2019 SUSTAINABILITY REPORT

CONNECTING PEOPLE.

IMPROVING LIVES.

Deutsche Post DHL Group
OUR KEY FIGURES IN 2019

**Finance**
- €63,341 million revenue
- €3.6 million in investments
- €4,128 million EBIT
- €21,610 million in staff costs

**Employees**
- approx. 550,000 employees
- 65.6% men
- 22.2% women in management positions
- 34.4% women

**Environment**
- approx. 13,500 vehicles with alternative drive systems
- 28.95 million t of carbon emissions
- approx. 27,000 bicycles
- 35% efficiency gain compared to 2007

Finding your way around

- Material issues
- Audited content
- Cross-reference within the Report
- Reference to external content
- Glossary entry
Connecting people, improving lives: How do we make that a reality?

We use our logistics services to connect people and enable flows of goods and trade to every corner of the world – we view this as our purpose. The taxes we pay locally contribute to increased prosperity; our infrastructure and the jobs we create have an indirect positive impact which is felt by communities on the ground. It goes without saying that we take potential environmental impacts into account – after all, social and ecological responsibility have long been integral to our operations. I firmly believe that logistics is critical for sustainable economic growth.

Sustainability necessitates change.

First, let me say that 2019 was a very successful year for Deutsche Post DHL Group. Our company is on firm financial footing, and we are excellently positioned for the future.

Strategy 2025 has enabled us to further cement our focus and set new goals. We are monitoring current geopolitical developments and trade limitations that may have an impact on our business – and are well prepared moving forward. We intend to continue to utilize the opportunities that globalization affords. The booming e-commerce sector and the associated intensive global exchange of goods drive our growth. The ongoing digitalization of our business operations is also picking up speed and will significantly improve our processes.

Sustainability is integral to Strategy 2025...

Absolutely. Sustainability is being even more closely integrated into our three bottom lines of becoming Employer, Provider and Investment of Choice. We want to increase our profitability in a continuous, sustainable way, and embed social and environmental aspects more firmly in our business operations. As a signatory to the UN Global Compact this is a consistent and logical continuation of the measures we implemented years ago. We naturally take the UN Sustainable Development Goals into account as we go. As diverse as our business models may be, our operative business divisions and corporate functions all agree that, particularly in our logistics operations, sustainable development is a must as well as a favorable differentiating feature.

Logistics without digitalization is inconceivable.

Global networks and processes are accelerating. This calls for new infrastructures, and places huge demands on digital security. Existing job profiles will change and new ones will emerge. This makes it all the more important that we continually develop our employees as we move forward together into the digital world of work. By 2025 we will be investing €2 billion to improve the customer experience, our operative performance and, of course, working conditions for our employees.
Climate and environmental protection are gaining importance on a global scale. But as an industry, logistics also produces carbon emissions. Although some 14% of greenhouse gas emissions are caused by the transportation sector, our share amounts to just 0.4%. Contrary to popular belief, online retail and the associated increase in transportation volumes is not fundamentally bad for the environment. The carbon footprint of a normal parcel corresponds to a three-kilometer journey by car. With growing volumes, that ratio improves to the benefit of online retail. And while I in no way wish to understate the impact of our operations, we are well-equipped to respond to the sustainability of our business operations, this is actually something we have been working on for several decades.

The demands made of sustainable logistics are more complex than ever before. By introducing suitable measures, we have paved the way for sustainable logistics and have worked together with our stakeholders to identify “energy efficiency and climate change” and “air pollution” as key action areas. Our goal is an ambitious one: By 2050 we want to reduce our logistics-related emissions to net zero. However, the number and complexity of statutory requirements continue to increase – for example in relation to customs and export controls. With our compliance management system, we ensure that our transportation services comply with prevailing law around the world, and uphold our reputation in the eyes of our customers and business partners. And when it comes to the sustainability of our business operations, we are well-equipped to respond to the growing demands brought about by “green taxonomy” and Fridays for Future activists, and with these the increased expectations as regards reporting.

Our environmental successes.

There are many. For example, we have improved energy efficiency by an additional 2 percentage points, raising it to 35% compared with 2007. This was largely due to efficiency gains both in ocean and road freight. However, the increased use of green electricity at our sites has also had a positive impact. Furthermore, we put four new aircraft into service to replace older planes in our fleet. These will generate roughly 18% less carbon emissions and contribute to improved fuel and emissions efficiency. Our road vehicle fleet now comprises more than 13,000 vehicles with alternative drive systems. At the moment, our biggest challenge lies in medium and long-haul operations because electric vehicles are not yet viable. As a solution I believe we need a rapidly available supply of sustainably produced synthetic fuels. Page 60

13% OF OUR VEHICLES ARE ALREADY EQUIPPED WITH ALTERNATIVE DRIVE SYSTEMS

Finding solutions requires ongoing dialogue.

One of our successes in 2019 is certainly our long-standing working relationship with the UNI and ITF, the two biggest international union associations. The foundation of mutual trust we have built will continue to shape our regular dialogue in the future. To be honest, achieving a common understanding for respect for human rights across cultural, regional and legal divides can present certain challenges. This is why our HR experts engage in ongoing dialogue with all of the relevant stakeholders. Page 62

What else have we achieved as an employer?

With some 550,000 employees, we are one of the largest employers in the transportation and logistics sector. One unmistakable sign of our economic strength is the annual 2.5% average growth in our workforce, and the 2.8% increase in our personnel expenditure since 2015. Once again, we received Top Employer and Great Place to Work awards, and the increased approval rates in our Group-wide Employee Opinion Survey confirm that we have adopted the right approach. Page 69

How does diversity influence our role as an employer?

Very positively! We see the diversity of our workforce as a key success factor. Their different experiences – personal, cultural and intellectual – make them a strong interface to our customers. Indeed, we employ people from some 175 nations at our headquarters in Bonn alone. In 2019 we were able to provide jobs for some 4,200 refugees and take on around 90 as apprentices. With our Strategy 2025, we have for the first time set a global target for women in management positions: We want to increase the percentage of female managers from 22% today to 30% by 2025.

Employee volunteering remains a key factor.

Yes, this is where our purpose really comes to the fore. With our Corporate Citizenship initiative, we offer employees the chance to develop and to utilize their knowledge and skills to benefit society. We make our networks and our services available free of charge – for example to assist humanitarian efforts in the aftermath of natural disasters. More than 114,000 employees volunteered in around 3,100 local-level projects in 2019 alone. Page 79

Let’s talk about the future.

Just by making small changes in our everyday lives, we can all help to protect the environment and promote social development. But if we are to tackle the bigger social challenges, then global solutions are needed. Joint efforts make for harmonized conditions, and they prevent distortion of competition. Let me use sustainable synthetic fuels as an example. If they were already mature for market, they could help reduce greenhouse gas emissions in aviation. That is why we will be intensifying our involvement in related initiatives, while driving cross-sectoral dialogue with the aim of developing a global strategy and global standards. Only by joining forces can we move forward in a truly sustainable way.

Top Employer and Great Place to Work confirm we are Employer of Choice in our industry.”
This 2019 Sustainability Report includes the mandatory disclosures required by Sections 289b R and 313b R of the Handelsgesetzbuch (HGB - German Commercial Code), which have been brought together in a Separate Consolidated Non-financial Report ("Non-financial Report"). The information that forms the Non-financial Report applies both to Deutsche Post AG and to the Group, and is disclosed on a gray background preceding the individual chapters containing our voluntary reporting.

In order to avoid redundant reporting, the Non-financial Report contains both the descriptions of our policies required by law and our management approaches in accordance with the GRI Standards. Unless otherwise indicated, the information provided in the Sustainability Report covers the period from January 1 to December 31, 2019, and applies to the entire consolidated group as described in the Group’s 2019 consolidated financial statements.

**Reporting standards**

**Non-financial Report**

The information that forms part of the Non-financial Report is disclosed on a gray background at the start of the individual chapters. In accordance with the requirements of the German Commercial Code, the following non-financial aspects were established as significant for the Company:

- Anti-corruption and bribery matters
- Respect for human rights in the supply chain
- Employee matters relating to the issues of employee engagement, employee development, and occupational health and safety
- Social matters relating to the issue of corporate citizenship
- Environmental matters relating to the issue of energy efficiency and climate change

The non-financial performance indicators used for managing the company were determined on the basis of their materiality in accordance with the German Commercial Code; the German Accounting Standards (GASs) were applied. References to disclosures that are not included in the Group Management Report represent information in excess of the disclosures required by the German Commercial Code; these are not part of the Non-financial Report.

**Sustainability Report**

This report has been prepared in accordance with the GRI Standards (core option). The material issues selected for inclusion in the report are based on the results of the 2019 materiality analysis in accordance with the GRI Standards, which builds on the analysis conducted in 2017. In addition, we also report on selected topics to which we, as a Company, are committed and want to provide transparency about. The report also serves as an Advanced Level Communication on Progress (COP) on our commitment to the Ten Principles set out in the UN Global Compact (UNGC). The linkages to the UNGC’s Ten Principles are based on the joint UNIC/GRI publication “Making the Connection”. We also take into account the information needs of the Sustainable Accounting Standards Board and rating agencies.

**Data capture and bases of calculation**

- **Employee data:** Unless otherwise noted, employee data in this report refers to the headcount as of the reporting date (December 31, 2019).
- **Measurement techniques:** The measurement techniques used in the relevant places in the Sustainability Report. Similarly, the bases of calculation for data, and information that is fully or partly based on estimates, are explained directly in context. This also applies to any changes made in the bases of calculation or adjustments to data compared with the previous year.

