> HOME > THE GROUP & MANAGEMENT

LETTER TO OUR STAKEHOLDERS



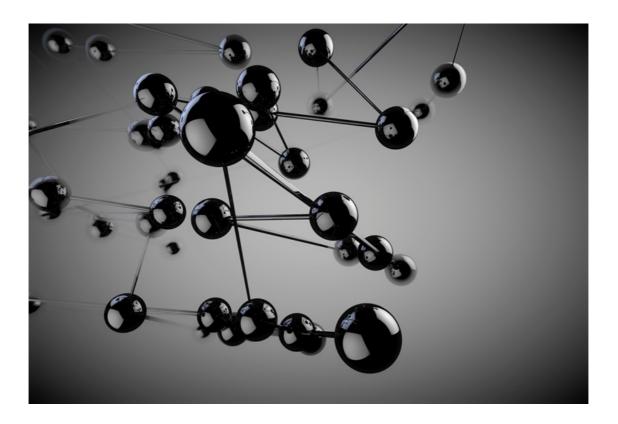
"We are committed to business success and responsible business practice. As we look to the future, our goal is to be the Provider, Employer and Investment of Choice."

Frank Appel, CEO of Deutsche Post DHL



THE GROUP: THE LEADER IN POSTAL SERVICES & LOGISTICS

Deutsche Post DHL is the world's leading mail and logistics services group. The Deutsche Post and DHL corporate brands represent a one-of-a-kind portfolio of logistics (DHL) and communications (Deutsche Post) services. We provide our customers with both easy-to-use standardized products as well as innovative and tailored solutions ranging from dialogue marketing to industrial supply chains. Around 480,000 employees in more than 220 countries and territories form a global network focused on service, quality and sustainability.



GROUP STRUCTURE & BUSINESS MODEL

Deutsche Post AG is a listed corporation domiciled in Bonn, Germany. The Group – Deutsche Post DHL – is organized into four operating divisions, each of which is under the control of its own divisional headquarters and is subdivided into business units for reporting purposes.



MANAGEMENT & OVERSIGHT

As a publicly listed company in Germany, Deutsche Post DHL has a dual management structure. The Board of Management is responsible for the management of the company. It is appointed, overseen and advised by the Supervisory Board.



ORGANIZATION & DECISION-MAKING BODIES

Corporate responsibility is a matter of great importance at Deutsche Post DHL and is anchored as a principle in our Corporate Strategy. The Chief Executive Officer is responsible for setting its strategic direction. The corporate department for Corporate Communications and Responsibility, seated in the CEO department, is charged with overseeing the Group's corporate responsibility activities.



ECONOMIC IMPACT & SOCIETY

Deutsche Post DHL provides services that are indispensable for a modern society. We ensure that both information assets and goods are conveyed securely. Our world-spanning logistics networks create the conditions necessary for companies and people to participate in world trade. It's how we make a substantial contribution to the welfare of companies and individuals.

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LETTER TO OUR STAKEHOLDERS



Dear Stakeholders,

This marks the Group's tenth report on its activities and progress in the area of sustainability and corporate responsibility. We have achieved a great deal since the publication of our first report in 2003 - we have launched innovative programs in environmental protection, disaster management and education, and have established corporate responsibility as an integral part of our Corporate Strategy. A wide range of activities have also helped enhance the working environment for our employees, who play a significant role in the success of Deutsche Post DHL.

We have also built a corporate culture which infuses our daily work with a commitment to sustainable, ethical business practices. There are several components to this: our overarching principle of Respect & Results, a spirit of openness and appreciation in our dealings with one another, and our <u>Code of Conduct</u>, which is based on internationally recognized standards – the <u>UN Global Compact</u> and its ten principles we steadfastly adhere to as a member, the Universal

Declaration of Human Rights, and the conventions issued by the International Labour Organization (ILO).

Today, our many corporate responsibility activities and strategies are widely respected and appreciated by our employees and external stakeholders. For me this is a source of pride as well as motivation to further our commitment in this area.

2013 was another year of progress and further development for our CR strategy "Living Responsibility". A new core component is our cross-functional, Group-wide network devoted to Responsible Business Practice (RBP). Its job is to systematically manage all aspects of corporate responsibility and to review appropriate measures. In addition, the Shared Value approach has become, more than ever, the driving force behind our GoGreen environmental protection program.

You, our stakeholders, were an important factor in these developments. Numerous dialogues along with a detailed stakeholder survey, provided valuable input over the course of the reporting year and helped us better understand your viewpoints and needs. We also conducted a materiality analysis in 2013, which has helped us to further identify and prioritize issues related to CR and sustainability.

As Europe's largest postal company and the world's leading logistics company, we are constantly working to reduce our environmental impact. Our GoGreen program is driven by our ambitious climate protection target to improve carbon efficiency by 30% by the year 2020, as compared to the baseline year 2007. In 2013 alone we achieved an efficiency gain of two percentage points over the previous year and, overall, we have already improved our carbon efficiency by 18%. In short, we are well on our way to achieving the 2020 target.

2013 was also a year of progress in the area of social responsibility and engagement. We continued to expand our GoTeach activities, including new partnerships with Teach for the Philippines and seven SOS Children's Villages country organizations. We deployed our GoHelp volunteers to Chile and the

Philippines, and our valued employees – some 480,000 around the world – continue to contribute their time and spirit to projects in their own communities. Global Volunteer Day is just one example of this. In 2013, our employees contributed more than 200,000 volunteer hours to local projects as part of the volunteering event.

The title of this year's report is "The AND makes the difference". As a company, we are committed to business success and responsible business practice. Our customers demand that we continuously improve the speed and quality of our services. We make sure we satisfy our customers and reduce our impact on the environment at the same time. And as we look to the future, our goal is to be the Provider, Employer and Investment of Choice.

I am pleased to have you on board for this journey.

Yours sincerely,

Frank Appel

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THE GROUP & ITS BRANDS



Deutsche Post DHL is the world's leading mail and logistics services group. The Deutsche Post and DHL corporate brands represent a one-of-a-kind portfolio of logistics (DHL) and communications (Deutsche Post) services. We provide our customers with both easy-to-use standardized products as well as innovative and tailored solutions ranging from dialogue marketing to industrial supply chains. Around 480,000 employees in more than 220 countries and territories form a global network focused on service, quality and sustainability.

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DEUTSCHE POST – THE POSTAL SERVICE FOR GERMANY



As Europe's largest postal company, we deliver more than 64 million letters every working day in Germany alone. We offer all types of products and services to both private and business customers, ranging from physical, hybrid and electronic letters and merchandise to special services such as cash on delivery and registered mail. Our E-Postbrief product provides a secure, confidential and reliable platform for electronic communication. It allows companies, public authorities and private individuals to send secure communications whilst reducing processing costs.

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- > DHL THE LOGISTICS COMPANY FOR THE WORLD
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DHL – THE LOGISTICS COMPANY FOR THE WORLD



DHL is an international express service provider, an air, ocean and overland freight forwarder, as well as a supply chain specialist, and offers our customers a wide range of integrated logistics solutions. With a unique network that spans the globe, we are one of the leading providers in our business segments. We continuously improve our services in order to meet our customers' needs to their satisfaction.

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Organizational structure of Deutsche Post DHL

Deutsche Post DHL									
Corporate Center			Divisions						
CEO Board member Dr Frank Appel Functions Board Services Corporate First Choice Corporate Legal Customer Solutions & Innovation Corporate Office Corporate Development Corporate Heritage & Industry Associations Corporate Communication & Responsibility Corporate Public Policy & Regulation Management	Finance, Global Business Services Board member • Lawrence Rosen Functions • Corporate Finance • Global Business Services: Procurement, Real Estate, Finance Operations, Legal Services etc. • Investor Relations • Corporate Accounting & Reporting • Corporate Audit & Security • Taxes	Human Resources Board member Angela Titzrath Functions HR MAIL HR EXPRESS HR SUPPLY CHAIN HR GLOBAL FORWARDING, FREIGHT Headquarters & International Services, GBS & CSI Corporate Executives & Talent Management Industrial Relations, Civil Servants Compensation & Benefits HR Performance & Programs	MAIL Board member Jürgen Gerdes Business units Mail Communication Dialogue Marketing Press Services Parcel Germany Retail Outlets Global Mail Pension Service	EXPRESS Board member Ken Allen Regions Europe Americas Asia Pacific MEA (Middle East and Africa)	GLOBAL FORWARDING, FREIGHT Board member • Roger Crook Business units • Global Forwarding • Freight	Board member Bruce Edwards Business units Supply Chain Williams Lea			

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We are the only provider of universal postal services in Germany. In our <u>MAIL division</u>, we deliver domestic and international mail and parcels and we are specialists in dialogue marketing, nationwide press distribution services and all the electronic services associated with mail delivery.

Our <u>EXPRESS division</u> offers courier and express services to business customers and consumers in more than 220 countries and territories, the most comprehensive network in the world.

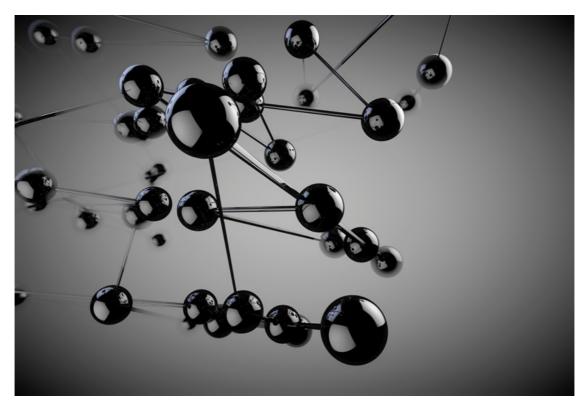
Our <u>GLOBAL FORWARDING</u>, <u>FREIGHT division</u> handles the carriage of goods by rail, road, air and sea. Our services extend from standardized container transport to highly specialized end-to-end solutions for industrial projects, and solutions tailored to specific sectors.

Our <u>SUPPLY CHAIN division</u> provides warehousing, managed transport and value-added services at every link in the supply chain for customers in a variety of industries. With Williams Lea we also offer solutions for corporate information and communications management tailored precisely to the needs of our customers.

We consolidate the internal services that support the entire Group, including <u>Compliance</u>, <u>Procurement</u>, Finance, IT and Legal, in our Global Business Services (GBS). This allows us to make even more efficient use of our resources whilst reacting flexibly to the rapidly changing demands of our business and our customers. Group management functions are centralized in the Corporate Center.

For details about our performance and markets please refer to our Group Management Report in our <u>Annual Report 2013</u>.

GROUP STRUCTURE & BUSINESS MODEL



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MANAGEMENT & OVERSIGHT



As a publicly listed company in Germany, Deutsche Post DHL has a dual management structure. The <u>Board of Management</u> is responsible for the management of the company. It is appointed, overseen and advised by the Supervisory Board. The Board of Management and the <u>Supervisory Board</u> are in regular dialogue regarding strategic measures, planning, business development, risk exposure and risk management as well as company compliance. The Supervisory Board report in the Annual Report 2013 provides information on issues and decisions that were discussed by the Supervisory Board.

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- > THE BOARD OF MANAGEMENT: LEADERSHIP & DECISION-MAKING



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THE BOARD OF MANAGEMENT: LEADERSHIP & DECISION-MAKING

The Board of Management

Corporate Center		Divisions		
Dr. Frank Appel Chief Executive Officer Born 1961 Member since 2002 Appointed until October 2017		Ken Allen EXPRESS Born 1955 Member since 2009 Appointed until February 2017	Roger Crook GLOBAL FORWARDING, FREIGHT • Born 1957 • Member since 2011 • Appointed until March 2019	
Angela Titzrath Human Resources • Born 1966 • Member since 2012 • Appointed until April 2015	Lawrence Rosen Finance and Global Business Services Born 1957 Member since 2009 Appointed until August 2017	Bruce Edwards SUPPLY CHAIN Born 1955 Member since 2008 Appointed until March 2016	Jürgen Gerdes MAIL • Born 1964 • Member since 2007 • Appointed until June 2015	

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The Board of Management, with the consent of the Supervisory Board, has established rules of procedure that lay down the fundamental principles of its internal structure, management and cooperation within the Board of Management. Within this framework, each Board member manages their department independently and regularly informs the rest of the Board about key developments. The Board of Management as a whole decides on matters of particular significance for the company or the Group. In addition to tasks that it is prohibited by law from delegating, these include all decisions that must be presented to the Supervisory Board for approval. The entire Board of Management also decides on matters brought forth by one member of the Board of Management for decision by the Board of Management as a whole. In making their decisions, the members of the Board of Management may not pursue personal interests or exploit business opportunities due to the company for their own benefit. They are required to disclose any conflicts of interest to the Supervisory Board without delay. The Board of Management has seven members.

The total remuneration paid to individual Board of Management members for financial year 2013 was determined by the Supervisory Board, which held consultations to resolve on the remuneration system for the Board of Management. In so doing it obtained advice from an independent remuneration consultant. The remuneration paid to the Board of Management is in line with standard market practice, appropriate to the tasks involved and designed to reward performance; it comprises fixed (nonperformance-related) elements and variable (performance-related) elements, which include short, medium and long-term incentives. The remuneration as a whole as well as its variable components have been capped. Furthermore, an employee-related target is agreed with all Board of Management members based on the annual employee opinion survey. Target criteria, remuneration structure as well as remuneration amounts are presented in detail in the Remuneration Report of the Annual Report 2013.

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- > THE SUPERVISORY BOARD: ADVISING & OVERSIGHT

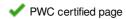
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THE SUPERVISORY BOARD: ADVISING & OVERSIGHT

The Supervisory Board advises and oversees the Board of Management; it also appoints the members of the Board of Management. It has established rules of procedure that include the fundamental principles of its internal structure, a catalog of Board of Management transactions requiring its approval as well as rules for the Supervisory Board committees. It meets at least twice every half calendar year. Special meetings are held whenever particular developments or measures need to be discussed or decided quickly. The Supervisory Board has formed six committees that are charged among other things with addressing finance or personnel-related issues and preparing the resolutions of the plenary meetings of the Supervisory Board. The Strategy Committee that was set up in December 2013 will prepare material for discussion by the Supervisory Board relating to strategic matters and any new activities the company is to undertake, or existing activities that it will discontinue. It will also hold regular discussions on the competition faced by the company. The Supervisory Board has 20 members, consisting of ten shareholder representatives and ten employee representatives. Information about the work of the Supervisory Board and its committees in financial year 2013 is contained in the Report of the Supervisory Board in the Annual Report 2013. Information about the members of the Supervisory Board and the composition of the Supervisory Board committees can also be found in the Annual Report 2013.

Pursuant to section 17 of the Articles of Association of Deutsche Post AG resolved by the Annual General Meeting (AGM) in the version applicable until December 31, 2013, the annual remuneration paid to the members of the Supervisory Board comprises a non performance-related, i.e. fixed, component, a variable component geared towards sustainable corporate development and the attendance allowance. The AGM resolved on May 19, 2013 to modify the Supervisory Board remuneration as at January 1, 2014 and accordingly amended section 17 of the Articles of Association of Deutsche Post AG. While the performance-related remuneration component was taken out of force, the fixed component was increased. For further details and specific figures related to Supervisory Board remuneration, please refer to the Remuneration Report in our Annual Report.

> HOME > THE GROUP & MANAGEMENT > ORGANIZATION & DECISION-MAKING BODIES



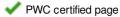
ORGANIZATION & DECISION-MAKING BODIES



Corporate responsibility is a matter of great importance at Deutsche Post DHL and is anchored as a principle in our Corporate Strategy. The Chief Executive Officer is responsible for setting its strategic direction. The corporate department for Corporate Communications and Responsibility, seated in the CEO department, is charged with overseeing the Group's corporate responsibility activities. Its tasks consist primarily of the following:

- Definition of suitable measures to reach <u>strategic corporate responsibility goals</u>
- Intensive and systematic dialogue with important internal and external stakeholders
- Environmental and climate protection
- The corporate citizenship programs
- The identification of opportunities and risks in the area of corporate responsibility.

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- > ORGANIZATION & REPORTING LINES



ORGANIZATION & REPORTING LINES

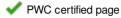
In order to identify opportunities and risks in a timely fashion and develop and implement a systematic information process, we further refined our "Living Responsibility" strategy in the reporting year.

Here we intend to make more intensive use of the "<u>Shared Value</u>" approach to value creation in order to pursue our centrally managed activities related to environment and climate protection and develop and market environmentally-friendly products and services (*GOGREEN*).

We also formalized the cross-divisional exchange on CR-related topics in the reporting year by creating our new cross-divisional <u>Responsible Business Practice</u> (RBP) network. It serves as a forum for the representatives of various corporate functions, such as Compliance, Supplier Management, and the divisions. The network ensures the systematic coordination of stakeholder requirements with Group activities.

The Human Resources board department is responsible for all employee-related issues, data privacy and the dialogue with employee representatives. The <u>Chief Compliance Officer</u> reports to the Chief Financial Officer, who also oversees the internal service areas (GBS functions including <u>procurement and supplier management</u>). The <u>GoGreen Sponsors Board</u> discusses and presides over issues related to the environment.

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- > ADVISING & DECISION-MAKING



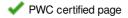
ADVISING & DECISION-MAKING

In the reporting year, new committees were created to address issues of corporate responsibility. Internal as well as external stakeholders contribute their views and expertise to these bodies. This creates a broader basis for decisions and allows us to accelerate our decision-making process.

- RBP Working Group: We have formalized the exchange on overarching CR topics in the reporting year. The RBP Working Group discusses comprehensive CR issues and submits them to the RBP Council for decision.
- Sustainability Advisory Council (SAC): This body was established to incorporate external
 perspectives and expertise at an early stage. This advisory committee is an internationally staffed
 body of independent experts and thought leaders from different disciplines (science, economics, the
 humanitarian community, environment, logistics, politics, the media, and ethics). It will convene for the
 first time in Bonn in the first quarter of 2014 for a constitutive session.
- HR Board: Also created in the reporting year, the HR Board serves as a cross-divisional decision-making body for issues related to personnel. It is chaired by the Board Member for Human Resources, and members of the HR departments in the divisions and HR functions within the Corporate Center are represented.
- Integrity Board: Our Integrity Board has representatives of Group management, including two Board of Management members Larry Rosen, Angela Titzrath and prominent individuals from outside the Group. It deals with fundamental questions of corporate integrity, the organization of the superordinate integrity management and the further development of the Code of Conduct.

Reporting lines and bodies that already exist remain unchanged.

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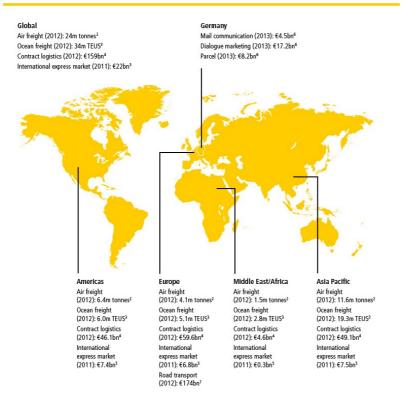
ECONOMIC IMPACT & SOCIETY



Deutsche Post DHL provides services that are indispensable for a modern society. We ensure that both information assets and goods are conveyed securely. Our world-spanning logistics networks create the conditions necessary for companies and people to participate in world trade. It's what enables us to make a substantial contribution to the welfare of societies and individuals.

We provide a detailed look at our Group's impact on global trade as well as our economic performance in our <u>Annual Report</u>.

Market volumes¹



¹ Regional volumes do not add up to global volumes due to rounding.

² Data based solely on export freight tonnes. Source: Copyright © IHS, 2013. All rights reserved.

³ Twenty-foot equivalent units; estimated part of overall market controlled by forwarders. Data based solely on export freight tonnes.

⁴ Source: Copyright © IHS, 2013. All rights reserved. 4 Source: Transport Intelligence.

⁵ Includes express product Time Definite International. Country base: AT, BE, CH, CZ, DE, DK, ES, FR, IL, IT, NL, NO, PL, RU, SE, TR, UK (Europe);

AR, BR, CA, CL, CO, CR, MX, PA, VE, US (Americas); AU, CN, IHK, ID, IN, JP, KP, MY, NZ, SG, TH, TW, VN (Asia Padiic); AE, ZA (Middle East/Africa). Latest available market study. Source: Market Intelligence 2012, annual reports and desk research.

⁶ Company estimates.

⁷ Country base: total for 19 European countries, excluding bulk and specialties transport. Source: MRSC MI Freight Reports 2008 to 2012, Eurostat 2010.

Eurostat 2010.

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- > EXCELLENT EARNINGS & SHARING SUCCESS

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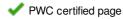
EXCELLENT EARNINGS & SHARING SUCCESS

In 2013 our consolidated revenue totaled just over €55 billion. Our profit from operating activities (EBIT) was €2,861 million. This positive economic position reflects the trust that our customers place in us as a company that acts responsibly. At the same time, it offers a basis for expanding our commitment to corporate responsibility.

The Group paid taxes as well as additional payments to federal, state and local authorities to help finance infrastructure maintenance and expansion. Please refer to our <u>Annual Report</u> for details on our tax expenses.

Our shareholders also participate in the success of our company. In the reporting year, we paid dividends to our shareholders in the amount of €967 million for the fiscal year 2013. At the Annual General Meeting on May 27, 2014, the Board of Management and Supervisory Board will recommend a dividend of €0.80 per share.

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WAGES & SALARIES INCREASE

With around 480,000 employees, we are one of the world's largest employers. <u>Staff costs</u> increased in the reporting year to approximately €17.8 billion and relate mainly to remuneration. They include wages, salaries and compensation as well as all other benefits paid to employees of the Group for their services in the year under review. Social security contributions relate in particular to statutory social security contributions paid by employers. Retirement benefit expenses include contributions to defined performance- and contribution-based pension plans that we maintain in several countries. For information on the principles of our compensation system, please refer to the chapter on our employees in this report.

Staff costs also include remuneration paid to both the Board of Management and Supervisory Board. In the reporting year, the total remuneration paid to the Board of Management amounted to €20.5 million; total Supervisory Board remuneration amounted to €1.4 million. These figures include share-based remuneration. The remuneration paid to the Board of Management and the Supervisory Board represents a 0.01% share of total staff costs.

Development staff costs/employees

€ million			
	2011	2012	2013
Wages, salaries and compensation	13,350	14,209	14,307
Social security contributions	2,022	2,094	2,111
Retirement benefit expenses	915	954	883
Expenses for the other employee benefits	317	336	357
Expenses for serverance payments	126	177	127
Total	16,730	17,770	17,785

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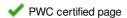
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FINANCIALLY SOUND & ECO-FRIENDLY INVESTING

We continue to modernize our vehicle and aircraft fleets as well as our buildings, machines and facilities, and we also continue to optimize our networks. The Group's investment expenditure amounted to approximately €1.7 billion in the reporting year, putting it at the same level as in the previous year. An overview of our investments by division and by region is provided in our Annual Report.

Environmental aspects have great significance in our capital expenditure policies. Our Corporate Investment Policy specifies that the company may not make a replacement purchase if the replacement is not more energy efficient than its predecessor model or does not at least offer other environmental advantages. A detailed report about the modernization of our aircraft fleet and investments in vehicles and building technology can be found in the "Creating Shared Value through Environmental Protection" chapter.

> HOME > CR STRATEGY & MEASURES





CR STRATEGY: MANAGING & ENHANCING CORPORATE RESPONSIBILITY

Our mission as a mail and logistics company already contains a strong social component – to connect people and make their lives easier with the help of our services. Social responsibility is a principle that guides and permeates our actions as a company, and it plays a significant role in our business success.



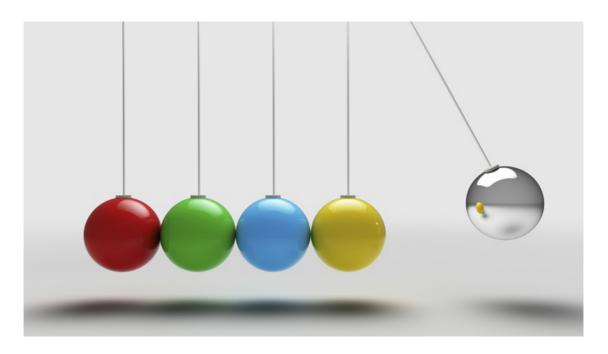
OUR CR ACTION AREAS

The Shared Value proposition has developed into an integral part of our corporate responsibility strategy. Shared Value is about creating value for the benefit of a larger "community", including the company, society and the natural environment in which it operates. Accordingly, we regard Shared Value as a value-adding approach that generates business by tackling social and environmental issues with our core competencies.



MATERIALITY ANALYSIS: RELEVANT & COMPREHENSIVE

In the reporting year, we conducted a systematic stakeholder survey in order to gain a deeper understanding of how our internal and external stakeholders view corporate responsibility and sustainability issues. For the first time, survey results were then summarized as part of a materiality analysis.



CR MANAGEMENT PROCESS

In the reporting year, we developed and implemented a multi-stage management process designed to drive our CR strategy and manage our relationships with stakeholders. A new Stakeholder Relations team as well as a Responsible Business Practice network was established as part of this management process.



MANAGEMENT & RESPONSIBILITES

The further development of Deutsche Post DHL's corporate responsibility strategy in 2013 has resulted in even more clearly defined CR roles and responsibilities across the Group.



MAINTAINING & DEEPENING THE STAKEHOLDER DIALOGUE

The Group's stakeholder groups are diverse – they include our customers, employees and investors, as well as suppliers, subcontractors, policymakers, administrative bodies and government regulators, the public, the media and NGOs.



RATINGS & RANKINGS

Our performance on corporate responsibility issues is monitored and assessed by rating agencies and other independent institutions for economic, environmental and ethical sustainability, as well as for good governance practices. The agencies conduct their analyses based on their own set of principles and criteria. Issuers of sustainability indices use the opinions of the rating agencies to determine whether a company is to be listed – or delisted – in their index. Customers and investors increasingly turn to index listings to guide them in their decisions regarding whether to do business with or invest in a company.



TARGETS & ACHIEVEMENTS

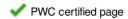
In the area of corporate responsibility, we set targets that are both quantifiable, i.e. measurable, and realistic in terms of timeframe.



CONTINUING & ENHANCING CR MANAGEMENT

The assessments and statements found in our Corporate Responsibility Report 2013 are based on the results of our materiality analysis, our dialogue with our stakeholders and external rankings and ratings. The insights we have gained in the process confirm that we are moving in the right direction with our corporate responsibility strategy.

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CR STRATEGY: MANAGING & ENHANCING CORPORATE STRATEGY



Our mission as a mail and logistics company already contains a strong social component – to connect people and make their lives easier with the help of our services. Social responsibility is a principle that guides and permeates our actions as a company, and it plays a significant role in our business success.

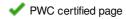
Our corporate responsibility strategy "Living Responsibility", which is an integral part of our Corporate Strategy, drives sustainable management practices across Deutsche Post DHL. As we work towards our core business objectives – to become the Provider, Employer

and Investment of Choice – responsible business practices are key to ensuring a balance between economic, social and environmental interests.

In 2013, we continued to develop our corporate responsibility strategy – to further intertwine corporate responsibility and business success, and to develop more systematic ways to ensure that our actions as a company respond to the interests and expectations of our internal and external stakeholders.

One of the significant developments in 2013 was the adoption of the <u>Shared Value</u> proposition as the driver of our environmental protection activities (GoGreen). Our <u>Corporate Citizenship</u> programs (GoTeach and GoHelp) remain unchanged. Also in the reporting year, we created a dedicated <u>management process</u> to drive the further development of our Living Responsibility strategy, and established a Responsible Business Practice network for managing all CR-relevant topics across the Group, developing corresponding measures and reporting on progress. A new Stakeholder Relations team was also established in the reporting year. As a result, roles and responsibilities within CR management are now more clearly defined than before.

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OUR CR ACTION AREAS

Shared Value



The Shared Value proposition has developed into an integral part of our corporate responsibility strategy. Shared Value is about creating value for the benefit of a larger "community", including the company, society and the natural environment in which it operates. Accordingly, we regard Shared Value as a value-adding approach that generates business by tackling social and environmental issues with our core competencies.

A strong example of our Shared Value approach is the further development of our portfolio of eco-friendly <u>GOGREEN</u> products and services. These help us to open new business opportunities. At the same time, innovative solutions enable us to increase our productivity, lessen our dependence on fossil fuels and help us reduce costs.

Corporate Citizenship

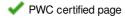


Our work in the area of corporate citizenship is about creating value for both society and our company; it is about applying our strengths and core competencies for the good of the global community, and working closely with experienced partners.

The Group and its employees invest their time and expertise in various collaborative projects with our partner organizations, with the goal of addressing social challenges and ensuring the success of our business over the long term. Our Group-wide programs help improve educational opportunity and employability for young people, deploy disaster management experts to airports, and support local environmental protection and other community projects initiated by our employees.

In 2013, we adopted a global corporate citizenship strategy and established an internal working group of corporate citizenship experts to enhance the impact of our current and future activities in this area. In addition, we defined KPIs designed to increase the transparency of these activities.

> HOME > CR STRATEGY & MEASURES > MATERIALITY ANALYSIS



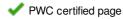
MATERIALITY ANALYSIS: RELEVANT & COMPREHENSIVE



In the reporting year, we conducted a systematic stakeholder survey in order to gain a deeper understanding of how our internal and external stakeholders view corporate responsibility and sustainability issues. For the first time, survey results were then summarized as part of a materiality analysis.

The stakeholder survey will be conducted every two years. This ensures that we continually monitor stakeholder views on the relevance of our activities, and also puts us in the position to respond to social changes in a timely manner. It also puts us in a position to report regularly on progress made in specific areas.

> HOME > CR STRATEGY & MEASURES > MATERIALITY ANALYSIS > COMPREHENSIVE SURVEY APPROACH



COMPREHENSIVE SURVEY APPROACH

In the fiscal year 2013 we invited a total of 8,744 individuals from our most important stakeholder groups to share their opinion on sustainability-related topics as well as on our own performance in these areas as part of an international, anonymized online survey. Participants included employees, investors, customers, NGOs, policymakers, suppliers, journalists, academic institutions, associations and councils, as well as CR experts. A total of 831 stakeholders took part in the survey and completed the questionnaire in full.

The questionnaire comprised 25 questions covering six different topic clusters: Ethical Governance and Sustainability Strategy, Product Responsibility and Marketplace, Labor Practices and Human Rights, Fair Operating Practices, Environment and Corporate Citizenship.

The survey topics were defined based on various recommendations and guidelines (e.g. the <u>Global Reporting Initiative – GRI</u>, <u>UN Global Compact</u> and recommendations from the <u>OECD</u>) as well as sustainability rating standards, internal evaluation methods and customer feedback.

The respondents were asked to rate the topics in terms of their general relevance for an international logistics provider like Deutsche Post DHL. Our materiality analysis is based on the evaluation of the survey results.

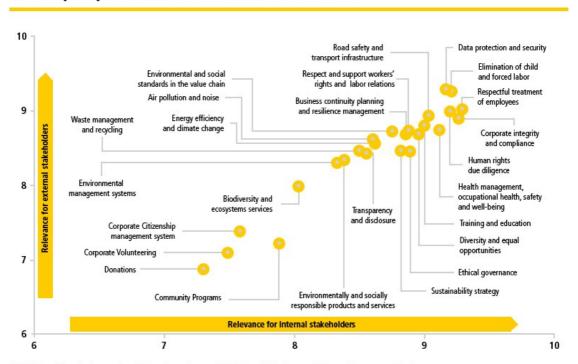
> HOME > CR STRATEGY & MEASURES > MATERIALITY ANALYSIS > MATERIALITY OF ISSUES



MATERIALITY OF ISSUES

All of the topics covered in the 25 questions received relevance ratings of high to very high from our stakeholders. Based on a scale of 1 to 10, where 1 = very low relevance and 10 = very high relevance, the mean relevance ratings ranged between just below 7 to just over 9 points. The survey also revealed that internal and external stakeholders share the same views regarding the relevance of certain CR issues. Both respondent groups attributed high relevance to the following topics: data protection and security, logistics services that are free from child and forced labor, human rights due diligence, and corporate integrity and compliance. High-relevance topics also include labor-related issues such as the respectful treatment of employees, diversity and equal opportunity as well as training and education.

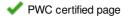
Materiality Analysis: Relevance DP DHL vs. external stakeholders1



¹ Relative rating of relevance from 1 (very low relevance) to 10 (very high relevance). None of the surveyed topics were regarded as of little or no relevance. Matrix depicts topics rated between 6 and 10 on the relevance scale.

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- > MATERIALITY ANALYSIS AFFIRMS CORPORATE STRATEGY



MATERIALITY ANALYSIS AFFIRMS CORPORATE STRATEGY

The evaluation reveals that stakeholders assign particularly high relevance to business-critical issues in the context of corporate responsibility. The topic clusters "Labor Practices and Human Rights" as well as "Fair Operating Practices" are regarded as issues of high relevance by both internal and external stakeholders. The survey findings also affirm our corporate strategy of becoming the provider, investment and employer of choice, goals we are on our way to meeting through responsible business practices.

The materiality analysis also highlights the importance of our Group-wide <u>environmental protection</u> <u>program GoGreen</u>. Not only do environmentally responsible products and services represent a promising future market. In the eyes of our stakeholders, they are also deemed highly relevant to our corporate responsibility efforts.

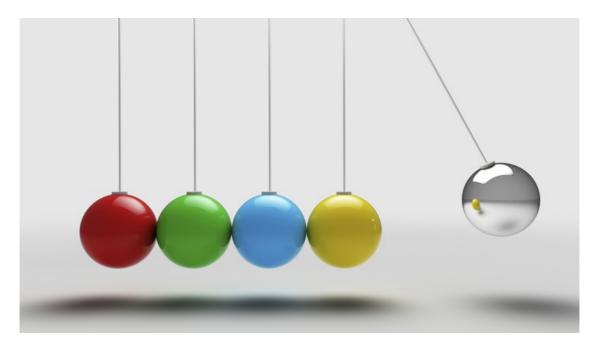
Improvement areas identified

Drawing on our survey findings as well as other insights gained from studies, customer input and internal analyses, we have identified topics - primarily in the areas of fair business practices and the environment - in which we hope to achieve an ever better understanding of our stakeholders' views and expectations. Our new <u>Responsible Business Practice</u> network, established in the reporting year, will work on systematically improving our performance in these areas.

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CR MANAGEMENT PROCESS



In the reporting year, we developed and have begun implementing a multi-stage management process designed to drive our CR strategy and manage our relationships with stakeholders. A new Stakeholder Relations team as well as a Responsible Business Practice network was established as part of this management process.

The new Stakeholder Relations team performed a <u>materiality analysis</u> in 2013 and laid the groundwork for a Stakeholder Relations policy. In the future, Stakeholder Relations will be responsible for intensifying the <u>dialogue with stakeholders</u>.

Serving as a cross-functional forum, the newly created <u>Responsible Business Practice</u> network has been tasked with managing stakeholder interests as well as the Group's business activities in a way that ensures responsible business conduct, and coordinating all responsible business practice (RBP) activities.

MANAGEMENT PROCESS FOR SHAPING CR STRATEGY

Stage 1: Gaining Insights



In line with our Stakeholder Relations strategy, we maintain an active dialogue with stakeholders in a number of different ways. In the reporting year, we conducted a systematic survey of our key internal and external stakeholders to better understand their interests, and to fine-tune our strategy accordingly. The results of the survey were then summarized in a materiality analysis.

Stages 2 and 3: Preparing, challenging and setting the agenda



In the reporting year we established the Responsible Business Practice network to enhance our CR activities and continue to make progress in fulfilling our corporate responsibility in the areas of labor relations, health and safety, procurement, compliance, the environment and society.

The network includes representatives from all CR-relevant areas across Deutsche Post DHL, including Compliance, Customer Solutions & Innovation, HR, Communications and CR departments, Corporate Procurement, Corporate Security, Corporate Public Policy and Regulation Management, as well as representatives from each of the Group's divisions.

At both the management and employee level, these areas work together to systematically

identify relevant issues and continually coordinate and monitor the corresponding RBP action measures. This helps us to identify business opportunities and risks early, and take action accordingly.

The results of the <u>materiality analysis</u> provide an important working basis for the Responsible Business Practice network. The network also draws on the insights gained from studies, customer surveys and stakeholder dialogue to identify emerging issues and concrete measures. Together, these measures provide transparency and strategic inputs for our management and strengthen the basis for responsible business conduct.

To gain an external perspective on our CR agenda we established the Sustainability Advisory Council (SAC), a body comprised of independent experts and thought leaders from various disciplines

(science/research, business/economics, environment, humanitarian aid, logistics, policy, media and ethics). The SAC will meet for the first time in Bonn in the first quarter of 2014.

Stage 4: Reporting on corporate responsibility



Internal reporting on our corporate responsibility activities is conducted on a regular basis, and is based on a clear assignment of responsibilities, formal reporting lines, and uniform reporting standards using defined KPIs.

Our top priorities for external CR reporting are verifiability, reliability and transparency. The annual CR Report builds on the insights gained from our stakeholder dialogue and <u>materiality analysis</u>.

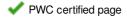
In addition to this report, we employ a diverse range of communications channels to provide stakeholders with open and easy access to information about our CR activities.

Stage 5: Engaging in the stakeholder dialogue



Deutsche Post DHL is in constant dialogue with its diverse group of stakeholders. Numerous platforms facilitate this <u>stakeholder dialogue</u>, and we systematically collect, analyze and process the feedback from these various interest groups. The insight gained from this input is then integrated into our management processes.

