Corporate Responsibility Report 2014

THE GROUP
Deutsche Post DHL Group is the world’s leading postal and logistics services provider. The strong link between business and corporate responsibility is a vital part of this position of leadership.

CR STRATEGY
Our goal is to become the benchmark for responsible business – our CR Strategy “Living Responsibility” will help us achieve this.

EMPLOYEES
With 488,824 employees, we are one of the world’s largest employers. We want our people to be the best in the industry.

PRINCIPLES AND GUIDELINES
Our Group policies, together with our Code of Conduct upon which they are based, are the guiding principles for ethically and ecologically sound action within the Group.

CORPORATE CITIZENSHIP
We provide effective assistance in the area of disaster management and make a lasting contribution to improving educational and employment opportunities for young people around the world.

SHARED VALUE
Our carbon efficiency improvement measures allow us to uphold our responsibility to the environment and create value for our customers at the same time.

„INSIGHT“
Responsible business practice is the foundation of our long-term success. We conduct our daily business based on this insight and engage with our stakeholders with an eye toward enhancing our understanding of Corporate Responsibility (CR) and the topics most relevant to our company. This is how we derive our value systems, strategies, regulations, programs and concrete measures and create transparency.

We want to share our insights with our stakeholders, further our dialogue with them, and deepen our understanding of their expectations and needs. This brochure provides insight into our CR strategy “Living Responsibility”; it informs on which issues are most important for us as a company, which actions we take, and how we combine our commitment to responsible business with bottom-line business interests.
Deutsche Post DHL Group, with more than €56 billion in revenue in 2014, is the largest postal services provider in Europe and the world’s leading logistics Group. The Deutsche Post and DHL corporate brands stand for a one-of-a-kind portfolio of logistics (DHL) and communication services (Deutsche Post). 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. More than 480,000 employees in more than 220 countries and territories form a global network focused on service, quality and sustainability.

**INSIGHT**

Deutsche Post DHL Group is the world’s leading postal and logistics services provider. A vital part of that position of leadership is our commitment to economic, social and ecologic sustainability across the Group. For us, corporate responsibility is of utmost importance to our economic success and an integral part of our strategy. That is why sustainability ratings that assess our success at practicing corporate responsibility have strategic importance to our company.

“Investors look for companies with favorable prospects over the long term. This is why companies that manage ethically and responsibly are such an attractive investment. Already today, more than 40% of our shares are held by investors committed to the Principles for Responsible Investment, and we expect this number to grow in the future.”

**LAWRENCE ROSEN, MEMBER OF BOARD OF MANAGEMENT FINANCE, GLOBAL BUSINESS SERVICES**
Deutsche Post DHL Group is the world’s leading postal and logistics services provider. A vital part of that position of leadership is our commitment to economic, social and ecologic sustainability across the Group. For us, corporate responsibility is of utmost importance to our economic success and an integral part of our strategy. That is why sustainability ratings that assess our success at practicing corporate responsibility have strategic importance to our company.

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Lawrence Rosen, Member of Board of Management Finance, Global Business Services
CHANGES IN THE BOARD OF MANAGEMENT

On March 11, 2014, the Supervisory Board appointed John Gilbert as Board Member responsible for the Supply Chain division. He succeeds Bruce Edwards who stepped down on March 10, 2014.

On October 31, 2014, Melanie Kreis assumed responsibility for the Human Resources board department and the position of Labor Director. Her appointment will last until October 2017. Melanie Kreis is the successor to Angela Titzrath, who resigned from the Board of Management, effective July 2, 2014.

ORGANIZATIONAL CHANGES

The domestic parcel business in Belgium, the Czech Republic, India, the Netherlands, and Poland was integrated into the Mail division effective January 1, 2014. It had previously been assigned to the Express and Global Forwarding, Freight divisions. The advancing strategic development of the Group led to its rechristening as Post–eCommerce–Parcel (PeP).

In line with Strategy 2020, the Human Resources board department was reorganized effective October 1, 2014. It now comprises the following corporate departments: Corporate HR Germany, Corporate HR Standards & Programs and Corporate HR International. The divisional HR functions as well as the HR Finance, GBS, CSI and CC function will continue to report to the Board Member for Human Resources. The Corporate Executives corporate department was allocated to the board department of the Chief Executive Officer.

CONTINUOUS IMPROVEMENT WITH THE FIRST CHOICE WAY

In the reporting year, once again around 3,400 improvement initiatives were conducted for our customers using the First Choice Way methodology.

ACQUISITION OF STREETSCOOTER GMBH

To ensure and expand our pioneering role in electric delivery vehicles, we acquired StreetScooter GmbH on December 9, 2014.

POSITIVE RATINGS FROM RATING AGENCIES

In 2014, we were able to confirm our position in numerous CR ratings and rankings. In some cases, the results had improved substantially compared with the prior year. Another considerable accomplishment was the company’s relisting in the Dow Jones Sustainability Indices (DJSI World, DJSI Europe) and receiving the RobecoSam Bronze Class distinction. MSCI confirmed the highest rating of "AAA" for the Group.

POSITIVE RATINGS AS PROVIDER

In the reporting year, Deutsche Post DHL Group was able to improve its rating as a supplier. The Electronic Industry Citizenship Coalition, for example, gave us a low-risk rating, and EcoVadis, a research platform specializing in sustainable supply chain management, once again confirmed our Gold Standard rating.
DEAR READERS,

Connecting people and improving their lives is our mission as a mail and logistics services provider, and it is the unifying focus of our daily work, whether in operations or in the area of sustainability and corporate responsibility (CR). By linking business success with corporate responsibility, our new “Strategy 2020: Focus.Connect.Grow”, which we launched in the reporting year, underscores our aspiration to be the company that defines the logistics industry.

Strategy 2020 builds on the strong foundation of our successful Strategy 2015. We remain totally committed to our core objective of becoming Provider, Employer and Investment of Choice, while continually responding and adapting to the evolving needs of our stakeholders. The new strategy sets a forward-looking course, ensuring our ability to overcome future challenges and achieve a consistent balance between economy, ecology and society. Our leadership claim — to become the company that defines logistics — is underscored by a new and ambitious goal we set for ourselves in 2014: to become the benchmark for responsible business.

We are in a very strong position to realize these strategic goals. Continuously improving our performance and ability to understand and meet customer expectations is simply “built-in” to the way we work. In 2014 alone we collaborated with customers to conduct some 3,400 improvement initiatives, which resulted in the development of numerous efficient and eco-friendly solutions for new customer needs and requirements. With our GoGreen products and services, we help our customers minimize the environmental impact of their supply chains. At the same time, we continue to pursue our own environmental targets with great focus and commitment. Today, more than 61% of the electricity consumed across the Group comes from renewable energy sources. And we have improved the carbon efficiency of our business activities, including transport subcontractors, by 23% as compared to 2007 – another big step towards achieving our goal of a 30% carbon efficiency improvement by the year 2020.

Skilled, committed and motivated employees are crucial to business success, and I am truly proud that we were able to grow our workforce by some ten thousand employees in 2014 despite difficult global economic conditions. We want our people to be “best-in-industry” and we continually invest in qualification and certification programs to ensure that our more than 480,000 employees deliver top quality and performance to our customers. To this end, we developed a Group-wide “Certified” program, with which we plan to qualify 80% of employees worldwide by the year 2020. The highest quality standards also apply to the education and training of our young workforce. We provide vocational training for 4,000 young people. In 2015 we will offer 2,375 new training positions in 15 professions and ten different academic courses of study.

Clearly, CR performance is also becoming more and more important for the investment community. Today more than 40% of our share capital is held by signatories of the UN Principles for Responsible Investment and I am very pleased to report that 2014 saw a significant improvement in our sustainability ratings. Major successes on this front were the relisting in the Dow Jones Sustainability Indices (DJSI World, DJSI Europe) and MSCI’s confirmation of the highest rating (“AAA”) for the Group. In addition, we introduced the LBG measurement model as a standardized tool for assessing our corporate citizenship activities into the future.

We strive to continually improve our understanding of the interests and expectations of our various stakeholder groups, and to integrate these into our business and CR activities. To this end, we intensified the dialogue with our stakeholders during the reporting year and lent additional structure to this dialogue with the introduction of a Stakeholder Engagement Guideline. We also established the Sustainability Advisory Council – an external committee of renowned experts whose job is to review and assess our sustainability agenda.

Our Code of Conduct is the foundation for our CR agenda. It serves as the main tool for anchoring our values and principles throughout the Group, and ensures that these values are lived by our people. The principles articulated in the Code of Conduct are based on internationally recognized standards, including the ten principles of the UN Global Compact, which we steadfastly adhere to as a member.

In the reporting year we achieved some important milestones on the way to becoming the benchmark for responsible business. I was particularly impressed by employee participation in Global Volunteer Day 2014, with around 108,000 of our people across the Group donating their time and energy to some 1,700 projects. Nearly a quarter million volunteer hours in support of charitable causes is proof of a “living, breathing” corporate responsibility strategy — and clearly something to be proud of! On behalf of the Board of Management I would like to thank all of our employees for their outstanding contribution towards achieving the Group’s strategic goals.

Yours sincerely,

Dr. Frank Appel
Chief Executive Officer
ORGANIZATION AND STRUCTURE OF THE GROUP

Deutsche Post DHL Group is the world’s leading postal and logistics services provider. The parent company of the Group, Deutsche Post AG, is a listed corporation domiciled in Bonn, Germany.

The Group is organized into four operating divisions, each of which is under the control of its own divisional headquarters.

We have consolidated internal services such as Finance, IT, Procurement and Legal, in our Global Business Services. Group management functions are centralized in the Corporate Center.

DUAL MANAGEMENT STRUCTURE

As a publicly listed company in Germany, Deutsche Post AG has a dual management structure characterized by a separation staff-wise of the Board of Management as a governing body and the Supervisory Board as an oversight body. The Board of Management is responsible for the management of the company. It is appointed, overseen and advised by the Supervisory Board. The Board of Management and the Supervisory Board 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 2014 provides information on issues and decisions that were discussed by the Supervisory Board. The Articles of Association can be viewed on the Group website.

GROUP STRUCTURE AND BOARD OF MANAGEMENT MEMBERS

Curriculum vitae of Board of Management members and board department functions can be viewed on our Group website.
CORPORATE STRATEGY

With its “Strategy 2020: Focus.Connect.Grow.” announced in April 2014, Deutsche Post DHL Group has underscored its claim to be the leader in the logistics industry. We are outlining our strategic priorities for the coming years, providing fresh impetus and at the same time continuing on the path we forged with Strategy 2015. We aim to build on these successes and further accelerate our growth.

FOCUS.
We will remain focused on what has made us successful and reconfirm our commitment to mail and logistics as our core business. We will also continue to pursue our goal of being Provider, Employer and Investment of Choice. Our activities are driven by our commitment to the needs of our stakeholders and our planet. Internally, we see Deutsche Post DHL Group as a family of different divisions, each focused on different markets. At the same time, these divisions share a common understanding of customer needs and are linked by Group-wide service units.

CONNECT.
We are further increasing connectivity within our organization in order to deliver consistent, first-class service to our customers. The central component of this is “Certified”, our Group-wide initiative to further develop and qualify our workforce. Built upon the Certified International Specialist program tested in our Express division, the Certified initiative aims to certify 80% of all Group employees. The program also covers CR-relevant areas such as compliance. We are also developing Group-wide platforms and processes to drive collaboration, for example, for operational processes and for developing our management-level employees. Connecting across the divisions to develop and commercialize innovative, environmentally sustainable logistics solutions for our customers is also a key component of the strategic pillar “Connect”.

GROW.
We are consolidating our Group-wide growth initiatives – most notably in e-commerce and in emerging markets and developing countries where structural growth is stronger. We aim to expand our successful parcel business in Germany and selectively export it to other countries, both in terms of domestic parcel delivery as well as in other eCommerce-related services. Another special priority is emerging markets. Our general aim is to increase our presence where the long-term growth potential is greatest, with the goal of at least 30% of Group revenue coming from these economies by the year 2020.
DIVISIONS AND BRANDS

With its dual Deutsche Post and DHL brands, the Group offers its customers a comprehensive portfolio of products and services in four divisions. Our workforce of more than 480,000 employees in 220 countries and territories generated revenue of more than €56 billion in the reporting year. As a result, Deutsche Post DHL Group is the world’s largest as well as the world’s leading postal and logistics group.

DEUTSCHE POST – THE POSTAL SERVICE FOR GERMANY

Deutsche Post is the sole provider of universal postal services in Germany. In the Post–eCommerce–Parcel division we transport letters both domestically and internationally, and are specialists for dialogue marketing, the nationwide distribution of press products, and electronic services related to mail dispatch. In Germany as well as in other markets we provide domestic parcel services and continue to expand our offers for shipping parcels and merchandise across national borders.

Post business unit: The Post business unit is comprised of the domestic mail business with its core products of mail communications, dialogue marketing and press services as well as the retail outlets and import/export businesses. It also includes new services such as E-Post, which offers secure digital communication. In addition, the company is active on the travel market thanks to Postbus, its long-distance bus service, as well as the new "Postreisen" service offered in cooperation with the tourism enterprise Euretours.

eCommerce–Parcel business unit: We are the leading parcel delivery provider in Germany. To take advantage of the opportunities presented by the rapidly growing field of electronic commerce, the Group has bundled its domestic parcel businesses and cross-border parcel shipping into a single business unit: eCommerce–Parcel. In keeping with Strategy 2020 we want to expand our market leadership in eCommerce-related logistics in Germany and gradually apply this expertise to other parcel markets.

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. And we strive continually to improve our services so that whatever our customers want we provide to their satisfaction.

Our Express division offers punctual courier and express services for business and private customers in more than 220 countries and territories. Our network, as a result, is the most comprehensive world-wide.

Our Global Forwarding, Freight, division handles the carriage of goods by rail, road, air and sea. Its services extend from standardized container transport, through industry-specific transport to highly specialized end-to-end solutions for industrial projects.

Our Supply Chain division provides warehousing, 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.

BRAND ARCHITECTURE

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<tr>
<th>DEUTSCHE POST DHL GROUP</th>
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<tbody>
<tr>
<td>DIVISIONS</td>
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<tr>
<td>Post–eCommerce–Parcel</td>
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<tr>
<td>Business unit</td>
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<td>Post</td>
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Diagram showing the brand architecture of Deutsche Post DHL Group with divisions and business units.
THE BOARD OF MANAGEMENT

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.

These include all decisions that pursuant to the rules of procedure must be presented to the Supervisory Board for approval as well as those tasks the Board is statutorily prohibited from delegating. The entire Board of Management also decides on matters brought forth by one of its members for decision by the Board as a whole. In making their decisions, Board of Management members may not pursue personal interests or exploit business opportunities due to the company if such pursuits are for their own benefit. They are required to disclose any conflicts of interest to the Supervisory Board without delay.

MEMBERS OF THE BOARD OF MANAGEMENT

The Board of Management has seven members, of which one is a woman. In the reporting year, the Board underwent the following changes:

- In March, John Gilbert became the new head of the Supply Chain division, succeeding Bruce Edwards.
- On October 31, 2014, Melanie Kreis was appointed as Board Member for Human Resources and Labor Director. She succeeds Angela Titzrath, who resigned from the Board of Management in July. Until the appointment of Melanie Kreis, responsibility for the Human Resources board department was assumed by the Chief Executive Officer.

Curriculum vitae of Board of Management members, board department functions, appointment periods and other mandates can be viewed on our Group website.

REMUNERATION OF BOARD OF MANAGEMENT MEMBERS

The Supervisory Board resolves on the remuneration system for the Board of Management and sets the amount of remuneration for individual members. For the purpose of performing that duty, the Supervisory Board 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 (non-performance-related) and variable (performance-related) components, which includes short, medium and long-term incentives, and features maximum amounts both overall and with regard to variable components. Furthermore, an employee-related target is agreed with all Board of Management members based on the annual employee opinion survey. For more detailed information on target criteria, the remuneration structure and amounts, please see the Remuneration Report found in the 2014 Annual Report.
THE SUPERVISORY BOARD

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 catalogue 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. In addition, the Supervisory Board has six committees. In particular, these committees prepare the resolutions for the Supervisory Board plenary meetings. The Supervisory Board delegates the final decisions on certain topics to the individual committees.

The Supervisory Board has 20 members, consisting of ten shareholder representatives, who are elected at the Annual General Meeting, and ten employee representatives, who are elected in accordance with the German Co-determination Act (Mitbestimmungsgesetz). All Supervisory Board Members are independent as defined by the German Corporate Governance Codex. Women comprise 35% of the Supervisory Board.

In May 2014, the Annual General Meeting elected Prof. Dr. Henning Kagermann, Dr. Ulrich Schröder and Dr. Stefan Schulte to the Supervisory Board. At the same meeting, Hero Brahms stepped down as a member of the Supervisory Board having reached the upper age limit for office. His successor, Simone Menne, was elected to the Supervisory Board as shareholder representative. With regard to the employee representatives, Heinrich Josef Busch, the executive management representative, resigned from the Supervisory Board in November 2014 on the grounds that he would reach retirement age at the end of the year. Jörg von Dosky was appointed his successor effective December 2014.

Information on the top priorities of the Supervisory Board and its committees is available in the Supervisory Board Report found in the 2014 Annual Report. The curriculum vitae of the shareholder representatives seated on the Supervisory Board and the composition of board committees can be viewed on our Group website.

REMUNERATION OF SUPERVISORY BOARD MEMBERS

The members of the Supervisory Board are remunerated in accordance with Article 17 of the Articles of Association. For further details and specific figures related to Supervisory Board remuneration, please refer to the Remuneration Report in the 2014 Annual Report.
Corporate responsibility is a matter of great importance at Deutsche Post DHL Group and is anchored in our corporate strategy. The various board departments are charged with a variety of activities associated with corporate responsibility.

- The board department of the Chief Executive Officer defines the strategic orientation and important issues of corporate responsibility and manages activities related to environmental protection and corporate citizenship. It is also responsible for coordinating the systematic dialogue with the Group’s stakeholder groups on sustainability issues.
- The board department of the Chief Financial Officer is responsible for the cross-divisional functions of Compliance (Legal Services), Supplier Management (Corporate Procurement), Data Protection, Corporate Audit & Security, Insurance & Risk, Taxes, Accounting and Reporting.
- The Human Resources board department sets standards for remuneration in the Group, strategic staff planning and the education and training of employees. It is also responsible for Health Management and Occupational Safety as well as for the cultivation of employer/employee relations.

**MANAGEMENT OF CORPORATE RESPONSIBILITY**

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<thead>
<tr>
<th>CORPORATE CENTER</th>
<th>DIVISIONS</th>
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<tbody>
<tr>
<td>Standards for responsible business practice (e.g., Code of Conduct, Compliance, Data Protection)</td>
<td>Linking of business and responsibility (e.g., customer requirements, Supplier Code of Conduct)</td>
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**IDENTIFICATION OF ISSUES AND DECISION MAKING**
- Issue-specific bodies (e.g., Hill Board, GoGreen Spokesman Board)
- Cross-divisional Responsible Business Working Group RBP Council
- Board of Management

**MANAGING ISSUES AND CREATING TRANSPARENCY**
- Governance structures
- Management systems
- KPIs and targets
- Transparency (e.g., regular reporting)

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1 The term "supplier" also refers to our transportation subcontractors.

**THE MANDATE OF CORPORATE RESPONSIBILITY**

The corporate department for Corporate Communications and Responsibility, seated in the CEO board department, is charged with overseeing the Group’s corporate responsibility activities, which include:

- Identifying opportunities and risks in the area of corporate responsibility,
- Conducting systematic dialogue with internal and external stakeholders,
- Utilizing insights from stakeholder surveys to conduct materiality analyses,
- Coordinating the responsible business practice (RBP) network,
- Managing and assessing the impact of corporate citizenship activities, and
- Incorporating environmental protection activities into the shared value approach.
CORPORATE RESPONSIBILITY BODIES

In addition, cross-divisional bodies and specialized functions perform other key tasks related to corporate responsibility:

Responsible Business Practice (RBP) Working Group

Group-wide dialogue related to existing and new CR issues takes place in the cross-divisional RBP Working Group. In this forum, different representatives from relevant Group functions and divisions discuss progress in their issues or address new aspects identified in their areas. The Working Group also lays the groundwork for decisions made by the RBP Council or the Corporate Board of Management.

RBP Council

The head of the corporate department Corporate Communications and Responsibility chairs the RBP Council. Other members of this decision-making body include divisional executives and the heads of different Group functions.

HR Board

The HR Board manages issues related to personnel. The Board Member for Human Resources serves as chair. Leaders of divisional HR departments and central HR functions are represented.

Diversity Council

The issue of diversity is of primary importance to the success of HR operations. Second-level executives from every division are represented on the Diversity Council, which is headed by the Board Member for Human Resources. The Council discusses the strategic orientation of diversity and the specific requirements of diversity management in the divisions.

Compliance

The Chief Compliance Officer (CCO) reports directly to the Chief Financial Officer, who also oversees our internal services areas, the so-called Global Business Service functions (such as Corporate Procurement), in the Group. Moreover, the CCO reports regularly to the divisional Board Member. These reports are incorporated into the Board members’ reports to the Board of Management as a whole and to the Finance and Audit Committee of the Supervisory Board.

Health Management

The Chief Medical Officer (CMO) oversees Health Management. Under the CMO’s leadership, information relevant to Health and Occupational Safety is compiled centrally and Group-wide initiatives are coordinated.

GoGreen Sponsors Board

At the Group level, the GoGreen Sponsors Board presides over the implementation of the environmental strategy and the development of environmental products. The board is headed by the CEO and consists of executives from all divisions as well as representatives from corporate functions such as Controlling, HR, and Fleet and Facilities Management. In addition, the divisions report on business developments as well as progress and initiatives related to environmental protection in quarterly Business Review Meetings. Environmental protection issues are also discussed regularly at Board of Management meetings. In each division, and in the larger regions locally as well as at the country and site level, there are GoGreen Teams that report directly to the business development units.

In addition, we have created two committees that are comprised of external experts who contribute their perspectives and expertise:

Sustainability Advisory Council (SAC)

The SAC is charged with examining our sustainability agenda from an external point of view. It consists of independent experts and progressive thinkers from different disciplines (science, economics, the humanitarian community, the environment, logistics, politics, the media, and ethics).

Integrity Board

Our Integrity Board consists of representatives of Group management, including the Board Member for Human Resources and the CFO, as well as prominent external individuals. It deals with fundamental questions of corporate integrity and the organization of superordinate integrity management and the further development of our Code of Conduct.
Deutsche Post DHL Group provides services that are indispensable to a modern society. We ensure that both information 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 can contribute to the welfare of companies and individuals. A detailed look at our Group’s economic performance and impact on global trade is provided in our Annual Report.

**Market Volumes**

1 Regional volumes do not add up to global volumes due to rounding; 2 Data based solely on expert freight tonnes. Source: Copyright© IHS, 2014. All rights reserved; 3 Twenty-feet equivalent units; estimated part of overall market controlled by forwarders. Data based solely on expert freight tonnes. Source: Copyright© IHS, 2014. All rights reserved; 4 Source: Transport Intelligence; 5 Includes express product Time Definite International. Country base: AT, DE, DK, ES, FI, IT, NL, RO, TR, UK (Europe); BR, CA, CL, CO, CR, GI, MX, PA, PE, US (Americas); CH, HK, IN, JP, KR, SG (Asia Pacific); AE, SA, ZA (Middle East / Africa). Source: Market Intelligence, 2014, annual reports and desk research. 6 Company estimates; 7 Country base: AT, BE, CZ, DE, DK, ES, FI, FR, HU, IT, NL, NO, PL, PT, SE, SI, SK, UK. Source: MI Study DHL 2014 (based upon Eurostat, financial publications, IHS Global)
COMMERCIAL SUCCESS

In 2014 our consolidated revenue totaled €56.6 billion. Our profit from operating activities (EBIT) was €2.97 billion. This positive economic position is evidence of the trust our customers place in us as a company that acts responsibly. At the same time, the income we have generated gives us the opportunity to expand our commitment to corporate responsibility.

TAXES

The Group pursues a conservative tax strategy driven primarily by the operating business.

As a company that does business around the world, we have a presence via different enterprises in a number of nations, including some that are considered “low-tax countries”. We do not operate these companies for the purpose of optimizing our tax payments. Rather these companies serve as a means for pursuing our commercial activities.

Through the payment of taxes and other duties to federal, state and local authorities in many countries, the Group has helped finance infrastructure maintenance and expansion world-wide. Please refer to our Annual Report for details on our tax expenses.

DIVIDENDS

Our shareholders also benefit from our economic success. In the reporting year, we paid out €967 million in dividends for fiscal year 2013. At the Annual General Meeting on May 27, 2015, the Board of Management and Supervisory Board will propose a dividend of €0.85 per share for fiscal year 2014. If approved by the Annual General Meeting, this will represent a dividend payment in the amount of €1,030 million for the 2014 fiscal year.

TOTAL DIVIDEND AND DIVIDEND PER NO-PAR VALUE SHARE

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per No-par Value Share</th>
<th>Total Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>€0.85</td>
<td>€1,030 million</td>
</tr>
<tr>
<td>2013</td>
<td>€0.80</td>
<td>€967 million</td>
</tr>
<tr>
<td>2012</td>
<td>€0.70</td>
<td>€846 million</td>
</tr>
<tr>
<td>2011</td>
<td>€0.70</td>
<td>€846 million</td>
</tr>
<tr>
<td>2010</td>
<td>€0.65</td>
<td>€786 million</td>
</tr>
</tbody>
</table>

1Proposal
WAGES AND SALARIES

With 488,824 employees, we are one of the world’s largest employers. Staff costs increased in the reporting year to around €18.2 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.

### STAFF COSTS AND SOCIAL SECURITY CONTRIBUTIONS (MILLION €)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<tbody>
<tr>
<td><strong>Staff costs</strong></td>
<td>16,609</td>
<td>16,730</td>
<td>17,770</td>
<td>17,776</td>
<td>18,189</td>
</tr>
<tr>
<td>Wages, salaries and compensation</td>
<td>13,271</td>
<td>13,350</td>
<td>14,179</td>
<td>14,300</td>
<td>14,583</td>
</tr>
<tr>
<td>Social security contributions</td>
<td>1,973</td>
<td>2,022</td>
<td>2,094</td>
<td>2,110</td>
<td>2,164</td>
</tr>
<tr>
<td>Retirement benefit expenses</td>
<td>947</td>
<td>915</td>
<td>984</td>
<td>883</td>
<td>965</td>
</tr>
<tr>
<td>Expenses for other employee benefits</td>
<td>275</td>
<td>317</td>
<td>336</td>
<td>356</td>
<td>344</td>
</tr>
<tr>
<td>Expenses for severance payments</td>
<td>143</td>
<td>126</td>
<td>177</td>
<td>127</td>
<td>133</td>
</tr>
</tbody>
</table>

1 Adjusted

Retirement benefit expenses include the service cost related to the defined benefit retirement plans that we maintain in several countries. These expenses also include contributions to defined contribution retirement plans for civil servants in Germany in the amount of €531 million (previous year: €538 million); for hourly workers and salaried employees of the Group – in the UK, the USA and the Netherlands in particular – that figure was €276 million (previous year: €286 million). More detailed information on defined benefit retirement plans is available in our Annual Report. The principles of our compensation system are explained in the chapter on Employees.

Staff costs also include remuneration paid to both the Board of Management and Supervisory Board. In the reporting year, the total remuneration paid to active Board of Management members amounted to €20.9 million; for the Supervisory Board, total remuneration was €3.3 million. These figures include share-based remuneration. Overall the remuneration paid to the Board of Management and the Supervisory Board represents a 0.01 percent share of total staff costs.
INVESTMENTS

We continue to renew our vehicle and aircraft fleet as well as our buildings, machines and facilities and to optimize the networks. The Group’s investment expenditures amounted to some €1.9 billion in the reporting year. For the coming year, we plan to increase our investment expenditures to around €2 billion. An overview of our investments by division and by region is provided in our Annual Report.

Environmental aspects enjoy great significance in our capital expenditure policies. Our Corporate Investment Policy, for example, 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.

GREEN INVESTMENTS

As stated in our Group-wide Investment Policy, we are required to evaluate all new investments based on carbon efficiency criteria and ensure that new acquisitions offer greater carbon efficiency than existing assets, or offer other environmental advantages. Proof that this criterion has been met must be provided by the departments, which is then used as the basis for the investment decision. The provisions of this policy apply to all building and renovation projects and measures for renewing our road vehicle and air fleets.

A detailed report on Group investments can be found in our Annual Report 2014; for this reason we have chosen to highlight just a few of our projects here. In a move to not only affirm but advance our role as a pioneer in the use of electric delivery vehicles, in 2014 Deutsche Post DHL Group acquired StreetScooter GmbH. Approximately 200 StreetScooters have been produced since 2013. In 2014 we continued to invest in the project and tested 50 first-generation StreetScooters. The pilot results as well as further technological advancements have helped drive the development of a second generation of StreetScooters – the first of 100 next-generation electric vehicles were put into operation in 2014. By acquiring StreetScooter GmbH and the development and production rights to the vehicles, we are ensuring cost-efficient access to electric vehicles into the future for the Group. We have integrated the company’s employees and are working with them to ready the StreetScooter for series production. In 2015 we plan to deploy 500 more electric vehicles in Germany and in other countries as well.

In 2014 we linked our road fleet in Japan to the European groupage network. By facilitating intermodal transport, which combines road, rail and ship, we reduce transport costs as well as emissions. In 2014 we also managed to implement several building projects that promise carbon efficiency gains.
**CUSTOMER SATISFACTION**

Becoming the Provider of Choice is one of the three core objectives of our corporate strategies (Strategy 2015, Strategy 2020). That is why we regularly conduct customer satisfaction surveys, quantify that satisfaction with KPIs and pursue well-defined goals.

To increase customer satisfaction and strengthen customer loyalty further, we use The First Choice Way. Based on Six Sigma and Lean, this methodology has been employed across the Group since 2007 for the purpose of continually improving what we do. We handle customer complaints as quickly as possible and use them as motivation for optimizing our processes and substantially improving our customer service. The First Choice Way provides methods and approaches for a Group-wide training program that is part of Strategy 2020.