- **Emissions data:** In accordance with the Greenhouse Gas Protocol, Scope 2 greenhouse gas emissions are reported as gross CO2e volumes using both the site-based and the market-based method. Unless specifically indicated in the text, the market-based method is used in all cases. Our data calculation methodologies meet the requirements of the European Emissions Trading System (EU-ETS) as well as the EN 16258 and ISO 14064 standards.

**Reportable risks**

The Group’s opportunity and risk management process also includes and quantifies opportunities and risks that are relevant to the minimum requirements for the Non-financial Report.

Neither the Group’s early warning system nor the assessment made by its Board of Management revealed any reportable risks for the Group that are linked to its own business activities, business relationships, products or services and that are highly likely to have a severe adverse impact on the material aspects now or in the future.

**Independent third-party review**

The review was conducted by PricewaterhouseCoopers Wirtschaftsprüfungsgesellschaft GmbH, Frankfurt am Main, Germany in accordance with ISAE 3000 (Revised). Reviewed content is indicated by this ✓ symbol.

- **Non-financial Report:** The Supervisory Board commissioned a limited assurance review of the contents of the Non-financial Report.
- **Sustainability Report:** Similarly, the Board of Management commissioned a limited assurance review of the contents of the voluntary reporting.

Information on the scope and findings of the two reviews can be found in the assurance report.

**Inclusive language**

In keeping with the importance we place on inclusion and integration, the language used in this report aims to be gender-neutral. Words of any gender also refer to other genders.

**Abbreviations and definitions**

The following abbreviations and definitions are used in the report:

- **SDGs:** United Nations’ Sustainable Development Goals
- **NGOs:** Non-governmental organizations
- **Anti-Corruption Policy:** Anti-corruption and Business Ethics Policy
- **ER Forum:** Employee Relations Forum
- **Supplier Code of Conduct:** The term “suppliers” also includes our transportation subcontractors.
As climate change, resource scarcity and the impact on future generations gain more and more public attention, these issues are also significantly impacting business strategy at Deutsche Post DHL Group, which has made sustainability a core component of its Strategy 2025.

Sustainability, of course, is nothing new at Deutsche Post DHL Group. All of our business activities are aligned with the company’s purpose of connecting people and improving lives. With our sustainability activities bundled into three main areas – employees, society and the environment – we are actively involved on numerous fronts, as we explore ways to reduce emissions and bring new solutions to our customers, all the while embracing digitalization as an opportunity. Ours is a culture of inclusiveness, in part because we know that the diversity of our workforce is what makes us strong.

It never fails to impress me how much passion our people bring to the wide range of corporate citizenship and environmental projects they’re involved in on a local level.

Sustainable business poses a challenge to Deutsche Post DHL Group, but we also see it as a real opportunity. Sustainability is a core component of our corporate strategy because it has become a key differentiator in business today – and one that serves a very positive purpose. By collaborating in international and cross-sectoral initiatives we are playing an active part in shaping the future – only together can we meet the major challenges of our age.
DIGITALIZATION AND CULTURAL CHANGE

Digitalization is changing the world of work. As we embark on this journey together, we are keen to spark enthusiasm among our employees for the opportunities that new technologies are creating.

How will digitalization transform logistics?

There isn’t an area that will be left untouched. Digital technologies speed up our business; tasks can be performed with greater speed, ease and flexibility. Digitalization will strengthen global connectedness, benefiting both our customers and our employees. There’s no denying that digital transformation is a key factor for the future of our business.

Job profiles will change.

Yes, but they will do so in a positive way. We’re not just modernizing our IT systems – our applications and processes are also being transformed. For example, we can now process large amounts of data better, enabling us to design complex processes more efficiently. And while this will lead to changes in existing job profiles, completely new fields of activity will also emerge.

New skills will be required for the jobs of the future, skills that differ considerably from those needed today. Highly repetitive tasks and activities involving physical exertion will gradually be automated. By contrast, cognitive and intercultural skills and creativity will be a high priority in the job profiles of the future. In the logistics business, people are irreplaceable.

We want to be Employer of Choice. Our employees are and will remain the key to our success.

Ideally, employees whose tasks can be automated in future will be able to take on different responsibilities for which we can provide interdisciplinary training in the specialist areas and methods their new roles require. In return, we hope to be met with open-mindedness, curiosity and a willingness to explore the opportunities these new requirements can bring. Digitalization is a continuous process that requires people to take responsibility for their own advancement, and this includes learning new things.

Towards lasting cultural change.

How and where we perform our jobs will change radically in certain fields. Activities performed at bricks and mortar locations will increasingly be assisted by automation. We are already collaborating in numerous cross-divisional and international projects that would be inconceivable without the help of digital technologies. This reinforces team members’ sense of responsibility, motivates them and encourages innovation and ingenuity. It is exactly this capacity for renewal that ensures lasting success for our company.

In my position as Labor Director, this also means we have to engage in ongoing dialogue with our social partners to find new and flexible solutions to accommodate this trend – in our employment contracts and remuneration structures and in our digital training programs. And in the same vein, our processes must be realigned.

DIGITALIZATION – PEOPLE WILL ALWAYS BE NEEDED

Dr. Thomas Ogilvie
Board Member
Human Resources, Labor Director, Corporate Incubations
SUSTAINABLE SOLUTIONS FOR OUR CUSTOMERS

Our customers expect responsible and sustainable business models, and environmentally friendly logistics solutions.

Respect & Results expresses our understanding of the values we uphold, such as integrity and equal opportunity. They are based on human rights and are a binding benchmark for conduct within the Group. Successfully putting these values into practice in our global network is a key competitive factor.

Our Code of Conduct anchors our ethical and environmental standards within the company, and our business partners also commit to compliance with these standards when they sign a contract with us. Indeed, our company is also part of our business partners’ supply chains. When they choose Deutsche Post DHL Group as a preferred service provider, among our various obligations, we must show that our business complies with certain social and environmental requirements. The following examples illustrate some of our responses.

Environment

TECHNOLOGIES THAT AID CLIMATE PROTECTION

The diversity of our business models means that we have equally diverse ways of improving our energy efficiency. We use a variety of alternative energy sources and drive systems and test them in our daily operations. Green electricity already meets over 80% of our total electricity demands at Group sites. We are gradually equipping our buildings with more efficient systems; some are already emission-free. We are also continuously modernizing our fleets.

For example, 13% of our vehicles are equipped with alternative drive systems. In our air and ocean freight business, we select transportation subcontractors that demonstrate superior environmental performance. And for pick-up and delivery operations, around 27,000 bicycles are now deployed for the first and last mile.
Rwanda

E-COMMERCE PROMOTES EQUAL OPPORTUNITY

We want to increase the percentage of women employed in our company at all levels worldwide. We offer practical e-commerce consultant training in Rwanda, providing career prospects for women in particular. Our training is part of the Rwandan government’s digitalization initiative designed to prepare the country’s labor force for the digital future. This program gives us an outstanding opportunity to recruit well-trained junior specialists and managers and to enhance our reputation as the preferred partner for e-commerce solutions.

Deutsche Post DHL Group became the first German company to receive the prestigious 2019 Catalyst Award in recognition of exceptional commitment to diversity and to increasing the number of women in management positions.

Germany

AUTONOMY THROUGH INTEGRATION

We also support refugees with our corporate citizenship activities. Our aim is to prepare them for the requirements of working life and improve their chances on the labor market. One Syrian refugee has been working as a delivery agent in Glücksburg, Germany, since October 2017. He delivers about 100 parcels and innumerable letters every day, a job that calls for a sense of responsibility and commitment. After leaving Syria in early 2015, he had to wait ten months for an integration course before he could start working. Since then he and his family have successfully made their home in Germany.

SINCE 2015

Employment contracts with
11,000 refugees

246 refugees in training

550,000 employees worldwide of whom

550,000

34% women

246

22.2% women in management positions
In line with our inclusive approach, we offer career prospects to people with disabilities all over the world. In contract logistics, for example, we run an ultramodern co-packing operation in Spain on behalf of a customer. During peak periods, we employ up to 270 people with physical and mental disabilities there, predominantly in product packaging. For the customer, our clear commitment to inclusion was one of the main reasons for awarding the contract.

**China**

**WORKING WITH AUTISTIC CHILDREN**

Global Forwarding, Freight has been supporting a rehabilitation center for autistic children in China for the past six years. Only in the last few years has autism been recognized in China as a congenital contact and developmental disorder. State-run facilities offer support to patients but are unable to meet rising demand. This makes the help from our donated items and our employees’ volunteer work that much more important. Through their lessons and diverse group leisure activities, the children are given the chance for a happy, self-determined life and can become more familiar with traditional Chinese culture.
SUSTAINABILITY FOR LONG-TERM SUCCESS

Businesses are increasingly expected to demonstrate sustainable conduct and transparency with regard to the associated opportunities and risks. And this is as it should be. Deutsche Post DHL Group has been reporting on sustainability since 2003.

Growing external requirements.

The concept of sustainability has come more sharply into focus for various reasons in recent years. Indeed, research on the topic is unequivocal: companies with a meaningful sustainability strategy are more successful in the long term than those without. Sustainability’s increasing importance is not least reflected in stricter requirements concerning non-financial reporting and a growing demand for information on the part of stakeholders.

