

#### **DEUTSCHE** POST DHL GROUP -THE WORLD'S **LEADING LOGISTICS** COMPANY

Two strong brands connecting people and markets, enabling global trade.



DHL is the world's leading logistics brand, offering customers a unique product portfolio.

Deutsche Post **Q** 

Deutsche Post is Europe's leading postal service provider.

**Express** International<sup>1</sup>: 1.1m shipments per working day

Domestic<sup>2</sup>: 554,000 shipments per working day

Global Forwarding, Air freight: 1.9m tonnes export freight Freight

Ocean freight: 3.3m TEU<sup>3</sup>

**Supply Chain** 15 million m<sup>2</sup> warehousing and operational space<sup>4</sup>

**eCommerce** Solutions

>1.5 billion parcels

**Post & Parcel Germany** 

48 million letters per working day

6.2 million parcels per working day

11,300 Packstations

108,400 mailboxes

#### **Deutsche Post DHL** Group

Deutsche Post DHL Group employs approximately 600,000 people in over 220 countries and territories worldwide.

€94.436 million Revenue

**EBIT** €8.436 million

Free cash flow<sup>5</sup> €4,607 million

<sup>&</sup>lt;sup>1</sup> Time Definite International (TDI). | <sup>2</sup> Time Definite Domestic (TDD). | <sup>3</sup> TEU = Twenty-foot equivalent unit. | 4 Owned and leased warehouses, 15 Excl. net M&A.

#### **SUSTAINABILITY IN FIGURES**

>300 aircraft

**118,500** vehicles of which

**29,200** e-vehicles

**27,100** bicycles of which

**13,500** e-trikes

**36.5** million tonnes CO<sub>2</sub>e footprint

**600,000** employees globally

**4,900** apprentices and trainees

**€26** billion in staff costs

**220** countries and territories

12,500 locations

international hubs in Leipzig (DE), Cincinnati (US) and Hong Kong

Headquarters in Bonn, Germany

















## DELIVERING EXCELLENCE IN A DIGITAL WORLD

We take responsibility for providing exceptional quality and facilitating sustainable growth.

Demand for logistics continues to rise and we remain on course for growth. This is why we take responsibility not only for what we do, but for how we do it and the conditions under which our services are performed.

In the future, we will focus even more consistently on harnessing the sustained potential for profitable long-term growth contained in our core logistics operations. As we do so, the logistics sector will be shaped by four major trends:

SUSTAINABILITY

DIGITALIZATION

E-COMMERCE

GLOBALIZATION



#### Our three bottom lines

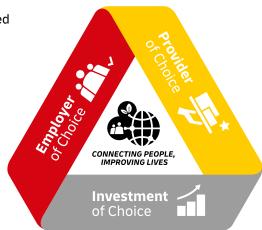
#### OUR MISSION

The triad of our purpose, vision and values underpins the three main pillars of Strategy 2025.

Execution excellence along the three bottom lines: becoming Employer, Provider and Investment of Choice.

#### → Employees

Only motivated and skilled employees deliver exceptional quality.



#### → Customers

Exceptional quality delights our customers and inspires loyalty.

#### $\rightarrow$ Investors

The capital market provides the basis for profitable growth.





#### **STRONG STRATEGIES, SUSTAINABLE MEASURES**



by 2050

2015

2016

2017



2003 ESG reporting launched

2006 **UN Global Compact signed** Code of Conduct introduced

2008 Supplier Code of Conduct introduced GO programs launched

Certified training program

to communicate strategy,

corporate culture and values

UN Sustainable Development

Climate protection target set:

Goals (SDGs) taken into account

Net zero greenhouse gas emissions

STRATEGY 2025

Delivering excellence
in a digital world

2019 Long-term, sustainability-focused

value creation

2021 **ESG Roadmap:** 

> New climate protection goals set, full integration of ESG KPIs into our finance systems, ESG KPIs to be incorporated into

our remuneration policies





#### THE BOARD OF MANAGEMENT

The Board of Management is the central decision maker concerning our sustainability approach.



Dr. Frank Appel
Chairman of the Board (CEO)
Member since Nov. 2002 | CEO since Feb. 2008
Appointed until May 2023



Melanie Kreis Finance Member since Oct. 2014 Appointed until May 2027



**Dr. Tobias Meyer Global Business Services**Member since April 2019 | CEO from May 2023
Appointed until March 2027



Dr. Thomas Ogilvie HR Member since Sep. 2017 Appointed until Aug. 2025

#### DIVISIONS



**John Pearson Express**Member since Jan. 2019
Appointed until Dec. 2026



**Tim Scharwath Global Forwarding, Freight**Member since June 2017
Appointed until May 2025



Oscar de Bok Supply Chain Member since Oct. 2019 Appointed until Sep. 2027



Pablo Ciano eCommerce Solutions Member since Aug. 2022 Appointed until July 2025



Nikola Hagleitner
Post & Parcel Germany
Member since July 2022
Appointed until June 2025

#### **DELIVERING SUSTAINABILITY**

#### Relevant boards for sustainability issues

#### **BOARD OF MANAGEMENT**

Central decision-making and sustainability focus

**Supervisory Board** Control and consultation

#### Strategy and management

#### Sustainability **Steering Board** (CEO, CFO, CHRO)1

Ongoing monitoring of the sustainability agenda

#### Sustainability **Advisory Council** Members from the

sciences, business and politics

Responsibility f	or topics
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Operations	GBS
Board	Board
Dr. Tobias Meyer	Dr. Tobias Meyer
Climate protection	Corporate
and occupational	Procurement,
safety	Corporate Real

Estate.

Cybersecurity

#### Global Commercial Board

John Pearson

GoGreen Plus products

#### HR **Board**

Dr. Thomas Ogilvie

Employee matters, social standards. respect for human rights

#### Board

Dr. Tobias Meyer

Cybersecurity, KPIs, IT systems planning, risk assessment, controls, compliance.

#### Reporting and controlling

Melanie Kreis

reporting

Strategy and Finance Sustainability **Board** Committee

Functions in the divisions: Operational control of the topics

# SUSTAINABILITY IS EMBEDDED ACROSS THE GROUP



**The Ten Principles** of the UN Global Compact



Anchored through our **Code of Conduct** 

Environmental and Energy Policy
Sustainable Fuel Policy

Human Rights
Policy Statement
Corporate Diversity &
Inclusion Statement

Occupational Health & Safety Policy Statement

Anti-Corruption and
Business Ethics Policy
Cybersecurity Policy
Data Privacy Policy

Requirements are further specified in our **corporate policies** 

## WE ARE COMMITTED TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Our commitment is most closely aligned with six of the 17 UN Sustainable Development Goals (SDGs). It is here that we can make the most positive impact on the challenges presented by sustainable development.

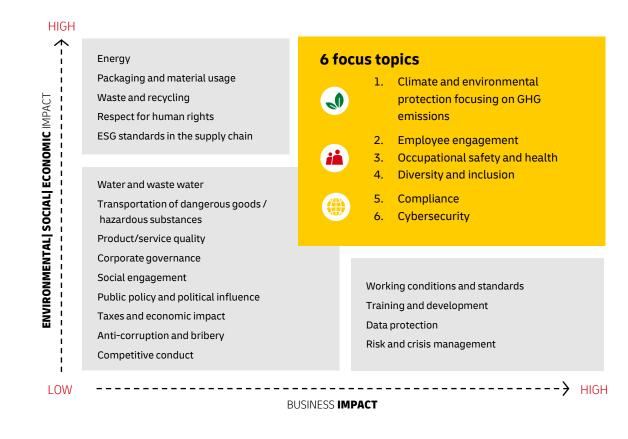
- 4 Quality Education
- 5 Gender Equality
- 8 Decent Work and Economic Growth
- 11 Sustainable Cities and Communities
- 13 Climate Action
- 17 Partnerships for the Goals



## MATERIALITY ANALYSIS 2021

The Board of Management and the Supervisory Board conduct regular analyses on key sustainability-related issues.