The First Choice Way, which provides the framework as well as the tools for establishing a culture of continuous improvement throughout the Group, consists of four dimensions, each of them essential for the success of the Group. The first dimension, “mindset and behavior”, focuses on the way we think and act, both as an individual and as a member of a team. “Organization and skills”, the second, addresses the way we structure our organization and develop our employees. “Performance management”, the third, considers how Deutsche Post DHL Group defines objectives and uses them to manage the company every day. “Processes”, the last dimension, has as its focal point the definition of processes and standards that underlie a general approach to continuous improvement.

During the reporting year, some 3,400 improvement initiatives were once again conducted using The First Choice Way. Two examples illustrate how these improvement projects unfolded:

**Introducing “just in time”**

One customer asked us to convert their entire logistics chain to “just in time” deliveries. As a benchmark, the customer stipulated that 90% of the shipments had to arrive on time. To meet these expectations, we reorganized the processes at all of the customer locations and improved the logistics services with the help of First Choice methodology. The company also conducted numerous improvement workshops at our own locations that offer door-to-door delivery. Six locations only needed small modifications to provide the requested service, modifications worked out by employees during the workshop. The remaining ones achieved the goal of 90% on-time delivery within three months. The customer appreciated the accomplishment and requested a service contract.

**Higher freight volumes at lower costs**

In another customer project, we were able to optimize a logistics chain in such a way that more freight could be shipped in less time from China to the USA – and at lower costs. The biggest challenges for this improvement project were the extreme seasonal fluctuations in shipment volumes and the customer’s volatile estimates. At times, the actual transport volumes exceeded the projected ones threefold. Too few direct flights were available during unforeseen peaks, and it was difficult to find alternative routes, especially since the customer’s shipping regulations had ruled out certain options for security reasons.

Nevertheless, with the help of First Choice methodology, our team found a good solution: A new logistics chain was established that could take advantage of bundling. The team also optimized the distribution of the goods in the destination country. These measures made it possible to meet the customer’s quality specifications. Setting up the logistics chain demanded cross-border and cross-divisional cooperation among our country organizations. In the first five months after the operational start of the new logistics chain, we managed to double our freight volumes and substantially reduce shipping costs.

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**THE FOUR DIMENSIONS OF THE FIRST CHOICE WAY**

- **MINDSET AND BEHAVIOR**
  
  THE WAY WE THINK AND ACT, BOTH INDIVIDUALLY AND COLLECTIVELY

- **ORGANIZATION AND SKILLS**
  
  THE WAY WE STRUCTURE OUR ORGANIZATION AND DEVELOP OUR PEOPLE

- **PERFORMANCE MANAGEMENT**
  
  THE WAY WE DEFINE OUR METRICS AND HOW WE USE THEM TO MANAGE THE COMPANY

- **PROCESSES**
  
  THE WAY WE DEFINE OUR PROCESSES AND STANDARDS AND CONTINUOUSLY IMPROVE THEM
MEASURING CUSTOMER SATISFACTION

To measure customer satisfaction, we utilize a set of tools matched with the divisions’ different fields of activity.

POST–ECOMMERCE–PARCEL (PEP)

According to surveys conducted by Quotas, a quality research institute, 94% of the letters posted in Germany during our daily opening hours or before final collection are delivered to their recipients the next day. This puts us far above the statutory requirement of 80%. Our quality management system is certified annually by TÜV NORD. In the parcel business in Germany, items usually reach their recipients the next working day. Since 2008, our internal system for measuring parcel transit times has been certified by TÜV Rheinland. For international letters, transit times are measured by the International Post Corporation. Here we rank among the top postal companies.

DHL DIVISIONS

In the freight forwarding business of Global Forwarding, Freight, we survey our customers every two years regarding their satisfaction with our services. The Express and Supply Chain divisions perform similar checks.

Supplier audits in the DHL divisions are particularly important. Here our key customers rate our services in accordance with their own standards and methods of measurement. We discuss the results with the customers and make process optimizations wherever necessary using the tools and techniques of the First Choice Way.

In addition, we regularly use the Net Promoter Approach to review our service quality, determining in the process if our customers are satisfied enough with our services to recommend them.

COMPLAINTS MANAGEMENT

Our complaints management system in Germany is certified according to the EN ISO 9001:2008 quality management standard. At the Group level, we measure customer complaints across a variety of dimensions:

- Number of customer complaints
- Number of customer complaints in complaints categories
- Number of customer complaints per unit of time
- Number of customer complaints per business customer
- Time from submission of complaint to first response
- Number and time period of interim messages to customers
- Time from submission of complaint to solution

Customer complaints, for us, provide important motivation for improving the quality of our products and services. As a first step, we seek to clarify the facts of the matter immediately and offer the customer a fast solution. Next, we work to categorize the complaint, elicit the underlying causes behind the customer complaint and, if necessary, work out a solution, all with the help of First Choice methodology.
INTERVIEW WITH LAWRENCE ROSEN

Lawrence Rosen is a member of the Deutsche Post DHL Group Board of Management and is responsible for the Finance and Global Business Services board departments. As Chief Financial Officer, he tends to the Group’s core objective of becoming Investment of Choice. In this interview, Rosen explains how this goal coheres with responsible business practice.

As part of its new Strategy 2020 Focus.Connect.Grow, Deutsche Post DHL Group will continue to pursue the goal of becoming Provider, Employer and Investment of Choice. At the same time, it wants to be a benchmark company for responsible business. Is this realistic?

I believe the two goals are mutually reinforcing. The world has changed, even over the last ten to twenty years, and I don’t think anyone measures the success of a company purely by its ability to generate a short-term profit anymore. Our three bottom lines were designed to address the needs of our most important stakeholder groups – our customers, employees and investors. And all three of these groups are demanding that we deliver value not just in terms of service or financial gain, but also through the value we generate for society overall. If we want to become Provider, Employer and Investment of Choice, then we can only do this by becoming best-in-class for responsible business.

What strategies has the Group adopted to become Investment of Choice?

Above all, the vast majority of investors are looking for a strong return on their investment that is sustainable over the long term. Over the last five years, since we announced our Strategy 2015, we have consistently met our earnings guidance, grown both our revenue and EBIT and paid an increasing dividend to investors. We have proven that Deutsche Post DHL Group is a solid, high quality investment. We have also demonstrated clearly that we are future-oriented, both in our ability to adapt our products and services to the evolving needs of the market and our positive contribution to the world in which we operate.

Does responsible business practice contribute to the financial success of Deutsche Post DHL Group?

Of course. There are direct and indirect benefits from responsible business practice. There’s a direct benefit from efficiency. For example, more efficient aircraft generate fewer carbon emissions, and they also carry greater volumes over greater distances with less fuel. Indirectly, a responsible approach to business shelters you from potential claims and fines for non-compliance, lowering risk for investors and, by extension, your cost of financing.

Have you observed increased demand for responsible investments among Deutsche Post DHL Group shareholders?

Over 40% of our shares are held by signatories to the Principles of Responsible Investment. We expect this number to increase in the future. We also see increased demand for reporting on non-financial performance indicators such as carbon emissions, for example, or ethical standards within your supply chain. This all points to an increased value placed on sustainability within the investment community.

What attracts investors to sustainable investing?

It could be a range of things, from an investor’s own personal moral code (or that of their customer base, in the case of a mutual fund, for example) to a belief that sustainable investing offers a superior long-term return. From my perspective, sustainable investing is about placing your capital in businesses that generate returns long-term, and which secure these returns while at the same time having a positive impact on society.

Do you see sustainability becoming more important for investors in the years to come? Or will earnings always take priority over moral standards?

Again, I don’t think that the two have to necessarily be in conflict. The quarterly reporting cycle for public companies means that many investors and companies have historically taken a short-term view on performance and results. In that context, it’s possible that profits have taken priority even over sustainability for many investors in the past. However, times have changed and recent market volatility has brought with it a greater appreciation of stable returns. An investor in Deutsche Post DHL Group shares is most likely to be someone who wants a stable, growing, high quality return over the long-term. This can only be achieved today through strong financial fundamentals, a competitive product or service, and a commitment to the highest ethical standards.

Which CR issues will become more important in the coming years and how is Deutsche Post DHL Group prepared to address them?

Society will demand more transparency from companies on the impact their activities are having on the environment and communities where they operate. We have internal processes in place to deliver against this commitment, and we also rely on external sounding boards, such as our Sustainability Advisory Council, to help us stay current and prepared.

Political crises and the resulting instability around the world have dampened growth forecasts for many countries and regions. Will this force companies to scale back on sustainable business strategies and the development of eco-friendly innovations? Or do you see an entirely different trend developing?

The companies that are most resilient in a time of crisis tend to be those that have been most successful at recognizing, diversifying and mitigating their risks. A sustainable business strategy, by its very nature, is one that forces companies to constantly seek out and address their potential risks. At the same time, however, competition, which inevitably intensifies when growth is low, creates a good incentive for innovation. In a marketplace that is increasingly environmentally conscious, sustainable solutions and eco-friendly innovation will define the market leaders of the future.

Your responsibilities as Chief Financial Officer also include important areas such as compliance and data protection at Deutsche Post DHL Group. How do you ensure adherence to standards and corporate policies, especially in such a global environment?

This is a combination of ensuring that the right policies, checks and balances are in place, and fostering a culture of compliance, respect and vigilance within the organization. In a truly global organization, operating in over 220 countries and territories worldwide, we cannot eliminate all risk in areas such as compliance and data protection simply through policy. Audit, security and compliance processes help to ensure policy is being followed. Most importantly, however, our employees throughout the world undergo extensive training and education on risk management, compliance and ethics. It is important that our management buys into this and leads from the front.
Back to the opening question: Deutsche Post DHL Group wants to be a benchmark company for responsible business by the year 2020. What have you initiated in your area to help achieve this goal?

The Finance function is at the very heart of our mission to be a benchmark for responsible business. At Deutsche Post DHL Group, our department directly oversees compliance, audit, carbon accounting and legal functions, as well as the company’s financial position. This means that we have a major influence on the group’s adherence to ethical standards, as well as on how Deutsche Post DHL Group delivers sustainable growth for investors. I believe our greatest achievement so far in this area can’t be boiled down to single initiatives. It has been to perform the classical finance role very well, while adapting to the demands of today’s socially conscious stakeholder groups. We’ve ensured a strong balance sheet, increased margins and consistent financial returns for shareholders. At the same time, we’ve delivered shareholder value by implementing and promoting green solutions and helping to embed a highly ethical management culture.
RATINGS AND RANKINGS

Our performance on corporate responsibility issues is monitored and assessed by diverse rating agencies and other independent institutions for economic, environmental and ethical sustainability, as well as for good governance practices. The agencies conducting the analyses are neutral and independent. In 2014 we were able to maintain, and in some instances considerably improve, our standing in various CR ratings and rankings compared with the prior year.

PROGRESS AND SUCCESS

One important achievement in 2014 was our relisting in the Dow Jones Sustainability Indices (DJSI World, DJSI Europe); another was the awarding of the RobecoSam Bronze Class distinction. The latter is bestowed upon companies whose score is within 5 to 10% of the industry leader’s score.

MSCI confirmed the highest possible rating of “AAA” for our company – Deutsche Post DHL Group is the only logistics company to receive this score. We also underwent a particularly intense examination conducted by EIRIS/imug based on 250 CR criteria. Investors can view the results in the EIRIS Portfolio Manager (EPM).

2014 RATINGS AND RANKINGS

<table>
<thead>
<tr>
<th>Sustainability indices</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDP Climate Disclosure Leadership Index (DACH)</td>
<td>99 out of 100 points, Performance Band B</td>
</tr>
<tr>
<td>DJSI World, DJSI Europe</td>
<td>Listed</td>
</tr>
<tr>
<td>Euronext Vigeo – Eurezone 120</td>
<td>Listed</td>
</tr>
<tr>
<td>FTSE4Good Europe and Global Indices</td>
<td>88 out of 100 points</td>
</tr>
<tr>
<td>MSCI Europe and Global Indices</td>
<td>Listed</td>
</tr>
<tr>
<td>STOXX Global ESG Leaders Index</td>
<td>Listed</td>
</tr>
<tr>
<td>Sustainability assessments</td>
<td>Score</td>
</tr>
<tr>
<td>EIRIS/imug</td>
<td>CR performance evaluated using 250 criteria</td>
</tr>
<tr>
<td>MSCI</td>
<td>AAA</td>
</tr>
<tr>
<td>Oekom Research</td>
<td>C+ Prime Standard</td>
</tr>
<tr>
<td>RobecoSam</td>
<td>Bronze Class</td>
</tr>
<tr>
<td>Sustainalytics Research</td>
<td>Ranked 3rd among 134 companies, industry leader</td>
</tr>
<tr>
<td>Supplier ratings</td>
<td>Score</td>
</tr>
<tr>
<td>EcoVadis – sustainable supply chain management</td>
<td>Gold Standard</td>
</tr>
<tr>
<td>Electronic industry citizenship coalition</td>
<td>92 out of 100 points (rated low-risk)</td>
</tr>
<tr>
<td>Rankings</td>
<td>Rank</td>
</tr>
<tr>
<td>International Postal Corporation: Evaluation of environmental activities of postal companies in Europe</td>
<td>Ranked 2nd, Gold Standard</td>
</tr>
<tr>
<td>Newsweek World’s Greenest Companies</td>
<td>Ranked 143 out of 500</td>
</tr>
</tbody>
</table>
SIGNIFICANCE OF RATINGS FOR THE COMPANY

To determine whether a company is to be listed – or delisted – in an index, issuers of sustainability indices use the opinions of rating agencies or utilize their own ratings departments to make their own assessments.

Sustainability ratings are also used by an increasing number of our investors to aid them in their investment decisions. This is reflected in the fact that in the reporting year, more than 40% of our share capital was held by signatories of the Principles for Responsible Investment. The members of the investor initiative, which is supported by the UNEP Finance Initiative and the UN Global Compact, commit to incorporating environmental, social and corporate governance issues into their investment decision-making processes. This can often lead to direct engagement with the portfolio companies as a way to stimulate greater transparency in corporate sustainability reporting. Investors are also increasingly using sustainability ratings as a metric for risk assessments and predicting a company’s long-term potential.

This makes rating agencies an important stakeholder group for Deutsche Post DHL Group, and one with whom we have intensified our dialogue in the reporting year. Because they are often used as an additional measure of our success, ratings are strategically important for our company and we have included rating agencies in our Stakeholder Survey, the basis of our materiality analysis, since 2013.

SUPPLIER RATINGS

Customers increasingly turn to CR index listings to guide them in their decisions regarding whether to do business with or invest in a company. That is why different supplier ratings have been established. Here neutral institutions investigate the degree to which companies as providers of products and services have been faithful to the principles of corporate responsibility.

In these supplier ratings as well, we were able to make improvements in our quality as a provider in the reporting year. The Electronic Industry Citizenship Coalition, for example, awarded us 92 out of 100 points, which amounted to a low-risk rating. EcoVadis, a research platform specializing in sustainable supply chain management, once again confirmed our Gold Standard rating.
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.
## RESULTS: OUR ACHIEVEMENTS IN 2014

<table>
<thead>
<tr>
<th>Area</th>
<th>Target</th>
<th>Due</th>
<th>Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy &amp; Stakeholder dialogue</td>
<td>Discuss CR strategy with the Sustainability Advisory Council, an external board of experts.</td>
<td>2014</td>
<td>Achieved</td>
<td>Management process</td>
</tr>
<tr>
<td>Stakeholder relations</td>
<td>Develop a stakeholder relations policy.</td>
<td>2014</td>
<td>Achieved</td>
<td>Stakeholder engagement</td>
</tr>
<tr>
<td><strong>Responsible Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data privacy</td>
<td>Introduce mandatory training measures on the Data Privacy Policy for managerial staff.</td>
<td>2014</td>
<td>Achieved</td>
<td>Data protection</td>
</tr>
<tr>
<td>Procurement/Supplier management</td>
<td>Start Group-wide rollout of Security and Compliance Awareness Workshop (SCAW) for experts.</td>
<td>2014</td>
<td>Achieved</td>
<td>Evaluation of supplies</td>
</tr>
<tr>
<td>Employee representation</td>
<td>Refine the &quot;Industrial Relations Assessment” pilot project to six more countries in developing markets Asia and South America.</td>
<td>2014</td>
<td>Achieved</td>
<td>Assessments in growth markets</td>
</tr>
<tr>
<td></td>
<td>Contribute to a project on demographic challenges in the postal sector launched by the European Social Dialogue Committee for the Postal Sector.</td>
<td>2014</td>
<td>Achieved</td>
<td>Dialogue with social partners</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talent management</td>
<td>Introduce the new Executive Development Review (EDR) process for all executives in upper management.</td>
<td>2014</td>
<td>Achieved</td>
<td>Leadership development</td>
</tr>
<tr>
<td>Occupational safety &amp; health</td>
<td>Conduct a pilot project in three countries in our developing markets in Asia and Latin America to identify the key cause of illness as a way to promote the health of our employees. Design appropriate prevention health measures for our employees based on the results.</td>
<td>2014</td>
<td>Achieved</td>
<td>Assessing the risk of lifestyle diseases</td>
</tr>
<tr>
<td>HR shared services</td>
<td>Develop and assess a concept for additional HR Shared Service Centers in the USA and Belgium; further develop the HR master data system (HR Shared Data Hub).</td>
<td>2014</td>
<td>The project was discontinued in Q4 2014 due to overlaps with the transparency project.</td>
<td></td>
</tr>
<tr>
<td>Improving transparency</td>
<td>Review existing HR KPIs, update with additional controlling KPIs and introduce a balanced HR Scorecard for steering purposes. Continue to develop reporting systems.</td>
<td>2014</td>
<td>Achieved</td>
<td>An HR Scorecard was adopted, KPIs were defined and reporting lines were defined.</td>
</tr>
<tr>
<td><strong>Shared Value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate protection</td>
<td>Improve our carbon efficiency (including transportation subcontracted) by 20% as compared to 2020.</td>
<td>2020</td>
<td>Continued</td>
<td>Our carbon efficiency has improved by 23%.</td>
</tr>
<tr>
<td>Establish Carbon Efficiency Indices (KEFIs)</td>
<td>calculated over the year as relevant non-financial KPIs within the Group.</td>
<td>2014</td>
<td>Continued</td>
<td>As part of Strategy 2020, non-financial KEFIs are currently under review and will be redefined as necessary. Business and CR strategy</td>
</tr>
<tr>
<td>Increase percentage of electricity from renewable energy sources (green electricity) to 60%</td>
<td>2014</td>
<td>Achieved</td>
<td>At the end of 2014, the share of electricity from renewable energy sources used Group-wide had reached 61.3%. Energy management in buildings</td>
<td></td>
</tr>
<tr>
<td>Achieve transparency with regard to the carbon reduction goals and carbon efficiency of our rail transport subcontractors.</td>
<td>2015</td>
<td>Continued</td>
<td>We are very close to achieving this target thanks to the newly established platforms Green Freight Europe and Green Freight Asia. As a member of those initiatives, we will continue to work alongside other member companies to promote greater transparency of scope 3 emissions.</td>
<td></td>
</tr>
<tr>
<td>Subgoal of Green Freight Europe is to create a platform for the exchange of best practices.</td>
<td>2014</td>
<td>Achieved</td>
<td>Stakeholder dialogue events</td>
<td></td>
</tr>
</tbody>
</table>
TARGETS 2015
Realizing our corporate responsibility is an ongoing, dynamic process. We shall continue working hard to meet our own CR-related expectations and those of our stakeholders – and to reach our sustainability targets.

We stand confirmed that we are moving in the right direction with our Corporate responsibility strategy — the result of our materiality analysis, the insights gained from our dialogue with our stakeholders as well as the outcomes of ratings and rankings tell us so. Our CR-related goals also align with the Group’s Strategy 2020, and management decisions will continue to draw on the insights gained through our stakeholder engagement as well as from the findings from a new materiality analysis, which we plan to conduct in 2015. These insights will also be used to refine and shape our corporate responsibility strategy.

FOCUS AREAS
Our approach places particular focus on the topics of "Labor Practices and Human Rights" and "Fair Operating Practices", both of which are central elements in our Code of Conduct. Expectations focus on data protection and security, logistics services that are free from child and forced labor, the respect of human rights, corporate integrity and compliance as well as the respectful treatment of our employees.

Our GoHelp, GoTeach and GoGreen programs not only have significant spillover effects on our business — employee volunteering activities also have a markedly positive effect on employee motivation.
## Targets: Our Goals for 2015

<table>
<thead>
<tr>
<th>Area</th>
<th>Target</th>
<th>Due</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CR Strategy</strong></td>
<td>Benchmark for responsible business: establish KPIs for material issues.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td><strong>Stakeholder Relations</strong></td>
<td>Conduct another stakeholder survey and materiality analysis.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td></td>
<td>Roll out Stakeholder Engagement Guideline and develop training materials.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td><strong>Responsible Business</strong></td>
<td>Begin Group-wide roll-out of strategic supply chain security risk assessment IT platform.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Procurement/Supplier management</td>
<td>Conduct supplier evaluations using a global, web-based CSR assessment platform.</td>
<td>2020</td>
<td>New</td>
</tr>
<tr>
<td>Data privacy</td>
<td>Convene a &quot;Supplier Day&quot; event.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td></td>
<td>Group-wide roll-out of data protection monitoring processes for data exchange via global IT applications.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Employee representatives</td>
<td>Conduct &quot;Employee Relations Impact Assessments&quot; in five growth market countries.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td></td>
<td>Develop a training module for frontline managers for the Group-wide “Certified” training program.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Occupational Safety &amp; Operational Safety</td>
<td>Improve transparency and establish a reporting framework that allows us to report Group-level accident data.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td></td>
<td>Define reporting lines and develop reporting systems and adjust accident indicators to 200,000 working hours.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td><strong>Employees/HR</strong></td>
<td>Increase approval rating for KPI “Active Leadership” to 72%</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Improving transparency</td>
<td>Continue to develop HR reporting systems and link KPIs to performance measurement.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td></td>
<td>Review existing HR reporting systems for possibility of including suppliers and develop alternatives as necessary.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Training</td>
<td>Continue to expand HR development system and offer employees additional learning processes.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Leadership development</td>
<td>Second executive level to complete the second generation leadership development program.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Health management &amp; Well-being</td>
<td>Integrate insights gained from the pilot project “Risk assessment of lifestyle diseases” in China, Mexico and the United Arab Emirates into preventive health measures.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>HR development</td>
<td>Transfer employee data into a new Group-wide HR development system.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td><strong>Shared Value</strong></td>
<td>Improve our carbon efficiency (including transportation subcontractors) by 30% as compared to 2007.</td>
<td>2020</td>
<td>Continued</td>
</tr>
<tr>
<td></td>
<td>Improve carbon efficiency in 2015 by at least 1%</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td></td>
<td>Achieve transparency with regard to the carbon reduction goals and carbon efficiency of our road transport subcontractors.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Energy management</td>
<td>Wide-scale implementation of an energy management system based on the ISO 50001 standard at sites within Europe.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Efficiency measures in road fleet</td>
<td>Roll out e-mobility in Germany and other additional countries.</td>
<td>2015</td>
<td>New</td>
</tr>
<tr>
<td>Efficiency measures in buildings</td>
<td>Germany-wide roll-out of smart metering technologies in our sites.</td>
<td>2015</td>
<td>New</td>
</tr>
</tbody>
</table>
Our corporate responsibility activities have received enormous recognition around the world. In 2014, Deutsche Post DHL Group accepted numerous distinctions from customers, environmental organizations, social organizations and other institutions. We received prizes for the quality of our sustainability reporting, our dedicated efforts in the circular economy, activities to promote gender equality and our energy management, among others.

**UNILEVER: “PARTNER TO WIN” AWARD FOR SUSTAINABILITY MANAGEMENT**
In October 2014 DHL received Unilever’s “Partner to Win” award for sustainability. The two companies collaborate as part of the Project Neo initiative, which is dedicated to continually reviewing and improving the environmental performance of the services conducted by DHL Supply Chain on behalf of Unilever.

**EMC BLUE SKY SUPPLIER SUSTAINABILITY AWARD 2014**
On November 17, 2014, Deutsche Post DHL Group won the EMC Blue Sky Supplier Sustainability Award 2014. The award, bestowed by EMC, the market leader in data storage systems, honors service providers who have shown particular dedication to sustainability reporting and taken on social and ecological responsibility.

**OPPORTUNITY NOW**
In 2014, DHL Supply Chain UK was named one of the top ten private sector organizations for gender in the Opportunity Now Benchmark 2014 survey conducted by the British network “Business in the Community”.

**SUSTAINABLE BUSINESS AWARDS SINGAPORE**
On November 25, DHL received the “Sustainable Business Award Singapore 2014” in the category of “energy management” as part of the “3rd Responsible Business Forum on Sustainable Development”. Various environmental organizations contribute to the initiative in the Asia Pacific region.

**CERTIFICATION AWARDED FOR SUSTAINABLE TRANSPORT**
Deutsche Post DHL Group was among the first companies in 2014 to be awarded the green certifications issued by Green Freight Asia and Green Freight Europe. The certifications are awarded to companies that lead the way in environmental performance and in the transparency of their emissions calculations and carbon efficiency reporting.
Our corporate responsibility strategy “Living Responsibility” is an integral part of our Group-wide “Strategy 2020: Focus.Connect.Grow.” Our goal is to become Provider, Employer and Investment of Choice through responsible business practice and a balanced approach to pursuing economic, social and environmental interests. As part of our new Strategy 2020, we have set the ambitious goal of becoming a benchmark company for responsible business. Connecting across the divisions to develop and commercialize environmentally-friendly logistics solutions is an important component of the Group’s Strategy 2020.

**INSIGHT**

Our business objectives and sustainability goals are directly related to one another. This is because more and more customers, employees and investors – when selecting a provider, employer or investment – will also consider a company’s contribution to society. One of the main objectives of our CR strategy is to integrate the needs and expectations of our internal and external stakeholders into our day-to-day business. This creates a strong connection between our corporate responsibility and business success.

„Logistics is an enabler of trade, and trade allows societies to grow and prosper. With logistics as our core business, we help change the world for the better.”

ROGER CROOK, MEMBER OF BOARD OF MANAGEMENT, GLOBAL FORWARDING, FREIGHT
Our business objectives and sustainability goals are directly related to one another. This is because more and more customers, employees and investors – when selecting a provider, employer or investment – will also consider a company’s contribution to society. One of the main objectives of our CR strategy is to integrate the needs and expectations of our internal and external stakeholders into our day-to-day business. This creates a strong connection between our corporate responsibility and business success.

"Logistics is an enabler of trade, and trade allows societies to grow and prosper. With logistics as our core business, we help change the world for the better."

Roger Crook, Member of Board of Management, Global Forwarding, Freight
We are committed to combining business success with corporate responsibility, and to conducting our business in a way that responds to the interests and expectations of our internal and external stakeholders. The dedicated CR management process, introduced in 2013, completed its first full cycle during the reporting year 2014. As part of this process, we systematically addressed each major CR theme with the help of a strategic action plan.

Along with workshops, presentations, surveys and committee work, we conducted numerous stakeholder dialogue events at the Group level in 2014. Topics, formats and discussion participants were tailored to the needs of the respective stakeholders and events.

As an important component of our strategic action plan, we want to intensify our relationships with stakeholders and standardize associated action measures across the Group. To this end we prepared a Stakeholder Engagement Guideline in the reporting year, which is valid as of January 2015.

Established in 2013, the Sustainability Advisory Council convened for two meetings in the spring and fall of 2014. The council mainly advised on strategy and reinforced our decision to align CR activities even more closely with our business and core competencies.

In 2014, as part of our “Delivering Tomorrow” series, we produced and published the study “Exchange, Engage, Excel: Creating Value through Stakeholder Engagement”, which drew on our experience in the area of stakeholder management and involved collaboration with several renowned experts. The study was presented to the public on September 17, 2014.

In 2014, we evaluated a large portion of our corporate citizenship activities from the previous year using the LBG measurement model. This has allowed us for the first time to quantify these activities according to an international standard.
COMBINING BUSINESS AND CR STRATEGY

In 2014 the Group announced its new “Strategy 2020: Focus.Connect.Grow.,” which builds on our successful implementation of Strategy 2015. Strategy 2020 underscores our company’s commitment to becoming the global leader in the logistics industry; it defines strategic priorities for the coming years and provides a roadmap for reaching our goal of becoming a benchmark company for responsible business.

As laid out in Strategy 2020, our activities are driven by our commitment to the needs of our stakeholders and our planet. The Group remains committed to achieving its overarching goal of becoming Provider, Employer and Investment of Choice. Corporate responsibility is at the heart of this strategy for three powerful reasons. First, more and more of today’s customers consider a company’s social impact when selecting a service provider. Second, investment decisions are increasingly made based on CR criteria (including CR ratings). Thirdly, companies committed to ethical management and responsible business practice are in a better position to motivate their employees and attract talented new applicants. This establishes the direct link between our business and CR objectives.

GOALS OF STRATEGY 2020: FOCUS.CONNECT.GROW.

- PROVIDER OF CHOICE
  Customers will see Deutsche Post DHL Group as the reference for logistics.

- INVESTMENT OF CHOICE
  Stakeholders will see Deutsche Post DHL Group as a company that delivers against its ambitions.

- EMPLOYER OF CHOICE
  Employees will want to work for Deutsche Post DHL Group because it enriches their lives.
PRIORITIZING SUSTAINABILITY: RESPONSIBLE BUSINESS PRACTICE (RBP)

Our cross-functional and cross-divisional RBP network coordinates ongoing activities in the areas of ethical management practices, sustainable business strategy, sustainable products, sustainable business practice, working conditions, safeguarding human rights, environmental protection and corporate citizenship. RBP network members are in constant dialogue with our stakeholder groups. The purpose of this dialogue, which was further intensified over the course of the reporting year, is to ensure that our stakeholders' social and environmental interests are properly considered and that our business can be aligned, in a systematic way, with stakeholder interests. The goal here is to combine sustainability with profitability.

Our RBP network orients itself to the standards of the UN Global Compact, of which Deutsche Post DHL Group is a signatory, as well as to standards defined by additional international treaties and conventions – the most important aspects of which form the basis for our Group policies.