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MANAGEMENT & RESPONSIBILITIES



The further development of Deutsche Post DHL's corporate responsibility strategy in 2013 has resulted in even more clearly defined CR roles and responsibilities across the Group.

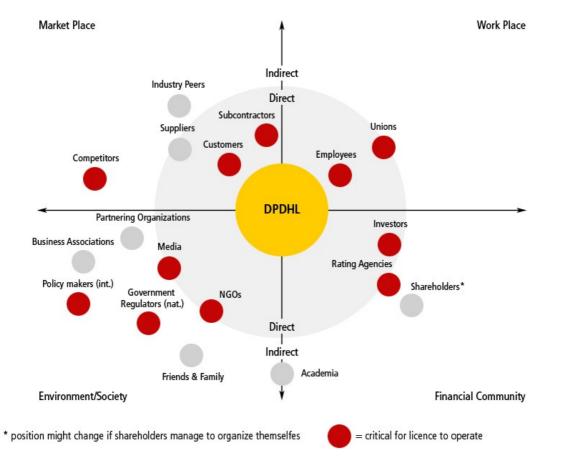
- Oversight for "Living Responsibility" CR strategy as well as management of <u>Shared Value</u> (environmental and climate protection with GoGreen), <u>corporate citizenship</u> (championing education with GoTeach and disaster management with GoHelp) is allocated to the Chief Executive Officer. In the second half of 2012, the CEO department decided to bundle Corporate Communications and Responsibility into one central corporate department. This has enabled a deeper and more systematic dialogue with internal and external stakeholders.
- The Human Resources board department oversees issues relating to HR/personnel and data protection, as well as the <u>dialogue</u> with employee representatives.
- The Chief Compliance Officer reports directly to the Chief Financial Officer, who also oversees
 Deutsche Post DHL's Global Business Service functions which include in-company services such as
 <u>Corporate Procurement</u>.

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DPDHL stakeholder map

The stakeholder map shows relevant stakeholders who affect or can be affected by DPDHL



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In the reporting year we used the results from a stakeholder analysis to create a Deutsche Post DHL stakeholder map.

MAINTAINING & DEEPENING THE STAKEHOLDER DIALOGUE



The Group's stakeholder groups are diverse – they include our customers, employees and investors, as well as suppliers, subcontractors, policymakers, administrative bodies and government regulators, the public, the media and NGOs.

We maintain a continuous dialogue with our stakeholders and engage them on both a global and local level through events, workshops, presentations, surveys and joint bodies and committees.

We make it a priority to maintain and deepen the dialogue with our stakeholders, so that we can develop an even better understanding of their views and expectations. We also want to collaborate with stakeholders to address current and emerging social and business challenges.

This is why the systematic involvement of our stakeholders is so important to us. To this end, we began implementing a series of measures in 2013 that we plan to develop even further in the years to come. We conducted a comprehensive stakeholder survey, for example, which was used to undertake a materiality analysis. We performed an in-depth stakeholder analysis, created a stakeholder map and held dialogue events. We also laid the groundwork for a Stakeholder Relations policy.

Our efforts in the area of stakeholder relations follow the AA1000 SES Stakeholder Engagement Standard developed by the international organization AccountAbility. We strive to further integrate its principles - **materiality** (relevance and significance of issues for stakeholders), **inclusivity** (promoting stakeholder participation in strategic developments) and **responsiveness** (adequate response to stakeholder concerns and the willingness to address them through dialogue and action) - into our stakeholder relationships.

The insight gained from the dialogue with our stakeholders also helps define the thematic focus of our corporate responsibility reporting.

Main stakeholder groups, selected communications measures and memberships & partnerships

Customers

Annual customer satisfaction surveys, market research, numerous customer conferences and events, customer magazines, websites, social media channels, Logistics Newsroom information portal, customer service center

Employees and their representatives

Annual employee opinion survey, Employee Trend Monitor (6 times per year), internal media, discussion platforms on the Intranet and Extranet, internal collaboration platform (Yammer), employee events, works council meetings, works council committees, DPDHL Forum (twice yearly)

Investors

Capital Markets Day, Annual General Meeting, announcement of annual and quarterly results, regular investor roadshows and investor conferences, tutorial workshops, investor surveys and studies

Suppliers and transportation subcontractors

Participation in trade association working groups and other industry initiatives. Among the goals: developing industry-wide standards for emissions data measurement.

Non-governmental organizations (NGOs)

Regular meetings, conferences and symposia; ongoing partnerships and collaborative projects

Policymakers

Regular events to promote dialogue and exchange

Science and research

Collaboration on innovation projects, dialogue via conferences and symposia

Media

Continuous dialogue and exchange, active and reactive media relations, media monitoring, media response analysis, media cooperations, workshops, social media activities, Logistics Newsroom

Citizens

Dialogue on corporate responsibility topics/issues

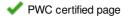
Experts

Dialogue with opinion leaders about social developments and their impact on logistics. As part of our future studies series "<u>Delivering Tomorrow</u>" we also seek interdisciplinary dialogue with opinion leaders from various disciplines. To this end, we have created and established the Delphi Dialog 2020 format.

Memberships & partnerships:

We engage in exchange as part of various memberships and partnerships.

> HOME > CR STRATEGY & MEASURES > STAKEHOLDER DIALOGUE > INVESTOR SURVEYS & STUDIES



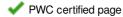
INVESTOR SURVEYS & STUDIES

As part of Strategy 2015, the Group has made becoming Investment of Choice for investors one of its top objectives. In the effort to reach this goal, over the past several years we have not only continuously improved our profitability but have also remained intently focused on the needs of our more than 400,000 shareholders.

Having conducted investor surveys in 2004 and 2008, we surveyed our investors for a third time in 2013. The results were presented in a <u>study</u> that was published February 12, 2014. The study was written by Professor Dr. Bernhard Pellens from Ruhr University Bochum in cooperation with Deutsche Post DHL, the Deutsches Aktioninstitut (DAI) and the Deutscher Investor Relations Verband (DIRK). The survey focused primarily on questions having to do with how private investors obtain their information, how shareholder voting rights are exercised and the importance of the dividends and price gains of public companies.

This study not only enables us to live up to our own commitment more effectively. It also helps us better meet the expectations of our current and future shareholders.

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- > CIVIL DIALOGUE ON THE "CARBON-FREE DELIVERY IN BONN" PROJECT



CIVIL DIALOGUE ON THE "CARBON-FREE DELIVERY IN BONN" PROJECT

With the launch of its pilot project "<u>Carbon-Free Delivery in Bonn</u>" in May 2013, Deutsche Post DHL has initiated the very first carbon-free vehicle deployment concept for an entire large city. The goal of the long-term study is to explore several fundamental questions regarding the use of electro-mobility for larger fleets.

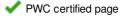
The project was first announced publicly at a press conference on May 21, 2013 in Bonn. Deutsche Post DHL also presented the project to Bonn's residents as an exhibitor at Bonn's "Tag der Elektromobilität" (E-mobility Day) event on September 14, 2013. The event was open to the public, with the main venue on Bonn's Münsterplatz square. Deutsche Post DHL took part in order to demonstrate the potential of innovative, climate-friendly mobility, to generate interest in e-mobility, and to gather feedback on its carbon-free delivery project.

Public feedback

Of the visitors to the Bonn event, 142 submitted their feedback, which was very positive overall. 81.7% of survey participants considered carbon-free mail and parcel delivery in their city a positive development and sign of progress, while 10.4% indicated no clear opinion on the project. Only 7.9% of the survey participants expressed a negative view. Skeptics cited the lack of green electricity, which they felt might be exacerbated by the deployment of the electric fleet, and raised concerns about rising electricity prices, the practicability of e-mobility technology, and the potential dangers of near noiseless electric vehicles.

Respondents also indicated that eco-friendly delivery using electric vehicles has a significant, positive effect on customer acceptance. 80.3% of survey participants at the Bonn event indicated that carbon-free mail and parcel delivery would be a reason to choose Deutsche Post DHL over other postal and parcel delivery companies.

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- > ROUNDTABLE DIALOGUE ON GREEN ROAD FREIGHT AND EMISSIONS TRANSPARENCY



ROUNDTABLE DIALOGUE ON GREEN ROAD FREIGHT AND EMISSIONS TRANSPARENCY

On December 9, 2013 we partnered with the German mobility advocacy platform "Deutsches Verkehrsforum" in Berlin to host a roundtable discussion on green road freight and emissions transparency. Participants included representatives from industry, logistics companies, as well as logistics-industry associations.

Transparency with regard to road freight emissions was the focus of the roundtable event. With the goal of shedding light on the various points of view and identifying action areas, the agenda for the four-hour event was action based. After a brief introduction and discussion on existing instruments and measures for increasing transparency on emissions - one of them being the Green Freight Europe initiative, participants engaged in a lively exchange on how Germany could make progress in the area of sustainability through more efficient and eco-friendlier road freight transport. The discussion was driven by the central question of how to achieve greater transparency in actual road transport emissions.

The discussion was open, critical and constructive. We were particularly interested in learning more from the logistics associations about the interests of smaller logistics companies. As such, the roundtable event succeeded in achieving a better understanding of the various perspectives and points of view. We plan to continue the dialogue.

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EXPERTS CONSIDER "MOBILITY 2.0"

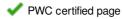


Electro-mobility was the focus of Deutsche Post DHL's seventh <u>Delphi Dialog</u>, held on November 18, 2013 at the Post Tower in Bonn. Panel guests included the former auto-industry executive and advocate of green mobility Daniel Goeudevert, Professor Stephan Rammler, mobility researcher and Director of the Institute for Transportation Design in Braunschweig, Germany, as well as Jürgen Gerdes, Board Member for the MAIL division.

Some 90 guests from business, politics, the scientific community as well as the media gathered for the event, and were later invited to share their opinions in a final discussion round. The event explored the question of future mobility concepts for Germany, a particularly car-centric country. Also discussed were ways to achieve sustainable mobility without jeopardizing the flow of goods or limiting mobility. The Group's own "Carbon-free delivery in Bonn" pilot project was also presented during the dialogue event. Launched in 2013, the project highlights Deutsche Post DHL's pioneering role in implementing an emobility concept for delivery services as well as its use of electric-powered commercial vehicles.

After the moderated discussion between Daniel Goeudevert, Prof. Stephan Rammler and Jürgen Gerdes, the audience joined in. What followed was a lively debate on whether future mobility concepts will require sacrifices on the part of individuals, as well as the future role of the automobile in people's lives.

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STAKEHOLDER DIALOGUE ON THE FUTURE

In 2009 we created the future studies series "Delivering Tomorrow", which explores the future of business and society. Today, our Delivering Tomorrow publications are highly regarded and continue to generate interest. The studies are based on surveys of internal and external stakeholders, as well as contributions from top scientists and other prominent personalities, and they help us to prepare early for social, political and technological change. We discuss the results of the studies at length together with our stakeholders as part of our Delphi Dialogs.

Delphi Dialog 2020

With its Delphi Dialog 2020 discussion series, Deutsche Post DHL has established its own format for exploring future-relevant issues and challenges. Members of the Board of Management engage in dialogue with renowned experts from the business community, the scientific/research community and the media and then field questions from audience members, including customers, business partners, journalists, analysts, investors and political figures.

The Delphi Dialog 2020 event series focuses on topics relevant to both the future of logistics and society as a whole. Individual Delphi Dialog events are often held in connection with publication of new Deutsche Post DHL future studies.

Past events

<u>Delphi Dialog VII in Bonn</u>: Mobility 2.0 - How do we leave the fossil-fuel era behind us and generate new momentum for the German economy?

Delphi Dialog VI in Columbus, USA: The Future of E-Commerce.

<u>Delphi Dialog V in Frankfurt/Main, Germany</u>: Is Globalization Still the Answer? Maximizing economic and human potential.

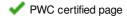
<u>Delphi Dialog IV in Berlin</u>: Is E-Commerce the Key to Consumer Happiness? How the Internet is changing our buying behavior.

<u>Delphi Dialog III in Shanghai, China</u>: Gridlocked Megacities and Global Environmental Problems: Challenges for the logistics industry and their solutions.

<u>Delphi Dialog II in Hamburg</u>: About Pirates and Electronic Fingerprints: How future logistics can address the challenges of a global world.

<u>Delphi Dialog I in Frankfurt</u>: Wonderful New World of Logistics? How new technologies could radically change world trade.

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RATINGS & RANKINGS

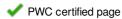


Our performance on corporate responsibility issues is monitored and assessed by rating agencies and other independent institutions for economic, environmental and ethical sustainability, as well as for good governance practices. The agencies conduct their analyses based on their own set of principles and criteria.

Issuers of sustainability indices use the opinions of the rating agencies to determine whether a company is to be listed – or delisted – in an index. Customers and investors increasingly turn to index listings to guide them in their decisions regarding whether to do business with or invest in a company.

The analyses of non-financial factors are also used as a metric for predicting a company's long-term potential. Because they are often used as an additional measure of our success, ratings are strategically important for our company. This makes rating agencies an important stakeholder group for Deutsche Post DHL. We included rating agencies in our 2013 Stakeholder Survey, the basis of our materiality analysis, and intend to strengthen our dialogue with them in the years to come.

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CURRENT RATINGS & RANKINGS

In the reporting year, we were once again listed in the FTSE4Good and MSCI sustainability indices, as well as in the CDP Global 500 Climate Disclosure Leadership Index. A notable improvement over the previous reporting year was made in the MSCI index, which upgraded Deutsche Post DHL to the highest possible rating (AAA). Deutsche Post DHL is the only company in the transport industry to achieve this score in this particular index. The renowned sustainability research and analysis firm Sustainalytics named us "Industry Leader" in the areas of corporate responsibility and environment, noting that we exceed expectations in the area of social commitment. We also maintained our top position in the CDP Global 500 Climate Disclosure Leadership Index in the reporting year.

Aside from the rating agencies, our activities are also evaluated by independent institutions responsible for sustainability rankings. Green Brands recognized our environmental protection program GoGreen in 2013 with its Green Brands Germany seal. We also advanced 19 spots in the Good Company Ranking published by Kirchhoff Consult since the last listing in 2009, placing us 23rd in a line-up of 70 international companies. We are the highest-ranking logistics company on the list.

Ratings & Rankings 2013

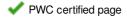
Rating	Scores
CDP Global 500 Climate Disclosure Leadership Index	98 points (out of 100)
DAXglobal® Sarasin Sustainability Germany Index	Prime Standards
FTSE4Good Europe and Global indices	Listed
MSCI Europe and Global indices	AAA
Sustainalytics Research	Industry Leader

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Ranking	Rank		
Good Company Ranking	23rd (of 70)		
Green Brands	Green Brands Seal Germany 2013		

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TARGETS & ACHIEVEMENTS



In the area of corporate responsibility, we set targets that are both quantifiable, i.e. measurable, and realistic in terms of timeframe. For the sake of transparency, our medium and long-term targets are presented in stages. The targets are based on the <u>strategies</u> for each individual area.

Our targets

Area	Target	Due	Status	Comments
Strategy & Stakeholder dialogue				
Strategy	Discuss CR strategy with the Sustainability Advisory Council, an external board of experts	2014	new	
Stakeholder relations	Develop a Stakeholder Relations Policy	2014	new	
Responsible business				
Data privacy	Introduce mandatory training measures on the Data Privacy Policy for managerial staff	2014	new	
Procurement/Supplier management	Start Group-wide rollout of Security and Compliance Awareness Workshop (SCAW) for experts	2014	new	
Employee representatives	Roll out the "Industrial Relations Assessment" pilot project to six more countries in developing markets Asia and South America	2014	new	
	Contribute to a project on demographic challenges in the postal sector launched by the European Social Dialogue Committee for the Postal Sector	2015	new	
Employees				
Employee representatives	Introduce the new Executive Development Review (EDR) process for all executives in upper management	2014	new	
	Roll out EDR process for all executives in middle management	2015	new	
Occupational safety & health	Conduct a pilot project in three countries in our developing markets in Asia and Latin America to identify the key causes of illness as a way to promote the health of our employees	2014	new	
	Derive appropriate preventive health measures for our employees based on the results			
HR Shared Services	Develop and assess a concept for additional HR Shared Service Centers in the USA and Belgium	2014	new	
	Further develop the HR master data system (HR Shared Data Hub)			
Improving transparency	Review existing HR KPIs, update with additional controlling KPIs and introduce a balanced HR Scorecard for steering purposes	2014	new	

Continue to develop reporting systems

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> HOME > CO-WORKERS & CO-CREATORS



CO-WORKERS & CO-CREATORS

Our company owes its success to the commitment, creativity and expertise of our approximately 480,000 employees around the world.

We want to create the best environment for our people – where they find enjoyment, meaning and pride in their roles and responsibilities – and we are in a very good position to provide this kind of work experience. As the postal service for Germany, and the logistics company for the world, our central mission is to connect people. This is meaningful work, and our employees are co-creators in this process of bringing people together.



"ONE HR" — REDESIGNING HUMAN RESOURCES

Our goal in Human Resources is to further enhance the business performance of the Group and its divisions. In 2012, we launched "One HR", our program to realign structures and core topics within Human Resources. The program achieved several milestones over the course of the reporting year.



BIG EMPLOYER & FAIR COMPENSATION

Europe's leading postal company and global logistics provider Deutsche Post DHL is one of the world's largest employers.

We provide all of our approximately 480,000 employees around the world with good working conditions. A very important part of this is fair and competitive remuneration.



"ALL DIFFERENT & TOGETHER SUCCESSFUL"

We are a global company with a global mindset. Our workforce consists of women and men of different ages from the widest range of national, ethnic, socio-cultural and religious backgrounds, and includes people with disabilities and with different sexual orientations and identities.



RESPONSIBLE TRAINING & STRATEGIC WORKFORCE MANAGEMENT

Rapid demographic change is an undeniable feature of the global landscape, and this has a tremendous impact on our human resource planning. In industrialized countries, particularly in Germany, our HR managers grapple with the challenges of a steadily aging workforce. In highly populated developing and emerging countries, low education levels can pose challenges. In these regions we focus on recruiting young talents and promoting their development through education and training.



INSPIRING PERFORMANCE & DEVELOPING TALENT

With some 480,000 employees around the world, our workforce has enormous potential and a tremendous range of talents. We want to uncover these talents and promote them in a way that reflects our employees' own interests and career goals. By offering them attractive development opportunities tailored to who they are, our employees remain committed and motivated members of our workforce. At the same time, we progress towards our goal of becoming Employer of Choice, and ensure the success of our business over the long term.



OCCUPATIONAL SAFETY & SECURITY

We bear responsibility for the safety of our employees and provide them with effective protection against dangers and risks in their working environment. Any work accident at our company is one too many. For this reason among others, we have created a framework to address these risks and to promote the health and safety of our employees on behalf of the entire company, our new "Health, Safety & Well-being" strategy.



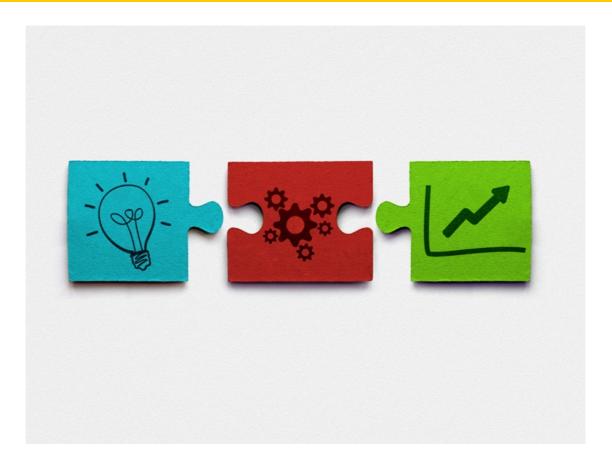
HEALTH & WELL-BEING

Our aspiration is to deliver excellence to our customers. To do this we need employees who are motivated and highly capable, which is why employee health and well-being is such a priority for us. Our commitment to maintaining and improving the health of our employees far exceeds legal requirements, and we consider it a major factor as we strive to become Employer of Choice.



OPEN & HONEST DIALOGUE

We practice and promote an open dialogue with our employees that is based on honesty, respect and mutual trust. This includes making sure our employees at all levels of our organization are informed on key developments and organizational changes across the Group on a regular basis and in a timely fashion. To do this, we employ a range of communications channels, such as e-mail, Intranet, Extranet and employee magazines, to ensure this happens in a timely manner. Many of our employees do not have access to a PC workstation. In these cases, the responsibility of keeping these employees abreast of new developments within the company is entrusted to the line managers, who hold regular operations or team meetings to achieve this.



EMPLOYEE IDEAS & INNOVATIONS

Every company needs ideas in order to evolve. Ideas are the seeds of innovation. With our idea management system, we compile the ideas of our employees and offer them a platform for dialogue. Ultimately it is our employees who know our company best. We encourage them to challenge existing methods and processes and to propose simplified, cost-effective and environmentally sound solutions. Our idea management program, with its bonus system, offers our creative thinkers both monetary and non-monetary incentives such as non-cash prizes, personal commendations and public recognition.

> HOME > CO-WORKERS & CO-CREATORS > DEVELOPING SUSTAINABLE HUMAN RESOURCES

CO-WORKERS & CO-CREATORS



Our company owes its success to the commitment, creativity and expertise of our approximately 480,000 employees around the world.

We want to create the best environment for our people – where they find enjoyment, meaning and pride in their roles and responsibilities – and we are in a very good position to provide this kind of work experience. As the postal service for Germany, and the logistics company for the world, our central mission is to connect people. This is meaningful work, and our employees are co-creators in this process of bringing people together.

Another key to an attractive working environment – and to achieving our goal of becoming Employer of Choice – is our corporate culture built on openness, trust and mutual respect. We want our employees, each and every one, to be able to tap their talents and potential in an environment decidedly free from prejudice, discrimination and stereotyping. Our active <u>diversity management</u> is an important lever to ensure that goal. Our innovative programs and activities in the areas of <u>occupational safety</u> and <u>health management</u> have proven their ability to create a safe, secure and healthy working environment.

As an international company, our priority is to ensure that our high HR standards are being met in all of the regions in which we operate. With our <u>Code of Conduct</u> and other Group policies, we make sure our executives and employees around the world are able to uphold and implement our standards. This includes our commitment to <u>workers' rights</u> and our constructive working relationships with employee representatives and labor unions. HR financials are included in our Annual Report 2013.

> HOME > CO-WORKERS & CO-CREATORS > "ONE HR" - REDESIGNING HUMAN RESOURCES

"ONE HR" - REDESIGNING HUMAN RESOURCES



Our goal in Human Resources is to further enhance the business performance of the Group and its divisions. In 2012, we launched "One HR", our program to realign structures and core topics within Human Resources. The program achieved several milestones over the course of the reporting year.

This includes a cross-divisional decision-making body for all HR issues. Chaired by the Board Member for Human Resources, this body consists of the heads of all divisional as well as Corporate Center HR functions. We also redesigned our working structures to reach a clearer assignment of responsibilities within HR. For all changes, we aim to balance Group-wide harmonization and divisional as well as regional autonomy.

As part of the realignment in core HR fields, we also launched several strategic initiatives in 2013, each sponsored by a member of the Board of Management. Major focus areas include:

• Identifying and developing talents:

developing Group-wide, standardized guidelines for performance and talent management.

Industrial relations:

developing a framework for employer-employee relations, establishing principles, and defining the most important global processes and operational mechanisms.

Improving transparency:

Group-wide harmonization of KPI definitions and standardizing the reporting on the HR function and related costs.

HR Shared Services:

providing standardized HR processes cross-divisionally that improve service quality and increase efficiency.

> HOME > CO-WORKERS & CO-CREATORS > BIG EMPLOYER & FAIR COMPENSATION

BIG EMPLOYER & FAIR COMPENSATION



Europe's leading postal company and global logistics provider Deutsche Post DHL is one of the world's largest employers.

We provide all of our approximately 480,000 employees around the world with good working conditions. A very important part of this is fair and competitive remuneration.

- > HOME > CO-WORKERS & CO-CREATORS > BIG EMPLOYER & FAIR COMPENSATION
- > ONE OF THE LARGEST EMPLOYERS WORLDWIDE

ONE OF THE LARGEST EMPLOYERS WORLDWIDE

At the end of the reporting year, our global workforce numbered 480,006 employees, representing a 1.3% increase over the previous year. 36% of our employees around the world are women, 64% are men. Based on current estimations, we foresee a slight increase in the total number of employees in 2014.

Europe is the Group's largest region of employment. 42% of our workforce is employed in Germany, where our company headquarters are located.

The average employee turnover within the Group in 2013 was approximately 12%, representing a slight increase over the previous year. Our turnover rates reflect developments also seen across the market: Employees in Asia Pacific and the Americas are more willing to change jobs than their counterparts in Germany, where employee turnover, at 3%, was significantly lower. A detailed analysis of our workforce numbers is presented in our Annual Report 2013.

Employee numbers at Deutsche Post DHL

Deutsche Post DHL is one of the 10 largest employers in the world



Europe



78,924

Americas



Asia Pacific

Ħ

17,456

Other regions

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Number of employees

	2011	2012	2013	of which (in % ²) Women	(in %) Men
At year end					
Headcount ¹	471,654	473,626	480,006	35.8 %	64.2 %
of which Europe ³	321,296	316,331	316,154	39.6 %	60.4 %
of which Americas	72,466	75,243	78,924	28.1 %	71.9 %
of which Asia Pacific	62,094	64,888	67,472	29.7 %	70.3 %
of which other regions	15,798	17,164	17,456	21.5 %	78.5 %

¹ Including trainees.

PWC CERTIFIED

Employee turnover ¹

	2011	2012	2013
Deutsche Post DHL	9.6 %	10.1 %	12.1 %
of which MAIL	3.8 %	3.3 %	2.5 %
of which EXPRESS	9.7 %	10.5 %	15.2 %
of which GLOBAL FORWARDING, FREIGHT	13.6 %	11.8 %	14.9 %
of which SUPPLY CHAIN	16.4 %	18.3 %	22.8 %
of which Corporate Center/ Other	6.2 %	7.0 %	6.8 %
of which Germany	4.0 %	3.0 %	2.5 %
of which Europe (excluding Germany)	7.6 %	7.8 %	13.5 %
of which Americas	23.5 %	25.4 %	30.1 %
of which Asia Pacific	18.8 %	18.4 %	20.1 %
of which Other regions	8.2 %	10.3 %	14.0 %

¹ Data covers 88.0% of the entire workforce (2012: 77.1%, 2011: 72.7%).

PWC CERTIFIED

² Share of women 2013 covers 94.3% of the entire workforce (headcount).

³ Share of employees in Germany: 42%

- > HOME > CO-WORKERS & CO-CREATORS > BIG EMPLOYER & FAIR COMPENSATION
- > FAIR COMPENSATION & GOOD WORKING CONDITIONS

FAIR COMPENSATION & GOOD WORKING CONDITIONS

Fair compensation is one of the most important requirements for gaining and retaining highly motivated employees. We achieve this through a competitive compensation structure. Offering our employees non-financial incentives, such as a safe work environment, career development opportunities, extensive health services, flexible working time models, vacation and leave options, and company-supported childcare facilities, is also very important to us.

The monetary compensation of our employees includes a base salary plus variable remuneration components and bonus payments that are subject to national and position-specific requirements and policies.

Remuneration for employees outside Germany

Outside of Germany, the remuneration of our employees is based on national laws, the local market conditions and, if applicable, collective wage agreements. Aware of our responsibilities as an employer, our pay structures take into account not only national minimum wage requirements but local market demands as well. We strive to offer fair and competitive compensation packages in all of the markets we serve.

In addition to direct cash compensation, we offer employees in many countries performance- and contribution-based pension plans.

Remuneration for employees in Germany

Most of our employees in Germany receive wages or salaries covered by collective wage agreements. In many of our companies throughout Germany, our wage-scale employees also receive a performance-based bonus in addition to their wage or salary. At our parent company in Germany (Deutsche Post AG), these employees generally receive a bonus of between 5% and 17.5% of their annual base salary. Non-managerial, non-pay-scale employees are entitled to a bonus of between 17.5% and 40% of their annual base salary.

Our guiding principle: Fair pay

We have already introduced job grading systems in several areas of the Group to ensure that our company's remuneration structure remains fair and equal. Positions are evaluated and graded based on job classification and responsibilities, independent of personal factors, such as age, gender, religious affiliation, skin color, sexual orientation and ethnic background, that could lead to discriminatory practices.

In our commitment to fair compensation, we systematically review our remuneration system on a regular basis. Our evaluations have found no sign of preferential or discriminatory treatment of particular groups of employees. While putting our basic principle of "same pay for same work" into practice, we also account for the fact that pay structures are often linked to length of service. It is therefore possible that an employee with a longer employment history with our company is paid more than an employee who performs the same job with the same responsibilities but who has been with the company for a shorter period of time. Offering higher wages and salaries is our way of honoring our longstanding employees and the greater experience and productivity they bring to the company.

- > HOME > CO-WORKERS & CO-CREATORS > BIG EMPLOYER & FAIR COMPENSATION
- > SUCCESS MODEL: GENERATIONS PACT

SUCCESS MODEL: GENERATIONS PACT



The average age of our employees is steadily rising, especially in Germany. This poses a significant human resources challenge for our HR management system. One innovative response has been our so-called Generations Pact, which allows Deutsche Post AG employees to take advantage of working-time accounts, partial retirement arrangements and demographic funds, which in turn helps us counteract the effects of demographic changes.

Many of our employees, and particularly those in our <u>delivery operations</u>, <u>perform physically strenuous work</u> on a daily basis. The effects of this kind of work become exacerbated with age. With the Generations Pact, our employees have the option of reducing the number of hours they work for a period of up to six years before entering retirement. For us, this means continuing to benefit from their valuable knowledge and experience for just that much longer. The Generations Pact is not only for our older employees. Young individuals benefit, too. One upshot of the partial retirement program is that it promotes the early integration of young people into the company and contributes to efficient, long-term knowledge transfer. The partial retirement model is therefore a win-win for both young and old employees at Deutsche Post AG.

The Generations Pact: How it works

While still employed full time, the employee pays part of his/her salary into a so-called working-time account. These monetary contributions are converted into credit points. Employees who have accumulated enough points can enter into partial retirement at the age of 59, working only half the number of hours than before based on the so-called continuity model.

Depending on their pay group, employees receive between 79% and 87% of their previous

net salary over the course of the entire partial retirement period. Deutsche Post AG employees use the saved, interest-paying credits in their working-time accounts to be completely released from work shortly before their official date of retirement. This allows them to remain in their jobs until reaching retirement age without facing any pension deductions.

In March 2013, Deutsche Post DHL received the German Industry Innovation Award in the innovative HR concepts category for this unique and forward-looking age-based working solution.

Over 16,700 employees with working-time accounts

The response from our employees has exceeded our expectations, making the Generations Pact a true success story. At the end of 2013 more than 16,700 employees had a working-time account. Approximately 90% of these employees work in our mail and parcel delivery operations. These are precisely the employees we had in mind when we developed the partial retirement model in 2011. On average, employees paid over €250 into their working-time accounts each month. The oldest participants were born in 1949, its youngest in 1994. This demonstrates the scheme's appeal to not only our older employees but to our younger people as well.

Working-time accounts are not just for partial retirement, either. Employees can also use their credits toward taking a sabbatical, extending parental leave or to provide care for an immediate family member.

Generations Pact	2012	2013
Number of employees with working-time accounts	12,850	16,737
Employees in partial retirement	446	1,429

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The working-time accounts are managed by a trust whose advisory board is composed equally of employer and employee representatives. The investment strategy pursued is a conservative one and is based upon the recommendation of the advisory board to the parties of the collective agreement.

Partial retirement model for civil servants

Our goal for 2013 was to develop a similar partial retirement model for our civil servants. Although the necessary arrangements with Germany's Federal Ministry of Finance were set in motion, the process was unable to be completed due to the complexity of the provisions.

We shall remain in dialogue with the Ministry and trade unions and report on progress made.

> HOME > CO-WORKERS & CO-CREATORS > BIG EMPLOYER & FAIR COMPENSATION > WAGE AGREEMENT

LOWER INCOME GROUPS BENEFIT FROM COLLECTIVE WAGE AGREEMENT

In the reporting year, Deutsche Post AG and the trade unions reached a new <u>collective wage</u> <u>agreement</u> for Deutsche Post's approximately 130,000 employees. The agreement will run from April 1, 2013 to May 31, 2015.

The collective wage agreement calls for a two-step pay increase and has also set a minimum pay raise. As part of the agreement, the pay of approximately 130,000 wage-scale employees was to increase by 3.1% on August 1, 2013. The second pay increase of 2.6% is scheduled for October 1, 2014. The agreement's set minimum pay increase ensures that every employee will see a pay rise of at least of €2,200 during the term of the wage agreement. The agreement benefits especially those employees in the lower income groups.

Apprentices also received a 6.1% increase retroactive to April 1, 2013 over the course of the agreement.

> HOME > CO-WORKERS & CO-CREATORS > DIVERSITY

ALL DIFFERENT & TOGETHER SUCCESSFUL



We are a global company with a global mindset. Our workforce consists of women and men of different ages from the widest range of national, ethnic, socio-cultural and religious backgrounds, and includes people with disabilities and with different sexual orientations and identities.

The diversity of our people provides us with deep insight into the widest range of social and cultural developments.

Our diversity management is designed to unlock the potential of this tremendously diverse workforce. We promote inclusion in the workplace and strictly oppose any form of discrimination.

This principle is made explicit in a dedicated chapter of Deutsche Post DHL's <u>Code of Conduct</u>, the most important Group policy. In 2013, to further emphasize the significance of this issue, Deutsche Post DHL's Board of Management adopted its Corporate Diversity & Inclusion Statement.

> HOME > CO-WORKERS & CO-CREATORS > DIVERSITY > NO PLACE FOR DISCRIMINATION

NO PLACE FOR DISCRIMINATION



Our Code of Conduct makes clear that discrimination is not tolerated, under any circumstances, anywhere throughout Deutsche Post DHL. Violations of the Code of Conduct can be reported anonymously via our compliance hotline. Employees can also report incidents directly to their managers, who are obligated to handle the matter with sensitivity and strict confidentiality.

We respond to violations in a systematic and thorough manner and take appropriate measures for proper clarification. However, employees who fail to adhere to the Code of Conduct may be subject to appropriate disciplinary action, as stated in the applicable regulations. Data protection laws in some countries prohibit us from collecting data on antidiscrimination law violations, and from sharing this data beyond national boundaries. For this reason, concrete discrimination data cannot be published in this report.

> HOME > CO-WORKERS & CO-CREATORS > DIVERSITY > NEW DEVELOPMENTS IN DIVERSITY MANAGEMENT

NEW DEVELOPMENTS IN DIVERSITY MANAGEMENT

Because our managers and executives play such a key role in putting diversity management into practice on a daily basis, we created a Diversity Awareness Training in 2013, which will become a component of the existing leadership development programs, such as the Global Executive Leadership Program (GELP), in 2014. The first trainings were piloted in November 2013.

In the reporting year, we also established a Diversity Council as a way to strengthen the awareness of Diversity Management among our managers and employees, and to anchor Diversity Management in the Group over the long term. The Diversity Council, which will begin work in 2014, is tasked with developing and reviewing measures to promote the successful implementation of the diversity strategy.

2013 also saw our participation in a number of events and campaigns in the area of diversity. One example was our first-time participation in Diversity Day on June 11, 2013, which was part of a nation-wide event day initiated by the German non-profit association "Charta der Vielfalt e.V." With its motto "All Different – Together Successful", the Diversity Day event made an important contribution to raising awareness. Numerous activities and examples helped employees experience and better understand diversity management at Deutsche Post DHL. Activities included a business talk with Angela Titzrath, Board Member for Human Resources, a "marketplace" focusing on diversity across the Group, a theater performance on diversity, a diversity quiz, speed coaching and a presentation about online diversity training.

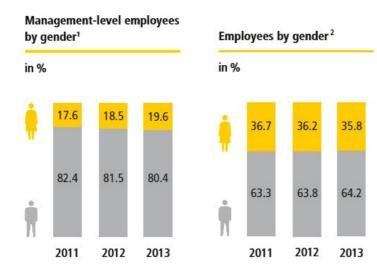
- > HOME > CO-WORKERS & CO-CREATORS > DIVERSITY
- > SHARE OF WOMEN IN EXECUTIVE POSITIONS CONTINUES TO RISE

SHARE OF WOMEN IN EXECUTIVE POSITIONS CONTINUES TO RISE



Women make up approximately 36% of our workforce worldwide. The share of women in executive positions within the Group worldwide is currently 19.6%. In Germany, this figure is 19.8%. As compared to the year 2010, the percentage of women in executive positions in 2013 was considerably higher, up by 2.6 percentage points. Our goal is to continue to increase the share of women in executive positions.

In the reporting year, we implemented numerous measures as part of our Group-wide project "Women in Management", launched at the end of 2011. These include a Group-level voluntary commitment to increase the share of women in executive positions and the introduction of a system of key performance indicators to manage our progress.



¹ Includes upper and middle management

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The "Women in Management" project also creates the framework for numerous activities in the individual business units at the regional and local level. These include mentoring programs, support for women networks, as well as support for balancing career and family.

As a result of this project, the Group-wide Diversity Awareness Training for managers has also placed greater emphasis on women in executive positions.

New hires by gender ¹

	2011	2012	2013
Men	57.7%	66.8 %	63.1 %
Women	42.3 %	33.2 %	36.9 %

¹ Pertains to all new hires at Deutsche Post AG (excl. temporary employees).

