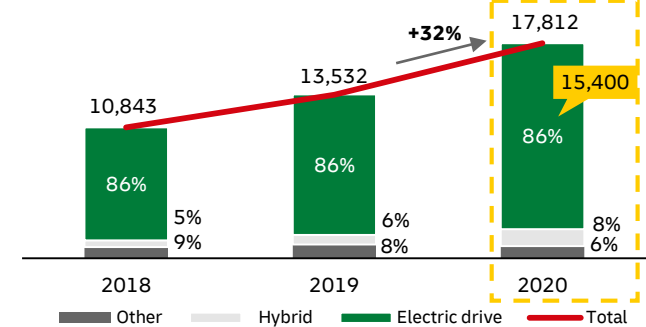
- 88% of vehicles are compliant with Euro 5 or Euro 6 standards, or were entirely emissions-free (ZEV)

1) Comprises the largest vehicle fleets in areas covered by the Euro emissions classifications → [2020 ESG Statbook](#)

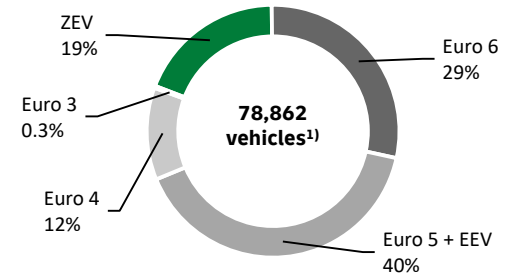


MISSION 2050
ZERO EMISSIONS
GÖGREEN

Vehicles with Alternative Drives







Vehicles by Emission Class¹⁾



Other topics – Biodiversity, natural resources, noise, waste

These topics are not considered material by us or our stakeholders, since our business model does not have a serious impact in these areas. Nevertheless we consider these issues to be socially relevant, and inform on them briefly.

 Biodiversity	 Natural Resources	 Noise Pollution	 Waste & Recycling
<ul style="list-style-type: none"> • Our sites are predominantly located in urban areas or designated industrial and commercial zones • Hence, our business operations generally do not have a negative impact on conservation areas or endanger protected plant or animal species • Our Group-wide Policy on the Usage of Liquid Biofuels also addresses biodiversity aspects in the countries where biofuels are produced 	<p>Paper</p> <ul style="list-style-type: none"> • We use only recycled paper products where these meet our technical and economic requirements <p>Water</p> <ul style="list-style-type: none"> • Water is mainly used by our employees for sanitary needs • Maintenance or scrapping of our aircraft, road vehicles is generally the responsibility of the manufacturer or other third-party providers 	<ul style="list-style-type: none"> • Management teams at Group sites located in or near residential areas work closely with residents and other stakeholders to ensure that any noise pollution we cause is kept to an acceptable minimum • Increased use of electric vehicles for pick-up and delivery and modernization of our air fleet is also helping to reduce noise pollution 	<ul style="list-style-type: none"> • We try to avoid waste whenever possible and take increasing advantage of digitalization • We support recycling, contributing to the circular economy • Our contracts for maintenance and disposal include explicit requirements for compliance with environmentally friendly practices

External initiatives: UN Convention on Biological Diversity, United for Wildlife Transport Taskforce, Pro Recycling Paper Germany

→ [2020 ESG Statbook](#)



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Our Sustainability Roadmap – By investing in our people, we strive to **become a great company to work for all**



Employer of Choice – Our employees are our most valuable asset

With around 570,000 employees, we are one of the world's largest employers in our industry.





- We aim to be employer of choice – attracting competent and committed employees, continuously developing them and retaining them over the long term
- Motivated employees are the prerequisite for excellent service quality and thus for the satisfaction of our customers and the sustainable success of our business
- In line with our six leadership attributes, we promote open communication, create a safe and non-discriminatory working environment in which employees can develop as individuals



Code of Conduct – The Group-wide framework for guidelines and regulations to ensure responsible and ethically irreproachable conduct

Our values are anchored in our Code of Conduct (Code). In 2020, we updated our Code as some aspects have become more important, e.g. information security, social media and corporate security. The updated version is more reader-friendly and provides clearer guidance. In addition, there are further Group-wide or regional policies and guidelines that are based on the Code or derived from it.

Topic areas covered

-  **Our standards of working together**
-  **Our corporate responsibility standards**
-  **Our standards for business activities**
-  **Our security and information management standards**

Framework and umbrella document



→ [Download](#)

Selected topic-specific policy statements

Human Rights Policy Statement

→ [Slide 37](#)

OHS Policy Statement

→ [Slide 41](#)

Diversity & Inclusion Statement

→ [Slide 48](#)

Great company to work for all



We take action to provide a
safe, inclusive and engaging
working environment for
all our employees



Attract and retain best talent
and reach a consistent >80% score
on Employee Engagement in EOS



Put safety first and reduce
LTIFR (lost time injury
frequency rate) to <3.1
by 2025



Being “best-in-class” in
our industry when it comes
to respect for human rights



Increase share of women
in management to
30% by 2025

We are taking continuous action to **attract and retain the best talent**



Reach a **consistent >80% score on Employee Engagement** in EOS

Number of employees

2013
480k

2019
550k

2020
570k

Employee engagement (Employee Opinion Survey)

2013
72

2019
77

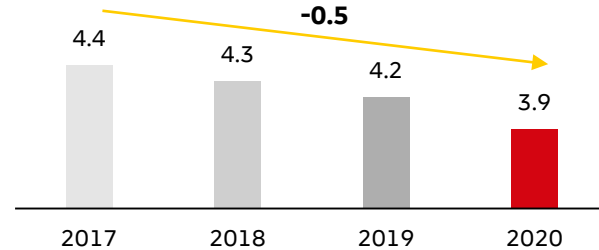
2020
82

Our safety first culture means that **the safety of our employees takes utmost priority**



Reduce **LTIFR** (lost time injury frequency rate) to **below 3.1 by 2025**

Accident rate (LTIFR) per 200 k hours worked (LTIFRI) trend

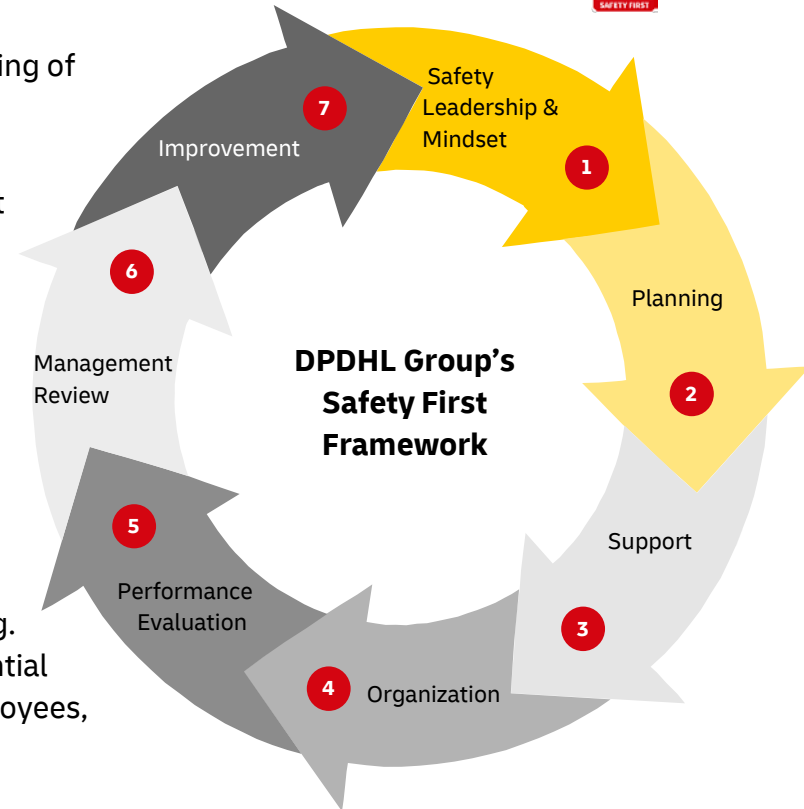




OHS – Our Safety First Framework

With our safety first framework we want to ensure a uniform understanding of safety measures and help our business units to achieve our goals.