SOCIAL RESPONSIBILITY: CORPORATE CITIZENSHIP

Our work in the area of corporate citizenship is about applying our strengths and core competencies for the good of the global community. We work closely with highly experienced and established partners in order to reach these goals. In cooperation with these partners, 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.

ALIGNING ECONOMY AND ECOLOGY: SHARED VALUE

Shared Value is about creating value for the benefit of a larger “community” – so that the contribution we make to a healthy society and environment also increases our ability to succeed as a company. A strong example of our Shared Value approach is the further development of our Green Optimization services in 2014. With these innovative solutions, we help our business customers increase productivity, reduce greenhouse gas emission throughout their supply chains and lessen their dependence on fossil fuels.
CR MANAGEMENT PROCESS

In 2013 we developed a multi-stage, cyclical management process designed to drive our CR strategy and manage our relationships with stakeholders. As part of this process, we systematically gather feedback from the various interest groups for analysis and processing. Findings and insights gained are then integrated into the management process. In 2014 we completed a full management process cycle for the first time.

CR MANAGEMENT PROCESS – ENSURING CONTINUOUS IMPROVEMENT

MATERIALITY ANALYSIS

The results of our 2013 materiality analysis have a significant impact on our CR agenda and the contents of this report. During the reporting year, our CR committees (RBP Council, SAC) assessed and evaluated the action areas as identified by the materiality analysis. Both committees confirmed the materiality of the issues on our CR agenda. In addition, they defined several specific objectives and recommended measures to improve CR performance. Two additional issues — ethical governance and sustainability strategy — were identified as relevant and added to our catalogue of strategic action measures. In 2015 we plan to conduct a new stakeholder survey and update our materiality analysis accordingly.

MATERIALITY ANALYSIS 2013

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.
The ongoing dialogue with our stakeholders is critical to understanding and effectively addressing the social and business challenges considered most relevant for our business. We apply a range of different formats as a way to deepen the dialogue with our stakeholders and gain an even better understanding of their views and expectations. Some of these formats include roundtable discussions, direct feedback following events, and detailed stakeholder surveys. All of this valuable input feeds into our materiality analysis, which is updated every two years.

We developed a dedicated Stakeholder Engagement Guideline in 2014 as a way to standardize the stakeholder dialogue process across the Group. The guideline, which also includes training materials, is based on the international AA1000 SES Stakeholder Engagement Standard.

STAKEHOLDER GROUPS
Deutsche Post DHL Group has a diverse range of stakeholder groups including customers, employees, the investor community, suppliers and subcontractors, policymakers, government officials, the general public, the media, and non-governmental organizations.

As part of the 2013 materiality analysis, we created a stakeholder map and analyzed the strategic significance of each stakeholder group.

DEUTSCHE POST DHL GROUP STAKEHOLDERS

- critical for licence to operate
**DIALOGUE FORMATS**

We communicate with our stakeholders in a number of different ways to address the core CR issues.

### 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 (four times per year), internal media, discussion platforms on the Intranet and Extranet, internal collaboration platform (Yammer), employee events, works council meetings, works council committees, Deutsche Post DHL Forum (twice yearly).

### Investors
- Capital Markets Day, Annual General Meeting, announcement of annual and quarterly results, regular investor road shows 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 on the latest economic and social developments.

### 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 through events and participant feedback.

### Experts
- Public, semi-public and closed-door dialogue with opinion leaders about social developments and their impact on logistics.

### Opinion leaders
- Public dialogue with opinion leaders from various disciplines and fields as part of our Delphi Dialog format; the Delphi Dialogs content is also linked to our future studies series "Delivering Tomorrow".
Numerous stakeholder dialogue events covering a diverse range of topics took place in 2014.

**Final conference of the “Developing a quality postal service in the digital age” project**

**February 7, 2014 in Brussels:** Over 60 international representatives gathered for the final conference of the EU-sponsored project “Developing a quality postal service in the digital age” to discuss key insights into the changing realities within the postal sector and strategies for adapting to these changes. The event was held by the “Postal Sector Evolution” working group within the Social Dialogue Committee of the Post Sector.

**Green Freight Europe “Open Day 2014”**

**March 12, 2014, Hörnsching:** The aim of the Green Freight Europe initiative, of which Deutsche Post DHL Group is a founding member, is to improve the transparency of emissions reporting and reduce fuel consumption in road freight transport. Initiative partners gathered during the “Open Day 2014” event to take part in workshops on fuel efficiency topics. The content of the workshops was also made available on the initiative’s online best practice platform.

**Dialogue event organized by the World Economic Forum and Deutsche Post DHL: Putting the multi-stakeholder approach into practice**

**May 15 – 16, 2014, Geneva:** As part of this event, representatives from Deutsche Post DHL Group and other international corporations and organizations spoke about their respective approach to multi-stakeholder engagement and their experience putting the multi-stakeholder approach into practice. This was followed by an open discussion round in which participants considered some of the practical aspects of the multi-stakeholder approach, including potential barriers to enabling cultural change. Participants also stressed the importance of maintaining open lines of communication with critics.

**Delphi Dialog 2020: Global E-Tailing 2025 – How is the Internet changing global commerce?**

**May 20, 2014, Berlin:** This event involved discussions with e-commerce experts regarding future scenarios in the area of e-commerce and impacts on the logistics industry. Panelists considered technological developments as well as developments in the areas of society and environment. The Deutsche Post DHL Group study “A Global E-Tailing 2025”, which was released on the day of the event, provided a basis for the discussions. E-commerce is one of the strategic business segments in Deutsche Post DHL Group’s “Strategy 2020”.

**Discussion of study “Exchange, Engage, Excel: Creating Value through Stakeholder Engagement”**

**September 17, 2014, St. Gallen:** In 2014, as part of our “Delivering Tomorrow” series, we produced and published the study “Exchange, Engage, Excel: Creating Value through Stakeholder Engagement”, which drew on our experience in the area of stakeholder management and involved collaboration with several renowned experts. The study was presented to the public on September 17, 2014 as part of a dialogue event entitled “From Shareholder to Stakeholder”, organized together with the University of St. Gallen’s Institute for Business Ethics and featuring leading personalities from the worlds of academia and business.

**Dialogue event with Conference Board on Human Rights**

**September 29, 2014, Bonn:** Seeking dialogue with stakeholders and other international corporations is also part of our employee relations work, which is why we hosted a roundtable on “Human Rights Risk Management” on September 29, 2014 together with The Conference Board, a global, independent business membership and research association. Discussions focused on how business risks resulting from human rights violations can be discovered early, as well as effective means to prevent and/or remediate human rights risks.

**Delphi Dialog 2020: “A question of attitude – people with and without disabilities on the road to an inclusive society?“**

**October 8, 2014, Berlin:** As part of this Delphi Dialog event entitled “A question of attitude - people with and without disabilities on the road to an inclusive society?”, a panel of experts discussed requirements for (and obstacles to) inclusion. One of the topics was the “Deutsche Post Happiness Atlas”, in its fourth year of publication, which was released on the day of the event. The 2014 Happiness Atlas sheds light on life satisfaction levels among people with disabilities, and the state of inclusion today in Germany.

**Econseve Roundtable: “Corporate Citizenship – between Philanthropy and Corporate Value”**

**October 28, 2014, Bonn:** Together with econseve, the Forum for Sustainable Development of German Business, we hosted a sustainability roundtable on the topic of corporate citizenship. Ideally a company can contribute to solving social problems while positively impacting its own employees, brand or corporate reputation. The challenge lies in actually measuring the company's impact – on society and the company itself. Together with guest LBG, roundtable participants discussed how measuring the input, output and impact of CSR activity can be used to manage corporate social responsibility more effectively, as well as the challenges associated with this.

**15th anniversary of the European Social Dialogue Committee for the Postal Sector – Signing of the Joint Declaration on Matching Skills and Jobs in the European Postal Sector**

**November 21, 2014, Brussels:** On November 21, 2014 the social partners of the European Social Dialogue Committee for the Postal Sector celebrated its 15th anniversary. Tribute was paid to the committee’s success during the plenary meeting.

**Multi-stakeholder roundtable discussion on global commodity flows and the need for eco-friendly logistics**

**December 2, 2014, Bonn:** This was a closed door roundtable discussion with customers, investors, representatives from trade associations and non-governmental organizations, as well as policymakers and members of the scientific community. Participants talked about their expectations and requirements for a more eco-friendly logistics, as well as ways to mitigate the environmental impact of the logistics industry. Along with topics such as environmental standards in logistics and air and noise pollution, which are material issues for Deutsche Post DHL Group, the discussion focused on some of the specific requirements of Deutsche Post DHL Group stakeholders.

**Regional roundtable of the European Social Dialogue Committee for the Postal Sector**

**June 2014 (Paris), September 2014 (Stockholm), November 2014 (Warsaw):** In 2014, the European Social Dialogue Committee for the Postal Sector successfully implemented the “Managing demographic challenges in the postal sector” project funded by the European Commission. Three regional roundtables were conducted in collaboration with the European social partners and prominent international speakers. Deutsche Post DHL Group contributed to the project by sharing its experience with the partial retirement model (Generations Pact) and its health management program.
Feedback on e-mobility at the “Formula E”

As operator of one of the industry’s largest fleets of green vehicles, we are official logistics partner and founding member of the FIA Formula E Championship racing series. We use the Formula E events, which feature fully-electric racing cars, to engage visitors and obtain feedback on six fundamental questions pertaining to e-mobility. Our surveys reveal that over 60% of event participants believe that e-mobility will prevail as the drive technology of the future. Nearly 70% believe that the Formula E racing series contributes to better awareness and understanding of e-mobility. Three out of five people surveyed consider Deutsche Post DHL Group a leader in the area of sustainability and sustainable solutions.
MEMBERSHIPS AND PARTNERSHIPS

Partnerships with or memberships in national and international organizations are of considerable strategic importance for us and our work. The dialogue with these partners/organizations is a significant contributor to our successful practice of corporate responsibility. We cooperate with a number of establishments and institutions on the full range of our CR activities.

MEMBERSHIPS AND PARTNERSHIPS (SELECTION ONLY)

<table>
<thead>
<tr>
<th>Organization</th>
<th>Website</th>
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<tbody>
<tr>
<td>econsense – Forum for Sustainable Development of German Businesses</td>
<td>Website econsense</td>
</tr>
<tr>
<td>EU Transparency Register</td>
<td>Website EU Transparency Register</td>
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<tr>
<td>United Nations Global Compact (UNGC)</td>
<td>Website United Nations Global Compact (UNGC)</td>
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<td>International Post Corporation (IPC)</td>
<td>Website International Post Corporation (IPC)</td>
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<td>Partnering against Corruption (PACI)</td>
<td>Website Partnering against Corruption</td>
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<td>Universal Postal Union</td>
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<tr>
<td>World Economic Forum (WEF)</td>
<td>Website World Economic Forum (WEF)</td>
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A complete list of memberships and partnerships can be viewed on our website.
Our company owes its success to the commitment, creativity and expertise of our 488,824 employees around the world.

One of the three core objectives of our Group’s Strategy 2020 „Focus.Connect.Grow.“ is to become Employer of Choice, which is why we want to create the best possible environment for our people. Our corporate culture is characterized by 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 diversity management is an important lever to ensure that goal. Our innovative programs and activities in the areas of occupational safety and health management 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 ethical standards are being met in all of the regions in which we operate. With our Code of Conduct and 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 workers’ rights and our constructive working relationships with employee representatives and labor unions.

**INSIGHT**

The size of our Group and its significance for global trade comes with a very large responsibility. As an employer, we are also responsible for the welfare of our employees and their families. Corporate responsibility is what drives and defines our day-to-day business.

„The competition for motivated, talented employees cannot be won with money alone, but with a holistic package. People want meaning in their work and want to make a real contribution. We place great emphasis on sustainability at Deutsche Post DHL Group, which strengthens the emotional bond with our company. This motivates our employees and makes us even more attractive to applicants.“

**MELANIE KREIS, MEMBER OF BOARD OF MANAGEMENT, HUMAN RESOURCES**
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Melanie Kreis, Member of Board of Management, Human Resources
UPDATES AND ACTIVITIES

HUMAN RESOURCES BOARD DEPARTMENT UNDER NEW LEADERSHIP
On October 31, 2014 Melanie Kreis was appointed member of the Deutsche Post DHL Group Board of Management. With overall responsibility for Human Resources across the Group, she also assumed the role of Labor Director for Deutsche Post AG. Melanie Kreis succeeds Angela Titzrath, who resigned from the Board of Management as of July 2, 2014.

Read more ➤

ORGANIZATIONAL CHANGE
The new board appointment also resulted in newly assigned responsibilities; responsibility for executive HR matters is now seated in the CEO board department.

Read more ➤

A GROWING WORKFORCE
At the end of the reporting year our global workforce numbered 488,824 employees. Of these, 36% were women, and 64% men. This represents a 1.9% increase in the total number of employees as compared to the previous year.

Read more ➤

DIVERSITY COUNCIL TAKES UP WORK
Our new Diversity Council launched its activities in February 2014 and convened for three meetings over the course of the reporting year. Diversity Council members have an important role as advisers and also act as ambassadors for diversity topics within their own divisions.

Read more ➤

EMPLOYEE OPINION SURVEY: MORE "ACTIVE LEADERSHIP"
Results of our 2014 Employee Opinion Survey revealed an approval rating of 71% for our most important performance indicator "Active Leadership". This represents an improvement of one percentage point over the previous year.

Read more ➤
NEW APPROACH TO HR MANAGEMENT
As we move forward with implementation of Strategy 2020, HR strives to tailor its activities even more to the needs of our business operations. Building the best possible teams Group-wide at competitive cost is a key component of this; it includes finding the right talents on the labor market, retaining our employees with the help of outstanding HR processes and support, and fostering their development with effective trainings and extensive development opportunities – all in line with the specific needs and requirements of our business divisions.

As part of this updated approach, the Corporate Executives corporate department, which is responsible for recruitment and hiring for executive positions, succession planning and associated executive development, has been reassigned to the CEO board department.
INTERVIEW WITH MELANIE KREIS

Board of Management member Melanie Kreis oversees the Human Resources board department at Deutsche Post DHL Group. For her, corporate responsibility is all about the conscientious treatment of employees – the key to becoming Employer of Choice, one of the Group’s core objectives.

Ms. Kreis, what does corporate responsibility mean for HR at Deutsche Post DHL Group?

As one of the world’s largest employers we carry not only tremendous responsibility for our employees but also a larger social responsibility as well. We employ nearly half a million people worldwide. In Germany alone we have 200,000 employees working for Deutsche Post DHL Group. Germany’s population is about 80 million, which means that one in every 400 people in this country works for us. Clearly, this can only work if we are a good employer – a company that builds long-term relationships with its people, and a place where people like to come to work every day. It’s important for us to provide opportunities to people with a wide range of backgrounds and qualifications – from apprenticeships, to Bachelor degree programs, to management positions. Education and training are two major focus areas where we engage in a wide variety of ways. One example is our UPstairs program, which provides scholarships to employee children so they can achieve a higher level of education.

What role does HR play in the company’s future?

HR plays a central role at Deutsche Post DHL Group. It is vital to our business success – both today and into the future – to have the right people with the right qualifications in the right jobs in the right places. Our job in HR is to find qualified people, support them in their development, motivate them, and foster loyalty, i.e. retain them over the long term. Each and every employee is important to us. With their dedication and commitment, each and every one of them helps distinguish us from our competitors and helps us maintain our competitive edge. It is our job to make sure that our people feel good about being here, identify with the company, and are motivated. Our managers, especially at the middle-management level, play a very important role in this, since they are usually the first people that employees turn to. If our managers do their jobs well, then the employees will feel better about their job – and this is exactly where we focus the support for our managers.

Deutsche Post DHL Group is present around the world. How does the role of HR differ in the various regions?

In Germany and Europe we focus mainly on the challenges associated with demographic change. In other regions – especially in Asia’s growth markets – the challenge, every year, is to find new employees, train them and retain them. The only way to achieve this is if we’re a company that stands for more than just a pay check. We help our people develop their own inner sense of motivation, we offer them professional development opportunities, and we also get involved in social programs. We want our people to be proud of working for Deutsche Post DHL Group.

A central goal of Deutsche Post DHL Group is to become Employer of Choice. How do you plan to continue improving in this area?

The increasingly positive results of our annual Employee Opinion Survey show that we are getting closer to this goal every year. And we are taking another big step with our Group-wide “Certified” initiative. In each of our divisions, employees will undergo training to become certified specialists, for example a Certified Supply Chain Specialist or Certified International Forwarder. The entire Board of Management strongly supports the Certified program, so employee commitment, training and development is a top-priority issue for everyone in the Group. I can’t emphasize enough the importance of this. Only with motivated employees can we differentiate ourselves from the competition and remain successful.

How important are the employees as a stakeholder group? Or, more specifically, how much of a “say” do they have?

We have several well-established and proven channels for dialogue with our employees. For decades now we have collaborated successfully with our works councils and social partners. We have instituted the annual Employee Opinion Survey and regular feedback formats between employees and their supervisors. But, along with these established channels, I also want our employees to have the opportunity, on an individual level, to share their open and honest opinions with us. I am convinced that the Certified initiative mentioned above will strengthen the informal dialogue across departments and functions. Both during and after the training, employees from different levels and regions will have the chance to engage each other in dialogue and, in the process, gain exposure to new and different perspectives.

What role does diversity play for you?

Diversity is a major success factor. I am convinced that the combined experience of a diverse team is larger and broader, and that this makes them more successful. Still, my dream is that someday we no longer need to talk about diversity because it has become an integrated, natural part of our everyday life – simply a matter of course.

Given the explosion in healthcare costs, especially in the state-funded healthcare system, company-internal healthcare systems have increased in importance. What are the major focus areas at Deutsche Post DHL Group?

We have two main focus areas when it comes to health. The first is occupational safety, which is mainly about avoiding accidents in our day-to-day operations. As a company we are already quite advanced in this area. The second area, which is of ever-increasing importance, is health and well-being. This is about improving the physical, mental and social well-being of our employees, primarily through prevention. In Germany, for example, we have already made good progress here and offer employees numerous health-related programs and opportunities, including an on-the-job back check, nutritional counseling, or classes in yoga and Tai-Chi. Now we want to get these things established and promoted throughout our global organization. And, by the way, our managers play an important role here as well. As role models, they can have a significant positive influence on the health of their employees over the long term.

What are your personal goals for the first year in your new role?

This year I want HR to make a clear and visible contribution to the worldwide success of our business in all of our divisions. I am also personally very committed to finding sustainable, future-oriented solutions for our business in Germany so that we can continue to grow, to be profitable and competitive, and to secure the jobs of our employees here.

As of October 31, 2014 you are Board Member for Human Resources and Labor Director for a company with nearly half a million employees. How do you deal with this huge responsibility?

I have a great team with a tremendous amount of experience – so I am by no means alone in this! And I’m sure that together, my team and I will succeed in fulfilling this responsibility.
WORKFORCE STRUCTURE

As Europe’s leading postal company and global logistics provider, we are one of the world’s largest employers. At the end of the reporting year our global workforce numbered 488,824 employees (previous year adjusted: 479,690). Of these, 36% were women, and 64% men. This represents a 1.9% increase in the total number of employees as compared to the previous year. Based on current estimations, we foresee a slight increase in the total number of employees in 2015.

Europe is the Group’s largest region of employment. 42% of our workforce is employed in Germany, where our company headquarters are located. Of this Germany-based workforce, 36% are employed by our principal company Deutsche Post AG, of which approximately 37% are part-time employees.

A detailed analysis of our workforce numbers is presented in our 2014 Annual Report.

EMPLOYEE NUMBERS BY REGION AS OF DECEMBER 31, 2014

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>Total</td>
<td>467,088</td>
<td>471,654</td>
<td>473,626</td>
<td>479,690</td>
<td>488,824</td>
</tr>
<tr>
<td>Men</td>
<td>63.5%</td>
<td>63.3%</td>
<td>63.8%</td>
<td>64.2%</td>
<td>64.0%</td>
</tr>
<tr>
<td>Women²</td>
<td>36.5%</td>
<td>36.7%</td>
<td>36.2%</td>
<td>35.8%</td>
<td>36.0%</td>
</tr>
<tr>
<td>Employee numbers by division (headcount)¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post–eCommerce–Parcel</td>
<td>178,143</td>
<td>181,704</td>
<td>176,871</td>
<td>197,545</td>
<td>200,868</td>
</tr>
<tr>
<td>Express</td>
<td>94,711</td>
<td>91,570</td>
<td>92,862</td>
<td>75,490</td>
<td>79,896</td>
</tr>
<tr>
<td>Global Forwarding, Freight</td>
<td>44,302</td>
<td>44,643</td>
<td>45,128</td>
<td>44,903</td>
<td>47,079</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>135,782</td>
<td>140,000</td>
<td>145,293</td>
<td>148,565</td>
<td>148,329</td>
</tr>
<tr>
<td>Corporate Center/Other</td>
<td>14,150</td>
<td>13,737</td>
<td>13,472</td>
<td>13,187</td>
<td>12,652</td>
</tr>
<tr>
<td>Employee numbers by region (headcount)³</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe³</td>
<td>320,971</td>
<td>321,296</td>
<td>316,331</td>
<td>316,071</td>
<td>322,440</td>
</tr>
<tr>
<td>Americas</td>
<td>70,844</td>
<td>72,466</td>
<td>75,243</td>
<td>78,728</td>
<td>76,230</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>62,113</td>
<td>62,094</td>
<td>64,888</td>
<td>67,473</td>
<td>72,121</td>
</tr>
<tr>
<td>Other regions</td>
<td>13,160</td>
<td>15,798</td>
<td>17,164</td>
<td>17,418</td>
<td>18,933</td>
</tr>
<tr>
<td>Employee numbers in Germany (headcount)⁴</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>202,712</td>
<td>205,472</td>
<td>201,425</td>
<td>203,607</td>
<td>205,731</td>
</tr>
<tr>
<td>Deutsche Post AG</td>
<td>173,261</td>
<td>176,029</td>
<td>172,259</td>
<td>174,746</td>
<td>176,196</td>
</tr>
<tr>
<td>of which part-time employees⁴</td>
<td>63,126</td>
<td>65,322</td>
<td>62,523</td>
<td>63,169</td>
<td>64,511</td>
</tr>
<tr>
<td>of which share of part-time employees (adjusted)</td>
<td>36.4%</td>
<td>37.1%</td>
<td>36.3%</td>
<td>36.1%</td>
<td>36.6%</td>
</tr>
</tbody>
</table>

¹ Includes apprentices; ² Share of women based on survey of all organizational units; the 2014 figure covers 98.5% of the entire workforce (headcount) (2013: 94.3%, 2012: 96.3%, 2011: 95.6%, 2010: 98.2%); ³ 42% of the Group’s workforce is employed in Germany; ⁴ Excluding employees in the release phase of partial retirement; ⁵ Adjusted
EMPLOYEE TURNOVER

In 2014, average employee turnover Group-wide was 12.6%, slightly higher than in the previous year. Turnover rate changes at the divisional level were due mainly to organizational changes made during the course of the reporting year. So-called planned turnover, i.e. predictable staff changes due to retirement, etc., accounted for 6% of turnover. In contrast to the situation in the Americas and Asia Pacific, at 6.7%, the turnover rate among employees in Europe is much lower.

EMPLOYEE TURNOVER AT YEAR END

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee turnover Group-wide</td>
<td>10.6%</td>
<td>12.1%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Post–eCommerce–Parcel</td>
<td>3.2%</td>
<td>4.1%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Express</td>
<td>10.7%</td>
<td>13.7%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Global Forwarding, Freight</td>
<td>12.3%</td>
<td>14.9%</td>
<td>15.1%</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>28.0%</td>
<td>22.8%</td>
<td>24.7%</td>
</tr>
<tr>
<td>Corporate Center/Other</td>
<td>5.3%</td>
<td>6.3%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Europe</td>
<td>6.6%</td>
<td>4.0%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Americas</td>
<td>25.4%</td>
<td>30.1%</td>
<td>29.5%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>18.4%</td>
<td>20.1%</td>
<td>19.3%</td>
</tr>
<tr>
<td>Other regions</td>
<td>10.3%</td>
<td>14.0%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

NEW HIRES

The steady growth of our business is reflected in the continuous growth of our workforce. As laid down in our Code of Conduct and our Corporate Diversity & Inclusion Statement, Deutsche Post DHL Group follows a zero-tolerance approach for discriminatory hiring practices. Applicants are judged on the basis of merit alone, and hiring decisions are based on the qualifications of each individual applicant. We strictly oppose discrimination based on an applicant’s nationality, ethnic origin, gender, religion, world view, age or disability.

MANAGEMENT-LEVEL PLACEMENTS IN UPPER AND MIDDLE MANAGEMENT

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal placements</td>
<td>435</td>
<td>373</td>
<td>459</td>
</tr>
<tr>
<td>External hires</td>
<td>33</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>Internal placement rate</td>
<td>92.9%</td>
<td>90.3%</td>
<td>93.9%</td>
</tr>
</tbody>
</table>

In 2014 we were able to fill 459 upper and middle-management positions with internal candidates. Just 30 positions were filled with new hires from outside the company. In the reporting year, within our principal company Deutsche Post AG in Germany, 65.1% of new hires were men and 34.9% women. We strive to make our company, and the career opportunities within our company, equally attractive to both men and women. Nevertheless, for jobs involving strenuous physical activity, we do receive more applications from men than from women.

NEW HIRES BY GENDER IN GERMANY

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>59.0%</td>
<td>57.7%</td>
<td>66.8%</td>
<td>63.1%</td>
<td>65.1%</td>
</tr>
<tr>
<td>Women</td>
<td>41.0%</td>
<td>42.3%</td>
<td>33.2%</td>
<td>36.9%</td>
<td>34.9%</td>
</tr>
</tbody>
</table>

1 Principal company Deutsche Post AG, comprises 36% of workforce (headcount)
COMPENSATION

Across the Group more than 70% of our workforce is employed under contracts covered by collective wage agreements or works agreements. Monetary compensation includes a base salary plus variable remuneration components and bonus payments that are subject to national and position-specific requirements and regulations.

One of our most important requirements for gaining and retaining highly motivated employees is a system of performance-based remuneration that is oriented towards the company’s business goals and provides long-term incentives. Along with monetary remuneration, non-financial incentives are also very important to us. These include a safe work environment, attractive career development opportunities, extensive health services, flexible working time models, partial retirement models such as the Generations Pact, vacation and leave options, and company-supported childcare facilities.

FAIR AND EQUAL COMPENSATION

We have introduced job grading systems 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. This reflects the provisions found in both our Code of Conduct and Corporate Diversity & Inclusion Statement.

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.

Remuneration that is based on collective wage agreements is often linked to the employee’s 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.
Remuneration of our employees is based on national laws, 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 provide employees in many countries with access to defined benefit and defined contribution retirement plans.

**HEALTH INSURANCE: ENHANCED STANDARDS FOR EMPLOYEES WORLDWIDE**

Deutsche Post DHL Group provides its employees with a range of medical benefits including public health insurance, private health insurance as well as hybrid forms. The extent of compensation payments and employer supplements (e.g., for insurance premiums) are in line with standard market practice. In countries with primarily privately financed health systems, we provide employees with access to health insurance by way of health insurance allowances.

**REMUNERATION FOR EMPLOYEES IN GERMANY**

In contrast to most other countries, the majority 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.

36% of the Group’s employees are employed by our principal company Deutsche Post AG in Germany. This includes mainly employees within the Post–eCommerce–Parcel division and at our Corporate Center. At our parent company in Germany, wage-scale 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.

**DEUTSCHE POST AG WAGE AGREEMENT**

Compliant with a 2013 wage agreement, Deutsche Post AG employees received a second salary increase of 2.6% as of October 1, 2014.
ADDITIONAL BENEFITS

In addition to compensation, we offer employees additional social benefits. Our “UPstairs” program supports employee children through scholarships. Active and former employees can also take advantage of the Recreation Service (“ErholungsWerk Post Postbank Telekom”) which provides access to inexpensive vacation packages.

SCHOLARSHIPS FOR EMPLOYEE CHILDREN

One aspect of our “Upstairs” scholarship program is to promote employee loyalty. In 2014 we supported more than 1,500 employee children in achieving a higher level of education (previous year: over 1,000 scholarships). To be eligible for the scholarship, the family income may not exceed a specified limit, which varies according to the respective country. Over a period of three years on average, scholarship holders receive financial support to help pay for tuition, books, learning materials and school uniforms.

In addition to financial support, scholarship holders benefit from individualized support in the form of mentoring by Group employees, internship opportunities at Deutsche Post DHL Group, additional learning materials, and educational courses – in IT or foreign languages, for example.

IDEA MANAGEMENT

No one knows the ins and outs of our business better than our employees. That is why we encourage them to challenge existing methods and processes and make suggestions for simplified, cost-effective and environmentally sound solutions. Our multi-lingual Intranet-based idea management platform makes it easy for employees to engage and exchange on improvement ideas. A bonus system is in place to honor ideas with a proven benefit that have been implemented. We also recognize these achievements with non-monetary incentives, such as non-cash prizes, personal commendations by the employee’s line manager and public recognition in internal communications channels. Additional information about our idea management system can be found on our CR website.

AFFORDABLE VACATIONS

The Recreation Service (ErholungsWerk) has been offering holiday travel packages to our current and former employees for over 40 years now. A registered association in Germany, the Recreation Service operates several of its own vacation resorts. Through this service, employees can also book inexpensive stays at resorts operated by other European postal companies and take advantage of affordable vacation offers from third-party travel providers, including flights, cruises and group tours.

Deutsche Post DHL Group provides Recreation Services with financial support according to terms of a five-year sponsorship contract signed in 2010. As stipulated by collective agreements, Recreation Services provides an additional vacation subsidy for the children of employees in lower wage groups.

In the reporting year, approximately 35,000 vacations were booked via Recreation Services.
DIVERSITY MANAGEMENT

“All Different - Together Successful” – this is our slogan for diversity management at Deutsche Post DHL Group. We see tremendous potential in the diversity of our employees and consider diversity a stimulus for continued growth. We promote inclusion in the workplace and strictly oppose any form of discrimination. This principle is made explicit in a dedicated chapter of our Code of Conduct. The Group’s Board of Management adopted the Corporate Diversity & Inclusion Statement in 2013 to underline the significance of diversity at Deutsche Post DHL Group.

