



# OUR SUSTAINABILITY ROADMAP

EXCELLENCE. SIMPLY DELIVERED.  
IN A SUSTAINABLE WAY.

Bonn, 22 March 2021

**Frank Appel, Group CEO**

**Melanie Kreis, Group CFO**

**Thomas Ogilvie, Group HR**

**Deutsche Post DHL  
Group**

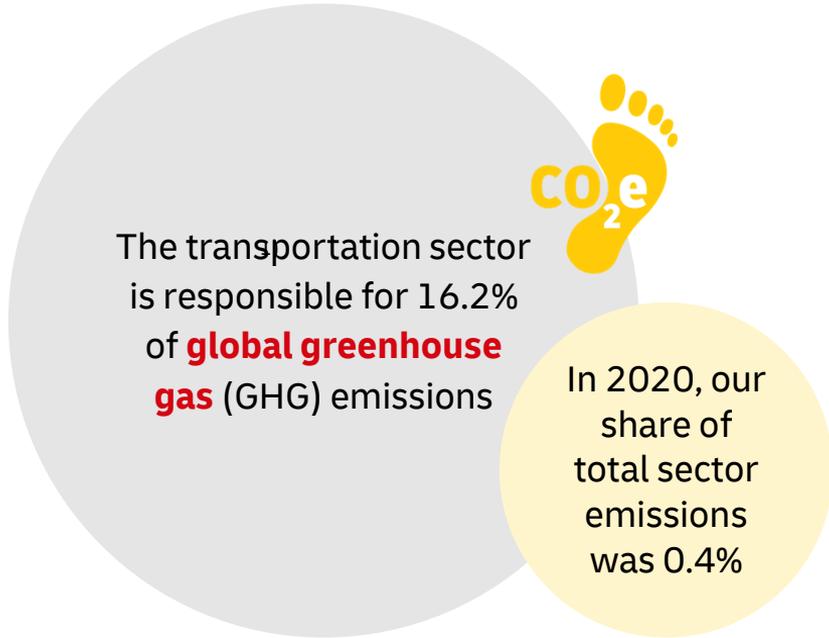
# Introducing the Sustainability Roadmap of Strategy 2025

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



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



## ***CONNECTING PEOPLE, IMPROVING LIVES***



# Our Sustainability Roadmap

Significant investment and science-based target for **clean operations**



# Our Sustainability Roadmap – Clean Operations

## Our CO<sub>2</sub> footprint

### 2020 emissions down to 27m tonnes

Largest exposure in **Scope 3** and by mode in **air transport**

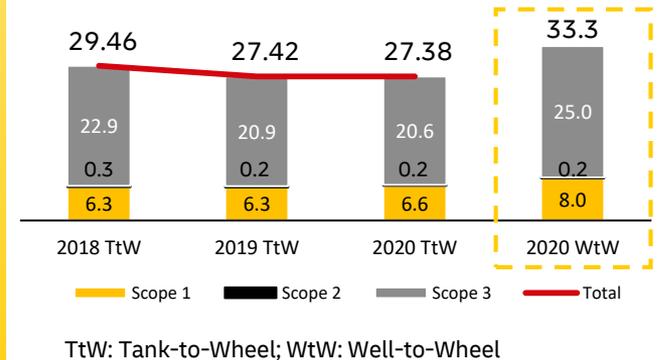
### Change of measurement to Well-to-Wheel (WtW)

- Measurement along the entire energy chain
- Covering all greenhouse gases
- Lifting 2020 base to **33m tonnes CO<sub>2</sub>e**

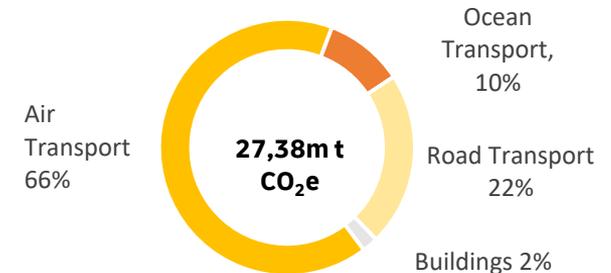
### Continued industry growth expected

Based on expected business growth and current initiatives, our emissions would increase to an estimated **46m tonnes CO<sub>2</sub>e by 2030**

