

Deutsche Post DHL Group plans further quality improvements for mail and parcel services within Germany

- Investments in personnel, automation and expansion of the mail and parcel network to further improve service quality
- 500 new partner outlets and DHL Parcelshops along with 1,000 additional Packstations; Deutsche Post also testing new outlet concepts such as drive-thru service counters
- CEO Frank Appel: “These measures ensure that we remain quality leader and provider of choice for our customers in a very competitive market.”

Bonn – March 5, 2019: Following a successful holiday season, Deutsche Post DHL Group – the world’s leading mail and logistics company – is planning further quality improvements for its mail and parcel business in Germany. The company plans to devote previously announced annual investments of up to €150 million towards additional personnel, automation, and the further expansion of its mail and parcel network.

“We were very well prepared for the 2018 holiday season as a result of quality improvements implemented last year,” says Frank Appel, Chief Executive Officer, Deutsche Post DHL Group. “The success of the peak season shows that our top-quality service is the critical factor, which is why we will continue to work hard on improving service and fulfilling our customer promise. This also responds to demands currently being voiced by lawmakers in Germany.”

Investments in quality: Human Resources

A major component of the quality initiative is the investment in Group employees. Over the course of 2018, the Group created some 5,000 new permanent, full-time jobs in mail and parcel in Germany; these are secured under collective bargaining agreements with remuneration significantly above minimum wage. In 2019 as well, Deutsche Post DHL Group plans to add at least another 5,000 jobs in mail and parcel with the goal of significantly improving quality of service for the “last mile”. This improves the company’s ability to respond to volume spikes and staff shortages due to illness, for example. It can also further reduce delivery delays, e.g. due to volume-related service interruptions at the end of working hours. An important component of the company’s longer-term staff planning is to train and subsequently hire 450 own truck drivers as a response to the driver shortages affecting the transport industry.

Overall, the company wants to increase investment in its employees and accelerate roll-out of the Group's own certification program.

Investments in quality: Automation

The second important element of the quality offensive is further automation of mail and parcel operations. In Germany, the Group is currently in the process of acquiring additional new sequence sorting machines, which pre-sort shipments in mail centers in the most efficient delivery order. This helps lighten the workload for delivery personnel and reduce errors. In addition, Deutsche Post is installing new reading technology in all parcel centers so that shipment codes on parcel labels can be read faster and more reliably. This technology enables more efficient processing in the parcel center and avoids shipment delays.

Investments in quality: Further expansion of the mail and parcel network

Deutsche Post also plans to add another 500 partner outlets and DHL Parcelshops, as well as 1,000 additional Packstations across Germany to further improve service for its customers. In addition, Deutsche Post is testing new retail outlet concepts such as self-service machines and drive-thru counters for posting and pick-up, one of which is currently being tested in Bad Kreuznach, Germany. The Group also plans to offer customers the option picking up their parcels in DHL Parcelshops, as well as new options for shipment tracking, such as proof of delivery for business customers for all merchandise shipments (Warensendungen).

Deutsche Post DHL Group also plans to invest more in its postal infrastructure, primarily in rural areas – for example with more than 400 new delivery depots in its combined delivery network, which combines mail and parcel delivery into one.

This year the company will open a new mega parcel center in Bochum, Germany with a sorting capacity of 50,000 shipments per hour. The new sorting center will also create 600 new jobs.

High quality also means sustainability. Therefore, the company plans to deploy additional 6,000 StreetScooter electric vehicles in 2019 for its delivery operations in Germany, adding to more than 9,000 StreetScooters already in operation.

“These measures ensure that we remain quality leader and provider of choice for our customers in a very competitive market,” says Frank Appel.

During the 2018 holiday season, Deutsche Post DHL Group delivered more than 150 million items, with more than 99% of all shipments, including last-minute items, arriving in time for Christmas. To ensure a successful holiday season, the company had implemented extensive measures ahead of time, including adding some 10,000 additional personnel to sorting and delivery operations, as well as 12,000 additional delivery vehicles. Deutsche Post customers confirmed the company's high service quality, with Deutsche Post receiving a record score of 94% for customer satisfaction in its partner retail outlets as part of the most recent *Kundenmonitor Deutschland*, Germany's largest cross-sector study on customer satisfaction.

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You can find the press release for download on dpdhl.com/pressreleases

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Deutsche Post DHL Group is home to two strong brands: Deutsche Post is Europe's leading postal service provider. DHL offers a comprehensive range of international express, freight transport, and supply chain management services, as well as e-commerce logistics solutions. Deutsche Post DHL Group employs approximately 520,000 people in over 220 countries and territories worldwide. The Group generated revenues of more than 60 billion Euros in 2017.

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