To anchor diversity in the Group over the long term, we established a Diversity Council in 2013 consisting of second-level executives from all divisions and chaired by the Board Member for Human Resources. The Diversity Council launched its activities in February 2014 and convened for three meetings over the course of the reporting year. Council members advised on diversity strategy and discussed the different requirements of the divisions with regard to diversity management.

Our work in the area of diversity management has been recognized outside the company as well. Our Supply Chain division, for example, was named one of the top ten performers in the area of gender equality in the workplace by Business in the Community (BITC), a UK-based CR initiative. Supply Chain also received the FTA everywoman in Transport & Logistics Award in the categories "Best Driver of the Year" and "Industry Champion". By showcasing the achievements of women in the transport and logistics sector, the Freight Transport Association (FTA), the award’s title partner, hopes to attract more women to careers in the industry.
CREATING DIVERSITY AWARENESS

ZERO TOLERANCE FOR DISCRIMINATION
As laid down in our Code of Conduct, Deutsche Post DHL Group eschews all forms of discrimination.

We respond to reports of possible violations thoroughly and systematically, and take appropriate measures for proper clarification. Violations of our Code of Conduct can be reported through multiple channels, including anonymously via our Compliance Hotline. Employees who fail to adhere to the Code of Conduct may be subject to 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.

CREATING AWARENESS
Our managers and executives play a key role in putting diversity management into practice on a daily basis. To sensitize them to diversity issues and raise awareness for their own responsibility, we offer special trainings on the subject of diversity.

The trainings provide a comprehensive overview on the importance of diversity from the business perspective as well as suggestions for appropriate behavior in everyday work situations. Case studies, in which employees report on their experiences with diversity and inclusion in the workplace, ensure the practical relevance of the trainings. Participants then have the chance to create a personal action plan for promoting diversity and inclusion at work.

Our goal for 2015 is to offer our diversity training program as an e-learning module in several languages on our Group-wide training platform.

GLOBAL DIVERSITY DAY
We held our second-ever Diversity Day event on June 3, 2014, and were able to increase the number of participants as well as the event’s reach over the previous year, with more than 80 locations around the world joining the main event in Bonn (Germany). In addition to local activities and events, employees also had the chance to engage virtually on diversity issues on the Group’s own social media platform “Yammer”.

Focus issues for Diversity Day 2014 included intercultural diversity, gender diversity, employees with disabilities, and RAINBOWNET, the Group’s network for lesbian, gay, bisexual, transsexual and intersexual employees. A podium discussion in Bonn brought together members of the HR Board, the Diversity Council and the Board Member for Human Resources to discuss these various topics and their importance for the Group. Employees at other locations in Germany, Singapore, the UK and USA presented their Diversity Day activities to participants in Bonn via video conferencing.

LGBTI NETWORK
Our employees have the right to perform their jobs and pursue their career goals irrespective of their sexual orientation and identity. This was the motivation for establishing our Group-wide RAINBOWNET network for lesbian, gay, bisexual, transsexual and intersexual (LGBTI) employees over six years ago.

Founded in Germany, the network has contact with employees in Belgium, Denmark, Hungary, Malaysia, the Netherlands, Sweden, Singapore, the UK and the US. In the reporting year, RAINBOWNET members took part in several events for apprentices and employees aimed at breaking down prejudices and fostering greater understanding in the workplace.

And in January 2014, Deutsche Post DHL Group became one of the founding members of the “PROUT AT WORK Foundation”, an organization committed to greater recognition of as well as equal opportunity for LGBTI employees in the workplace. Our company has a seat on the foundation’s advisory board.
WOMEN IN EXECUTIVE POSITIONS

Women make up 36% of our workforce across the Group. The share of women in upper and middle management within the Group worldwide is currently 19.3%; within the Group in Germany, this figure is 21.1%. Our goal is to continue to increase the share of women in executive positions.

Back in 2011 we initiated the “Women in Management” project and implemented numerous measures at the Group-level, including a system of key performance indicators, regular reporting, various divisional professional development programs for female junior employees and women’s networks.

WOMEN IN EXECUTIVE POSITIONS IN UPPER AND MIDDLE MANAGEMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>share</td>
<td>17.0%</td>
<td>17.6%</td>
<td>18.5%</td>
<td>19.6%</td>
<td>19.3%</td>
</tr>
</tbody>
</table>

PROJECTS IN THE DIVISIONS

The following divisional and regional programs are all part of our “Women in Management” project:

**Work&Life@PeP**

A diverse range of measures have been implemented in our Post–eCommerce–Parcel division to achieve a lasting increase in the percentage of women in management-level positions. These include among others a special eight-month career development program for female talents as well as the regular publication of female leadership success stories in our company’s internal media channels. In addition to measures such as these, a total of 600 managers in our branch locations met in workshops to identify ways to support women in their career development.

**Female Academy**

Our goal with the Female Academy is to prepare talented female employees in the Express division in Europe for their next career step. Participants in the Female Academy take part in a mentoring program and are encouraged to network with one another.

**Top Women Program**

Our Top Women Program, launched in June 2014, prepares women over the course of six to twelve months to take on leadership positions in the Global Freight, Forwarding division.

**Red Chair women’s network**

Red Chair, the women’s network in our Supply Chain division, has over 800 members. The network provides female employees with a platform for dialogue and exchange on career paths and career development opportunities. Red Chair also offers a series of events throughout the year.

**DHL Women’s Network in Asia Pacific**

Several regional networks for women exist within the Group. The newest one – for our female employees in the Asia Pacific region – was formed in February 2014.
BALANCING CAREER AND FAMILY

Working models and forms of work are changing more and more. We offer flexible working models which vary according to operational needs and requirements. These measures help our employees to better combine and balance family and career.

This is why Deutsche Post DHL Group is actively investing in the expansion of childcare opportunities in locations that are strategically important. In Bonn, for example, we have created company-supported childcare facilities for our employees at headquarters. We are also investing in the construction of a new childcare facility located near our Express air hub in Leipzig.

EMPLOYEES ON PARENTAL LEAVE IN GERMANY AT YEAR END

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-regulated parental leave (total)</td>
<td>2,036</td>
<td>1,809</td>
<td>1,718</td>
<td>1,579</td>
<td>1,431</td>
</tr>
<tr>
<td>Men</td>
<td>151</td>
<td>147</td>
<td>155</td>
<td>146</td>
<td>148</td>
</tr>
<tr>
<td>Women</td>
<td>1,885</td>
<td>1,662</td>
<td>1,563</td>
<td>1,433</td>
<td>1,283</td>
</tr>
<tr>
<td>Executives(^2)</td>
<td>7</td>
<td>6</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Unpaid holiday for family reasons</td>
<td>2,419</td>
<td>2,286</td>
<td>2,150</td>
<td>1,966</td>
<td>1,797</td>
</tr>
</tbody>
</table>

\(^1\) Principal company in Germany; comprises 36% of workforce; \(^2\) Refers to executive non-wage scale employees

In Germany we provide additional support to our employees through our partnership with the childcare service provider pme Familienservice GmbH, which helps them find the right childcare solution for their children. Familienservice’s childcare support and placement services, as well as its emergency childcare services and school vacation programs, are available to our employees in Germany. The organizations’ experts are also available to support in matters relating to care for family members. We also provide a structured framework ("Keep in Touch") for employees to remain in contact with the company and colleagues so that they can stay up to date on work-related issues during a parental or other family-related leave of absence.

In October 2014 our Post–eCommerce–Parcel division launched the pilot project "Flexible Work Arrangements", giving managers the chance to test various flexible work models. The aim is to demonstrate the ways in which flexible work solutions can help employees from different backgrounds and in different life phases maximize career opportunities. With the pilot project we also hope to establish positive role models and further strengthen our innovative and family-friendly work culture.

We are also supportive of employees who request to be relocated within the Group due to important family or health-related reasons. We do what we can to facilitate the move and have processes in place across the Group to expedite requested transfers of this nature.
INCLUSION OF EMPLOYEES WITH DISABILITIES

Enabling people with disabilities to take an active part in working life is important to us and we are committed to creating the necessary conditions for this to happen. Our inclusive approach applies not only to new hires, but to existing employees who become disabled as a result of an illness or accident.

At Deutsche Post AG in Germany, we employed a total of 14,741 persons with disabilities in the reporting year, representing an average annual employment rate of 9.1%. This was once again well above the national average in Germany’s private sector (4.1% in 2012; source: German Federal Employment Agency).

<table>
<thead>
<tr>
<th>EMPLOYEES WITH DISABILITIES IN GERMANY</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees with disabilities</td>
<td>12,758</td>
<td>13,199</td>
<td>13,740</td>
<td>14,170</td>
<td>14,741</td>
</tr>
<tr>
<td>Apprentices with disabilities</td>
<td>9</td>
<td>5</td>
<td>16</td>
<td>20</td>
<td>26</td>
</tr>
<tr>
<td>Employment rate</td>
<td>8.0%</td>
<td>8.3%</td>
<td>8.6%</td>
<td>8.7%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

1 Principal company in Germany; comprises 36% of workforce (headcount); 2 According to German Social Law (§ 80 Sozialgesetzbuch IX); 3 Adjusted

In 2014 we provided vocational training to 26 youths with disabilities at our principal company Deutsche Post AG (previous year: 20). These apprenticeships give young people with disabilities the opportunity to learn a trade.

In Germany we are also actively involved in educational campaigns and engaged in dialogue with associations, institutions and other companies on the issue of inclusion in the workplace. It is also important to us to share our knowledge and experience with disability-friendly workplace solutions with external stakeholders, who can access our solutions through the REHADAT database administered by the Cologne Institute for Economic Research.

Our most recent “Happiness Atlas 2014”, published in the reporting year, focused on inclusion in the workplace. We also held a stakeholder dialogue event on the topic of inclusion in the reporting year.
HR DEVELOPMENT AND PLANNING

HR DEVELOPMENT
We face two major challenges in the area of HR development. In industrialized countries, particularly in Germany, we have a steadily aging workforce. In highly populated developing and emerging market countries, we are sometimes faced with the challenge of lower levels of education.

Our most important responsibilities in HR development are to successfully recruit talent and to discover and develop the potential inside the 488,824 employees who make up our workforce today. By offering development opportunities tailored to our employees’ needs, they remain committed and motivated members of the Deutsche Post DHL Group workforce, and we help ensure our company’s success over the long term.

STRATEGIC WORKFORCE MANAGEMENT
We have an established method for determining our medium-term staff requirements. This calculation considers age distribution and turnover rate along with projected business growth and expected changes in productivity and allows us to derive very precise estimates of our future staffing requirements. We can also simulate various scenarios and use the results to anticipate potential problems and take action early. We can create new training programs today, for example, that will help us avoid manpower shortages tomorrow.

We also use the results of these analyses to derive new HR development measures. This improves our ability to fill future vacancies internally rather than relying solely on the open job market. Our goal is to provide our own qualified employees with opportunities for advancement and HR development measures that will allow them to take advantage of these opportunities.

We continually develop our tools for strategic workforce management. One of our projects in 2014, for example, helped simplify the calculation method for our Supply Chain subsidiaries in Latin America, while also expanding the scope of the analyses. In 2015 we will make these tools available to additional units, especially in high-growth segments. Our goal is to provide the Group’s business units with even better, more efficient and effective planning capability.

A critical factor for workforce management in Germany is the aging workforce. Using verified and secure data, we are able to plan our future personnel requirements with a high degree of precision. With our “Generations Pact” we have created an instrument which allows older employees to take advantage of a partial retirement scheme.

AGE STRUCTURE IN GERMANY IN 2014\(^{1}\)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 20 years</td>
<td>2,916</td>
<td>1,379</td>
</tr>
<tr>
<td>21 – 30 years</td>
<td>14,213</td>
<td>6,707</td>
</tr>
<tr>
<td>31 – 40 years</td>
<td>15,455</td>
<td>11,270</td>
</tr>
<tr>
<td>41 – 50 years</td>
<td>30,253</td>
<td>30,276</td>
</tr>
<tr>
<td>51 – 60 years</td>
<td>28,375</td>
<td>28,858</td>
</tr>
<tr>
<td>61+ years</td>
<td>3,107</td>
<td>3,387</td>
</tr>
<tr>
<td>Average age</td>
<td>43.7 years</td>
<td>46.4 years</td>
</tr>
</tbody>
</table>

\(^{1}\)Principal company Deutsche Post AG in Germany; comprises 36% of workforce (headcount)
THE GENERATIONS PACT PARTIAL RETIREMENT MODEL

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. The concept was developed primarily for employees who perform physically strenuous work on a daily basis.

By reducing the number of hours they work through a partial retirement scheme, we make it possible for older employees to remain in their jobs until reaching retirement age without facing any pension deductions. At the same time, this allows us to ensure that knowledge is transferred successfully from our experienced employees to their future successors.

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

UTILIZATION OF “GENERATIONS PACT” IN GERMANY AT YEAR END1

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees with working-time accounts</td>
<td>12,850</td>
<td>16,737</td>
<td>18,788</td>
</tr>
<tr>
<td>Employees in partial retirement</td>
<td>446</td>
<td>1,429</td>
<td>2,323</td>
</tr>
</tbody>
</table>

1Principal company Deutsche Post AG comprises 36% of the 2014 workforce (headcount)

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.
YOUNG AND FUTURE EMPLOYEES

While the structure of university-level education is relatively uniform around the world, there are significant differences between the vocational training systems in the different countries and regions. In many regions, apprenticeship training takes the form of on-the-job training. In Europe, training is mainly through vocational schools and colleges. Austria, Denmark, Germany and Switzerland have special dual systems which combine on-the-job training at a company or organization with classroom learning at a state vocational school. In these countries, the government regulates the vocational training system, determines which vocational occupations are officially recognized, and specifies the duration of the various apprenticeship training programs, as well as teaching and testing content. Today, through the German Qualifications Framework (DQR), vocational training and vocational qualifications received in Germany can be compared to qualifications systems across Europe.

Completion of a three-year apprenticeship training program in Germany corresponds to European reference level 4. A Bachelor degree, or qualification as a master craftsman ("Meister") or technician corresponds to reference level 6.

We train our young employees according to the applicable norms, standards and guidelines in the respective country and prepare them for their future role in professional life.

VOCATIONAL OCCUPATIONS IN GERMANY

At our company in Germany, secondary school graduates can choose from over 20 different officially recognized apprenticeships and integrated degree programs depending on their level of education and individual interests.

In 2014, we hired 1,913 new apprentices and integrated degree program students in Germany. We also plan to offer 2,375 new apprenticeship and study positions in 2015 - a total of 462 more than before.

APPRENTICES AND TRAINEES WITHIN THE GROUP AT YEAR END

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide¹</td>
<td>Headcount</td>
<td>3,775</td>
<td>4,392</td>
<td>4,910</td>
<td>4,935</td>
</tr>
<tr>
<td>Germany²</td>
<td>Headcount</td>
<td>2,245</td>
<td>2,045</td>
<td>3,164</td>
<td>3,177</td>
</tr>
<tr>
<td>of which men</td>
<td></td>
<td>62.9%</td>
<td>63.8%</td>
<td>66.5%</td>
<td>66.4%</td>
</tr>
<tr>
<td>of which women</td>
<td></td>
<td>37.1%</td>
<td>36.2%</td>
<td>33.5%</td>
<td>33.6%</td>
</tr>
</tbody>
</table>

¹ Annual average; ² Principal company Deutsche Post AG; comprises 36% of the 2014 workforce (headcount)

This is valuable training. Successful completion of vocational training together with several years of professional experience is often enough to qualify for university studies, even without a higher secondary school qualification ("Abitur"). Depending on the occupation, a dual apprenticeship usually lasts between two and three and a half years. All applicants with an entry-level vocational qualification have the chance of receiving an apprenticeship with us, even those without a secondary school qualification or with a poor secondary school qualification.

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 since 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.

APPRENTICESHIP SCHEMES WITHIN THE GROUP IN 2014

Total: 5,089 trainees (annual average)

- 5.5% WAREHOUSE LOGISTICS SPECIALISTS
- 5.6% DUALE HOCHSCHULE (INTEGRATED DEGREE) STUDENTS
- 6.8% FORWARDING AND LOGISTICS SERVICES SPECIALISTS
- 32.8% OTHER VOCATIONAL OCCUPATIONS
- 49.3% COURIER, EXPRESS AND POSTAL SERVICES SPECIALISTS

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 throughout Deutsche Post DHL Group is on the rise.

In Germany in 2014, we received some 22,500 applications for apprenticeship positions, which was nearly 12% more than in the previous year. With some twelve applications per apprenticeship position, we are able to fill our open spots with qualified, achievement-oriented young people. The dropout rate, at roughly 6%, is low compared to other industry companies. According to Germany’s Federal Institute for Vocational Education and Training (BIBB), since the early 1990s between 20% and 25% of apprenticeship contracts within the dual apprenticeship system are annulled before completion of the training.

In 2014, over two-thirds of all apprentices who completed programs with us were hired to full-time positions. We also offer part-time positions to those interested.
This maintained the previous year’s high hiring rate.

We have also collaborated with the international student organization AIESEC since 1996 to provide internships and many other networking opportunities for outstanding university students. This helps strengthen our competitive position in the war for talent.

**TRAINEE PROGRAMS**

We have established several trainee programs for university graduates. 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. For the duration of the 18-month program, GROW trainees are supported by a mentor who provides them with regular feedback and career planning support. In 2014, 31 participants were selected from a pool of over 3,000 applicants.

Several other trainee programs are available at the division level in addition to the Group-wide GROW program.
TRAINING AND DEVELOPMENT

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.

In 2014, the average number of training days per employee totaled 1.5 days. The training opportunities are available to all employees, both full-time and part-time.

<table>
<thead>
<tr>
<th>TRAINING AND DEVELOPMENT</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual training days per employee</td>
<td>days</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Annual training days per full-time employee</td>
<td>days</td>
<td>1.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Annual training costs per full-time employee</td>
<td>€189.60</td>
<td>€166.00</td>
<td>€165.70</td>
</tr>
</tbody>
</table>

1 Based on survey. 2014 figures for training days during working time covers 90% of all full-time employees (2013: 66.7%, 2012: 64.1%). 2014 figures on training/development costs covered 100% of all full-time employees (2013/2012: 100%)

SEMINARS CONDUCTED IN 2014

- Total: 259 seminars

| SEMINARS CONDUCTED IN 2014 | 16% LEADERSHIP-TRAINING | 30% SOFT SKILLS TRAINING | 54% SPECIALIST TRAINING |

The decrease in the number of training days and the sinking training costs are a result of the increased use of our online training offerings.

A core component of our training and development architecture is our Group-wide e-learning platform, which can be accessed from anywhere in the world. In 2014, our employees took part in some 398,000 hours of online training, with a focus on compliance trainings and standard trainings for everyday work e.g. in MS Office. Our online training program continues to include training in our 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. We are continually expanding the course offerings and translating existing courses into more than 20 different languages. All of our employees in Germany can take advantage of an open seminar program that offers training (both classroom and online courses) in the areas of leadership, soft skills and technical knowledge. As part of our Group-wide "Certified" initiative, all of our personnel in HR will take part in the qualification program.

An additional element of our HR development system are the personal development conversations that take place regularly between employees and their managers. The results are entered into our Group-wide IT-based performance management system, which administers the development plans of our employees. Successfully completed HR development measures and trainings are also entered into the system. The employee’s training level as well as training needs are also part of the annual target agreement meetings between the employee and his/her manager.

In 2014, we transferred the first round of employee data into a new, Group-wide HR development system. In the coming years, our goal is to further leverage and expand the group-wide HR development system and offer our employees additional learning processes.
LEADERSHIP DEVELOPMENT

One of our most important leadership principles for our managers is commitment to their own continual personal and professional development, and to the continued development of their employees. This includes 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.

To advance the Group strategy and further develop the company’s leadership culture, higher level executives take part in cross-functional and cross-divisional programs focused on developing a more holistic approach to management and further developing their own personal management style. In 2014, all seven members of the Board of Management as well as the Group’s top-level executives completed the second generation of our leadership development program so as to optimally prepare for implementing the Group’s Strategy 2020. The second generation of our leadership development program will be completed by the next executive level by 2016.

All other managers and employees have access to development opportunities through divisional development programs and through the “Certified” initiative.
GROUP-WIDE EMPLOYEE OPINION SURVEY

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. Additionally, we entrust our line managers to keep employees abreast of new developments within the company through regular operations or team meetings.

Our annual Group-wide Employee Opinion Survey (EOS) is a central 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”, the latter of which is also relevant for executive bonus payments.

SURVEY DESIGN

The results of our annual Employee Opinion Survey (EOS) serve as a central non-financial performance indicator for the Group. Conducted each year since 2009, the EOS encourages employees to share their opinions with us. The questionnaire comprises 40 questions across eleven different topic clusters. EOS results are evaluated and reported using fully anonymized data.

One of the survey’s most important KPIs, “Employee Engagement”, helps us gauge how close we are to achieving our goal of becoming Employer of Choice. Results from the “Active Leadership” area have relevance for middle and upper management bonus payments. The 2014 EOS results showed an improvement of one percentage point in this very important area over the previous year.

At 77% in both 2014 and 2013, the EOS response rate not only shows that the survey results are representative. It also demonstrates the survey’s importance as a key feedback channel for the Group.
RESULTS OF THE EMPLOYEE OPINION SURVEY

The anonymized results of our Group-wide Employee Opinion Survey (EOS) provide insight into absolute approval rates and help us track developments across all eleven topic clusters. The Group-level 2014 EOS results show continuous improvement in nearly all areas surveyed, confirming our employees' satisfaction with their company. We regularly benchmark our EOS results against external standards. These comparisons place our performance at a high level.

APPROVAL RATINGS (SELECTION)

<table>
<thead>
<tr>
<th>Topic</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>72%</td>
<td>72%</td>
<td>72%</td>
</tr>
<tr>
<td><strong>Employees’ degree of identification with Deutsche Post DHL Group; satisfaction, loyalty, pride in their jobs and willingness to act as ambassadors for the organization</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Leadership ¹</td>
<td>69%</td>
<td>70%</td>
<td>71%</td>
</tr>
<tr>
<td><strong>The degree to which employees feel that they are respected and appreciated by their direct line managers, and that their professional development is supported through regular feedback</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>72%</td>
<td>73%</td>
<td>74%</td>
</tr>
<tr>
<td><strong>The degree to which Deutsche Post DHL Group’s strategy is clearly communicated to employees and the level of trust the employees show in the organization’s future prospects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>69%</td>
<td>70%</td>
<td>71%</td>
</tr>
<tr>
<td><strong>The degree to which the communication culture within Deutsche Post DHL Group fosters an open and constructive exchange of information</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EOS Follow-up</td>
<td>60%</td>
<td>61%</td>
<td>62%</td>
</tr>
<tr>
<td><strong>Employees’ perceptions of the extent to which their responses to the EOS are taken on board and lead to change</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Response rate</td>
<td>80%</td>
<td>77%</td>
<td>77%</td>
</tr>
</tbody>
</table>

¹Relevant for executive bonus payments

EOS FOLLOW-UP

The survey results are reviewed and discussed within the organizational units and 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 for their specific unit.

Both team members and their line managers make a voluntary commitment to implement the resulting follow-up actions. Together with the survey itself, the follow-up process drives a cycle of continuous improvement.
HEALTH MANAGEMENT & 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 maintaining and improving employee health and well-being is such a priority for us. Our commitment to the health of our employees exceeds legal requirements; for us, it is a major success factor in becoming “Employee of Choice” today and into the future.

We provide employees with a healthy work environment and offer a wide range of activities designed to encourage healthy lifestyles and help avoid risk factors. Our Corporate Health Policy provides the framework for implementing our health management system throughout the Group.

All of our measures and activities to promote occupational health and safety are embedded in our Health, Safety & Well-Being Strategy. Our Corporate Health Policy establishes a common set of objectives and defines the responsibilities of our health management across the Group.

HEALTH MANAGEMENT ORGANIZATION

Health management reports to the office of the Chief Medical Officer (CMO), where all health-relevant data and information is bundled and Group-wide initiatives are coordinated. The CMO tracks both internal and external developments relevant to employee health, analyzes where action measures are required and provides consulting and/or decision-making support as needed. This includes maintaining contact to important external institutions and facilities as a way to prepare for and/or overcome possible health threats and associated economic challenges.

The CMO consults our managers worldwide on all health-relevant issues and works with external parties/organizations as needed to clear any questions or concerns raised. The CMO supports the divisions and Group headquarters to answer relevant questions from customers and investors, as well as from public institutions and non-governmental organizations. As part of the Central Health Working Group, the CMO also presents an annual health report and regularly reports to the HR Board.

HEALTH MANAGEMENT
OCCUPATIONAL DISEASES AND PREVENTION
The jobs performed by our employees as part of the postal and logistics services we provide are physically demanding. Our health management, with its manifold activities and preventive measures, aims to reduce occupational diseases and work-related illnesses. We also help our employees prevent chronic ailments.

In 2014 in Germany, the statutory accident insurance recognized one case of an occupational disease.

In 2014 the sickness rate among employees Group-wide was 4.9%. Additional details on the sickness rate can be found in the Occupational Health and Safety chapter of this report.

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 initiatives designed to avoid, recognize and fight infectious diseases such as influenza and Ebola. We also provide educational support as part of HIV/AIDS prevention initiatives.

PROVEN PREVENTION
The proven tools and methods we apply in the area of prevention include the Health Working Groups and local health circles, through which we can reach nearly all employees in Germany directly, and employee family members indirectly. 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 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, and exercise programs. We also provide support in the areas of nicotine and alcohol addiction.

SOCIAL COUNSELORS LEND A HAND IN GERMANY
Our Deutsche Post AG employees in Germany have the option of consulting an employee support service counselor to help deal with conflicts in the workplace, health problems or personal problems. 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. To help accelerate treatment or rehabilitation, social counselors, in consultation with the employee, establish contact with medical specialists and clinics, counseling centers, self-help groups, social services and rehabilitation facilities.

Social counselors help employees in emergency situations, inform them of treatment options, support them on the road to recovery, and help restore their ability to work. They are also qualified to serve as emergency first responders as well as addiction counselors.
Deutsche Post DHL Group covers health insurance and medical treatment costs for its employees in several countries. After observing a significant increase in these costs in China, Mexico and the United Arab Emirates, we conducted a health risk assessment based on publicly available data on the general population and were able to identify the causes of this cost increase, thus achieving one of our goals for 2014.

The assessment reflects the global trend of significant increases in risk factors and diseases associated with unhealthy lifestyles, especially those resulting from nutritional deficiencies.

- In China the high healthcare costs result from an increase in respiratory and cardiovascular diseases, which, in turn, are attributed to air pollution and the widespread tobacco consumption among males.
- In the United Arab Emirates, statistical data shows that the body-mass-index continues to rise among the general population.
- Obesity is a problem of growing significance in Mexico as well. Additional health risks are attributed to widespread smoking and hypertension.

The results of our risk assessment will be used to introduce prevention measures, heighten health awareness among employees, and encourage healthy lifestyles.
Sound and responsible business practices are the building blocks of our company. Our Group policies, together with our Code of Conduct upon which they are based, are the guiding principles for ethically and ecologically sound action within the Group. These policies provide clear orientation for our managers and employees by conveying to them our values and principles.

We utilize defined management processes and systems to monitor and manage the implementation of our policies. We also expect our suppliers and transportation subcontractors to engage in responsible practices and comply with our standards and values as laid out in our Supplier Code of Conduct. Our interdisciplinary responsible business practice (RBP) network oversees CR issues relevant to the Group and also prepares actionable recommendations for the company’s governing bodies. This is our way of strengthening our CR performance while minimizing economic, environmental and social risks at the same time.

INSIGHT
Connecting people and improving their lives is our mission as a mail and logistics services provider, and it is the unifying focus of our daily work, whether in operations or in the area of sustainability and corporate responsibility. Our Group policies, together with our Code of Conduct upon which they are based, document our commitment to ethically and environmentally sound action in all areas of our business. These policies provide clear orientation for our managers and employees, and convey our values and principles. We utilize defined management processes to monitor and manage the implementation of our policies, goals and action measures. In this way, we ensure that responsibility is practiced – and lived – within the Group.

„The Deutsche Post brand is synonymous with privacy and security. With letter mail, confidential electronic communications and high standards for data protection, we help sustain democracy and rule of law.”

JÜRGEN GERDES, MEMBER OF BOARD OF MANAGEMENT, POST–ECOMMERCE–PARCEL
Connecting people and improving their lives is our mission as a mail and logistics services provider, and it is the unifying focus of our daily work, whether in operations or in the area of sustainability and corporate responsibility. Our Group policies, together with our Code of Conduct upon which they are based, document our commitment to ethically and environmentally sound action in all areas of our business. These policies provide clear orientation for our managers and employees, and convey our values and principles. We utilize defined management processes to monitor and manage the implementation of our policies, goals and action measures. In this way, we ensure that responsibility is practiced – and lived – within the Group.

"The Deutsche Post brand is synonymous with privacy and security. With letter mail, confidential electronic communications and high standards for data protection, we help sustain democracy and rule of law."

Jürgen Gerdes, Member of Board of Management, Post–eCommerce–Parcel
SIGNATORY TO THE SIX PACI PRINCIPLES FOR COUNTERING CORRUPTION
In the reporting year Deutsche Post DHL Group, a member of the World Economic Forum’s Partnering Against Corruption Initiative (PACI), signed on to the revised version of the initiative’s six core Principles for Countering Corruption. As a signee to the PACI Principles, we commit to translating these principles into concrete and measurable actions.

IDENTIFYING SUPPLY CHAIN SECURITY RISKS
In 2014, we readied our strategic supply chain security risk assessment IT platform for Group-wide roll-out and tested several new functions for identifying and assessing potential security risks.

COMPLIANCE AT MANAGEMENT CONFERENCES
Following the “tone from the top” approach, compliance matters are now covered regularly in management meetings. Compliance workshops were given for some 300 managers and executives at the last “Finance Conference” held June 3, 2014.