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We hire based on merit alone, free from personal traits, such as age, gender, religious affiliation or skin color, that could lead to discriminatory practices.

² Share of women 2013 covers 94.3% of the entire workforce (headcount) (2012: 96.3%, 2011: 95.6%).

> HOME > CO-WORKERS & CO-CREATORS > DIVERSITY > BALANCING CAREER & FAMILY

BALANCING CAREER & FAMILY

To achieve our business objectives, we need motivated employees. One key to keeping employees positive and motivated in their work is to allow ample time to pursue their own private interests outside of work, including, of course, family. With this in mind, we have introduced several different measures to help our employees balance the demands of family and career. Depending on operational needs and requirements, these include part-time arrangements, flexible working time models, as well as home office arrangements.

In Germany, our partnership with the childcare service provider pme Familienservice GmbH helps employees balance career and family. All employees in Germany can take advantage of Familienservice's childcare support and placement services for children and youths, as well as childcare services during school holidays or in emergencies. In addition, employees located in Bonn, where we are headquartered, can take advantage of company-supported childcare facilities. Similar services are currently being considered in other locations as well.

Employees on leave and part-time employees (Deutsche Post AG)

		2010	2011	2012	2013
State-regulated parental leave	Headcount	2,036	1,809	1,718	1,579
of which Men	Headcount	151	147	155	146
of which Women	Headcount	1,885	1,662	1,563	1,433
Executives ¹	Headcount	7	6	2	2
Unpaid holiday for family reasons	Headcount	2,419	2,286	2,150	1,966
Part-time employees ²	Headcount	63,126	65,322	62,523	63,169
Share of part-time employees	%	36.9 %	37.5 %	37.0 %	36.8 %

¹ Refers to executive non-wage scale employees.

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We are very supportive of employees who request to be relocated within the Group due to important family or health-related reasons. We try whenever possible to facilitate the transition and process the necessary paperwork in an accelerated procedure, which, in Germany, is stipulated as part of a new nationwide general works agreement with our social partners.

Easing the return to work

As part of our "Keep in Touch" pilot project, we are creating a structured framework to facilitate and further improve the process of reintegration for employees returning from a family-related leave of absence.

² Excluding employees in the release phase of partial retirement.

The aim of the "Keep in Touch" program is to establish and promote an active dialogue between the employee and his/her manager before, during and after the leave period so that both sides can benefit from improved planning and development opportunities. During their time off, employees can stay upto-date and engage with their co-workers by way of a dedicated information and communications platform. Other components of the "Keep in Touch" program include special trainings and a handbook for managers.

- > HOME > CO-WORKERS & CO-CREATORS > DIVERSITY
- > EQUAL OPPORTUNITY FOR PEOPLE WITH & WITHOUT DISABILITIES

EQUAL OPPORTUNITY FOR PEOPLE WITH & WITHOUT DISABILITIES



For us, responsibility also means enabling people with disabilities to take an active part in working life. Our inclusive approach applies not only to new hires, but to existing employees who become disabled due to an illness or accident. We develop solutions for (re)integrating these employees fully into working life, and share our knowledge and experience developing disability-friendly workplace solutions with both internal and external stakeholders. To support this, we document our solutions in the REHADAT database administered by the Cologne Institute for Economic Research.

At our parent company in Germany (Deutsche Post AG), we employed 14,170 employees with disabilities in the reporting year, representing an average annual employment rate of 8.7%. This was once again well above the national average in Germany's private sector (4.0% in 2011; source: German Federal Employment Agency). In the reporting year, our recruiting activities also targeted young people with <u>disabilities</u>, and encouraged them to apply for vocational training positions.

Employees with disabilities (Deutsche Post AG) 1

		2011 ²	2012	2013
Employees with disabilities	Headcount	13,199	13,740	14,170
Employment rate	%	8.3 %	8.6 %	8.7 %

¹ According to German Social Law (§ 80 Sozialgesetzbuch IX).

PWC CERTIFIED

² Adjusted.

> HOME > CO-WORKERS & CO-CREATORS > DIVERSITY > NETWORK OF DIVERSITY AND ACCEPTANCE

NETWORK OF DIVERSITY AND ACCEPTANCE



We make sure that our employees are free to perform their jobs and pursue their career goals irrespective of their sexual orientation and identity. This was the motivation for establishing our Groupwide RAINBOWNET network for lesbian, gay, bisexual and transsexual employees over five years ago. In the reporting year, we continued to build this working dialogue with RAINBOWNET.

To further promote a corporate culture of openness, we conducted 50 seminars for our apprentices in Germany on the topic of homophobia and transphobia, working together with experts from Lambda e.V., the German lesbian, gay, bi- and transsexual network for young people.

> HOME > CO-WORKERS & CO-CREATORS > WORKFORCE MANAGEMENT

WORKFORCE MANAGEMENT



Rapid demographic change is an undeniable feature of the global landscape, and this has a tremendous impact on our human resource planning. In industrialized countries, particularly in Germany, our HR managers grapple with the challenges of a steadily aging workforce. In highly populated developing and emerging countries, <u>low education levels</u> can pose challenges. In these regions we focus on <u>recruiting young talents and promoting their development</u> through education and training.

We respond to these human resource challenges with systematic, targeted employee recruitment, and approach HR marketing with the same intensity as any other marketing effort to win new customers. We pursue a global HR marketing strategy, but one which also accounts for cultural and country-specific variations.

These are excellent prerequisites for long-term success in the global war for talent. We are considered a desirable employer around the world and want to continue to build on this reputation.

- > HOME > CO-WORKERS & CO-CREATORS > WORKFORCE MANAGEMENT
- > APPRENTICESHIP TRAINING IN GERMANY

APPRENTICESHIP TRAINING IN GERMANY

The range of vocational careers within our company is as diverse as the company itself – from professional drivers, warehouse logistics specialists, and courier, express and postal services specialists, to mechatronics technicians, forwarding and logistics services procurement specialists, and even medical assistants in our company medical office. In Germany, in addition to officially recognized apprenticeship programs, we also offer integrated degree programs (Duale Hochschule), which combine university study with practical work experience. Integrated degree program students can pursue Bachelor of Arts, Bachelor of Science and Bachelor of Engineering degrees, and are considered specialists once they have graduated. They are in demand within our company and have the opportunity to take on management responsibility in a relatively short amount of time.

Secondary school graduates in Germany can choose from over 20 different vocational training and study opportunities, depending on their level of education and individual interests. In 2013, we hired 2,148 new apprentices and integrated degree program students in Germany. This was 42 more than the previous year.

Trainees

		2011	2012	2013
Deutsche Post DHL (annual average)	Headcount	4,392	4,910	4,935
Deutsche Post AG (as of December 31)	Headcount	2,045	3,164	3,177
of which Men	%	63.8 %	66.5 %	66.4 %
of which Women	%	36.2 %	33.5 %	33.6 %

PWC CERTIFIED

Apprenticeship schemes, Deutsche Post DHL worldwide 1

		2011	2012	2013
Courier, express and postal services specialists	%	50.6 %	60.2 %	50.8 %
Forwarding and logistics services specialists	%	10.3 %	10.1 %	7.0 %
Duale Hochschule students	%	8.5 %	10.2 %	5.7 %
Warehouse logistics specialists	%	8.0 %	6.4 %	5.6 %
Other apprenticeship schemes	%	22.6 %	13.1 %	30.9 %

¹ Number of apprentices annual average: 4,935 (2012: 4,910, 2011: 4,392).

PWC CERTIFIED

Background on Germany's officially recognized vocational occupations

42% of the Group's employees work in Germany, which has a government-regulated vocational training system, known as "dual apprenticeship". This combines on-the-job training at a company or organization with classroom learning at a vocational school. Mid-term and final examinations are administered at a local chamber of commerce (IHK) or, in the case of skilled/handicraft trades, at a local chamber of trade (Handwerkskammer).

Austria and Switzerland are the only countries with similar vocational training systems. Vocational education outside of German-speaking Europe is considerably less regulated.

- > HOME > CO-WORKERS & CO-CREATORS > WORKFORCE MANAGEMENT
- > APPRENTICESHIP TRAINING IN GERMANY > APPLICANT NUMBERS RISE AND BUCK THE TREND

APPLICANT NUMBERS RISE - AND BUCK THE TREND

While demographic change in Germany has some industries complaining about a shortage of young workers, the number of young people applying for jobs and traineeships at Deutsche Post DHL is on the rise throughout the Group.

In Germany in 2013, we received some 20,000 applications for vocational training positions, which was nearly 9% more than the previous year. With roughly nine applications per apprenticeship position, we are able to fill our open spots with qualified, achievement-oriented young people, and our dropout rate is low compared to other industry companies.

- > HOME > CO-WORKERS & CO-CREATORS > WORKFORCE MANAGEMENT
- > APPRENTICESHIP TRAINING IN GERMANY > ATTRACTING APPLICANTS WITH DISABILITIES

ATTRACTING APPLICANTS WITH DISABILITIES

Part of our <u>Diversity Strategy</u> is to enable people with disabilities to take an active part in working life. For the first time in 2013, our recruiting activities also targeted young people with disabilities, and encouraged them to apply for apprenticeship positions. By the end of the year we had hired 17 young people with disabilities in Germany as compared to just 9 in the previous year. Through these apprenticeships we give young people with impaired mobility, visual impairments, hearing impairments or other disabilities the opportunity to learn a trade.

- > HOME > CO-WORKERS & CO-CREATORS > WORKFORCE MANAGEMENT
- > APPRENTICESHIP TRAINING IN GERMANY > OPPORTUNITIES FOR DISADVANTAGED YOUTHS

OPPORTUNITIES FOR DISADVANTAGED YOUTHS

We consider it part of our corporate responsibility to give disadvantaged youths and young adults a chance. We employ a large number of unskilled and semi-skilled employees in our operations in Germany, particularly in our MAIL division. We offer some of these employees the opportunity to complete an officially recognized apprenticeship.

In 2013, our "Perspektive Gelb" job entrance program provided approximately 500 internship positions in our MAIL division for young people; nearly 200 of these internships were filled. In internships lasting between six and twelve months, qualified instructors prepare participants for their formal apprenticeship as courier, express and postal services specialists (FKEP). Experiences with the program, which was launched in 2001, have been positive so far. In the reporting year we were able to offer FKEP apprenticeships to 84% of our "Perspektive Gelb" interns - some of them have proven to be <u>true talents</u>.

- > HOME > CO-WORKERS & CO-CREATORS > WORKFORCE MANAGEMENT
- > APPRENTICESHIP TRAINING IN GERMANY > I WOULDN'T HAVE MADE IT WITHOUT THE INTERNSHIP

"I WOULDN'T HAVE MADE IT WITHOUT THE INTERNSHIP"



After taking part in the "Perspektive Gelb" job entrance program in 2012, Sebastian Kwiatkowski started an apprenticeship for courier, express and postal services specialists. He is now preparing for his final examination in 2014. All of his trainers agree: Sebastian Kwiatkowski is one of the best in his class. Once he has passed the exam, the 21-year-old hopes to be hired as a mail carrier.

Mr. Kwiatkowski, what were your first experiences entering the job market?

Sebastian Kwiatkowski: After I finished Hauptschule [basic secondary schooling] I went back to school to see if I could get my intermediate high school degree, but my grades were not good enough. So I started doing internships, but standing around in a store eight hours a day was not for me. It took me two years to find something I really enjoyed doing.

How did you find out about "Perspektive Gelb"?

Sebastian Kwiatkowski: I heard about the program from a friend. My brother, who worked for Deutsche Post at the time, also told me about it. So I applied. I was happy when I heard that I had been accepted.

How did it go from there?

Sebastian Kwiatkowski: Just two weeks after my interview I found myself reporting for duty at the Lübeck mail center at 6:30 AM. They showed me everything to give me an idea of the different processes involved. After that I went to a delivery office, which is where the real work began. I was amazed - even frightened - by the amount of mail I saw. Seeing the mail carriers during the day putting one, two or three items at a time in a mail box is one thing. But seeing the quantity of mail that lands in the delivery office every morning is another! I was a bit unsure of myself at the beginning but it didn't take me long to figure things out. I was allowed to accompany a mail carrier, and after a few days they

let me deliver my first letters. Then I did half a street and even handled a registered item by myself. I took one step at a time.

After six months you were offered an apprenticeship. How did the apprenticeship differ from the internship?

Sebastian Kwiatkowski: There was very little difference, actually. The apprenticeship also began in the mail center and moved to the delivery office. I was already familiar with everything, which gave me an advantage over the other apprentices. There was one difference, however. During the internship I attended a vocational school but didn't have to take tests. Now I do.

You have good grades. Do they come easily, or do you have to work hard for them?

Sebastian Kwiatkowski: I'm like anyone else - when it comes to specialist knowledge, you have to sit down and study.

How would you sum up your experience?

Sebastian Kwiatkowski:

I wouldn't have made it without the internship – I would never have found apprenticeship. I needed those six months to figure out whether the job was really for me. I like delivering mail. I know that now. I don't mind the weather - you have good days and you have bad days. When I tell my friends about my experience finding a job, they are amazed. They weren't given this kind of opportunity where they did their apprenticeships.

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- > APPRENTICESHIP TRAINING IN GERMANY > TRAINING TO MEET OUR OWN NEEDS

TRAINING TO MEET OUR OWN NEEDS



Our apprenticeship approach ensures that apprentices are well positioned to enter the labor market after successfully completing their training with us.

Nonetheless, our apprenticeship program is generally geared to meet our own labor needs. In 2013, 77.2% of all apprentices who completed programs with us were hired to full-time positions, thus maintaining the previous year's high hiring rate. We also offer part-time positions to those interested.

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INTERNS ARE THE FUTURE



Our internships are an opportunity for high school students, university students and recent graduates to get a look behind the scenes of our company and gain some practical working experience.

In compliance with the <u>"Fair Company"</u> initiative, we involve our interns in real projects and assign them real tasks and responsibilities. At the same time we refrain from replacing full-time positions with internships. We pay our interns fairly and avoid vague promises of future employment.

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- > SCHOLARSHIPS FOR EMPLOYEE CHILDREN

SCHOLARSHIPS FOR EMPLOYEE CHILDREN

Our UPstairs scholarship program promotes employee loyalty, equal access to education and social responsibility. In 116 countries around the world, UPstairs helps employee children achieve a higher level of education.

Over a period of three years on average, scholarship holders receive a monthly payment to pay for tuition, books, learning materials and school uniforms. The individualized scholarship package also includes mentoring support from Group employees, internship opportunities at Deutsche Post DHL, additional learning materials and individual courses in IT or foreign languages, for example.

To be eligible for the scholarship, the family income may not exceed a specified limit, which varies according to the country in question. The UPstairs program is very highly regarded by employees and makes a significant contribution to increasing employee identification with the company. By the end of 2013, the program had awarded more than 1,000 scholarships. In the previous year, the number of scholarships was roughly 600.

UPstairs scholarship program



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- > A STRATEGIC AND LONG-TERM APPROACH TO WORKFORCE MANAGEMENT

A STRATEGIC AND LONG-TERM APPROACH TO WORKFORCE MANAGEMENT

Along with our diverse range of activities in the area of education and vocational training for young people, we use a wide range of tools to identify the future personnel requirements of our business units.

Our strategic workforce management approach makes it possible to better understand our personnel needs over the medium and long-term and plan accordingly. Forecasting future personnel requirements begins with an analysis of the current workforce. By considering factors such as age distribution, we can generate projections on how many employees will enter retirement at a given time in the future. Along with these constants, several important variables, such as fluctuation rate, business growth, and changes in productivity are included in the calculation as well.

The strategic workforce management tools allow us to simulate various scenarios, and the results of these projections allow us to anticipate potential problems and take action early. We can create new training programs, for example, to avoid future manpower shortages.

In addition, we aim to fill vacant positions not solely on the open job market but rather internally. This means motivating employees to take advantage of our <u>HR development</u> measures as a way to advance their careers. Our strategic workforce management approach enables us to develop training and development measures in a targeted fashion. At the end of 2013, this approach had been implemented in five different business units, including DHL Supply Chain Mexico, and will continue to be rolled out within the Group.

Age structure^{1,2}

	2011		2012			2013
	Men	Women	Men	Women	Men	Women
up to 20	2,269	1,215	2,519	1,229	2,600	1,204
21 - 30	12,367	6,904	12,189	6,342	13,320	6,516
31 - 40	16,390	14,694	15,067	12,727	15,349	11,911
41 - 50	33,858	35,305	33,036	33,624	31,894	32,267
51 - 60	25,187	24,152	25,941	25,667	27,301	27,741
61 +	2,285	1,403	2,375	1,543	2,683	1,960
Average age	43.5	44.9	43.8	45.5	43.7	46.0
Average age overall		44.2		44.6		44.8

¹ As of December 31, 2013.

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² Refers to Deutsche Post AG employees incl. apprentices.

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- > MEDIUM-TERM PLANNING LEADS TO QUICK SUCCESS

MEDIUM-TERM PLANNING LEADS TO QUICK SUCCESS

We have tested our strategic workforce management tools in several different areas within the Group. Successful pilot projects have been conducted within our DHL units as well as within Global Business Services. These strategic workforce management projects are tailored to the individual needs and challenges of each area in order to identify and minimize potential capacity risks.

One of the biggest challenges facing DHL Supply Chain Mexico, for example, is its generally low employee retention rate. The organization's high employee turnover stands in stark contrast to its increasing capacity needs, which are driven by ambitious growth targets. By employing strategic workforce management methods, DHL Supply Chain Mexico was not only able to reveal eventual capacity gaps in business-critical roles - the approach also put them in a position to develop strategies and the necessary measures for filling those gaps. As part of the project, DHL Supply Chain Mexico has already implemented various activities in the areas of recruiting, talent management and career development.

One of our internal service providers faced difficulties building competencies in the area of new technologies and systems. Thanks to quantitative analyses and qualitative discussions on changing competencies, targeted HR development measures were able to be rolled out early. Continuous strategic workforce management enables us to respond immediately to strategic decisions made by the management with suitable HR measures.

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INSPIRING PERFORMANCE & DEVELOPING TALENT



With some 480,000 employees around the world, our workforce has enormous potential and a tremendous range of talents. We want to uncover these talents and promote them in a way that reflects our employee's own interests and career goals. By offering them attractive development opportunities tailored to who they are, our employees remain committed and motivated members of our workforce. At the same time, we progress towards our goal of becoming Employer of Choice, and ensure the success of our business over the long term.

All of our employees across the Group have access to training and professional development opportunities. These include a diverse range of competency-building and talent management programs, such as trainer training, expert seminars and language courses. Many of our development measures are offered as online training courses; other formats include classroom learning and video conferences. Employees also have access to regional development programs, which are customized to meet the needs of their local business units.

We encourage and support employees who are interested in expanding their horizons and gaining experience in different areas of our company.

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- > TRAINING AND PROFESSIONAL DEVELOPMENT, IN NUMBERS

TRAINING AND PROFESSIONAL DEVELOPMENT, IN NUMBERS

In 2013, the average number of training days per employee totaled 1.6 days. This was a 14% increase over the previous year, and a clear indication that our training and development offering is well received and highly regarded among our people. For employees, further training is an opportunity to build on existing knowledge and learn new skills to meet the demands of an increasingly complex working world. The numbers for 2013 show not only a rise in training days but a decrease in costs. These savings are a direct result from the expansion of our online learning offering.

Training measures are available to both full-time and part-time employees. We used full-time equivalents to calculate the number of training days shown below.

Training ¹

		2011	2012	2013
Annual training days per full-time equivalent	Days	1.2	1.4	1.6
Annual training costs per full-time equivalent	€	191	185	166

¹ Data on training days 2013 covers 66.7% of all employees (2012: 64.1%, 2011: 63.3%). Data on training costs 2013 covers all employees.

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- > LEADERSHIP & DEVELOPMENT

LEADERSHIP & DEVELOPMENT

One of our most important leadership principles for our managers is commitment to their own continual personal and professional development. At the same time, we expect managers to provide their employees with challenge and development opportunities, which include both technical skills development and personal growth. A manager's ability to apply this leadership principle has a direct impact on his or her annual bonus.

Open seminar program

Since 2002, all employees can take advantage of our open seminar program. First and foremost, these seminars provide managers and employees with training in core skills and competencies. Additional areas include presentation, moderation and communication skills, as well as courses designed to improve international collaboration, which focus on language skills, methodology and intercultural competencies. We also offer training in specialist disciplines such as HR, business administration, law, project management, IT-applications and sustainability.

Open seminar program 2013

Leadership	33 trainings	(avg. 2.48 days)	with 340 participants
Soft skills	89 trainings	(avg. 2.12 days)	with 725 participants
Specialist training	117 trainings	(avg. 1.83 days)	with 969 participants
Total	239 trainings	(avg. 2.03 days)	with 2,034 participants

PWC CFRTIFIFD

The 2014 training catalogue focuses more on Group-relevant topics and has streamlined the Leadership course offering. At the same time, we have expanded the course offering in the area of personal/professional development, in which participants learn to develop themselves and others.

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- > EVALUATING PERFORMANCE & DEVELOPING POTENTIAL

EVALUATING PERFORMANCE & DEVELOPING POTENTIAL

Two important elements of our HR development system are the annual target agreement, which is discussed and agreed upon with each employee individually, and the subsequent performance evaluation. Both are entered into our Group-wide IT-based performance management system, which tracks and administers the development plans and progress of our employees. Successfully completed trainings are also entered into the system, and the employee's education/training level is addressed as part of the annual target agreement meetings.

In the coming years, we aspire to harmonize the different IT systems currently being used for HR development in the Group's different divisions. In line with this, the first round of employee data will be transferred into a new, Group-wide HR development system in 2014.

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- > CERTIFYING HR EMPLOYEES

CERTIFYING HR EMPLOYEES

A central goal of our <u>"One HR"</u> program is to expand the knowledge of our 5,500 employees working in Human Resources, and also to provide them with further training in areas such as labor law compliance and employee rights, including the right to self-organize and the right to representation. To this end, we are currently developing a training series which will qualify participants as Certified International Professional Human Resources (CIP HR) experts.

The CIP HR training is designed to meet the specific needs of each target group. The initial seminar, which lasts one-and-half days, was finalized at the end of 2013. The trainer qualification seminar lasts three days. The global roll-out of the program is scheduled for March 2014.

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- > ONLINE TRAINING & CLASSROOM LEARNING

ONLINE TRAINING & CLASSROOM LEARNING



We offer our employees the opportunity to build on their professional qualifications through various channels and formats, which vary depending on the training content and objectives. These include workshops, dialogue formats based on the First Choice method or seminars conducted in the traditional classroom format or via video conference. A core component of our training and development architecture is our e-learning platform mylearningworld.net, which can be accessed from anywhere in the world. In 2013, our employees took part in some 372,000 hours of online training.

Our online training program includes training in the First Choice methodology, which we apply to our continuous improvement processes throughout the Group, as well as training in presentation techniques and various specialist areas within logistics. All training is voluntary, with the exception of our <u>compliance trainings</u>. We are continually expanding the course offerings and translating existing courses into different languages.

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- > DIVISIONAL DEVELOPMENT PROGRAMS

DIVISIONAL DEVELOPMENT PROGRAMS

We also offer numerous development programs and training opportunities within each of the Group's four operating divisions and their country organizations. These trainings are tailored to the needs of the employees, as well as to the personnel needs and skills requirements of each of the business units.

Talent management in the MAIL division

Our MAIL division employs roughly 170,000 employees. All of them – our delivery personnel, administrators, technical specialists and managers - have access to training and development opportunities.

We focus on effective succession planning for key positions as a way to ensure the future success of the company, to systematically develop the potential of our employees, and to establish clear career paths within the company. Employees with career ambitions and the requisite potential can take part in special talent programs designed to prepare them for the next upward move to operations manager or departmental head, for example. Current talent programs train participants to become delivery office heads, heads of mail and parcel sorting centers, and departmental heads at branch offices. There is also an international Global Mail talent program. In 2013, approximately 200 employees were able to take part in these programs, and many have already achieved their desired position.

We work continuously to further standardize our trainings and talent programs for all business units in order to establish consistent and transparent career paths for managers, specialists and project managers. One of the focus areas here is career development for female employees.

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- > SUPPORT FOR YOUNG TALENTS

SUPPORT FOR YOUNG TALENTS



Providing education and training opportunities for young people is one of our top HR development priorities, and an effective response to the challenges of demographic change in industrialized countries and potentially lower education levels in developing and emerging countries. In addition, we offer internships to outstanding university students and special programs for university graduates in all disciplines – an approach that has significantly strengthened our position in the war for talent.

The <u>apprenticeships in Germany</u>, the internship program <u>JOIN</u>, and our <u>GROW</u> trainee program – as profiled below – represent just some of our activities and measures in this area. A more comprehensive overview is available on the "Career" section of the Group's <u>website</u>. We communicate career opportunities at Deutsche Post DHL internally via employee media and externally through various channels, including <u>social media</u>.

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- > SUPPORT FOR YOUNG TALENTS > APPRENTICESHIP PROGRAMS IN GERMANY

APPRENTICESHIP PROGRAMS IN GERMANY

Our "Top-Azubi" talent program in Germany provides career development support to apprentices and integrated degree program (Duale Hochschule) students with strong academic records and above-average dedication, who are in the last year of their apprenticeship. These "Top-Azubis" are assigned mentors (experienced managers), and receive additional support in the form of competency development seminars and temporary assignments in other organizational units. As part of the current apprenticeship cycle, which ends in 2014, 100 participants were accepted to the Top-Azubi program from a total of approximately 2,000 apprentices and integrated degree program students.

In Germany, we also organize an ideas competition for apprentices that gives them a chance to work together in teams on special projects. In 2013, 21 teams and 140 participants took part in the ideas competition, which will be continued into 2014. The topics for the current competition include:

- Staying healthy during the apprenticeship focus on nutrition, exercise, nicotine and alcohol consumption
- Tolerance combating xenophobia
- Online shopping opportunities for Deutsche Post DHL

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- > SUPPORT FOR YOUNG TALENTS > THE JOIN INTERNSHIP PROGRAM

THE JOIN INTERNSHIP PROGRAM

The program JOIN (Join Our Intern Network) is designed for outstanding students who have begun the second semester of their Bachelor degree program. We offer JOIN participants project-based internships in various areas throughout the company lasting anywhere between two and six months. The internships also include mentoring by Group managers. Through the "JOIN again" alumni network, interns can stay in touch with Deutsche Post DHL after completing their internships.

JOIN began in 2011 with 20 participants. In 2014, we will be offering 40 project internships and plan to continue expanding the program. So far around 40% of all JOIN interns stay within the company after completing their internship.

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- > SUPPORT FOR YOUNG TALENTS > THE GROW TRAINEE PROGRAM

THE GROW TRAINEE PROGRAM

The trainee program GROW (Graduate Opportunities Worldwide) develops outstanding recent graduates with Bachelor or Master's degrees to become future specialists and managers within our company. GROW is a project-oriented, cross-divisional program lasting a total of 18 months with three separate project phases at different locations in different areas of the business. For the duration of the program, GROW trainees are supported by a mentor who provides them with regular feedback and career planning support.

The GROW program has a strong reputation among university graduates. In 2013, thirty participants were selected from a pool of 2,592 applicants.

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OCCUPATIONAL SAFETY & SECURITY



We bear responsibility for the safety of our employees and provide them with effective protection against dangers and risks in their working environment. Any work accident at our company is one too many. For this reason among others, we have created a framework to address these risks and to promote the health and safety of our employees on behalf of the entire company, our new <u>"Health, Safety & Well-being"</u> strategy.

In order to protect our employees, we have drafted a comprehensive set of rules that far exceeds the requirements of statutory occupational safety regulations and minimum standards. During the development and updating of both these rules and suitable training activities we have been working closely together with employee representatives and organizations.

Our employees are regularly briefed on safety in the workplace thanks to a series of preventive occupational safety measures. In Germany alone, the Occupational Safety team supports around 200,000 employees in our companies. The organization of Occupational Safety covers all of our locations and is part of our quality management system, which meets the requirements of the EN ISO 9001 standard.

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- > OCCUPATIONAL SAFETY & SECURITY AS MANAGERIAL ISSUES

OCCUPATIONAL SAFETY & SECURITY AS MANAGERIAL ISSUES

Our managers bear great responsibility for the well-being of our employees. Their most important managerial tasks include inspecting the working conditions of staff, correctly assessing risk levels and initiating suitable measures to minimize them. We support our management with these tasks by providing policies, recommendations and advising from our occupational safety experts.

To promote cooperation and the exchange of information between occupational safety experts in the different divisions, our new strategy includes the formation of an international committee that defines cross-divisional standards and regulations and creates more opportunities to learn from one another.

Delivery personnel, drivers, machine operators and members of other occupational groups work in a potentially dangerous environment. To ensure the safety of our employees, workplace inspections and audits as well as safety training are conducted on a regular basis. Compliance with statutory and operational regulations is overseen by management systems.

In addition, we are involved in <u>research and innovation projects in the area of occupational safety</u> and cooperate with ergonomic and technical institutions.

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- > MAKING EMPLOYEES MORE AWARE OF OCCUPATIONAL SAFETY

MAKING EMPLOYEES MORE AWARE OF OCCUPATIONAL SAFETY



The effectiveness of occupational safety measures is determined substantially by the behavior of employees. We utilize a variety of communications channels to make staff more aware of occupational safety concerns.

We continue to participate in the "World Day for Safety and Health at Work," promoted by the International Labour Organization (ILO), a special organization of the United Nations. This awareness-raising campaign day is observed every year on April 28. During the week in which this event is held, some 200 individual activities and training events took place in the Group in 2013. They focused on the safe use and operation of motor vehicles, transport equipment and all types of industrial trucks as well as safety checks on the mechanical condition and road worthiness of delivery bicycles and e-bikes.

We also offer a variety of prevention activities for training our employees during other weeks of the year, including such things as driving safety training and courses on securing cargo. In addition, we train our delivery personnel how to handle <u>aggressive dogs</u>.

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- > ACCIDENT RATES & THE NUMBER OF LOST WORKING DAYS

ACCIDENT RATES & THE NUMBER OF LOST WORKING DAYS

During the reporting year, 19,076 workplace accidents occurred across the Group. Of those, 15,765 workplace and commuting accidents with at least one lost working day happened in our Mail business in Germany. For the first time our accident reporting also includes data from the EXPRESS and GLOBAL FORWARDING/FREIGHT division.

One reason for the increase in the number of accidents at Deutsche Post AG was the long and unusually snowy winter in Germany, which lasted far into 2013. Accidents involving slipping, stumbling and falling were typical of these incidents and often led to long periods of lost work. Special dangers are posed by private and public areas that are either poorly cleared or not cleared at all. To better protect our employees we utilize preventive measures:

- Guidance for specific occasions
- · Pedestrian safety training
- Provision of personal protection equipment (PSA) such as shoe spikes
- · Weatherproof clothing offers
- Communication with municipal governments and private households (tips about repairing road damage and improving winter road service)
- Targeted preventive measures for young and new employees

The accident rate in the SUPPLY CHAIN division experienced a positive development. The number of work accidents in the warehouses and logistics centers sank from 1,500 reported in 2012 to 1,378 in the reporting year. In that same year, we were also able to report accident statistics for the EXPRESS and GLOBAL FORWARDING, FREIGHT divisions for the first time. A prior-year comparison is thus not possible.

Even one work accident is one too many. At the same time, the number of accidents, measured against the risk-level of the various areas of operation, remains at a low level at Deutsche Post DHL.

Despite all of our precautionary measures and training activities, two of our employees were fatally injured in on-the-job accidents in 2013 in Germany. We are investigating the causes and taking additional measures to prevent similar accidents from happening in the future. Six employees in Germany were killed in traffic accidents on the way to or from work.

Occupational safety at Deutsche Post AG

	2011	2012	2013
Deutsche Post AG ¹			
Number of workplace accidents ²	12,864	14,441	15,765
Accident rate (number of accidents per 1,000 employees per year)	72	80	86
Number of working days lost due to accidents (calendar days)	320,997	313,750	359,452
Working days lost per accident	24.9	21.7	22.8
Number of fatalities due to workplace accidents	2	1	2

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SUPPLY CHAIN

Number of workplace accidents ¹	1,626	1,500	1,378
Accident rate (number of accidents per 1,000 employees per year)	11.9	10.8	9.6
Number of working days lost due to accidents (working days)	29,953	24,363	25,112
Working days lost per accident	18.4	16.2	18.2

EXPRESS

Number of workplace accidents ¹	 1,697
Accident rate (number of accidents per 1,000 employees per year)	 38.6
Number of working days lost due to accidents (working days)	 36,315
Working days lost per accident	 38.6

Adjusted to year-end figures 2012.
 Accidents when at least one working day is lost, including accidents on the way to and from work.

GLOBAL FORWARDING, FREIGHT

Number of workplace accidents ¹	-	236
Accident rate (number of accidents per 1,000 employees per year)	-	8.3
Number of working days lost due to accidents (working days) -	-	1,645
Working days lost per accident -	-	7.0

¹ Accidents when at least one working day is lost excluding accidents on the way to and from work.

Occupational disorders

The jobs performed by our employees as part of the postal and logistics services we provide are demanding.

Our health management, with its manifold activities and preventive measures, aims to reduce work-related illnesses. We also support our employees in preventing chronic ailments.

The statutory accident insurance recognized three cases of occupational disorders in 2013; these were caused by the exposure to noise, asbestos and benzene.

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- > ACCIDENT RATES & THE NUMBER OF LOST WORKING DAYS > FRAMES WARNS OF COLLISIONS

FRAMES WARNS OF COLLISIONS

The most dangerous situations in road traffic are stopping, turning around, turning corners and, above all else, backing up. Yard logistics – that is, everything that happens on the exterior premises of the mail and parcel centers, freight handling facilities and logistics centers – consists of nothing else. The same thing is going on inside the storage facilities: braking, turning, maneuvering and driving backward. But here these activities are performed by forklifts and other types of material handling equipment. While road vehicles have an increasing amount of modern safety and support systems and intensive work is being done on "car-to-car communication" for the prevention of accidents, there is still no intelligent link with the non-motorized traffic participants.

In order to be able to prevent accidents in the yard and inside the facilities, Deutsche Post DHL as an industrial partner participated in an innovation project to create an early warning system for adaptive human/vehicle recognition and safety: <u>FRAMES</u> (Frühwarnsystem zur Adaptiven Mensch-Fahrzeug-Erkennung und Sicherheitsförderung). The project is supported by a number of statutory accident insurance carriers. Two universities are also participating. The system is being field tested at several locations, including the Unna logistics center of DHL Solutions Retail GmbH.

FRAMES takes advantage of innovative technology. Vehicles and individuals are equipped with detection devices, and high performance computers calculate their movement data. If a collision is imminent, the system warns both driver and pedestrian. Closed logistics systems like logistics centers and vehicle yards are well-suited for testing such a system.

The initial systems functioned perfectly in tests, but are still too large for practical use and require further miniaturization. The project aims at integrating the necessary technology into such things as high-visibility vests. Project promoters believe the goal could be reached in five to ten years.

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- > ACCIDENT RATES & THE NUMBER OF LOST WORKING DAYS > FIDO BITES MORE THAN 1,600 TIMES

FIDO BITES MORE THAN 1,600 TIMES



According to estimates, five million dogs live in Germany. In the accident statistics of Deutsche Post, "accidents involving animals" play a lesser role compared with falls and traffic accidents. Nevertheless, Fido and his friends strike more than 1,600 times every year and injure our mail carriers. In 2013, injuries were so severe in around 750 cases that employees were out one or more days.

Dogs often respond more aggressively to mail carriers than to other people who violate their territory. The reason is that mail carriers out on their rounds encounter numerous other dogs and carry traces of their scent. That is why mail carriers should avoid petting good dogs, since the animal's scent can make a less well behaved dog a few houses down very aggressive. Attempts to pacify dogs with treats are also dangerous – substitute mail carriers may know nothing about the "non-aggression treaty" between the primary mail carrier and the dog. The encounter could turn ugly if the dog does not receive its treat.

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- > RESPONSE TO THE FATAL WORK ACCIDENT IN 2012

RESPONSE TO THE FATAL WORK ACCIDENT IN 2012

In October 2012, an employee in the yard of the Hamburg parcel center was hit by a shunting vehicle and fatally injured. The circumstances of the accident were thoroughly investigated by the police, the public prosecutor and our occupational safety department.

As part of the investigation, the International Institute for Work, Health and Traffic from Schwelm was commissioned to analyze operational traffic safety and operational traffic structures and develop recommendations for optimizations.

The results were incorporated into a local work program of the Hamburg parcel center and into an extensive guide for traffic safety in the outside areas of company premises ("depot manual") for parcel centers in Germany. The guide is scheduled to be published in 2014.

Security management system

The Group's comprehensive security management system strengthens the trust our customers, business partners, employees and shareholders have in our products and services. It has a fundamental impact on the commercial success of our company.

The security organization of Deutsche Post DHL contributes to company success in a number of ways: It develops security standards, conceives and implements crime-prevention measures to protect infrastructure, processes and information, continually monitors the security situation around the world and constantly reviews our travel security standards. With our security training, we ensure that our employees can recognize and respond appropriately to potential risks and threats.

The activity of the security organization is based on the relevant statutory norms and guidelines of operational <u>compliance</u>. This provides the only basis for setting an example of ethical and legal behavior and as a result establishing a security culture that is accepted company-wide.