In addition to the six focus topics, we place particular importance on respect for human rights in our sphere of activity.



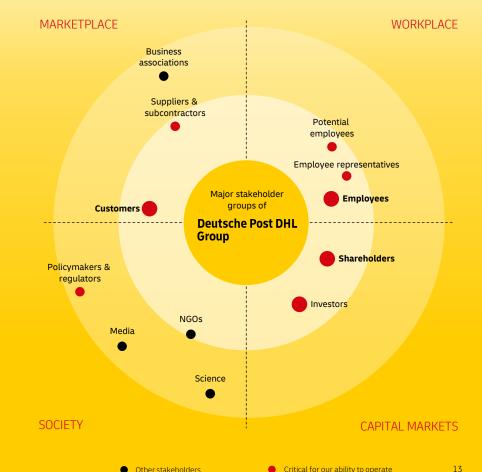
#### IN DIALOGUE WITH **OUR STAKEHOLDERS**

#### Dialogue and exchange with stakeholders is a part of our management process and takes place on a regular basis.

We work together to develop solutions to future social and business challenges.

Our dialogue formats are based on our Stakeholder Engagement Guidelines (AA1000 Standard).

External perspectives and expertise are contributed by the Sustainability Advisory Council. The Council's members include experts from politics, industry and the scientific community.



#### ESG ROADMAP FOCUS AREAS

### Three focus areas defined in line with the 2021 materiality analysis

- → Clean operations for climate protection
- → Great company to work for all
- → Highly trusted company

We make a positive contribution to society through our corporate citizenship programs.





#### ESG ROADMAP AIMS AND OBJECTIVES

The focus areas are embedded in our performance management system through concrete measures and measurable KPIs.

**Environment** 



**Focus:** Reducing logistics-related greenhouse gas (GHG) emissions.

**Measures:** Use of sustainable technologies and fuels, expansion of e-vehicle fleet, climate-neutral building design, sustainable product portfolio.

**KPIs:** Absolute logistics-related greenhouse gas (GHG) emissions, Realized Decarbonization Effects.

Social



**Focus:** Creating the best possible working conditions by providing a safe, inclusive and motivating workplace.

**Measures:** Promoting employee engagement, gender diversity and ensuring health and safety at work.

**KPIs:** Employee Engagement, share of women in middle and upper management, LTIFR<sup>1</sup>.

Governance



**Focus:** Rendering our services in compliance with current legislation and in accordance with our own values.

**Measures:** Safeguarding our compliance and cybersecurity expertise, building sustainable supplier relations, anchoring sustainability in remuneration policies.

**KPIs:** Share of valid compliance training certificates in middle and upper management and external cybersecurity rating<sup>2</sup>.

## ESG RATING AGENCY

## DISCLOSER 2022

#### CDP

'B' Rating confirmed for climate protection reporting 'A-' Rating confirmed for supplier management.



#### **FTSE Russell**

Listed in the FTSE4Good index series for >20 years.



#### ISS ESG

PRIME Status confirms highest quality scores in environmental and social aspects; No.1 in terms of transparency and disclosure of these aspects.



#### MSCI

Upgrade to 'AA' Rating.



#### **S&P Global ESG**

The Group has numbered among the top 10% of evaluated companies for ten years.



#### Sustainalytics

Low ESG risk confirmed.



#### **Ecovadis**

The Group ranks among the top 3% of evaluated companies in the industry ('Advanced' Status).

# EXTERNAL EVALUATION OF OUR ESG PERFORMANCE 2022

Our sustainability performance is independently evaluated by renowned ESG rating agencies and supplier platforms on an ongoing basis.

SUPPLIER





## **CLIMATE-NEUTRAL LOGISTICS IN FOCUS**

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Climate change remains one of the most pressing problems facing humanity today.

This is why as a globally operating logistics company we are driving sustainable solutions with ambitious targets, high-level investments — and the courage of our convictions. Through our actions and engagement, we want to remain a leader in our industry."

#### - FRANK APPEL

CEO

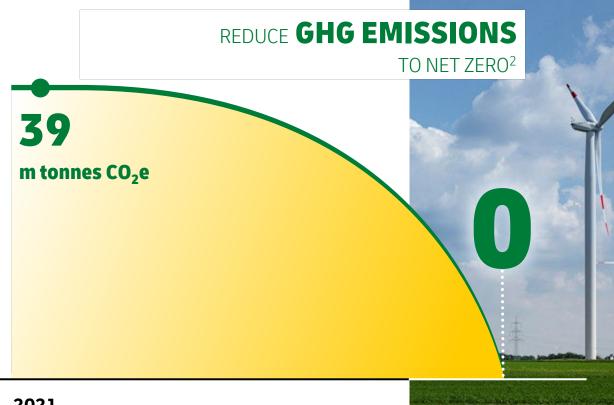




#### DESIGNING **CLIMATE-NEUTRAL LOGISTICS**

By 2050 we want to reduce all logistics-related greenhouse gas (GHG) emissions<sup>1</sup> to net zero, including those of our suppliers and subcontractors.





2021

 $^{
m 1}$  Basis for GHG emissions calculation (well-to-wheel): Greenhouse Gas Protocol, DIN EN 16258 and the Global Logistics Emissions Council Framework, | 2 Schematic representation, Reduction to an unavoidable minimum, which is to be fully compensated for by recognized countermeasures (without offsetting).

2050

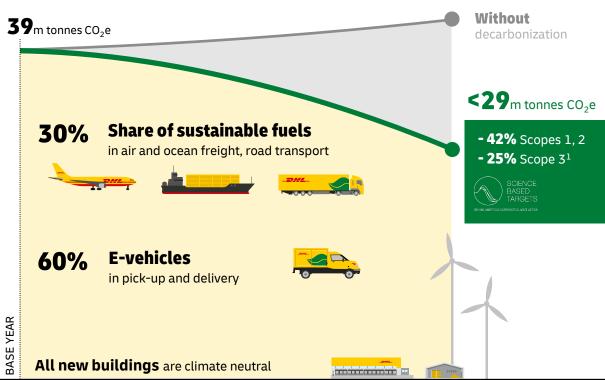


# REDUCE GHG EMISSIONS TO <29 MILLION TONNES

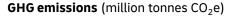
By 2030, we want to reduce our own direct and indirect emissions (Scopes 1 and 2) by 42% and logistics-related Scope 3 emissions by 25% in total.



**Decarbonization measures and targets** (schematic representation)



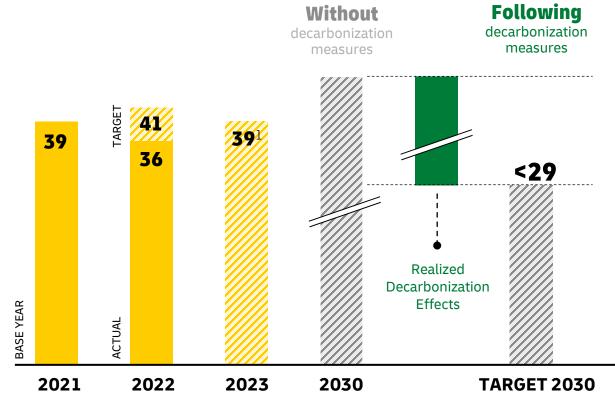
2021 2030





## OUR PATH TO THE TARGET

With additional expenditure for sustainable fuels and technologies, we will significantly reduce the rise in GHG emissions by 2030.



<sup>&</sup>lt;sup>1</sup> If transport volumes undergo weaker development, we expect GHG emissions to remain approximately at the prior-year level; if the economy proves to be more dynamic, we aim to limit GHG emissions to a maximum of 39 million tonnes of CO<sub>2</sub>e.