- Complying with relevant legal and contractual requirements, thereby ensuring business continuity for our customers through the consistent application of effective health and safety related processes
- Providing a safe, healthy and fulfilling working environment for our employees
- Securing our growth and earnings by ensuring that the health and safety of employees are respected across the globe, in line with our guiding principles of Respect & Results. Causes of accidents are meticulously analyzed and documented in order to prevent a recurrence of such incidents
- Practices in our own operations and those of our business partners, e.g. workplace risk assessments, regularly instructing employees on potential risks and hazards, implementing preventive measures to protect employees, external workers and others from injury, and regular safety training





OHS – Safe transport of dangerous goods

We specialize in transporting dangerous goods and materials subject to our terms and conditions. We instruct employees accordingly to ensure we provide safe, professional transportation and storage.

- Dangerous goods are stored and transported in accordance with applicable international and national safety standards, including the European Agreement concerning the International Carriage of Dangerous Goods by Road and the IATA Dangerous Goods Regulations
- Only specially trained employees are permitted to handle dangerous goods
- In all divisions, dangerous goods safety advisors ensure compliance with applicable regulations
- Dangerous goods guidelines are issued in the languages of the countries concerned

Nevertheless, we must rely on customers to declare, pack and label their dangerous goods shipments correctly in accordance with our GTCs.



Health & Wellbeing – The health of our employees is pivotal for our success

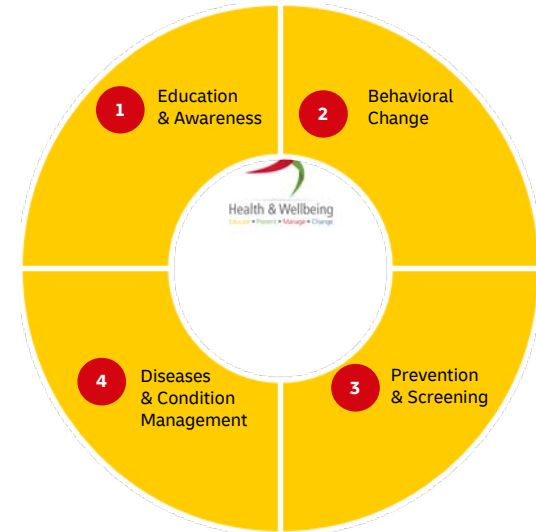
The Four Pillars of Health platform identifies the framework for our Health and Wellbeing program. It is based on the WHO's comprehensive healthy workplace model.

2020 was dominated by the Covid-19 pandemic: Protection of our employees and their families through extensive preventive measures including Covid-19 testing in the workplace. And we continued the implementation of our main health programs:

- **Employee benefits program** (health insurance outside Germany): Currently covers >250,000 employees and eligible family members based in 100+ countries
- **Mental health:** Implementation of a new risk assessment and several mindfulness programs
- **Healthy lifestyle:** >3,500 initiatives applied outside Germany



Our Health Management



Our **comprehensive approach to Diversity & Inclusion** covers Group-wide priorities along with local degrees of freedom

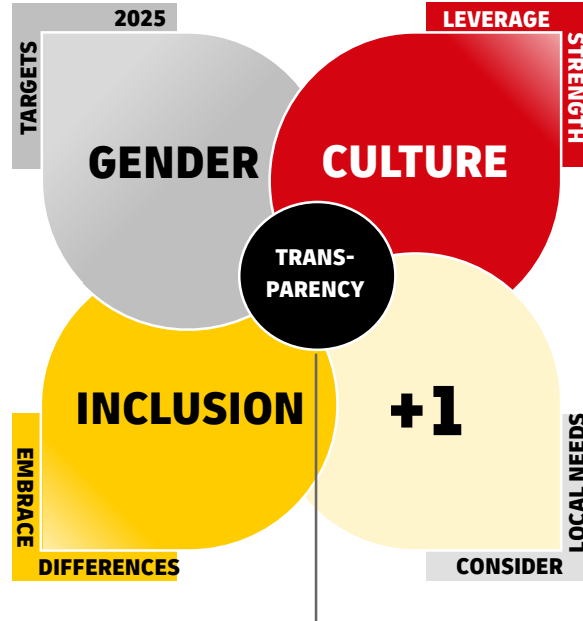


GENDER

Increase share of women in upper & middle management to 30%

INCLUSION

Identify and remove roadblocks. Value different skills, experiences and viewpoints regardless of gender, ethnic or national origin, race, color, religion, age, disability, sexual orientation or identity or any other characteristic protected by law



CULTURE

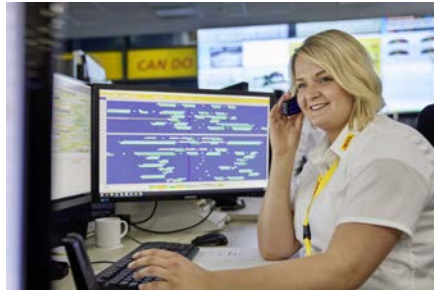
Measure, appreciate and actively promote our cultural diversity within the group as a key strength and competitive advantage

+1

Flexibility for Business Units to address topics at the regional/country level

TRANSPARENCY: D&I analytics ensure fact based pathway to progress and to track the performance of targeted measures and efforts

Gender Equality is a core aspect of our Diversity & Inclusion commitment



**30% female managers
by 2025**

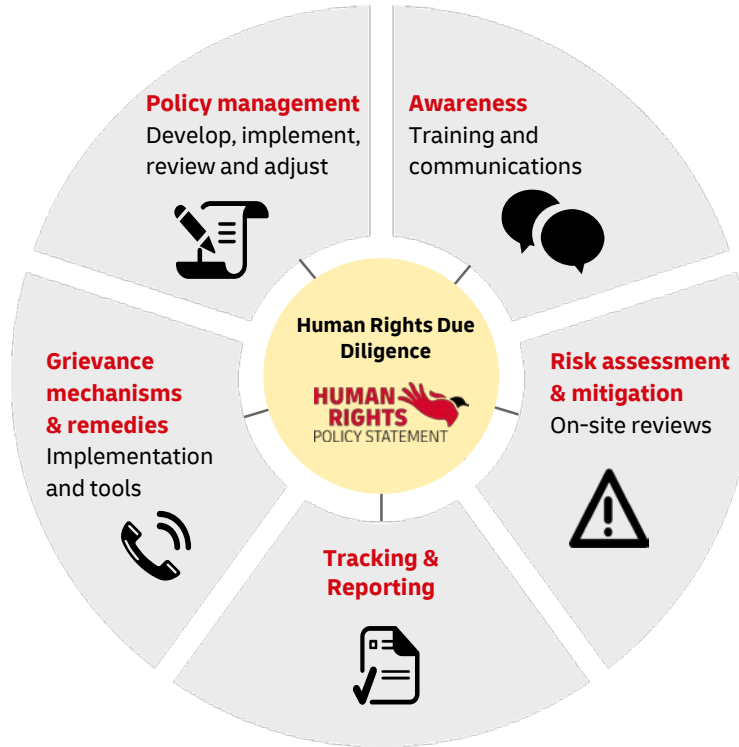
23.2% Women in upper and middle
management positions in 2020

5 GENDER
EQUALITY



We are endorsing **SDG 5 –
Gender Equality, underlining
our commitment to diversity
& inclusion**

Human Rights Policy Statement – We **aspire to be “best-in-class”** in our industry when it comes to respect for human rights



Human Rights – Management System

We use our management system to ensure uniform implementation of our principles throughout the Group as outlined in our Human Rights Policy Statement.