COMPLIANCE AUDITS
Corporate Audit, which routinely inspects the management processes within the compliance organization, conducted approximately 288 regular audits in the operating divisions and at some suppliers over the course of the reporting year.

COMPULSORY TRAINING ON THE GROUP’S DATA PRIVACY POLICY
Previously optional, Data Privacy Policy training was made a requirement for members of the Group’s middle and upper management in the reporting year.

ROLL-OUT OF STANDARDIZED DATA PROTECTION MONITORING PROCESSES
In 2014 we successfully finished testing the use of a Data Protection Registry and Privacy Impact Assessment to improve data protection monitoring processes for global IT applications. We began implementing the newly designed processes within our divisions the very same year.

CORPORATE PROCUREMENT POLICY UPDATED
In the reporting year we updated our Corporate Procurement Policy as a way to lend greater visibility to suppliers and transport service providers with high environmental and social standards. We also streamlined and standardized our processes for reviewing and evaluating suppliers through a “Third Party Due Diligence Questionnaire”, which is now being used across the entire Group.

TRAINING MATERIALS ON THE SUPPLIER CODE OF CONDUCT
We developed new training materials on the Supplier Code of Conduct in the reporting year and plan to implement them in 2015.
The Code of Conduct has been an integral part of our corporate culture since 2006, bonding us together across divisions and regions around the world. It is guided by the principles of the Universal Declaration of Human Rights, the principles of the UN Global Compact and those of the 1998 International Labour Organization (ILO) Declaration on the Fundamental Principles and Rights at Work, as well as the OECD Guidelines for Multinational Enterprises.

The Code of Conduct, which establishes the expectation of ethical behavior for our staff, provides the guiding principle for all of our company’s business practices. As such, it is the foundation for all other Group policies as well as regional guidelines and rules of conduct. Adherence to the Code of Conduct within the Group is monitored by our compliance organization. The Code is available in 21 different languages. Violations can be reported through multiple channels, including a dedicated Compliance Hotline. The Code of Conduct remained unchanged in 2014.

We regularly review our Code of Conduct and rely on input from the Group’s Integrity Board to ensure that our Code of Conduct is in line with changing political and social requirements. The Integrity Board met twice over the course of the reporting year.

**CORPORATE POLICIES**

**PRINCIPLES**

- Universal Declaration of Human Rights
- UN Global Compact
- Core labor standards of the International Labour Organization
- OECD Guidelines for Multinational Enterprises

**KEY GROUP POLICIES**

<table>
<thead>
<tr>
<th>Policies:</th>
<th>Internal Policies:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code of Conduct</td>
<td>Anti-corruption Policy</td>
</tr>
<tr>
<td>Supplier Code of Conduct</td>
<td>Business Ethics Policy</td>
</tr>
<tr>
<td>Corporate Health Policy</td>
<td>Competition Compliance Policy</td>
</tr>
<tr>
<td>Declaration of Conformity with the German Corporate Governance Code</td>
<td>Privacy Policy for International Data Transfers</td>
</tr>
<tr>
<td>Environmental Policy</td>
<td>Corporate Procurement Policy</td>
</tr>
<tr>
<td>Paper Policy</td>
<td>Investment Policy</td>
</tr>
<tr>
<td>Road Safety Code</td>
<td>Guideline on the use of biofuel</td>
</tr>
</tbody>
</table>

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*The term “suppliers” also refers to our transportation subcontractors*

**TRAINING**

We provide online training to educate employees about the Code of Conduct.

In 2014, the updated versions of these training programs from 2013 were made available Group-wide on our e-learning platform in eleven different languages. Ten additional language versions will follow in 2015.
HOMEPAGE / PRINCIPLES AND GUIDELINES / RESILIENCE MANAGEMENT

RESILIENCE MANAGEMENT

As an internationally operating logistics company, our business is subject to a wide range of influences and impacts. While this brings new business and market opportunities for the Group, it also harbors potential risks to our reputation, our compliance standards and our financial stability.

Our Group-wide resilience management is designed to systematically identify potential opportunities and risks early. The process not only distills important insights into potential benefits for the Group but enables us to take necessary measures to protect our business, our employees and our customers from potentially negative impacts. This enhances and strengthens our position among the competition. A logistics company that is able to maintain operations, enabling unbroken access to and the supply of goods and services, even in critical situations is the partner of choice for businesses in industry and trade. Innovative solutions for increasing supply chain security represent a huge market potential for our company.

OPPORTUNITY AND RISK MANAGEMENT PROCESS

1. IDENTIFY AND ASSESS
   - Assess
   - Define measures
   - Analyze
   - Identify

2. AGGREGATE AND REPORT
   - Review
   - Supplement and change
   - Aggregate
   - Report

3. OVERALL STRATEGY/RISK MANAGEMENT/COMPLIANCE
   - Determine
   - Manage

4. OPERATING MEASURES
   - Plan
   - Implement

Opportunities and risks are defined as potential deviations from projected earnings. Managers in all divisions and regions provide an estimate of our opportunities and risks on a quarterly basis and document respective actions. They use scenarios to assess best, expected and worst cases. Each identified risk is assigned to one or more managers, who assess it, monitor it, specify possible procedures for going forward and then file a report. The same applies to opportunities. The results are compiled in a database.

REPUTATIONAL RISKS (ISSUES MANAGEMENT)

Initially established in 2011 as a strategic communications tool, issues management at Deutsche Post DHL Group has since developed into a key enabler for our innovative, integrated management approach.

With the help of an intelligent monitoring system, issues management tracks public debate on an array of global issues (world trade, sustainability, future technologies) as well as stakeholder perceptions of topics with high opportunity/risk potential. Both business and communications strategies draw on the insights gained from this process as a way to further improve our performance on core issues and to protect and strengthen our reputation.

Real-time media monitoring, entailing the continuous observation and analysis of more than 20,000 online media and social media sources, is one of the central components of issues management at Deutsche Post DHL Group. In 2014 we tracked coverage on nine global themes and trends as well as 25 CR-related focus areas.

To gauge the relevance of these issues for our Group, we consult our stakeholders, engaging with them in dialogue formats and through stakeholder surveys.

The systematic monitoring and analysis of pre-defined issues enables us to identify areas with potentially poor performance, flag perception gaps between internal and external stakeholders, and develop measures for redressing these disparities.

These findings are reported regularly to the Board of Management and the Group’s managers.

FINANCIAL OPPORTUNITIES AND RISKS

As an internationally operating mail and logistics company, we are faced with a constantly changing business environment. Our aim is to identify the resulting opportunities and risks at an early stage and to take the necessary measures in the 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. In the first step of the process, CR-related opportunities and risks from areas such as environmental management, litigation and personnel are recorded and measured.

Each quarter, managers estimate the impact of future scenarios, evaluate the opportunities and risks for their departments, and present planned measures as well as these already taken. Queries are made and approvals given on a hierarchical basis to ensure that different managerial levels are involved in the process. Opportunities and risks can also be reported at any time on an ad hoc basis. The early identification process links the Group’s opportunity and risk management with uniform reporting standards. We continuously improve the IT application used for this purpose.

Financial opportunities and risks are presented in our 2014 Annual Report.
SECURITY MANAGEMENT SYSTEM

For a globally operating logistics company like Deutsche Post DHL Group, success hinges on a stable and secure business environment as well as on the security within its various modes of transport, be it by air, road or sea. Globally integrated supply chains are exposed to any number of risks and are often the target of criminal activity, including organized crime, terrorism, piracy and internet crime.

Deutsche Post DHL Group implements a risk-based security management system, which considers the security requirements of all our divisions as well as those of our Corporate Center, and identifies and assesses the associated risks for our company. The system monitors and mitigates potential threats and their resulting impact, putting us in a position to notify our employees and business partners early and in detail about changes in the security situation.

In addition to monitoring the global security environment, security management at Deutsche Post DHL Group also maintains a close and collaborative dialogue with security authorities and represents the Group’s interests in national and international bodies and institutions that deal with security issues. In the effort to safeguard our employees, the assets entrusted to us by our customers, as well as the Group’s tangible and intangible assets, we implement targeted crime prevention measures, investigate security-related incidents and develop and conduct security training across the Group.

Our security management system is embedded in the Group’s comprehensive management approach and is compliant with legal and regulatory provisions. In addition to protecting our people and our business, the systematic management of security risks also strengthens our capabilities as a service provider and enhances the satisfaction of our customers. Our security management system therefore plays an important role in the business success of Deutsche Post DHL Group.

GLOBAL IT PLATFORM

We are currently developing a global IT platform able to perform strategic assessment of our global supply chain security risks. The tool, which processes information on security-related incidents from both internal and external sources in near real time, also serves as a communication platform in the event of a security issue, allowing us to contact and share information with the involved parties along the entire supply chain.

Over the course of the reporting year, we expanded the platform’s capacities and introduced new functions for identifying and assessing security risks. Once the testing phase has been completed, we plan to roll out the updated version of the platform Group-wide. We also offer the system to customers interested in a customized solution for monitoring and protecting their supply chains.
TRANSPORT SAFETY
The operating safety of our vehicle fleets is of fundamental significance to our business as a mail and logistics company. For this reason, we conduct technical safety inspections and employee training on a regular basis in the effort to maximize the safety of our transports.

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 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
We provide our employees with extensive information on the subject of road safety through various internal communication channels, print employee publications as well as local events. That information is regularly supplemented and revised. The most important target group for this information is our delivery and transport staff.

In the reporting year, our Post-eCommerce-Parcel division reworked and introduced a manual for conducting driver training courses on company sites for operators of delivery vehicles. The materials include a detailed description of an obstacle course developed to illustrate and train specific situations encountered in delivery operations. The parcour can be adapted to various vehicle types. Drivers are exposed to challenging situations and given the chance to practice difficult maneuvering exercises in the safety of a controlled space.
Compliance management at Deutsche Post DHL Group helps ensure that no matter where we are in the world, we behave in a way that adheres to laws and regulations. Compliance management therefore makes use of preventive measures and controls to prevent legal violations as well as behavior that does not comply with Group policies, in particular our Code of Conduct.

In the reporting year Deutsche Post DHL Group, a member of the World Economic Forum’s Partnering Against Corruption Initiative (PACI), signed on to the revised version of the initiative’s six core Principles for Countering Corruption. As a signee to the PACI Principles, we commit to translating these principles into concrete and measureable actions.

**TONE FROM THE TOP**

"Compliant behavior protects us as a company and you as an individual from financial and legal repercussions. It protects Deutsche Post DHL Group’s reputation – and yours."

Frank Appel, CEO

When it comes to compliance, Deutsche Post DHL Group expects its managers to lead by example. The company’s Board of Management has repeatedly and clearly articulated its stance on all compliance-related matters. All managers at Deutsche Post DHL Group are obligated to implement compliance guidelines and do their part in creating and maintaining a compliance culture.

Compliance has also become a standard agenda item at management conferences and meetings. During the last Finance Conference in early June 2014, for example, some 300 international managers from the area of finance attended a special compliance workshop. The training provided a review of general compliance issues and raised awareness for various risk factors specific to the managers’ area of work.

**Pursuing our interests with transparency**

When it comes to political lobbying, transparency is top priority for Deutsche Post DHL Group. We voluntarily report on the type, scope and financing of our EU lobbying activities through the EU Transparency Register.

Our Group-wide Anti-corruption Policy and Business Ethics Policy lay down the rules for contributions to political parties and governmental institutions, stating that "employees are not authorized to make contributions to political parties… to governmental authorities or to any other public institution on behalf of the Group."

**Compliance and strategy 2020**

As stated in Strategy 2020, Deutsche Post DHL Group aspires to achieve above-average growth in the world’s emerging markets. Compared to the majority of developed countries, less developed countries are much more prone to potential compliance risks.

Compliance matters are therefore central to our ambitious growth targets, which we plan to achieve through legally and ethically sound business practices, service excellence and outstanding customer focus.
Compliance management is firmly established throughout the Group worldwide and covers all of our business activities. Key action areas include combating corruption and anti-trust law compliance. Guidelines and commitments are laid down in a framework of Group-wide policies, the most important among them our Code of Conduct, Anti-Corruption Policy and our Competition Compliance Policy.

Moreover, business partners such as suppliers, subcontractors and other agents are also subject to our compliance requirements. Our provisions are laid out in our Supplier Code of Conduct. Group-wide rules have also been established for Group donations and contributions to political parties, elected officials and governments.

At Deutsche Post DHL Group, the Chief Compliance Officer is responsible for the compliance management system and reports directly to the Chief Financial Officer. The Chief Compliance Officer is assisted in these duties 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 (Post-eCommerce-Parcel, Express, Supply Chain, and Global Forwarding, Freight) 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 is 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.

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 include the evaluation of business partners with regard to compliance, the coordination of the system for reporting potential violations of law or policy, and the development and implementation of compliance training and communication measures.

Corporate Audit inspects the management processes within the compliance organization on a routine basis. They also conducted 288 regular audits in the operating divisions and at some suppliers. The results of the inspections are documented and presented regularly to the Board of Management. This information is used to continually improve and develop the compliance system and to refine our policies as necessary.

REPORTING VIOLATIONS

Employees can report potential compliance violations through a special 24-hour web application, or by calling our Compliance Hotline, which is available in 150 countries and in 30 different languages. Internal communication channels are used to ensure that employees know about the reporting systems available to them as well as whom to contact within the local compliance organization.

Compliance violations can be reported anonymously (where legally permitted) or by providing contact information. Reported compliance violations are handled professionally and confidentially. The Chief Compliance Officer reports relevant violations to the Board of Management and the Supervisory Board’s Finance and Audit Committee.
DATA PROTECTION

Data protection is a key concern among our stakeholders. In Germany, 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 our responsibilities as a postal company. Data protection is a central feature of several products and services offered by our Post-eCommerce-Parcel division, such as E-Post or digitization services. Customers in our strategic growth market eCommerce as well as in international logistics also place tremendous value on compliance with data protection regulations.

Our data protection management helps us meet the demanding requirements of our stakeholders. This is not just about compliance to mitigate the risk of legal sanctions and avoid damage to our reputation. High data protection standards are integral to the Deutsche Post DHL Group brand – to our identity. Maintaining these high data protection standards is an effective way to win new customers and engender loyalty among existing customers.

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 Group 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 to comply with applicable legal provisions. In 2014, the Data Privacy Policy training course was made compulsory for managers.

COMPULSORY TRAINING

For some time now we have offered managers online Data Privacy Policy training, which covers both the scope and objectives of the policy, through our web-based training portal.

In the reporting year, this optional training was made compulsory for middle and upper management. 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 open to all staff.

IMPLEMENTATION OF DATA PROTECTION MONITORING PROCESSES

In the reporting year we continued to improve data protection monitoring processes related to data exchange via global IT applications.

In 2014 we completed the testing phase and began integrating data protection monitoring into divisional processes. We expect implementation to be completed by the end of 2015.

NEW MEDIA AND DIALOGUE MARKETING

Compliance with rigorous data protection standards is also a priority in the area of new media and dialogue marketing.

With our E-POST service, for example, our users benefit from closed-system communications between sender and recipient, in which the electronic communication is completely encrypted from start to finish (end-to-end encryption) and third parties are prevented from accessing the data in any way. This also applies to SIMSme, Deutsche Post’s free Secure Instant Messenger for confidential communication via smart phone, a service introduced in 2014.

In the area of dialogue marketing, our NEXELLENT technology provides customers with a tool to track the online response to physical mailings. In 2014, NEXELLENT was awarded certification by EuroPriSe (European Privacy Seal).
PROCUREMENT AND SUPPLIER MANAGEMENT

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

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

PROCUREMENT EXPENSES 2014

Volume: €10.3 billion

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 approximately 90% of our purchased transport volumes. Preference is increasingly shown to transport service providers with environmental and social standards in place.

In July 2014 we adjusted our Corporate Procurement Policy and standardized the Group-wide process for screening and evaluating our suppliers. As part of our efforts, we devised an extensive third party due diligence questionnaire for Group-wide application, replacing all divisional variations in the process. This comprehensive survey replaces earlier versions used to monitor our Anti-corruption Policy, Business Ethics Policy, our environmental standards and our Competition Compliance Policy. A due diligence screening of suppliers is conducted based on the survey results.
SUPPLIER CODE OF CONDUCT

The Supplier Code of Conduct, which lays out the ethical and environmental standards of Deutsche Post DHL Group, is an integral part of the contracts with our suppliers. The Code applies to suppliers as well as transportation subcontractors and other service providers. The Code explicitly encourages suppliers to ensure that their own business partners and subcontractors adhere to our standards as well.

INTERACTIVE TRAINING FOR SUPPLIERS DEVELOPED

In 2014 we began developing an interactive training module on our Supplier Code of Conduct. The interactive format, which will become available on our websites in 2015, provides suppliers with a deeper understanding of our standards and expectations. We will also make the Supplier Code of Conduct available in 25 language versions in 2015.

RESPONSE TO NON-ADHERENCE

Individual inspections are conducted should a supplier's compliance with the provisions of the Code come into question. We also conduct random compliance tests of selected suppliers regardless of suspicion. Suppliers are selected on the basis of their economic significance and a risk assessment.

If, upon further investigation, a violation of our Supplier Code of Conduct is confirmed, the supplier in question must bindingly commit to address and remedy non-compliant behavior as quickly as realistically possible. Follow-up evaluations are conducted. If the supplier fails to meet our requirements, either in part or in full, further action is taken; in some cases, this can even mean the termination of a business relationship. In Germany, we severed ties with a subcontractor in our parcel delivery operations who failed to comply in full to our request to adjust its time tracking system and employee contracts. Our own employees were put in charge of handling the affected delivery districts.
EVALUATION OF SUPPLIERS

We select our suppliers and transport subcontractors by way of a multi-step tendering process, which considers both cost-effectiveness and quality, as well as ecological and ethical aspects. Over the medium term, in addition to our own review processes, we’d like to start evaluating our suppliers to begin using a global, web-based CSR assessment platform. We currently use this platform to assess our own sustainability performance. In the future we will be encouraging our suppliers to follow our lead and undergo a comprehensive CSR screening themselves. The results will be used to enhance and further differentiate our supplier evaluation process.

In 2014 we launched the Group-wide rollout of the Security and Compliance Awareness Workshop (SCAW), a workshop format for procurement experts developed by the Group’s procurement, corporate security and compliance organizations. The goal is to educate purchasers on the importance of complying with standards and of resolving conflict in a way that is in line with the relevant policies and guidelines. Fourteen workshops were conducted in the reporting year. The program is nearly complete in Germany, with a total of 154 purchasers having already taken part in the workshop series (this figure includes participants in the 2013 pilot workshops). We plan to expand the offering in 2015, providing the SCAW workshop in both online and face-to-face formats to our purchasers in Asia and the Americas. Refresher courses will be made available to purchasers who have already completed the main expert workshop.

We also conduct annual evaluations of all our large hardware and software suppliers. The results are presented to the IT Board for review. The 2014 evaluations did not lead to any objections. Starting in 2015, all surveys used to evaluate our IT suppliers will be conducted not only in German and English but in additional languages as well.

DEVELOPING SUPPLIER RELATIONSHIPS

For us, our suppliers are more than just transport service providers or external agents who deliver the goods we need. We also recognize them as a valuable source of ideas for improving our company. We maintain close working relationships with suppliers who possess competencies that are of strategic importance for our current or future business. These include innovators from the fields of green technologies and IT. We confer regularly with these partners, exchanging ideas and information about current developments, and collaborate on projects focused on driving innovation and developing new business models.

In 2015 we plan to invite our strategic suppliers to a special “Supplier Day” event as a way to intensify cooperation and inform them about our procurement strategy. We also plan to introduce a supplier award in 2015 that considers sustainability among other criteria.
Environmental aspects play a major role in the procurement of products and services. Corporate Procurement supports Group divisions in reaching their environmental targets by enabling market transparency, presenting innovations to the operating divisions and making investment proposals.

Corporate Procurement was a key driver, for example, in helping Deutsche Post DHL Group achieve its green electricity target in 2014. In many (primarily non-EU) countries, certified green electricity is often not available in sufficient quantities or at economically acceptable conditions. By leveraging the expertise of our purchasers, we were able to gain transparency on the most relevant markets and establish the buying frameworks necessary for procuring green electricity that is both of sufficient quality for us and at acceptable conditions.

Corporate Procurement also contributed in the renewal of heating and lighting systems at 33 parcel centers throughout Germany, as well as in the renewal of the Group’s aircraft and road vehicle fleet as well (see the "Shared Value" section for details).

We are also responsible for ensuring the procurement of environmentally friendly supplies. Our commitment to the principles of sustainable forestry is laid out in our Paper Policy, which requires us to select recycled paper when purchasing paper, paper products, print products and packaging materials whenever available on the local market. This also applies when procuring services for the manufacture or procurement of paper.
EMPLOYEE RELATIONS

Globally we work together in diverse ways with our employees and their authorized representatives by national law, and we engage with them in a constructive dialogue.

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

OUR GUIDING PRINCIPLES

Traditional Industrial Relations covers topics such as union relations within the company, pay, collective bargaining, working time and other issues related to working conditions. In the more recent past, however, human rights has become an increasingly important dimension within the labor context. Our Code of Conduct explicitly addresses industrial relations and human rights in accordance with the international standards and principles that govern these issues. We have therefore developed a new approach, bringing these two areas together in what we now call "Employee Relations".

SUSTAINABLE EMPLOYEE RELATIONS

To ensure that our employee relations remain effective over the long term we have established an employee relations framework that will support our objective of becoming Employer of Choice. It will help to strengthen the engagement and motivation of our employees and equip our managers to manage employee relations issues when they occur. The Industrial Relations Forum, established in 2013, has been renamed to reflect the broader nature of our employee relations work, and is now called the "Employee Relations Forum".

EMPLOYEE RELATIONS FORUM

Our Employee Relations Forum (ER Forum) is made up of senior employee relations experts from each of our divisions. Its mandate is to provide a cross-divisional governance body for employee relations issues that arise around the world and which could have a cross-divisional or Group-wide impact. It enables the Group to pro-actively manage such employee relations issues.

The ER Forum is also responsible for

- escalating local employee relations issues from around the world that could have a cross-divisional or Group-wide impact and supporting the divisions in pro-actively managing them,
- promoting the implementation of best-practice methods and processes and developing training tailored to the local needs of the business,
- facilitating the exchange on ER-related issues between regional units within the divisions,
- improving the collaboration between the divisions and Corporate Center, and
- deepening our understanding of changing stakeholder requirements and expectations regarding employee relations including human rights.
ASSESSMENTS IN GROWTH MARKETS

In 2013 we introduced a process to systematically evaluate our employee relations risks in growth market countries.

Our “Employee Relations Impact Assessments” is a due diligence process in line with the United Nations Guiding Principles on Business and Human Rights issued in 2011 for companies and states. The assessments, which address a wide range of topics relevant to our company, are an important management tool for understanding potential employee relations issues within the Group. The process is managed by our corporate department Corporate HR International to provide expertise and objectivity. With a focus on higher-risk growth markets, the assessment involves a deep dive into relevant HR policies and processes, interviews with managers and round tables with employees. Employees are invited from different sites to the round tables, and their feedback is kept anonymous in order to encourage open and honest responses. This process helps us validate potential employee relations issues and develop mitigating actions early. The assessment process also helps raise awareness for employee relations and human rights among managers at local level.

We have conducted ten Employee Relations Impact Assessments since initiating our employee relations due diligence process. We are planning to conduct assessments in five additional growth market countries in 2015.

EMPLOYEE NUMBERS BY REGION AS OF DECEMBER 31, 2014

Total: 488,824 employees worldwide

RAISING AWARENESS FOR EMPLOYEE RELATIONS ISSUES

In 2013 we developed a training program for senior managers to help deepen their understanding of employee relations.

The first part of the employee relations training program, implemented as an e-learning module, was rolled out in 2014. The training program highlights the changing world of employee relations and the challenge of meeting global standards as contained in our Code of Conduct with local practices in a competitive and complex global business environment. The e-learning course was completed by more than 50% of the defined target group in 2014.

As of 2015, our new Group-wide “Certified” initiative will also include a module on employee relations for frontline managers. This module is being developed and is scheduled to roll out in the second half of 2015.
GLOBAL EXCHANGE WITH SOCIAL PARTNERS

The primary responsibility for managing local employee representatives and trade unions rests with the divisions at a country and local site level. At global level, we engage in regular dialogue with international union federations such as the UNI Global Union (UNI) and the International Transport Workers’ Federation (ITF).

DIALOGUE WITH GLOBAL UNIONS

Following a successful mediation process the German NCP of the OECD, Deutsche Post DHL Group and the global union federations UNI Global Union (UNI) and the International Transport Workers’ Federation (ITF) agreed upon a Joint Statement in January 2014.

To continue our dialogue with UNI and ITF, we met with their representatives three times over the course of 2014. The primary focus of these meetings was to follow up on actions agreed in the Joint Statement and to assess progress in these areas. This dialogue will continue in 2015 with the aim of delivering value for our employees and the business.

In our CR Report 2013, reference was made to an employee relations issue in Turkey. We can now report that in 2014 our DHL Supply Chain subsidiary and the Turkish trade union TÜMTİS concluded a collective bargaining agreement in April 2014. The agreement, effective from January 1, 2014, is valid for two years. This achieves closure of this topic.

INITIATIVES WITHIN EUROPE

Together with our social partners, we participate in an array of initiatives and activities at the European level.

The Deutsche Post DHL Forum is a joint body of employee representatives (European Works Council) and management representatives (European Management Forum) from 30 European countries. The Deutsche Post DHL Forum and its committees met a total of twenty-five times in the reporting year. The union federations UNI Global Union and the European Transport Workers’ Federation each have a representative to participate in the regular meetings of the Deutsche Post DHL Forum.

In 2014, the European Social Dialogue Committee for the Postal Sector successfully implemented the "Managing demographic challenges in the postal sector" project funded by the European Commission. Deutsche Post DHL Group contributed to the project by sharing its experience with the partial retirement model (Generations Pact) and its health management program.

On February 7, 2014 the Postal Sector Evolution working group from the Social Dialogue Committee of the Postal Sector concluded its project "Developing a quality postal service in the digital age" with a final conference held in Brussels. More than 60 participants, including prominent international representatives, discussed key insights into the changing realities within the postal sector and strategies for adapting to these changes.

On November 21, 2014 the social partners of the European Social Dialogue Committee for the Postal Sector celebrated its 15th anniversary. Tribute was paid to the committee’s success during its plenary meeting. Among the committee’s achievements highlighted: eight signed joint declarations, ten EU-funded projects, more than 170 working group meetings and the realization and launch of the website www.postsocialdialog.org. This high-level session was also marked by the signing of the Joint Declaration on Matching Skills and Jobs in the European Postal Sector, which is the result of close and intense collaboration with our European social partners.

Employee representatives are important stakeholders for Deutsche Post DHL Group. Please see the chapter "Stakeholder dialogue events" for details about our activities.
OCCUPATIONAL HEALTH AND SAFETY

To protect our employees from occupational hazards and risks in all aspects of their working environment, we have drafted a comprehensive set of rules and policies that exceed the requirements of statutory occupational safety regulations and standards. We collaborate closely with employee representatives and organizations to develop, and continually update, these safety rules and associated training activities.

We also employ a series of preventive occupational safety measures to regularly brief our employees on safety in the workplace. In Germany alone, the Occupational Safety team supports around 200,000 employees across all of our companies. The occupational health and safety organization’s mandate covers all locations of our principal company Deutsche Post AG in Germany and is part of our EN ISO 9001 certified quality management system.

We will continue to develop the reporting framework as part of our ongoing efforts to improve the quality of our data. Our goal is to harmonize occupational safety reporting across the Group. Once achieved, this will allow us to report Group-wide accident data.

POLICIES TO ENSURE EMPLOYEE HEALTH AND SAFETY

All of our measures and activities to promote occupational health and safety are embedded in our central Health, Safety & Well-Being Strategy. Our Corporate Health Policy establishes a common framework and set of objectives, and defines the responsibilities of our health management across the Group.

As a mail and logistics company, our road operations are vital to our daily business; this involves a certain amount of unavoidable risk and exposure to road-related hazards. Our Road Safety Code requires all employees to abide by a core set of seven rules for responsible behavior on the road – for their own safety and the safety of others.

SICKNESS RATE

At 4.9%, the sickness rate among employees Group-wide in 2014 remained nearly the same as in the previous year. In Germany, the sickness rate was 8.6%. 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.

<table>
<thead>
<tr>
<th>SICKNESS RATE WITHIN THE GROUP</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
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<tbody>
<tr>
<td>Worldwide¹,²</td>
<td>5.4%</td>
<td>5.2%</td>
<td>5.2%</td>
<td>4.8%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Germany³</td>
<td>5.6%</td>
<td>7.6%</td>
<td>7.4%</td>
<td>8.4%</td>
<td>8.6%</td>
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</table>

¹ Annual average; ² Based on a report of all organizational units representing 94.3% of all employees in 2014 (2013: 90.2%; 2012: 73.1%; 2011: 72.7%); ³ Includes all employees in Germany
ACCIDENT RATES

In the reporting year there were 15,808 workplace accidents with at least one lost working day at our principle company Deutsche Post AG in Germany. This figure includes accidents on the way to and from work. The risk of accident was highest among our delivery personnel.

ACCIDENT STATISTICS – GERMANY

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013³</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of workplace accidents²</td>
<td>11,987</td>
<td>12,864</td>
<td>14,441</td>
<td>15,823</td>
<td>15,808</td>
</tr>
<tr>
<td>Accident rate (number of accidents per 1,000 FTE per year)</td>
<td>66</td>
<td>72</td>
<td>80</td>
<td>86</td>
<td>87</td>
</tr>
<tr>
<td>Number of working days lost due to accidents (calendar days)</td>
<td>255,590</td>
<td>320,997</td>
<td>313,750</td>
<td>359,781</td>
<td>349,364</td>
</tr>
<tr>
<td>Working days lost per accident</td>
<td>21.3</td>
<td>24.9</td>
<td>21.7</td>
<td>22.7</td>
<td>22.1</td>
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<tr>
<td>Number of fatalities due to workplace accidents</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
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</tr>
</tbody>
</table>

¹ Includes all employees of the principal company Deutsche Post AG. ² Accidents when at least one working day is lost including accidents on the way to and from work. ³ Adjusted.