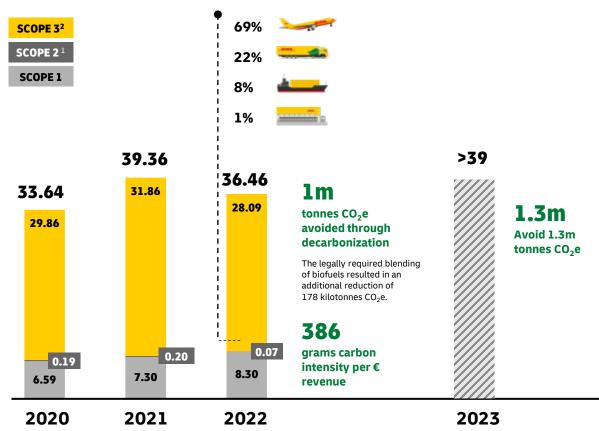
#### 2022

#### AVOIDING GHG EMISSIONS

Our focus is on trends in logistics-related GHG emissions. Our calculation includes the entire process chain as an additional Scope 3 category<sup>2</sup>.



#### GHG emissions (million tonnes CO2e)



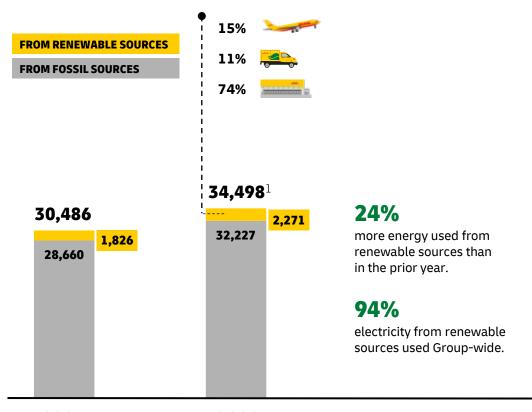


#### 2022

#### USE OF SUSTAINABLE ENERGIES

# We focus on the modes of transport using the most fuel, namely air and ocean freight and road transport

#### **Energy consumption Scopes 1 and 2** (million kilowatt hours)



2021 2022

<sup>&</sup>lt;sup>1</sup> The rise is primarily attributable to increased use of our own air fleet.



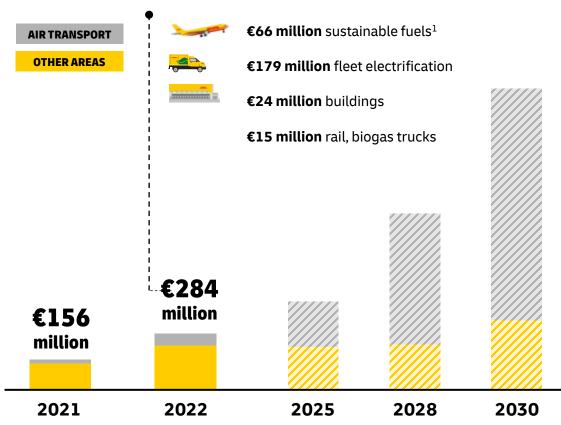
## EXPENDITURES FOR DECARBONIZATION

We want to spend up to an additional €7 billion on decarbonization measures by 2030.

We focus on the modes of transport using the most fuel and generating the most emissions.



#### **Expenditures**





# MEASURES TO DELIVER CLIMATE-NEUTRAL LOGISTICS



USE OF SUSTAINABLE FUELS



PICK-UP AND DELIVERY ELECTRIFICATION



CLIMATE-NEUTRAL BUILDING DESIGN



SUSTAINABLE PRODUCT PORTFOLIO



Use of sustainable fuels



## USE OF SUSTAINABLE FUELS

We aim to increase the share of sustainable fuels in air, ocean and road transport.

In fact, we are working toward a blending ratio of more than 30% for sustainable fuels by 2030. We are also upgrading our fleet as part of an ongoing process.

#### Sustainable fuels 2022



#### **€66 million**

added expenditures for sustainable fuels (+136%)



#### 343 million kWh

used for air transport (Scope 1 and 2)



#### 242 million kWh

used for road transport (Scope 1 and 2)

#### **Express**

Supply with sustainable aviation fuels (SAFs) expanded.

#### Global Forwarding, Freight (Scope 3)

GoGreen Plus products available for all transport modes. In Europe, additional transport possible via rail (DHL Railnet).

#### **Supply Chain**

Focus on gas-powered vehicles in our company fleet.

#### **eCommerce Solutions**

Increased purchase of sustainable fuels wherever possible, especially HVO (hydrotreated vegetable oil) for linehaul.

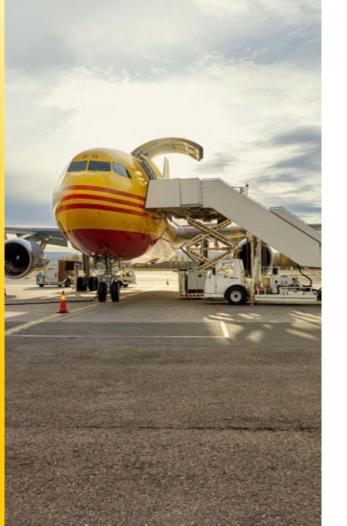
Pick-up and delivery electrification



#### MODERN AIR FLEET

Our air fleet comprises more than 300 dedicated cargo aircraft.

We are continuously modernizing the aircraft we own.



#### Air fleet



#### 42%

of our aircraft already meet the strictest emissions standard CAEP/8.

#### **Up to 12**

all-electric 'Alice' cargo planes ordered.

#### For 2027

The first deliveries of this model are scheduled for 2027 and will be used for shuttle flights in the United States.

Pick-up and delivery electrification



## PICK-UP AND DELIVERY ELECTRIFICATION

We continuously modernize our vehicle fleet, using more electrification to introduce alternative drive systems.

We are aiming for a 60% share of e-vehicles in pick-up and delivery by 2030.

#### **Vehicle fleet**



29,200

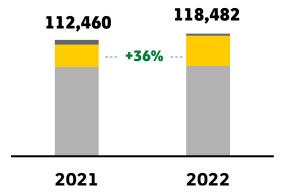
e-vehicles in use, of which

27,800

e-vehicles in pick-up and delivery

**77%** 

of our vehicle fleet complies with the highest Euro emissions classifications









## ALL NEW BUILDINGS TO BE CLIMATE NEUTRAL

All new, owned buildings will be climate neutral by 2030.

We implement measures to achieve our climate and environment protection goals through our environmental management system.

External certification is carried out on the basis of the size and strategic importance of the site. If we operate a facility on behalf of a customer, the decision is theirs.

**Deutsche Post DHL Group** 



12,500 locations worldwide

1%

of total GHG emissions are buildings-related

58%

of our 12,500 sites are certified according to ISO 14001 and/or 50001

**56%** 

of energy consumption at our sites is derived from renewable sources, 94% of which for electricity Sustainable products



## CLIMATE-PROTECTION PRODUCTS

GoGreen Plus enables customers to make a conscious decision to use sustainable transport solutions or opt for sustainable fuels.

This approach allows us to uphold our responsibility to the climate and the environment.

#### **Deutsche Post DHL Group**

#### **Insetting via GoGreen Plus products**

Insetting enables us to directly replace fossil fuels with sustainable fuels. We thereby protect the environment and the climate along our own supply chain.



#### Air freight

Use of sustainable fuels is possible along all trade lanes.



#### Ocean freight

Sustainable fuels via myDHLi Quote + Book.



#### **Road freight**

In addition to using sustainable fuels, rail transport reduces GHG emissions by 30% compared with conventional road transport by truck.