We have long been aware of the importance of sustainability with regard to our business operations and have been reporting on the topic since 2003. As a logistics company, the impact our business has on the environment is a key topic. More than a decade ago, we started paving the way for sustainable logistics by introducing various climate and environmental protection measures. Since then, we have been measuring and managing our environmental KPIs across the Group through our financial systems – just as we do for revenue and EBIT – in order to effectively track the progress we are making in improving our carbon efficiency. Furthermore, we are continuously working towards integrating additional sustainability indicators into our standardized reporting.

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Standards will ensure comparability.

Non-financial reporting is, however, still in its infancy in comparison to financial reporting. The varying information requirements of diverse stakeholder groups have given rise to a broad range of reporting standards. And as a result, definitive indicators to quantify the progress and impact of measures are yet to be established. For external users, such variability in reporting practices results in a lack of comparability across the industry.

Sustainability issues are becoming more tangible, the calls for comparability more emphatic. Indeed, the pressure is currently on at EU level to develop new guidelines. These are developments that we support as a sign of real progress. Clear, standardized requirements for all companies will ensure transparency and create a level playing field industry-wide. This in turn will allow investors, customers and (potential) employees to more consciously consider non-financial aspects and make more informed decisions.

Our sustainable investment approach.

We invest continuously in our workforce, infrastructure and fleets, focusing our efforts on technological advancement. By modernizing our fleets and buildings, we reduce emissions and energy consumption. Looking ahead, these will be important factors in helping us to remain an attractive employer and supplier and to be prepared for the effects of possible regulations such as a carbon tax. Deutsche Post DHL Group receives consistently positive ratings. As a result, our shares are included in a number of sustainability indices.

We are off to a good start. Together with our stakeholders, we will successfully continue to develop our sustainability agenda as we work to drive the development of our company in a sustainable way.
A FINAL WORD

Our stakeholders have high expectations of our company’s approach to sustainability. Our own standards and objectives are just as ambitious. After all, sustainability not only influences the reputation of Deutsche Post DHL Group, it can also impact the value of our brands.

Our future will change, not least in the course of digitalization. All of this has informed our conscious decision to focus our strategy on sustainability. We are making good progress with the measures we have in place, but we also need solutions that transcend industries and national borders – and these kinds of solutions will call for a collaborative approach.
Deutsche Post DHL Group is a listed corporation; its Group headquarters are in Bonn, Germany. Under its Deutsche Post and DHL brands, Deutsche Post DHL Group provides an international service portfolio consisting of mail and parcel delivery, express delivery, freight transportation, supply chain management and e-commerce solutions. With approximately 550,000 employees, we are one of the world’s largest employers in the transportation and logistics sector. Our economic performance also contributes to society.

- As a catalyst for global trade, we enable companies and individuals to participate in international trade thanks to our world-spanning logistics networks.
- Our sites, employees and suppliers also contribute indirectly to regional economic development.
- We are committed to abiding by global standards for legal and ethical business practices, maximizing the value we generate at our local companies, assuming responsibility for our employees and minimizing the environmental impact of our business. This allows us to promote the Group’s long-term growth and secure jobs worldwide.

Business model
The Group is organized into five operating divisions, each under the control of its own divisional headquarters. Internal Group services, including Corporate Procurement, IT Services, Insurance & Risk Management and Corporate Real Estate, are bundled under Global Business Services. Group management functions are performed by the Corporate Center, which comprises the CEO, Finance and HR functions. The Corporate Incubations board department is driving forward innovative products such as our StreetScooter electric vehicle.

Products
We offer integrated services and tailored, customer-centric solutions for transporting mail, goods and information. The Post & Parcel Germany division provides domestic mail and parcel services, and is home to our dialogue marketing specialists. Our Express division transports urgent documents and goods from door to door. Global Forwarding, Freight is an air, ocean and overland freight forwarder that brokers transportation services between customers and freight carriers. Supply Chain’s core business is providing contract logistics. Our international parcel business and e-commerce solutions are grouped in our eCommerce Solutions division.

In line with our mission to connect people and improve lives, these products and services also benefit the community, particularly in the areas of healthcare, global infrastructure and the environment.

- Healthcare: Our global air and ocean freight network, road transportation of temperature-sensitive medical products and devices, and life science graded warehouses offer our customers cold chain logistics services right around the world. This also includes a competence center for humanitarian logistics in Dubai, United Arab Emirates.
- Global infrastructure: We support secure and reliable trade by facilitating the global flow of mail and goods – even in remote and hard-to-reach areas. The work done through our disaster management programs builds on a longstanding partnership with the United Nations.
- Environment: Our green products and logistics solutions help our customers and transportation partners to reduce their environmental impact.

For details on our business model and business performance, please refer to our Group Management Report, 2019 Annual Report.
Our Group strategy is focused on sustainability. We are committed to meeting not only our own operational requirements and the interests of our stakeholders but also to addressing the needs of society and the environment. In the year under review, our Strategy 2025 confirmed our strategic goals: We aim to become the Provider, Employer and Investment of Choice, while operating in a sustainable way.

Our mission is to connect people and improve lives. Our product and service portfolio and our near-global presence enable individuals and companies to take part in global trade, and hence contribute to economic development. By observing international compliance standards, maximizing the value we bring to local communities, taking responsibility for our employees and minimizing the environmental impact of our business activities, we promote the Group’s long-term growth and secure jobs worldwide.

Sustainability & materiality
We aim to continuously improve our performance and to ensure that we meet the expectations of the stakeholder groups that are relevant to us with regard to social and environmental issues. Our multistage management process supports continuous improvement, identifying early on new topics that could become important for our future business success. In the second stage of our management process, we work with stakeholder groups to identify and analyze the material issues on which our sustainability disclosures are also based.

As a longstanding partner to the United Nations, we support the UN’s Sustainable Development Goals (SDGs). The following five SDGs are most closely aligned with our activities:

- **Quality Education**: By offering our employees extensive training and development opportunities, we encourage life-long learning and personal/professional development. We collaborate with partner organizations worldwide to improve employability for young people (SDG 4).

- **Partnerships for the Goals**: Partnerships with or memberships in national and international organizations are of strategic importance to us. As an example, we use our membership of the World Economic Forum to help shape debate and action on sustainability. We have worked together with United Nations organizations for many years in our Group programs for natural disaster management (SDG 17).

1) Our material issues are reviewed with relevant stakeholder groups and evaluated as part of a materiality analysis every two years.
Material issues: Measures & targets
In the year under review, we used qualitative interviews with our key stakeholders to review the results of the 2017 materiality analysis that was performed in accordance with the GRI Standards. The nine material issues were confirmed. The following graphic provides an overview of the challenges facing our company with regard to the material issues, and the goals we are pursuing with them.

Environmental & social standards in the value chain
- Target: Embed standards in the value chain
- Define principles for supplier management and ensure that there are standardized processes for supplier selection and drafting contracts [Page 50]

Employee development
- Target: Make our employees the best in the business
- Participant rate in the Group-wide Certified initiative [Page 67]

Energy efficiency & climate change
- Target: Improve carbon efficiency
- Carbon Efficiency Index (CEX) [Page 84]

Air pollution
- Target: Reduce local air pollutants emitted during pick-up and delivery
- Increase percentage of zero-emission solutions [Page 95]

Occupational health & safety
- Target: Avoid accidents in the workplace
- Accident rate per 200,000 working hours [Page 71]

Stakeholder dialogue
Regular, open and constructive dialogue with our stakeholders is part of our strategic management process. In these discussions, we work together to develop solutions to future social and business challenges that we consider to be material for our company. Customer Solutions & Innovations, for example, works together with the divisions and relevant stakeholder groups (e.g., customers, suppliers, scientific specialists and researchers) to launch a stream of innovations and technical solutions as the starting point for market-ready concepts. Our Innovation Centers in Europe (Troisdorf, Germany), Asia (Singapore) and the USA (Chicago) serve as a platform for these dialogues.

Our dialogue formats are based on our Stakeholder Engagement Guidelines, which comply with the international AA1000 Stakeholder Engagement Standard.

Deutsche Post DHL Group stakeholders
- Critical for our ability to operate.
- Other stakeholders.
Focus areas during the year under review
Our involvement in national and international forums is central to our activities in this area, as they allow us to actively participate in shaping the dialogue on overarching topics and to discuss technical progress. We also shared information and opinions with partner organizations, primarily the United Nations Global Compact and the international Partnering Against Corruption Initiative. We regularly take part in discussions with other companies in Germany as part of econsense working groups and steering committees, jointly deliberating topics such as draft legislation at the EU level and its potential impact. In addition, we get involved with selected issues and work to develop common solutions and positions on specific topics. Please refer to our corporate website for a full list of our partnerships.

Selected stakeholder dialogues in 2019

**World Economic Forum:** Dialogue with decision-makers and leading logistics experts focusing on shaping society in times of technological change, climate change, financial crisis and economic inequality.

**Dialogue with customers:** Our key account support (CSI) team regularly organizes sector-specific customer conferences throughout the regions in which we operate. Our three Innovation Centers are the venue for regular consultations with customers as we consider technological solutions and how they could best be used. We initiate discussions with using our Logistics Trend Radar, and keep our customers informed of new developments via our Delivered., customer magazine.

**Dialogue with the capital markets:** Our Investor Relations team is in constant contact with shareholders and investors in numerous conference calls, bilateral discussions, roadshows and conferences.

**Investor dialogue events and external ratings in 2019**

We are also in regular contact with rating agencies and other institutions that independently evaluate our sustainability performance using their own standards. A large proportion of our share capital is held by signatories of the UN Principles for Responsible Investment. These investors incorporate the results of non-financial KPIs into their company ratings; in addition, positive agency ratings can play a role. For our company, ratings and inclusion in sustainability indices are primarily of strategic significance.