The accident statistics for the year 2014 are the first Group-wide accident statistics and reflect the significant progress made in improving the quality of employee data. The data collection methods and reporting formats across the Group were harmonized and transferred to a central management system. A comparison to previous year Group-wide statistics is not yet possible. In 2015 we will continue to develop the reporting framework and improve the coverage rate to ensure greater transparency and higher quality data.
<table>
<thead>
<tr>
<th><strong>GROUP-WIDE ACCIDENT STATISTICS</strong> (^1,2)</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total number of workplace accidents</strong></td>
<td></td>
</tr>
<tr>
<td>Post–eCommerce–Parcel</td>
<td>14,347</td>
</tr>
<tr>
<td>Express</td>
<td>1,715</td>
</tr>
<tr>
<td>Global Forwarding, Freight</td>
<td>306</td>
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<tr>
<td>Supply Chain</td>
<td>3,048</td>
</tr>
<tr>
<td>Corporate Center/Other</td>
<td>54</td>
</tr>
<tr>
<td>Group-wide accident rate</td>
<td>52</td>
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<tr>
<td><strong>Number of working days lost due to accidents</strong></td>
<td>271,168</td>
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<tr>
<td>Post–eCommerce–Parcel</td>
<td>183,941</td>
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<tr>
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<tr>
<td><strong>Working days lost per accident</strong></td>
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<tr>
<td>Post–eCommerce–Parcel</td>
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<tr>
<td>Express</td>
<td>21.4</td>
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<tr>
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<td>17.7</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>14.5</td>
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<tr>
<td>Corporate Center/Other</td>
<td>17.1</td>
</tr>
<tr>
<td><strong>Number of fatalities due to workplace accidents</strong></td>
<td>1(^3)</td>
</tr>
</tbody>
</table>

\(^1\) At year end; \(^2\) Coverage rate as reported by all organizational units: 85.2\%; \(^3\) In the reporting year there was one fatal injury within our principal company Deutsche Post AG in Germany. Data on fatal injuries from other Group companies are not available for the reporting year.

**FATAL ACCIDENTS**

There was one fatal injury within our principal company Deutsche Post in Germany in 2014. The employee was fatally injured while loading a vehicle.

As part of our initiative to improve the quality of employee data, our goal is to be able to provide Group-wide figures for the first time in 2015.
PREVENTING ACCIDENTS

Every workplace accident is one accident too many, which is why we are committed to continually increasing employee awareness with regard to risks and potential hazards, including hazards outside our area of responsibility. And we work to ensure that the workplace is as safe and secure as possible. One way we do this is by conducting work safety and occupational health inspections of technical equipment and vehicles considered for purchase.

Our managers bear great responsibility for the well-being of our employees. Inspecting the working conditions of staff, correctly assessing risk levels and initiating suitable measures to minimize risk are among their most important managerial tasks. We support our managers in this regard by providing policies, recommendations and consulting support from our occupational safety experts.

In the previous year we established an international committee to facilitate collaboration and exchange between occupational safety experts in the different divisions. The committee is responsible for defining cross-divisional regulations and standards, identifying accident black spots, and developing appropriate prevention measures. Most accidents occur during delivery. Falls are the most common type of accident and most occur due to slipping, tripping or falling. In 2014, within our principal company Deutsche Post AG, we conducted a Germany-wide road show on the topic of occupational safety. This involved our occupational safety experts getting together with branch managers to develop and define prevention measures. Additional trainings will be conducted in 2015, including topics such as safe walking techniques, driver safety, and overall safety awareness. We are also expanding our trainings for managers, designed to increase manager awareness and prepare them for fulfilling their responsibilities in the area of occupational safety. In addition to this, safety advisers are to be actively involved in identifying and optimizing local occupational safety measures. All measures described here will be implemented over the course of 2015.

Because our drivers and delivery personnel are out on public roads and highways on a daily basis, they are exposed to hazardous situations caused by third parties whose behavior we cannot influence. The Road Safety Code and its “Seven Rules of the Road” was established to minimize this risk, and require our employees to drive responsibly, cautiously and to anticipate potential hazards. We nevertheless recognize that we cannot completely eliminate the inherent risks.

Along with delivery personnel and drivers, we also have machine operators, warehouse personnel and members of other occupational groups working in potentially dangerous environments. To ensure the safety of our employees, workplace inspections and audits as well as safety trainings are conducted on a regular basis.

RAISING SAFETY AWARENESS

The effectiveness of occupational safety measures is determined substantially by the behavior of employees. We utilize a variety of internal communications channels to increase employee awareness of occupational safety issues and requirements.

One example of this is our participation in World Safety Day, which has proven effective in motivating and raising awareness among our employees on safety issues. World Safety Day is promoted by the International Labour Organization (ILO), a special organization of the United Nations, and is observed every year on April 28. In the days surrounding the 2014 World Safety Day event, some 150 individual activities and training events took place across the Group. These focused on road safety, loading dock safety, driver trainings, bicycle safety, practical tips for securing cargo, as well as safety checks for equipment such as roll containers and delivery bicycles.

We conduct a variety of prevention activities throughout the year to maintain safety awareness and provide employees with the necessary training. In our Post- eCommerce-Parcel division, for example, we conducted workshops with safety advisors, training for industrial truck drivers as well as a wide range of driver safety trainings. We also encourage our delivery personnel to take part in the dog safety trainings (e.g. handling aggressive dogs) offered throughout Germany by the German Post and Telecommunications Insurance Fund.

DANGEROUS GOODS TRANSPORT

As a leading logistics company, we also specialize in the safe and proper transport and warehousing of potentially dangerous goods and substances in accordance with current regulations and our general terms and conditions. When transporting dangerous goods, employee safety and environmental protection are our top priorities.

Employees involved in the transport of dangerous goods undergo regular training in accordance with international and local regulations and are provided with all necessary information. In addition, we offer our drivers special driver training, often conducted “in-house” by our own trainers. As an example, our Supply Chain division trained over 20,000 of its heavy truck drivers worldwide using the Smith System Defensive Driving model. In Europe, the Middle East and Africa, the dangerous goods trainings meet not only the ADR standard, which applies to the European Union and several of its bordering countries, but also conform to the more comprehensive SQAS standards (Safety & Quality Assessment System) issued by the European Chemical Industry Council (CEFIC).

We continually update and revise the dangerous goods transport regulations that apply to our customers to ensure alignment with the most recent legal requirements, and publish them by product and transport carrier categories.
Corporate citizenship is part of our CR strategy “Living Responsibility”. The strategic goal behind our corporate citizenship program is to leverage our company’s core competencies and employee know-how in order to make a positive contribution to both society and the environment. We work in close collaboration with established partner organizations to ensure the professionalism and sustainable impact of our activities.

INSIGHT
With our corporate citizenship programs we provide effective relief in the wake of natural disasters and make a lasting contribution to improving educational and employment opportunities for young people around the world. Along with economic, social and political stability, education is a critical growth driver for the logistics industry. Our corporate citizenship activities also enhance our company’s reputation and attractiveness as an employer.

“When our people lend a hand in disaster zones, help promote educational equity and opportunity for young people, or get involved in Global Volunteer Day, it shows that we are part of this global community – and want to do our part to improve it.”

JOHN GILBERT, MEMBER OF BOARD OF MANAGEMENT, SUPPLY CHAIN
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"When our people lend a hand in disaster zones, help promote educational equity and opportunity for young people, or get involved in Global Volunteer Day, it shows that we are part of this global community – and want to do our part to improve it."

John Gilbert, Member of Board of Management, Supply Chain
UPDATES AND ACTIVITIES

NEW STRATEGY FOR CORPORATE CITIZENSHIP ACTIVITIES
In the reporting year we initiated a process to sharpen the focus of our corporate citizenship activities so that our activities for meeting social needs, i.e. the social dimension of what we do, are even more closely connected with our core business goals, i.e. our economic dimension.

CORPORATE CITIZENSHIP ACTIVITIES MEASURED USING THE LBG MODEL
In 2014 we began using the LBG measurement model to assess a large portion of our corporate citizenship activities conducted over the course of the previous year. As a result, for the first time we are now able to quantify our activities according to an international standard.

GOTEACH: NEW PARTNERSHIPS WITH SOS CHILDREN’S VILLAGES
In the past year we entered into ten new partnerships with SOS Children’s Villages in Colombia, the Dominican Republic, El Salvador, Haiti, Indonesia, Lithuania, Mauritius, Paraguay, Swaziland and Thailand. As of the end of the reporting year, we now have partnerships with the international child welfare organization in 24 countries.

GOTEACH: PARTNERSHIP WITH ENSEÑA ECUADOR
As part of our GoTeach program, we support the international parent organization Teach For All as well as eight country organizations. The partnership with Enseña Ecuador was launched in April 2014.

GOHELP: GARD WORKSHOPS AT SEVEN AIRPORTS
In the reporting period, GARD (“Get Airport Ready for Disaster”) workshops were conducted for over 200 participants at seven airports in Armenia, the Dominican Republic, Jordan, Peru, the Philippines and Sri Lanka. Follow-up workshops (GARD plus) were also conducted in Armenia and Peru.

GOHELP: DISASTER RESPONSE TEAMS IN CHILE AND PANAMA
Disaster Response Teams were deployed to support airport logistics following forest fires in Chile and the contamination of a river in Panama’s Azuero province.

GLOBAL VOLUNTEER DAY 2014
Some 108,000 Deutsche Post DHL Group employees took part in Global Volunteer Day 2014.

EMPLOYEES SUPPORTING EMPLOYEES (WHEO)
Last year, Deutsche Post DHL Group’s internal relief fund “We Help Each Other” (WHEO) provided support to 41 employees in need following natural disasters in Bosnia, Chile, Germany, Mexico and the Philippines.
MEASURING CORPORATE CITIZENSHIP ACTIVITIES

Our corporate citizenship activities, designed for effective, long-term impact, are an integral part of our corporate strategy. The GoTeach program effects lasting change around the world by improving educational opportunity and employability for young people.

Through our GoHelp program we improve logistics management practices at airports in disaster prone regions and provide on-the-ground logistics support when disaster strikes.

As part of our employee community involvement program, we support a diverse range of social and environmental community projects in which our employees are involved.

FOCUSBING OUR COMMITMENT TO SOCIETY

In the reporting year we began developing a process for further refining the Group’s corporate citizenship program, with the objective of bringing our activities for addressing social challenges (social dimension) in even closer alignment with our core business goals (economic dimension).

Our global reach and local presence in nearly every country around the world puts us in an ideal position to address societal needs. Our experience and expertise as a global logistics company and the know-how and experience of our employees provide the defining foundation for our corporate citizenship activities. Our programs are organized and implemented in close collaboration with leading organizations around the world, with which we enjoy long-standing partnerships. This strategic partnering approach helps direct our efforts for maximum efficiency and impact.

Our corporate citizenship activities create value for the company by maintaining and furthering our company’s reputation as both a service leader and an employer of choice. We make financial contributions as part of our engagement and encourage and empower our employees to volunteer in their communities.

In order to better steer and measure our corporate citizenship activities, in 2014 we began assessing a large portion of our corporate citizenship activities from the previous year using the LBG measurement model. This allowed us for the first time to quantify our commitment to corporate citizenship. We became an official member of the LBG network in June 2014.

CORPORATE CITIZENSHIP ACTIVITIES BASED ON LBG

We rely on the internationally recognized LBG framework to systematically measure and report on our corporate citizenship activities. The model assesses activity in terms of three dimensions: Input, Output and Impact.

**INPUT:** This dimension is about what the company gives, including not only financial donations but time donated by employees and in-kind donations (recorded at cost to the company), as well as management costs associated with the coordination and implementation of the various activities.

**OUTPUT:** Output measures the benefits of the activity, i.e. the number of people reached or supported, or the number of activities made possible by a given input of time and resources.

**IMPACT:** This dimension includes the short and long-term changes in supported individuals/groups (community impacts) as well as changes within the company (business impacts) resulting from the corporate citizenship activity. All activities are classified according to three categories:

2. Community investment: Long-term strategic initiatives and partnerships with charitable organizations.
3. Commercial initiatives: Business-related advertising or sales/marketing measures that also deliver community benefit.

In order to be measured by the LBG model, the activity must benefit a non-commercial partner. Social programs for the benefit of a company’s own employees or the company itself cannot be measured, nor can any expenditures resulting from regulatory control.

OUR CONTRIBUTION ACCORDING TO LBG

In the reporting year, we used the LBG model for the first time to measure the contribution made by our corporate citizenship activity in the year 2013.

For 2015, we are planning another Group-wide data analysis using the LBG framework. Our goal is to increase the percentage of investment in long-term, strategic activities.

2013 CONTRIBUTIONS BASED ON THE LBG FRAMEWORK

![Chart showing 40% commercial initiatives, 22% charitable donations, and 38% community investments]
Our GoHelp program leverages Deutsche Post DHL Group’s global network and core logistics competencies to support the United Nations, making us part of a global humanitarian system. Our partnership with the UN was established in 2005. Any and all support provided by Deutsche Post DHL Group through GoHelp is free of charge.

Our Get Airports Ready for Disaster (GARD) workshops prepare airports in disaster prone regions for the possibility of a disaster-related emergency response. When disaster does strike, our Disaster Response Teams (DRT) 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 as quickly as possible. We can deploy up to 400 volunteers as part of our DRT program. Both GoHelp programs (GARD and DRT) are very well received and respected inside and outside the company.

**DISASTER MANAGEMENT (GOHELP)**

[Diagram showing countries with GoHelp initiatives]
IMPROVING EDUCATIONAL OPPORTUNITY AND EMPLOYABILITY - GOTEACH

With our GoTeach program we encourage Deutsche Post DHL Group employees at all levels of the company to contribute their individual skills and experience to help improve educational opportunity and employability for young people, especially those from disadvantaged socio-economic backgrounds.

There are two main drivers of our commitment to education. First, as one of the world’s largest employers, we rely on access to highly qualified employees around the world. Education is a key factor in determining Deutsche Post DHL Group’s productivity and innovation capacity. GoTeach supports one of our primary goals as a company: to become Employer of Choice. Secondly, in today’s rapidly changing world, education promotes greater stability and prosperity – both for individuals and for the societies and markets in which we conduct business.

Our strategic, global partners for the GoTeach program are SOS Children’s Villages and the educational network Teach For All. While these partnerships are coordinated centrally, our various support activities are carried out at the local level. Examples of local projects can be found on our CR website.
OUR PARTNERS

PARTNERSHIP WITH SOS CHILDREN’S VILLAGES

As part of our partnerships with the 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 first exposure to the work environment.

In addition to existing partnerships in 14 countries, we entered into ten new partnerships in 2014 with SOS Children’s Villages in the Dominican Republic, El Salvador, Haiti, Indonesia, Colombia, Lithuania, Mauritius, Paraguay, Swaziland and Thailand. This increased the total number of partnerships to 24, significantly exceeding our expectations for 2014.

The partnership with SOS Children’s Villages is special because of the relationships that are built between the young people and the local Deutsche Post DHL Group employees who provide direct one-on-one support as mentors. In addition, internships also provide the young people with the opportunity to take on responsibility and gain insight into the work environment. The support we provide is always tailored to the needs and challenges of the individual countries and communities. This unique form of support significantly improves their employability and ability to grow into independent, self-supporting young adults.

In the reporting year upwards of 900 employees devoted 17,000 hours to our partnership with the SOS Children’s Villages. As a result, some 1,800 young people in the 24 partner countries benefitted from 162 support activities. A total of 91 youths took part in internships within the Group and 24 were offered employment contracts. For 2015 we plan to expand the partnership and deepen relationships within existing partner countries.

PARTNERSHIP WITH TEACH FOR ALL

The cooperation between Deutsche Post DHL Group and the global educational initiative Teach For All was launched in 2010. With our support, the Teach For All global educational network has grown from 32 to 35 independent partner organizations in the reporting year.

As part of our commitment, we support the global organization, Teach For All, as well as eight national partner organizations in Argentina, Chile, Ecuador, Germany, India, Peru, the Philippines and Spain. The newest partnership, with the national organization Enseña Ecuador, was launched in April 2014 and we are planning partnerships with additional national-level organizations. Our support includes financial donations, in-kind donations and the time and energy donated by our employees.

Teach For All is dedicated to the idea that every child should have the opportunity to attain an excellent education regardless of their parents’ socio-economic status. Teach For All partner organizations recruit and develop outstanding university graduates and young professionals with exceptional social competencies, who commit two years to teach in high-need schools and to continue to work throughout their lives to expand opportunity for children.

We support both teaching participants and school students with opportunities such as mentoring programs that help further both their personal and professional development. Approximately 1,400 of our employees took part in 103 partnership activities during the reporting year; of these, some 120 employees volunteered their time to serve as mentors.
INTERVIEW WITH SIDDHARTHA KAUL

Siddhartha Kaul is the President of SOS Children's Villages International. In this interview, he speaks about the challenges and the joy that comes from helping children around the world find a family and a home.

You had contact with the SOS Children's Villages quite early in your childhood; you could say that you have grown up with the organization?

My father was a civil servant in the Indian government and had some, shall we say 'non-traditional' ideas about how to take care of children, which didn’t go down well with the Indian government at the time. So he emigrated to the US. During this time the founder of SOS Children's Villages, Hermann Gmeiner, was invited to India to meet with Indira Gandhi, before she became prime minister. She was very impressed with his ideas about how to care for children who had lost their families and offered to become a founding partner. Gmeiner asked her who she would recommend to help get started in India and as she had worked with my father in the past, Mrs. Gandhi recommended him. My father’s introduction with Gmeiner was a meeting of hearts and minds. So he moved back to India with his family and helped set up the first SOS children’s village on the outskirts of Delhi. And that's where we lived. I was the eldest boy so I kind of became everyone's eldest brother.

What made you return to the SOS Children's Villages after your studies?

I was always involved with the villages. When I came back from university I taught English and mathematics to the children. But I had no great plans in mind. To be honest I just enjoyed my time camping and walking in the mountains. So when the idea was discussed to set up a village in the south of India, and I was asked if I wanted to be involved, I didn’t realize what I was getting into. But I thought OK, let’s try it. So I went and I really enjoyed it.

SOS Children’s Villages are active in some 134 countries. What are the biggest challenges they face every day?

The first challenge is to create a family. You have to remember that the children don’t know each other. They come from very different backgrounds and have faced different traumas, some very extreme. So you probably have a group of five, six or seven children and they really have to get to know each other and develop a bond that can withstand difficulties. That bond takes time to build. The second challenge is one of acceptance. In some societies there is a negative stigma around people who don’t live in a normal family. Making sure the children can overcome this kind of stigma is another big challenge.

Is there a support network for the people in the villages?

Yes, there is a lot of guidance, and there are educators and counselors to help the young people. We also have an ongoing process to help develop the skills of our mothers, as they also face different challenges. With small children the role is much more of a physical one. But as the children get older and turn into teenagers the relationship changes and the parents’ responses have to change too. So we try to prepare our people for that as well. And that’s what is so interesting about our partnership with Deutsche Post DHL Group. Sometimes it is easier for people to open up to someone who is not in the family. And the mentoring program that we run together is the perfect way to do this. At home you are always judged in some way and parents are never happy with the achievements of their kids; they always think they can do more. So it helps to have an outsider and that’s why we need these educators and mentors.

It is not always easy even for an intact family to assist children of 15, 16 or 17 years of age with their careers. How does SOS Children’s Villages help their children and young adults?

This is definitely a big challenge for us. We have three different types of relationships with young people: these in the villages with long-term family-based care and fully-fledged guardians who assume all responsibilities for the children. Then we have family strengthening programs where youngsters still have their natural families but guardians have a moral and legal duty to support them in getting the appropriate education and assisting them in their careers. The third type is mostly in Africa and Asia, where we offer educational support. Here kids come from weaker sections of society – they have their families, but need support for their education. We see it as our duty to help young people get settled in their lives and find decent employment. And by that I mean that they earn enough to live a full life. We don’t want them to have any job. We want them to have jobs that give them a proper livelihood and a roof over their heads.

Why is it so important to continuously support the young people from the SOS Children's Villages in their after school education and accompany them into their working lives?

For many of these children the village is their only family. So although the financial aspect of care may come to an end, as does the physical aspect of living in the actual building, the bond that has been developed cannot be broken. I recently paid a visit to China and in one of the villages there a woman was being awarded an SOS ring for many years of service. There were an awful lot of kids in the house and they explained that they’d come over to see their ‘mother’ receiving her ring and had brought their children and grandchildren with them. There were around 22 people in the house. So you see the family bond remains, it’s very much there. You can’t take it away and they cherish it. It’s an anchor point. It’s home.

What role do businesses play in such a partnership with SOS Children’s Villages? What’s possible and why do these partnerships make sense?

The scale of the problem we are facing is mind boggling so we need all the help we can get to mitigate this crisis. We of course look for financial support. But we also look for partners where there is mutual respect and potentially something in common. We found a common aspect with Deutsche Post DHL Group in mentoring and employability, and giving back to society. So it’s not only money, it’s also purpose.

What challenges does a partnership like the one between SOS Children’s Villages and Deutsche Post DHL Group bring?

We’re careful about using volunteers because you need real anchor points. That’s what we believe. We need long-term commitment. Trust is built around relationships. And that’s where the challenge lies – our partnership with Deutsche Post DHL Group has been a success in this way.

You’ve held your current position for over two years and you’ve been involved in the organization since your childhood. Was there a particularly special moment or experience that you will never forget that motivates you to continue working for the children of the world?
There are plenty of them. I’m very fond of small successes. One that sticks in my mind was on a recent visit to a village I lived in for a number of years in India. I was drinking tea on the veranda of the guest house when a man and his daughter walked past. He had been one of the cheeky little ones when I’d lived there, but he’d grown up to be a successful telecoms engineer and he was there visiting his mother. He stopped to say hello, joined me on the veranda and introduced me to his daughter as his grandfather. That’s when you know you’ve achieved something, when people trust you and think of you as family.

**What is your vision and your greatest desire for SOS Children’s Villages in the future?**

Our founder had a great vision. We want every child to have a family and a home. And we’d like to reach out to more and more people so they will join us, so we can help more children together – you can’t give up.
INTERVIEW WITH WENDY KOPP

Wendy Kopp is the co-founder and CEO of Teach For All. In 1989, while still studying at Princeton University, she developed the idea of recruiting top graduates to teach for two years in high-need schools as a way to improve educational opportunity for socially and economically disadvantaged children and teens. Not soon after, Teach For America was launched with a teaching corps of 500 top graduates. Today this approach is implemented by the global Teach For All network.

You started with 500 graduates in your first year. Does this mean it was easy to set up Teach For America?

No, definitely not. I could never have predicted how hard this journey to expand educational opportunity would be. Before Teach For America was established, most people thought it would not work. We were taking on tough, entrenched issues. The problem is, in the US there is such a big opportunity gap. The country aspires to be a land of equal opportunity, but the reality is very different for children growing up in our most marginalized communities.

Where is the program now?

Teach For America has nearly 11,000 corps members in the midst of their teaching commitment in the nation’s most high-need urban and rural areas, as well as tens of thousands of alumni who continue working towards expanding educational opportunity. More than 85 percent of our alumni are working full time in education or working to improve the quality of life in low-income communities, and they’re making a meaningful difference.

How did Teach For All develop?

Teach For All was set up in 2007, following discussions with educational entrepreneurs across the world who contacted me and co-founder Brett Wigdortz, wanting to adapt the approaches of Teach For America and Teach First (UK). All were eager to set up similar programs in their own countries. There are now 35 independent organizations in the Teach For All network, with an additional 25 social entrepreneurs pursuing the approach in their own countries.

Why do you think the global network has taken off so quickly?

This is an idea that has magnetized such incredible hearts, minds and souls all over the world. There is so much commitment all around the world to address educational inequity, and there is a growing understanding that there is no one silver bullet solution. Rather, ensuring educational opportunity for all is going to take an immense amount of dedication and leadership from within and outside of education. Teach For All’s approach provides a way to act on these beliefs and be part of an effort to make a real difference. Partners like Deutsche Post DHL Group, which was a founding corporate partner, have played a critical role by providing financial support and also mobilizing their own staff to volunteer in classrooms and organizations across the Teach For All network.

Where next for Teach For All?

We’re focused on supporting the continued growth of the network and helping the network organizations grow their impact. We’ve seen there’s so much potential to accelerate impact through fostering learning and sharing across borders, and we want to find more and more powerful ways to facilitate this. Ultimately, we envision organizations in nearly every country in the world that are channeling their top talent towards expanding educational opportunity, as part of a global network where we’re all learning from each other and thus getting closer and closer to our vision of the day when all children have the opportunity to attain an excellent education.
EMPLOYEE COMMUNITY INVOLVEMENT

Through our company-internal volunteer initiatives we encourage employees to donate some of their free time, energy and expertise for the good of the environment and communities in which they live.

Volunteer work is an opportunity to broaden horizons and improve social competencies. This experience is often carried over into the workplace and has a positive impact on motivation levels and overall behavior. In addition, the involvement and commitment of our employees is an important and effective way to convey our corporate strategy. One of our strategic goals is to act responsibly - as individuals and as a company - with regard to the environment and society in all areas of our business. When our employees volunteer their time and energy to achieving these goals, they are actually "living" our corporate strategy in their daily work.

GLOBAL VOLUNTEER DAY

Since 2011 we have called on our employees worldwide to volunteer a few hours of their time to a social or environmental community project as part of Global Volunteer Day.

In the reporting year, some 108,000 Deutsche Post DHL Group employees took part in 1,719 projects in 117 countries. This means that roughly every fourth employee volunteered his/her free time and effort to a social or environmental project at the local level.

GLOBAL VOLUNTEER DAY

- 108,000 Employee Volunteers
- 1,719 Projects
- 117 Countries
- 245,000 Hours of Volunteer Work

We also encourage our employees to build longer-term relationships with the project partners - relationships that extend beyond the scope of the individual Global Volunteer Day activities. More and more of our employees are doing this, which is why we now (as of 2013) report the total number of employee volunteer hours for the year. As participation grows, we will continue the tradition of Global Volunteer Day as a "flagship" event to encourage even greater involvement.

LIVING RESPONSIBILITY FUND

In addition to the hands-on support of our employees on Global Volunteer Day, Deutsche Post DHL Group also provides financial support to local charitable projects through its Living Responsibility Fund. To be eligible to receive funding, at least two employees must have volunteered a minimum of 50 hours to the project. The Living Responsibility Fund, which is fed by Group funds, provides limited financial support to local partner organizations to help them expand their scope of activity.

Projects are selected for funding by a jury made up of representatives from our divisions and Corporate Center. Financial support is limited to €4,000 per project and is determined based on the number of hours of volunteer work performed by Deutsche Post DHL Group employees over the course of the application year. In 2014, the Living Responsibility Fund provided financial support to 67 different projects in 33 countries, involving more than 3,500 employees and over 33,000 volunteer hours, the equivalent of 4,125 eight-hour work days.

LIVING RESPONSIBILITY FUND

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</tr>
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<td>Volunteer hours</td>
<td>44,000</td>
<td>33,070</td>
</tr>
</tbody>
</table>

EMPLOYEES SUPPORTING EMPLOYEES (WHEO)

Our internal relief fund "We Help Each Other" (WHEO) is testament to the team spirit and solidarity among our employees. Employees everywhere across the Group can make monetary donations to the WHEO fund either individually or as part of larger donation drives organized at the local level. These funds are used to provide fast and unbureaucratic financial support to Deutsche Post DHL Group employees who are victims of a natural disaster. The WHEO fund is active around the world.

In the reporting year, the "We Help Each Other" fund provided support to 41 employees in Bosnia, Chile, Germany, Mexico and the Philippines.
The Shared Value proposition plays an important role in all of our environmental protection activities. In the Shared Value approach, the contributions we make to environmental protection and society also enhance the success of our business. Environmental protection is an integral part of the Group’s “Strategy 2020: Focus.Connect.Grow.” – connecting across the divisions to develop and commercialize green logistics solutions for our customers is a key component of the strategic pillar “Connect”.

Our climate protection target, which calls for improving our carbon efficiency by 30% over the 2007 baseline by the year 2020, goes hand in hand with our Shared Value approach. In our effort to reach this target, we develop and implement measures to increase the carbon efficiency of our air and road transport operations as well as that of our buildings and facilities. This approach allows us to uphold our responsibility to the environment and strengthen our own market position all at the same time. As of today, our carbon efficiency has already improved by 23%.

Among all CR-relevant issues, environmental protection is clearly one of the most important for our stakeholders. The Shared Value proposition guides our approach to environmental management across the Group. Our carbon efficiency measures and eco-friendly GoGreen products allow us to uphold our responsibility to society and the environment, create added value for our customers and strengthen our own market position.

“Our customers are looking increasingly to the future. They want their shipments to arrive as fast and reliably as possible, and with as little environmental impact as possible. By meeting the evolving needs of the market with our portfolio of eco-friendly logistics services, we set the foundations for our success as a company.”

KEN ALLEN, MEMBER OF BOARD OF MANAGEMENT, EXPRESS
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“Our customers are looking increasingly to the future. They want their shipments to arrive as fast and reliably as possible, and with as little environmental impact as possible. By meeting the evolving needs of the market with our portfolio of eco-friendly logistics services, we set the foundations for our success as a company.”

Ken Allen, Member of Board of Management, Express
GREENHOUSE GAS EMISSIONS REMAIN AT LAST YEAR’S LEVEL
Despite business growth, at 28.6 million tonnes of CO₂, the total emissions resulting from our own activities and purchased energy (scopes 1 and 2), and from subcontracted transportation and business travel (scope 3) in 2014 increased just slightly over last year’s levels.

Read more »

CARBON EFFICIENCY CONTINUES TO IMPROVE
Once again we made significant strides in the reporting year toward reaching our goal of improving our carbon efficiency by 30%. As of 2014 our business operations are already 23% more carbon efficient than they were in the baseline year 2007.

Read more »

CARBON-FREE DELIVERY IN BONN
Our PeP division launched the second phase of its Carbon-Free Delivery in Bonn pilot project in 2014, deploying a total of 116 electric vehicles. As a result, delivery services in Bonn and the surrounding area are almost entirely carbon-free.