Main focus areas:

- Raising awareness through training for all managers with employee responsibility and communication campaigns addressing all stakeholders
- Risk assessment and mitigation through on-site reviews in our operations. Country selection is based on internal and external criteria¹⁾
- Grievance mechanism and remedies: Implementation through local management, HR departments and compliance channels

¹⁾ Internal criteria: e.g. number of employees, external criteria: e.g. Maplecroft Institute (Human Rights Index), Transparency International (Corruption Perception Index).



Human Rights – Our Guidelines and Measures

The Code of Conduct is based on principles and guidelines of the UN (including ILO¹⁾) and the OECD²⁾. With our Human Rights Policy Statement, we focus on human rights relevant for our business and operations. Both policies are binding for each and every one of our employees in the Group.

Our Measures:

- **Governance:** Accountability for execution of our principles and guidelines overseen by the Corporate Board
- **Trainings:** Through our Building Great Employee Relations training program we create awareness for human rights aspects in our daily business. Since its rollout, around 12,000 employees and managers across the Group have completed this training
- **Due diligence:** Risk assessment, mitigation via on-site reviews and grievance mechanisms & remedies
- **Stakeholders:** Engagement with employees and partners

1) International Labour Organization; 2) Organization for Economic Co-operation and Development



HUMAN RIGHTS



POLICY STATEMENT

Fundamental and primary human rights

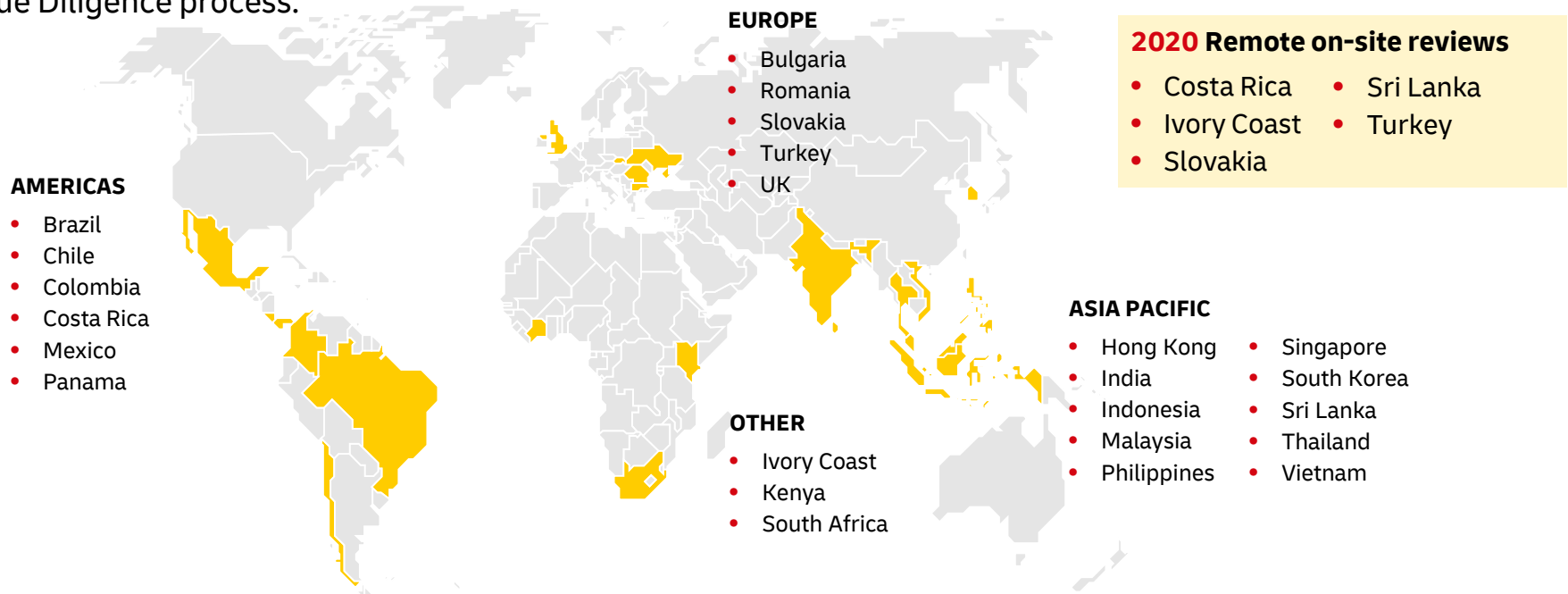
- Child labor
- Forced labor
- Diversity and inclusion
- Freedom of association and collective bargaining
- Working conditions
- Data privacy
- Environment

→ [Download](#)

Human Rights – Risk assessment and mitigation via on-site and remote reviews



Since 2013, on-site reviews have been conducted in all geographical regions as part of the Human Rights Due Diligence process.



Employee Development – A skilled workforce ensures business continuity

Our broad range of individual learning and development opportunities extends from basic courses through to specialized training aimed at specific target groups. Focus areas include topics such as compliance and lifelong learning, but also encompass personal development plans with appropriate training courses and activities.

Digital skills are a critical part of the business skillset and the key success factor in setting us up for the future. With our global digital learning platform we provide relevant content to all employees anytime wherever they are, empowering them to:

- Become Certified specialists
- Embrace digital transformation
- Share expert knowledge

In 2020, we introduced a new format: Global Learning Week

- Fully virtual learning conference, across all divisions and levels
- Multimodal sessions of best practice sharing themed around Learner, Leader and Environment



2020 KEY FACTS

- **3.1m hours** for trainings including **500k hours** invested in online trainings **(+25%)**
- **1 training day** per employee



2,500 EMPLOYEES participated in our Global Learning Week

Employee Development – **Certified initiative** boosting culture and expertise

With our Group-wide Certified initiative, we aim to create a team of "certified" experts with a best-in-class culture and provide a lifelong learning and engagement journey for our employees ...

... from **foundation fundamentals**, where employees gain a better understanding of our business processes and the interconnected nature of all business units

... through a broad range of subsequent modules geared towards their individual role and **functional specific skills**

... to developing **leadership skills**, based on our leadership attributes that apply to employees throughout the Group and serve as a compass for action.

All Certified modules are run by employees who have completed special facilitation training. This increases the learning effect and impact of the training, and fosters a sense of loyalty and team spirit.



2020 KEY FACTS

- 74% of our workforce have already participated in Certified foundation module
- Since 2020, we have placed an additional focus on developing front line managers to strengthen their role and support them in their leadership tasks



We will continue to have a **strong impact on communities** by scaling up our core programs¹



VOLUNTEER PROGRAMS TO RECOGNIZE AND ENCOURAGE VOLUNTEER WORK

Improving Lives Fund

Corporate matching program

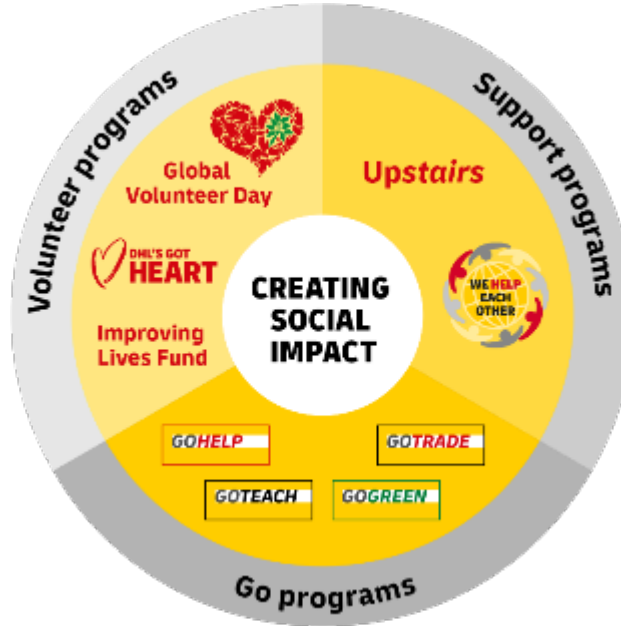


Divisional matching program

Global Volunteer Day



Global employee volunteering program



SUPPORT PROGRAMS TO HELP COLLEAGUES IN NEED

UPstairs

Scholarship program



Employee disaster relief

SUSTAINABILITY PROGRAMS TO LEVERAGE OUR CORE CAPABILITIES

GOGREEN

Protecting the environment

GOHELP

Disaster management

GOTEACH

Improving employability

GOTRADE

Facilitating trade

1) Corporate and global programs

Our People. Our Communities. Our Impact.