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OPERATIONAL SAFETY

As a mail and logistics company, the operating safety of our vehicle fleets is of fundamental significance to us.

Operational safety in aviation

The operational safety of our air fleet is regularly inspected according to international safety standards and subject to audits. Employee training in the areas of freight handling and ground services also comply with the guidelines and regulations defined by organizations such as the International Civil Aviation Organization (ICAO) and trade associations such as the International Air Transport Association (IATA).

Operational safety in ocean transport

When it comes to the ocean freight services of the Global Forwarding, Freight division, we operate in accordance with the International Maritime Code for Dangerous Goods (IMDG Code).

The IMDG Code is a global standard for the transport of dangerous goods by sea-going vessel. The Code contains classes and their definitions as well as provisions for the packaging, labeling, stowage, segregation and the handling of dangerous goods, including instructions for dealing with emergencies.

We have introduced mandatory training for employees who handle dangerous goods in maritime traffic or process such goods in other manners.

Operational safety in road transport

In the area of road safety, we cooperate with external organizations, the German Post and Telecommunications Insurance Fund, and other major corporations and universities. Our membership on the board of the German Road Safety Council (DVR) allows us to contribute our global experience and know-how to road safety initiatives within Germany.

Through our Corporate Intranet, employee media and local campaigns, we provide our employees with extensive information on the subject of road safety. That information is regularly supplemented and revised. The most important target group for this information is our delivery and transport staff. But there are also a high number of frequent drivers among our skilled staff and management who face heightened levels of risk. That is why in the reporting year we participated in the "GUROM" (Gefährdungsbeurteilung und Risikobewertung organisationaler Mobilität) project, which focused on the assessment of organizational mobility in terms of hazards and risks. At the same time, in cooperation with the German Road Safety Council (DVR) and the Chair for Occupational, Industrial and Organizational Psychology at Friedrich Schiller University Jena, individual risk profiles were drawn up for 171 personnel employees who frequently make business trips.

Dangerous goods management

As a leading logistics company, we also specialize in the safe and proper transport and handling of dangerous goods and substances in accordance with current regulations. The safety of employees and protection of the environment have highest priority whenever we transport or warehouse dangerous

goods.

Our employees in dangerous goods management are well connected internationally and trained in accordance with international and local regulations.

In the reporting year, the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) and the ICAO Technical Instructions for the safe transport of dangerous goods by air were revised. We have utilized diverse training activities to acquaint our employees in advance with the new changes to hazardous goods legislation. We have also modified in line with the new legal situation the dangerous goods transport regulations that apply to our customers and revised them to be more user-friendly.

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- > STATUTORY ACCIDENT INSURANCE IN GERMANY

STATUTORY ACCIDENT INSURANCE IN GERMANY

All staff employed under collective agreements at our principal company Deutsche Post AG are insured against accidents via the Post and Telekom Accident Insurance Fund (Unfallkasse Post Telekom, UK PT) established in 1995. This insurance covers treatment costs in cases of work and commuting accidents as well as pension claims that result from these accidents. Those regulations for prevention and accident compensation that apply to civil servants have also been transferred to the UK PT.

The UK PT and BG Verkehr, an employer liability insurance association, will merge to become BG Verkehrswirtschaft Post-Logistik Telekommunikation.

The merger will not lead to a deterioration of the accident insurance agency's services and prevention efforts for our employees. A prevention committee in the "Post, Postbank, Telekom" division in the new employer liability insurance association will assume management of the prevention work performed by the former UK PT.

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- > COUNSELORS LEND SUPPORT IN CRISIS SITUATIONS

COUNSELORS LEND SUPPORT IN CRISIS SITUATIONS

To help deal with conflicts in the workplace, health problems or personal problems, our Deutsche Post AG employees have the option of consulting an employee support service counselor. These counselors act within a sphere where confidentiality is assured. They are well connected throughout the company and also work closely with external support services. In order to accelerate the initiation of treatment or rehabilitation, social counselors make contact with medical specialists and clinics, counseling centers, self-help groups, social services and rehabilitation facilities, in coordination with the individuals concerned. The purpose of the social counselor's work is to help employees facing emergencies, inform them of treatment options and support them on the road to recovery and restoration of their ability to work. They are also qualified to serve as emergency first responders as well as addiction counselors.

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HEALTH & WELL-BEING

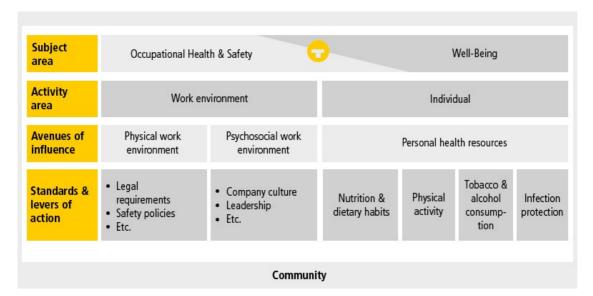


Our aspiration is to deliver excellence to our customers. To do this we need employees who are motivated and highly capable, which is why employee health and well-being is such a priority for us. Our commitment to maintaining and improving the health of our employees far exceeds legal requirements, and we consider it a major factor as we strive to become Employer of Choice.

We provide employees with a healthy work environment and offer a wide range of activities designed to encourage employees to adopt healthy lifestyles and avoid risk factors. Our <u>Corporate Health Policy</u> is the basis for implementing our health management system throughout the Group.

DPDHL Global Health & Well-being Strategy

Promoting Physical, Mental, and Social Well-Being



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SICKNESS RATE LOWER ACROSS THE GROUP

In 2013 the <u>sickness rate</u> among employees Group-wide was 4.8%, which was 0.4 percentage points lower than the previous year. The sickness rate in Germany in 2013 was 8.4%, which was 1.0 percentage points higher than in 2012.

This increase was due in large part to the aging workforce and overall increase in chronic illnesses among employees – a trend common to all industrialized countries.

Sickness rate

	2011	2012	2013
Worldwide ^{2, 3}	5.2 %	5.2 %	4.8 %
Germany ¹	7.6 %	7.4 %	8.4 %

¹ All organizational units in Germany.

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² Annual average.

³ Data on sickness rate 2013 covers 90.2% of all employees (2012: 73.1%, 2011: 72.7%).

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- > NEW "HEALTH, SAFETY & WELL-BEING" STRATEGY

NEW "HEALTH, SAFETY & WELL-BEING" STRATEGY



In the reporting year we responded to the increase in chronic illness and changing demographics within our workforce by developing a new holistic strategy for employee health, safety and well-being.

Our concept of health involves more than just the absence of illness. It includes aspects of physical as well as psychological and social well-being. In line with this, our new strategy leverages several different instruments and methods, including both <u>established prevention</u> measures and brand <u>new tools</u>.

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- > NEW "HEALTH, SAFETY & WELL-BEING" STRATEGY > APPLYING PROVEN TOOLS AND METHODS

APPLYING PROVEN TOOLS AND METHODS

Among the proven tools and methods we apply are the Health Working Groups and local health circles, through which we can reach nearly all employees in Germany directly, and indirectly reach employees' family members. These working groups consist of managers, employee representatives, company doctors, occupational health and safety specialists, employee support service counselors and other experts. Together with the employees, working group members go on site to analyze the workplace environment and consult a health promotion catalogue to select the appropriate measures as needed. We initiate up to 40,000 health promotion activities each year through these Health Working Groups. The activities span a wide range of areas, including improved ergonomics in the workplace, nutritional consulting, stress management/reduction training, and exercise programs. We also provide support in the areas of nicotine and alcohol addiction.

International health campaigns

We reach a large portion of our employees worldwide through international health-promotion campaigns and best-practice initiatives. Along with chronic illness prevention programs, our international health management work includes infectious disease initiatives designed to avoid, recognize and fight diseases such as malaria, influenza and dengue fever. We also provide educational support as part of AIDS prevention initiatives.

Participation in health policy working groups

We are also involved in health policy working groups such as the Global Business Coalition Health and the German Society for Occupational and Environmental Medicine (DGAUM e.V.), where we sit on the board. As part of networks such as "Enterprise for Health", we continually measure ourselves against other companies in the area of health management. At international health management conferences we dialogue with political figures, health experts, and scientists about our role in promoting and maintaining health around the world.

DPDHL Corporate Health Awards

One critical success factor in health management is the motivation level of our employees. Over the last six years, our DPDHL Corporate Health Awards have recognized best-practice health initiatives from across the Group as a way of anchoring the issue of health and health management in our business units.

In 2013, one such award went to DHL Express in France for its holistic health program, which includes measures addressing workplace design and the integration of employees with disabilities, as well as measures for promoting the individual health of our employees. At one of our hubs, for example, employees start their day with a six-minute warm up routine. The goal of the exercise program is to improve the employees' body awareness. We also conduct workshops to heighten their awareness of healthy eating habits and healthy sleep and to improve their sense of well-being. At the end of the workday, drivers can also receive a 15-minute massage from a physiotherapist. The success of the project is reflected in improved Employee Opinion Survey results.

DHL Supply Chain in the UK was also recognized for a new health project launched at one of its cold storage facilities. Employees there wear heavy work clothes to protect themselves from the sub-zero temperatures in the refrigerated warehouse. Despite a range of health promoting measures, many employees still complained about back problems. Training on proper lifting and carrying techniques

was not enough. The solution was to provide employees – under scientific supervision – with a special device that warned them of improper, unhealthy posture. Thanks to this solution, the sickness rate decreased by nearly 50%.

Although the birth rate in Brazil is high, many female employees have no access to prenatal medical care. Together with health officials, DHL Supply Chain Brazil developed a "Healthy Pregnancy Program", which provides DHL employees with pregnancy counseling services and access to regular prenatal care, including medical examinations. The program has resulted in a reduction of pregnancy complications.

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- > NEW "HEALTH, SAFETY & WELL-BEING" STRATEGY > NEW INITIATIVES LAUNCHED

NEW INITIATIVES LAUNCHED

As part of the "Fit für mich" program, some 1,500 mail carriers at four pilot locations in Berlin-Wilmersdorf, Wolfsburg, Rheine and Brandenburg can improve their fitness with the help of professional trainers. Due to the large demand, the health initiative will be extended and expanded to include additional locations.

Together with the German Federal Ministry of Labour and Social Affairs and the RWTH Aachen University, Deutsche Post DHL has developed a web-based training designed to promote mental health. The training covers topics such as stress and resource management, and sensitizes managers to the issue of mental health. The learning program also includes recommendations for managers on how to protect themselves and their employees from stress-related overload.

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AWARD-WINNING HEALTH MANAGEMENT

Deutsche Post DHL has received multiple awards for its Health Management programs in the past. Two additional awards in 2013 include the "Corporate Health Award 2013" in the industry category Transport/Trade/Logistics, presented jointly by Handelsblatt, TÜV SÜD and EuPD Research Sustainable Management, and the "Deutscher Unternehmenspreis Gesundheit" awarded by the European Network for Workplace Health Promotion and the BKK Dachverband (parent organization for German company health insurance funds). The latter is awarded to companies and organizations who demonstrate exemplary health management. These companies consider health management an integral part of their corporate strategy, and focus their activities not only on individual behavior, but also on initiatives to create working conditions that support health.

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- > THE SICKNESS RATE IS JUST ONE PART OF THE BIGGER PICTURE

"THE SICKNESS RATE IS JUST ONE PART OF THE BIGGER PICTURE"

Dr. Tautz, Dr. Minten, Health Management at Deutsche Post DHL has a strong focus on prevention. At the same time, the sickness rate in 2013 in countries like Germany was higher than the previous year. How do you explain that?

Dr. Andreas Tautz: This is related to the demographic change in the industrialized countries in general, and in Germany in particular. More than half of our employees in Germany, for example, are older than 46. We know from health sciences research that the prevalence of chronic illnesses, such as cardiovascular disease or musculoskeletal disorders, increases significantly in older age groups. But we can expect new health risks in emerging countries as well. We are seeing a rapid increase around the world in the kinds of diseases associated with industrialized countries, due in part to the "globalization of unhealthy lifestyles". Obesity-related illnesses, for example, will be a big problem in China in the future. There are signs of this already today.

Dr. Helmut Minten: The sickness rate is an important indicator, but it's just one part of a bigger picture. The goal is to have employees who are able-bodied and fit for work, so it's not just about attendance levels and absentee rates. We don't benefit at all from employees who come to work sick.

You mean when employees with colds drag themselves to work and infect everyone in their department?

Dr. Helmut Minten: That's a vivid example, yes, but we are talking more about non-infectious diseases, as well as mental illness. Obviously, if an employee calls in sick with back pain or depression, something has led to this. He or she might have been experiencing problems and performing below capacity for months or even years before. A big part of what we do in the area of health, safety and wellbeing is to build awareness among employees and managers and to encourage behavior that promotes health. We focus on disease prevention, early detection and making sure existing health problems do not get worse. All of this requires us in Health Management to explore new avenues and build new collaborative partnerships across the healthcare sector.

Dr. Andreas Tautz: Ours is a people business and, in keeping with our mission and vision as a logistics company – "We connect people and improve their lives" – it is essential to invest in the health and performance capability of our employees. In Health Management, we view health and prevention as long-term processes, comprised of two interrelated components. The first is promoting health and healthy behavior on the individual level. The second is providing working conditions that promote health. Our Health, Safety & Well-Being Strategy addresses both of these aspects, all under our company's overarching principle of "Respect and Results". We also believe that work itself promotes health. So this is not about reducing sickness rates over the short term, but about promoting health, performance and productivity into the future.

How would you define the role of the public health system and that of the occupational healthcare system?

Dr. Andreas Tautz: Everywhere around the world, public health systems are running up against their (capacity) limits. For institutions such as the World Health Organization or the World Economic Forum, companies are the critical platform for preventive healthcare and promoting health. With our strategy for Health, Safety and Well-Being, and our work in the area of prevention, we create value for the company and for society at the same time – this is the Shared Value.

Dr. Andreas Tautz and Dr. Helmut Minten both work in Health Management at Deutsche Post DHL. Dr. Andreas Tautz is Chief Medical Officer.

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OPEN & HONEST DIALOGUE



We practice and promote an open dialogue with our employees that is based on honesty, respect and mutual trust. This includes making sure our employees at all levels of our organization are informed on key developments and organizational changes across the Group on a regular basis and in a timely fashion. To do this, we employ a range of communications channels, such as e-mail, Intranet, Extranet and employee magazines, to ensure this happens in a timely manner. Many of our employees do not have access to a PC workstation. In these cases, the responsibility of keeping these employees abreast of new developments within the company is entrusted to the line managers, who hold regular operations or team meetings to achieve this.

Our annual <u>Employee Opinion Survey</u> (EOS) is an important element in our ongoing dialogue with our employees. It is also an important performance parameter for the Group. Among the survey's most important topics are "Employee Engagement" and "Active Leadership".

By engaging our employees in dialogue, we give them an active role in shaping their work environment and workflows, strengthening their identification with the Group.

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- > EFFECTIVE MANAGEMENT TOOL: OUR GROUP-WIDE EMPLOYEE OPINION SURVEY

EFFECTIVE MANAGEMENT TOOL: OUR GROUP-WIDE EMPLOYEE OPINION SURVEY

Our annual Employee Opinion Survey (EOS) is an important performance indicator within the Group. It functions like a seismograph that monitors the <u>pulse of the company</u>, helping us to identify action areas early and implement the appropriate changes.

Conducted annually since 2009, the EOS invites employees to share their opinions with us. The questionnaire comprises 40 questions in eleven different topic clusters or key performance indicators (KPI).

The survey's most important KPI is "Employee Engagement", which helps gauge how close we are to achieving our goal of becoming Employer of Choice. "Active Leadership", another key performance indicator of the EOS, has relevance for executive bonus payments. The response rate helps us determine the extent to which the survey results are representative.

To ensure year-on-year comparability, only slight modifications have been made to the survey since its introduction in 2009. Favorable scores in the areas surveyed have shown continuous improvement over the past years with the reporting year affirming this trend across the business. The Group-level 2013 EOS results show improvements in nearly all KPIs compared to the previous year, confirming our employees' satisfaction with their company. We benchmark our EOS results against external standards. These comparisons place our performance at a high level.

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- > RESULTS OF THE EMPLOYEE OPINION SURVEY

SELECTED APPROVAL RATINGS FROM THE EMPLOYEE OPINION SURVEY (EOS)

The following table provides an overview of the most important key performance indicators and respective approval ratings.

KPI		2011	2012	2013
Employee Engagement	%	71	72	72
Active Leadership ¹	%	67	69	70
Strategy	%	70	72	73
Communication	%	67	69	70
EOS Follow-up	%	59	60	61
Participation rate	%	80	80	77

¹ Relevant for executive bonus payments

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Dialogue within the team

The Employee Opinion Survey results are assessed not only on the global level. We make it a point to pass the results along to our divisions, business units and even individual departments in which at least seven employees have participated in the survey. This minimum number ensures the anonymity of the survey participants.

The survey results are reviewed and discussed within the teams as a way to identify areas for improvement. To facilitate this process, we have developed a dedicated workshop format that helps teams to develop and implement improvement measures in their specific unit. Both team members and their line managers make a voluntary commitment to implement the resulting follow-up actions.

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OUR CEO: OPEN FOR QUESTIONS

Our CEO Frank Appel is committed to encouraging and maintaining an open and honest dialogue with our employees. Aware of his role-model function for the Group's executives, CEO Frank Appel personally responds to employee questions submitted daily through the "Ask Frank" platform, accessible on the company's Intranet and Extranet.

The questions submitted by employees from all levels of the organization and from all regions of the world touch on a full range of topics, from childcare to corporate strategy. In the reporting year alone, some 550 questions were submitted and answered through the "Ask Frank" platform.

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- > U-CURVE LINKED TO LENGTH OF SERVICE

U-CURVE LINKED TO LENGTH OF SERVICE

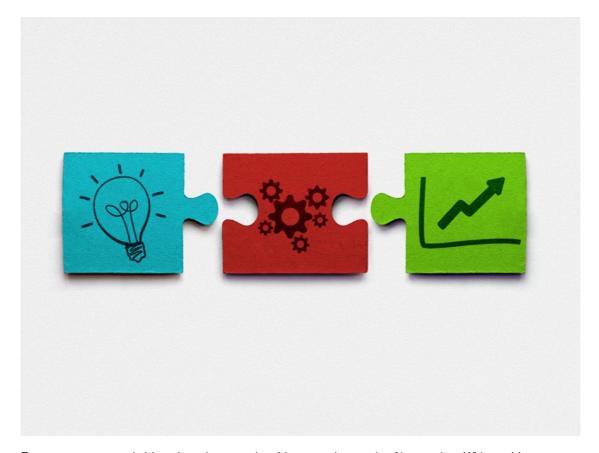
Aside from its general barometric function, the annual Employee Opinion Survey (EOS) often reveals other interesting aspects about the company. As an example, EOS results show especially high scores from our employees in Asia and Latin America. Why, then, are the employee turnover rates in these regions so high? As it turns out, the willingness on the part of employees in the growth regions of Asia and Latin America to "job hop" is simply higher. This turnover culture affects not only Deutsche Post DHL but also other companies in these regions.

Employees in Germany, on the other hand, tend to be more critical of their employer than their coworkers in other countries around the world. Our executives show high satisfaction levels and identify strongly with the company.

In the context of social relationships, satisfaction is generally u-shaped - after the excitement of a new beginning, satisfaction levels usually abate as the novelty wears off and routine settles in. Maturity effects a rebound in satisfaction levels, however, as factors such as continuity and dependability play an increasingly important role. Our annual Employee Opinion Survey shows a similar pattern. The high satisfaction levels of new employees begin to decline as employees enter the middle phase of employment. As our longstanding employees have shown, however, satisfaction levels begin to climb again the longer they remain employed in the company.

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EMPLOYEE IDEAS & INNOVATIONS



Every company needs ideas in order to evolve. Ideas are the seeds of innovation. With our idea management system, we compile the ideas of our employees and offer them a platform for dialogue. Ultimately it is our employees who know our company best. We encourage them to challenge existing methods and processes and to propose simplified, cost-effective and environmentally sound solutions. Our idea management program, with its bonus system, offers our creative thinkers both monetary and non-monetary incentives such as non-cash prizes, personal commendations and public recognition.

With the ideas we put into practice, we improve our services for customers, motivate our employees, reduce our environmental impact and save money. As a result, idea management helps us to achieve our Corporate Strategy goals and become Provider, Employer and Investment of Choice.

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- > INTERNATIONALIZATION MOVES FORWARD

INTERNATIONALIZATION MOVES FORWARD

On our online idea management portal, employees in 37 countries can access a system that is available in 19 languages. They can use the portal not only to submit ideas, but also to share knowledge and experiences across international borders and to tinker on ideas together. Employees with no access to a computer at their workstation have the option of either using a private computer to access the Extranet and submit ideas there or to use registration cards for their submissions. Our idea management system also takes specific cultural characteristics into consideration and offers solutions for team ideas.

Due to changes in processes and definitions, as expected, we saw a decrease in the number of suggestions submitted and at the same time, a significant rise in the quality of submissions. The increase in quality is reflected in our implementation rate, which has soared to 85%.

Idea management

		2011	2012	2013
Suggestions for improvement	Number	214,337	165,124	124,834 ¹
Accepted suggestions for improvement	Number	174,680	133,698	106,248
Rate of implementation	%	81.5 %	81.0 %	85.1 %

¹ Approved suggestions for improvements according to amended reporting method.

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The following <u>examples</u> show the enormous range of ideas that have become reality.

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PRIZE-WINNING IDEAS

A clever way to distribute software in the mail centers

Roland Sperber and Marko Klingner, employees in the MAIL Production Technology Maintenance department, introduced "Peer-to-Peer (P2P)" technology into the software distribution process. In the past, if the 82 mail centers were going to get new software, each one of them received a copy of it on CD. With the help of P2P technology, data is now automatically distributed. Software distribution only takes two days instead of ten – and leads to enormous cost-savings, several hundred thousand euros in the first year the system was implemented.

A sweeping machine like a windshield wiper

Up until 2013, leased sweepers were used to clean the DHL Freight terminal in Worms. The results were modest. The rotating brooms of the dry sweepers churned up more dirt and dust than they removed. What's more, the devices were prone to failure. Finally Michael Probst, warehouse specialist for special transactions, had had enough. He applied the "windshield wiper" principle to an internal sweeping machine. To do that, he constructed a stable metal attachment for his forklift. The "windshield wiper blades" originally were anti-slip mats that every truck carries for securing loads. Currently, the company is determining how extensive the need is across the Group for these sweeping attachments. And it is looking for a location to manufacture the devices.

Damage reports without the paper mess

Kateřina Zrcková, an employee at DHL Express in the Czech Republic, had an idea for optimizing processes in the distribution of damage reports. If damage occurs during a transport, a number of offices have to be informed: customer service, so that the sender and recipient can be informed about the regrettable incident; the insurance department, so that the claim can be quickly adjusted; and quality management, so that the damage can be assessed and measures taken to prevent future damage. The damage reports are paper documents, which makes distribution tedious and is associated with effort and expense. Instead of introducing a new system for digitizing the documents, Kateřina remembered an existing program that is used to digitize and distribute waybills. This "misappropriation" saves a lot of time and money – and does not require a new IT system. In view of the enormous scope in the international sphere, the improvement project has not yet been concluded.

In the Netherlands, the ventilation talks with the heating

At DHL Supply Chain in the Netherlands, Judith de Rooij, an employee at the Bergen op Zoom 1 location, had the idea of linking the heating and ventilation systems with each other using an intelligent control system. As a result, the temperature in the high-bay warehouses could be set precisely to within 0.1 degrees Celsius. More than €10,000 per warehouse could be saved in heating costs per year and the emissions savings amounted to 55 tonnes of CO₂ per storage location.

- > HOME > CO-WORKERS & CO-CREATORS > EMPLOYEE IDEAS & INNOVATIONS
- > TEAM IDEAS AND SOCIAL ACCEPTANCE

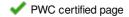
TEAM IDEAS AND SOCIAL ACCEPTANCE

Idea Management at Deutsche Post DHL follows a sophisticated process. For example, a bonus system is used to reward individuals whose ideas are put into practice. The person who submitted the idea receives 10% of the costs saved by the company in the first year of implementation. However, ideas are often developed in a team. To avoid conflicts over the distribution of the bonus, teams state a percentage for each team member as an indication of their share in the idea. This is done during the submission process.

Often an idea will set a larger managerial process into motion. Suggestions for improvements have to be reviewed for feasibility by the specialist departments. Through Idea Management, we enable people who submit ideas to participate in the review process and give them feedback on their project status.

Idea Management also takes cultural differences into account. In most countries, the first step is for the person submitting the idea to discuss the suggestion for improvement with the direct supervisor. Other countries have so-called idea managers who function as neutral parties by accepting ideas and having them reviewed by the department.

> HOME > PRINCIPLES & GUIDELINES





AVOIDING RISKS & SEIZING OPPORTUNITIES

Responsible business practice is one of the Group's most important goals. Our Group-wide policies, in particular our <u>Code of Conduct</u>, are the guiding principles for ethically and ecologically sound action in keeping with applicable laws and norms. These policies provide clear orientation for our managers and employees by conveying to them our values and principles.



OUR CODE OF CONDUCT

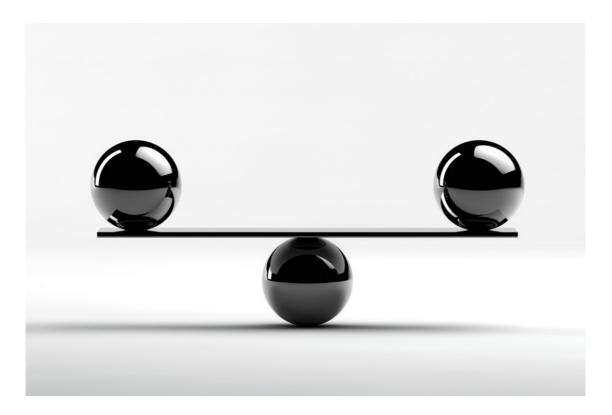
The Code of Conduct has become an integral part of our corporate culture and binds us together across the divisions and regions around the world.



OPPORTUNITY & RISK MANAGEMENT: IDENTIFYING &

ASSESSING

As an internationally operating mail and logistics company, we deal with constant change. Our aim is to identify the resulting opportunities and risks at an early stage and to take the necessary measures in the specific areas affected in due time to ensure that we achieve a sustained increase in enterprise value. Our Group-wide opportunity and risk management system facilitates this aim.



COMPLIANCE MANAGEMENT: LEGALLY COMPLIANT & VALUE-ORIENTED

Compliance Management at our company follows an approach that is simultaneously value- and risk-oriented. At Deutsche Post DHL compliance means that we adhere to laws and regulations, Group policies (in particular our Code of Conduct) and measurable voluntary self-commitments that the Group makes to third parties.



SYSTEMATIZED & INTERNATIONAL DATA PROTECTION

Data protection is a key concern for our company. It is also a matter of great significance for our stakeholders, as demonstrated by our stakeholder survey that we conducted in 2013. Thanks to our data protection management, we are able to meet the demanding requirements of our stakeholders.



PROCUREMENT & SUPPLIER MANAGEMENT: PRICE-CONSCIOUS & RESPONSIBLE PROCUREMENT

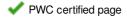
We think beyond our corporate borders and also require our suppliers to comply with our environmental and social standards. At the same time, we are aware of the impact our purchasing decisions have on the supplier side and strive for cooperative partnerships.



OUR WORKING RELATIONSHIP WITH EMPLOYEE REPRESENTATIVE BODIES IS OPEN & CONSTRUCTIVE

Globally we work together in diverse ways with our employees and their representatives guided by national law, and we engage with them in a constructive dialogue. This is how we contribute to achieving our strategic goals of becoming Provider of Choice for our customers and Employer of Choice.

> HOME > PRINCIPLES & GUIDELINES > AVOIDING RISKS & SEIZING OPPORTUNITIES



AVOIDING RISKS & SEIZING OPPORTUNITIES

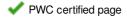


Responsible business practice is one of the Group's most important goals. Our Group-wide policies, in particular our <u>Code of Conduct</u>, are the guiding principles for ethically and ecologically sound action in keeping with applicable laws and norms. These policies provide clear orientation for our managers and employees by conveying to them our values and principles.

This enables company leaders to direct the business with clarity and foresight and help minimize economic, ecological and social risks. We utilize defined management processes and systems to monitor and manage the implementation of our policies. At the same time, it is our goal to create an awareness of good business practices and establish a culture of personal responsibility within our company.

Our main focus areas for responsible business practices are human resources and labor relations, health management and safety, data protection, procurement, compliance, environmental protection and corporate citizenship. The previously informal exchange among these areas was formalized in 2013 and expanded to include other divisional functions. The Responsible Business Practice (RBP) network is tasked with facilitating exchange among these cross-divisional functions and developing solutions to future challenges in these areas. Overarching CR issues will be discussed in the RBP Working Group, and as needed, submitted to the RBP Council for resolution.

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THE CODE OF CONDUCT IS THE FOUNDATION OF OUR CORPORATE CULTURE



The Code of Conduct has become an integral part of our corporate culture and binds us together across the divisions and regions around the world.

The Code of Conduct is the foundation of our corporate culture

The Code of Conduct is an integral part of our corporate culture. It is guided by the principles of the <u>Universal Declaration of Human Rights</u>, the principles of the <u>UN Global Compact</u> and those of the 1998 <u>International Labour Organization (ILO) declaration on the fundamental rights and principles of work</u> as well as the <u>OECD Guidelines for Multinational Enterprises</u>.

Since 2006, the Code of Conduct has applied to all regions and divisions of Deutsche Post DHL. It lays down guidelines for the day-to-day workplace conduct for our approximately 480,000 employees. The Code of Conduct also sets out our commitment to the health and well-being of our employees, as well as our understanding of diversity and inclusion. It is the foundation for the behavior of our staff and thus the guiding principle for all of our company's business practices.

> HOME > PRINCIPLES & GUIDELINES > OUR CODE OF CONDUCT > THE FOUNDATION OF ALL GROUP POLICIES



✓ PWC certified page

Key principles and Group policies

Principles	 Universal Declaration of Human Rights UN Global Compact Core Labor Standards of the International Labour Organization OECD Guidelines for Multinational Enterprises
Group policies	 Code of Conduct Supplier Code of Conduct Anti-Corruption Policy and Business Policy, Competition Compliance Policy Investment Policy Purchasing Policy, Environmental Policy, Paper Policy Privacy Policy for International Data Transfers Corporate Health Policy Road Safety Code Declaration of Conformity with the German Corporate Governance Code

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For our company the Code of Conduct is of overarching importance and is designed as a lasting body of rules. Nevertheless, it is regularly reviewed to determine the extent to which it corresponds with societal requirements and legal frameworks.

THE FOUNDATION OF ALL GROUP POLICIES



Our Code of Conduct, since its last <u>revision in 2012</u>, contains a separate chapter that formulates explicit provisions calling for the respect of human rights and the rejection of child and forced labor. In addition, we also state therein our employees' freedom of association. In the earlier version we made a reference in this context to compliance with principles of the International Labor Organization (ILO) and the United Nation Global Compact. The new version of the Code of Conduct was communicated across the Group in the reporting year. It is available in 21 languages.

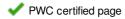
Our Code of Conduct reflects our commitment to responsible, ethically sound and legally compliant behavior. Its rules and guidelines afford all employees the orientation and certainty they need to carry out their day-to-day operations. Furthermore, it also allows us to demonstrate to our customers and investors that Deutsche Post DHL is a reliable and trustworthy partner.

Our Code of Conduct is the source from which all other Group policies as well as regional guidelines or codes of conduct derive.

Responding to the stakeholder perspective & new requirements

The Integrity Board contributes to the further elaboration of the Code of Conduct and the establishment of its values in the Group. This committee consists of Group management representatives, including two Board of Management members – Larry Rosen, Angela Titzrath – and prominent external individuals. They discuss how we can develop our strategy and processes in comparison with other companies and in the context of changing political or social requirements, and submit recommendations.

> HOME > PRINCIPLES & GUIDELINES > OUR CODE OF CONDUCT > TRAINING INTENSIFIED

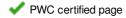


TRAINING INTENSIFIED



Our employees can take advantage of online seminars to become familiar with the content of the Code of Conduct. These seminars are available in 21 languages. Seminar materials were revised in the reporting year as a result of amendments to the content of the Code of Conduct in 2012. In 2014, we intend to make the updated versions of these online seminars available Group-wide on our e-learning platform mylearningworld.net. We also developed an abridged and simplified version of the Code of Conduct in the reporting year. This short version is only for training purposes; only the complete version is authoritative.

> HOME > PRINCIPLES & GUIDELINES > OPPORTUNITY & RISK MANAGEMENT



IDENTIFYING & ASSESSING



As an internationally operating mail and logistics company, we deal with constant change. Our aim is to identify the resulting opportunities and risks at an early stage and to take the necessary measures in the specific areas affected in due time to ensure that we achieve a sustained increase in enterprise value. Our Group-wide opportunity and risk management system facilitates this aim.

Each quarter, managers estimate the impact of future scenarios, evaluate the opportunities and risks for their departments, and present planned measures as well as those already taken. Queries are made and approvals given on a hierarchical basis to ensure that different managerial levels are involved in the process. Newly identified opportunities and risks can also be reported at any time on an ad hoc basis.

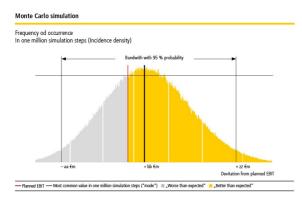
Our opportunity and risk management system also covers risks in the areas of environmental management, litigation or personnel. The early identification process interlinks the Group's opportunity and risk management into uniform reporting standards. We continuously improve the IT application used for this purpose. In standard evaluations, we also use a Monte Carlo simulation for the purpose of aggregating opportunities and risk. Opportunities and risks are presented in our 2013 Annual Report.

To identify non-financial opportunities and risks, we created the new Responsible Business Practice network in the reporting year. In it we devise suitable measures for overarching subject areas such as HR, data privacy, health & safety, security, procurement, compliance, the environment, and society, as well as advise on corporate policies and develop management parameters.

- > HOME > PRINCIPLES & GUIDELINES > OPPORTUNITY & RISK MANAGEMENT
- > ASSESSING OPPORTUNITIES & RISKS



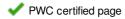
ASSESSING OPPORTUNITIES & RISKS



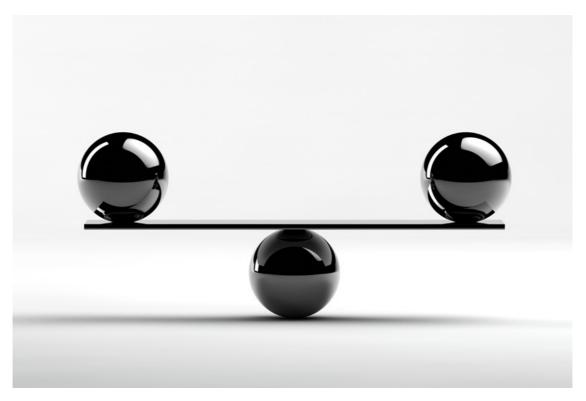
A Monte Carlo simulation takes the probability of occurrence of the underlying opportunities and risks into consideration and is based on the law of large numbers. From the distribution function of each individual opportunity and risk one million randomly selected scenarios – one for each opportunity and risk – are combined. The resulting totals are shown in a graph of frequency of occurrence. The following graph shows an example of such a simulation:

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> HOME > PRINCIPLES & GUIDELINES > COMPLIANCE MANAGEMENT



COMPLIANCE MANAGEMENT: LEGALLY COMPLIANT & VALUE-ORIENTED



Compliance management at our company follows an approach that is simultaneously value- and risk-oriented. At Deutsche Post DHL compliance means that we adhere to laws and regulations, Group policies (in particular our <u>Code of Conduct</u>) and measurable voluntary self-commitments that the Group makes to third parties.

Compliance objectives

With its value-oriented approach, our compliance management promotes correct behavior and the social legitimacy of our mission. Its risk orientation helps us to avoid financial disadvantages and reputational damage, protect executive body members, managerial staff and employees from personal liability and steer clear of competitive disadvantages. We are convinced that strict compliance makes an extensive contribution to the commercial success of our company.

Compliance management is firmly established throughout the Group worldwide. Compliance requirements also apply to subsidiaries in which Deutsche Post DHL has a majority interest or controlled stake. Moreover, business partners such as suppliers, subcontractors and other agents are also subject to our compliance requirements.

The special significance of corruption prevention at our company is laid down in the Group's Anti-Corruption Policy, introduced in 2009. The policy gives our employees guidelines for avoiding situations that could cast doubt on the integrity of actions taken by Deutsche Post DHL. Furthermore, these guidelines contain rules for examining our business partners – including subcontractors, joint venture partners, agents and advisors – as well as rules for Group donations and contributions to political parties or governments.

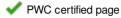
- > HOME > PRINCIPLES & GUIDELINES > COMPLIANCE MANAGEMENT
- > MANAGING COMPLIANCE SYSTEMATICALLY

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MANAGING COMPLIANCE SYSTEMATICALLY

At Deutsche Post DHL, the Chief Compliance Officer is responsible for the compliance management system and reports directly to the Chief Financial Officer. In these duties the Chief Compliance Officer is assisted by the Global Compliance Office, which establishes Group-wide standards for compliance management and supports the corresponding activities of the divisions. Each of the four operating divisions has a Compliance Officer, who has recourse to additional local resources and regularly presents a report to the divisional Board of Management member. The content of these reports are incorporated into the Chief Compliance Officer's reports to the Board of Management as a whole and to the Finance and Audit Committee of the Supervisory Board.