GHG Emissions Development (m t<sup>1</sup>) CO<sub>2</sub>e



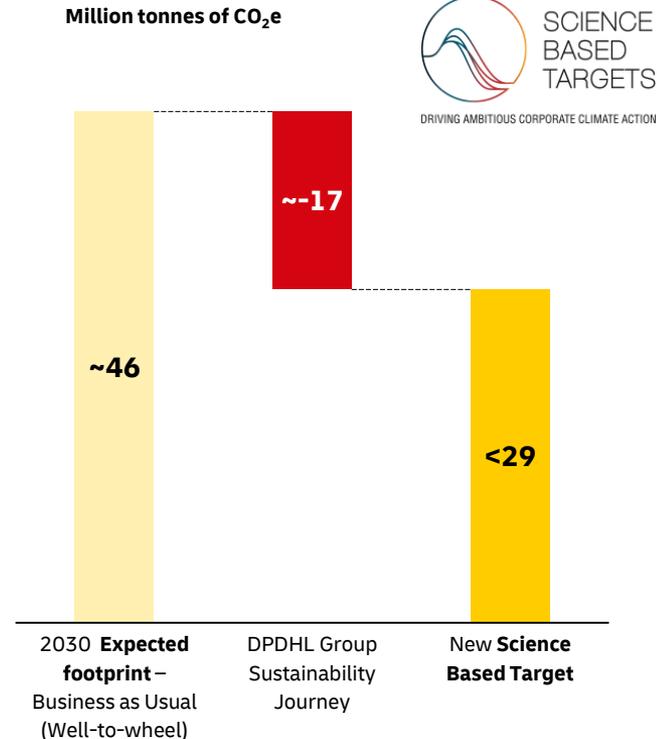
GHG Emissions by Mode, 2020, TtW



# Our Sustainability Roadmap – Clean Operations

We will **reduce our greenhouse gas emissions** to under 29m tonnes CO<sub>2</sub>e by 2030

We will invest **€7 billion until 2030 in Clean Operations** (capex & opex) to reduce our emissions to under 29m tonnes CO<sub>2</sub>e by 2030 and thereby commit to the Science Based Targets initiative (SBTi)



## Clean operations for climate protection



**All modes to contribute** to targeted reduction of CO<sub>2</sub> 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

# 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-fleeting

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

# 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 inseting 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

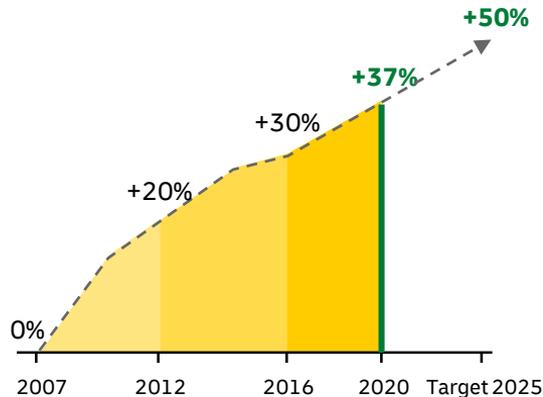
Use digitalization/intelligent building management systems to further reduce energy consumption