Read more »

SHARE OF “GREEN” ELECTRICITY USE INCREASES TO 61.3%
In 2014, we reached our target to increase the share of electricity from renewable sources, such as wind, hydropower, solar and biomass, used Group-wide to over 60%.

Read more »

OPERATIONS LAUNCHED IN NEW ENERGY-EFFICIENT HUBS
The new, energy-efficient expansion at our air hub in Leipzig began operations in 2014. We also completed construction of a new, eco-efficient logistics center in Johannesburg, South Africa in the reporting year. The new facility generates up to 64% fewer carbon emissions than the three sites it is replacing.

Read more »

TEARDROP TRAILERS FOR CUSTOMER TRANSPORTS
As part of our Green Optimization offering, in 2014 we began deploying aerodynamic Teardrop trailers for our customer Airbus, cutting fuel consumption by 6-10%.

Read more »

OWN CLIMATE PROTECTION PROJECT SAVES 18,000 TONNES OF CO₂
We transported a total of 2.12 billion climate-neutral shipments in 2014. We were able to offset 248,570 tonnes of CO₂ through contributions to climate protection projects. Our climate protection project in Lesotho resulted in savings of 18,000 tonnes of carbon emissions in the reporting year.

Read more »

CERTIFICATION AWARDED FOR SUSTAINABLE TRANSPORT
Deutsche Post DHL Group was among the first companies in 2014 to be awarded with green certifications issued by Green Freight Asia and Green Freight Europe. The certifications are awarded to companies that lead the way in environmental performance and in the transparency of their emissions calculations and carbon efficiency reporting.

Read more »

PROMOTING BIOFUEL USE IN AVIATION WITH NEW RESEARCH PROJECT AIREGEM
As part of our membership in the Aviation Initiative for Renewable Energy in Germany e.V. (aireg e.V.), in 2014 we joined forces with Lufthansa, DLR and Airbus to launch the research project airegEM. The objective of the joint undertaking is to enable our use of sustainable biofuels in aviation over the medium term.

Read more »
THE ENVIRONMENT

While our business operations impact the environment in various ways, greenhouse gas emissions account for our most significant environmental impact. This is just one of the reasons why we feel a strong sense of responsibility towards the environment. We act on this responsibility through our Group-wide environmental protection program. At the same time, our environmental protection program and related green solutions are increasingly important as a business driver as they help us to improve efficiency and fulfill our customers’ requirements.

ENVIRONMENTAL PROTECTION PROGRAM

The number-one goal of our environmental protection program is to minimize our business’ impact on the environment. This makes optimizing the carbon efficiency of our operations a top priority. We focus first and foremost on measures to reduce energy and fuel consumption – by replacing older aircraft with newer, more fuel-efficient models, implementing smart network design and capacity planning and through energy-efficient buildings, for example – before turning to environmentally sustainable energy and fuel sources.

EFFICIENCY PRINCIPLE

Logistics is a high-potential growth market and one of its key drivers is the booming online marketplace. Increasing the energy efficiency of our transport operations is therefore important to us and central to our environmental protection efforts. This involves implementing measures that prevent emissions from increasing at the same rate as transport volumes, such as optimizing routes and renewing our air and road vehicle fleets.

We have set an ambitious climate protection goal: to improve our carbon efficiency by 30% over the 2007 baseline by the year 2020. This calls for reducing the carbon emissions per letter or parcel delivered, per tonne of cargo transported and per square meter of warehouse space used across our operations by 30%. This applies not only to the emissions generated directly by our own business activities (scopes 1 and 2), but also to the emissions generated by our transportation subcontractors (scope 3). As of the reporting year, we have already improved our carbon efficiency by 23% compared to the 2007 baseline, bringing us closer to reaching our target. Thanks to our efficiency improvement measures, we have avoided a total of 19 million tonnes of CO₂e and have saved more than €6 billion in fuel costs since 2007.

CARBON EFFICIENCY INDEX

Carbon efficiency improvement (compared to 2007)

2014 brought other achievements as well. Now at 61.3%, the share of electricity from renewable energy sources such as wind, hydropower and solar and biomass used across the Group has exceeded our target of 60%.

Of all our transport modes, which include air, road and ocean, air transport produces the greatest share of our greenhouse gas emissions, offering in turn the greatest potential for efficiency improvements. That is why we have continued to invest in the renewal of our air fleet while continually optimizing our routes and network utilization. We also help drive efficiency gains among our transportation subcontractors by supporting them in their own efficiency improvement efforts.

We also share our expertise in the area of environmental protection with our customers, supporting them in optimizing the environmental efficiency of their own operations with our portfolio of GoGreen products and services. This helps us to contribute to environmental protection and society and at the same time enhance the success of our and our customers’ business. Our commitment to environmental protection reaches beyond greenhouse gas emissions. We also address other environmental factors such as local air pollutants and noise.
ENVIRONMENTAL MANAGEMENT SYSTEM

The purpose of our Group-wide environmental protection program is to ensure that environmental awareness and climate-friendliness is embraced and acted on in our day-to-day work. To achieve this, we have developed the so-called 6-Step Approach, a Group-internal process based on the ISO 14001 standard. The approach includes continuous improvement processes for achieving environmental targets and ensures that our measures are implemented consistently across the globe while remaining flexible enough to respond to the specific requirements of different regions and business divisions.

Voluntary ISO 14001 certification is also part of our environmental management approach. Deutsche Post DHL Group occupies approximately 12,000 inter-company sites worldwide, which include office buildings, mail and parcel centers and logistics warehouses. Of these, approximately 95% are leased and approximately 5% are owned by the Group. We select only our larger sites and sites with standardized processes to be certified. Site selection is also based on business model requirements. If we operate a facility for one of our Supply Chain customers, for instance, it is generally the customer who decides whether the site is to undergo certification or not. Approximately 8,000 of our sites are ISO-relevant. Of these, some 5,460 sites worldwide were ISO 14001 certified in the reporting year (previous year: 5,670 sites).

We are currently preparing to implement a European-wide energy management system based on the ISO 50001 certification standard. In 2014, this process included revising the definition of “site” and applying it across the Group. As a result, we now account for ISO-relevant rather than intercompany sites. This new approach changes our total number of sites to approximately 8,000.

SHARE OF ISO 14001 CERTIFIED SITES IN 2014

Based on survey. Total number of ISO-relevant sites: Approx. 8,000

<table>
<thead>
<tr>
<th>Group</th>
<th>Certified</th>
<th>Non-Certified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-Commerce-Parcel</td>
<td>97%</td>
<td>3%</td>
</tr>
<tr>
<td>Express</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>Global Forwarding, Freight</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>15%</td>
<td>85%</td>
</tr>
</tbody>
</table>

\(^1\) Based on survey. Total number of ISO-relevant sites: Approx. 8,000
GREEN EFFICIENCY MANAGEMENT

As a global logistics company, we use energy and fuel on a daily basis in our transport operations, whether by air, road or sea. We also use energy and fuel in our offices and facilities. To achieve our carbon efficiency target, we rely on efficiency management measures based on two core principles: “burn less” and “burn clean”.

We strive first and foremost to reduce energy and fuel consumption (burn less) by replacing older aircraft with newer, more efficient ones, using efficiency-enhancing technologies in our road vehicles, and implementing energy-saving measures in our buildings.

If this is not possible, we turn to environmentally sustainable energy and fuel sources to meet our energy demands (burn clean). We are also committed to sustainable production practices for biofuels. Our guideline for the usage of liquid biofuels, for example, which was adopted in 2010, prohibits the use of biofuels that negatively impact local food production in the countries where they are produced.

Our work in the area of energy management has also won us international recognition. In 2014 we were honored with the Sustainable Business Award (SBA).

CLIMATE PROTECTION: EFFICIENCY IMPROVEMENT MEASURES

<table>
<thead>
<tr>
<th></th>
<th>AIRCRAFT</th>
<th>VEHICLES</th>
<th>BUILDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BURN LESS</strong> (REDUCTION OF ENERGY CONSUMPTION)</td>
<td>&gt; Renewal of air fleet</td>
<td>&gt; Reduction of energy consumption</td>
<td>&gt; Intelligent lighting and control systems</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Optimized aerodynamics</td>
<td>&gt; Efficient heating and cooling solutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Engine modifications</td>
<td>&gt; Energy-efficient building design</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Expanded use of telemetry systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Use of hybrid drive systems</td>
<td></td>
</tr>
<tr>
<td><strong>BURN CLEAN</strong> (USE OF ALTERNATIVE ENERGY SOURCES)</td>
<td>&gt; Use of alternative fuels (currently not applicable; involvement in research initiatives, such as airc e.V.)</td>
<td>&gt; Use of alternative energy sources</td>
<td>&gt; Increased use of purchased energy from renewable sources and on-site generation of “green” energy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt; Use of <em>green</em> electricity for electric vehicles</td>
<td>&gt; Use of natural resources (daylight and rainwater harvesting)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FUEL USE FOR TRANSPORTATION</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Air transport</strong> m kg</td>
<td>1,507.0</td>
<td>1,019.1</td>
<td>1,059.0</td>
<td>1,151.0</td>
<td>1,188.0</td>
</tr>
<tr>
<td>Kerosene m kg</td>
<td>1,507.0</td>
<td>1,019.1</td>
<td>1,059.0</td>
<td>1,151.0</td>
<td>1,188.0</td>
</tr>
<tr>
<td><strong>Road transport (liquid fuels)</strong> m liters</td>
<td>494.9</td>
<td>476.4</td>
<td>472.3</td>
<td>450.2</td>
<td>445.8</td>
</tr>
<tr>
<td>Gasoline</td>
<td>38.4</td>
<td>37.4</td>
<td>37.0</td>
<td>19.3</td>
<td>20.6</td>
</tr>
<tr>
<td>Biodiesel</td>
<td>0.9</td>
<td>1.5</td>
<td>1.8</td>
<td>0.7</td>
<td>1.0</td>
</tr>
<tr>
<td>Bioethanol</td>
<td>5.8</td>
<td>1.2</td>
<td>0.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diesel</td>
<td>448.2</td>
<td>435.3</td>
<td>432.3</td>
<td>429.6</td>
<td>423.4</td>
</tr>
<tr>
<td>Liquefied petroleum gas (LPG) m kg</td>
<td>1.6</td>
<td>1.0</td>
<td>0.9</td>
<td>0.6</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Road transport (gaseous fuels)</strong> m kg</td>
<td>1.2</td>
<td>1.4</td>
<td>2.2</td>
<td>3.2</td>
<td>4.4</td>
</tr>
<tr>
<td>Biogas</td>
<td>0.1</td>
<td>0.2</td>
<td>0.4</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Compressed natural gas (CNG) m kg</td>
<td>1.1</td>
<td>1.2</td>
<td>1.8</td>
<td>2.9</td>
<td>4.1</td>
</tr>
</tbody>
</table>

1 Adjusted

OPTIMIZING ENERGY AND FUEL CONSUMPTION

Deutsche Post DHL Group maintains a global transport network and an equally extensive infrastructure. Thanks to our air and road vehicle fleets as well as our owned and leased buildings, we are able to deliver a full range of transport and logistics services to our customers. Our entire ocean freight operations are carried out by subcontracted ocean carriers. We rely on efficiency measures to optimize the energy and fuel consumption of our own fleets.
## USE OF INTELLIGENT TECHNOLOGIES IN 2014

<table>
<thead>
<tr>
<th>AIRCRAFT</th>
<th>VEHICLES</th>
<th>BUILDINGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 250 dedicated aircraft of which 176 are Group-owned</td>
<td>&gt; More than 90,000 road vehicles</td>
<td>&gt; Approx. 8,000 sites¹</td>
</tr>
<tr>
<td>&gt; Aircraft compliancy with the highest noise standards (Chapter 4): 117</td>
<td>&gt; 12% trucks, 17% cars, 71% vans</td>
<td>&gt; 68% of all sites are ISO 14001 certified</td>
</tr>
<tr>
<td>&gt; Aircraft compliance with the emission standard CAEP/6: 84</td>
<td>&gt; Efficiency-enhancing measures implemented: 17,600 on approx. 11,200 vehicles; 3,349 of these vehicles have alternative drive systems</td>
<td>&gt; 61.3% usage of electricity from renewable sources</td>
</tr>
<tr>
<td>&gt; Kerosene consumption: 1,188 million kg</td>
<td>&gt; Fuel consumption: 445.8 million liters</td>
<td>&gt; Smart metering solutions piloted at ten sites in Germany</td>
</tr>
<tr>
<td>¹ ISO-relevant sites</td>
<td>²</td>
<td>³</td>
</tr>
</tbody>
</table>

Additional information:

- Energy consumption: 3,247 million kWh
AIR TRANSPORT

As a leading provider of international express services, we have a fleet capacity of more than 250 dedicated aircraft comprising 176 freight aircraft and several smaller feeder aircraft. Our air fleet serves approximately 500 airports via 19 main regional hubs and three global hubs in Leipzig, Cincinnati and Hong Kong.

Our kerosene consumption rose slightly in the reporting year to approximately 1,188 million kg (previous year adjusted: 1,151 million kg) due to the higher utilization of our own aircraft.

In the reporting year, our air fleet was responsible for approximately 66.6% of the Group’s scope 1 and 2 greenhouse gas emissions. We continued our ongoing efforts to expand and update our air fleet, making our aviation operations more economical while reducing both greenhouse gas emissions and noise. As of 2014, 117 of our jet aircraft (66.5% of our air fleet) are already compliant with the International Civil Aviation Organization’s (ICAO) strictest noise standard (Chapter 4). At the same time we reduced the number of older aircraft in our fleet that require noise-reducing hush-kits in order to meet the ICAO Chapter 3 standard.

AIRCRAFT BY NOISE POLLUTION STANDARDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Class 3</th>
<th>Class 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>59</td>
<td>117</td>
<td>176</td>
</tr>
<tr>
<td>2013</td>
<td>60¹</td>
<td>110</td>
<td>170</td>
</tr>
<tr>
<td>2012</td>
<td>68¹</td>
<td>100</td>
<td>168</td>
</tr>
</tbody>
</table>

¹ Includes one aircraft without classification

AIRCRAFT BY EMISSIONS STANDARDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Class 2</th>
<th>Class 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>53</td>
<td>39</td>
<td>84</td>
</tr>
<tr>
<td>2013</td>
<td>58</td>
<td>32</td>
<td>80</td>
</tr>
<tr>
<td>2012</td>
<td>64</td>
<td>33</td>
<td>97</td>
</tr>
</tbody>
</table>

¹ Classification issued by the Committee on Aviation Environmental Protection (CAEP); the higher the CAEP class, the more stringent the requirements; ² Figure includes aircraft without classification (2014:14, 2013: 19, 2012: 25)

Deutsche Post DHL Group supports the usage of alternative fuels in aviation. At present, however, the alternative aviation fuels currently available on the market do not meet the standards set out in our company’s guideline on the use of liquid biofuel. For this reason we do not yet use alternative fuels for our air transport. We are currently working alongside other companies in the Aviation Initiative for Renewable Energy in Germany e.V. (aireg) to advance the development of alternative aviation fuels.

In 2014, Deutsche Post DHL Group launched a research partnership project called airegEM together with Lufthansa, DLR and Airbus. The joint undertaking aims to create greater transparency on the emissions behavior of biofuels and the fuel use of different aircraft types deployed on various flight routes. The goal is to enable the use of biofuels in aviation over the medium term.
ROAD TRANSPORT

The Group has a fleet of more than 90,000 road vehicles worldwide, of which 71% are vans, 17% are cars and 12% are trucks. We reduce emissions and fuel consumption through the use of alternative drive systems as well as through the use of a wide range of efficiency-enhancing technologies in the areas of aerodynamics, eco-chiptuning, lightweight vehicle design and telematics. We implemented 17,600 technical modifications on approximately 11,200 of our vehicles in the reporting year, improving the climate-friendliness of over 12% of our vehicle fleet in the process.

We also collaborate with our transport subcontractors to improve the efficiency of their own fleets. We support them in the implementation of efficiency-improvement measures, share our know-how and help them secure attractive financing for the purchase of more eco-friendly vehicles. Our transport partners deployed some 1,400 environmentally friendly vehicles as a result of the projects carried out in 2014. The majority of these are alternative fuel vehicles.

Our Investment Policy requires that we ensure that new acquisitions offer greater carbon efficiency or eco-friendliness than existing assets. As a result, advanced efficiency technologies have become standard in the vehicles we purchase. This positive development has made it difficult, however, to clearly identify green vehicles within our fleet. We therefore plan to adjust our reporting approach so that the primary focus is on the number of efficiency measures implemented rather than the number of green vehicles.

VEHICLES BY EURONORM CLASS

<table>
<thead>
<tr>
<th>Class</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1,553</td>
</tr>
<tr>
<td>2</td>
<td>1,749</td>
</tr>
<tr>
<td>3</td>
<td>20,800</td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>41,745</td>
</tr>
</tbody>
</table>

* Covers 73% of our vehicle fleet; ** Includes 55 Euro-2 vehicles and one Euro-1 vehicle; *** Includes 194 EEV-class vehicles

As in the years previous, in 2014 we continued to focus on efficiency-enhancing improvement measures for heavy trucks on long-haul routes, as they produce a large share of our road transport-related greenhouse gas emissions, as well as for delivery vehicles used in urban transport.

In addition to the testing of lightweight trailers, 2014 activities included the further development of the Teardrop trailer for use in mainland Europe. We began deploying aerodynamic Teardrop trailers for transports in Germany and France for the first time in June 2014 – for our customer Airbus. In the reporting year we also tested longer length trailers in the UK as a way to reduce the frequency of trips. We also increased the number of Teardrop trailers in our UK fleet from 1,100 to 1,200.

EFFICIENCY-ENHANCING TECHNOLOGIES IN OUR ROAD FLEET

<table>
<thead>
<tr>
<th>Technology</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lightweight Design</td>
<td>327</td>
</tr>
<tr>
<td>Aerodynamics</td>
<td>1,701</td>
</tr>
<tr>
<td>Alternative Drive Systems</td>
<td>3,349</td>
</tr>
<tr>
<td>Eco-Chiptuning and Speed Limiting Systems</td>
<td>6,768</td>
</tr>
<tr>
<td>Telematics</td>
<td>6,874</td>
</tr>
</tbody>
</table>

* Based on survey. One single vehicle can be modified with more than one optimization measure; ** Data includes 1,400 measures implemented on subcontractor vehicles; *** Includes 51 other measures
ALTERNATIVE DRIVE SYSTEMS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,834</td>
<td>3,051</td>
<td>3,349</td>
</tr>
<tr>
<td>Electric/Fuel cell</td>
<td>149</td>
<td>304</td>
<td>406</td>
</tr>
<tr>
<td>Hybrid</td>
<td>197</td>
<td>303</td>
<td>326</td>
</tr>
<tr>
<td>Liquid biofuels</td>
<td>6</td>
<td>1,009</td>
<td>1,026</td>
</tr>
<tr>
<td>Compressed natural gas(CNG)/Biogas</td>
<td>852</td>
<td>797</td>
<td>815</td>
</tr>
<tr>
<td>Liquefied petroleum gas(LPG)</td>
<td>279</td>
<td>351</td>
<td>363</td>
</tr>
<tr>
<td>Ethanol/Bioethanol</td>
<td>302</td>
<td>226</td>
<td>222</td>
</tr>
<tr>
<td>Dual fuel</td>
<td>161</td>
<td></td>
<td>191</td>
</tr>
</tbody>
</table>

1 Based on survey; 2 Data includes vehicles from transportation subcontractors (2014: 1,373; 2013: 1,160).

When it comes to cities, the majority of our mail delivery staff is either on foot or by bike, making for carbon-free delivery service. This is not always possible when delivering parcels or handling rural mail delivery, however. In cases like these, we rely on small commercial vehicles; these vehicles make up the largest portion of our road vehicle fleet. Targeted measures help us lower emissions, improve air quality, and improve overall quality of life in urban areas. That is why we invest in the development and deployment of alternative technologies, with a particular focus on electric mobility solutions, which are ideally suited for the stop-and-go of delivery operations. In the reporting year a total of 406 electric vehicles were deployed as part of our delivery operations.

PROJECTS IN OUR DIVISIONS

Our PoP division launched the second phase of its Carbon-Free Delivery in Bonn pilot project in 2014, deploying a total of 116 electric delivery vehicles. As a result, delivery in Bonn and the surrounding area is now almost entirely carbon free, with most deliveries handled either by electric delivery vehicle, on feet or by bike.

Progress was also made in our second large-scale e-mobility project, the StreetScooter. In the reporting year we tested 50 first-generation StreetScooters and began putting the first of an additional 100 second-generation electric vehicles into operation. The development of this new generation of StreetScooters benefited not only from technological advancement but from insights gained through our own experience with e-mobility in delivery operations. We will deploy 500 more electric vehicles in Germany as well as other countries in 2015.

In 2014 Deutsche Post DHL Group acquired StreetScooter GmbH in a move to build on what has proven over the years to be a successful partnership. With the investment we aim to secure cost-efficient access to electric vehicles and ready the StreetScooter for series production. In this spirit, we created a business unit in December dedicated to driving advancements in the area of e-mobility.

Thanks to various international pilot projects, we have made substantial progress in the area of electric-powered delivery in other divisions as well. In Taiwan, for example, our Express division introduced four electric mopeds for urban delivery. What makes this project so notable are the solar-powered charging stations used to “refuel” the scooters, powering them with 100% locally produced green electricity. If the project proves successful, we plan to introduce solar-powered charging stations to other locations.

In addition to the use of eco-friendly drive systems and energy sources, we also rely on non-motorized modes of delivery. In 2014, the Express division expanded its use of courier bikes in nine countries throughout Europe.

We also invest in special eco-friendly driver training courses to train our drivers in fuel-efficient driving techniques. Telematics systems are also used to support our drivers even further. In 2014, we outfitted a total of 1,378 delivery vehicles in the USA with such driving assistance systems.
Deutsche Post DHL Group occupies approximately 12,000 inter-company sites worldwide, which include office buildings, mail and parcel centers and logistics warehouses. Of these, approximately 95% are leased and approximately 5% are owned by the Group.

In 2014, we reached our target to increase the share of electricity from renewable sources such as wind, hydropower, solar and biomass, used Group-wide to over 60%: 61.3% of the electricity we use is generated from renewable sources (previous year: 58%). We have attained more than 90% green electricity usage in a total of eleven countries already, with operations in Belgium, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Sweden, the UK and the USA refraining almost entirely from the use of conventional energy sources. We are working hard to increase the use of green electricity in other countries as well. And in countries where green electricity is not yet available, we are active in promoting and establishing its use.

Our use of renewable energy sources enabled us to avoid 0.45 million tonnes of greenhouse gas emissions. We were also able to lower our total energy consumption in our buildings and facilities by 4.3% compared to the previous year.

**ENERGY MANAGEMENT IN BUILDINGS**

### ENERGY USE IN BUILDINGS AND FACILITIES (INCL. ELECTRIC VEHICLES, M KWH)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>3,127</td>
<td>3,393</td>
<td>3,247</td>
</tr>
<tr>
<td>100% green electricity</td>
<td>745</td>
<td>1,056</td>
<td>1,040</td>
</tr>
<tr>
<td>Standard electricity</td>
<td>992</td>
<td>768</td>
<td>657</td>
</tr>
<tr>
<td>Natural gas</td>
<td>864</td>
<td>952</td>
<td>951</td>
</tr>
<tr>
<td>Heating oil²</td>
<td>242</td>
<td>248</td>
<td>308</td>
</tr>
<tr>
<td>District heating</td>
<td>185</td>
<td>202</td>
<td>189</td>
</tr>
<tr>
<td>District cooling</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Liquefied petroleum gas (LPG)</td>
<td>91</td>
<td>159</td>
<td>94</td>
</tr>
<tr>
<td>Biogas</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

¹ Adjusted; ² Also includes quantities of gasoline and diesel for auxiliary power generators

Smart technology solutions also help us reduce energy consumption at sites suited for such technologies. Thanks to intelligent measurement devices, for example, we can record accurate and detailed consumption data and follow-up with just the right efficiency measures. In the reporting year, we decided to introduce smart metering to our sites in Germany and have already tested its use at ten locations and are planning a Germany-wide rollout for 2015. Other efficiency-enhancing technologies include energy-saving LED lighting and intelligent heating and cooling solutions.

The first construction phase of our €150 million investment to expand our air hub in Leipzig was completed in the reporting year. The expansion enables us to increase the efficiency of our flight operations. We also opened a new life sciences and healthcare competence center at the Leipzig airport in 2014. The new logistics facility is ISO 14001 certified.

Our investment in a new logistics center in Johannesburg, South Africa, allowed us to consolidate operations from three separate facilities into one. The new ISO 14001 certified site was built to be more energy efficient and as a result, more carbon efficient, than the facilities it was replacing. Warehouse space was reduced from 22,000 to 12,000 square meters, for example, and office space was reduced from 7,000 to 5,500 square meters. Movement sensors and high-efficiency lighting were installed throughout the entire building to leverage further energy savings. The facility’s heating and hot water supply system was made particularly carbon efficient with the installation of air and heat pump systems and solar panels. Initial estimates show that these and other efficiency measures will reduce energy consumption by 106 MWh (megawatt hours) and reduce greenhouse gas emissions by as much as 64%.
SUBCONTRACTOR MANAGEMENT

We work alongside our transportation subcontractors in initiatives to reduce fuel consumption and lower greenhouse emissions.

We are currently collaborating with our major customers, suppliers and industry peers to develop a framework for harmonizing emissions calculation methodologies worldwide. The aim is to achieve like-for-like comparability of company emissions information within the industry, as this creates the basis for informed decisions on transportation subcontractors. To this end, Deutsche Post DHL Group participates in the Global Logistics Emissions Council (GLEC), an independent worldwide initiative dedicated to coordinating the process of harmonizing emissions calculation methodologies. The global harmonization process is being based on the results of an ISO International Workshop Agreement completed in 2014, as well as on the EU research project COFRET. Deutsche Post DHL Group is involved in both of these undertakings.

AIR FREIGHT

We have integrated the environmental performance of our subcontractors as a key criterion for the selection process of air subcontractors. Our Global Forwarding, Freight division evaluates three aspects: the company’s efficiency, which is measured monthly, the transparency of its fleet composition, as well as its involvement in industry-led initiatives such as the Airfreight Carbon Initiative (ACI). The results are consolidated in a carrier scorecard and not only help us to track the carrier’s environmental performance but also impact the overall carrier score.

OCEAN FREIGHT

We are the second largest ocean freight forwarder in the world. It is therefore our responsibility to continuously improve the efficiency of our ocean freight transports. Our entire ocean freight operations are carried out by transportation subcontractors. We monitor and manage these relationships carefully with the help of a comprehensive subcontractor management system. One of our most important tools in this system is the Green Carrier Scorecard, which provides us with information on the shipping companies’ environmental balance sheets, transport efficiency and greenhouse gas emissions.

In the reporting year we were able to reduce our ocean freight emissions by 0.6 million tonnes as compared to the previous year. This was due in large part to our transportation subcontractors’ use of modern vessels, the implementation of strategic fuel-reducing measures (slow steaming) as well as improved utilization of vessels along the main trade routes.

ROAD TRANSPORT: AIMING FOR A GLOBAL STANDARD

We are well underway to developing a standardized method for determining the environmental performance and calculating emissions of road freight operations with several different industry-led initiatives. These include the Green Freight Europe (GFE) and Green Freight Asia (GFA), both of which Deutsche Post DHL Group is a founding member.

In 2014, GFE and GFA each developed a quality certification program as a way to motivate its member companies to follow through on their commitment to improve the carbon footprint of their transport operations. Certification is awarded to companies that lead the way in environmental performance and in the transparency of their emissions calculations and carbon efficiency reporting. Deutsche Post DHL Group was among the first companies in 2014 to be awarded the certification by both initiatives.
EMISSIONS: CALCULATING EMISSIONS AND PROGRESS MADE

In our efforts to develop just the right efficiency improvement measures to achieve our carbon efficiency target, we rely on widely-accepted methods for measuring and tracking our emissions. Our emissions calculations are based on the guidelines outlined in the GHG Protocol, 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 EN 16258 and ISO 14064 standards. As of the end of the reporting year, we have improved our carbon efficiency by 23% against the 2007 baseline. This takes us one step closer to achieving our target of a 30% carbon efficiency improvement by the year 2020.

DEVELOPMENT OF GREENHOUSE GAS EMISSIONS

At 28.59 million tonnes of CO₂, the total emissions resulting from our own activities and purchased energy (scopes 1 and 2), and from subcontracted transportation and business travel (scope 3), have increased just slightly compared to 2013 levels (previous year adjusted: 28.31 million tonnes of CO₂). In the reporting year, our scope 1 emissions totaled 5.22 million tonnes of CO₂ (previous year adjusted: 5.13 million tonnes of CO₂), and scope 2 emissions amounted to 0.44 million tonnes of CO₂ (previous year: 0.49 million tonnes of CO₂). The increase in emissions resulting from above average growth in the Express division was largely offset by emissions reductions in the other operating divisions. The overall result is a slight emissions increase of 0.9%. At the same time, by increasing the share of green electricity used throughout the Group to 61.3%, we were able to avoid 0.45 million tonnes of CO₂.

In 2014, emissions from subcontracted transportation (scope 3) totaled 22.92 million tonnes of CO₂ (previous year: 22.69 million tonnes of CO₂). This figure includes 0.05 million tonnes of CO₂ from business travel (previous year: 0.04 million tonnes of CO₂). The slight increase in scope 3 emissions is due in large part to increased tonnage in the air freight business and the sustained growth in international express volumes. This effect was partially offset by strong efficiency gains in the ocean freight business, a result of reduced emissions and increased transport volumes.