- > HOME > PRINCIPLES & GUIDELINES > COMPLIANCE MANAGEMENT
- > MANAGING COMPLIANCE SYSTEMATICALLY > COMPLIANCE PROGRAM



COMPLIANCE PROGRAM

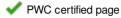
Components of our Compliance Management System



The key processes within the compliance management system include the identification of potential compliance risks. Based on the assessment of risks, principles and measures are developed and implemented to minimize compliance risks and thus prevent compliance violations. Key measures are the evaluation of <u>business partners</u> with regard to compliance, coordination of the system for reporting potential violations of law or policy, <u>management of policies and guidelines</u> and the development and implementation of compliance training and communication measures.

The Group Anti-Corruption Policy contains rules for examining our business partners, rules which appropriately complement the processes of Corporate Procurement.

- > HOME > PRINCIPLES & GUIDELINES > COMPLIANCE MANAGEMENT
- > MANAGING COMPLIANCE SYSTEMATICALLY > COMPLIANCE COMMUNICATION AND MONITORING



COMPLIANCE COMMUNICATION AND MONITORING

Employees and relevant third parties are informed of the compliance program. Compliance communication relays relevant information on compliance issues and ensures that the compliance program, as well as responsibilities within the compliance management system, are properly understood.

Processes and policies are in place that adequately address the relevant requirements of Deutsche Post DHL, are communicated appropriately and readily available for all employees concerned. Internal controls take typical principles into consideration (separation of duties, the double-verification principle, the principle of required information) and are integrated into existing processes, workflows and systems.

Specific target audiences for training needs are determined, continually reviewed and covered by adequate training measures.

Inspections, monitoring, improvements

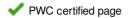
The structure of the Compliance organization and the compliance program is aligned with the requirements and needs of the Group. The results of compliance risk analysis and compliance audits serve as a basis for determining additional measures for avoiding compliance risks. Moreover, the knowledge gained from reported violations is used to continually improve and further develop the compliance system and ensure the integrity and sustainability of the compliance program.

Corporate Audit inspections

Corporate Audit regularly inspects the management processes within the Compliance organization.

In addition, they conduct some 280 regular audits annually in the operating divisions and at some suppliers. The inspection catalog also includes compliance issues. The results of the inspections are documented and regularly reported to the Board of Management as a whole. Of course they are also used to continually improve and further develop the compliance system and to formulate our policies more concretely as necessary.

> HOME > PRINCIPLES & GUIDELINES > COMPLIANCE MANAGEMENT > REPORTING VIOLATIONS



REPORTING VIOLATIONS AT ANY TIME & CONFIDENTIALLY



Our Group-wide compliance portal allows employees to obtain information at any time from the responsible point of contact in the Compliance organization or use the Compliance Hotline to report violations directly over the portal. The portal also makes it possible for staff to access the latest information and refer to guidelines and the associated documentation.

In 2013, we improved the reporting system of our Compliance Hotline and created a consistent level of service. Since 2013, we offer a multi-language Compliance Hotline Service available around the clock, seven days a week in approximately 150 countries. The Compliance Hotline, run by an external supplier, offers both a telephone and a web-based service. Compliance violations can be reported anonymously (where legally permitted) or by providing contact information. The reports are handled professionally and confidentially.

Reported compliance violations are processed and addressed according to subject matter and situation. The Chief Compliance Officer reports relevant violations to the Board of Management and the Supervisory Board's Finance and Audit Committee.

- > HOME > PRINCIPLES & GUIDELINES > COMPLIANCE MANAGEMENT > REPORTING VIOLATIONS
- > TRAINING IN THE NEW ANTI-CORRUPTION POLICY

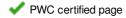
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TRAINING IN THE NEW ANTI-CORRUPTION POLICY

In 2012, we revised the Anti-Corruption Policy. The new version contains an expanded list of criteria that we use to examine the integrity of potential business partners. A mandatory verification procedure has also been incorporated into the policy. We offer a detailed report on the due diligence of our suppliers in the <u>Procurement and Supplier Management</u> chapter.

In 2012, we revised the online training modules for the areas Anti-Corruption and Competitive Compliance. The training materials are now available to employees in 20 languages. We also set up a compliance portal on the company Intranet, which gives employees access to information on compliance matters.

> HOME > PRINCIPLES & GUIDELINES > DATA PROTECTION



SYSTEMATIZED & INTERNATIONAL DATA PROTECTION



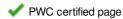
Data protection is a key concern for our company. It is also a matter of great significance for our stakeholders, as demonstrated by our <u>stakeholder survey</u> that we conducted in 2013. Our data protection management helps us meet the demanding requirements of our stakeholders.

We process and store vast quantities of data in the Group, including the personal data of customers, employees, investors and business partners. The protection of this data is not only a matter of <u>compliance</u>, by means of which we mitigate the risk of legal sanctions and avoid damage to our reputation. More importantly high data protection standards are a part of Deutsche Post DHL's brand essence and its approach to the creation of value.

As a company that operates worldwide, we are faced with the necessity of enabling business units abroad to exchange specific data. The development and monitoring of internationally valid data protection guidelines and standards are thus key factors of our Data Privacy Policy.

In Germany, the preservation of postal privacy is a fundamental right guaranteed by Article 10 of the Basic Law of the Federal Republic of Germany and thus an integral part of the MAIL division's responsibilities. For some products and services, such as the <u>E-Post</u> or digitization services, data protection is a central feature.

> HOME > PRINCIPLES & GUIDELINES > DATA PROTECTION > GROUP-WIDE DATA PRIVACY POLICY

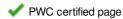


GROUP-WIDE DATA PRIVACY POLICY

Our priority is to honor and further cultivate the trust placed in us by our customers, employees and business partners. The Data Privacy Policy, in which we have defined the principles of our data protection strategy and monitoring mechanisms, is a way for Deutsche Post DHL to demonstrate to customers, business partners and regulators which data protection standards are applied worldwide within the Group. At the same time, this policy supports our managers and employees in complying with the applicable legal provisions.

In fact our Data Privacy Policy was reviewed and approved in an official recognition procedure by the data protection authorities of the European Union member states back in 2011. As a result, we now have a secured and recognized basis compliant with data protection laws for transmitting personal data abroad.

> HOME > PRINCIPLES & GUIDELINES > DATA PROTECTION > TRAINING OFFER EXPANDED



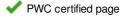
TRAINING OFFER EXPANDED

In order to integrate data protection concerns into the management processes of local business units, we support employees and managerial staff in diverse ways. A Data Privacy Policy manual provides managers with detailed explanations of the individual provisions and an overview of the most relevant issues within their scope of responsibility. Managers can access a Data Privacy Policy training course on our web-based training portal "mylearningworld.net" that treats the targets and scope of the policy.

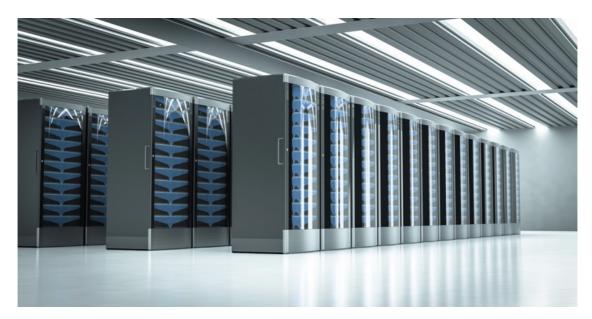
In the past, this training was voluntary, but it will become compulsory for management in the future. What's more, the web-based training course was translated into additional languages in 2013.

We also offer online training on other data protection issues such as employee data privacy and customer data privacy. These training courses and instructional activities are not geared solely to managerial staff; any employee can take advantage of them.

- > HOME > PRINCIPLES & GUIDELINES > DATA PROTECTION
- > STANDARDIZED MONITORING PROCESSES FOR INTERNATIONAL IT



STANDARDIZED MONITORING PROCESSES FOR INTERNATIONAL IT APPLICATIONS



In the reporting year, we improved the data protection monitoring processes for global IT applications. Here a standardized template was developed as a way for us to register and document IT applications utilized globally. The "Data Protection Registry" serves as the foundation for the statutory data protection evaluations that we perform as part of a "Privacy Impact Assessment". These evaluations are based on applicable national laws. We are currently testing the newly designed monitoring process in different areas.

- > HOME > PRINCIPLES & GUIDELINES > DATA PROTECTION
- > STANDARDIZED MONITORING PROCESSES FOR INTERNATIONAL IT
- > A DATA PROTECTION LAW THAT IS THE SAME AROUND THE WORLD DOES NOT EXIST

"A DATA PROTECTION LAW THAT IS THE SAME AROUND THE WORLD DOES NOT EXIST"

Ms. Krader, what is Deutsche Post DHL's understanding of data protection?

Gabriela Krader: Based on tradition alone, a profound one. We are the postal service for Germany. The preservation of postal privacy is laid down in the Basic Law of the Federal Republic of Germany. We have always been deeply aware of the need for data privacy. That applies not only to our traditional mail services, but also to our digital offers like the E-Post. We also pursue high standards internationally. As a multinational company, we face a particular challenge in the international transfer of data.

What is that challenge?

Gabriela Krader: One difficulty involves fulfilling statutory provisions around the world, which to some extent are very different. A data protection law that is the same around the world does not exist. In Germany alone there are a number of laws and regulations, standards and provisions related to data protection. In the USA, it is often said, data privacy is handled more laxly than in Germany. That is completely not true. Their approach is simply different; data protection there has a much more sector-specific orientation. A second challenge is that the legal situation is changing in many countries and the judiciary and supervisory authorities in the countries are continually facing new demands.

How do you cope with this flood of individual provisions and changes?

Gabriela Krader: First of all, we provide extensive and timely advice to support our business divisions. To ensure that the need for advice is indeed recognized, we are continually launching initiatives aimed at heightening awareness of data protection issues. And of course we monitor compliance with provisions wherever it is necessary and provide a concentrated response to complaints and inquiries.

That sounds like a lot of work ...

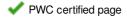
Gabriela Krader: That's true, but we have developed standardized processes in many areas. That makes verification simpler and more reliable.

How do you implement your standards in the different countries?

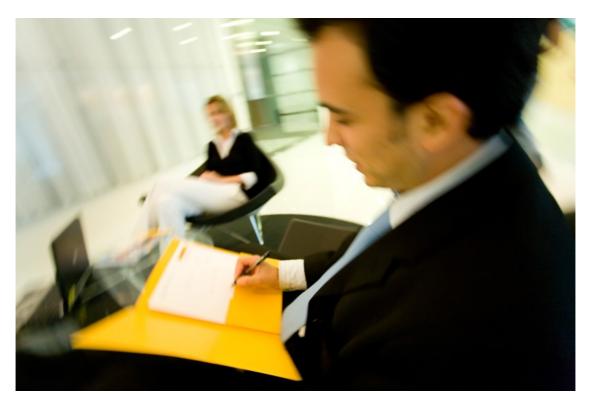
Gabriela Krader: Our Data Privacy Policy provides an essential framework for any measure that is required. The current on-going process focuses on obtaining an active declaration of policy compliance from company management throughout the Group, which we use to increase awareness of data privacy issues and establish clear responsibilities. At the same time, the Data Privacy Policy helps us to demonstrate to customers, business partners and regulators which data protection standards and requirements are applied worldwide within the Group.

Gabriela Krader is the Corporate Data Protection Officer.

> HOME > PRINCIPLES & GUIDELINES > PROCUREMENT & SUPPLIER MANAGEMENT



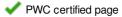
PROCUREMENT & SUPPLIER MANAGEMENT: PRICE-CONSCIOUS & RESPONSIBLE PROCUREMENT



We think beyond our corporate borders and also require our suppliers to comply with our environmental and social standards. At the same time, we are aware of the impact our purchasing decisions have on the supplier side and strive for cooperative partnerships.

At the operational level, Corporate Procurement supports the divisions with the purchasing of high quality goods and services, reducing spending and making cost-efficient investments in a way that is in line with our Group policies and regardful of environmental aspects.

- > HOME > PRINCIPLES & GUIDELINES > PROCUREMENT & SUPPLIER MANAGEMENT
- > UNIFORM REGULATIONS FOR THE GROUP



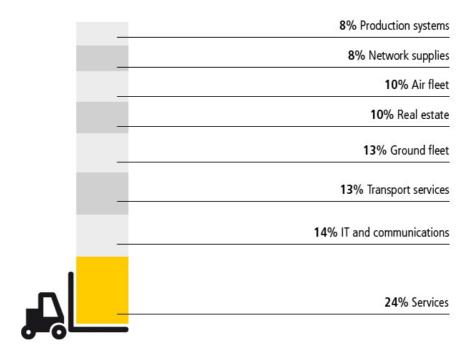
UNIFORM REGULATIONS FOR THE GROUP

Corporate Procurement is managed centrally. Regardless of where the ordering process is initiated within the Group, the same Group-wide regulations apply.

We procure transport services both centrally and de-centrally, with the latter accounting for around 90% of our purchased transport volumes. Preference is increasingly shown to transport service providers with environmental and social standards.

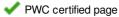
Procurement expenses, 2013





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- > HOME > PRINCIPLES & GUIDELINES > PROCUREMENT & SUPPLIER MANAGEMENT
- > SUPPLIER CODE OF CONDUCT



SUPPLIER CODE OF CONDUCT

An integral part of the contracts with our suppliers is the Supplier Code of Conduct. It establishes the Group's ethical and environmental standards and explicitly embraces, for example, the prohibition of child and forced labor and the preservation of general human rights. Furthermore, suppliers undertake to comply with the applicable regulations related to the environment, labor, and occupational health as laid out in the internationally accepted anti-bribery standards of the UN Global Compact and in local anti-corruption and anti-bribery laws. Suppliers also pledge to eschew every form of discrimination based on race, religion, disability, age, sexual orientation or gender.

If a supplier's compliance with the provisions of the Code is questioned, we conduct individual inspections. Random tests of selected suppliers are also conducted regardless of suspicion. Suppliers are selected on the basis of their economic significance and a risk assessment.

New regulations for the examination of suppliers

We select our suppliers in a multi-step tendering process. Cost-effectiveness and quality are just as an important part of our considerations as ecological and ethical aspects.

In the reporting year, we developed and implemented a new directive for the examination of new suppliers and the review of existing business relationships. In that directive, depending on the intensity and volumes of the planned or existing working relationship, suppliers are now required to make various statements about the way they provide their services. A standardized procedure must be followed in this process. The result is improved transparency about our suppliers and greater speed in the identification of risk.

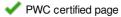
In cooperation with Corporate Security, we have also developed and successfully tested expert workshops for our purchasers. The aim of the workshops is to reinforce among purchasers the importance of complying with standards and of resolving conflicts in a way that is in line with the relevant guidelines. The workshops will be rolled out globally over the course of 2014.

Reliable partners of our suppliers

For us, our suppliers are more than just transport service providers or external agents who deliver the goods we need. We also view them as a source of ideas for improving our company. As a result, we strive for a close dialogue with our suppliers and respect their services. If suppliers have difficulties meeting our requirements, we point out ways and methods to improve their standards.

We reserve an especially close working relationship for those suppliers who possess the special competencies that are of great significance for our current or future business. They include innovators from the fields of green technologies and IT. We confer regularly with these partners about their and our developments and work together on joint projects on innovations and new business models. In order to recognize the strategic significance of our partners more quickly, in the reporting year we improved several of the methods we use to evaluate our suppliers.

- > HOME > PRINCIPLES & GUIDELINES > PROCUREMENT & SUPPLIER MANAGEMENT
- > ENVIRONMENTAL PROTECTION STARTS WITH PROCUREMENT



ENVIRONMENTAL PROTECTION STARTS WITH PROCUREMENT

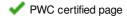
Environmental aspects play a major role in the procurement of products and services. That is why our Corporate Investment Policy specifies that the company may not make a replacement purchase if the replacement is not more energy efficient than its predecessor model or does not at least offer other environmental advantages. This applies in particular to our aircraft and vehicle fleets. Exceptions are possible only to a very limited extent; each individual investment decision must be made transparent and approved by responsible decision-making bodies.

In our Paper Policy we acknowledge the principles of sustainable forestry. According to that policy, recycled paper must always be selected whenever paper is purchased or whenever services are procured for the purchase of paper.

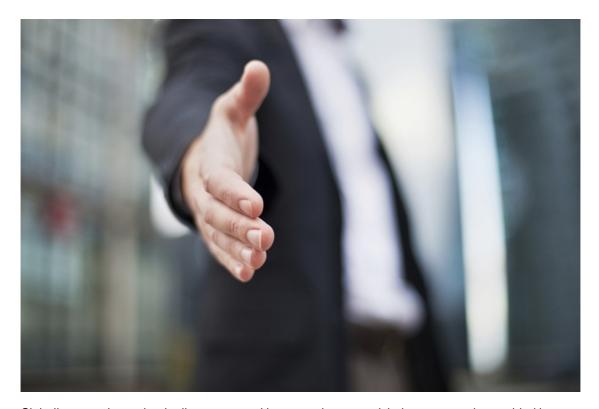
Sustainability and innovation projects in 2013

In 2013, Corporate Procurement participated in a number of sustainability and innovations projects. Notably, they included the switch made by additional business units in the USA, France, Spain, Portugal, Hungary and Poland from "gray" electricity (from non-renewable sources) to "green" electricity (from renewable energy sources). One particular challenge, however, was the Environmental Policy-compliant procurement of green electricity in sufficient quality and quantities in regions with little experience in green electricity. In addition, Procurement provided crucial assistance with the modernization of our aircraft and road transport fleet. Procurement also assisted the divisions in the purchase of vehicles with alternative drive systems and the development of the StreetScooter, an electric delivery vehicle. Procurement also collaborated with our real estate unit on a number of initiatives aimed at reducing the energy used for heating and lighting. One such activity was the testing of so-called Smart meters.

> HOME > PRINCIPLES & GUIDELINES > EMPLOYEE REPRESENTATIVE BODIES



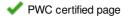
OUR WORKING RELATIONSHIP WITH EMPLOYEE REPRESENTATIVE BODIES IS OPEN & CONSTRUCTIVE



Globally we work together in diverse ways with our employees and their representatives guided by national law, and we engage with them in a constructive dialogue. This is how we contribute to achieving our strategic goals of becoming Provider of Choice for our customers and Employer of Choice for our employees.

The majority of our workforce around the world is represented by bodies, for example by employee bodies, works councils or unions, or is subject to collective labor agreements. In Germany where we employ 42% of our employees, we cooperate with employee representations in all divisions where works councils have been formed. In fact, half of our <u>Supervisory Board</u> consists of elected employee representatives. At the global level, we are in dialogue with two international union federations – UNI Global Union (UNI) and International Transport Workers' Federation (ITF).

- > HOME > PRINCIPLES & GUIDELINES > EMPLOYEE REPRESENTATIVE BODIES
- > INDUSTRIAL RELATIONS & HUMAN RIGHTS



INDUSTRIAL RELATIONS & HUMAN RIGHTS

Our most important Group policy, the Code of Conduct, was last revised in 2012 and now contains a separate chapter in which we commit to respecting human rights including freedom to associate.

Quote from the Deutsche Post DHL Code of Conduct

"Our employees are free to join or not to join a union/employee representation of their choice, free from threat or intimidation. We recognize and respect the right to collectively bargain in accordance with applicable laws."

In order to ensure that our Code of Conduct is implemented by all companies within the Group worldwide, we initiated a variety of measures in 2013. One in particular involved the development of an assessment process which we have implemented in four developing markets as part of a pilot project. This included reviewing local policies and procedures as well as interviewing managers and employees across different divisions in the Group. These activities helped increase managerial awareness about industrial relations and human rights. This process is managed at a corporate level resulting in actions plans being developed at a local level. In 2014, we plan to expand this pilot to six more countries in developing markets.

In addition to that, in the reporting year we also created the Industrial Relations Forum made up of senior industrial relations experts from each division across the Group, amongst others. Participants share their experiences and best practices and processes and drive training and communication. This forum will continue to promote and help further industrial relations and human rights globally within the Group.

Moreover we have introduced training for managerial staff that will deepen their understanding of industrial relations and human rights, as well as their roles and responsibilities as managers. The next step will be to introduce an e-learning module as an additional training tool in 2014.

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- > GLOBAL EXCHANGE WITH SOCIAL PARTNERS

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GLOBAL EXCHANGE WITH SOCIAL PARTNERS

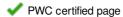
Internationally we cooperate in our business units with employee representatives and trade unions according to national laws and customs.

Global dialogue with international union federations

The international union federations UNI Global Union (UNI) and International Transport Worker's Federation (ITF) filed an OECD complaint with the German National Contact Point at the end of 2012, alleging that our company had violated the OECD Guidelines for Multinational Enterprises. Following a detailed response to these allegations by DPDHL, the NCP rejected three out of four issues contained in the complaint and limited the scope to five out of 14 countries (Turkey, Indonesia, Colombia, Vietnam and India). During subsequent mediation talks, all parties agreed upon a Joint Statement in January 2014 and no finding was made that DPDHL was in breach of the OECD Guidelines for Multinational Enterprises. This also provides for on-going dialogue with UNI and ITF representatives in the future.

In Turkey the issue between our DHL Supply Chain subsidiary and the Turkish trade union TÜMTIS over recognition of the trade union has been resolved. Collective bargaining negotiations with TÜMTIS began in a constructive spirit in November 2013.

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EUROPEAN EXCHANGE WITH SOCIAL PARTNERS



We maintain an ongoing dialogue in the European Economic Area through our Deutsche Post DHL Forum. We are also an active participant in the European Social Dialogue Committee for the Postal Sector. Under the aegis of the European Commission, we meet with postal company representatives and national trade unions from the 28 EU member states to discuss current social issues within the postal sector.

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TEN YEARS OF DEUTSCHE POST DHL FORUM & DIALOGUE IN EUROPE

The Deutsche Post DHL Forum is a joint body of employee representatives (European Works Council – EWC) and management representatives (European Management Forum - EMF) from 30 European countries. At least one employee representative from each country is elected or appointed to participate in the EWC, depending on the number of employees in the given country. The Deutsche Post DHL Forum is jointly chaired by one EWC member and one EMF member. Following the latest round of EWC member elections and appointments, the Deutsche Post DHL Forum met in November 2012 for the constitutive session of its third term. In 2013, the Forum and its committees met more than thirty times.

The Deutsche Post DHL Forum is responsible for matters that have an impact on the Group as a whole or on at least two operations or two companies in different European member states. Following a joint request by its chairpersons, the Deutsche Post DHL Forum is also informed of any measures that have a fundamental impact on employees in one of the 30 European countries and have strategic implications for the business in Europe.

The global union federations UNI Global Union (UNI) and the European Transport Workers' Federation (ETF) are each entitled to appoint a representative to participate in the regular meetings of the Deutsche Post DHL Forum. This promotes direct and open communication across country and language boundaries for the benefit of both the Group and its employees.

In November 2013, the Deutsche Post DHL Forum looked back on ten years of its own existence. On the occasion of the anniversary date, employee representatives from the European Works Council and representatives of the European Management Forum reflected on the foundation and launch phase of this important joint body and underscored its significance for the development of the company. Major topics discussed in the past ten years by the Deutsche Post DHL Forum were the integration of Exel after the acquisition in 2005 and the relocation of the European air freight hub from Brussels to Leipzig.

The European Works Council and Central Management stress their willingness to engage in open dialogue. Both emphasize that economic and social aspects in line with the company's guiding principles together form the basis of a future-oriented corporate policy. They recognize their different roles whilst working together constructively.

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ENVIRONMENTAL PROTECTION & DEMOGRAPHIC CHANGE IN EUROPE

In 2013, the social partners in the European Social Dialogue Committee for the Postal Sector signed the "CSR Joint Conclusions on the Environment". We have worked on this environmental statement with our European social partners and contributed our knowledge of designing environmentally friendly logistics processes in the postal sector. The joint environmental conclusions were signed in the presence of prominent representatives of the European Commission, the PostEurop employer's association and the global union federation UNI (UNI Europa Post & Logistics).

Starting in 2014, the European Social Dialogue Committee for the Postal Sector will launch a project to address the issue of "demographic challenges in the postal sector". The project is funded by the European Commission. In cooperation with our European social partners, we intend to use our experience with measures aimed at shaping demographic change and our partial retirement model in particular ("Generations Pact") to help benefit the project.

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ENVIRONMENTAL PROTECTION WITH GOGREEN

The transport sector, which also encompasses the logistics industry, is responsible for 23% of the world's energy-related greenhouse gas emissions. As the world's largest logistics service provider, we have a special obligation to minimize the negative impact of our business on the environment. At the same time, our stakeholders, including our customers, increasingly expect us to fulfill this obligation.



CARBON EFFICIENCY PERFORMANCE: CALCULATING & MANAGING EMISSIONS

Managing emissions and improving the carbon efficiency of our business is impossible without transparency. Emissions data needs to reflect trends and developments in our business. It needs to be available and reliable.



INCREASING EFFICIENCY & PROMOTING GREEN TECHNOLOGIES

Green strategies and technologies are key to achieving our efficiency targets, and two core principles guide our efforts along the way. First and foremost is the principle of "burn less", which means reducing energy consumption wherever possible, without necessarily changing the energy source.



SHARED VALUE THROUGH GOGREEN PRODUCTS & SERVICES

The success of our business revolves around offering our customers high-quality, dependable products and services at competitive prices. Far more goes into a healthy relationship between a company and its customers than just product, price and quality, however.



MANAGING & SUPPORTING OUR TRANSPORT PARTNERS

By calculating our scope 3 emissions and including our transport partners (subcontractors) in our analyses, we consciously highlight the environmental responsibility of our contract partners.



NON-CARBON FACTORS: REDUCING NOISE & WASTE,

CONSERVING NATURAL RESOURCES

Our Group-wide environmental management system extends beyond CO2 and other greenhouse gas emissions. We also address other negative environmental impacts and work to develop measures to mitigate their impacts. The impacts include local air pollutants such as mono-nitrogen oxides, sulfur dioxides and particulate matter. Noise pollution is another increasingly important environmental concern.



INNOVATIONS FOR LOGISTICS OF THE FUTURE

For us, corporate responsibility means creating business models that benefit both our company and society. Technological innovation plays a key role in this process, which is why we established DHL Customer Solutions & Innovation (CSI). CSI bundles our research and development work in the area of new technologies and, working together with other entities across the Group, develops innovative ideas from the concept stage through to market-ready products and services.

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ENVIRONMENTAL PROTECTION WITH GOGREEN



The transport sector, which also encompasses the logistics industry, is responsible for 23% of the world's energy-related greenhouse gas emissions. As the world's largest logistics service provider, we have a special obligation to minimize the negative impact of our business on the environment. At the same time, our stakeholders, including our customers, increasingly expect us to fulfill this obligation.

GoGreen, our Group-wide environmental protection program, is how we act on our responsibility. The main focus of GoGreen is to avoid, reduce and, when necessary, give our customers the chance to offset, greenhouse gas emissions (primarily CO₂). These emissions account for the logistics industry's largest negative impact on the environment.

We <u>measure</u> greenhouse gas emissions using standardized procedures, which we continuously adapt and optimize. This allows us to identify potential efficiency gains and, as a next step, implement the necessary carbon efficiency measures.

The measures we implement are as diverse as our business. We develop and deploy innovative technologies across our fleets, offices and facilities. We are making the transition to alternative fuels, optimizing the carbon efficiency of our networks and routes, and increasing environmental awareness among our employees around the world.

We prioritize this wide-ranging list of measures based on two core principles. First, we focus our effort on the measures that promise the biggest efficiency gains. Second, we strive to reduce energy and fuel consumption before turning to alternative energy and fuel sources, including alternative fuels.

The <u>Shared Value</u> proposition plays an important role in all of our environmental protection activities. Shared Value means that our contributions to environmental protection and society also enhance the success of our business. In this way, our diverse carbon efficiency measures and portfolio of *GOGREEN* products and services not only benefit society and the environment, but also create added value for our customers, strengthening our market position.

GoGreen addresses other environmental factors in addition to greenhouse gas emissions. These include natural resource consumption (e.g. water and paper) as well as local air pollutants and noise pollution. We work to continuously reduce the negative environmental impact of our business activities by addressing these areas as well.

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- > AMBITIOUS & REALISTIC: OUR CLIMATE PROTECTION TARGET

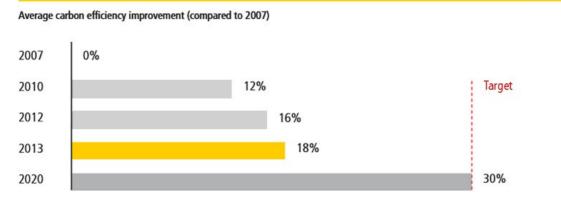
AMBITIOUS & REALISTIC: OUR CLIMATE PROTECTION TARGET

We have set an ambitious climate protection target of improving our carbon efficiency by 30% by the year 2020, as compared to 2007. In concrete terms, this means a 30% reduction in emissions of CO_2 and other greenhouse gases emitted for every letter and every parcel delivered, every tonne of cargo transported and every square meter of warehouse space across our operations as compared to 2007 levels. This target includes not only the emissions generated directly by our own business activities, i.e. mail and parcel delivery, cargo transport, business travel and warehouse operations, but also the emissions of greenhouse gases generated by our transport subcontractors.

Reaching our 2020 target will require us to reduce our relative greenhouse gas emissions, meaning the emissions per item transported. Priority measures are those with the greatest potential for improving our carbon efficiency.

We move goods through the air, across the water, by rail and along the world's roads and highways. Each of these transport modes accounts for a different proportion of our overall greenhouse gas emissions. The greatest share comes from our air transport, offering in turn the greatest potential for efficiency improvements. We therefore invest in the <u>modernization of our air fleet</u> and are continually optimizing our routes and utilization as a way to increase the carbon efficiency of our air transport.

Carbon Efficiency Index



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We have continually made progress towards our climate protection goal over the past several years. In 2010, we reached our first interim target of a 10% efficiency increase, two years ahead of schedule. By 2012, we were more than half way there, having already improved our carbon efficiency by 16% compared to the 2007 baseline. In the reporting year, we managed to improve our overall carbon efficiency by 18% compared to 2007.

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STRATEGIC DIRECTION



Our stakeholders expect us to conduct our business in a way that is environmentally responsible and sustainable over the long term – one reason why our environmental protection program has become such an integral part of our Group-wide business strategy. The <u>materiality analysis</u>, which we conducted in 2013 for the first time, confirmed the importance of environmental protection for our many stakeholders.

The success of our green products demonstrates that our customers consider climate protection a very important issue. Since introducing our climate-neutral $\underline{GOGREEN}$ delivery services in 2006, the percentage of climate-neutral letters, parcels and express items delivered has steadily grown. Between 2006 and 2013, we have offset a total of 649,730 tonnes of CO_2 for our customers through our climate-neutral products.

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STANDARDIZED & FLEXIBLE: OUR ENVIRONMENTAL MANAGEMENT PROGRAM

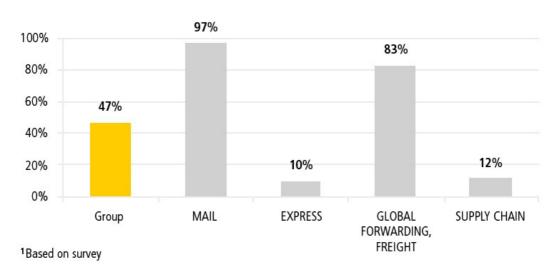
One of the purposes of our Group-wide environmental management program is to make environmental awareness and climate-friendly action an integral part of our day-to-day work and mindset. This includes, among other things, greater awareness on the part of employees with regard to natural resource use and consumption, the development of new and more sustainable products, and the environmentally-friendly disposal and recycling of waste generated at our sites.

To achieve this, we apply a <u>6-Step Approach</u> to our environmental management program. This methodology ensures consistency across the globe while remaining flexible enough to respond to the specific requirements of different regions and business divisions.

Our environmental management system is based on the ISO 14001 international standard, which maps out a set of environmental management guidelines. We conduct this certification process at strategically relevant sites. To achieve ISO 14001 certification, organizations are required to implement, among other things, a continuous improvement process for achieving their environmental targets. This process includes the four-step Plan-Do-Check-Act cycle (PDCA), which is already an integral part of our 6-Step Approach and Group-wide environmental management system.

By the end of 2013, 5,670 of approximately 12,000 locations (approx. 47%) were certified according to the ISO 14001 standard. The 7% decrease over last year's figure is primarily the result of enhancements made to improve the accuracy of our counting procedure in the EXPRESS division. Because the selection of sites to be certified is based on the specific business model and individual requirements of each business unit, the share of ISO 14001 sites can vary greatly from division to division. The certification rate in the MAIL division, for example, is nearly 100%. This is due primarily to the existence of uniform processes across all sites. The SUPPLY CHAIN division, on the other hand, with its several different business models and highly differentiated customer structure, has 12% of its sites ISO 14001 certified.

ISO 14001 certified sites 20131



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- > CARBON EFFICIENCY PERFORMANCE: CALCULATING & MANAGING EMISSIONS

CARBON EFFICIENCY PERFORMANCE: CALCULATING & MANAGING EMISSIONS



Managing emissions and improving the carbon efficiency of our business is impossible without transparency. Emissions data needs to reflect trends and developments in our business. It needs to be available and reliable.

Our framework for calculating emissions

We calculate our greenhouse gas emissions based on widely-accepted international standards. We follow the guidelines outlined in the Greenhouse Gas Protocol (GHG Protocol) standards, the "Corporate Accounting and Reporting Standard" as well as the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard". Our data is also prepared in accordance with the requirements of the European Emissions Trading System (EU-ETS) and the principles of the EN 16258 and ISO 14064 standards.

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KEEPING TRACK OF THE BIG PICTURE

The GHG Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" offers a set of tools for companies to gain an overview of emissions in their value chains and to identify hot spots and areas for action. The vast majority of our emissions in the <u>value chain</u> arise from outsourced transportation and distribution.

Last year, EN 16258, a European standard for calculating emissions from transport services was officially published. The new standard provides sector-specific rules for emissions calculation, emission factors and suggestions for default industry data sources. As the first official emissions calculation standard in this field for the logistics industry, we welcome these suggestions as an initial step towards better and more transparent emissions calculation that also enables a basic level of comparability within the industry.

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MOVING FROM CO₂ TO CO₂-EQUIVALENTS



Until last year, our calculations focused primarily on carbon dioxide (CO_2) emissions from our operations as the most significant contributor to climate change. As suggested by EN 16258, we have extended the scope and now also cover all other greenhouse gases as defined by the Kyoto Protocol, such as methane (CH4) and nitrogen oxide (laughing gas, N_2O). Depending on their effect on climate change, we convert the quantities of these other greenhouse gases to CO_2 -equivalents (CO_2e) , one commonly used measure. The inclusion of CO_2e in our carbon accounting began in 2012 and became automated within our Carbon Accounting System in the reporting year. Based on the recommendations of the EN 16258 standard, we have recalculated our previous years' data to ensure like-for-like comparability.

Moving from CO_2 to CO_2 e increases the emission figure for our total carbon footprint in scopes 1 and 2 by only 0.01 million tonnes of CO_2 e – a share of less than 1%.

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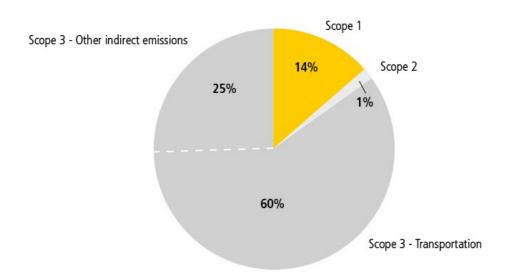
EMISSIONS & THE VALUE CHAIN

Other emission categories also have a significant impact on emissions in our value chain. We specifically look at emissions from:

- Purchased goods and services: Emissions from the production of goods and services other than energy related or transportation services.
- Capital goods: Emissions from the production and transport of capital goods.
- Fuel and energy related activities: Emissions that occur during the extraction, production and transport of fuels.
- Upstream transportation services: Our most relevant emissions category, including all subcontracted transportation services. We have been reporting on this category since 2007.
- Business travel: Emissions from staff business travel. We have been reporting on this category as well since 2007.
- · Commuting: Emissions from employee commuting.

At 22.34 million tonnes of CO_{2e} , upstream transportation makes up the largest part of our scope 3 inventory. Emissions from other categories can be found in the table on scope 3 data.

Total CO,e emissions in 2013 by scope



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The Group's own emissions (scopes 1 and 2) are calculated in our internal financial system using monthly energy and fuel consumption data as well as data from flight logs. To convert fuel use into emissions, we use emission factors published by acknowledged sources such as the EN 16258 or the International Energy Agency (IEA).

For our scope 3 emissions from transportation, we rely on detailed calculation methods that are based

on our own operational data and allow for appropriate emissions factors for the various modes of transport. These model calculations are based on internationally accepted frameworks for emissions calculations, such as NTM (for air transport), the Handbook Emission Factors for Road Transport (for road transport) and data provided by the Clean Cargo Working Group (for ocean transport).

Other indirect emissions, such as from purchased goods and services and capital goods, are calculated based on environmentally extended input/output (EEIO) models, while emissions from commuting are based on extrapolated national statistics for commuting patterns. Emissions from fuel and energy-related activities are calculated based on our actual fuel use.