Sustainable products



#### **CLIMATE-PROTECTION PRODUCTS**

Customers can use GoGreen products to make their supply chains climate neutral, offset their emissions and make their carbon footprint transparent.

#### GoGreen products used to optimize supply chains and for offsetting



#### **Green optimization**

We optimize customer supply chains to reduce emissions, waste and other environmental impacts.



#### Offsetting

We offset customer GHG emissions via certified climate-protection projects (Gold Standard).

This offsetting is not taken into account in the calculation of our carbon footprint.



#### **Carbon reports**

We provide transparency for customers as regards their carbon footprint.



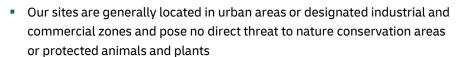


## OTHER TOPICS

These topics are not considered material for our company by us or our stakeholders.

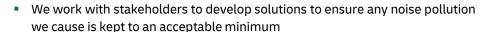
Our business models do not have a serious impact in these areas.

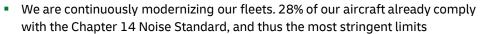
#### **BIODIVERSITY**



- Biodiversity is taken into account when planning new sites
- Our fuel policy takes account of biodiversity in the production of sustainable biofuels
- Our terms and conditions explicitly prohibit the use of our network to transport protected, threatened or endangered plant and animal species
- We support the UN Convention on Biodiversity and are a member of the United for Wildlife Transport Taskforce

#### **NOISE POLLUTION**











## OTHER TOPICS

These topics are not considered material for our company by us or our stakeholders. No centralized data is collected as a result.

Our business models do not have a serious impact in these areas.



#### **WASTE MANAGEMENT AND RECYCLING**

- Avoid waste and digitalize processes
- Promote recycling of materials and the circular economy
- Maintenance and scrapping of aircraft, road vehicles and IT equipment is generally the responsibility of the manufacturer or other third-party providers. Contracts for maintenance and disposal encourage environmentally-friendly practices

#### **NATURAL RESOURCES**

#### WATER

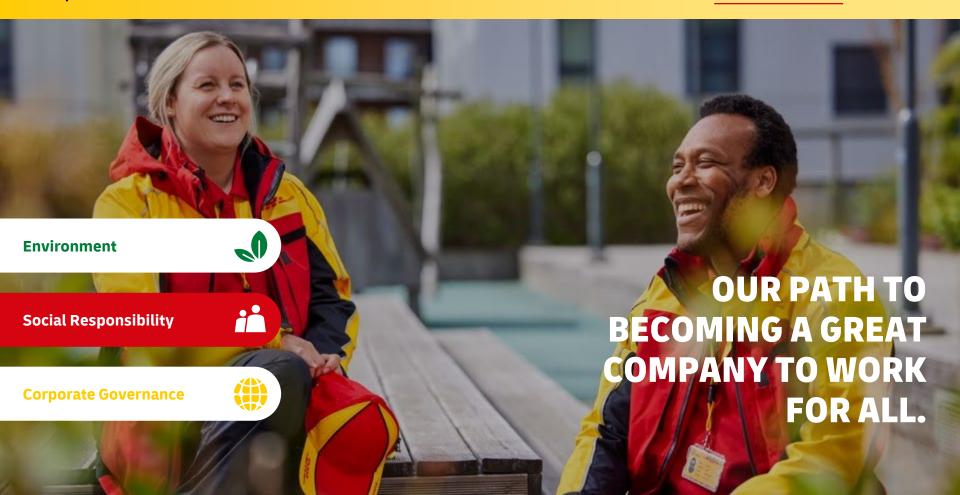
- Mainly used by our employees for sanitary needs
- Maintenance or scrapping of our fleets is the responsibility of the manufacturer or other third-party providers

#### **PAPER**

We only use recycled paper









#### SPOTLIGHT ON A GREAT COMPANY TO WORK FOR ALL

66

Inspiring people to work toward a common goal is what drives our global success."

#### -THOMAS OGILVIE

Board Member for Human Resources and Labor Director Deutsche Post DHL Group





### GREAT COMPANY TO WORK FOR ALL

We provide a safe, non-discriminatory working environment where employees can develop as individuals. ENGAGEMENT

Attracting and retaining the best talent

KPI: Employee Engagement<sup>1</sup>

Target 2025: Approval rating of >80% in annual Employee Opinion Survey

DIVERSITY & INCLUSION

Promoting women in management

KPI: Increase share of women in middle and upper management

**Target 2023: 27.7%** 

Target 2025: at least 30%

HEALTH & SAFETY

Preventing accidents

KPI: Lost time injury frequency rate (LTIFR)<sup>2</sup>

**Target 2023: LTIFR 3.5** 

Target 2025: <3.1

<sup>&</sup>lt;sup>1</sup> Steering- and remuneration-relevant, | <sup>2</sup> Work-related accidents per 200,000 working hours resulting in at least one working day of absence for the affected person following the accident (Lost Time Injury Frequency Rate).





#### **OUR LEADERSHIP**

# CULTURE: HEAD, HEART AND GUTS

Our leadership culture creates the conditions for us to recognize and promote employee potential.

In their everyday work, employees should be in a position to shape and make decisions based on these leadership principles. There is often more than one solution!

In trainings and with guidance from managers, we develop our employees and empower them to realize their potential.

#### **Our Leadership Attributes and Culture**







# GLOBAL WORKFORCE

Our employees are our most valuable asset.

With some 600,000 employees, we are one of the world's largest employers in our sector.



World's Best Workplaces
Top Employer Europe

#### Our workforce (headcount at year-end)

21.1% America

126,800 employees

10% USA
8% UK
4% India
4% Mexico
3% Brazil
3% Netherlands
2% Canada
2% China
2% Czech Republic
2% Poland
2% Thailand

**60.4% Europe**362,400 employees

**600,278** people employed Group-wide (+1.4%)

**3.4%**Middle East/Africa
20,600 employees

15.1%
Asia Pacific
90,500 employees



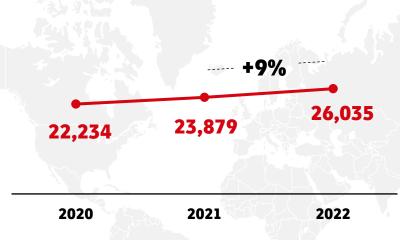




### PERFORMANCE-BASED REMUNERATION

We foster employee loyalty and motivation by offering performance-based remuneration<sup>1</sup> in line with market standards.

#### **Staff cost development** (€ billions)



#### **74%**

of employees are remunerated in line with collective agreements $^2$ .

#### **70%**

of our employees participate in our defined benefit and defined contribution pension plans.



 $<sup>^1</sup>$  Comprises a base salary plus the agreed variable remuneration components such as bonus payments. In many countries, we also provide employees with access to defined benefit and defined contribution retirement plans. |  $^2$  Collective wage agreements, works agreements or statutory salary adjustments.





# EMPLOYEE ENGAGEMENT

Our motivated and engaged workforce is our greatest competitive advantage.

We conduct an annual Group-wide Employee Opinion Survey. Feedback from the survey is used to create the best working conditions for our employees in line with our strategic goal of becoming Employer of Choice. We analyze the survey results and identify areas for improvement.

Our goal is to maintain employee engagement at the existing high level.

Issues covered in annual survey DIGITALIZATION **COMMON DNA FUTURE & STRATEGY** VALUES **LEADERSHIP** TEAM

O

**75%** participation



**83%** engagement confirmed



**>80%** Target 2025

**Deutsche Post DHL Group** 

**Engagement** 



# **DEVELOPMENT FOSTERS MOTIVATION**

We offer all our employees a targeted and wide-ranging training program:

From specialist, strategic trainings to personal development. Lifelong learning is an important pillar in our training approach. Trainings are held online or as classroombased events.