Connecting people and improving their lives is what makes us get up and go every day. To live up to that purpose, we will **spend 1% of our net profit each year** to create lasting impact for the people and the communities we operate in



Have additional 5 million trees planted by 2025



Localize and digitalize disaster preparedness



Scale up new GoTrade program



Expand GoTeach in reach and impact

We work with partners to ensure a sustainable impact of our activities on the ground

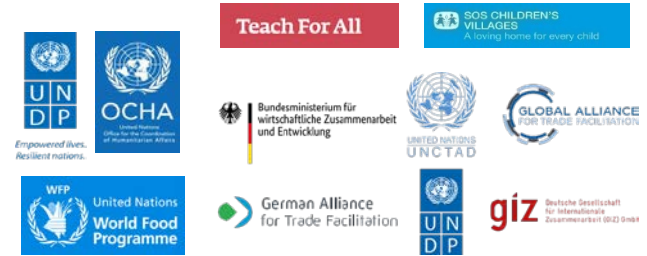
All corporate citizenship activities involve collaboration with established partner organizations.

It is thanks to the expertise of these partners that we can ensure the social relevance and effectiveness of our programs and activities.

- **Employee volunteering:** Various local partner organizations
- **GoHelp:** UN Office for the Coordination of Humanitarian Affairs (UN OCHA), UN Development Programme (UN DP), World Food Programme (WFP)
- **GoTeach:** Teach For All and SOS Children's Villages
- **GoGreen:** Various local partner organizations
- **GoTrade:** Various public sector partners



Long-term partnerships with established partners on Group level

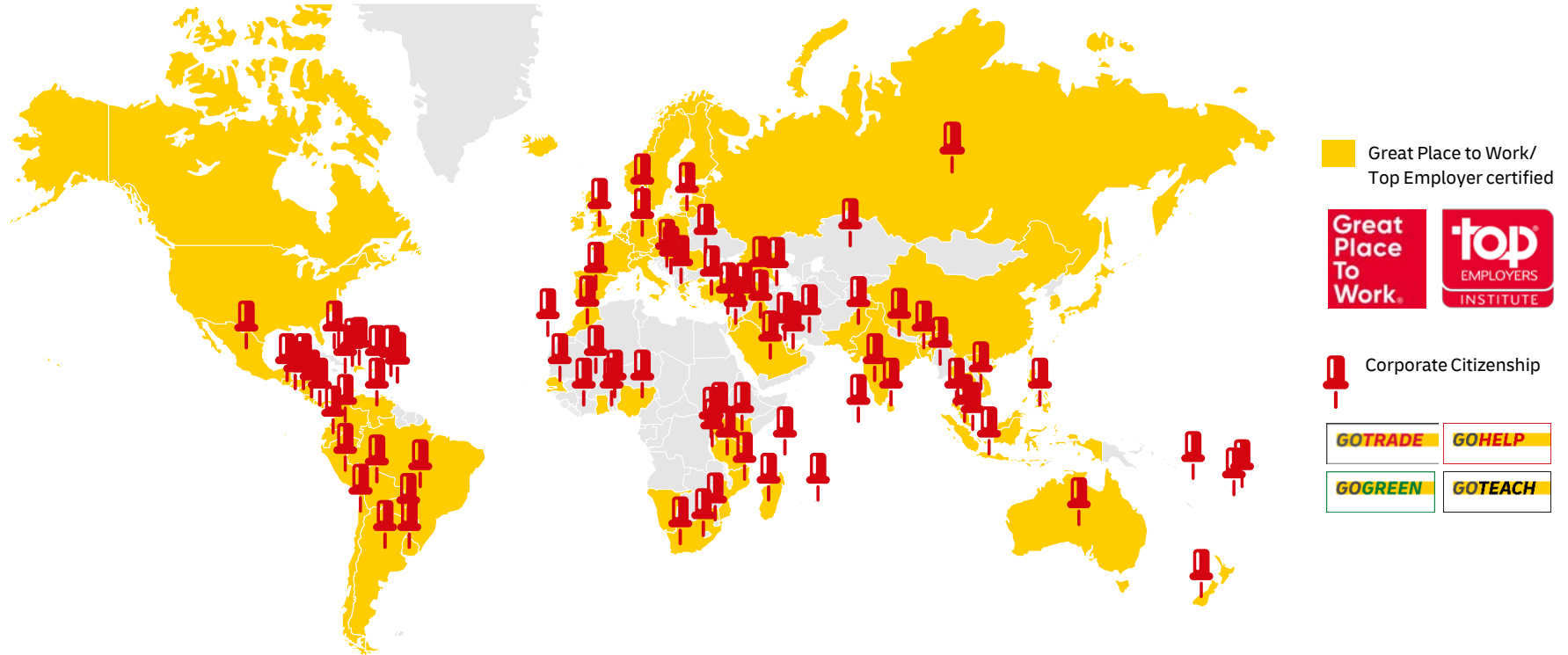


Long-term partnerships with partners on regional or country level

Examples



We are on track to achieve our aspiration to be **a great employer as well as a reliable partner** to the communities we operate in



Contents

1 ESG Roadmap

Strategy

UN Global Compact

UN Sustainability Development Goals

Stakeholders

Materiality

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Other topics

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Corporate Citizenship

4 Governance

Our Approach

Corporate Governance

5 Explanations and contact

Our Sustainability Roadmap – We pursue **our aspiration to be a highly trusted company** in our industry



Highly trusted company



We take action to ensure trusted, transparent and compliant business practices every day, everywhere



Train all employees in relevant management positions on the Group's compliance & data protection standards



Ensure that our information security capability is positioned in the top quartile of our industry



ESG metrics fully integrated into governance and incentives



Build sustainable and resilient supplier relations based on our Supplier Code of Conduct



Compliance is an **integral part of everything we do**



- Maintain curriculum of mandatory trainings on the Group's compliance & data protection standards for all employees in relevant management positions
- Ensure that our information security capability is positioned in the top quartile of our industry

Compliance – Management System

We operate in a wide range of countries with very different political systems, laws and cultural values.

Acting in an ethically and legally irreproachable way in our dealings with business partners, shareholders and the public is a key factor in our company's reputation and the basis for DPDHL Group's lasting success.

Ensuring legally compliant conduct in our business activities and when dealing with our employees is an essential task of all of the Group's management bodies.

→ [Website](#)



Compliance – Anti-Corruption and Business Ethics Policy

We operate in a straightforward, transparent manner and in accordance with applicable laws and regulations.