We were awarded good ratings during the reporting period, as previously. Our ratings in the Bloomberg Gender Equality Index and the Refinitiv Global Diversity & Inclusion Index were affirmed.

Our supplier platform ratings remain excellent. EcoVadis affirmed our Gold rating, meaning that we are among the top one percent of the rated suppliers. The Responsible Business Alliance assigned us to its “Low Risk Category.”

**Internal dialogue:** Our focus lay on sharing information about the progress of Strategy 2025 with executives in the divisions, and on the changes being caused by growing workflow digitalization with our employees. For the results of our dialogue with employee representatives and collective bargaining partners, please refer to the Employees chapter.
Leadership & management

As a listed German public limited company, Deutsche Post AG has a two-tier board structure. The Board of Management is responsible for managing the company. It is appointed, overseen and advised by the Supervisory Board. The Board of Management and the Supervisory Board are in regular dialogue regarding the company’s strategic measures, planning, business development, risk exposure and risk management, and compliance. The Report of the Supervisory Board provides information on the main topics discussed, and decisions made, by the Supervisory Board during the year under review.

As at December 31, 2019, the company’s share capital totaled €1,236.5 million and was composed of the same number of no-par value registered shares. Each share entitles the holder to one vote at the Annual General Meeting. No individual shareholder or group of shareholders is entitled to special rights, particularly rights granting powers of control.

Shareholder structure as at Dec. 31, 2019

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<th>Shareholding</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>KfW Bankengruppe</td>
<td>20.5%</td>
</tr>
<tr>
<td>Free float</td>
<td>79.5%</td>
</tr>
</tbody>
</table>

1) Registered shares with a notional interest in the share capital of €1.

The Board of Management responsibilities and structure

The Board of Management, with the consent of the Supervisory Board, has drawn up rules of procedure for itself covering cooperation within the Board of Management, among other things. Each member of the Board of Management manages his or her own department independently and regularly informs the full Board about key developments. The full Board of Management decides on matters of particular significance for the company or the Group. These include all decisions which are required by the rules of procedure to be presented to the Supervisory Board for approval, as well as tasks which the Board of Management is not permitted to delegate to individual members. In making their decisions, Board of Management members may not act in their own personal interest or exploit the company’s business opportunities for their own benefit. Board of Management members are required to disclose any conflicts of interest to the Supervisory Board without delay. The remuneration paid to Board of Management members is disclosed in the Group Management Report.

Dual management structure

The Supervisory Board responsibilities and structure

The Supervisory Board advises and oversees the Board of Management and appoints its members. The Supervisory Board’s rules of procedure set out the principles for its basic internal organization, a catalogue of Board of Management transactions requiring its approval, and the rules governing the work of the Supervisory Board committees. The Supervisory Board meets at least twice every calendar half year. Extraordinary meetings are held whenever particular developments or measures need to be discussed or resolved at short notice. In addition, the Supervisory Board has formed six committees that are charged primarily with preparing resolutions for the Supervisory Board’s plenary meetings. The Supervisory Board has delegated ultimate decision-making on specific issues to the committees.

Members of the Board of Management

- Dr. Tobias Meyer
  - Post & Parcel Germany
  - Born 1975
  - Member since Apr. 2019
  - Appointed until Mar. 2022
- Melanie Kreis
  - Finance
  - Born 1971
  - Member since Oct. 2014
  - Appointed until June 2022
- Ken Allen
  - eCommerce Solutions
  - Born 1955
  - Member since Feb. 2009
  - Appointed until July 2022
- Oscar de Bok
  - Supply Chain
  - Born 1967
  - Member since Oct. 2019
  - Appointed until Sept. 2022
- Melanie Kreis
  - Finance
  - Born 1971
  - Member since Oct. 2014
  - Appointed until June 2022
- Ken Allen
  - eCommerce Solutions
  - Born 1955
  - Member since Feb. 2009
  - Appointed until July 2022
- Dr. Frank Appel
  - CEO
  - Global Business Services
  - Born 1961
  - Member since Nov. 2002
  - Appointed until Oct. 2022
- Dr. Thomas Ogilvie
  - HR, Labor Director
  - Corporate Incubations
  - Born 1976
  - Member since Sept. 2017
  - Appointed until Aug. 2025
- Tim Scharwath
  - Global Forwarding, Freight
  - Born 1965
  - Member since June 2017
  - Appointed until May 2025
- John Pearson
  - Express
  - Born 1963
  - Member since Jan. 2019
  - Appointed until Dec. 2021
We manage these issues and create maximum transparency with the help of clear governance structures, management systems, KPIs and targets. Relevant issues are explored or identified in the working groups, and decision papers are prepared for submission to the higher-level bodies concerned.

**Changes in 2019**

There were changes in the Board of Management, and Supervisory Board elections were held during the year under review.

- **Board of Management:** Effective January 1, 2019, the Post - eCommerce - Parcel division was reorganized into two separate board departments: Post & Parcel Germany and eCommerce Solutions. On the same date, Ken Allen assumed responsibility for the eCommerce Solutions board department and was succeeded as head of the Express board department by John Pearson.

Dr. Tobias Meyer has been head of the Post & Parcel Germany board department, which had previously been managed on an interim basis by CEO Dr. Frank Appel, since April 1, 2019. In October 2019, Oscar de Bok succeeded John Gilbert as the head of the Supply Chain board department.

- **Supervisory Board:** One shareholder representative was elected in an individual vote at the Annual General Meeting; Dr. Heinrich Hiesinger. Shareholder representative Prof. Dr. Henning Kagermann stepped down from the Supervisory Board as of the end of the Annual General Meeting in May 2019. All information about the Annual General Meeting, including the CVs of the Supervisory Board members elected and the voting results, can be found on the Group website. The Corporate Governance Report and the Remuneration Report contain details of the activities of the Supervisory Board, the additional mandates held by the members and their remuneration.

**Economic performance**

The DHL brand was valued at US$16.6 billion by the market research institute Kantar Millward Brown during the year under review. In its annual study, Interbrand valued the DHL brand at about US$16 billion. For the Deutsche Post brand, the consulting company Brand Finance determined a value of about US$6 billion. For the Deutsche Post brand, the consulting company Brand Finance determined a value of about US$6 billion.

In the year under review, we generated revenue of €63,341 million and EBIT of €4,128 million. Following the resolution by the Annual General Meeting on April 27, 2019, we distributed €1,419 million in dividends for financial year 2018 to our shareholders. Information on the dividend proposal for financial year 2019 is provided in the Group Management Report.

**Conservative tax strategy**

The taxes and other levies that we pay to federal, state and local authorities in many different countries help maintain and expand the infrastructure there. Total income tax payments in the year under review were €843 million.

This responsibility explains why we adopt a conservative tax strategy. As a global enterprise, we have subsidiaries in so-called "low-tax" countries, among other places, but these are not tax optimization vehicles. Rather, they are a necessary part of maintaining our presence worldwide and support our business activity.

Our global team of tax experts ensures that possible taxation risks are identified, and hence mitigated, at an early stage, and that national and international tax compliance requirements are met, thus ensuring due and proper taxation throughout the Group.

**Wages and salaries**

Staff costs include wages, salaries and compensation, retirement benefits, and all other benefits paid to Group employees for their work during the financial year, plus social charges, including mandatory statutory contributions and particularly social security contributions. Staff costs amounted to €21,610 million in 2018 (2018: €20,825 million), or 34.1% of Group revenue, in the year under review.

In 2019, the total remuneration paid to active Board of Management members amounted to €13.6 million (2018: €11.4 million); total remuneration for the Supervisory Board was €2.6 million (2018: €2.7 million). These figures include share-based remuneration. Remuneration paid to the Board of Management and the Supervisory Board represents 0.07% of staff costs. Please refer to the Remuneration Report for further details on the Board of Management and Supervisory Board remuneration.

**Defined benefit and defined contribution pension plans**

We offer defined benefit and/or defined contribution pension plans from which about 70% of Group employees benefit. Our largest pension plans operate in Germany, the United Kingdom, the United States, the Netherlands and Switzerland. In the year under review, pension plans accounted for €688 million (2018: €846 million) of staff costs.
When investing pension assets, we take not only an economic but also a sustainable approach that is primarily based on the integration of ESG criteria. When selecting asset managers, we give preference to those who consider ESG aspects in their investment processes and those providers who have signed up to the UN Principles for Responsible Investment (PRI). We also determine the ESG score and carbon footprint for our pension portfolio in Germany. In February 2020, we won the Special Prize at the German ESG Pensions Award for our investment strategy. More detailed information on our pension plans is available in the notes to the consolidated financial statements in the 2019 Annual Report.

2019 Annual Report

**Sustainable technologies**

We invest continually in renewing and modernizing our hubs, networks, and road and air fleets. One focus of our investment policy is on technological developments. For example, we have further extended our pioneering role in the development of electric delivery vehicles. Investment expenditures in acquired property, plant and equipment and intangible assets amounted to €3.6 million in the year under review. Our Strategy 2025 has earmarked an investment volume of €2 billion for digitalization. A detailed report on the investments made in the financial year can be found in our Group Management Report. 2019 Annual Report

**Using innovative technologies**

New business models are emerging rapidly in all sectors of the economy, particularly in connection with the digital transformation process. Innovations are the driving force within our industry and an important way of enhancing our competitiveness and future success while also adding value for our customers, whom we also include in our development processes.