Deutsche Post DHL Group





#### **3.7** million hours

The combined training time invested by our employees<sup>1</sup>



#### €193 million

expenditure on staff development (€359 per FTE)



# **DIVERSITY IS**OUR STRENGTH

Diversity takes in all the differences that make us unique individuals.

This includes bringing together people with diverse backgrounds, skills, experiences and perspectives across all levels of an organization.

Deutsche Post DHL Group





We create a sense of belonging and expressly reject any and all forms of discrimination.



We work together in the spirit of mutual trust and respect.



Vacant positions, we look solely at a candidate's qualifications to determine their suitability.

**Diversity & Inclusion** 



# BEYOND DIVERSITY AND INCLUSION

People are the key to our success:

Diversity, equity, inclusion and belonging
(DEIB) lie at the heart of everything we do.

We are dedicated to creating an inclusive and equitable work environment where every employee has the same development opportunities, is able to develop personally and never needs to be anything or anyone other than who they really are.

Deutsche Post DHL Group



#### **Pride**

Commitment to creating an inclusive working environment for LGBTIQ+ employees

#### **Real-life examples**

#### **Post & Parcel Germany**

Targeted vocational training and job offers for people with disabilities.

#### **Express hub Cologne**

hires employees on the autism spectrum and integrates them into existing teams.

#### **Express hub Leipzig**

uses pagers and blinking lights to create an accessible workplace for deaf employees.



**Employees** 

**65.6%** 

34.4%

male

female

>14,200

employees with disabilities in Germany<sup>1</sup>

40

is the average age of Group employees

178

nationalities represented at sites in Germany



## **GENDER DIVERSITY**

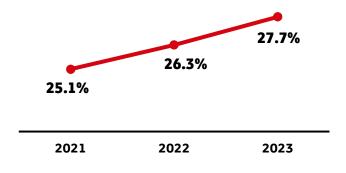
The focus of our measures remains on increasing the share of women in executive positions.

We use various approaches and initiatives to empower female junior managers to take the next step in their career.

Our approach is supplemented by coaching and mentoring, as well as internal networking opportunities.

### **Deutsche Post DHL Group**

#### Share of women in middle and upper management





#### At least 30%

of positions in middle and upper management to be occupied by women by 2025.

#### **Talent program case study**

The 'Shift up a Gear' initiative develops and promotes female junior managers with potential, helping them move up into upper management roles.



- 1. Members of top management serve as career mentors for female managers
- 2. Career path reflection, plotting the course toward upper management roles
- 3. Promoting personal development, expanding leadership skills
- 4. Assuming more responsible tasks within the Group



# CREATING A SAFE WORKING ENVIRONMENT

The health and safety of our employees in the workplace is of central importance to us and is therefore embedded in our Code of Conduct. We also require our business partners to adhere to these same standards.

Accident prevention in the workplace is our top priority. Some of our biggest challenges are in our pick-up and delivery operations, because in this area external influences can only be managed to a certain extent.

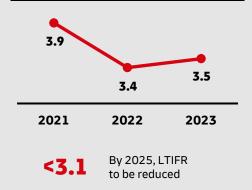
Deutsche Post DHL Group

### Safety management system in accordance with ISO 45001



- Analyzing and documenting the causes of accidents in order to prevent them from being repeated
- Preventive measures to protect employees and third parties: Identify and designate hazardous areas
- Assess potential workplace hazards
- Provide safety training and instruction

#### Group-wide accident rate (LTIFR)



#### Accident rate (LTIFR) by divisions





# HAZARDOUS GOODS AND MATERIALS

The safety of our employees and minimizing risk will always be our top priority. We specialize in transporting dangerous goods and materials subject to our terms and conditions.





Customers are required to declare, pack and label their dangerous goods shipments correctly.



Only specially trained employees are permitted to handle dangerous goods.



At our facilities, dangerous goods safety advisors ensure compliance with prevailing regulations on site.



Dangerous goods are stored and transported in accordance with applicable national and international safety standards<sup>1</sup>.

**Deutsche Post DHL Group** 

**Health & Safety** 



# HEALTH & SAFETY AT WORK

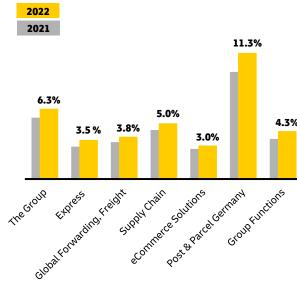
We carry out health projects and local initiatives to create a health-promoting work environment and raise awareness of a healthy lifestyle among our employees.

Our focus areas take in physical and mental health issues in the work environment as well as health insurance coverage for employees and their families in countries with insufficient or no statutory insurance coverage schemes.

Deutsche Post DHL Group



#### **Development of sickness rate**



The increase in the sickness rate is attributable primarily to the significant increase in respiratory illnesses caused not only by COVID-19, but also by the common cold and flu-like infections.



# MAKING A CONTRIBUTION TO SOCIETY

Our Corporate Citizenship (CC) programs allow us to make a positive social impact.

We take our responsibility as a global company seriously.



#### WE ENCOURAGE SOCIAL ENGAGEMENT

#### Global Volunteer Day (GVD)

Enabling employee social engagement all your round.

#### Financial support

The Improving Lives Fund provides funding for social projects initiated locally by employees. Support for other projects comes from the divisions.

#### **WE SUPPORT EMPLOYEES**

- Scholarships for employee children (UPstairs)
- Employees make donations to provide emergency assistance to colleagues who have been affected by natural disasters (We Help Each Other)

#### **WE LEVERAGE OUR CORE CAPABILITIES**

- GoHelp: Disaster management
- GoTeach: Improving employability
- GoGreen: Protecting the environment
- GoTrade: Facilitating global trade

### **OUR CORPORATE CITIZENSHIP PRINCIPLES**

Going beyond purely charitable efforts and intentions, our Corporate Citizenship programs create an impact by following four guiding principles.

#### 1. Creating value for society

We make a sustainable impact on society and the environment in line with the UN SDGs.

#### 2. Creating value for the Group

Our Corporate Citizenship programs help to boost our reputation, both as a business partner and as an employer.

#### 3. Leveraging strengths and expertise

We utilize our global reach and local presence, as well as the logistics experience and expertise, knowledge and time of our employees.

#### 4. Collaborating with partners

Close collaboration with partner organizations enables our programs to develop, unfold and have a sustainable impact on the ground.

In this way, knowledge and expertise are shared with other companies, and new technologies are used.

#### **UN SDGs**

4, 5, 8, 11, 13, 17

Our Go programs make a contribution to these SDGs.

#### 79%

of employees confirm they take pride in the Group's contribution to society.

#### >100.000

employees take part in volunteering activities every year.

#### **Our partners**

United Nations (UN OCHA, UNDP, World Food Program, UNCTAD), SOS Children's Villages, Teach For All, German Federal Ministry for **Economic Cooperation and** Development (BMZ), German agency for international development (GIZ). 52

### OUR GO PROGRAMS

Our initiatives enable us to use our strengths and capabilities to effect change locally and to work together to meet global challenges.

We partner with established international organizations to ensure that our initiatives have the greatest impact possible.



#### Facilitating global trade

With our expertise in trade and logistics, we enable sustainable growth in emerging economies and developing countries and help reduce barriers to trade.

Here, we focus on simplifying cross-border trade and enabling small and medium-sized enterprises (SMEs) to power up their potential.



#### Improving employability

We aim at improving the employability of disadvantaged young people.

Our employees equip them with the skills they need and prepare them to take their first steps in the working world.

We also make an active contribution to the integration of refugees in Germany.



#### **Disaster management**

We optimize logistics procedures and provide timely support at airports in the wake of natural disasters free of charge (Disaster Response Teams - DRT).