$\text{CO}_2\text{e-emissions}$ 2013 in Scope 3 by GHG category (in million tonnes)

Category	CO₂e	Activities included/excluded	Calculation Methodology	Reviewed by PwC
1. Purchased goods and services	2.6	This category includes emissions from the production of goods and services purchased by us and not otherwise included in categories 2-8.	Emissions in this category were calculated using financial data and environmentally-extended input output (EEIO) models.	•
2. Capital goods	0.6	This category includes emissions from the production of capital goods acquired in the reporting year.	Emissions for all additions to our balance sheet were calculated using financial data and environmentally-extended input output (EEIO) models.	•
3. Fuel- and energy- related activities (not included in scope 1 or scope 2)	1.1	This category includes emissions from the extraction, production and transportation of fuels and energy we purchased and reported in scopes 1 and 2. It also includes transmission and distribution losses for the generation of electricity, district heating and cooling.	Emissions were calculated using primary data for fuel and energy use collected from all DPDHL entities globally and emission factors provided in the IPCC Guidelines, the International Energy Agency, the EN 16258 standard or the DEFRA reporting guidance.	•
4. Upstream transportation and distribution	27.0			
transportation and distribution	22.3	This category includes emissions from transportation services purchased by us which are not already reported in scopes 1 and 2. It covers our global operations across all business units.	Emissions were calculated using data from operational and business intelligence systems. We used emission factors from NTM for air transport, the Clean Cargo Working Group (CCWG) for ocean transport and the Handbook Emission Factors for Road Transport (HBEFA) for road transport.	•
fuel- and energy-related activities for upstream transportation and distribution	4.7	This category includes emissions for fuel- and energy-related activities of our subcontracted transportation partners. Exceeding the minimum requirements of this category, we report on these emissions to fulfill the	As value chain partners usually do not disclose fuel types used, emissions were calculated assuming most common fuel types (Air transports: Jet A-1; Road transports: Diesel;	•

		requirements of the EN 16258 standard and better compare the total GHG efficiency of own and subcontracted transports.	Maritime transports: HFO) and emission factors provided in the EN 16258 standard.
5. Waste generated in operations	not reported	This category is currently not reported, as sufficient reliable information to measure the emission source is not available on a global level and a limited quantitative and management relevance are expected.	
6. Business travel	0.04	This category includes emissions from business travel from our global workforce via airplane. Emissions from business travel using company cars are included in our scopes 1 and 2. Currently, we do not report on emissions from business travel via buses, trains, private or rental cars as sufficient reliable information to measure the emission source is not available.	Due to limited data availability for 2013, we extrapolated data reported by our main travel agencies from previous years.
7. Employee commuting	0.5	This category includes emissions from employee commuting for our global workforce in vehicles not already included in scopes 1 and 2.	Emissions for employee commuting were calculated using data on our global workforce and national statistics.
8. Upstream leased assets	not applicable	This category is not applicable. The operation of leased assets is included in our scopes 1 and 2.	
9. Downstream transportation and distribution	not reported	This category is currently not reported. All third party transport services purchased by us are included in category 4. Cases where transport services are performed by third parties which are not purchased/controlled by us were estimated and excluded due to limited quantitative and management relevance.	
10. Processing of sold products	not applicable	This category is not applicable to our business, because we do not offer intermediate products for further processing.	
11. Use of sold products	not applicable	This category is not applicable to our business as a provider	

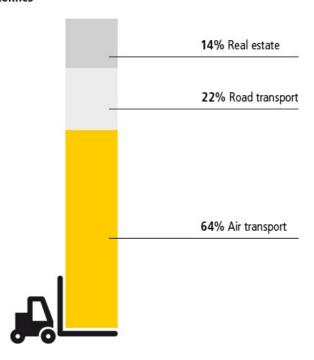
of services

12. End-of-life treatment of sold products	not reported	This category is currently not reported, as sufficient reliable information to measure the emission source is not available and a limited quantitative and management relevance are expected.
13. Downstream leased assets	not reported	This category is currently not reported. Emissions were estimated and excluded due to limited quantitative and management relevance.
14. Franchises	not reported	This category is currently not reported. Emissions were estimated and excluded due to limited quantitative and management relevance.
15. Investments	not applicable	This category is not applicable to our business.

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CO₂e emissions (Scopes 1 and 2) in 2013 by category

Total: around 5.6 milion tonnes



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Scope 3 emissions from subcontracted transportation totaled 22.34 million tonnes of CO_2e in 2013 (previous year adjusted: 23.40 million tonnes of CO_2e). Additionally, business travel was responsible for 0.04 million tonnes of these scope 3 emissions (previous year adjusted: 0.05 million tonnes of CO_2e).

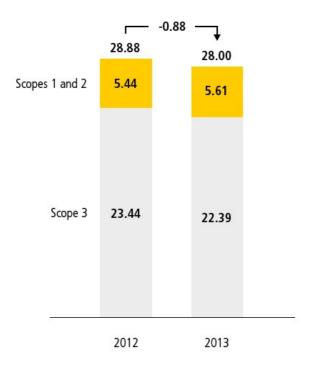
The decrease in absolute emissions is due in large part to decreasing volumes in both the air freight and ocean freight business. We were also able to reduce emissions despite continuous operational growth in the EXPRESS business – this was made possible through optimization measures within the division's air network.

TOTAL ABSOLUTE EMISSIONS DECREASE

Our total emissions decreased by 0.88 million tonnes of CO_2e to 28.0 million tonnes of CO_2e (previous year adjusted: 28.88 million tonnes of CO_2e).

In the reporting year, our scope 1 and 2 emissions totaled 5.61 million tonnes of CO_2e (previous year adjusted: 5.44 million tonnes of CO_2e). Our emissions increased by 3.7% due mainly to better utilization of our own aircraft (Scope 1) in meeting demand. This reflects the EXPRESS division's above-average volume growth. At the same time, we have avoided 0.5 million tonnes of CO_2e by using electricity from renewable sources.

Development of CO2e emissions



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CO_2e emissions by scope and divisions 2013 (in million tonnes of CO_2e)

	Total	Scope 1	Scope 2	Scope 3
Group ¹	28.00	5.12	0.49	22.39
MAIL	1.24	0.35	0.05	0.84
EXPRESS	8.88	3.90	0.15	4.82
GLOBAL FORWARDING, FREIGHT	16.02	0.16	0.05	15.80
SUPPLY CHAIN	2.23	0.68	0.20	1.36

¹ After consolidation of scope emissions from intercompany business activities, including Corporate Center/Other.

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STAYING FOCUSED ON WHAT'S IMPORTANT: 30% EFFICIENCY

In 2008, with the launch of our GoGreen program, we were the first global logistics company to set a quantified efficiency target: To improve the carbon efficiency of our own business operations as well as the efficiency of subcontracted transport by 30% by 2020 compared to 2007 levels.

Development of carbon efficiency

	2007	2008	2009	2010	2011	2012	2013
Group	100	98	93	88	86	84	82
MAIL ¹	100	83	85	82	76	76	75
EXPRESS ²	100	92	80	74	72	70	66
GLOBAL FORWARDING, FREIGHT ³	100	100	98	93	93	93	92
SUPPLY CHAIN ⁴	100	103	105	90	81	74	77

¹ Main reference base: CO₂e per liter (physical volume).

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In the reporting year, we managed to improve our overall Carbon Efficiency Index by 2 points, achieving an index value of 82 (previous year: 84). This means that compared to the 2007 baseline, we have improved our carbon efficiency by 18% putting us well on track to achieving our 2020 target of 30%.

The main drivers behind this improvement are network efficiency gains in the EXPRESS division as well as improvements made in the GLOBAL FORWARDING, FREIGHT division's ocean freight business. In our MAIL division, efficiency improvements were primarily driven by air and road transport optimizations made in its Global Mail business and by the switch to green electricity in the USA. At the same time, the efficiency of the division's German domestic mail and parcel business decreased through parcel business growth, delivery quality improvements and a longer heating period.

The EXPRESS division saw significant carbon efficiency improvements, which were driven by continued air fleet renewal and a high utilization of its own network. Additional drivers include an increased usage of green electricity and the divestment of businesses with inefficient road operations.

Despite continued efficiency losses in the air freight industry, the GLOBAL FORWARDING, FREIGHT division was able to improve its overall carbon efficiency thanks to strong efficiency gains resulting from the use of slow steaming and newer vessels.

As for our SUPPLY CHAIN division, carbon efficiency worsened despite continued improvements made in its warehousing business and an overall increase in the use of renewable energy. This negative

² Main reference base: CO₂e per tonne-km or tonnes of handled shipment.

³ Main reference base: CO₂e per tonne-km or TEU (20-foot equivalent units)-km.

⁴ Change in main reference base: Instead of measuring CO₂e by revenue after adjusting for inflation, we now measure CO₂e per square meter of warehouse space and CO₂e by revenue from transportation services after adjusting the inflation.

development is due to increased emissions in its transport services.

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INCREASING EFFICIENCY & PROMOTING GREEN TECHNOLOGIES



Climate protection: Efficiency improvement measures at Deutsche Post DHL

	Burn less > Reduce energy consumption	Burn clean > Use of alternative energy sources
Vehicles	> Aerodynamics optimization > Engine modifications > Expanded use of telematics systems > Use of hybrid drive systems	> Use of alternative fuels > Use of green electricity for electric vehicles
Buildings	 Use of energy-efficient lighting Installation of energy-saving lighting control systems Refurbishment of heating and cooling systems 	 Use of electricity from renewable sources (green electricity) Introduction of biogas
Aircraft	> Modernization of air fleet	> Use of alternative fuels (currently not applicable; participation in research initiatives, such as aireg e.V.)

Conserving resources & using green energy

Green strategies and technologies are key to achieving our efficiency targets, and two core principles guide our efforts along the way. First and foremost is the principle of "burn less", which means reducing energy consumption wherever possible, without necessarily changing the energy source. The second principle, "burn clean", means that we meet our existing energy demand with more environmentally friendly energy sources and fuels, thus reducing our negative impact on the environment. While biofuels, for example, offer great potential for improving the carbon efficiency of both road and air transport, we must also ensure that these fuels are produced in a sustainable manner. We have made it a commitment to use only sustainably produced biofuels. This means avoiding biofuels whose production negatively impacts local food production in the country of origin. Our guideline for the usage of liquid biofuels, adopted in 2010, ensures that the Group only uses sustainably produced biofuels, i. e. fuels that do not alter land use for their production. The Group policy does not cover nationally regulated admixture ratios.

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TARGETED SOLUTIONS



Our direct greenhouse gas emissions result from three areas: air transport, road transport and the operation of our buildings and facilities. To increase our carbon efficiency, we apply tailored solutions to each of these areas.

Air transport is a particularly emissions-intensive area of our operations. Here we achieve carbon efficiency gains by continuously modernizing our air fleet, optimizing our routes and aircraft capacity utilization, and participating in <u>initiatives</u> that actively promote the research and development of alternative aviation fuels. In <u>road transport</u>, we implement efficiency measures according to specific vehicle type and usage. For short distances we increasingly rely on alternative drive technologies; for long-haul transport, we focus on aerodynamics, engine modifications and optimizing our routes and networks. When implementing energy efficiency measures in our <u>buildings</u>, we differentiate between own and leased buildings, as well as between different usage types and occupation periods, and select the appropriate measures accordingly, including energy-saving lighting upgrades or heating and cooling optimization measures.

All of these measures and initiatives are clearly prioritized, and the projects with the highest carbon efficiency improvement potential and optimal financial performance are always executed first.

Optimal solutions require the right approach. While green technology is an important part of our GoGreen program, it represents just one of several approaches to environmental protection. To improve our environmental performance, we rely on a combination of innovative technologies, intelligent process management, and the actions of environmentally-aware employees.

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GREEN LOGISTICS CENTER AT BRUSSELS AIRPORT

One example of how the Group is investing in green logistics is its new DHL Global Forwarding logistics center in Belgium. The new facility located at the Brussels Airport's dedicated freight area Brucargo, offers 23,000 square meters of warehouse space, which includes a 1,750-square-meter temperature-controlled area. The new logistics center, which began operations at the start of the reporting year, meets the most stringent security standards and was planned with environmental sustainability in mind. The facility has its own water recovery system and uses energy-efficient T5 lighting combined with sensors. DHL Global Forwarding Belgium also plans to outfit its new logistics center with solar panels, which will be installed on the roof of the facility.

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IDENTIFYING EMISSIONS SOURCES & INCREASING EFFICIENCY

As a logistics service provider, our energy demand is high. A large percentage of our greenhouse gas emissions are generated from the energy we and our transportation subcontractors use to move goods by <u>air</u>, <u>road</u> and ocean. For this reason, our carbon efficiency measures focus primarily on these various modes of transport.

Fuel use for transportation

		2011	2012	2013 ¹
Fuel use for air transport (kerosene)	m kg	1,019.1	1,059.0	1,131.8
Total liquid road fuels	m liters	476.4	472.3	476.8
Gasoline	m liters	37.4	37.0	33.9
Biodiesel	m liters	1.5	1.8	0.7
Bioethanol	m liters	1.2	0.3	0.3
Diesel	m liters	435.3	432.3	441.1
Liquefied petroleum gas (LPG)	m kg	1.0	0.9	0.7
Total gaseous road fuels	m kg	1.4	2.2	3.2
Biogas	m kg	0.2	0.4	0.4
Compressed natural gas (CNG)	m kg	1.2	1.8	2.9

¹ Calculations are based on the EN 16258 standard.

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- > IDENTIFYING EMISSIONS SOURCES & INCREASING EFFICIENCY > AIR TRANSPORT

AIR TRANSPORT

Our strong air network is the foundation for the success of our EXPRESS division. Express services are tremendously important for a functioning global economy, and are becoming more important with every passing year. Whenever time is a critical factor, air express services become indispensable, whether for delivering time-sensitive replacement parts or transporting vital and easily perishable medicines.

We are a leading provider of international express services, and have a fleet capacity of more than 250 aircraft comprising 170 dedicated jet aircraft and more than 80 feeder aircraft. Our air fleet serves over 500 airports via 20 regional hubs and three global hubs in Leipzig, Cincinnati and Hong Kong. Our relationships with third-party providers also allow us to expand the capacity of our fleet as demand requires. While air transport is one of our major areas of activity, it is also emissions-intensive. In 2013, our own air fleet was responsible for 64% of our Group-wide greenhouse gas emissions in scopes 1 and 2. Through significant investments in the modernization of our air fleet, we were able to further improve the carbon efficiency of our air transport in the reporting year.

Air fleet modernization

We continued our efforts to expand and update our air fleet in the reporting year, making our aviation operations more economical while reducing both greenhouse gas emissions and <u>noise</u>.

In 2013, we completed a major air fleet project involving the deployment of 18 Airbus A300-600 freighter aircraft. Most are now in service within our regional European air network. These aircraft not only offer greater load capacity than their predecessors (A300-B4) but burn less fuel, helping us to achieve carbon efficiency gains from our air operations.

Alternative aviation fuels

Aside from our continuous efforts to renew our air fleet, we also see great promise in the use of alternative aviation fuels for helping improve the carbon efficiency of our air operations. The aviation industry has committed to achieving carbon-neutral growth by the year 2020 and to reducing its footprint to half of 2005 carbon emissions levels by the year 2050. Alternative aviation fuels play a considerable role in helping the industry reach its targets. These fuels, however, are not yet available in sufficient quantity.

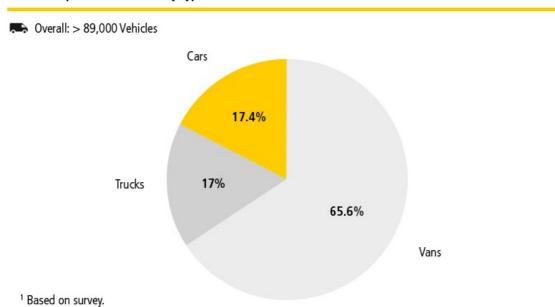
To help advance research in this area, we helped found the research and science platform Aviation Initiative for Renewable Energy in Germany e.V. (aireg e.V.). As a member organization, we actively promote the research and development of alternative fuels in aviation along the entire supply chain. aireg e.V. has an interim goal of achieving a 10% admixture of alternative aviation fuels in Germany by the year 2025. We will be working with our aireg e.V. partners in various projects to examine the emissions from alternative aviation fuels in greater detail.

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ROAD TRANSPORT

We rely on a fleet of trucks and smaller delivery vehicles to handle our overland and regional transport operations as well as last-mile delivery services. Today our road fleet consists of more than 89,000 vehicles, including small commercial vehicles for letter mail and parcel delivery, light trucks for regional transport, and heavy trucks for long-haul transport. As our business continues to grow, our fleet of road vehicles also grows, and we make sure to consider eco-friendly drive technologies when purchasing new vehicles. As called for in of our Corporate Investment Policy, newly purchased vehicles must always be more eco-friendly than those being replaced. Today we have a total of 10,500 green vehicles in our fleet (previous year: 8,500 green vehicles). In addition to these, more than 1,000 green vehicles are deployed by our subcontractors. We will continue to increase this number in order to reach our climate protection target.

Road transport: Vehicle fleet by type1



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Road transport fleet: Vehicles with alternative drive systems¹

	2011	2012	2013 ²
Electric/Fuel cell	131	149	304
Hybrid drive	112	197	303
Liquefied biofuels	12	6	1,009
Compressed natural gas (CNG)/Biogas	761	852	797
Liquefied petroleum gas (LPG)	179	279	251
Ethanol/Bioethanol	379	302	226
Dual fuel	23	49	161
Total	1,597	1,834	3,051

¹ Based on survey.

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Road transport fleet: Additional technical modifications ¹

	2013 ²
Advanced aerodynamics	1,562
Eco-chiptuning & speed limiting	3,352
Additives	57
Telematics systems	5,566

¹ Based on survey. Technical efficiency-enhancing modifications can be implemented on all of our road transport vehicles. One single vehicle could have been modified with more than one optimization measure.

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Focus on long-haul transport

A large share of our road transport-related greenhouse gas emissions is generated by heavy trucks on long-haul routes. In order to improve the greenhouse gases emission performance of our road transport operations, we must therefore focus on efficiency measures for long-haul transport. Vehicle modernization and modifications as well as the use of alternative, low-emission fuels and drive systems are the main tools we employ to achieve emissions targets. In the UK, for example, we have added 100 dual-fuel technology vehicles to our fleet of heavy trucks. And in Sweden, in collaboration with our transport partners, we have converted 1,000 vehicles to run on sustainably produced biofuels. Other efforts include optimizing vehicle aerodynamics to reduce fuel consumption on long-haul routes.

Adopting fuel-saving driving techniques also made an important contribution to improved fuel efficiency

² Figures include 1,046 vehicles from subcontractors.

² Data includes measures that were implemented on sucontractor vehicles (share: < 0.01%).

overall, and we will continue to invest in eco-friendly driver training.

Greater efficiency for regional transport

Our light-duty trucks are deployed primarily for regional transport. Here too, our efforts to improve carbon efficiency rely primarily on technological solutions.

We see great potential in alternative drive technologies and are working together with manufacturers and suppliers to develop hybrid and alternative-fuel trucks that are able to meet our regional transport requirements. One result of these efforts was the introduction of the "range extender" truck, piloted in 2012, into our regular operations in the reporting year. We were also successful in transferring the LPG dual-fuel drive systems already implemented in the heavy truck segment to the light-duty truck segment. This, too, was achieved in collaboration with our transport partners.

Alternative drive systems: The future for the short and medium-haul segment



The largest portion of our fleet consists of small commercial vehicles such as delivery vans. Despite their large numbers, their contribution to our overall greenhouse gas emissions is relatively small. Nonetheless, they play an important role in our environmental protection strategy. By using greener delivery vehicles, which are deployed primarily in urban settings, we help reduce emissions in cities, improve air quality, and improve overall quality of life in these urban areas. This becomes more and more important as urbanization increases.

We therefore strive to lower light-duty vehicle emissions by making increased use of green technologies in the light truck segment as well. We are also investing in the development and testing of electric mobility (e-mobility) solutions. Electric powered vehicles are especially well suited for the stop-and-go of pickup and delivery operations. In the reporting year we achieved a milestone on the way to sustainable, emissions-free delivery with our pilot project <u>Carbon-free Delivery in Bonn</u>. The results from this long-term study will serve as a blueprint for expanding electric-powered delivery to other cities and regions. In addition, our innovative electric delivery vehicle, the StreetScooter, which is also part of

the Bonn-based pilot project, combines both environmental and ergonomic benefits. As with all vehicles in our electric fleet, the <u>StreetScooter</u> is powered by green electricity from renewable energy sources. We are also developing alternatives to motor vehicle delivery in city settings. Our EXPRESS division in the Netherlands, for example, has launched a green <u>project</u> which replaces automobiles with bicycles and e-bikes for urban courier deliveries.

We are also striving to further reduce emissions in our medium-range van operations. One of the most effective improvement measures for these vehicles, besides the use of alternative fuels, is eco-friendly driving techniques. Our global EXPRESS business therefore made significant investments in the use of telematics systems to help drivers adopt a more environmentally friendly way of driving. In the reporting year we were able to deploy 672 delivery vehicles with telematics systems.

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DUAL FUEL UK: A GOOD MIX

Heavy trucks, especially long-haul vehicles, are responsible for the largest share of road-based greenhouse gas emissions in the UK as well. While hybrid and electric powered vehicles are effective for short and medium-range distances, they offer neither the load capacity nor the range required for long distance transport. Our solution is the dual-fuel engine, which is suitable for use in heavy trucks assigned to long-haul routes and, at the same time, more eco-friendly than conventional diesel engines.

In 2013 DHL Supply Chain UK deployed 100 of these 44 tonne dual-fuel trucks in the UK whose engines run on a mixture of diesel fuel and natural gas. This expanded our fleet of eco-efficient commercial vehicles in the UK to a total of 127. Thanks to the dual-fuel engine, the new trucks generate 14% less CO₂ emissions than our conventional heavy trucks.

For refueling the dual-fuel vehicles, DHL Supply Chain UK has installed a liquefied natural gas (LNG) filling station at its facility in Bawtry outside Sheffield. Along with the environmental benefits, this transition to dual-fuel technology brings an added benefit: lower diesel consumption means lower costs.

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- > CARBON-FREE DELIVERY IN BONN

CARBON-FREE DELIVERY IN BONN

In May 2013 Deutsche Post DHL launched a pilot project for carbon-neutral delivery services in and around its home city Bonn. The first phase of the pilot involved expanding the fleet of electric delivery vehicles in Bonn and the surrounding area to 79 in all. The e-fleet includes small vans up to 5.2 tonnes, parcel delivery vehicles from lveco, Renault and Mercedes, as well as 20 StreetScooters. The StreetScooter is a special electric delivery vehicle developed jointly by Deutsche Post DHL and StreetScooter GmbH, a spin-off company of RWTH Aachen University.

With Phase I of the project complete, the City of Bonn can now boast one of the largest electrically-powered commercial vehicle fleets in the world. Over the long term, the project will look to answer some of the basic questions concerning e-mobility and the large-scale deployment of electric vehicles. How do batteries and motors handle the frequent stops and starts of urban and residential delivery routes? How does charging the fleet affect the power supply grid? How does the use of e-vehicles impact costs? If the vehicles and charging technologies can meet expectations, deployment will be expanded over the course of two further project phases. Phase II calls for 40 new vehicles to be added to the fleet in 2014, at which point all of Bonn and three adjoining delivery areas will be serviced entirely by electric vehicles.

In 2015, Phase III will augment the fleet by another 20 electric delivery vehicles, and the test region's remaining diesel-powered vehicles will be taken out of service. By the end of the pilot project, there will be a total of 141 electric delivery vehicles on Bonn's roads. This translates into savings of more than 500 tonnes of CO₂e each year. If it proves successful, the Bonn project might be the first of many electric delivery concepts implemented in other cities and regions.

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- > REPLACING VANS WITH COURIER BIKES

REPLACING VANS WITH COURIER BIKES

The Netherlands is the bike-riding nation, so it's no wonder that DHL Express Netherlands has taken the lead in Europe with its eco-friendly courier project. Initiated as a pilot in early 2012 and officially launched in 2013, the project has replaced delivery vans with bicycles for the delivery of documents and small parcels in the city. Delivery by bike achieves not only a significant reduction in greenhouse gas emissions for courier services, but often allows cyclists to navigate urban traffic congestion faster than by car. The transition from delivery vans to delivery bikes also reduces costs.

In addition to using city bikes with courier bags, two new models were developed especially for the project: the "Parcycle", a special lightweight transport bicycle made of aluminum, and an e-bike version of this same model. The Parcycle is fitted with specially designed lockable aluminum boxes with 160 liters of holding capacity. Because the load capacity remains smaller than a delivery van, a system was developed for reloading the bikes during the course of the delivery tour, which increases the transport volume to over 300 liters per tour. In addition, DHL Express Netherlands is currently developing a removable cargo box, which will make it possible for drivers to quickly and easily exchange an empty box for a fully loaded box.

As of today, DHL Express Netherlands uses bicycle and e-bike delivery service for 33 courier routes in 15 of the country's larger cities, including Amsterdam, The Hague, Rotterdam and Utrecht, and serves as a model for other cities and countries. In 2013, bicycle courier routes were introduced in Athens and Luxembourg, and Austria has also joined the project. A pilot project has already been launched in Leeds, UK, and a similar pilot is in the planning phase in both Croatia and in the city of Antwerp, Belgium.

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OUR DELIVERY VEHICLE OF THE FUTURE: STREETSCOOTER



The StreetScooter marks Deutsche Post DHL's first venture into vehicle design and development. We joined forces with RWTH Aachen University to create an advanced delivery vehicle with both environmental and ergonomic benefits.

The StreetScooter is an electric-powered vehicle specifically built for mail and parcel delivery, which involves up to 200 stops and starts each day. The process of designing and developing the StreetScooter drew on feedback from our own delivery personnel. One of the results is the StreetScooter's ergonomically designed driver seat, which allows the driver to get in and out of the vehicle quickly and easily. The StreetScooter has a maximum speed of 85 km/h and a maximum range of about 80 kilometers when used for delivery. Powered exclusively with green electricity from renewable sources, the StreetScooter is not only CO₂-free and climate-neutral, but also significantly quieter than comparable vehicles.

In the reporting year, 50 pre-production vehicles were deployed at various delivery offices across Germany. The most important test run is in Bonn as part of the Carbon-free Delivery in Bonn pilot project.

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- > BUILDINGS & GREEN ELECTRICITY

BUILDINGS & GREEN ELECTRICITY



Deutsche Post DHL occupies approximately 12,000 sites. Around 5% of these sites are owned by the Group; the remaining 95% are leased. The facilities span a wide range of building types and usage – from office buildings, mail and parcel centers, to logistics warehouses. Given the diversity of these facilities, it is challenging to apply standardized processes for collecting data on energy use and emissions. One way we help ensure the accuracy of our consumption data is through the use of intelligent metering systems.

The individual requirements of our buildings and facilities demand an equally diverse range of energy efficiency and emissions-reducing measures. When developing these measures, we perform a detailed analysis of all relevant options for efficiency enhancement – from heating, air-conditioning and insulation, to lighting and photovoltaic installations.

In 2013 we enhanced the Group-wide energy efficiency standards for newly constructed, newly leased and renovated buildings. The standards address areas such as design and building materials as well as the equipment we install.

As an example, we have defined specifications for the installation of energy-saving, eco-friendly LED and T5 lighting. To maximize energy-saving measures in lighting we include the use of intelligent control technologies, sensors and dimmers, as well as a campaign to promote energy-conservation awareness among our employees.

In the reporting year, we were able to lower the absolute greenhouse gas emissions of our buildings and facilities by 6% compared to the previous year. This was a result of our increased use of electricity from renewable energy sources. The underlying energy consumption has risen in absolute terms, due in part to the growth in size of our portfolio and to the increased volumes that have passed through our buildings. Our Group-wide consumption data also includes the electricity used to charge our <u>electric vehicles</u>.

Energy use in buildings and facilities (incl. electric vehicles)

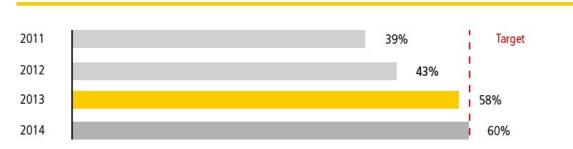
		2011	2012	2013 ¹
Total	m kWh	3,317	3,127	3,394
100% green electricity (incl. electric vehicles)	m kWh	719	745	1,057
Standard electricity	m kWh	1,118	992	768
Natural gas	m kWh	905	864	953
Heating oil ²	m kWh	229	242	248
District heating	m kWh	182	185	202
District cooling	m kWh	9	8	8
Liquefied pertroleum gas (LPG)	m kWh	156	91	159
Biogas	m kWh	0.2	0.4	0.4

¹ Calculations are based on the EN 16258 standard.

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Natural resource use: 58% green electricity worldwide

Share of green electricity by year



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We use electricity from renewable energy sources whenever possible and commercially viable. In 2013, for instance, our business units in France, Hungary, Poland, Portugal, Spain and the USA began using electricity from renewables such as wind, hydropower, solar and biomass.

Thanks to this, we were able to significantly increase the percentage of green electricity usage across the Group – from approximately 43% to approximately 58%. As previously outlined in the 2012 Corporate Responsibility Report, we were unable to reach our goal of increasing the percentage of green electricity to 60% by the year 2012. The availability of electricity from certified renewable sources is still very limited especially in our growth market Asia. At the same time, progress in other countries has largely run its course. As previously reported, the target timeframe was adjusted accordingly in the first half of 2013; we now intend to reach our goal of 60% electricity use from renewable energies by 2014. Thanks to various procurement management initiatives, we were just two percentage points short of reaching this ambitious target by the end of the reporting year.

In addition, we intend to replace natural gas usage with biogas whenever possible depending on

² Also includes quantities of gasoline and diesel for auxiliary power generators.

availability, technical specifications and economic factors. Whenever possible, we use rainwater for non-potable/industrial purposes at our buildings and facilities, and recycle our wastewater.

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- > BUILDINGS & GREEN ELECTRICITY > SMART METERS REDUCE ENERGY CONSUMPTION

SMART METERS REDUCE ENERGY

Deutsche Post DHL in the UK is benefiting from the use of so-called smart meters. These are intelligent measurement devices that record detailed electricity and gas consumption data.

The smart meters in the UK collect energy consumption data every half hour. This enables a daily profile of energy consumption to be created that provides increased visibility when compared to traditional monthly invoices. This data is then uploaded to a user-friendly internet portal to allow employees to review energy consumption, identify opportunities and to review the impact of implemented initiatives.

In the UK, almost 90% of Deutsche Post DHL's electricity and gas meters are smart meters, which continue to provide detailed and timely energy data to support our energy reduction programs.

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SHARED VALUE THROUGH *GOGREEN* PRODUCTS & SERVICES



SUSTAINABILITY: A MARKET FACTOR

The success of our business revolves around offering our customers high-quality, dependable products and services at competitive prices. Far more goes into a healthy relationship between a company and its customers than just product, price and quality, however. Customers want to know that the companies they buy from embrace sustainable business practices. Eco-friendliness and resource-efficient production are determining factors for today's consumers, turning verified sustainability into a business success factor. This has been confirmed by the <u>Green Trends Survey</u>, a study conducted by Deutsche Post DHL in 2010 to better understand the acceptance of green logistics services among business customers. The study showed that 59% of all business customers surveyed believe that within the next 10 years, the green transport of their products will become a decisive factor for them when it comes to winning customers.

As revealed by our materiality analysis, which we conducted in 2013, environmental issues are of particular concern to our stakeholders, including our customers.

The results of the materiality analysis confirm that we are on the right track with our green products and services. The range of *GOGREEN* solutions aligns with the Shared Value approach, which calls for strengthening our market position by enhancing the environmental performance of our business. We use the know-how gained from implementing our GoGreen program to offer our customers a comprehensive green product and service portfolio, which has steadily grown in response to increasing demand – evidence that we are meeting the needs and expectations of our customers.

Our GOGREEN offering provides customers with a holistic range of green products and services. With our Carbon Reports, customers gain a deeper understanding of their business's negative impacts on the environment. Customers can then turn to our product Green Optimization to help them implement measures to reduce these impacts. Remaining impacts can be offset with our climate-neutral products and delivery services.

Ensuring the consistent, high quality of our *GOGREEN* products and services is important to us. Projects selected for our climate-neutral offering are chosen based on the highest quality standards, and emissions calculation and offsetting are verified annually by an independent third party auditor.

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OFFERING TRANSPARENCY WITH CARBON REPORTS

Our Carbon Report offering provides clear and transparent information regarding the emissions impact of the transport and logistics services used by our customers. Customers who take advantage of this product receive detailed reports of the greenhouse gas emissions generated by their Deutsche Post DHL transport and logistics services.

An online version of the Carbon Report - the Carbon Dashboard - is also available for our customers in the GLOBAL FORWARDING, FREIGHT and EXPRESS divisions. The product's special simulation feature helps customers determine the best combination of transport mode and product for reducing their carbon footprint.

In the reporting year we focused on revising and updating the calculation methodology for the Carbon Reports based on latest product standards. As a result, as of 2014 Carbon Reports are compliant with the "GHG Protocol Product Lifecycle Accounting and Reporting Standard" (GHG Protocol). This enhancement is well in line with our Group-wide accounting standards, which are also harmonized to meet the GHG Protocol. Adopting the respective product standard for Carbon Reports means providing our customers with an expanded account of not just carbon emissions, but of all relevant greenhouse gas emissions as well. Upstream emissions associated with the extraction, processing and transport of energy and fuel will also be included in our reports. This means, that in addition to tank-to-wheel data, which includes energy consumption and emissions data from fueling to vehicle operation, we also report on the overall well-to-wheel cycle, which reflects the sum of emissions from fuel production to vehicle operation. For fossil fuels, this covers emissions from the borehole to the exhaust pipe. When calculating the energy consumption at our sites and warehouses, we also include emissions generated before and during the production of electricity as well as subsequent transmission and distribution losses.

As of 2014, Carbon Reports issued to our EXPRESS and GLOBAL FORWARDING, FREIGHT customers also meet the requirements of the EN 16258 standard in addition to the GHG Protocol for Products requirements. In addition to emissions, these Carbon Reports include data on energy use from transport and buildings. The result is increased transparency through the enhanced Carbon Reports and thus improved management of both costs and environmental impacts.

In the reporting year, our GLOBAL FORWARDING, FREIGHT division expanded its green service offering to become the industry's first company to include an <u>automatic online carbon footprint reporting</u> feature in its existing web-based tracking and tracing tools.

Carbon Reports from our EXPRESS, GLOBAL FORWARDING, FREIGHT, and for the first time SUPPLY CHAIN divisions were reviewed by the third-party auditor SGS (Société Générale de Surveillance) in the reporting year. The audit, conducted on an annual basis, reviews and verifies the underlying calculation methodology used in the Carbon Reports offering. The audit for 2013 was conducted according to the requirements of the new standards and will be finalized with the official verification statement expected in March 2014.

The Carbon Reports are important instruments for ensuring the transparency of our climate-friendly solutions. And based on the success of these products, transparency is something our customers obviously want - in the reporting year, 72% more CO₂ emissions were reported via the Carbon Reports than in the previous year. China's leading PC manufacturer Lenovo, for example, began using the Carbon Dashboard to collect and calculate product transportation emissions data during fiscal year 2012/13. Emissions from international air and ocean transport were estimated based on the shipment data received by four key Lenovo carriers, which represent the majority of worldwide global logistics spend.

Amount of CO_2 recorded as part of our *GOGREEN* product Carbon Report (in tonnes)

Product	Divison		CO ₂ reported		
		2012	2013		
Carbon Report	MAIL	77,391	85,745		
	EXPRESS	57,026	124,557		
	GLOBAL FORWARDING, FREIGHT	945,212	1,898.075		
	SUPPLY CHAIN	198,668	86,685		
	Group	1,278.297	2,195.062		

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GREEN TRANSFORMATION LAB TO ACCELERATE THE EVOLUTION OF SUSTAINABLE LOGISTICS ACROSS ASIA PACIFIC

On May 9, 2013 DHL and Singapore Management University (SMU) announced the launch of their joint initiative, the Green Transformation Lab (GTL). The goal of the DHL-SMU collaboration is to help establish more sustainable logistics models across Asia Pacific through education, research and best practice development.

The Singapore-based Green Transformation Lab went into production mode immediately following its official launch and by the end of 2013, the GTL team, consisting of DHL logistics experts, SMU staff and students from the schools of Information Systems, Economics, Social Sciences and Business had completed the first three projects.

The first GTL project was an upgrade of the existing DHL Carbon Dashboard, an online tool which measures CO2 emissions along a manufacturer's supply chain and maps them in relation to other supply chain management KPIs.

The second project was a study on Extended Producer Responsibility (EPR), an approach wherein manufacturers extend their responsibility beyond the life-cycle of their products and provide recycling and/or proper waste disposal. While EPR is already widely implemented in Europe, the GTL study analyzes EPR trends and developments in the Asia Pacific region and Africa.

The third project, a study on responsible business practice, identifies logistics companies' core impacts on society and the environment.

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GREEN OPTIMIZATION

Since the inception of our GoGreen program, we have been able to build industry-leading knowledge and expertise in the area of eco-efficient logistics processes. We also share this competency with our customers through our Green Optimization product and service offering, helping them minimize the environmental impact of their business activities. This means working with customers to minimize the quantity of greenhouse gas emissions generated from their transport and logistics services, for instance, or helping customers find ways to reduce waste or save water at their facilities.