# 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**

# Our Sustainability Roadmap

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



# 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 below 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**

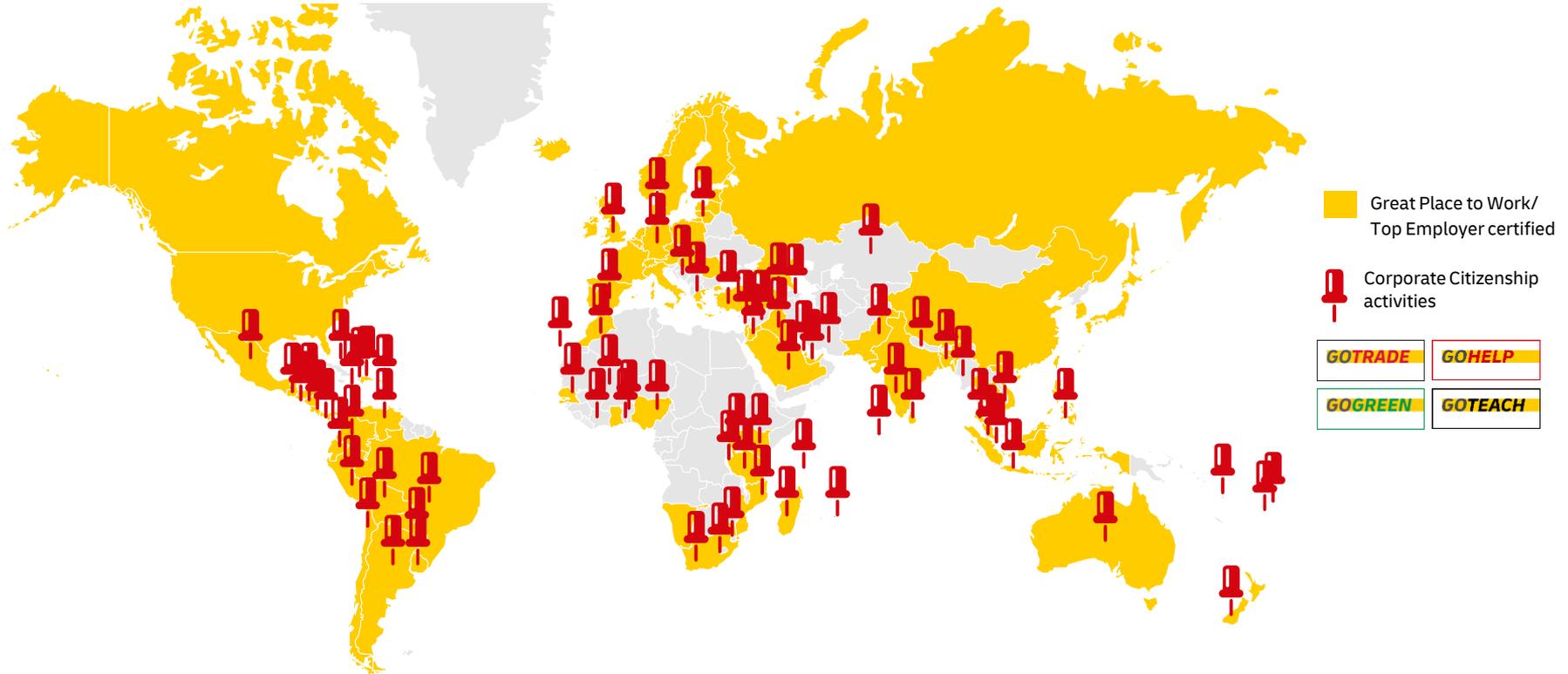
**Employee engagement (Employee Opinion Survey)**

2013  
**72**

2019  
**77**

2020  
**82**

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

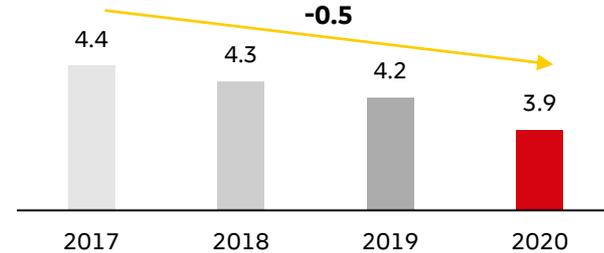


Our **Safety First culture** means that the safety of our employees takes **utmost priority**