We develop procedures, emergency plans and train airport personnel to reduce relief supply bottlenecks at airports (Get Airports Ready for Disaster - GARD).



#### **Protecting the environment**

We train our employees in climate and environmental protection, and actively involve them in our Group initiatives.

We work together with recognized partner organizations to plant one million trees every year.





A SPOTLIGHT ON RESPONSIBLE CORPORATE GOVERNANCE



As the world's leading logistics provider, it is our responsibility to play an active part in leading our industry toward a sustainable future."

#### - MELANIE KREIS

Board Member for Finance, CFO





# COMPANY AND RELIABLE BUSINESS PARTNER

We render our services in compliance with current legislation and in accordance with our own values. In doing so, we focus on compliance, cybersecurity and respect for human rights. COMPLIANCE

Compliance<sup>1</sup> training for executive employees

KPI: Training level<sup>2</sup> in middle and upper management

Target 2023: 98% valid training certificates

YBERSECURITY

Safeguarding cybersecurity expertise

KPIs: Training level in middle and upper management, external cybersecurity rating<sup>3</sup>

Target 2023: Cybersecurity rating of at least 710/900 points<sup>4</sup> (upper quartile in reference groups)

HUMAN RIGHTS

Respecting human rights (workforce and supply chain)

KPIs (workforce): Training level in middle and upper management, on-site reviews and internal audits

KPIs (supply chain): Supplier spend covered by an accepted Supplier Code of Conduct, potential high-risk suppliers assessed, internal audits

<sup>&</sup>lt;sup>1</sup> Steering-relevant, also remuneration-relevant up to and including December 31, 2022. | 2 Takes in training on Code of Conduct, fighting corruption and bribery, competition compliance and data protection. | 3 Steering- and remuneration-relevant from January 1, 2023. | 4. The rating agency announced after the time this report was prepared that it would be making changes to its method which will have an impact on the rating scale, and which could influence our results.



Compliance



#### COMPLIANCE-MANAGEMENT

We render our services in compliance with current legislation and in accordance with our own corporate values.

We observe all applicable international anticorruption standards and statutes and are a member of the Partnering Against Corruption Initiative (PACI) of the World Economic Forum.

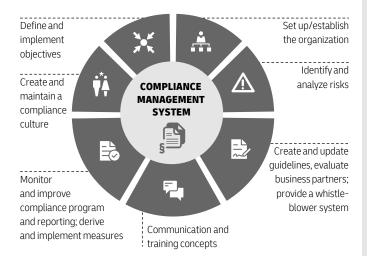
### **Deutsche Post DHL Group**

#### **Compliance Management System (CMS)**

With our Group-wide CMS we

- implement effective measures and
- uniform minimum standards set.

Business Unit Compliance Officers support associated activities in the divisions.



#### **Preventing bribery and corruption**

Compliance-relevant training<sup>1</sup> is mandatory for management employees.

Training level<sup>2</sup> in middle and upper management is steering-relevant.



98%

training level

**Target 2023: 98%** 

208

internal audits performed by the Corporate Audit team

 $^1$  Comprising the Core Compliance Curriculum (anti-corruption training, competitive compliance, Code of Conduct) and data protection training,  $l^2$  Share of valid training certificates. Employees who have already completed their training must update their certification every two years.

Compliance



# POLICIES AND GUIDELINES

Our Code of Conduct and Anti-Corruption and Business Ethics Policy, along with training on these topics, help employees identify situations in which the integrity of the company could be called into question with respect to relevant third parties.

### **Deutsche Post DHL Group**



#### Policies and guidelines apply for all levels and all employees

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.

The policy also sets out rules on how to deal with donations and gifts to political parties and government institutions.

We also require our business partners to adhere to these same standards.



#### Whistle-blower hotline

Potential violations can be reported 24/7 – if legally permitted, anonymously – via our professional compliance incident reporting system (whistle-blower hotline).

Reports are reviewed and investigated internally for potential violations as part of a standardized process. Information on relevant violations is collected and included in the regular compliance reports made to the Board of Management and to the Supervisory Board's Finance and Audit Committee.



Cybersecurity



# PROTECTING INFORMATION AND SYSTEMS

Our cybersecurity management activities protect the information of the Group, our business partners, our employees and our IT systems from unauthorized access, manipulation and data misuse.

#### **Our cybersecurity management**

- The IT Board determines the cybersecurity strategy and defines and manages Group-wide protection measures
- Chief Information Security Officers monitor and assess cyber risk on an ongoing basis
- Employees are granted access to our systems and data only to the extent required to perform their work
- IT systems and data are backed up on a regular basis, and critical data are replicated in the data centers. Regular software updates prevent potential security gaps and ensure functionality
- All employees and executives are continuously made aware of current risks by means of phishing and IT crisis simulations
- We also have our cybersecurity evaluated by BitSight, an external rating agency



#### **ISO 27001**

IT data centers certified.

#### **ISO 27002**

Processes and policies based on this standard.



#### **97** %

training level in middle and upper management<sup>1</sup>.

#### 700 points

in the BitSight rating

Target 2023: 710 out of 900 points<sup>2</sup>

Deutsche Post DHL Group



#### RESPECTING HUMAN RIGHTS

With our Human Rights Policy Statement,<sup>1</sup> we focus on human rights relevant for our business and operations.

With our internal management system, we ensure that our Human Rights Policy Statement is implemented among our workforce. In addition, we use the system to monitor due diligence compliance.

### **Deutsche Post DHL Group**

#### **Management system**





Potential violations can be reported 24/7 via our professional compliance incident reporting system (whistle-blower hotline). Reports are reviewed and investigated internally for potential violations as part of a standardized process.

#### Our focus

Prevention of child and forced labor, support for diversity and inclusion, freedom of association and collective bargaining, working conditions, data protection and environmental protection.



98%

training level in middle and upper management.

#### LkSG<sup>2</sup> Council

Monitors implementation of measures in the workforce and supply chain.

<sup>&</sup>lt;sup>1</sup> Takes account of the principles of the UN Global Compact and the International Labour Organization (ILO). J <sup>2</sup> Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG)



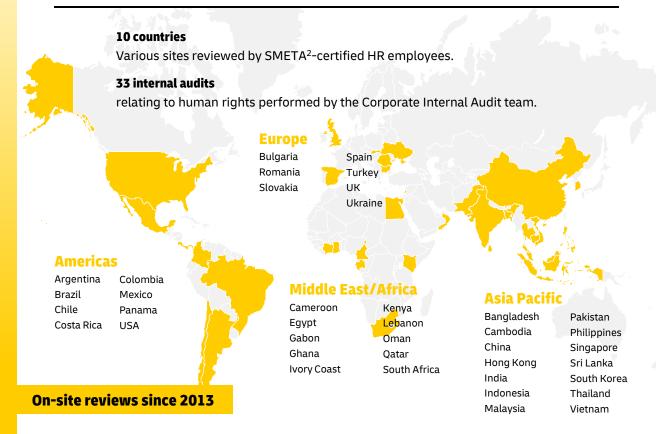
# IDENTIFYING, ASSESSING AND PREVENTING RISK

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

A risk-based approach is applied to select countries and locations for the on-site reviews based on internal and external criteria.<sup>1</sup>

#### Deutsche Post DHL Group

#### Internal audits on respecting human rights 2022



<sup>&</sup>lt;sup>1</sup> Internal: Such as number of employees; External: Verisk Maplecroft (Human Rights Index) and suggestions from the global unions. | <sup>2</sup> Sedex Members Ethical Trade Audit.



# IMPLEMENTING STANDARDS IN THE SUPPLY CHAIN

We expect our suppliers to make a measurable contribution toward climate-neutral logistics, to our social responsibility efforts and to responsible corporate governance.



The Supplier Code of Conduct is a reflection of the ethical, social and environmental standards we set for ourselves, and it is a binding component of our relationships with our suppliers, including subcontractors.