The Corporate incubations board department is the home for projects that are developing new business models. Our Start-up Lab lets employees contribute their own suggestions for new business ideas. One successful example is the TRAILAR project for equipping trucks and trailers with solar mats. Page 67

**Real-world use cases**

We are using existing technologies to continue the automation of our logistics processes, make supply chains more stable and secure, and improve carbon efficiency. Our employees benefit from this as well, as these innovations also ease their workload.

- We are already using collaborative robots for picking and for artificial intelligence (AI) applications, and are conducting field tests with self-driving vehicles.
- We use AI to publish logistics data in our quarterly DHL Global Trade Barometer as an aid to investment and supply chain decision-making. AI is also incorporated in our own security concepts.
- Our Resilience360 product uses big data, predictive analytics and algorithms to monitor supply chains. Potential incidents are identified and managed in near real time.
- **Alternative fuels**: Over the next 10 to 20 years, sustainable fuels will play a critical role in efforts to reduce the impact of transport on the climate. Our white paper on this topic summarizes the current discussion surrounding sustainable fuels and identifies the types of fuels and technologies that are needed to create climate-neutral logistics.

**Social, economic and technological trends**

We identify and analyze important social, economic and technological trends so as to maintain our leading position in today’s constantly changing business environment. We published trend reports on the following areas in the year under review, which are available for download from our Group website.

- **Alternative fuels**: Over the next 10 to 20 years, sustainable fuels will play a critical role in efforts to reduce the impact of transport on the climate. Our white paper on this topic summarizes the current discussion surrounding sustainable fuels and identifies the types of fuels and technologies that are needed to create climate-neutral logistics.

**Our goal: Customer satisfaction**

Becoming our customers’ Provider of Choice is one of our three strategic goals. We regularly conduct customer satisfaction surveys, quantify satisfaction levels using key performance indicators (KPIs) and pursue clearly defined targets.

**Continuously improving our performance**

Our FIRST CHOICE methodology – based on Six Sigma, Lean and change management techniques – is an effective way of increasing customer satisfaction and loyalty. We use FIRST CHOICE to systematically and continuously improve our own processes, services and products, and also work together with customers to develop enhanced solutions.

**FIRST CHOICE – our achievements since 2006**

- >170 customer satisfaction surveys commissioned and analyzed
- >180,000 employees involved in performance dialogues every day
- >270 customer satisfaction surveys

1) Not included in the above.

Our performance dialogues not only focus attention on our KPIs and defined targets, but also help employees become more aware of how they can improve processes and quality standards in their immediate working environments. Other tools, including simple problem-solving techniques, are then used to help with implementation. In addition, a variety of
communications channels encourage information sharing among employees and motivate them to use the available methods and tools to drive potential improvements. This creates a common appreciation for the goals and benefits of our culture of continuous improvement, and so lays the foundation for effective, customer-centric innovation management. We use systematic surveys to measure satisfaction levels among our customers and also gain valuable information from analyzing customer complaints.

High levels of service
We take a systematic approach to improving the quality of our services across all divisions. The way we measure customer satisfaction is based in part on the Net Promoter Approach and is also tailored to the business models and customer profiles involved.

- **Post & Parcel Germany:** Approximately 92% of letters in Germany reached their destinations the next working day (D+1) in the year under review. Parcels reached their destinations the next working day around 83% of the time. Our 26,000 or so sales outlets were open for business an average of 55 hours per week.

- **Express:** We aspire to continually improve our service and our quality. We use a variety of programs to monitor our customers’ ever-changing requirements. In addition, our managers actively reach out to dissatisfied customers. Our quality control centers track shipments across the globe and dynamically adjust our processes as required. Operational safety, compliance with standards and service quality at our facilities are reviewed regularly in cooperation with the authorities. Approximately 360 of our sites are TAPA-certified and we have worldwide ISO 9001:2015 certification.

- **Global Forwarding, Freight:** In the Global Forwarding business unit, we use customer feedback to systematically improve our offering. To that end, we completed about 40 projects and held 1,700 workshops during the year under review. In the Freight business unit, we expanded our customer satisfaction survey to cover 30 countries and implemented more than 200 initiatives.

- **Supply Chain:** We make sure we meet or exceed customer expectations using standardized processes and solutions, and with the support of quality experts at all sites. We follow up immediately when customers are dissatisfied – something that has a huge impact on satisfaction and loyalty.

- **eCommerce Solutions:** We made significant improvements in delivery quality in most countries in 2019. We achieved delivery quality of over 97% in the United States and we were able to increase it by about 10% in India despite challenging geography and at times difficult infrastructure. Overall, our delivery quality in the Asia Pacific region was 96% to 98% in 2019.
RESILIENCE & INTEGRITY

Preventing corruption & bribery

We provide our services in accordance with the law and our own values. Our material issues (GRI) also include the information required by law on anti-corruption and bribery matters, and the information on respect for human rights.

Policies [also GRI management approach]

Our focus is on preventing potential violations of legal or internal Group requirements. We have implemented effective measures to prevent corruption and bribery throughout the Group in the form of our compliance management system. The Chief Compliance Officer, who reports directly to the Chief Financial Officer, is responsible for the system's design. Corporate Procurement defines the principles for supplier management and ensures that standardized processes for supplier selection and drafting contracts exist. The Chief Procurement Officer reports directly to the CEO.

- **Anti-corruption & bribery**: We observe all applicable international anti-corruption standards and laws, and are a member of the Partnering Against Corruption Initiative. Our Code of Conduct and our Anti-Corruption Policy help employees identify situations in which the integrity of the company could be called into question in respect of relevant third parties. Our employees can report potential violations around the clock using a compliance hotline and a special web application. External whistleblowers can use a form on the Group’s website. Information on relevant violations is included in the regular compliance reporting to the Board of Management and to the Supervisory Board's Finance and Audit Committee.

- **Respect for human rights**: Respect for human rights is an explicit requirement of our Supplier Code of Conduct, which is a binding component of the Group’s contracts with all suppliers and service providers. By signing up to it, our business partners undertake to comply with our ethical principles and are encouraged to implement them in their own supply chains.

Measures & KPIs

Violations of anti-corruption and bribery requirements are recorded by Compliance.

- **Anti-corruption & bribery**: The Global Compliance Office (GCO) develops standards for the management system and provides support for the corresponding activities in the divisions. All relevant activities and reporting content prepared by the compliance officers in the divisions and the GCO are included in the quarterly report to the full Board of Management and the annual report to the Supervisory Board’s Finance and Audit Committee.

- **Respect for human rights**: Corporate Procurement defines the standards for procurement processes, is responsible for designing the Corporate Procurement Policy and determines the selection processes for suppliers. In line with our Corporate Procurement Policy, preference is given to suppliers with high environmental and social standards. Supplier selection is based on a standardized, multistep evaluation process. We also continually train Procurement staff so as to raise their awareness of the need to identify additional potential risks at an early stage.

Results & objectives

Our compliance training materials were revised in 2019 and rolled out throughout the Group as planned, and in accordance with the guidelines amended in the preceding year. Training courses for additional target groups were also developed. We used our Group-wide campaign marking International Anti-Corruption Day to inform employees and managers about anti-corruption measures and how they can contribute to these. In addition, regular audits by Corporate Internal Audit were performed that focused closely on compliance with the Supplier Code of Conduct in procurement processes.

Information on additional activities beyond the mandatory disclosures required by the German Commercial Code (HGB) can be found in the subsequent pages of this chapter.

Codes of conduct & other policies

Values such as integrity, transparency, equal opportunities and responsibility, which we group together under the terms Respect & Results, are a binding benchmark for conduct within the Group. Respect for human rights as defined by the principles of the Universal Declaration of Human Rights and the UN Global Compact is at the heart of our actions. This sends a signal to our stakeholders and the general public: Deutsche Post DHL Group is a trustworthy partner that successfully combines service with a sense of responsibility and environmental awareness.

Our values are anchored in our Code of Conduct and specified in greater detail in our Supplier Code of Conduct. Taken together, these two codes constitute our human rights policy, and we have therefore not formulated a separate policy in this area to date. The Board Member for Human Resources is responsible for ensuring compliance with the human rights policy in connection with employee relations. The standards outlined in the Supplier Code of Conduct are formulated by Corporate Procurement and are included as a mandatory annex in Group contracts. The two codes of conduct are regularly reviewed to ensure they remain up to date and complete, and their content is modified or supplemented as necessary. The current versions, which we have translated into more than 20 languages, have been in effect since 2016. We also offer a training module for suppliers on the Group website.

**HUMAN RIGHTS POLICY = CODE OF CONDUCT + SUPPLIER CODE OF CONDUCT**

Deutsche Post DHL Group policies

In addition to the two codes of conduct, there are other Group-wide or regional policies and guidelines that are based on or derived from them. In the context of this chapter, examples include the Anti-Corruption Policy, the Business Ethics Policy, the Corporate Procurement Policy, the Data Privacy Policy and the Corporate Security Policy.