- **Applicable international standards and laws:** For example, the UN Global Compact, US Foreign Corrupt Practices Act and the UK Bribery Act. We are a member of the World Economic Forum's Partnering Against Corruption Initiative (PACI)
- **Policy:** The rules for ethical conduct are defined in our Code of Conduct and are set out in greater detail in our Anti-Corruption and Business Ethics Policy. It also defines how to deal with donations and gifts to political parties and government institutions. This applies to every level and for each and every individual in the Group
- **Trainings:** We have a modular training curriculum, which employees and managers – depending on their function – are required to complete either in its entirety or selected training modules only



Whistleblower Hotline

- Any suspected violations of legal and internal rules or guidelines can be reported at any time via the compliance hotline
- Third parties can report their suspicions via a form on the Group's website
- Suspicions can be reported either by name or anonymously, where this is permitted by local law

Web application and telephone hotline

Available 24 hours a day worldwide

>40 languages

→ [Report Violations](#)

Supplier Code of Conduct – Working with a sustainable and resilient supplier base



What we expect from our suppliers and subcontractors:

- Increased effort to protect the environment by setting measurable targets that support our commitment to clean operations
- Greater clarity on social issues like human rights/trafficking and diversity & inclusion
- Enhanced governance through increased due diligence, audits, a whistle blowing mechanism and other measures

Risk Assessment

A group-wide and consistent data-driven approach to identify high risk spend categories and high risk suppliers to reduce the exposure for our company and focus our efforts

Due diligence & monitoring of suppliers

Ensure suppliers are compliant with our Supplier Code of Conduct. The process is supported by assessments, audits and effective consequence management for suppliers who may pose a risk to the Group



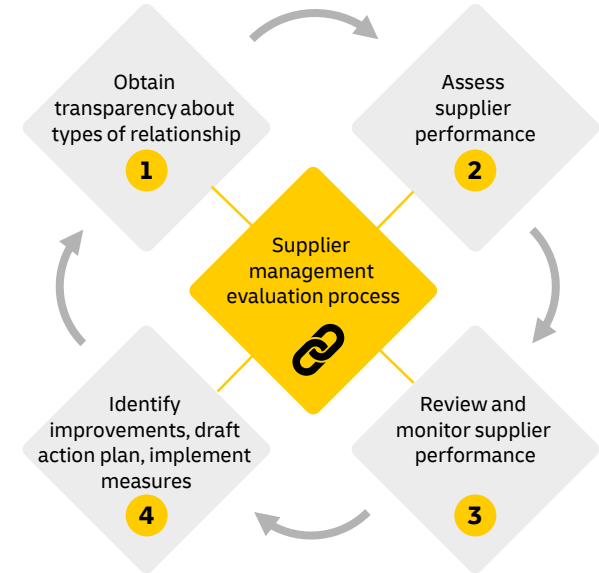
Environmental and social standards in the value chain – **Supplier Management**



The goal of our standardized, multistep selection process is to ensure that, right from the tender stage, only bidders who share our values are invited to participate.

- In line with our Corporate Procurement Policy, we prefer suppliers and transportation service providers with high environmental and social standards
- We also use external supplier evaluations and have defined threshold values in order to enable the highest possible quality and objectivity during tendering procedures
- Suppliers can use our interactive training module on the Supplier Code of Conduct in advance to learn about our requirements
- Information regarding specific supplier violations is investigated directly. If confirmed, an action plan is prepared with a fixed timeline. Depending on the severity of the violation, the business relationship may ultimately be terminated

Our Four-Step Process for Evaluating Strategic Partners



→ [Report Violations](#)

Environmental and social standards in the value chain – Supplier Code of Conduct



With our Supplier Code of Conduct (the Code) we implement our values in our supplier base. Acceptance of the Code is a requirement of suppliers doing business with DPDHL Group. We updated the Code in 2020.

An extract of the most important topics and statements:



Child Labor: No employment of children under the legal age of 15, even where local legislation permits younger children to be employed



Forced Labor: No forced, bonded, compulsory or modern forms of slavery



Compensation and working hours: Local laws, mandatory industry standards regarding minimum wages, working hours, overtime, rest breaks and paid vacation apply. Employees must be paid promptly with clear and unambiguous information, in a language they understand



Freedom of association/collective bargaining: Employees are free to decide whether to join a union or employee representative body, and if so, which one



Diversity & Inclusion: Encourage diversity and inclusion in the workplace. We do not tolerate discrimination or harassment



Health & Safety: Ensure compliance with applicable occupational health and safety regulations, and responsibility for a safe and healthy work environment must be ensured, e.g. provision of drinking water and personal protective equipment



Data Protection: Adherence to applicable data protection laws and regulations, including security of personal data



Bribery: Comply with applicable national and international anti-corruption laws and regulations



Environment: Ensure compliance with all applicable laws, regulations and standards. An effective system to identify and eliminate potential hazards must be in place. Report relevant data upon request



Conflict Minerals: Comply with all applicable laws and resulting due diligence



Business Continuity: Preparations for business disruptions of all kinds must have been made. Contingency plans must exist to protect both employees and the environment



Continuous Improvement: Proactively exchange innovative ideas that contribute to further economic, environmental or social improvement, and explore new opportunities jointly

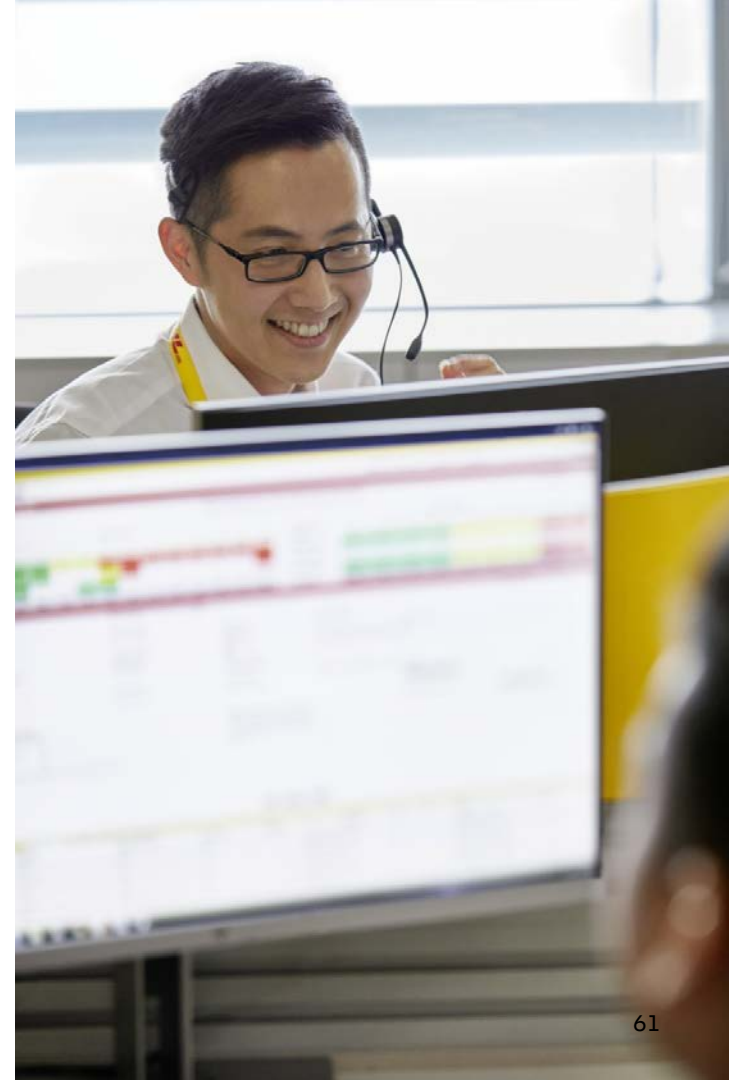
[Download](#)

Data Protection – Strengthens trust as provider and employer

Handling and processing of personal data is subject to a wide variety of requirements. Our goal is to avoid possible violation of laws or our own principles and policies.