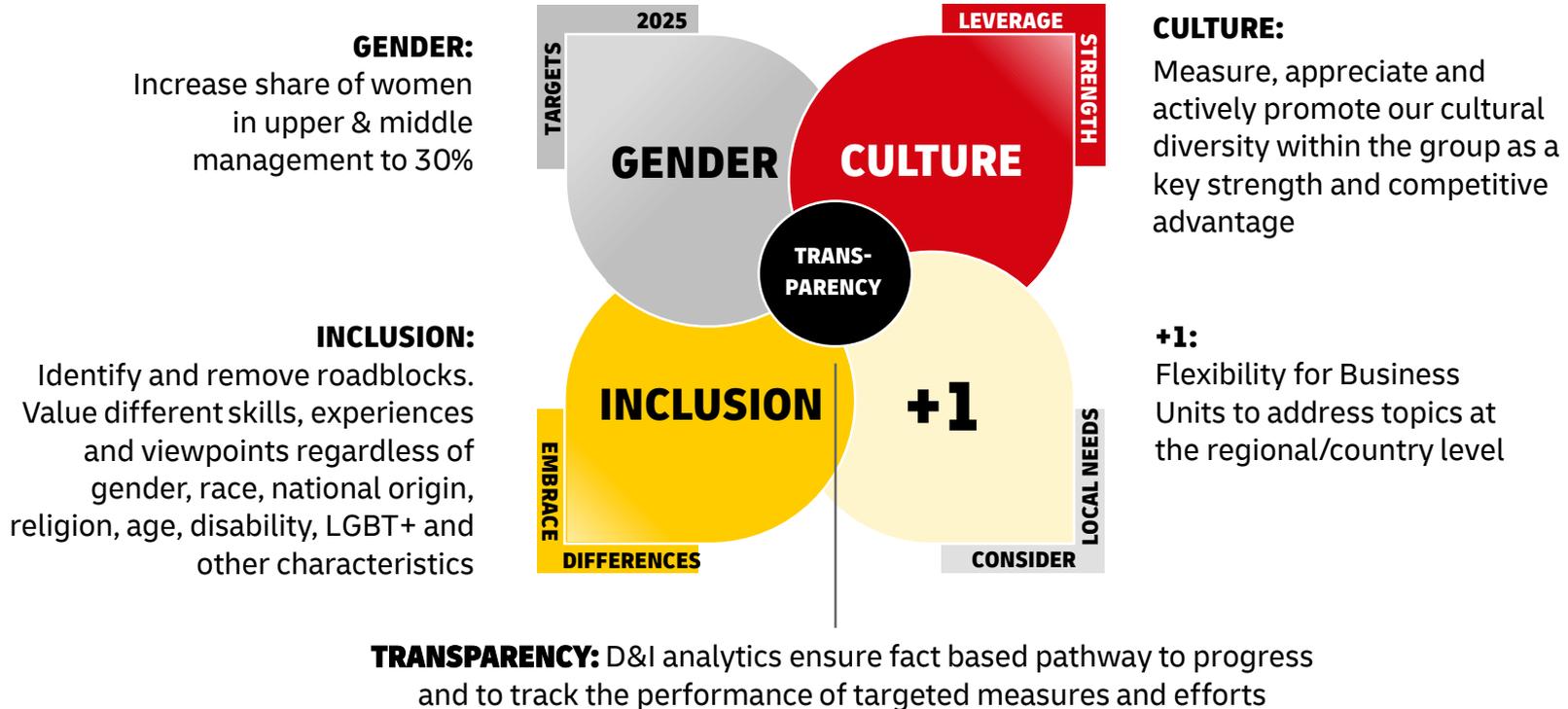


Reduce **LTIFR** (lost time injury frequency rate) to **below 3.1 by 2025**

Accident rate (LTIFR) per 200 kh worked (LTFRI) trend



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



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



**30% female managers  
by 2025**

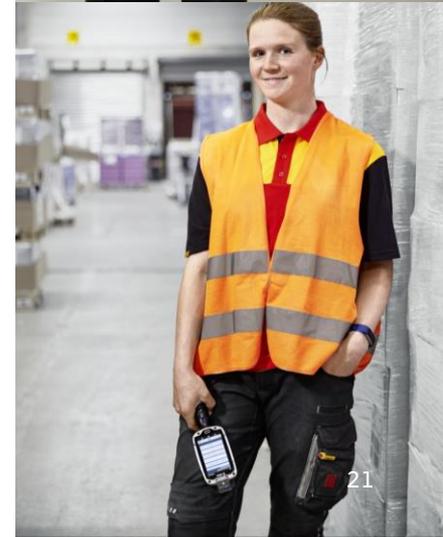
**23.2%** Women in upper and middle management positions in 2020

**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



We will continue to have a **strong impact on communities** by scaling up our core programs<sup>1</sup>



**VOLUNTEER PROGRAMS  
TO RECOGNIZE AND ENCOURAGE  
VOLUNTEER WORK**

**Improving Lives Fund**

Corporate Matching Program

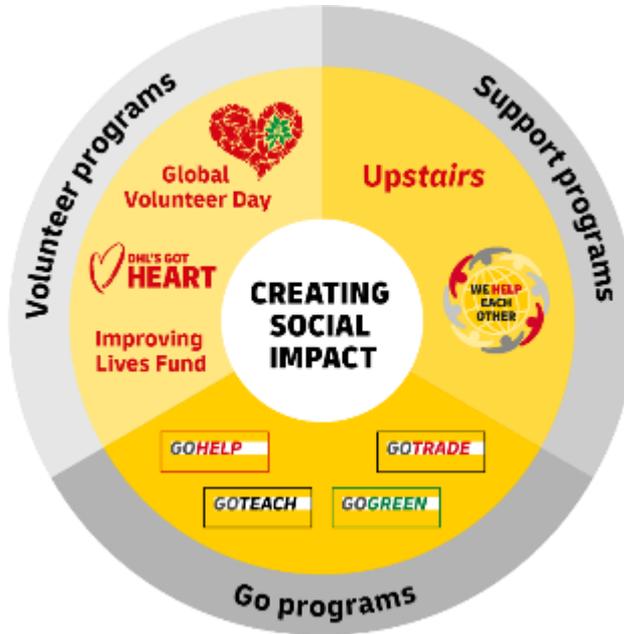


Divisional Matching Program

**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**



Protecting the Environment



Disaster Management



Improving Employability



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

# 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**

# 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.



# 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

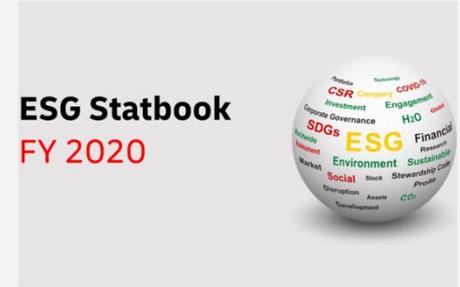
# Integrated external ESG reporting: Strengthening external reporting by integrating financial & ESG reporting and increasing transparency