**Code of Conduct Supplier Code of Conduct**

(Together these constitute our human rights policy)

- Guided by the principles of the Universal Declaration of Human Rights and the UN Global Compact
- Observe the principles of the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, which was adopted in 1998, and the OECD Guidelines for Multinational Enterprises

**Other Group policies (excerpt)**

- Anti-Corruption and Business Ethics Policy
- Environmental and Energy Policy
- Investment Policy
- Corporate Procurement Policy
- Data Privacy Policy
- Corporate Security Policy
- Occupational Health & Safety Policy Statement
- Competition Compliance Policy
- Sponsorship Guidelines

1) Not available to the public.
Specific requirements set out in the Supplier Code of Conduct

Whereas the principles in the Code of Conduct for our employees are largely self-explanatory, we have set out our requirements in the Supplier Code of Conduct in greater detail. Our ethical and environmental standards are presented clearly and unambiguously, and we encourage our suppliers to apply them to their own supply chains. Extract from the Supplier Code of Conduct:

- **Child labor:** No employment of children below the legal minimum working age. In countries where no legal provisions exist, the minimum hiring age is 15.
- **Forced labor:** No forced, bonded or involuntary labor. Employees must not be required to pay fees or make payments of any kind in return for employment. Punishments and physical and mental coercion are not permitted.
- **Compensation and working hours:** National laws and binding industry standards on working hours, overtime and compensation apply. Employees must be paid promptly and provided with clear and unambiguous information about the basis for payment.
- **Freedom of association and collective bargaining:** Employees are free to decide whether to join a union or employee representative body, and if so, which one. The right to collective bargaining in accordance with applicable laws is to be respected.
- **Diversity:** Measures must be taken to encourage inclusion in the workplace. We do not discriminate or tolerate discrimination based on gender, race, religion, age, disability, sexual orientation or identity, national origin or any other characteristic protected under law.
- **Occupational safety:** Compliance with the applicable occupational health and safety regulations, and responsibility for a safe and healthy work environment, must be ensured.
- **Business continuity:** Preparations for business disruptions of all kinds must have been made. Contingency plans must exist to protect both employees and the environment as far as possible from the effects of any disasters occurring in the vicinity of the supplier’s operations.
- **Bribery:** Suppliers must comply with applicable international anti-corruption standards as set out in the United Nations Global Compact and in local anti-corruption and bribery laws.
- **Environment:** Compliance with all applicable environmental laws, regulations and standards must be ensured, and an effective system to identify and eliminate potential hazards to the environment must be in operation. Climate protection must be afforded sufficient importance in internal operations, for example by setting and achieving climate protection goals.

### Donations & gifts

We build trust by dealing openly and transparently with public authorities. We maintain correct and lawful relationships with all governmental and supervisory authorities, and operate in a straightforward, transparent manner and in accordance with applicable laws and regulations at all times. Our Group-wide Anti-Corruption and Business Ethics Policy sets out the rules for dealing with donations and gifts to political parties and state institutions. This policy therefore applies for all regions and countries in which Deutsche Post DHL Group operates. Our employees are not authorized to make donations on the Group’s behalf to political parties or to organizations affiliated with them, to government authorities, or to other public institutions. This policy applies along with relevant regional laws and regulations to gifts and entertainment from representatives of national and municipal governments.

### Creating transparency

Wherever a transparency register exists, for example in the EU, we report voluntarily on the type, scope and financing of the activities we pursue to support our business interests. We have been registered in the EU’s transparency register since 2011. We also publicly announce our spending in the United States.

However, this does not prevent our employees from exercising their rights within applicable law, such as organizing and running political action committees (PACs) in the United States. This term is used in the United States to designate organizations established by interest groups, businesses or private individuals for the purpose of collecting funds to support or oppose candidates for political office. PACs are subject to legal regulations that, among other things, stipulate caps on donations to individual candidates and political parties.

### Risk detection & crisis management

One focus of our risk detection activities is on our material issues. Our stakeholders agree that compliance, data protection and data security, and standards in the value chain are critical to our business success. Violations of our policies in these areas could seriously harm the reputation of our company.

### Evaluating the financial impact of opportunities and risks

The expected financial impact of potential events, developments and trends is included in our business planning. Opportunities and risks are defined as potential deviations from projected earnings. In addition, we use our opportunity and risk management system to capture possible effects on our reputation and monitor the development of issues from the point of view of sustainability, which includes factors such as litigation, HR matters and environmental aspects.

Each quarter, management estimates the impact of future scenarios, evaluates the opportunities and risks for individual divisions and departments, and presents both planned measures and those already implemented. Data is requested and approvals are given via the company’s hierarchy 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 and assessment of opportunities and risks follows uniform Group-wide reporting standards. We are constantly updating and improving the IT application used for this purpose. Opportunities and risks relevant to the year under review are reported by category in the Group Management Report.
Internal Audit

Corporate Internal Audit takes a systematic and targeted approach when evaluating the effectiveness of our risk management system, control mechanisms, and management and monitoring processes, contributing to their improvement. In this way, the department supports the Group in achieving its internal objectives. It does this by performing independent regular and ad hoc audits at all Group companies and at corporate headquarters with the authority of the Board of Management.

The audit teams examine local processes and assess whether these are suitable for reaching defined objectives and values. Where weaknesses are revealed, the teams specify remedial measures and systematically track their implementation.

Every year, Corporate Internal Audit develops a risk-based audit plan covering all divisions and functions, building on its own risk analyses to do so. The audit teams discuss the audit findings and agree on measures for improvement with the audited organizational units and their management. The Board of Management is regularly informed of the findings, while the Supervisory Board is provided with a summary once a year.

Progress and results during the year under review

During the year under review, 241 regular audits and about 90 follow-up audits were conducted on site, including audits related to compliance issues or to compliance with the Supplier Code of Conduct in procurement processes. In addition to verifying compliance with the codes of conduct, the audits also check whether the agreed measures have been implemented as required. We also examined the processes used in the Employee Opinion Survey.

Supply chain resilience

As a global logistics company, we too are affected by a large number of developments that impact our business processes and the resilience of our supply chains, and that may also affect our reputation or our employees and their families. As global trade grows, so does the risk that our globally networked supply chains become targets of criminal activity, such as cyberattacks on our extensive IT networks.

We have made extensive preparations for these challenges, taking a variety of approaches to safeguard our business operations even in a crisis. We use our Group-wide security management system, which is certified according to ISO 28000, to protect our employees, the goods entrusted to us by our customers, and our own tangible and intangible assets.

“WE’RE WELL-PREPARED. WE’RE READY TO TAKE ACTION IN A CRISIS.”

Frank Ewald
Head of Corporate Security and Crisis Management

Organization

- The Internal Security Steering Committee coordinates and manages all strategic security activities and initiatives and reports to the Operations Board on current security-related developments and activities.

- The specialists in the Counter-crime Working Group analyze current crime phenomena affecting our supply chains, implement crime-prevention measures and investigate security-related incidents.

- Our team of security analysts at the Global Security Situation Center (GSSC) uses defined indicators to identify and assess strategically relevant risks and trends. Charges in the operating situation are tracked in near real time. Security reports and trend reports are regularly presented to management and discussed by the Board of Management.

Progress and results during the year under review

Our security experts supported Internal Audit in its audits of divisional security management systems. We have also continued our dialogue with security authorities, and are actively involved in national and international security bodies and institutions. Our expertise not only allows us to contribute to security policy solutions but also to establish Deutsche Post DHL Group as a relevant security partner. Beyond these issues, we focused primarily on the use of AI and of digitalization, automation and robotics. Additionally, we held cross-functional workshops in which crisis situations including cybercrises and pandemics were simulated.
Protecting IT systems

Our systematic IT management protects the Group’s IT systems from unauthorized access or manipulation and ensures uninterrupted availability and secure, reliable operations.

Our guidelines and procedures for safeguarding our IT systems are based on the international standard in this area, ISO 27002. The three central IT locations are certified to this standard. In addition, four central functions – Group Risk Management, IT Audit, Data Protection and Corporate Security – monitor and assess IT risk on an ongoing basis. Employees are granted access to our systems and data only to the extent required to perform their tasks.

Systems and data are backed up regularly, and critical data are replicated in the data centers. We operate data centers at various locations around the world in order to prevent complete system outages. Additionally, by performing regular software updates we can fix potential security vulnerabilities and protect system functionality.

Compliance

As a global logistics provider, we operate in a wide range of countries with very different political systems, laws and cultural values. Acting in an ethically and legally impeccable way in our dealings with business partners, shareholders and the public is a key factor in our company’s reputation and the basis for Deutsche Post DHL Group’s lasting success. Ensuring legally compliant conduct in our business activities and when dealing with our employees is an essential task of all of the Group’s management bodies. In this section, we also report on the material issues of preventing corruption and bribery, and data protection and data security.

Systematic compliance management

Corruption causes more than just financial damage. The intangible, abstract and scarcely measurable harm done by corruption is just as serious. The World Economic Forum estimates that corruption causes several trillion US dollars of economic losses, while the World Bank says that businesses and individuals pay bribes worth more than a trillion US dollars a year.

We observe all applicable international anti-corruption standards and laws, such as those set out in the UN Global Compact, the US Foreign Corrupt Practices Act and the UK Bribery Act. We are also a member of the World Economic Forum’s Partnering Against Corruption Initiative. The rules for ethical conduct defined in our codes of conduct are set out in greater detail in our Anti-Corruption Policy, which also defines how to deal with donations and gifts to political parties and government institutions.

Our compliance organization focuses on preventing violations of our own standards and of the legal requirements. Our compliance management system implements clear lines of responsibility and reporting structures, and effective monitoring mechanisms throughout the Group. Our objective is to be proactive and to prevent the rules being breached or ignored by providing clear communication and guidance. Creating a culture of openness around compliance issues is pivotal to the success of the measures we undertake.