CO₂e EMISSIONS BY CATEGORY

Total: 28.59 million tonnes CO₂

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Scope 1</th>
<th>Scope 2</th>
<th>Scope 3</th>
<th>Total</th>
<th>Scope 1</th>
<th>Scope 2</th>
<th>Scope 3</th>
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<tbody>
<tr>
<td>Group</td>
<td>28.31</td>
<td>5.13</td>
<td>0.49</td>
<td>22.69</td>
<td>28.59</td>
<td>5.22</td>
<td>0.44</td>
<td>22.92</td>
</tr>
<tr>
<td>Post-eCommerce-Parcel</td>
<td>1.56</td>
<td>0.49</td>
<td>0.07</td>
<td>0.99</td>
<td>1.59</td>
<td>0.48</td>
<td>0.08</td>
<td>1.04</td>
</tr>
<tr>
<td>Express</td>
<td>8.18</td>
<td>3.77</td>
<td>0.13</td>
<td>4.28</td>
<td>8.65</td>
<td>3.89</td>
<td>0.12</td>
<td>4.63</td>
</tr>
<tr>
<td>Global Forwarding, Freight</td>
<td>16.69</td>
<td>0.16</td>
<td>0.05</td>
<td>16.47</td>
<td>16.39</td>
<td>0.16</td>
<td>0.05</td>
<td>16.18</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>2.18</td>
<td>0.68</td>
<td>0.20</td>
<td>1.31</td>
<td>2.21</td>
<td>0.68</td>
<td>0.16</td>
<td>1.38</td>
</tr>
</tbody>
</table>

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

1% includes 3% CO₂ emissions from buildings and <1% CO₂ from rail/ferry transport

CO₂e EMISSIONS BY SCOPE AND DIVISION (MILLION TONNES)

<table>
<thead>
<tr>
<th>Scope and Division</th>
<th>2013 adjusted</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Scope 1</td>
</tr>
<tr>
<td>Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post-eCommerce-Parcel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Express</td>
<td></td>
<td></td>
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<tr>
<td>Global Forwarding, Freight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply Chain</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 After consolidation of scope emissions from intercompany business activities, including Corporate Center/Other
# Scope 3 Emissions

## Scope 3 Emissions by Category (Mt CO\textsubscript{2}e) - Detailed Description

<table>
<thead>
<tr>
<th>Category</th>
<th>Activities included/excluded</th>
<th>Calculation methodology</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Purchased goods and services</td>
<td>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 taken from the DEFRA reporting guidance.</td>
<td></td>
<td>2.6</td>
<td>2.7</td>
</tr>
<tr>
<td>2. Capital goods</td>
<td>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 taken from the DEFRA reporting guidance.</td>
<td></td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>3. Fuel- and energy-related activities (not included in scope 1 or scope 2)</td>
<td>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.</td>
<td></td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>4. Upstream transportation and distribution</td>
<td>Upstream transportation and distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>upstream transportation and distribution</td>
<td>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.</td>
<td></td>
<td>27.4\textsuperscript{1}</td>
<td>27.8</td>
</tr>
<tr>
<td>fuel- and energy-related activities for upstream transportation and distribution</td>
<td>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 requirements of the EN 16258 standard and better compare the total GHG efficiency of own and subcontracted transports. 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; Maritime transports: HFO) and emission factors provided in the EN 16258 standard.</td>
<td></td>
<td>4.8\textsuperscript{1}</td>
<td>4.9</td>
</tr>
<tr>
<td>5. Waste generated in operations</td>
<td>This category is currently not reported, as – due to the nature of our business activities – limited quantitative and management relevance is expected.</td>
<td></td>
<td>not reported</td>
<td>not reported</td>
</tr>
</tbody>
</table>
### 6. Business travel

This category includes emissions from business travel from our global workforce via airplanes. 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.

<table>
<thead>
<tr>
<th>Category</th>
<th>2013 data for category 4, adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>0.04</strong></td>
</tr>
</tbody>
</table>

### 7. Employee commuting

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 global headcount data and national statistics.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>0.5</strong></td>
<td><strong>0.5</strong></td>
</tr>
</tbody>
</table>

### 8. Upstream leased assets

This category is not applicable. The operation of leased assets is included in our scopes 1 and 2.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>net applicable</td>
<td>net applicable</td>
</tr>
</tbody>
</table>

### 9. Downstream transportation and distribution

This category is currently not reported. All third party transport services purchased by us are included in category 4. Emissions for 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.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>net reported</td>
<td>net reported</td>
</tr>
</tbody>
</table>

### 10. Processing of sold products

This category is not applicable to our business, because we do not offer intermediate products for further processing.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>net applicable</td>
<td>net applicable</td>
</tr>
</tbody>
</table>

### 11. Use of sold products

This category is not applicable to our business as a provider of services.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>net applicable</td>
<td>net applicable</td>
</tr>
</tbody>
</table>

### 12. End-of-life treatment of sold products

This category is currently not reported, as – due to the nature of our business activities – limited quantitative and management relevance is expected.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>net reported</td>
<td>net reported</td>
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</tbody>
</table>

### 13. Downstream leased assets

This category is currently not reported. Emissions were estimated and excluded due to limited quantitative and management relevance.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>net reported</td>
<td>net reported</td>
</tr>
</tbody>
</table>

### 14. Franchises

This category is currently not reported. Emissions were estimated and excluded due to limited quantitative and management relevance.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>net reported</td>
<td>net reported</td>
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</tbody>
</table>

### 15. Investments

This category is not applicable to our business.

<table>
<thead>
<tr>
<th>Category</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>net applicable</td>
<td>net applicable</td>
</tr>
</tbody>
</table>

---

1) 2013 data for category 4, adjusted
CARBON EFFICIENCY

In the reporting year, we achieved an overall carbon efficiency improvement of 23% against the 2007 baseline for our business operations (previous year adjusted: 20%). This 3% improvement over the previous year takes us that much closer to reaching our 2020 target of a 30% carbon efficiency improvement over the 2007 baseline. Nevertheless, given the fact that our networks already operate at a high level of efficiency, efficiency gains will become increasingly more difficult to realize in the future.

The Global Forwarding, Freight division posted significant efficiency gains in both ocean and road transport. These efficiency improvements were realized by shifting ocean-going volumes to more efficient routes and carriers. Improved capacity utilization and the use of more efficient vehicle fleets were the main drivers of carbon efficiency improvements seen in the division’s road transport business.

The Express division also played a role in driving carbon efficiency improvement within the Group with its continued air fleet renewal efforts, i.e. the replacement of elder aircraft with more efficient models, and high utilization of its own network. This positive development was further reinforced by efficiency gains in both the Supply Chain and PeP divisions.

CARBON EFFICIENCY INDEX

Carbon efficiency improvement (compared to 2007)

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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1. Previous years’ figures have been adjusted due to a recalculation of the Global Forwarding, Freight division’s emissions data from 2008-2012.
2. Data is presented in relation to our carbon efficiency target. We now report the efficiency increase, setting the base value at 0 (instead of 100).
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.
INTERVIEW WITH BILL MEAHL

Bill Meahl is the global Chief Commercial Officer for DHL. He believes that to become Provider of Choice, corporate responsibility and sales success must go hand-in-hand.

For several years now, Deutsche Post DHL Group has pursued the goal of becoming Provider of Choice. What, in your view, characterizes a first-choice provider?

There are many relationships a company can have with a customer, the simplest being a purely transactional one, where goods or services are delivered at a set price. A company that is Provider of Choice however has an entirely different relationship with its customers: it holds a position of trust and acts as an expert advisor to customers who look to these few providers for strategic engagement.

What is the key to lasting customer relationships?

Quite simply: know your customer, listen to your customer and consistently deliver quality products, innovative solutions and service excellence that make your customer successful. Of course, while these fundamentals sound simple, it takes a lot of hard work and dedication by many people to achieve them. A strong customer relationship takes time to build and needs to be nurtured every day by everyone on the team - and for a company like Deutsche Post DHL Group this can be a large, global team.

What role does sustainability play in the Deutsche Post DHL Group’s customer promise?

Similar to the Deutsche Post DHL Group, the vast majority of our top customers have their own sustainability programs – often with aggressive goals and high aspirations. Our aim is to assist our customers in optimizing their environmental footprint as we go about delivering our own 2020 sustainability targets. Customers acknowledge our leadership in the sustainability arena and look to us for assistance in their own efforts. We therefore often work closely with interested customers to implement dedicated sustainability solutions to help them achieve their own sustainability goals.

Which sustainability solutions at DHL Customer Solutions & Innovation were in greatest demand last year?

The basis for introducing sustainability solutions is first to get transparency of the company’s environmental footprint. We therefore continue to see strong growth in the demand for our industry-leading suite of carbon reporting services. More and more companies are starting the process of optimizing their own supply chains to make real change and minimize their environmental footprint. Some of the most common green optimization solutions are: green road transportation, intermodal shipping and load optimization. Of course, our climate-neutral shipping service continues to grow especially for Express and P&F customers.

What do you recommend to customers who want to optimize their supply chains towards greater sustainability?

Talk to us. We have trained experts who can work with customers and advise on ways of optimizing their supply chain and finding tailored solutions to achieve their sustainability goals. We also have a range of green services and solutions that can further accelerate a customer’s progress in minimizing their logistics-related environmental impact. For example, one of the first steps is assessing and reporting greenhouse gas emissions. We can provide customers with a bespoke Carbon Report or an advanced online Carbon Dashboard which can help identify abatement levers and efficiency measures.

Doesn’t the price factor still outweigh the “green” factor in the end?

Price is of course always a factor with customers, but with an increasing number of them, especially the larger ones, we see that sustainability ranks very high. Many have their own sustainability programs and targets, and set stringent standards which we, as their suppliers, must meet. In addition, many of our customers also know that sustainability makes good business sense. We have customers who have cut tonnes of carbon emissions from their operations and saved operating costs while growing sales.

Which corporate responsibility-related issue do you think will become more important in the coming years?

I think that responsible supply chains is a topic that will become increasingly more important. Today’s supply chains are ever more complex and as the sourcing of raw materials and services is often done across the globe, it is becoming increasingly difficult to control each and every aspect. Many of our customers – and even end consumers – now demand that companies conduct their business in a responsible manner along every step of the supply chain – and the failure to do so could come at a heavy price for a company, resulting in the loss of sales and reputation. This is an issue which we are actively addressing at Deutsche Post DHL Group with our responsible business practice program.

Do different regions and business sectors rank corporate responsibility issues differently in terms of relevance?

At DHL Customer Solutions & Innovation we deal with DHL’s largest customers, comprised of multi-national companies, so we see a fairly similar level of importance given to CR issues across this group and also across the respective sectors they operate in. However, each business sector places different levels of importance on specific CR issues based on that sector’s specific operations, risks and opportunities. For example, the technology sector is particularly interested in employee working conditions, and for the energy sector HSSE, comprising health, safety, security and the environment, is a prerequisite.

What role does innovation play in your sustainability strategy?

Innovation has been and will continue to be an essential part of our sustainability strategy. We were the first global logistics company to set itself quantifiable sustainability target, and the first to offer logistics customers climate-neutral products and services. These “firsts” couldn’t have happened without innovation in technologies and the business processes needed to implement them. We’re certainly not resting on our laurels. We’re continuing to innovate and to introduce innovative green technologies and products as we push forward with our sustainability strategy.
Long-term, trusted relationships between customers and sales staff are often the key to business success. What is your secret to training – and retaining – good people?

First, there are no secrets but I think there are some keys. To start with, we hire great people, who we then nurture and provide with the tools to be successful. At DHL Customer Solutions & Innovation, our customer managers are the “One Face”, representing DHL’s business to the customer. They must know their customer’s business inside out and help develop simple and sustainable solutions even for the most complex supply chain challenges their customer may have. In order to support them, we have invested heavily in training programs that help our customer managers unlock their full potential.

Deutsche Post DHL Group wants to be a benchmark for responsible business in the logistics industry by the year 2020. What has the Group done to achieve this goal?

This past year we’ve focused on educating our sales teams on the importance of being a responsible provider of logistics solutions, as well as continuing to develop our range of green solutions. For example, we worked with our business units to come up with a standardized range of green solutions that our sales teams can offer to our customers. We have also produced a range of sales guides and materials which sales teams use to discuss a customer’s environmental and responsible business practice requirements, and which help us to position Deutsche Post DHL Group as the leading provider of responsible logistics solutions.
GOGREEN PRODUCTS AND SERVICES

Our GoGreen offering provides customers with a comprehensive range of green products and services. Our Carbon Reports help customers gain a deeper understanding of their business’s impact on the environment. Customers can turn to our product Green Optimization to help identify and implement measures designed to reduce these impacts. We also give our customers a way to offset remaining emissions with our climate-neutral products.

We are committed to maintaining the high quality of our GoGreen products and services. That is why we have our greenhouse gas emissions calculations verified annually by an independent third party auditor. Projects for our climate-neutral product portfolio are selected based on the highest quality standards.
CARBON REPORTS

Our Carbon Report products provide customers with structured and detailed information about the emissions impact of the transport and logistics services they use through Deutsche Post DHL Group. As of 2014, all Carbon Reports issued for customers across our DHL business divisions are compliant with the GHG Protocol Product Lifecycle Accounting and Reporting Standard. Customers receive a report on their logistics-related greenhouse gas emissions (CO₂ equivalents), including emissions from transport as well as from the provision of fuel and energy (upstream emissions). Underlying energy data is also reported in the Carbon Reports for our Express and Global Forwarding, Freight customers, thus fulfilling the requirements of the European reporting standard EN 16258.

All of the calculation methods applied to our Carbon Reports are verified annually by the external audit company Société Générale de Surveillance (SGS).

Carbon Dashboard, a state of the art reporting and efficiency simulation tool, is available to our Express and Global Forwarding, Freight customers. In the reporting year an advanced version of the web-based tool was developed by the Global Forwarding, Freight division in collaboration with the Green Transformation Lab (GTL). The new Carbon Dashboard has already resulted in major benefits for a customer from the technology sector, helping the company improve its carbon visibility and identify important levers for reducing emissions.

In the reporting year, we recorded a total of 3.66 million tonnes of CO₂e emissions through our Carbon Report products. The increase in emissions reported is due in part to enhancements made to the Carbon Report based on the latest product standards. As a result, the reports have been expanded to include other relevant GHG emissions as well as the emissions from the production and provision of fuel and energy. Another driver behind the increase has been the growing demand for the Carbon Report products across the Group’s divisions.

In 2014, the Express division reported 2% of its carbon footprint as part of the Carbon Report product. Because the Express network is already optimized, there are fewer possibilities for further optimization for individual customers. For this reason, Carbon Reports are not of key relevance for the division. This also applies to the PeP division, which reported 5.5% of its divisional footprint. Supply Chain offered the product for the first time in 2014 with a verified calculation methodology; the reported emissions already cover 4.5% of the division’s carbon footprint. The Global Forwarding, Freight division reports 16% of its total emissions to customers.

GOGREEN PRODUCT: CARBON REPORT

<table>
<thead>
<tr>
<th>Division</th>
<th>2012 CO₂ in tonnes</th>
<th>2013 CO₂ in tonnes</th>
<th>2014 CO₂e¹ in tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post–eCommerce–Parcel</td>
<td>77,391</td>
<td>85,745</td>
<td>104,601</td>
</tr>
<tr>
<td>Express</td>
<td>57,026</td>
<td>124,557</td>
<td>195,503</td>
</tr>
<tr>
<td>Global Forwarding, Freight</td>
<td>945,212</td>
<td>1,898,075</td>
<td>3,240,606</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>198,668</td>
<td>86,685</td>
<td>119,806</td>
</tr>
<tr>
<td>Total</td>
<td>1,278,297</td>
<td>2,195,062</td>
<td>3,660,516</td>
</tr>
</tbody>
</table>

¹ Based on the GHG Protocol Product Lifecycle Accounting and Reporting standard
GREEN OPTIMIZATION

Our Green Optimization products and services support customers in reducing their logistics-related greenhouse gas emissions and minimizing other environmental impacts of their business activities. With Green Optimization, we focus on offering additional savings potentials that go beyond what the customer would achieve without our support.

In order to reduce greenhouse gas emissions, we analyze the customer’s entire logistics supply chain - from road transport, warehousing, routes and transport modes, to network design, product, and carrier management. We reduce emissions through efficiency gains and the use of more environmentally friendly energy sources.

In June 2014 our Global Forwarding, Freight division introduced the first aerodynamic Teardrop trailers for use across France and Germany for our customer Airbus. Named after its distinctive teardrop shape, the trailer’s aerodynamic form offers far less air resistance than conventional trailers. The Teardrop trailers deployed in France and Germany have been modified to meet Airbus’ specific transport needs. Trucks with aerodynamically enhanced Teardrop trailers consume between 6-10% less diesel fuel than regular semi-trailer trucks. For our customer Airbus, this translates into more cost-efficient and more resource-efficient logistics.

In January 2014 we launched the North Londen Consolidation Centre in Edmonton as part of a green city logistics initiative. We consolidate deliveries from 41 public sector suppliers and deliver the goods to 90 public sector locations across greater London. By maximizing vehicle capacity, utilizing efficient and eco-friendly vehicles and managing routes more efficiently, we have been able to reduce the number of kilometers travelled by approximately 46%. Since its launch, the consolidation center has helped reduce London’s delivery-related carbon emissions by 41.5%.

And with our “Environmental Services” area, we help customers achieve environmental performance improvements that go beyond greenhouse gas emissions. These services, which are offered by our Supply Chain division under the name DHL Envirosolutions, include reverse logistics, waste management solutions and extended producer responsibility. In recognition of our expertise in this area, in 2014 our company was named a member of the Ellen MacArthur Foundation “Circular Economy 100”. 
CLIMATE-NEUTRAL PRODUCTS

With our climate-neutral GoGreen products, customers can fully offset the greenhouse gas emissions generated by the transport, warehousing and handling of their shipments. Emissions are calculated based on the GHG Protocol Product Lifecycle and Accounting and Reporting standard. Our calculation methodologies as well as the emission data and actual offset are verified annually by the independent audit organization SGS.

Emissions are offset through contributions to climate protection projects that fulfill recognized standards. In 2014 the project portfolio was once again enhanced and now covers projects in the areas of energy efficiency, renewable energy and forestry across Asia, the Americas, and EMEA (Europe, Middle East, Africa). Deutsche Post DHL Group’s own climate protection project in Lesotho was once again verified by the United Nations in 2014. The project involves the distribution of high-efficiency stoves that require less firewood, reducing environmentally harmful emissions as a result. The UN verification confirmed that 99% of the distributed Save80 stoves are in use. The ten-year project generated an emissions savings of 18,000 tonnes of CO₂ in 2014.

We transported a total of 2.12 billion climate-neutral shipments in 2014 (previous year: 2.37 billion). A significant growth in climate-neutral shipments was seen in our express and parcel business, while climate-neutral volumes in our mail business decreased. In terms of total volumes, the share of climate-neutral shipments increased in 2014, with climate-neutral shipments accounting for 3% of Express division volumes and 12% of volumes in the PeP division.

The emissions offset through the climate-neutral delivery service increased to 248,570 tonnes of CO₂e (previous year: 193,760 tonnes of CO₂). This upward trend is due to both an increase in express and parcel volumes and the implementation of the latest accounting standard.

GOGREEN PRODUCT: CLIMATE-NEUTRAL DELIVERY SERVICE (OFFSET CO₂E EMISSIONS IN TONNES)

<table>
<thead>
<tr>
<th>Division</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post–eCommerce–Parcel</td>
<td>143,806</td>
<td>148,692</td>
<td>189,471</td>
</tr>
<tr>
<td>Express</td>
<td>31,377</td>
<td>42,769</td>
<td>56,600</td>
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<tr>
<td>Global Forwarding, Freight</td>
<td>3,721</td>
<td>986</td>
<td>2,017</td>
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<tr>
<td>Supply Chain</td>
<td>316</td>
<td>120</td>
<td>83</td>
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<tr>
<td>Corporate Center/Other</td>
<td>669</td>
<td>1,193</td>
<td>399</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>179,889</strong></td>
<td><strong>193,760</strong></td>
<td><strong>248,570</strong></td>
</tr>
</tbody>
</table>

1. Based on the GHG Protocol Product Lifecycle Accounting and Reporting standard; 2. Data audited by SGS in March 2015.
NON-CARBON FACTORS

Our Group-wide environmental management system extends beyond greenhouse gas emissions. We also address other impacts that our operations have on the environment, including the implementation of measures to reduce the emissions of local air pollutants and to reduce noise. We also take a critical look at our use of natural resources such as wood and water, and are committed to protecting biodiversity.

LOCAL AIR POLLUTANTS

Fuel combustion generates not only greenhouse gas emissions but also local air pollutants as well, including mono-nitrogen oxides (NO\textsubscript{x}), sulfur dioxide (SO\textsubscript{2}) and particulate matter (PM\textsubscript{10}). We work to minimize levels of local air pollutants by replacing older aircraft with more efficient ones, for example, and by renewing our road vehicles. The emissions produced by our fleet are calculated using recognized calculation methodologies and based on national and international fleet averages. We have been able to further improve the accuracy and level of detail of these calculations by recording all flight movements in our Carbon Accounting and Controlling system.

Our total local air pollutant emissions have remained nearly constant. Despite the utilization of newer aircraft, air transport emissions increased slightly due to increasing volumes in the Express division. The slight reduction in road transport emissions is closely related to the general reduction in greenhouse gas emissions across the road transport business.

EMISSIONS OF LOCAL AIR POLLUTANTS\(^1\)

| MONO-NITROGEN OXIDE (NO\textsubscript{x}) EMISSIONS (IN TONNES) |  |
|---|---|---|---|---|
| 2014 | 17,625 | 1,796 | 3,865 | 9,230 |
| 2013\(^1\) | 18,178 | 1,706 | 3,847 | 8,785 |

| SULFUR DIOXIDE (SO\textsubscript{2}) EMISSIONS (IN TONNES) |  |
|---|---|---|---|---|
| 2014 | 621 | 169 | 312 | 708 |
| 2013\(^1\) | 675 | 166 | 311 | 673 |

| PARICULATE MATTER (PM\textsubscript{10}) EMISSIONS (IN TONNES) |  |
|---|---|---|---|---|
| 2014 | 911 | | | |
| 2013\(^1\) | 976 | | | |

\(^1\)Calculations are based on actual consumption data using 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 (2013); \(^2\)Adjusted

NOISE POLLUTION

We work closely with stakeholders to find ways of operating that generate less noise. In the reporting year we continued to invest in our air fleet, replacing older aircraft with newer, more efficient ones. As a result, the majority of our jet aircraft meet the highest noise standards prescribed by the International Civil Aviation Organization (ICAO).

Most of our larger facilities require quick access to transportation networks and are therefore located outside residential areas. If sites are located in or near to residential areas, our local management is expected to work with residents and other stakeholders to ensure that noise from our operations is kept to an acceptable minimum. Our ongoing investments in electric vehicles also help us reduce noise in urban areas.
CONSUMPTION OF RESOURCES AND WASTE MANAGEMENT

PAPER
In accordance with our Group Paper Policy, we are committed to using only recycled paper products. This commitment also applies when contracting services to manufacture or buy paper. Exceptions to this rule are defined within the policy.

The Group’s adherence to this policy together with our efforts to reduce the amount of paper we use helps lower the demand for wood. Our Paper Policy also helps reduce the consumption of energy and water associated with paper production and helps prevent the deforestation of rainforests.

WATER CONSUMPTION
As a provider of logistics and mail services, we do not use significant quantities of water in our production processes. Water is mostly used for drinking and sanitation at our facilities and is obtained primarily from municipal suppliers and disposed of via public sewage systems. For these reasons water consumption and waste water disposal are not significant environmental aspects for the Group. This is why we do not report global water use data. For your information we have included data on the water consumption at our facilities in Germany, as provided to the Carbon Disclosure Project (CDP), in the annex of this report.

This said, many of our facilities with environmental management systems do have initiatives in place to reduce water consumption. And when constructing new buildings, for example, we seek to install water recovery systems and water-efficient sanitary installations.

WASTE AND RECYCLING
We generate waste not only from the packaging materials used for transport, such as pallets, plastic shrink wrap and cardboard boxes, but from the paper used in our offices as well. There are many ways to reduce - and even avoid - paper waste. As the world becomes increasingly digitized, we continue to do what we can to reduce the use of paper and promote the recycling of paper and other materials wherever possible.

The maintenance - and disposal - of aircraft, road vehicles and IT equipment also generates waste. In most cases we entrust the manufacturers or other third-party providers with the task of maintaining and eventually decommissioning or scrapping our road vehicles and aircraft. Most of our vehicles and aircraft are leased, however, and are returned once the lease is over. We also apply a similar approach to the maintenance and disposal of our IT equipment. We provide partners with explicit instructions regarding responsible environmental practices and processes in all of our maintenance and disposal contracts. We also offer customers integrated waste recycling solutions for their logistics flows through DHL Envirosolutions. This approach helps customers reduce costs as well as their environmental impact.

Waste is not a material environmental issue for Deutsche Post DHL Group. For this reason, and due to the considerable effort involved in collecting and auditing global data, we do not report global waste statistics (including hazardous waste). For your information we have included waste-related data for our facilities in Germany, as provided to the Carbon Disclosure Project (CDP), in the annex of this report.
BIODIVERSITY

Because our offices and facilities are predominantly located in areas zoned for urban or industrial use, it is unlikely that our operations or services significantly impact protected areas or endanger protected plant or animal species. Our operations do have an impact on ecosystems and on biodiversity, however – through carbon emissions and local air pollutants, the use of natural resources and other operations-related factors, such as the unintentional spreading of invasive non-native species. For this reason, our environmental management system accounts for impacts on biodiversity when designing measures and initiatives.

Our guideline on the usage of liquid biofuels, for example, accounts for biodiversity in the countries where biofuels are produced. Our terms and conditions also explicitly prohibit the use of our network to transport protected, threatened or endangered plant and animal species.

Biodiversity is not, however, among the central environmental issues for our company, which is why we do not report data on this area.
## ABOUT THIS REPORT

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<td>Annual</td>
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<td><strong>Date of publication</strong></td>
<td>March 11, 2015</td>
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<td><strong>Document format</strong></td>
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### Data measurement techniques, bases of calculations
- Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations, are accounted for at the appropriate sections herein.
- Changes within this parameter over the previous year are duly noted and the effects explained. Adjustments to prior-year figures are marked accordingly.

### Report scope and boundary
- The information in this report applies to the consolidated group in 2014 as described in Note 2 of the consolidated financial statements.
- A complete list of the Group’s shareholdings can be found in the Investors section of our website.
- Finance figures contained in this report reflect those found in the Annual Report 2014.

### Report content
- The content of this report is based on the requirements of the Global Reporting Initiative (Version 3.1) as well as the results of our materiality analysis and external CR ratings.

### Independent third-party assurance
- This report was reviewed by the audit firm PricewaterhouseCoopers (PwC). Content marked with the PwC icon has been reviewed by PwC. Information regarding the scope and outcome of the audit can be found in the Assurance Report.
- Carbon offset data is verified annually by the audit firm Société Générale de Surveillance (SGS).

### UN Global Compact and Global Reporting Initiative (GRI)
- The report also serves as our Advanced Level Communication on Progress (COP) for the UN Global Compact. 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 openly.

### Explanation of terms used
- We use the term “employees” to refer to our workforce. Unless otherwise noted, “headcount” is used to refer to our employees in quantitative terms.
- In 2014 our MAIL division was renamed “Post–eCommerce–Parcel” (PeP). In this report the division is often referred to in its short form, i.e. PeP.

### Abbreviations
- References to our Annual Report are abbreviated “AR 2014”.
- The Corporate Responsibility Report 2014 is referred to as “CRR 14”.
- The term “corporate responsibility” often appears in abbreviated form as CR, and RBP is used when referring to responsible business practice.

### Previous reports
- The Group has been reporting on the environment, HR matters, sustainability and corporate responsibility since 2004. All of these reports can be found on the Deutsche Post DHL Group website.

### Additional publications
- Our Corporate Responsibility Brochure provides an overview of the Group’s main CR-related activities. The brochure can be downloaded in PDF format from the Deutsche Post DHL Group website; a print version of the brochure can also be ordered from the same site.

### Editorial responsibility
- Deutsche Post AG – Headquarters
  Corporate department for Corporate Communications and Responsibility

### Contact
- Your opinion is important to us. Please feel free to send us an e-mail with your questions and suggestions.
INDEPENDENT ASSURANCE REPORT

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 2014 (hereinafter: “Corporate Responsibility Report”) of Deutsche Post AG, Bonn (hereinafter: the Company) for the business year from 1 January to 31 December 2014. The content selected by the Company and evaluated by us has been marked with the icon \( \text{\textsuperscript{\textbullet\textcircled{C}}} \). 

Management’s Responsibility

The Company’s Board of Management is responsible for the proper preparation of the content 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 Corporate Responsibility 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.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 content marked with the label \( \text{\textsuperscript{\textbullet\textcircled{C}}} \) in the Corporate Responsibility Report 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. Within the scope of our independent assurance engagement we did not perform an audit of any links to external sources of documentation as well as prospective statements and statements from external experts set out in content. In additional, we were also engaged to make recommendations for the further development of corporate responsibility management and corporate responsibility reporting based on the results of our assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This standard requires that we comply with independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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 responsibility strategy as well as gaining an understanding of the corporate responsibility management structure and the development process of the Company’s corporate responsibility 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;
- 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 Corporate Responsibility Report 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 content marked with the label \( \text{\textsuperscript{\textbullet\textcircled{C}}} \) in the Corporate Responsibility Report 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.

Emphasis of Matter - Recommendations

Without qualifying our conclusion presented above, we make the following recommendations for the further development of the Company’s sustainability
management and sustainability reporting:

- In the reporting year the Company has further developed the materiality matrix and CR management in order to align the internal approaches with the new reporting requirements resulting from the GRI G4 guidance. We recommend to the Company to also apply these further developments to the future CR reporting.
- In the reporting year the Company has further improved its systems and processes for the collection of employee data. Adding to this, we recommend to the Company to further develop data collection processes for all material performance indicators, for example occupational health and safety data, during the upcoming reporting year.

Düsseldorf, February 27, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Michael Werner  ppa. Axel Faupel

Footnote: 1Our engagement applied to the German online version of the Corporate Responsibility Report (http://cr-report2014.dpdhl.com), which describes the sustainability performance of the Company. This text is a translation of the Independent Assurance Report issued in German - the German text is authoritative. Statements as well as expert opinions in the report were not in scope of our engagement.