Our Green Optimization measures are designed first and foremost to minimize the customer's greenhouse gas emissions or other negative impacts on the environment. These levers must offer additional savings potentials that go beyond what the customer would have otherwise been able to achieve without our support.

Our Green Optimization service can provide customers with a detailed analysis of their supply chain, identifying sources of emissions or other environmental impacts, and providing customized measures designed to minimize these impacts. We then work in close cooperation with our customers to implement the Green Optimization solutions.

One exemplary service of our Green Optimization offerings is DHL Envirosolutions. DHL Envirosolutions provides integrated environmental and logistics solutions that help our customers reduce their negative impacts on the environment and achieve environmental performance excellence.

The DHL Envirosolutions product and service offering, which is available to customers across all sectors, enables DHL to support its customers particularly in relation to waste reduction and recycling, meeting producer responsibility legislative requirements, and in driving broader environmental supply chain improvements.

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- > DROP ZONE: DHL ENVIROSOLUTIONS SUPPORTS E-WASTE RECYCLING IN AUSTRALIA

DROP ZONE: DHL ENVIROSOLUTIONS SUPPORTS E-WASTE RECYCLING IN AUSTRALIA

As part of its National Television and Computer Recycling Scheme, the Australian government has commissioned DHL Supply Chain Australia to handle its program for collecting worn out televisions and computers. The division's environmental services arm, DHL Envirosolutions, responded by developing the "Drop Zone" program. Drop Zones are collection stations located at municipal recycling centers and retail stores where individuals and small companies can drop off their old televisions, computers and monitors free of charge. The government's goal is to increase the proportion of recycled appliances as a way to prevent valuable and/or potentially hazardous electrical waste (e-waste) from ending up in the landfill. By June of the reporting year, the initiative had already achieved its first interim target by recycling more than 18,000 tonnes of old equipment.

Since the project launch in May 2012, DHL Supply Chain in Australia has established well over 400 Drop Zones (with more to come) and, already today, more than 75% of Australia's population has access to a Drop Zone. E-waste collected at the Drop Zones is then processed by qualified recycling facilities.

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- > FORMULA E: GREEN OPTIMIZATION FOR FULLY-ELECTRIC RACING SERIES

FORMULA E: GREEN OPTIMIZATION FOR FULLY-ELECTRIC RACING SERIES

As of September 2013, DHL is the official logistics partner of the new FIA Formula E Championship. Formula E, which will kick off in September 2014, is the world's first racing series for single-seater cars powered exclusively by electricity. FIA Formula E is a high-speed motorsport event with an environmental sustainability mission. Series organizers plan to gather detailed environmental impact data from each race – all the way down to the audio/video equipment used along the racetrack – and use the data for ongoing optimization measures. The racing series will also enhance the visibility of emobility and promote its potential.

DHL will handle all logistics services for the FIA Formula E Championship, including the transport of race cars, spare parts and batteries to all ten race venues around the world, and has made ecoefficiency a number one priority for all technologies and processes involved. Rather than relying entirely on air freight, for example, DHL will handle transport to and from all race venues via ocean freight whenever possible. For situations in which air freight cannot be avoided, DHL has developed a technique for disassembling the cars so that several can be transported in a single container.

As official partner and logistics provider for the FIA Formula E Championship, DHL brings proven, comprehensive experience in the areas of motorsport and sustainable logistics – the ideal combination for the world's most eco-friendly racing series.

- > HOME > BUSINESS & ENVIRONMENT > GOGREEN PRODUCTS & SERVICES
- > FROM CARBON NEUTRAL TO CLIMATE NEUTRAL

FROM CARBON NEUTRAL TO CLIMATE NEUTRAL

We have been offering customers carbon-neutral mail, parcel and express delivery since 2006. Customers who take advantage of our *GOGREEN* delivery services are guaranteed that the emissions generated by the transport, warehousing and handling of their items are fully offset through contributions to internationally recognized climate protection projects around the world. We transported a total of 2.365 billion climate-neutral shipments in 2013 (previous year: 2.415 billion). Despite a decrease of shipments in the letter business, significant growth was seen in the shipments of parcel (from 157 to 175 million) and express (from 4 to 9 million) items. We continued to develop our project in Lesotho in the reporting year. As part of this project, we distribute high-efficiency stoves, which reduce the amount of firewood necessary for cooking and as a result, reduce environmentally harmful emissions.

Emissions offset through the *GOGREEN* climate-neutral delivery service (CO₂ in tonnes)

Divison	2011	2012	2013 ¹
		(adjusted)	
Group	134,355	179,889	193,760
MAIL	101,969	143,806	148,692
EXPRESS	29,713	31,377	42,769
GLOBAL FORWARDING, FREIGHT	2,163	3,721	986
SUPPLY CHAIN	7	316	120
Corporate Center	503	669	1,193

¹ Carbon offset data is subject to annual audit by the independent third-party SGS. The audit will be finalized with the official verification statement, which is expected in March 2014.

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- > FROM CARBON NEUTRAL TO CLIMATE NEUTRAL > CLIMATE PROTECTION PROJECT: EFFICIENT STOVES FOR LESOTHO

CLIMATE PROTECTION PROJECT: EFFICIENT STOVES FOR LESOTHO



In 2010, Deutsche Post DHL initiated a highly successful climate protection project in the southern African nation of Lesotho as part of its GoGreen environmental protection program.

In the rural areas of Lesotho, meals are traditionally prepared indoors over an open fire. This method requires large amounts of firewood, which produces smoke that damages people's health and pollutes the environment. As part of its *GOGREEN* product offering, Deutsche Post DHL has been helping distribute high-efficiency, wood-burning "Save80" stoves to Lesotho's rural villages. These stainless steel stoves use up to 80% less firewood than traditional cooking methods. Less firewood means less smoke and a decrease in emissions that are harmful to human health and the environment. And since they require less wood, the stoves also help slow deforestation and soil erosion.

Since the project's inception in 2010, Deutsche Post DHL has financed and delivered some 10,000 wood-burning stoves to households throughout Lesotho. We have done this in close cooperation with atmosfair, one of Germany's

leading carbon offset project developers.

The carbon credits generated by the project are applied to our GOGREEN products. Starting in 2014, the ten-year project is expected to create an annual saving of 20,000 tonnes of CO_2 . These savings will be applied as carbon credits to our GOGREEN delivery services. In 2013, the first 2,000 credits were issued based on the high-quality CER Gold Standard level and were used for offsetting.

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MANAGING & SUPPORTING OUR TRANSPORT PARTNERS



Managing scope 3 emissions

By calculating our <u>scope 3 emissions</u> and including our transport partners (subcontractors) in our analyses, we consciously highlight the environmental responsibility of our contract partners. This is all the more important, since approximately 80% of our greenhouse gas emissions are generated by these subcontractors. Because we do not usually have access to subcontractor emissions data, we rely on model calculations, which are based on our own operational data and allow for adequate emissions factors for the various modes of transport. We also maintain a comprehensive subcontractor management system, which considers environmental factors when selecting and commissioning subcontractors.

We engage in fuel and carbon reduction initiatives together with our subcontractors, allowing us to collect the consumption and emissions data necessary for effective subcontractor management. To this end, we participate in industry-wide initiatives such as the United States Environmental Protection Agency (US EPA) SmartWay program, and have played an active role in the founding of the Green Freight Europe and Green Freight Asia initiatives.

The goal of these initiatives is to reduce the fuel consumption of freight transport in Europe and Asia Pacific, and thereby reduce greenhouse gas emissions and lower transportation costs across the entire supply chain over the long term. Both initiatives aim to drive positive change by creating a level playing field and advising stakeholders, which include subcontractors, manufacturers and logistics companies, as well as customers, industry organizations and governments, on sustainable supply chain practices. We will soon start recognizing companies that meet "green logistics" criteria defined by Green Freight Europe and Green Freight Asia certification.

We collaborate closely with customers, suppliers and even competitors, knowing full well that achieving our "big picture" climate protection goals will require a joint effort.

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- > SUBCONTRACTOR MANAGEMENT FOR AIR AND OCEAN OPERATIONS

SUBCONTRACTOR MANAGEMENT FOR AIR AND OCEAN OPERATIONS

Our Global Forwarding business unit has developed carrier score cards for its subcontractors in air and ocean freight. These "Green Carrier Scorecards" are an important aspect of our subcontractor management approach and an effective tool for steering and implementing appropriate efficiency measures. As a member of the Clean Cargo Working Group, we are working towards greater sustainability in ocean freight shipping. In air freight, we are working together with our major airline partners and competitors to establish a standardized platform to gain better and more comparable transparency over the efficiency of air transport to further minimize our environmental impacts.

Our ocean freight business has grown substantially over the last several years, in part due to the modal shift of goods from air to ocean. Ocean cargo – in particular container shipping – is a highly efficient alternative for the transport of high volume cargo, especially for less time-sensitive goods. For decades now, the ocean freight container has served as an indispensable, all-purpose means for connecting the world's markets, ensuring prosperity and a steady supply of goods. As the world's second largest ocean freight forwarder, we regard it as our responsibility to continuously improve the efficiency of our ocean freight transport and reduce harmful emissions.

Our entire ocean freight operations are carried out by subcontractors. We therefore monitor and manage these relationships carefully with the help of a comprehensive subcontractor management system. This includes the Green Carrier Scorecard, an important tool that provides us with information on the shipping companies' environmental balance sheets and greenhouse gas emissions.

In the reporting year, we were able to reduce ocean freight emissions by 0.4 million tonnes as compared to the previous year. This was due in part to our subcontractor management efforts, including our subcontractors' use of modern vessels and implementation of strategic measures designed to reduce fuel consumption, such as slow steaming.

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- > AIMING FOR A GLOBAL STANDARD IN ROAD TRANSPORT

AIMING FOR A GLOBAL STANDARD IN ROAD TRANSPORT

In the road freight segment, we are on track with several different initiatives, which include Green Freight Europe and Green Freight Asia.

Successful expansion of Green Freight Europe

Founded in 2012, the Green Freight Europe (GFE) initiative aims to generate market incentives for companies to procure "green" transport services as a way to reduce fuel consumption in road freight transport and achieve long-term reductions in both greenhouse gas emissions and transport costs along the entire supply chain.

During the reporting year, GFE created a best-practice exchange platform, which serves as an interactive knowledge database for us and our subcontractors. Enhancements were made in 2013 to the initiative's Data Collection Platform, which was developed in 2012. As a next step, GFE plans to add new components to its program to support its members in reducing fuel consumption, costs and emissions. One of the new elements is the so-called "Carrier Shop", which offers fuel-efficient technologies for GFE member organizations interested in upgrading their vehicles. The shop also provides attractive financing options for members looking to invest in ways to improve their carbon efficiency.

Green Freight Asia launched

Modeled after US EPA SmartWay and Green Freight Europe, Green Freight Asia (GFA) was successfully launched as a non-profit organization in Singapore. Following a successful start-up phase, the initiative has now been officially launched. The GFA board consists of executives from each of the founding companies.

Further initiatives planned

We are currently participating in several similar initiatives around the world – in India and Brazil, for example – and are contributing the knowledge and experience gained through established initiatives.

The long-term goal of these initiatives is to establish global collaboration along the supply chain to enable uniform subcontractor management, increased transparency and efficiency, and a reduction in environmental impacts.

In addition, we work together with our suppliers and subcontractors in trade associations and industry initiatives on developing industry-wide standards for emissions data collection.

> HOME > BUSINESS & ENVIRONMENT > NON-CARBON FACTORS

NON-CARBON FACTORS: REDUCING NOISE & WASTE, CONSERVING NATURAL RESOURCES



More than just greenhouse gases

Our Group-wide environmental management system extends beyond CO_2 and other greenhouse gas emissions. We also address other negative environmental impacts and work to develop measures to mitigate their impacts. The impacts include local air pollutants such as mono-nitrogen oxides, sulfur dioxides and particulate matter. Noise pollution is another increasingly important environmental concern.

Tackling emissions is just one aspect of sustainability, however. As part of our commitment, we also take a critical look at our use of natural resources such as wood and water in order to optimize their use and avoid waste. We are equally committed to protecting biodiversity and developing waste-reduction and recycling solutions to mitigate the environmental impact of waste disposal.

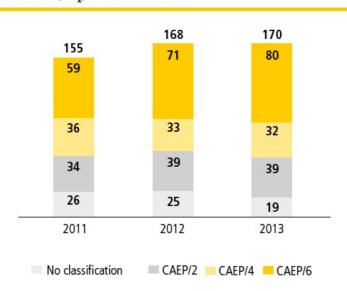
> HOME > BUSINESS & ENVIRONMENT > NON-CARBON FACTORS > IMPROVING AIR QUALITY

IMPROVING AIR QUALITY

Fuel combustion generates not only CO_2 emissions but other local air pollutants as well, including mono-nitrogen oxides (NOx), sulfur dioxide (SO₂) and particulate matter (PM10). Although their spatial impact is limited, these local air pollutants are a proven hazard to the health and well-being of both humans and the environment. Our fleet modernization efforts, which include replacing older aircraft and vehicles with newer, more modern equipment, help lower air pollutant levels.

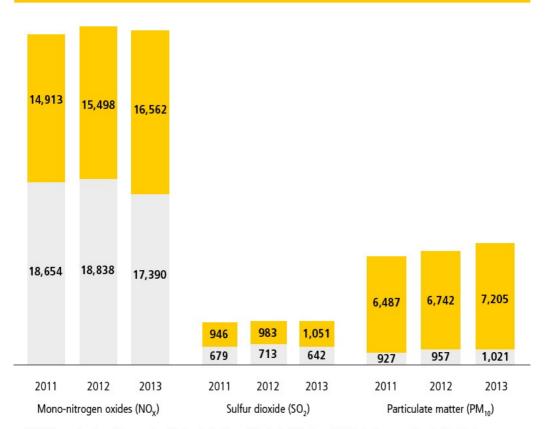
A significant share of our scope 1 greenhouse gas emissions is generated by our air network operations in our EXPRESS division. To help shrink this footprint, we are committed to investment in newer, more efficient aircraft. Our efforts to modernize our dedicated air fleet continued in 2013. As a result, we were able to increase the number of jet aircraft that meet the highest emission standard (CAEP/6) by approximately 13%. The emission standards are defined by the Committee on Aviation Environmental Protection (CAEP), part of the International Civil Aviation Organization (ICAO).

Jet aircraft - by nitrous oxide (NO₂) emissions standards



PWC CERTIFIED

Emissions of local air pollutants¹

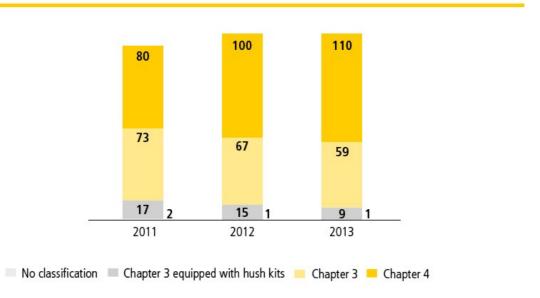


¹ Calculations are based on actual consumption data, the emission factors published by the US Environmental Protection Agency as well as air pollutant factors published in the EMEP/EEA Air Pollutant Emission Inventory Guidebook (2009).

Air transport
Road transport

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Jet aircraft - by noise pollution standards



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REDUCING NOISE

We acknowledge the impact that aircraft noise pollution can have on residents living near an airport, especially at night. We continue to modernize our air fleet with the goal of meeting the stringent noise pollution standards of the International Civil Aviation Organization (ICAO). In the reporting year, we increased the number of jet aircraft compliant with the strictest noise standard (ICAO Chapter 4) by 10%. We were also able to reduce the number of older aircraft (those requiring noise reducing "hush kits" or that do not otherwise meet ICAO Chapter 3). We do our best to minimize noise and work closely with stakeholders to find ways of operating that generate less noise. Our investments in electric vehicles also help us reduce noise in urban areas.

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LESS NOISE IN LEIPZIG



Over the next five years, our company will invest a total of €150 million in the construction of new facilities at our hub in Leipzig. One of the investments is a new warehouse at the EXPRESS hub's southern edge, which itself acts as a noise barrier to help lower noise levels. We have also converted 18 Airbus A300-600 passenger planes into freighters, which are not only significantly quieter, but offer greater payload and range as well.

We will continue to upgrade our fleet in the years to come as part of our ongoing effort to reduce noise emissions.

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AVOIDING AND RECYCLING WASTE

Materials such as wooden pallets, plastic shrink wrap, cardboard boxes and other packaging materials are indispensable in the logistics industry. But they are also a source of waste. Our offices and facilities also produce a considerable amount of waste, mostly in the form of paper waste. But as the business world becomes more and more digitized, we continue to promote paperless work environments and are doing what we can to reduce the unnecessary use of paper wherever and whenever possible.

In most cases, we place the task of maintaining our vehicle fleets and aircraft in the hands of the manufacturers or of other third-party maintenance providers. We employ a similar approach for the maintenance and disposal of our IT equipment. All of our maintenance and disposal contracts contain explicit provisions regarding responsible environmental practices and processes.

Innovative waste management also makes business sense for our customers, who are now turning to us for solutions. Through <u>DHL Envirosolutions</u>, an arm of our SUPPLY CHAIN division, we are now extending our expertise in waste management and waste reduction to customers around the globe.

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J D WETHERSPOON AND DHL ENVIROSOLUTIONS: INTELLIGENT REVERSE LOGISTICS LOWERS COSTS AND PROTECTS THE ENVIRONMENT

With more than 800 locations across the UK, J D Wetherspoon is the country's largest pub chain. DHL Supply Chain UK, which operates J D Wetherspoon's national distribution center, recently added J D Wetherspoon's waste to its list of responsibilities. As the pub chain's reverse logistics provider, the DHL Supply Chain fleet not only delivers but hauls away, transporting waste back to the distribution center, where it is sorted and recycled.

The goal of our waste management solution for J D Wetherspoon is two-fold: to reduce costs for the customer and to minimize the customer's environmental impact. This means significantly reducing the amount of landfill waste. To achieve this, we optimized our waste management system in a three-step process. First, we conducted detailed inspections and audits of waste processing companies with which we cooperate. Second, we conducted extensive negotiations with buyers of recyclable materials to ensure the best possible prices. Finally, we made significant investments in our own distribution center recycling facilities to ensure that returned materials are sorted and processed for onward reuse and recycling as efficiently as possible.

The results speak for themselves: Over the last six years, DHL Envirosolutions has been able to divert 7,000 tonnes of waste from landfill, avoiding €620,000 in landfill fees, and generate revenues of over €1 million per annum from the sale of recyclable waste. The program, which now boasts a 100% recovery rate for recyclable or reusable materials, has also helped save more than 11,000 tonnes of CO₂. This successful partnership earned us the CIWM Recycling Improvement Award in 2010.

The project with J D Wetherspoon is a fine example of our Shared Value philosophy. By optimizing our own processes, we not only support our market position and that of our customer, but also make a lasting contribution to environmental protection.

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- > PAPER: MINIMIZING USE & PROMOTING RECYCLING

PAPER: MINIMIZING USE & PROMOTING RECYCLING



According to our <u>Group Paper Policy</u>, only recycled paper products are allowed when procuring paper or contracting services to manufacture or buy paper. Exceptions to this rule are clearly defined within the policy. Our procurement management also calls for favoring regional suppliers and providers whenever possible. This not only avoids nonessential transport but supports the local market by showing preference to regional paper manufacturers and printing shops. We also remain committed to minimizing the amount of paper used in the Group by shifting more and more to digital forms of communication.

Board presentations on recycled paper

It's a sight that comes as a surprise to many Post Tower visitors: every printed memo or presentation handout has a slightly gray hue. That's because at the Bonn headquarters and all other administrative locations across the Group, documents are printed not on bright white virgin paper, but on recycled paper, with no exceptions – not even for Board of Management or Supervisory Board draft resolutions. Along with "Post yellow" and "DHL red" the Group thus has a third unofficial brand color: "Recycled white".

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PROTECTING GROUNDWATER & SAVING WATER



Because water is a valuable and vital resource, our Group-wide environmental management system works at the site level to develop and implement measures designed to minimize water use wherever possible. When constructing new buildings, for example, we install water recovery systems and water-efficient sanitary installations.

In addition to reducing the water we use, we also acknowledge the importance of protecting groundwater. ISO 14001 certified sites are required to have emergency preparedness and response procedures in place to control the release of water pollutants.

We also call on the expertise of specialized third-party providers to maintain our fleet and de-ice our aircraft to ensure the use of best practices, which in turn ensures groundwater protection.

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PRESERVING BIODIVERSITY



We also include the protection of the Earth's biodiversity as one of our sustainability goals. To do our part in preserving biodiversity, we implement both direct measures designed to maintain and expand protected areas, as well as indirect measures, which include consciously avoiding or minimizing activities that have an adverse effect on biological diversity. A perfect example of one of our indirect measures is the Group's climate protection project in <u>Lesotho</u>, where we have financed and distributed a total of 10,000 highly efficient stainless steel stoves. The stoves use up to 80% less firewood than traditional cooking methods, thereby generating significantly less carbon emissions and air pollution. They also help curb <u>both deforestation and erosion</u>.

We also do our part to protect species diversity, offering transport for the relocation of endangered species free of charge. Over the past two years our specialist teams from DHL have transported more than 20 endangered animals around the world, including three rhinos, two tigers and two giant pandas.

Our commitment to biodiversity is also reflected in our Policy on the Usage of Liquid Biofuels.

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INNOVATIONS FOR LOGISTICS OF THE FUTURE



We develop business models that benefit both our company and society. Technological innovation plays a key role in this process, which is why we established DHL Customer Solutions & Innovation (CSI). CSI bundles our research and development work in the area of new technologies and, working together with other entities across the Group, develops innovative ideas from the concept stage through to market-ready products and services.

Several objectives drive CSI's work in innovation. We want to create value for our customers by simplifying and automating logistics processes, and, at the same time, make supply chains more secure and stable. In addition, we devote considerable attention to making the logistics industry greener, i.e. reducing its negative impact on climate and the environment.

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STRATEGIC INNOVATION



We pursue a two-pronged innovation strategy. First, we use existing technologies to make newer, more energy efficient and more resilient solutions. Second, we develop new, alternative technologies.

At the same time we look to collaborate with customers, suppliers, financial institutions, the scientific community, logistics initiatives, public institutions on the national and international level, as well as with many other stakeholder groups. This collaborative approach increases the success rate of our innovation projects, accelerates their progress and magnifies their impact.

Today we have a diverse range of innovation projects underway, each one tailored to the specific challenge, situation and country conditions. We launched several new projects

over the course of the reporting year, and several of our ongoing projects reached important milestones in 2013. The following example projects – <u>City Logistics planning in China's megacities, intelligent delivery vehicles in India, building supply-chain resiliency for customers, and cold chain innovations for the transport of medicinal products – demonstrate how the principle of social responsibility guides our approach to innovation.</u>

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INNOVATIONS

Urban logistics for Chengdu

In 2012, DHL Customer Solutions & Innovation was commissioned by the city of Chengdu, China's fourth largest city, to conduct a comprehensive study as the basis for a new City Logistics concept. Chengdu's booming population has exceeded 14 million, and its residents must now cope with tremendous air pollution, traffic-related noise pollution, and never-ending traffic congestion.

The DHL study focused primarily on the flow of consumer goods in and out of the city, and ways to supply Chengdu's residents with these goods as efficiently as possible. The resulting plan includes adjustments to logistics processes, as well as urban planning measures, technological innovation in the area of traffic control, and regulatory measures.

In 2013, the project moved into the detailed planning phase. While tailored to the specific requirements of the city of Chengdu, the project can also serve as a model for other Chinese mega-cities. So far, a similar concept has been developed for Ningbo, a city with 7.6 million residents.

By the year 2025, there will be eight megacities in China with populations of over 10 million, and approximately 130 additional cities with populations of one million or more.

More

More SmartTrucks for India

With its SmartTruck, DHL combines innovative technologies in a single delivery vehicle, including a dynamic route planner, real-time GPS for geolocation and navigation, and, in the future, a telematics application which will use up-to-the-minute traffic data to enhance route planning.

The SmartTruck was first deployed in August 2011 as part of a DHL Express pilot project in Bangalore, India. Since early 2013, following the successful completion of the Bangalore pilot, we have been working to deploy the SmartTruck in seven additional major cities throughout India. This rollout, which will continue through the third quarter of 2014, marks a big step for Blue Dart Express in the direction of automation and modernization.

More

DHL Resilience360 makes supply chains more robust

In the reporting year, DHL Customer Solutions & Innovation developed an integrated risk-management solution for monitoring and building resiliency into supply chains. DHL Resilience360 consists of two products: a supply chain risk assessment and a software solution for monitoring supply chains.

As part of the risk assessment, we examine the vulnerability of our customers' supply chains with regard to 20 different risk categories, including pandemics, political unrest and natural disasters. With the help of DHL's software, customers can monitor their supply chains and identify disruptions in real time, and then quickly adopt alternative strategies.

The solution delivers significant economic and social benefits, since companies can maintain their operations in crisis situations, and people can continue to have access to the goods they need.

More

SmartSensor and Thermonet for secure shipment of pharmaceutical products

Many medicines and pharmaceutical precursors are temperature sensitive. Liquid-form pharmaceuticals in particular can lose their potency and efficacy if exposed to frost or excessively high temperatures. While the material damage to these products is one concern, administering compromised drugs to needy patients can be life-threatening.

With its SmartSensor GSM, DHL has created a monitoring system that measures temperature and humidity, registers a package's exposure to daylight and transportation shock, and tracks the shipment location, providing an effective defense against theft or counterfeiting during transport.

Using SmartSensor RFID technology, another sensor in the product family, DHL developed the innovative air freight product DHL Thermonet in 2013. Thermonet ensures product integrity during the entire logistics cycle and makes it possible to intervene quickly in the event of cold-chain disruption. In the reporting year, we introduced the DHL Thermonet standard in over 30 of our life sciences competence centers and will continue rolling it out towards our goal of 60 stations by the end of 2014.

<u>More</u>

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- > URBAN LOGISTICS FOR CHENGDU

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By the year 2025, there will be eight megacities in China with populations of over 10 million, and approximately 130 additional cities with populations of one million or more.

One of the main elements of DHL's City Logistics approach in Chengdu is the introduction of multifunctional urban freight centers, which can be used by several logistics companies as distribution hubs. The freight centers and delivery movements are controlled with the help of a centralized IT platform.

Projections show that the City Logistics concept, along with a range of other measures, could optimize vehicle usage from currently 40% up to 95%.

In terms of city planning, the concept calls for routing automobile, bus and freight traffic via dedicated arteries as a way to disentangle congestion at identified trouble spots. Regulatory measures include access to bus lanes for City Logistics vehicles and restricting city automobile traffic during typical delivery hours.

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- > MORE SMARTTRUCKS FOR INDIA

MORE SMARTTRUCKS FOR INDIA

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Delivering express items in India's major cities involves several challenges. Streets often have no name, the postal code system is still incomplete, and the recipient's address, filled out by the sender, is often incomplete as well.

The poor address quality has always been a problem for couriers, who either had to research the addresses beforehand or rely on passers-by for help. With the SmartTruck, drivers can rely on support from the vehicle's advanced electronics, which can generate complete street address data based on the address elements entered by the driver. As a result, drivers can start their delivery tours an average of 80 minutes earlier than before. On pick-up routes, they can save a full hour every day thanks to the navigation and route optimization systems. In addition, the number of kilometers traveled was reduced by 9%.

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- > DHL RESILIENCE360 MAKES SUPPLY CHAINS MORE ROBUST

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As part of the risk assessment, we examine the vulnerability of our customers' supply chains with regard to 20 different risk categories, including pandemics, political unrest and natural disasters. With the help of DHL's software, customers can monitor their supply chains and identify disruptions in real time, and then quickly adopt alternative strategies.

The solution delivers significant economic and social benefits, since companies can maintain their operations in crisis situations, and people can continue to have access to the goods they need.

DHL Resilience360 involves a holistic approach, combining our core logistics know-how with a wealth of internal and external data.

As part of the DHL Resilience360 risk analysis, we identify weaknesses in the supply chain and create a risk profile. The goal is to implement short and long-term measures that will make supply chains less vulnerable to disruption and more capable of adopting alternative strategies. This includes improved flexibility within the supply chain in the case of disruptions. To this end, we have created a platform which allows users to monitor the full range of supply chain processes in real time, which means companies can react quickly as disruptions occur and reroute as needed. Because DHL Resilience360 protects customers from supply chain disruption and minimizes their risk, it makes a valuable contribution to economic sustainability for our customers.

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- > SMARTSENSOR & THERMONET FOR SECURE SHIPMENT OF PHARMACEUTICAL PRODUCTS

SMARTSENSOR & THERMONET FOR SECURE SHIPMENT OF PHARMACEUTICAL PRODUCTS

Many medicines and pharmaceutical precursors are temperature sensitive. Liquid-form pharmaceuticals in particular can lose their potency and efficacy if exposed to frost or excessively high temperatures. While the material damage to these products is one concern, administering compromised drugs to needy patients can be life-threatening.

With its SmartSensor GSM, DHL has created a monitoring system that measures temperature and humidity, registers a package's exposure to daylight and transportation shock, and tracks the shipment location, providing an effective defense against theft or counterfeiting during transport.

Using SmartSensor RFID technology, another sensor in the product family, DHL developed the innovative air freight product DHL Thermonet in 2013. Thermonet ensures product integrity during the entire logistics cycle and makes it possible to intervene quickly in the event of cold-chain disruption. In the reporting year, we introduced the DHL Thermonet standard in over 30 of our life sciences competence centers and will continue rolling it out towards our goal of 60 stations by the end of 2014.

DHL Thermonet is a comprehensive system for seamless, end-to-end monitoring of the transport process. The SmartSensor technology gathers data at designated checkpoints between each shipment's origin and destination and then uploads it to an online portal. As a result, variations in ambient temperature can be linked to specific transport stages. In addition, Thermonet's security mechanisms prevent data from being read or manipulated by unauthorized third parties.

On the web portal, ambient temperature data is linked to individual shipment journey data and stored in a manipulation-safe manner for up to ten years. The data platform, known as the LifeTrack IT platform, complies with Title 21 of the US Code of Federal Regulations Part 11. Thermonet's quality management system also fulfills the requirements of the European Union's Guidelines on Good Distribution Practice for appropriate storage and distribution of medicinal products. At the end of the day, our customers can count on legal and standard-compliant transport of their medicinal products, and end consumers can count on receiving effective pharmaceutical products.

> HOME > BUSINESS & SOCIETY



CORPORATE CITIZENSHIP: GOHELP, GOTEACH & EMPLOYEE COMMUNITY INVOLVEMENT

For us, "Living Responsibility" means assuming an active role in society. It means putting our strengths and core competencies to work - not only to further our own business success as a mail and logistics services group, but to address the social challenges we face around the world today.



SUPPORT & OPPORTUNITY: CORPORATE CITIZENSHIP IN EDUCATION (GOTEACH)

Knowledge is the resource of the future – and the only resource that actually multiplies when it is shared. Many of today's social problems resulting from unfair wealth distribution could be avoided if social systems would intervene earlier to ensure equal access to opportunity.



IMMEDIATE & LASTING: CORPORATE CITIZENSHIP THROUGH HUMANITARIAN LOGISTICS SUPPORT (GOHELP)

When natural disasters strike, the international community bands together. Relief supplies are mobilized and volunteer aid workers from around the world converge on the scene of the disaster. This often leads to bottlenecks at the airports servicing the relief effort. As strategic partner to the United Nations (UN), our GoHelp program provides two types of critical support to these airports. First, as a preventative measure, we prepare airports for future natural disasters. When disaster does strike, we provide immediate emergency aid to ensure that arriving relief supplies are managed efficiently and received by the authorized aid organizations so that the most urgent items can get to the victims on time.



OUR EMPLOYEES VOLUNTEER THEIR TIME LOCALLY & WORLDWIDE

Many of our employees volunteer their free time, energy and expertise for the good of the communities in which they live. They get involved in sports clubs, social projects, environmental work, as well as cultural and educational initiatives. As an employer, we place great value on this spirit of volunteerism among our employees. Volunteer work broadens horizons and trains social competencies, all of which translates into greater engagement and motivation in the workplace. Our Group volunteer initiatives therefore encourage employees to take part in a wide range of environmental and community projects.

> HOME > BUSINESS & SOCIETY > CORPORATE CITIZENSHIP

CORPORATE CITIZENSHIP: GOHELP, GOTEACH & EMPLOYEE COMMUNITY INVOLVEMENT



For us, "Living Responsibility" means assuming an active role in society. It means putting our strengths and core competencies to work - not only to further our own business success as a mail and logistics services group, but to address the social challenges we face around the world today.

Our corporate citizenship activities are designed for effective, long-term impact, and are an integral part of our Corporate Strategy. Through our GoTeach program, we help achieve long-term improvements in <u>educational opportunity and employability</u> for young people worldwide. With GoHelp, we help advance <u>disaster management</u> practices at airports in disaster-prone regions. We also provide support to local <u>environmental protection and community service projects</u> initiated by our employees.

We rely on our employees, who dedicate their time and expertise, and collaborate with established partner organizations to carry out these core activities, allowing us to maximize their impact. At the same time, our corporate citizenship activities also help create sustainable business success for our company.

> HOME > BUSINESS & SOCIETY > GOTEACH: CHAMPIONING EDUCATION

SUPPORT & OPPORTUNITY: CORPORATE CITIZENSHIP IN EDUCATION (GOTEACH)



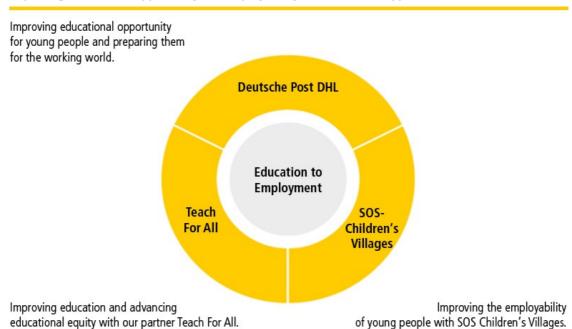
Knowledge is the resource of the future – and the only resource that actually multiplies when it is shared. Many of today's social problems resulting from unfair wealth distribution could be avoided if social systems would intervene earlier to ensure equal access to opportunity.

With our Group-wide GoTeach program, we have made it our responsibility to help improve educational opportunity and employability of young people, especially those from disadvantaged socio-economic backgrounds. Our motivation is twofold. First, as one of the world's largest employers, we rely on access to skilled and qualified employees around the world. Education is a key factor in determining Deutsche Post DHL's overall productivity and innovation capacity. GoTeach therefore supports our goal of becoming Employer of Choice. Secondly, in today's rapidly changing world, education contributes to greater stability and prosperity – both for individuals and for the societies and markets in which we conduct business.

When it comes to our GoTeach activities, our employees share not only their time but their own individual skills and experiences.

> HOME > BUSINESS & SOCIETY > GOTEACH: CHAMPIONING EDUCATION > OUR PARTNERS

Improving educational opportunity and employability (GoTeach): Our Approach



Financial support is just one aspect of our collaboration with these two partner organizations. Our employees get involved hands-on at the local level and take part in numerous projects alongside the partner organizations, children and young people. As an example, employees provide young people with exposure to the working world and support them in choosing a vocation or career path.

A GLOBAL EDUCATION NETWORK & AN ESTABLISHED RELIEF ORGANIZATION



Our Group-wide program GoTeach involves close collaboration with two internationally recognized partners: Teach For All, a global network that expands educational opportunity through developing leadership, and SOS Children's Villages, an established relief organization. Together with these partners, our GoTeach mission is to help children and young people from all socio-economic backgrounds develop their potential and access new educational and career opportunities.

> HOME > BUSINESS & SOCIETY > GOTEACH: CHAMPIONING EDUCATION > TEACH FOR ALL



Many of the Teach For All network partners are new, fast-growing organizations who need support in establishing management systems and processes, and we get involved here, too. As an example, we took our First Choice method, something that we continuously apply to optimize our own processes, and adapted it to the needs of an educational organization. Based on this, we then conducted a series of workshops with the Teach For All network partners.

We also established mentoring programs for both teaching participants and high school students designed to provide support in the areas of personal development and career guidance. In the reporting year, approximately 840 of our employees took part in 65 partnership activities. About 60 of these employees volunteered their time as mentors to Teach For All teaching participants and students.

TEACH FOR ALL: A HANDS-ON EDUCATIONAL MOVEMENT



Deutsche Post DHL launched its partnership with the global education network Teach For All in 2010 and extended the contract for an additional three years in 2013. With our support, the Teach For All network grew from 26 to 32 independent partner organizations in the reporting year.

As part of our commitment, we provide support to the worldwide Teach For All parent organization as well as to seven national organizations in Germany, India, Argentina, Peru, Chile, Spain and the Philippines. The newest partnership, with Teach for the Philippines, was launched in August 2013. Additional country-level partnerships will be established in the near future. Our support for these partner organizations includes financial assistance, donations, and the hands-on involvement of our employees.

Teach For All, committed to addressing the worldwide problem of educational inequity, is driven by the idea that every child, regardless of their parents' socio-economic status, should have access to quality education. To this end, Teach For All partner organizations recruit and train exceptional university graduates and young professionals to serve as teachers ("teaching participants") for two years at a school in a high-need community.