**Annual Report:** The non-financial statement can now be found 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 index <sup>1)</sup>

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

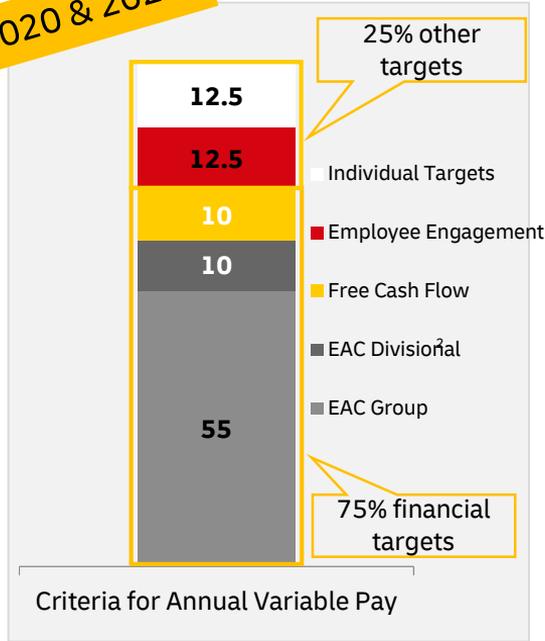
1) Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) index

# Our Sustainability Roadmap

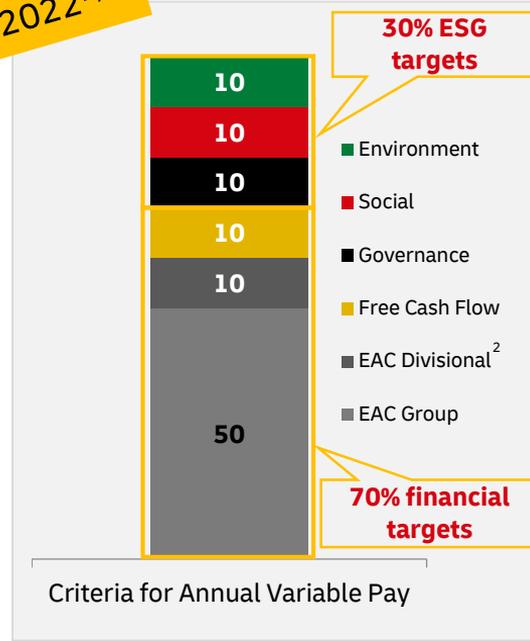
ESG targets fully integrated into new proposed **management remuneration**



2020 & 2021



2022<sup>1)</sup>



## 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 6 May 2021; 2) Divisional EAC: only applicable for Divisional CEOs

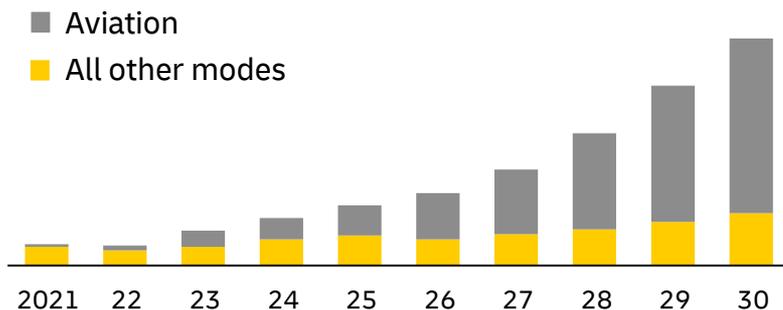
# Our Sustainability Roadmap

## Assumptions for €7bn investments



### €7bn investments

ramping up through 2030



Base principles of calculation:

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

### Investments include...



**Sustainable Aviation Fuel**



**Sustainable Maritime Fuel**



**Vehicles electrification**



**Bio Liquefied Natural Gas**

# Our Sustainability Roadmap Conclusion



# 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 CO<sub>2</sub>e 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
- **Reduce LTIFR** to below 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 6<sup>th</sup>)

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



 STRATEGY 2025  
Delivering excellence  
in a digital world