- Our Data Privacy Policy sets out the minimum global standards for our businesses in all countries where we operate
- Our principles are embedded both in the Group and in our supply chain through the Codes of Conduct
- A data protection management structure has been implemented throughout the Group at all necessary levels. It ensures consistent implementation of our principles and the legal requirements of the European General Data Protection Regulation (GDPR) and other laws or regulations worldwide
- Our employees are familiarized with the requirements of our policy and the GDPR through online trainings and internal communication campaigns

→ [Data Privacy Policy](#)



Data Protection – Management System

We ensure the implementation of our standards and the respective legal requirements as well as the documentation by means of our management system. It comprises three focus areas:

Governance Structure

- Data protection officials on Group, divisional, country levels
- Clear definition of roles and responsibilities
- Data Privacy Steering Committee: Support for operational level
- Group data protection officer informs the Board on a regular basis (progress, findings)

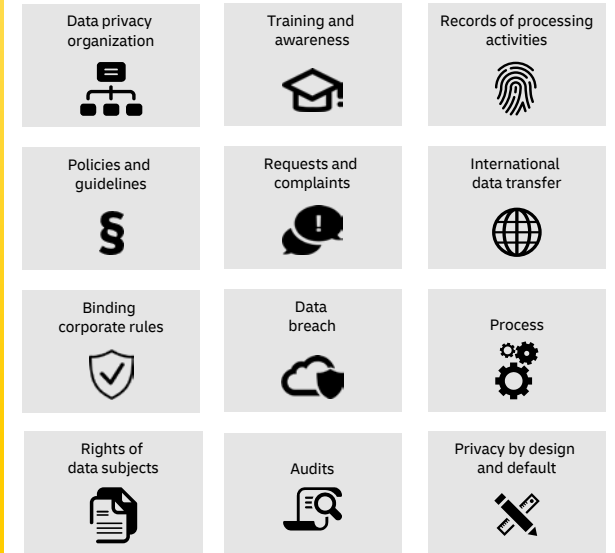
Internal Processes

- Group-wide digital inventory of processing activities
- Standardized process for privacy impact assessments
- Regular internal reporting
- Incident management

Training & Awareness

- Certified trainings on data protection
- Internal communication campaigns

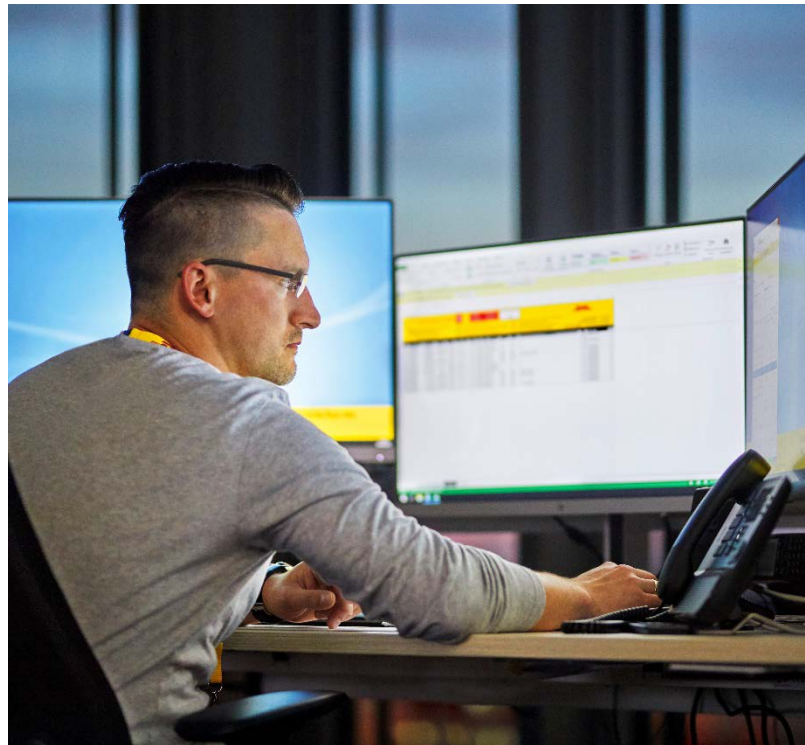
Data Protection Management System



Cyber Security – Protects our systems and the availability of our services

Our systematic IT management protects the Group's IT systems from unauthorized access or manipulation and ensures uninterrupted availability and secure, reliable operations.

- Our guidelines and procedures for safeguarding our IT systems are based on the applicable international standard, ISO 27002. IT data centers are certified according to ISO 27001
- Central functions – Group Risk Management, IT Audit, Data Protection and Corporate Security – and divisional Chief Information Security Officer functions monitor and assess cyber risk on an ongoing basis
- Access to our systems and data only granted to employees to the extent required to perform their tasks
- Systems and data are backed up regularly, and critical data are replicated in the data centers. Regular software updates fix potential security vulnerabilities and protect system functionality



ESG KPIs will be further integrated and enhanced in internal management reporting & steering



ESG KPIs integrated into management reporting

- Full transparency on ESG performance based on core financial consolidation system as the single source of truth
- Inclusion of ESG KPIs into executive management reporting



ESG in risk reporting & investment evaluation

- Reflection of ESG risks and opportunities in DPDHL risk reporting
- Strengthening of ESG components into business case evaluation and monitoring



ESG performance reviewed at all levels

- ESG performance reviews on corporate, divisional and local level, including implementation of performance measures
- Audit of ESG related quality controls down to local entities

Integrated external ESG reporting – Strengthening external reporting by **integrating financial & ESG reporting and increasing transparency**



Annual Report: The non-financial statement is embedded in the 2020 Annual Report with further material ESG information



ESG Presentation: We bundle all relevant ESG information for financial year 2020 and present the programs with the progress made



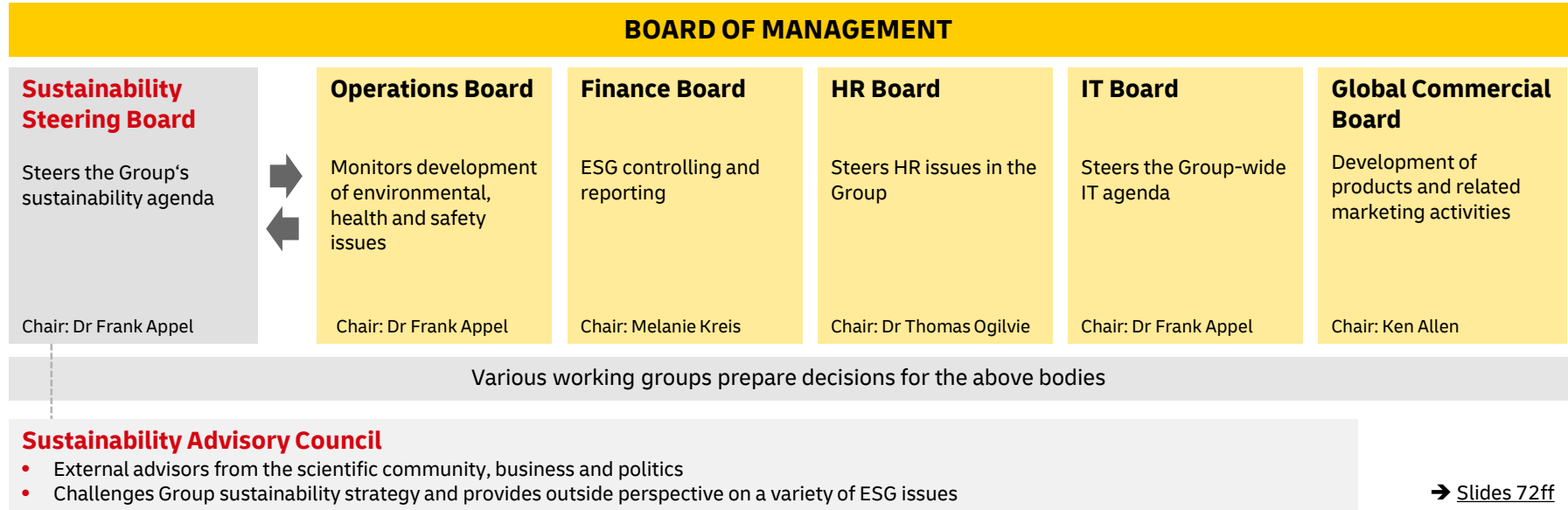
ESG Statbook includes all published ESG data from 2016 on as well as the GRI and SASB index¹⁾

Way forward: We will continue to enhance ESG disclosures and to implement regulations including EU Taxonomy

1) Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) index

Governance – Responsibilities for ESG Topics on Board Level

At Group-level, the sustainability standards will be defined and embedded in Group policies. While the divisions are responsible for aligning customer requirements with our strategic, ethical and environmental principles as well as for embedding the Supplier Code of Conduct in their contractual relationships.