- Procurement employees are regularly trained to identify potential supplier-related risks early on
- We calculate the potential for risk of suppliers at the level of purchase categories (material groups).
- The risk assessment is influenced by 45 types of risk within eight risk domains.<sup>1</sup>
- The ultimate classification of the risk potential is based on the evaluation of the probability and the possible impact



#### >€27 billion

supplier spend covered by an accepted Supplier Code of Conduct.



>2,700

potential high-risk suppliers assessed.



#### Supplier management evaluation process

# SUPPLIER SELECTION AND EVALUATION

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

Supplier selection is based on a standardized assessment process which takes both internal and external criteria, such as those from Transparency International (Corruption Perceptions Index), into account.

#### Deutsche Post DHL Group





#### **Supplier portal**

- Conveys our expectations to our business partners
- Presents and explains the selection process
- Suppliers can use the corresponding training module to familiarize themselves with our Supplier Code of Conduct
- Reporting process:
   Suppliers have access to our professional compliance whistle-blower system.
   Here, they can report potential violations of the Code or statutory provisions as well as cybersecurity incidents



#### **SUPPLIER CODE OF CONDUCT**

The Supplier Code of Conduct is a binding component of the relationship with our suppliers.

By signing it, the supplier undertakes to comply with our standards and to implement them in its own supply chain.

#### Deutsche Post DHL Group

#### **Contents of the Supplier Code of Conduct**



#### **Child Labor**

No employment of children under the legal age of 15.



#### **Health & Safety**

Ensure compliance with applicable occupational health and safety regulations.



#### **Forced Labor**

No forced, bonded, compulsory labor or modern forms of slavery.



65

#### **Bribery**

Comply with applicable national and international laws and regulations.





#### **Compensation & working hours**

Local laws, mandatory industry standards regarding minimum wages, working hours.



#### **Diversity & Inclusion**

Encourage diversity and inclusion in the workplace.



#### **Data Protection**

Adherence to applicable data protection laws and regulations.



#### **Continuous Improvement**

Proactively exchange innovative ideas.



#### Freedom of association/ collective bargaining

Employees are free to decide whether to join a union or employee representative body.



#### **Environment**

Ensure compliance with all applicable laws, regulations and standards.



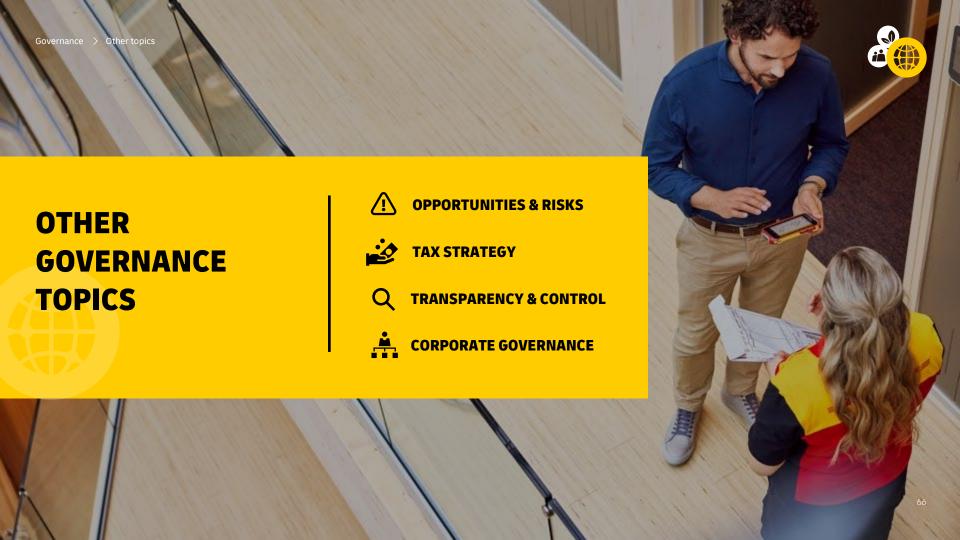
#### **Business Continuity**

Preparations for business disruptions of all kinds must have been made.



#### **Conflict Minerals**

Comply with all applicable laws.



Governance > Other topics
Opportunities & Risks



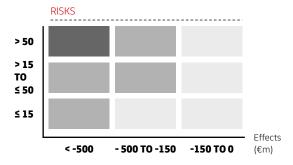
# SUSTAINABILITYRELATED OPPORTUNITIES AND RISKS

Opportunity and risk management takes place in Group Controlling and also covers sustainability-related aspects.

#### Opportunity and risk management

#### Assessing quantitative risk

Probability of occurrence (%)



#### Assessing qualitative risk

Probability of occurrence (%)



### ESG risks of medium significance<sup>1</sup> for the Group

- Operational: Risk of operational restrictions due to climate change
- Human resources: Impact of collective bargaining
- Information technology:IT security incident
- Market- and customer-specific:
  Availability of sustainable aviation
  fuels (SAFs) and energy from
  renewable sources
- Regulation: Carbon taxation and restrictions on GHG emissions

<sup>&</sup>lt;sup>1</sup> High: Impact on the Group overall. Medium: Impact at divisional level. Low: Local impact.

Governance > Other topics
Opportunities & Risks



# IDENTIFYING PHYSICAL AND TRANSITORY RISKS

In addition to financial assessment, the opportunities and risks arising from climate change are assessed using a scenario analysis according to the standards of the Task Force on Climate-related Financial Disclosures (TCFD).

### TCFD scenario analysis identifies transitory risks only

#### Assessment of physical<sup>1</sup> risk

- Chronic risks: Impacts of heat, increasing precipitation, rising sea levels, increased drought, impacts of fire
- Acute risks: Tropical storms, floods

#### Assessment of transitory<sup>2</sup> risk

- From regulations and directives
- From technology
- Changed market conditions
- Reputation

#### **Outcome of the TCFD analysis**

No significant physical<sup>1</sup> risks identified:

- Our sites are subject to limited risk due to worsening climate scenarios
- Flexible business models enable us to adjust and relocate assets

Significant transitory<sup>2</sup> risks identified:

- Carbon pricing trends
- Restrictions on GHG emissions
- Operational restrictions due to increasing regulation
- Availability of sustainable fuels

The outcome of the analysis reinforces the direction taken in our climate protection approach.

<sup>&</sup>lt;sup>1</sup> Scenario for physical risk: Carbon concentration scenarios based on scientific work behind the Paris Agreement (Intergovernmental Panel on Climate Change: RCP 2.6, 4.5, 8.5)| <sup>2</sup> Scenario for transitory risk: Sustainable development scenario developed by the International Energy Agency (IEA).

Governance > Other topics

Tax strategy



#### ADHERE TO TAX STRATEGY GROUP-WIDE

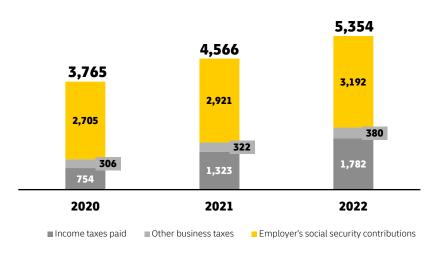
As a good tax payer, with our tax contributions we enable the countries where we do business to reduce and eliminate poverty and to reduce inequality.

Our worldwide tax expert network ensures compliance in a complex tax environment.