Organization and reporting

The Chief Compliance Officer is responsible for the design of the compliance management system. He is assisted in this task by the Global Compliance Office, which establishes Group-wide standards for compliance management and supports corresponding activities in the divisions. Each division has a compliance officer, who can draw on additional local resources and who reports regularly to the divisional board of management in question. All activities by, and reporting content from, the compliance officers in the divisions and from the Global Compliance Office are included in the quarterly report to the Board of Management and the annual report to the Supervisory Board’s Finance and Audit Committee. Compliance issues also form part of the audits commissioned by the Board of Management and performed by Corporate Internal Audit.

Elements of the compliance management system

Continuous analysis of the Group’s specific risk profile is of fundamental importance for determining the system’s direction and future development. The main focus is on topics such as bribery and corruption, antitrust and competition law, and fraud and embezzlement. Insights gained from compliance audits and reported violations are also used to continually improve and enhance the system.

Reporting suspicious activity

We want our employees to be alert to potential compliance violations and to report any suspicion of them to their managers or via the compliance hotline. A special web application and the hotline, which is available in roughly 150 countries and in 30 different languages, are available 24/7 for this purpose. Compliance violations can be reported by name or anonymously, where this is permitted by local law. External whistleblowers can use a form on the Group website.

All reported violations are handled confidentially. We follow up on every tip and uncompromisingly pursue serious evidence of violations. Internal media are used to ensure that all employees are aware of the reporting systems and...
In the year under review, a total of 241 regular audits that were either directly or indirectly related to compliance were conducted by Corporate Internal Audit. A number of ad hoc audits were also performed. The audits supplement the Group-wide monitoring system and support ongoing compliance activities. They help to identify additional compliance risks and to continuously enhance the compliance program. Their findings are also used to review existing audit criteria for topicality and completeness.

Export controls & foreign trade

Cross-border transactions involving goods and services are often subject to a wide range of legal requirements. The framework for customs, export controls and sanctions is becoming increasingly complex. Violations are usually subject to criminal prosecution – both in the EU and at the international level. We have formulated Group policies and implemented appropriate organizational structures, processes and internal control systems to ensure that our international transportation services consistently comply with these steadily growing and regionally varying requirements. We review and optimize them on an ongoing basis and give our employees regular training to ensure ongoing compliance with the law – not only for our- selves but also for our customers and business partners.

Data protection & security

As digitalization increases across all spheres of life, individuals’ right of self-determination with respect to personal information is also becoming more and more important. As a multinational company whose business model is based on connecting people and exchanging information, some of which is sensitive, we believe we have a special responsibility to protect personal data. Many countries around the world have already set out the requirements for processing personal information in data protection legislation. Businesses face the challenge of having to familiarize themselves with these sometimes very different requirements in order to process personal data in compliance with the regulations concerned.

Our Data Privacy Policy sets out the global minimum standards for the Group. This enables our employees throughout the Group to handle personal data in accordance with the legal requirements, while strengthening our reputation as a reliable partner for our customers and a trustworthy employer. Through our active involvement in key internal and external specialist bodies, we help shape national and international data privacy requirements on an ongoing basis while monitoring their impact on our own business.

Our Data Privacy Policy sets out basic principles regarding the treatment of personal data and provides information on the rights of data subjects, including the right to information about stored data or to its deletion. Other guidelines derived from this policy outline processes and requirements for specific topics in greater detail; these include the processing of human resources data and direct marketing and e-commerce activities.

Data protection management

The Corporate Data Protection Officer monitors implementation of the Data Privacy Policy, and is supported in this task by data protection officers, advisers and coordinators at all sites and at all levels of the Group. Legal advice, a comprehensive training program and our internal audits ensure compliance both with our Data Privacy Policy and with national data protection regulations. Implementation of our Data Privacy Policy is also subject to regular external third-party review.

The “Protecting IT systems” section of this report provides information on the technical measures we take to protect both personal and business data from unauthorized access, disclosure or manipulation. High data protection standards are integral to our brand. Equally, our stakeholders consider data privacy to be critical to our business success. Our data privacy
management system, consisting of the following elements, enables Group-wide compliance with the relevant standards:

- A global network of data privacy experts and advisers on all levels ensures that knowledge and information on relevant data privacy issues are shared.
- Online training courses raise awareness for this topic among employees; these courses are mandatory for managers. In addition, we offer on-site courses and customized programs for employees in certain functions, such as sales staff. An additional training module is also available as part of the Certified initiative. Data privacy guidelines and policies are reviewed on an ongoing basis and updated as necessary.
- We perform annual audits to verify compliance with the Group Data Privacy Policy and locally applicable requirements. Privacy impact assessments are also conducted with local contacts on the basis of detailed questionnaires.

Results & progress in 2019

The mandatory privacy impact assessments and documentation requirements were standardized by means of a software solution – our privacy portal – in 2018, and serve as a fundamental basis for our data protection management system. The functionality of the portal has been extended and process steps improved. A research tool was also developed and integrated into the data protection network. The contracts used to commission intragroup service providers (processing by a processor) and the associated processes were also optimized and simplified.

An additional online training module enables employees to familiarize themselves more easily with the key requirements of the European Union’s GDPR. In addition, we provided information about selected data protection issues in various communications campaigns. A data protection module was also rolled out for the Certified initiative and added to the course catalogue as planned; it is now available in more than ten languages.

Working with suppliers

Our ability to successfully manage our global supplier network is a critical competitive factor. Our supplier relationships are regulated by our Supplier Code of Conduct. Suppliers signing contracts with Deutsche Post DHL Group must undertake to comply with the company’s environmental goals and ethical values, and are encouraged to implement the same standards in their own supply chains. Supplier management is a key component of our procurement process, along with the operational tasks performed by Corporate Procurement. It enables us to improve the security of supply and add value by working closely together, and helps us to improve our standards in the supply chain. The main focus of supplier management is on those strategically relevant suppliers who play a key role in value creation at the Group. We offer our employees comprehensive training designed to sensitize them to the risks that can arise in the procurement process.

Managing and measuring success

Corporate Procurement sets the standards for procurement processes, is responsible for designing the Corporate Procurement Policy and defines the selection process for suppliers. As head of a central Global Business Services function, the Chief Procurement Officer reports directly to the Chief Executive Officer.

Annual procurement expenses in 2019 amounted to around €11.4 billion. This includes the costs of upgrading our fleets and sites. In addition to being responsible for central procurement measures, Procurement staff advise the divisions on calls for tender (e.g. when acquiring airplanes) down to the point at which contracts are signed, and on supplier management. The standards applicable to all procurement measures are defined in the Corporate Procurement Policy and as such are binding for all Group companies.

Supplier management evaluation process

Our four-step process for evaluating strategic partners

1. Obtain transparency about types of relationship
2. Assess supplier performance
3. Review and monitor supplier performance
4. Identify potential improvements, draft action plan, implement measures

Anchoring values in our supply chain

- Employee development
  - Target for 2019: Perform Certified initiative training. Status: Achieved
  - Target for 2020: Continue Certified initiative training
- Include environmental and social standards as a binding selection criterion for the supplier selection process
  - Target for 2019: Prepare rollout throughout the Group. Status: Achieved
  - Target for 2020: Implement standards throughout the Group. Follow-up measures are to be developed over the course of the year
- Supplier management
  - An objective selection process incorporating risk assessment
    The goal of our standardized, multistep selection process is to ensure that, right from the tender stage, only bidders who share our values are invited to participate. Suppliers can use our interactive training module on the Supplier Code of Conduct in advance to learn about our requirements.
    In line with our Corporate Procurement Policy, preference is given to suppliers and transportation service providers with high environmental and social standards. We also use external supplier evaluations for this and have defined threshold values in order to enable the highest possible quality and objectivity during tendering procedures.

Anchoring values in our supply chain

Ours four-step process for evaluating strategic partners

Supplier management evaluation process

Our one-step process for evaluating strategic partners

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4. Identify potential improvements, draft action plan, implement measures
Building lasting relationships
When signing contracts, we aim to enter into long-term, mutually beneficial relationships with our suppliers – relationships that will allow us to learn from one another and develop together. To achieve this, we systematically evaluate supplier relationships using a multistep process. Where we identify suppliers with competencies that are of particular importance for our business – such as innovators in the fields of green technologies and IT – we intensify our dialogue with them, with the aim of working together to develop innovative ideas.

Raising staff awareness
We specially train Procurement staff to sensitize them to the risks involved in procurement negotiations – such as corruption and anticompetitive practices – so that they are equipped to identify these early on and to resolve conflicts in line with our policies. As part of our Group-wide Certified initiative, we offer a training module that was jointly developed by Corporate Procurement, Corporate Security, Corporate Legal and Compliance. In the course of this two-day workshop, participants learn how to correctly apply the Supplier Code of Conduct, the Anti-Corruption Policy and the Competition Compliance Policy. Employees from other areas can also take part in the training as a way to enhance their knowledge and skills. Additionally, the interactive training module for suppliers is mandatory for Procurement staff.

Identifying and pursuing violations
As a matter of principle, we trust our suppliers and business partners to comply with the terms of our agreements and only monitor compliance using random checks. Suppliers are mainly selected for such checks on the basis of their economic and strategic significance for the Group and the results of our risk assessment. Group functions such as HR and Compliance are included in this decision.

If we receive specific information that a supplier has violated our agreements or the provisions of the Code, we review the situation and prepare an action plan with specific implementation deadlines. Depending on the severity of the violation, these measures can also include terminating the business relationship.