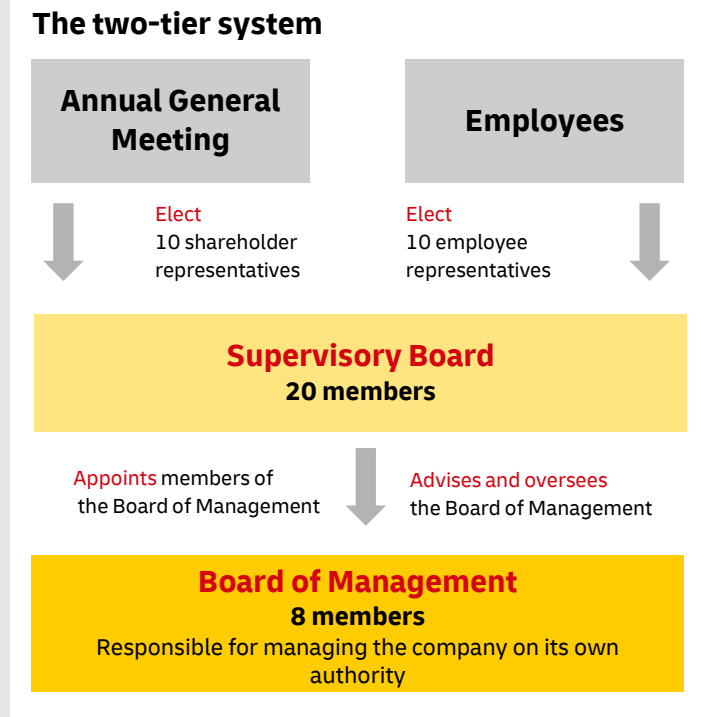


Two-Tier System

As a listed German public limited company, Deutsche Post AG has a two-tier board structure.

- The Board of Management is responsible for managing the company. It is appointed, overseen and advised by the Supervisory Board
- The Board of Management currently consists of eight members. Share of women 12.5%
- The Supervisory Board consists of 20 members: 10 shareholder representatives and 10 employee representatives. Share of women 35%

→ [2020 Annual Report](#)



Supervisory Board – Targets and Committees

Targets for the composition and skills profile of the Supervisory Board

- Independence¹⁾ of at least 60% of shareholder representatives of the Supervisory Board
- At least 30% women
- International knowledge and experience either by origin, education or professional experience
- Provide competent advice on fundamental future issues, in particular digital transformation
- Sufficient expertise of accounting and financial statement audits, including international developments in accounting
- Age limit of 72 years at end of term of office
- In general not more than three full terms of office

1) As defined in C.6 of the German Corporate Governance Code

Committees of the Supervisory Board

Executive Committee

Chair:
Dr Nikolaus von Bomhard

Mediation Committee

Chair:
Dr Nikolaus von Bomhard

Finance & Audit Committee

Chair:
Dr Stefan Schulte

Nomination Committee

Chair:
Dr Nikolaus von Bomhard

Personnel Committee

Chair:
Andrea Kocsis

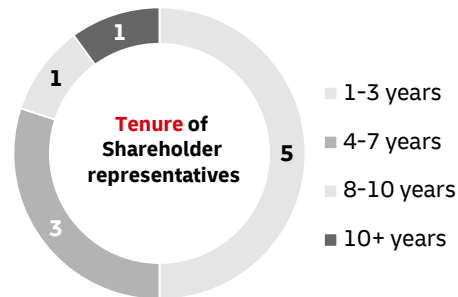
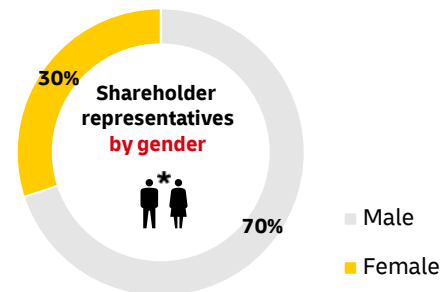
Strategy Committee

Chair:
Dr Nikolaus von Bomhard

Supervisory Board – Shareholder Representatives

Members of the Supervisory Board	Independence ¹⁾	Gender	Memberships		Executive Committee ²⁾	Finance & Audit Committee ²⁾	Personnel Committee ²⁾	Mediation Committee ²⁾	Nomination Committee ²⁾	Strategy Committee ²⁾
			Statutory Supervisory Board	Comparable Bodies						
Dr Nikolaus von Bomhard	●	M	1	1	C		x	C	C	C
Dr Günther Bräunig	●	M	2	0						X
Dr Mario Daberkow	●	M	0	6 ³⁾						
Ingrid Deltenre	●	F	0	4	X		X		X	
Dr Heinrich Hiesinger	●	M	3	0				X		X
Dr Jörg Kukies	●	M	1 ³⁾	1	X	X			X	
Simone Menne	●	F	2	2		X				
Lawrence Rosen	●	M	2 ³⁾	1						
Dr Stefan Schulte	●	M	0	6 ³⁾		C				
Prof Dr-Ing. Katja Windt	●	F	1	0						

1) Independence definition according to C.6 of the German Corporate Governance Code; 2) C = Chairman; 3) Group mandate



→ [Curriculum vitae](#)

→ [Full overview of members](#)

Members of the Board of Management

Chairman of the Board



Dr Frank Appel

- Member since Nov 2002
- CEO since Feb 2008
- Appointed until Oct 2022

Chief Financial Officer



Melanie Kreis

- Member since Oct 2014
- Appointed until June 2022

Human Ressources



Dr Thomas Ogilvie

- Member since Sep 2017
- Appointed until Aug 2025

Post & Parcel Germany



Dr Tobias Meyer

- Member since Apr 2019
- Appointed until Mar 2022

Express



John Pearson

- Member since Jan 2019
- Appointed until Dec 2026

Global Forwarding, Freight



Tim Scharwath

- Member since June 2017
- Appointed until May 2025

Supply Chain



Oscar de Bok

- Member since Oct 2019
- Appointed until Sep 2022

eCommerce Solutions



Ken Allen

- Member since Feb 2009
- Appointed until July 2022

➔ [Curriculum vitae](#)

Board of Management – 2020 Remuneration Range

Total compensation
(without fringe benefits and pension plan)

Variable compensation

■ Long-term component

■ Medium-term component (deferral)