The Teach For All model brings double benefits. While students improve their academic performance over the short/medium term, the teaching participants take on responsibility as agents of change, expand their horizons and build their leadership skills.

Teach For All is confident that teaching participants, after completing the program, will remain active advocates for equal educational opportunity and help shape the future of education as professionals in education, the public sector, business or the non-profit world. Today, Teach For All has 35,000 alumni, many of whom are in leadership positions or on track to become leaders in their fields. In the reporting year, more than 15,000 teaching participants were deployed on teaching assignments around the world, reaching a total of 1.3 million children and young people.

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LOCAL PROJECTS



- Students of partner schools in Latin America and Spain visited DHL logistics facilities and had the chance to interact with employees – hearing about their work at DHL, sharing experiences and exploring possible career opportunities for themselves.
- In Germany, Chile, Peru and Spain, Deutsche Post DHL employees took teaching participants and students under their wing, providing mentoring in the area of career orientation, job applications, interviews, etc.
- In India, DHL and Blue Dart donated computer and office supplies to several schools.
- Employees in Argentina helped renovate classrooms at Enseñá por Argentina partner schools together with teachers, students and their families.
- In Peru, Argentina and Germany, employees took on the role of teacher for a day and supported teaching participants in the classroom.
- Employees in Germany took part in a day-long event at a local school, providing students with tips
 and tricks for writing effective CVs and application materials. As part of the Business4Fellows
 seminar, Teach First Deutschland teaching participants gained exposure to the business world and a
 behind-the-scenes look into our business at Deutsche Post DHL. After refreshing their basic
 knowledge in economics and business, seminar participants dove into the topics of change
 management, communication and leadership.
- In Spain, Deutsche Post DHL donated sports equipment to a school. To mark the occasion, a DHL team took the field for a match against the school's soccer team.
- Together with Teach for the Philippines, DHL employees in the Philippines organized a read-aloud event at a local elementary school to get the kids excited about books and reading. A similar reading event took place in Peru.

- > HOME > BUSINESS & SOCIETY > GOTEACH: CHAMPIONING EDUCATION > TEACH FOR ALL
- > SOCIALLY ENGAGED & CAREER MINDED

"SOCIALLY ENGAGED & CAREER MINDED"

Ms. Wollmann, Teach For All recruits highly qualified young university graduates to essentially put off their careers and first work for two years as teachers in schools in disadvantaged communities. Why do these young people sacrifice two years of their career?

Annette Wollmann: Because it's not a sacrifice, it's a career opportunity. Many young people go away for a few years after university to get a better feel for themselves. While some head off to the other side of the world, others discover an unknown world at a school in a disadvantaged community on the other side of town. Teach For All teaching participants can document some very valuable skills and qualities when they apply for jobs later on – things like assertiveness, will power, communication skills, the ability to motivate others, strong work ethic and the ambition to change the world for the better.

So a tried and tested teaching participant would be an ideal match for Deutsche Post DHL?

Annette Wollmann: We don't target the teaching participants for recruitment as such, but they certainly do have an advantage. An outstanding teacher has skills and competencies very much in demand in the business world and the teaching participants are a good match for us in terms of their leadership qualifications. As defined by our Corporate Strategy, leadership for us means Respect & Results, i.e. we treat customers, colleagues and service providers with respect without compromising our commitment to results. Over the course of their two-year assignment, teaching participants practice Respect & Results on daily a basis in the schools.

In 2013 you added Teach for the Philippines to your list of Teach For All partners, bringing the number of partnerships with Teach For All country organizations to seven. What's the next step?

Annette Wollmann: We want to continue to build on our existing partnerships. Today we can look back on a good deal of experience and we want to put this experience to good use. One of the things we do is to meet regularly to share insights and learn from the activities that have proven most successful. This is a very fruitful dialogue, which never fails to demonstrate how much can still be done, and achieved, within the existing partnerships. We'll also be launching a new cooperation with yet another Teach For All partner organization in 2014: Enseña Ecuador. We're really looking forward to this. The organization has been part of the Teach For All network since 2013.

Annette Wollmann is Program Manager for Deutsche Post DHL's partnership with Teach For All.

> HOME > BUSINESS & SOCIETY > GOTEACH: CHAMPIONING EDUCATION > SOS CHILDREN'S VILLAGES

SOS CHILDREN'S VILLAGES: INDIVIDUAL & GLOBAL



In our partnership with SOS Children's Villages, we support young people between the ages of 15 and 25 as they make the transition to the world of work

Along with financial support for SOS Children's Villages educational programs and youth

facilities, we focus our activities on career guidance, teaching basic professional skills and providing young people with exposure to the working world.

In addition to the existing partnerships in Brazil, Madagascar, South Africa, Vietnam, Mexico, Kenya and Ghana, we established seven new partnerships with SOS Children's Villages in Uganda, Ethiopia, Jordan, Morocco, Peru, Cost Rica and Panama over the course of the reporting year. This doubled the number of existing partnerships and significantly exceeded our goals. We had originally planned to extend our cooperation in 2013 to four new countries.

What makes our cooperation with SOS Children's Villages so unique is the close contact between SOS Children's Villages and the local Deutsche Post DHL organizations. This makes it possible, for example, for our employees to work directly with the young people as mentors. We also offer internships, which give participating interns valuable insight into the world of work and teach them to take on responsibility.

Our activities are tailored to the needs of the children and the opportunities available to them in the individual countries. The individualized support is designed to help open up employment opportunities for young people and make it possible for them to begin generating their own income as independent young adults.

In the reporting year, more than 700 employees devoted over 10,000 hours of their time to our partnership with SOS Children's Villages. As a result, approximately 1,200 young people in the 14 partner countries received support through 120 different activities. In 2014 we plan to extend our support to at least six additional countries.



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LOCAL PROJECTS



Jean Claude (24) is from Madagascar. As the youngest of eight siblings, he was eight years old before he could attend school. Thanks to support received through our partnership with SOS Children's Villages, he was able complete a Bachelor Degree in nursing, graduating first in his class. Today, at just 24, he works as a nursing care manager at several hospitals while continuing to pursue further professional training.

Jonathan (17), from Brazil, worked with a DHL mentor who helped him overcome his shyness. Today, Jonathan is pursuing professional training at DHL Supply Chain in Brazil and plans to attend university after completing his training.

Sandhya (23) is an exceptionally talented and intelligent young woman from Nepal, who, thanks to support from the GoTeach program, was able to study at Jacobs University in Bremen, Germany. In 2012 she attracted considerable attention with an outstanding presentation at one of our conferences in Bonn. Today, Sandhya works in HR at DHL Supply Chain.

In Madagascar, 400 young people from around the country came to take part in a career conference in the capital city Antananarivo. DHL invited its customers and business partners to

give presentations and provide the young participants with some insight into the working world and how to get started.

- In Panama, Costa Rica, Mexico, Brazil and South Africa, employees organized multi-week training
 programs covering topics such as business etiquette, time management, financial management,
 customer service, as well as job interview and job application techniques. Several participants were
 able to begin internships immediately following the training.
- DHL Ethiopia organized a workshop on entrepreneurship for 40 graduates of the SOS Children's Villages vocational training center in Addis Abeba. A similar event was held in Uganda.
- In South Africa we have developed a multistep program. After a day-long career orientation event, we offer short introductory internships in several of DHL's operational areas. Those interested can then begin a longer internship in an area of their choice. At the same time, they can take part in skills workshops and receive support and guidance from DHL mentors.

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- > MONEY & ROLE MODELS

"MONEY & ROLE MODELS"

Mr. Selig, one often sees pictures in the newspaper of giant checks being presented to child relief organizations. Why don't you do this?

Christoph Selig: We are not out there presenting any oversized checks. We don't just make charitable donations, we provide the SOS Children's Villages with something that would be hard for them to provide on their own: role models for the children and young people.

Can you elaborate on that?

Christoph Selig: SOS Children's Villages is an established institution with an excellent reputation around the world. It takes care of children who have lost their parents or are at risk of losing their parents. These are orphans and social orphans, and SOS Children's Villages provides them, as best as possible, with a surrogate family. This works very well until the children turn 14 or 15. As with any family, this is a time of new challenges.

Because puberty takes over?

Christoph Selig: Yes, and it's particularly hard for these children. At this age they become more fully aware of their own situation, and many feel stigmatized. At the same time, it is an age when many important decisions are made about school and career. Especially in developing countries, the children in the SOS Children's Villages often have no role models in terms of work and career. The surrogate mothers live and work in the same small village and no one goes off to work. So these kids simply don't have the experience of a mother or father coming home in the evening exhausted or talking excitedly about their day at work. They do not have this connection to the working world and, as a result, are hesitant and unsure about it. They need positive role models.

And this is where your volunteers come in?

Christoph Selig: Just based on their experience, our employees are natural mentors when it comes to the process of entering professional life. They themselves have applied for jobs, they hire young people, and they are familiar with the systems of education and career development in their respective countries. As the GoTeach program coordinators, we contact our employees in the various countries and ask them to share their individual experiences with these young people – whether it's job shadowing, internships or other training programs. While the partnership framework is always global, the projects themselves are always local.

Our partnership in Uganda, for example, is a Ugandan product, just as our partnership in Jordan is a product of that country. Everything is tailored to the specific circumstances and challenges in the individual country, as well as to the local Deutsche Post DHL entity, the young people receiving the support, and the employees providing the support. Our employees, by the way, also have the opportunity to expand their own horizons and improve their own social skills in the process.

How exactly can Deutsche Post DHL employees expect to benefit from their involvement in the projects?

Christoph Selig: Many countries around the world are still very class conscious. Members of different social strata avoid contact with each other, and this goes in both directions.

Those in the upper classes feel it is below them and those in the lower classes avoid the contact because they are either too ashamed or too proud?

Christoph Selig: That's a bit overstated, but these reservations are still very real. In our projects you have disadvantaged young people coming into contact with drivers, packers, but also managers. And we see how our employees react to this experience. They often say that the young people from the SOS Children's Villages remind them of their own kids, or they remind them of themselves when they were

young and trying to break into the world of work. Our involvement helps us break through many social barriers in our own local operations and helps strengthen bonds within our own teams.

Christoph Selig is Head of the GoTeach Team at Deutsche Post DHL.

> HOME > BUSINESS & SOCIETY > GOHELP: DELIVERING HELP

IMMEDIATE & LASTING: CORPORATE CITIZENSHIP THROUGH HUMANITARIAN LOGISTICS SUPPORT (GOHELP)



When natural disasters strike, the international community bands together. Relief supplies are mobilized and volunteer aid workers from around the world converge on the scene of the disaster. This often leads to bottlenecks at the airports servicing the relief effort. As strategic partner to the United Nations (UN), our GoHelp program provides two types of critical support to these airports. First, as a preventative measure, we prepare airports for future natural disasters. When disaster does strike, we provide immediate emergency aid to ensure that arriving relief supplies are managed efficiently and received by the authorized aid organizations so that the most urgent items can get to the victims on time. Today we are capable of mobilizing 400 DHL volunteers – each one an expert in his or her field.

With our GoHelp program, we contribute our logistics expertise and global logistics network in the service of the UN. This makes us part of a global humanitarian system. We provide all GoHelp services free of charge.

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GARD workshops conducted with success

During the reporting year, six airports were assessed and four workshops were conducted at airports in El Salvador, the Philippines, Armenia and Panama, with a total of more than 140 participants.

PWC CERTIFIED

GARD: PREVENT & SUSTAIN



As part of our Get Airports Ready for Disaster (GARD) program, our aviation experts work together with the United Nations Development Programme (UNDP) to prepare airport staff and disaster management agency employees for the logistical challenges associated with a natural disaster.

A major component of the multi-day GARD workshops is an extensive risk analysis, during which participants consider different disaster scenarios and develop the appropriate emergency response strategies and procedures. External partners, such as local aid organizations, are also included in the workshops whenever possible. Because facilities and organizations change over time, it is important to keep contingency plans up to date. Our "GARD plus" program is designed to provide this follow-up support.

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ON THE GROUND IN 72 HOURS & OFFERING DISASTER MANAGEMENT EXPERTISE



In cooperation with the UN Office for the Coordination of Humanitarian Affairs (UNOCHA), we have trained over 400 employee volunteers to serve in one of three Disaster Response Teams (DRT) for the regions Asia-Pacific, Middle East/Africa and the Americas. When we receive a call from the UN requesting support, the regional DRT is deployed immediately and is on the ground in the disaster zone no more than 72 hours later.

PWC CERTIFIED

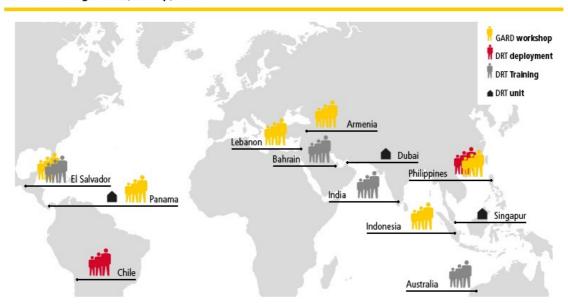
At the airport, our employees assume various logistics responsibilities: they unload air cargo paletts, warehouse relief supplies, perform inventory and ensure the orderly distribution to the aid organizations working in the disaster zone. The DRTs often prepare DHL Speedballs – waterproof bags filled with vital relief supplies that can be airdropped from helicopters.

In 2013, our teams were deployed to Chile in response to the forest fires and to the Philippines in the wake of the devastating typhoon <u>Haiyan</u>. A total of 65 volunteers were deployed over a total of 29 days.

Our teams not only need to be able to perform hard physical work, they also need to have the poise and experience to handle a wide range of logistics challenges under exceptional circumstances. We conduct regular training courses to make sure our employees are deployment-ready. During the reporting year, some 140 employees took part in four such measures. For the upcoming year, we plan to conduct at least one training in each of our three DRT regions.

So far we have signed bilateral memoranda of understanding with 11 countries in disaster-prone regions. The purpose of these agreements is to increase the speed and effectiveness of a possible deployment by clearly defining tasks and assigning responsibilities in advance. The agreements also allow the governments of these partner countries to request the support of our DRTs directly. During the reporting year, a new agreement was signed with Panama's international airport.

Disaster management (GoHelp) 2013



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"ANALYTICAL & THOROUGH"

Ms. Birk, how does a GARD workshop work?

Anna Birk: Airport staff members, along with disaster management and customs agency employees, first need to understand the challenges they are likely to face in a disaster scenario. Aid workers and relief supplies pour into the country and, at the same time, victims of the natural disaster are all trying to get out. It is by no means business as usual, and by no means calm and orderly! Our teams experienced this in the Philippines in November 2013. After Typhoon Haiyan wreaked its destruction, the Mactan-Cebu Airport became the main transport hub for the relief effort. But it's a small airport, which normally handles only a few cargo planes per year. During the relief effort, several cargo planes were landing each day.

How can airports prepare for this wave of relief aid?

Anna Birk: A risk analysis must be performed before concrete measures can be taken. The UNDP has analyzed different regions around the world to identify the threats and determine how many people in each region would have to be supplied with relief goods via the airport. We draw on our partner's data and then analyze the airport's capacity in terms of logistics. This involves an 80-page questionnaire full of detailed questions, which is completed during the course of the workshops and on-site inspections.

Could you give us some examples of the questions asked?

Anna Birk: The questions address warehousing options for relief supplies, including cold storage for medical supplies, as well as the airport's electric power supply and communications infrastructure. They cover issues such as security – whether the airport is protected against looting, for instance – and authorization, i.e. who is authorized to pick up relief supplies at the airport. Effective disaster management also means having a plan for a range of "secondary" issues. For example, there are often large numbers of aid workers stationed at the airport. How do you supply all of these people with food and drink? Where do you set up the press center? All of this is part of the emergency strategy. Of course you still need to improvise a lot in the event of a disaster. But an organized, methodical approach can help the relief organizations save valuable time.

Anna Birk is the GARD Program Manager

> HOME > BUSINESS & SOCIETY > VOLUNTEERING

OUR EMPLOYEES VOLUNTEER THEIR TIME LOCALLY & WORLDWIDE



Many of our employees volunteer their free time, energy and expertise for the good of the communities in which they live. They get involved in sports clubs, social projects, environmental work, as well as cultural and educational initiatives. As an employer, we place great value on this spirit of volunteerism among our employees. Volunteer work broadens horizons and trains social competencies, all of which translates into greater engagement and motivation in the workplace. Our Group volunteer initiatives therefore encourage employees to take part in a wide range of environmental and community projects.

> HOME > BUSINESS & SOCIETY > VOLUNTEERING > GLOBAL VOLUNTEER DAY

200,000 HOURS OF VOLUNTEER WORK AS PART OF GLOBAL VOLUNTEER DAY



The largest coordinated employee volunteering program is our annual Global Volunteer Day. The idea originated in the Asia-Pacific region, where the first Volunteer Day took place in 2008. Since 2011, we have been calling on our employees worldwide to participate in the volunteering program; in 2013, the program was expanded to include volunteer activities throughout the entire year. Today, many local relief initiatives and organizations rely on the support of our employees and turn to us for support whenever project demands exceed their own capacities. Projects and project timing are coordinated on an individual basis together with the respective organizations at the country or regional level, with the main period of activity in September of each year.

Participation levels in 2013 demonstrated the growing interest in Global Volunteer Day. In 2012, 62,000 employees and nearly 1,000

customers and business partners worldwide took part in over 1,000 local projects; in 2013 the numbers nearly doubled, with about 100,000 employees and over 3,000 customers and business partners participating in 1,578 projects in 127 countries – a significant increase over previous years. Overall, more than one in five employees volunteered their time and energy to local community and/or environmental projects.

PWC CERTIFED

We began recording the number of hours volunteered by our employees for the first time in 2013, making it easier to evaluate and communicate the program's impact. Over the course of our third Global Volunteer Day, our employees performed roughly 203,000 hours of volunteer work, the equivalent of 25,375 eight-hour workdays or 5,075 40-hour work weeks.

PWC CERTIFIED

Employees can choose from a wide range of projects. Over the years they have helped restore rivers and collect <u>waste</u> on beaches, river banks and other natural habitats; they have renovated kindergarten facilities in disadvantaged communities, <u>organized community events</u> for children and teens, helped at street festivals, <u>transported mobility equipment</u> for free, performed music for the sick and elderly, and helped young people prepare their <u>resumes and job applications</u>.

Our goal is to establish lasting relationships between our employees and the various project partners – relationships that extend beyond the Global Volunteer Day timeframe. We are increasingly able to realize this goal and will be including the annual number of volunteer hours performed in our future reporting. In 2014 we will once again organize Global Volunteer Day, which we regard as an important momentum-builder for our volunteering program.

> home > business & society > volunteering > global volunteer day > a day at the beach in venezuela

A DAY AT THE BEACH IN VENEZUELA

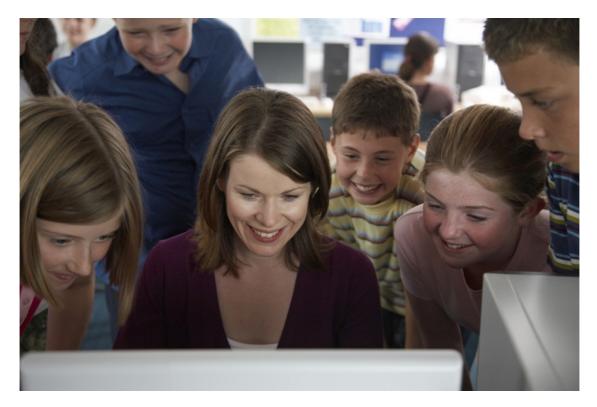


For 26 years now, the US-based environmental organization Ocean Conservancy has organized the International Coastal Cleanup on the third Sunday in September and called upon the rest of the world to take part. Waste washed up on our beaches and shorelines is not only ugly, but can even be life-threatening for coastal birds, fish and sea turtles. Animals that ingest plastic are often unable to eliminate it. They die from internal bleeding or simply starve to death because the plastic in the stomach gives them an artificial sense of being full.

For Global Volunteer Day 2013, over 250 DHL Venezuela employees responded to the call and took part in International Coastal Cleanup day. They combed the beaches together at La Guaira, Maracaibo and Puerto Cabello and collected several tons of refuse.

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- > HR BASICS CV CHECK AT THE KARL SIMROCK SCHOOL IN BONN

HR BASICS - CV CHECK AT THE KARL SIMROCK SCHOOL IN BONN



For several years now, Deutsche Post DHL has maintained a close relationship to the Karl Simrock School, a vocational secondary school in Bonn. Several of our employees serve as Chance4you student mentors as part of our <u>GoTeach</u> educational program. In September 2013, the school also became a Teach First Deutschland partner school. Deutsche Post DHL has been the main sponsor for Teach First Deutschland since 2009 as part of its strategic partnership with <u>Teach For All</u>.

As a way to help the school's 75 ninth graders get ready to apply to a three-week vocational internship in October, 42 of our employees spent their free time working with the students to sharpen their application writing skills. The volunteers were clearly tasked not to dictate the perfect cover letter and CV for the students, but to enable them to design and write effective application materials on their own.

The volunteer "CV coaches" and the students worked side by side for an entire morning, creating resumes and finding just the right phrasing for cover letters. The volunteers donated a total of 168 hours of their time and provided the young people with tips on what companies are looking for in an applicant and how best to present themselves in an interview.

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- > DHL SINOTRANS DELIVERS WHEELSPLUSWINGS

DHL SINOTRANS DELIVERS WHEELSPLUSWINGS



The <u>WheelsPlusWings</u> initiative has an ambitious goal. It helps provide wheelchairs to children and young people with disabilities in China and other Asian countries. The chairs are top-quality, lightweight, durable, and feature colorful designs. And for the children and young people (and their parents), they represent much more than a way to get around. The wheelchairs make it possible for the children to leave the house, go to school and, in spite of their disability, find their place in society and life. For the founders of WheelsPlusWings, the chairs also transport an even bigger idea. They want society to recognize what people with physical disabilities can achieve in life, and they want to break down the barriers entrenched in the minds of the children, their families and their communities.

DHL Sinotrans became the official logistics partner for WheelsPlusWings in 2013, providing transport of the wheelchairs free of charge. One of the first young people to receive a new wheelchair was the 20-year-old Mengxing, a young woman with brittle bones, who has received support from WheelsPlusWings for several years. As a child, Mengxing was not able to leave the house, so she taught herself how to draw and paint. Today her work includes manga-influenced portraits of herself and her disability.

September 21, 2013 was Global Volunteer Day and a special day for Mengxing as well. She not only received a new wheelchair, but celebrated the opening of her first solo exhibition featuring her graphic art and paintings. The show was a success, and guests included ambassadors, international business executives, artists and film industry representatives. Mengxing now has two main goals: to continue building career as an artist and to attend school.

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DHL & BLUE DART INDIA SUPPORT TEACH FOR INDIA



On Global Volunteer Day, our employees often lend an extra hand to schools that we already support as part of our global GoTeach partnership with <u>Teach For All</u>. From September 7-12, 2013, 227 employees in India headed off to 10 Teach For India partner schools and five additional schools to interact with over 1,500 school kids and provide them with a fun alternative to their normal school day.

In Pune, our employees spoke to the school children about health and hygiene, environmental protection and safety. In Gurgaon, a suburb of Delhi, our employees took on the role of substitute teachers and spoke to young people about the importance of math, science and social studies for their future jobs and careers. In Ahmedabad, our employees visited two schools - a school for disabled children, where employees got together with 90 children to play games and award prizes, and an elementary school in a disadvantaged community, where employees read stories aloud and organized a small art competition. Employees also organized art competitions in Mumbai.

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FINANCIAL SUPPORT THROUGH THE LIVING RESPONSIBILITY FUND



For Global Volunteer Day and other initiatives, our employees roll up their shirtsleeves and donate their time and energy as volunteers. Local charitable projects are also eligible to receive additional funding from the Group if at least two employees are actively involved in the project as volunteers. Our Living Responsibility Fund, which is backed by Group funds, provides supplementary financial support to help our partner organizations deepen the impact of their projects throughout the community.

Projects are selected to receive funding by an internal jury made up of representatives from the divisions and the Corporate Center. Funding is then based on the number of hours volunteered by employees over the course of the application year. Maximum funding is €4,000 per project. In 2013, the Living Responsibility Fund provided financial support to 93 of the projects submitted by employees in 39 countries. More than 6,000 employees volunteered over 44,000 hours − the equivalent of 5,500 eight-hour workdays − to these projects.

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EMPLOYEES HELPING EMPLOYEES



Our internal relief fund We Help Each Other (WHEO) is a testament to the company's team spirit and strong sense of solidarity. The WHEO fund draws on monetary donations from individual employees as well as larger collection drives organized at the local level across the entire Group. These funds are used to provide fast and unbureaucratic financial support to Deutsche Post DHL employees around the world who are victims of a natural disaster.

In the reporting year, a total of 240 employees in the Philippines, Mexico, Spain, the USA, Argentina and Germany received support through We Help Each Other. This includes 103 employees in Germany who were affected by the 100-year flood along the Elbe and Danube Rivers in June 2013. Following the call for donations put out by the Board of Management and employee representatives, employees responded with approximately €70,000 in donations for the flood victims alone. The Board of Management decided to match the employee contributions, doubling the amount made available to the fund. Our colleagues around the world also showed tremendous generosity and solidarity in response to the heavy storms that struck the Philippines in August and the devastating typhoon disaster in November 2013, providing support to 124 employees.



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INDEPENDENT ASSURANCE REPORT

Deutsche Post AG, Bonn Corporate Responsibility Report 2013

Independent Assurance Report

Our engagement applied to the German online version of the Corporate Responsibility Report, which describes the sustainability performance of the Company. This text is a translation of the Independent Assurance Report issued in German language - the German text is authoritative. Statements as well as expert opinions in the report were not in scope of our engagement.

To Deutsche Post AG, Bonn

We have been engaged to perform a limited assurance engagement on selected content of the online version of the Corporate Responsibility Report of Deutsche Post AG, Bonn, (hereinafter: the Company), for the business year from 1 January to 31 December 2013 (hereinafter: "Corporate Responsibility Report").

Management's Responsibility

The company's Board of Management is responsible for the proper preparation of the report in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 3.1 (pp. 7 to 17) of the Global Reporting Initiative (GRI):

- Materiality,
- · Stakeholder Inclusiveness,
- · Sustainability Context,
- Completeness,
- Balance,
- Clarity,
- Accuracy,
- Timeliness,
- · Comparability and
- Reliability.

This responsibility includes the selection and application of appropriate methods to prepare the report and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Corporate Responsibility Report.

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed as to whether anything has come to our attention that causes us to believe that the information marked with the label

PWC CERTIFIED in the Corporate Responsibility Report of the Company for the business year from

1 January to 31 December 2013 have not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 3.1 (pp. 7 to 17) of the GRI.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement, under consideration of materiality, in order to provide our conclusion with limited assurance.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement (for example, an audit of financial statements in accordance with § (Article) 317 HGB ("Handelsgesetzbuch": "German Commercial Code")), and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment.

Within the scope of our work we performed amongst others the following procedures:

- Inquiries of personnel from the divisions responsible for the preparation of the Corporate
 Responsibility Report regarding the process to prepare the reporting of sustainability information and
 the underlying internal control system;
- Inspection of documents regarding the corporate sustainability strategy as well as gaining an
 understanding of the sustainability management structure, the stakeholder dialogue and the
 development process of the Company's sustainability program;
- Inquiries of personnel in the corporate functions that are responsible for the individual chapters of the Corporate Responsibility Report;
- Recording of the processes for the collection, analysis, validation and aggregation of Corporate
 Responsibility data as well as inspection of their documentation and examination of the data on a
 sample basis;
- Performance of site visits as part of the inspection of processes for collecting, analyzing and aggregating of data regarding employees and road fleet at:
 - · DHL Supply Chain, USA;
 - DHL Express, USA;
- · Analytical procedures on data included in the Corporate Responsibility Report;
- Reconciliation of selected contents with the respective content in the annual report;
- Gaining further evidence for selected content of the Online Version through inspection of internal documents (e.g. board and council decisions, internal audits reports) and contracts as well as analysis of data that has been generated through IT system report.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the information marked with the label in the Company's Corporate Sustainability Report for the business year from 1 January to 31 December 2013 has not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 3.1 (pp. 7 to 17) of the GRI.

Emphasis of Matter - Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's corporate responsibility management and reporting:

- Involving internal and external stakeholders, the Company has conducted a materiality analysis from
 which it derived its materiality matrix. Also with view to new requirements resulting from GRI's new G4
 guidance, we recommend to the Company to base the deduction of fields of action, goals and
 measures consequently on the materiality analysis.
- In this year, the Company has again continued to improve its systems and processes for the calculation of its CO₂ footprint. Adding to this, we recommend to the Company to consequently further develop data collection processes for material performance indicators which are considered for the management of goals derived from the materiality analysis.

Düsseldorf, March 11, 2014

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Michael Werner ppa. Aissata Touré

Wirtschaftsprüferin(German Public Auditor)

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UN GLOBAL COMPACT AND GRI INDEX





The Corporate Responsibility Report 2013, which serves our Communication on Progress (COP) on our commitment to the ten principles of the UN Global Compact (UNGC), meets "Advanced Level" reporting criteria. This means that we have gone beyond the minimum requirements and report on sustainability, corporate governance and relevant management processes.

The overview of our achievements in accordance with GRI criteria (Version 3.1) has been organized to reflect the ten principles of the UNGC. The linkages to the UNGC's ten principles are based on the publication "Making the Connection".

Upon careful assessment against the GRI criteria (Version 3.1), we declare our report as fulfilling the requirements of the GRI application level "B+", as we are not yet able to provide statements on all key indicators. Credibility and transparency

are of the utmost importance in our reporting. For this reason, instead of masking shortcomings, we address them.

1. Strategy and Analysis

UNGC	GRI	Indicator	Status	Notes
	1.1	Statement from the most senior decision-maker		
	1.2	Key impacts, risks and opportunities	0	

2. Organizational Profile

UNGC	GRI	Indicator	Status	Notes
	2.1	Name of the organization		
	2.2	Primary brands, products and/or services		
	2.3	Structure of the organization		
	2.4	Location of organization's headquarters		
	2.5	Countries where the organization operates		
	2.6	Nature of ownership and legal form		
	2.7	Markets served		
	2.8	Scale of reporting organization		
	2.9	Significant changes during the reporting period		
	2.10	Awards received in the reporting period		

3. Report Parameters

UNGC	GRI	Indicator	Status	Notes
	3.1	Reporting period		
	3.2	Date of most recent previous report		
	3.3	Reporting cycle		
	3.4	Contact point		
	3.5	Process for defining report content		
	3.6	Boundary of the report		
	3.7	Limitations on the scope or boundary of the report		
	3.8	Joint ventures, subsidiaries, outsourced operations		
	3.9	Data measurement techniques and the bases of calculations		
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports	0	
	3.11	Changes from previous reporting periods in the scope, boundary or measurement methods		
	3.12	GRI Index		
	3.13	External assurance for the report		

4. Governance, Commitments and Engagement

UNGC	GRI	Indicator	Status	Notes
1 - 10	4.1	Governance structure		
1 - 10	4.2	Independence of Chairman of the Supervisory Board		
1 - 10	4.3	Independent members of the highest governance body		
1 - 10	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	<u> </u>	
1 - 10	4.5	Linkage between compensation for members of the highest governance body and the organization's performance	<u> </u>	
1 - 10	4.6	Processes in place for ensuring conflicts of interest are avoided		
1 - 10	4.7	Qualifications of the members of the highest governance body		
1 - 10	4.8	Internally developed statements of mission or values, codes of conduct, and principles	0	
1 - 10	4.9	Procedures of the highest governance body for overseeing the organization's performance	0	
1 - 10	4.10	Processes for evaluating the highest governance body's own performance	<u> </u>	
7	4.11	How the precautionary approach or principle is addressed		
1 - 10	4.12	Endorsement of externally developed charters and principles	\bigcirc	
1 - 10	4.13	Memberships in associations	$\overline{}$	
	4.14	Stakeholder groups	$\overline{}$	
	4.15	Identification of stakeholders		
	4.16	Approaches to stakeholder engagement		
	4.17	Key topics and concerns of the stakeholders		

Economic

UNGC	GRI	Indicator	Status	Notes
	DMA EC	Management approach		
	EC1	Direct economic value generated and distributed		
7	EC2	Implications and impacts of climate change		
	EC3	Coverage of the organization's defined benefit plan obligations		
	EC4	Significant financial assistance received from government		
1	EC5	Range of ratios of standard entry-level wage compared to local minimum wage		
	EC6	Policy, practices, and proportion of spending on locally based suppliers		
6	EC7	Local hiring		
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit		
	EC9	Significant indirect economic impacts		

Environment

UNGC	GRI	Indicator	Status	Notes
	DMA EN	Environmental Protection: Management approach	<u> </u>	
8	EN1	Materials used by weight or volume	0	
8,9	EN2	Percentage of materials used that are recycled input materials	-	
8	EN3	Direct energy consumption	0	
8	EN4	Indirect energy consumption	0	
8,9	EN5	Energy saved	0	
8, 9	EN6	Initiatives for energy efficiency	0	
8, 9	EN7	Initiatives to reduce indirect energy consumption	0	
8	EN8	Total water withdrawal	-	
8	EN9	Water sources significantly affected by withdrawal of water	-	
8, 9	EN10	Percentage and total volume of water recycled and reused	-	
8	EN11	Land owned in protected areas	0	
8	EN12	Impacts of activities in protected areas	0	
8	EN13	Habitats protected or restored	0	
8	EN14	Strategies for protecting biodiversity	0	
8	EN15	Endangered species	0	
8	EN16	Total direct and indirect greenhouse gas emissions	0	
8	EN17	Other relevant indirect greenhouse gas emissions	0	
7, 8, 9	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	0	
8	EN19	Emissions of ozone-depleting substances	-	
8	EN20	NO _X , SO _X and other significant air emissions	0	
8	EN21	Total water discharge		
8	EN22	Waste by type and disposal method		
8	EN23	Total number and volume of significant spills	0	
8	EN24	Transported treated waste deemed hazardous	0	
8	EN25	Impacts of water discharge on biodiversity	-	
7, 8, 9	EN26	Initiatives to mitigate environmental impacts of products and		

		services	_
8,9	EN27	Packaging materials that are reclaimed	
8	EN28	Fines and non-monetary sanctions for non-compliance with environmental laws and regulations	0
8	EN29	Impacts of transporting products and other goods	0
7, 8, 9	EN30	Total environmental protection expenditures and investments	

Society

UNGC	GRI	Indicator	Status	Notes
	DMA HR	Labor Practices and Decent Work: Management approach	<u> </u>	
	LA1	Workforce structure	<u> </u>	
6	LA2	Employee turnover	<u> </u>	
	LA3	Benefits provided to full-time employees	<u> </u>	
1,3	LA4	Percentage of employees covered by collective bargaining agreements		
3	LA5	Notice period(s) regarding operational changes		
1	LA6	Percentage of total workforce represented in formal health and safety committees		
1	LA7	Occupational diseases and workplace accidents		
1	LA8	Training and prevention programs regarding serious diseases		
1	LA9	Health and safety topics covered in formal agreements with trade unions	0	
	LA10	Training per employee		
	LA11	Programs for skills management and lifelong learning		
	LA12	Percentage of employees receiving regular performance and career development reviews		
1,6	LA13	Composition of governance bodies		
1,6	LA14	Ratio of basic salary of men to women		
	DMA HR	Human Rights: Management approach		
1, 2, 3, 4, 5, 6	HR1	Investment agreements that underwent human rights screening		
1, 2, 3, 4, 5, 6	HR2	Suppliers and contractors that underwent screening on human rights		
1, 2, 3, 4, 5, 6	HR3	Employee training on aspects of human rights		
1, 2, 6	HR4	Incidents of discrimination and actions taken		
1, 2, 3	HR5	Limits placed on the freedom of association and actions taken to support rights		
1, 2, 5	HR6	Risk for incidents of child labor and measures taken		
1, 2, 4	HR7	Risk for incidents of forced or compulsory labor and measures taken		

1, 2	HR8	Security personnel trained in aspects of human rights	_
1,2	HR9	Violations involving rights of indigenous people and actions taken	_
	DMA SO	Community: Management approach	0
	SO1	Programs and practices that assess the impacts of operations on communities	
10	SO2	Business units analyzed for risks related to corruption	
10	SO3	Employees trained in anti-corruption policies and procedures	
10	SO4	Actions taken in response to incidents of corruption	<u> </u>
1 - 10	SO5	Public policy positions and participation in lobbying	
10	SO6	Contributions to political parties	0
	S07	Legal actions for anti-competitive behavior	0
	SO8	Fines and non-monetary sanctions for non-compliance with laws and regulations	0
	DMA PR	Product Responsibility: Management approach	0
1	PR1	Health impacts along the product life cycle	
1	PR2	Incidents of non-compliance with health and safety regulations by type and outcome	0
8	PR3	Products and services subject to information requirements	\circ
8	PR4	Incidents of non-compliance with regulations concerning product information and labeling	_
	PR5	Surveys for measuring customer satisfaction	<u> </u>
	PR6	Programs for adherence to laws and voluntary codes related to marketing communications	0
	PR7	Non-compliance with regulations concerning marketing communications	0
1	PR8	Complaints regarding breaches of customer privacy	0
	PR9	Fines for non-compliance with laws and regulations concerning the use of products and services	0
Fully rang	rted 🔴	Partially reported Not reported — Not relevant Italics: Additional indicators	

Deutsche Post DHL — The Mail & Logistics Group