#### Taxes and social contributions (€ million)

#### **Our Guiding Principles**

- We ensure global compliance with our tax strategy
- We pay taxes where we do business and create value
- We are a responsible tax payer
- Risk appetite we do not enter into artificial tax structures
- We adhere to the wording of tax laws and their intended purpose
- We use the possibility to align with tax authorities and tax advisors to reduce uncertainty





Governance > Other topics

Transparency & Control

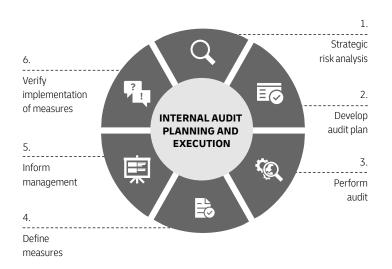


# ASSESSING THE EFFECTIVENESS OF PROCESSES AND CONTROLS

Corporate Internal Audit evaluates the effectiveness of our risk management system, control mechanisms, and management and monitoring processes, contributing to their improvement.

Performing independent regular and ad hoc audits at all Group companies and at corporate headquarters with the authority of the Board of Management.

#### **Corporate Internal Audit**



The audit teams discuss the audit findings and agree on measures for improvement with the audited organizational units and their management.

The Board of Management is regularly informed of the findings. The Supervisory Board is provided with a summary once a year.



208

audits performed, of which

**33** 

related to respect or human rights.

# PROTECTING INTERESTS, CREATING TRANSPARENCY

Wherever regulation for transparency on lobbying activities exists, we fully comply with these regulations and report on the type, scope and financing of the activities we pursue to support our business interests.

#### Transparency on lobbying activities

We maintain Corporate Representations in Berlin, Brussels, Washington and Beijing, and we publish our expenditures in the Lobby Register of the German Bundestag, in the EU Transparency Register and in the United States. No such register exists in China.

Our employees are generally prohibited from making donations on behalf of the company (Anti-Corruption and Business Ethics Policy).

However, employees are in no way hindered from exercising their rights within the realms of prevailing law. For example, they are entitled to form Political Action Committees (PACS) in the United States.





#### DUAL MANAGEMENT STRUCTURE

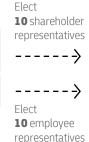
As a listed German public limited company, Deutsche Post AG has a two-tier board structure.

The Board of Management is responsible for managing the company. It is appointed, overseen and advised by the Supervisory Board.

#### The two-tier structure

Annual General Meeting

**Employees** 



Supervisory Board 20 members

#### **Appoints**

members of the Board of Management

Advises and oversees

---->

the Board of Management

Board of Management 9 members

Responsible for nanaging the company on its own authority



**22.2%** women on the Board of Management

**40%** women on the Supervisory Board



**67** is the age limit on the Board of Management

**72** is the age limit on the Supervisory Board

#### **Committees of the Supervisory Board**

- Executive Committee
- Mediation Committee
- Nomination Committee
- Finance and Audit Committee
- Strategy and Sustainability
   Committee
- Human Resources Committee



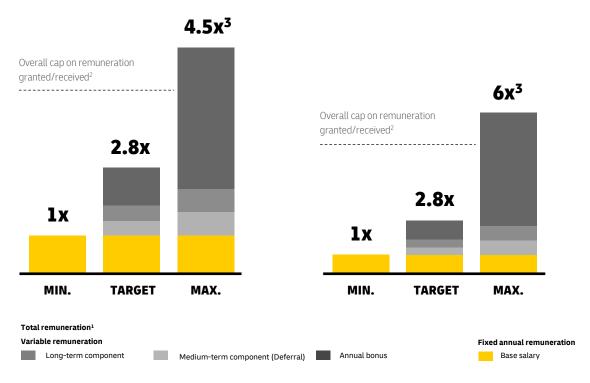


#### BOARD OF MANAGEMENT – REMUNERATION RANGE

Total remuneration<sup>1</sup> comprises the fixed annual remuneration (base salary) as well as variable remuneration (long-term components, medium-term components (deferral), annual bonus).

#### Chairman of the Board

#### Other Board members



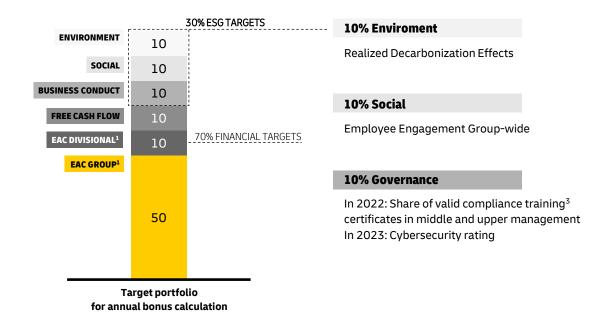
<sup>&</sup>lt;sup>1</sup> Excluding company pension plan and fringe benefits.] <sup>2</sup> From 2022, <sup>3</sup> From 2022, annual bonus including medium-term component can be decreased or increased by up to 20% (bonus/malus option) in extraordinary circumstances. Maximum remuneration in case of increase is 4.7 (CEO)/ 6.2 (other Board members).



# ESG TARGETS IN BOARD OF MANAGEMENT REMUNERATION

The ESG targets are fully integrated into Board of Management remuneration.

From 2023, ESG metrics will also be included in the annual bonus calculation for executives in upper-level management.



#### Bonus payment schedule for annual bonus and deferral

50% paid in the following year if performance targets achieved

50% of achieved bonus is paid out after additional two years<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Group EAC is weighted at 60% for the Chairman of the Board/CEO as well as for the Board Member for Finance and the Board Member for Human Resources. For other Board members Group EAC is weighted at 50% and the EAC of the respective division for which they are responsible at 10%. | <sup>2</sup> Deferral. | <sup>3</sup> Medium-term component (deferral) will only be paid out if the EAC target is reached during the sustainability phase, i.e., at least the cost of capital was covered. 3 Covers the core compliance curriculum and data protection.



#### BOARD OF MANAGEMENT REMUNERATION – LONG-TERM COMPONENT

Cash remuneration which is linked to the company's share price performance.

Participation in the Long-Term Incentive Plan (LTIP) requires personal investment of 10% of annual base salary.

Granted SARs can only be exercised if shareprice based performance targets are met.

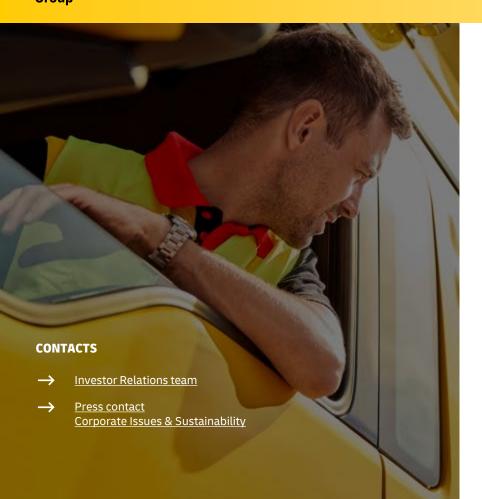
#### 1 - Allocation of LTIP

#### 2 - Exercisable Options

<b>100%</b> of annual base salary on grant date	SAR PERFORMANCE TARGETS	THRESHOLDS	NUMBER OF EXERCISABLE SAR <sup>1</sup>
	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

- A four-year vesting period applies
- Granted SARs can only be exercised if share-price based performance targets are met

<sup>1</sup> Stock Appreciation Rights. 75



#### **RELATED LINKS**

All our reporting documentation can be found bundled in our Reporting Hub.

#### Reporting 2022

- → Reporting Hub
- → 2022 Annual Report
- → 2022 Nonfinancial statement
- → 2022 Consolidated financial statements
- → 2022 List of shareholdings
- → 2022 ESG Statbook
- → 2022 Remuneration Report
- → Nonfinancial statements 2017 – 2019
- → <u>Lobbyregister Germany</u>
- → <u>Transparency register EU</u>
- → Lobbying Disclosure US

#### **Further Group websites**

- → Corporate website
- Group policies and guidelines
- Sustainable product portfolio
- Corporate Divisions

#### **Future of logistics**

- → Global trade
- → DHL Innovation Center
- Recent studies