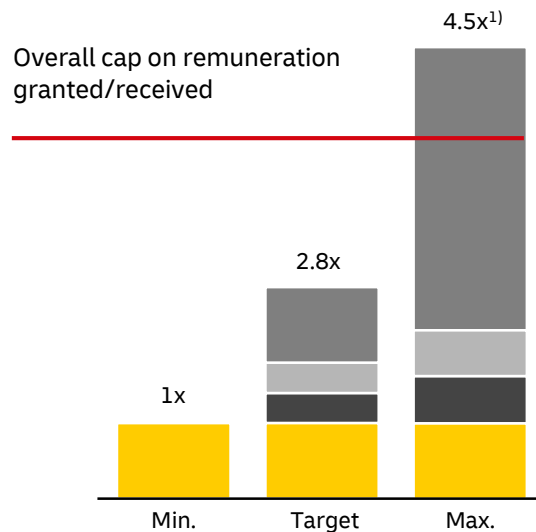
■ Annual bonus

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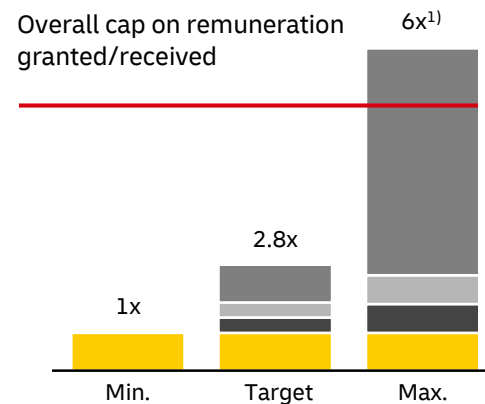
Fix annual compensation

■ Base salary

Chairman of the Board



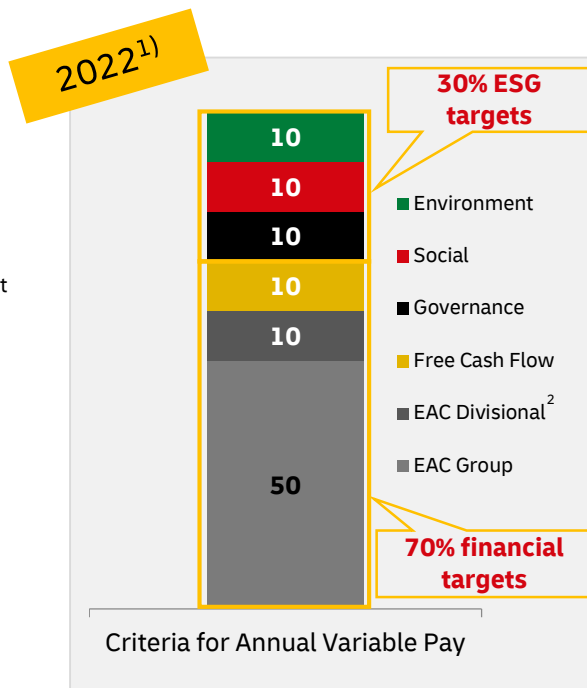
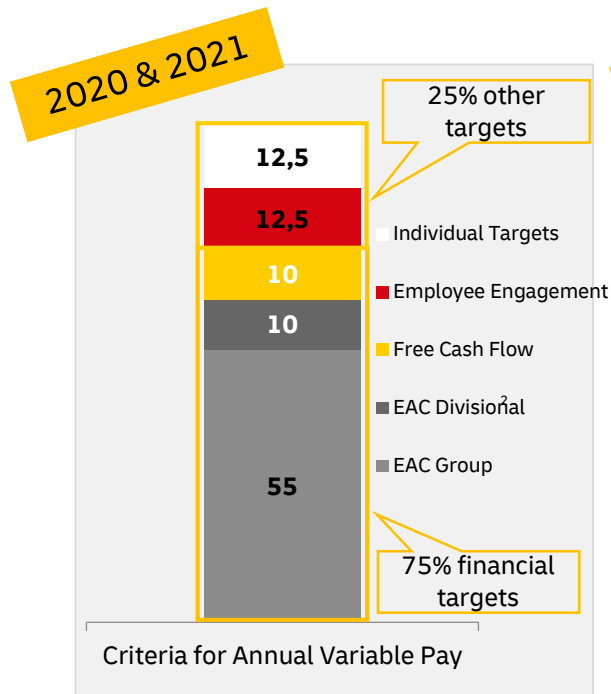
Other Board members



1) From 2022, annual bonus including medium-term component can be decreased or increased by up to 20% (bonus/malus option) in extraordinary circumstances. Maximum remuneration in case of increase is 4.7 (CEO)/ 6.2 (other Board members)

→ [2020 Remuneration Report](#)

Our Sustainability Roadmap – ESG targets fully integrated into new proposed management remuneration



Bonus payment schedule for annual bonus and deferral

- **50% paid in current year if bonus criteria achieved**
- **50% payout of achieved bonus deferred by additional 2 years***

* Medium-term component will only be paid out if EAC target is reached during the sustainability phase; at least the cost of capital was covered

1) Proposal to AGM on May 6, 2021; 2) Divisional EAC: only applicable for Divisional CEOs

Board of Management – Remuneration Long-Term Component

Cash remuneration linked to the company's share price performance

- Participation in Long-Term Incentive Plan (LTIP) requires personal investment of 10% of annual base salary
- Four-year vesting period
- Granted SARs can only be exercised if share-price based performance targets are met

1- Allocation of LTIP

100% of annual base salary on grant date

2- Exercisable Options

SAR performance targets	Thresholds	Number of exercisable SARs
Performance versus STOXX Europe 600	+10%	1/6
	+0%	1/6
Absolute increase in share price	+25%	1/6
	+20%	1/6
	+15%	1/6
	+10%	1/6

→ [2020 Remuneration Report](#)

Board of Management – Remuneration Caps

Total caps limit the maximum annual payout

- **Until 2020**
Remuneration granted in financial year capped to €8 million for CEO, €5 million for other Board members (excluding fringe benefits)
- **From 2021**
Remuneration granted in financial year capped to €8.15 million for CEO, €5.15 million for other Board members (including fringe benefits)
- **From 2022**
Additional cap on remuneration received in a single financial year in the amount of €8.15 million for CEO, €5.15 million for other Board member (including fringe benefits)

Overall cap on remuneration granted: Example 2020

Remuneration components included

- Long-Term Incentive Plan 2020 tranche
- Deferral from 2020 annual bonus
- Proportion of 2020 annual bonus for immediate payout
- Base salary 2020
- Pension expense (service cost) 2020

Overall cap on remuneration granted: Example 2021

Remuneration components included

- Long-Term Incentive Plan 2021 tranche
- Deferral from 2021 annual bonus
- Proportion of 2021 annual bonus for immediate payout
- Fringe benefits 2021
- Base salary 2021
- Pension expense (service cost) 2021

Overall cap on remuneration received: Example 2022

Remuneration components included

- Long-Term Incentive Plan 2016/2017/2018¹⁾ tranches
- Deferral from 2020 annual bonus
- Proportion of 2022 annual bonus for immediate payout
- Fringe benefits 2022
- Base salary 2022
- Pension expense (service cost) 2022

1) The time the tranches are paid depends on when they are exercised within the two-year exercise period.

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Important information

With effect from financial year 2020, we have revised our non-financial reporting. Instead of publishing a separate sustainability report, the non-financial statement will be incorporated into the Annual Report (Group Management Report). In addition, all available ESG data will be consolidated in the ESG Statbook. The GRI and SASB content indices are also included. Unless otherwise stated, all information contained in this document relates to the period from January 1 to December 31, and applies to the entire Group as described in the consolidated financial statements.

Important publications

- [Reporting Hub 2020](#)
- [2020 Non-financial statement](#)
- [2020 Consolidated financial statements](#)
- [2020 List of shareholdings](#)
- [GRI Index and SASB Index](#)
- [2020 ESG Statbook](#)
- [2020 Annual Report](#)
- [Group website](#)
- [DPDHL Group guidelines and policies](#)
- [Sustainability Report archive](#)

External information

- [Global GHG Emissions Report](#)

Definitions

Gender-neutral language: The language used in this presentation aims to be gender-neutral. Words of any gender also refer to other genders.

Tank-to-wheel: All direct emissions from vehicle operation. Consumption is referred to here as final energy consumption.

Vehicle-to-grid: Concept for delivering electrical power from the drive batteries of electric and hybrid cars back to the public power grid. In contrast to electric-only cars, these vehicles are not only able to draw electrical energy from the grid but also feed it back in.

Contact → [Investor Relations Team](#)