Results & progress in 2019
We focused on preparing the rollout of the selection criteria throughout the Group in the year under review. All divisions now have access to our centralized procurement management system. This means that all compliance officers across the divisions can also access the questionnaires completed by the suppliers. As a result, everything is now in place to enable Group-wide verification of our requirements for all suppliers. Internal Audit is involved in the processes.
Employee matters: Our policies seek to promote employee engagement and development, and occupational health and safety. They help us to retain staff over the long term and make us more attractive as a potential employer. Respect and results are the keys to understanding, and living, our corporate culture.

Respect for human rights: As a signatory to the UN Global Compact, we implement its principles and have made respect for human rights a cornerstone of our actions. We also respect the fundamental principles set out by the International Labour Organization in its Declaration on Fundamental Principles and Rights at Work, in compliance with national laws. Our managers play a crucial role in putting our values and goals into daily practice. This is why the Code of Conduct is an integral component of their employment contracts.

Occupational safety: As our primary focus is on accident prevention, compliance with applicable occupational health and safety policies, legal regulations and industry standards is critical. The relevant KPI is the accident rate per 200,000 hours worked (Lost Time Injury Frequency Rate – LTIFR).

Respect for human rights: Our top priority is to establish a common understanding of human rights in employee relations at all levels. Our focus is therefore on raising awareness of the topic through training initiatives and ER Reviews.

Results & objectives
In the year under review, our Strategy 2025 reiterated both our goal of becoming Employer of Choice and our existing HR policies.

Employee Engagement: The approval rating for the Active Leadership KPI was 78%. This brought us a significant step closer to our goal of achieving a rating of 80% throughout the Group. We plan to focus on Employee Engagement in the future and will use the overall value for this KPI for management purposes and when calculating managers’ bonuses. We aim to improve Employee Engagement to 78% in 2020. We have set a target of 80% for the Group as a whole in 2025.

Employee development: Around 346,000 employees have already participated in Certified training courses during 2019. This represents an average share of 69% of our workforce in the year under review. Starting in 2020, we will also place greater emphasis on developing employees with management responsibility. For example, site managers are in a position to identify individual employees’ potential and can provide more effective support to help them achieve their personal goals. We aim to certify 80% of our workforce by 2020.
Workforce diversity

The engagement shown by our employees and their different experiences and abilities not only mean we can achieve the best possible result for our customers each and every day, they also form the basis of our commercial success. Mutual respect, honesty and candor, and a common understanding of our goals guarantee productivity, creativity and performance at the highest possible levels.

DIVERSITY ENRICHES US AND MAKES US STRONGER

We consider diversity to be one of our company’s greatest strengths. Across the Group, we employ people from a wide range of cultural backgrounds — with 175 nations represented at our German sites alone. We adopt an equal-opportunity approach when selecting both internal and external candidates for vacant positions: applicants’ suitability is evaluated solely on the basis of their qualifications.

The process of digital transformation is changing existing job descriptions and creating new fields of activity. Our employee development measures provide our workforce with appropriate training to meet these changing requirements. Given the growing demand for logistics industry specialists and managers, strategic succession planning plays a key role in helping us retain expertise and also gain fresh ideas and insights through new hires. We use flexible working and development/training options in an effort to attract the best applicants and retain our employees over the long term.

Particularly in times of change, continuous dialogue between managers and employees is essential. In line with our six leadership attributes, managers promote open communication with employees and create a working environment that allows them to develop as individuals. One of the ways we make employees feel valued and motivated is by providing attractive remuneration, along with other elements such as flexible working time models and other initiatives to create a healthier work-life balance.

The health and safety of our employees in the workplace is another key priority. We promote health awareness among our staff and also provide employees outside Germany with access to health insurance. Regular training highlights potential health and safety risks, raising awareness of dangerous situations and how they can be avoided. The measures we implement also support the United Nations’ Sustainable Development Goals (SDGs).

Targets and progress in the year under review

We identified four material issues for the Group in collaboration with our stakeholders. We have set ambitious targets for each issue, and are already making progress towards them.

<table>
<thead>
<tr>
<th>Respect for human rights</th>
<th>Employee development</th>
<th>Occupational safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI: On-site reviews (ER Reviews)</td>
<td>Target for 2019: Perform ER Reviews in Europe, Asia, Africa and Latin America, and train employees</td>
<td>KPI: Accident rate per 200,000 working hours (LTIFR)</td>
</tr>
<tr>
<td>Target for 2019: Improve LTIFR to 4.0</td>
<td>Status: Achieved (Page 69)</td>
<td>Target for 2019: Increase approval rating by one percentage point</td>
</tr>
<tr>
<td>Target for 2020: Reduce LTIFR to 4.0 by 2025</td>
<td></td>
<td>Target for 2020: The Active Leadership indicator will be replaced with the overall value for Employee Engagement; the target for the indicator is 78%</td>
</tr>
</tbody>
</table>
Workforce structure

Workforce numbers remained stable compared to the previous year, testifying to the strength of our position within the postal and logistics services industry even in times of change. At the end of 2019, 546,924 people (2018: 547,459) were working for us directly. The total annual average workforce converted into full-time equivalents (FTEs) comprised 499,461 (2018: 489,571) full-time Group employees and 83,116 staff (2018: 78,822) who are external temporary personnel.

We employ 17.4% of our staff on a part-time basis, either due to operational needs or at their own request. Roughly 73,000 of these are in Germany alone. We respond to seasonal and other demand-driven peaks in volume by employing external personnel, which also helps reduce our employees’ workload. We employ staff through external companies primarily in contract logistics and predominantly for employees’ workload. We use new technologies and tools such as robotics and lifting slings to reduce the physical demands associated with these tasks, helping employees remain fit and active longer, and making the work more attractive to women.

A smooth transition into retirement

We began working with our social partner to develop a Generations Pact to encourage older employees at our principal company in Germany, Deutsche Post AG, to participate in the world of work as far back as 2011. This is financed via working-time accounts, an employer-funded top-up and a demographic fund. Under the terms of the collective agreement, employees become eligible when they reach the age of 55. Comparable options are also available to civil servants employed within the Group.

Integration & inclusivity

The way we interact with customers and colleagues is influenced by many different cultural, religious and educational experiences. Our integration- and inclusivity-driven approach offers employees the same career prospects and opportunities regardless of gender, nationality, ethnicity, religion, age, sexual orientation or identity, disability or any other characteristics protected under law.

Headcount as of December 31, 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>497,745</td>
</tr>
<tr>
<td>2016</td>
<td>508,036</td>
</tr>
<tr>
<td>2017</td>
<td>519,544</td>
</tr>
<tr>
<td>2018</td>
<td>547,499</td>
</tr>
<tr>
<td>2019</td>
<td>546,924</td>
</tr>
</tbody>
</table>

Employees by division in 2019

- **6%** eCommerce Solutions
- **29%** Supply Chain
- **8%** Global Forwarding, Freight
- **19%** Express
- **35%** Post & Parcel Germany

Equal opportunities for men and women

Although the proportion of female employees remained stable at one-third in the year under review, the number of female managers in the Group has steadily increased to 22.2%. This means that one in five middle and upper management positions is already occupied by a woman.

It is our aim for the Group-wide proportion of women in middle and upper management to increase to 30%; this target forms part of our Strategy 2025. In accordance with legal requirements in Germany, Deutsche Post AG’s Board of Management set target quotas for 2019 for women in the top two management levels below the Board of Management. The target for the first level was 20% and was clearly exceeded, at 23%. The target of 30% for second-level managers was not achieved; the figure reached was 23.1%. More detailed information on this subject is contained in our Corporate Governance Report.

GROUP TARGET FOR 2025:

**30% WOMEN IN MANAGEMENT**

Deutsche Post DHL Group became the first German company to receive the prestigious 2019 Catalyst Award in recognition of our commitment to diversity and to increasing the number of women in management positions. The award is based on a comprehensive external analysis involving quantitative elements as well as site visits around the world and interviews with employees.

Including people with disabilities

In line with our inclusive approach, we offer career prospects to people with disabilities all over the world. For example, we employ people with physical and mental disabilities in a Spanish logistics center. For one customer this was a key reason why we were selected to manage their co-packing services. In Germany, we take part in events held by public authorities, showcasing not only Deutsche Post DHL Group as an employer but also the various vocational pathways available within the company. We also want to remove any hurdles that might prevent candidates from applying.

Personal data protection rules limit the individual characteristics that we are allowed to record for employees, making Group-wide data collection and analysis impossible. In Germany, employers are legally required to fill at least 3% of positions with employees with disabilities. In our principal company in Germany, Deutsche Post AG, the percentage is 9.1% – corresponding to 13,582 people including 14 in training – which is almost twice the legal requirement.

Network supporting LGBT+ employees

As a founder member of the PROUT AT WORK Foundation, we are committed to promoting an inclusive, cooperative approach that allows individuals to achieve their career goals irrespective of their sexual orientation or identity. In the year under review, we worked with representatives of our LGBT+ network to draw attention to this issue at various external events such as Christopher Street Day parades, conferences and workshops, and the Sticks & Stones job fair. In addition, we took part in a PROUT AT WORK seminar on coming out in the workplace and in a panel discussion on LGBT+ at the DiverseCity Congress.
Succession planning

Logistics companies compete for the best employees and managers, and we aim to recruit suitable junior staff and experts in all relevant markets. Strategic succession planning is an important element of our HR activities, involving talent management and targeted recruiting plus training and development measures to prepare employees for future roles. When introducing Strategy 2025, we therefore decided to use external certifications and ratings of employee conditions in our company as benchmarks. This helps us better assess how close we have come to achieving our strategic goal of becoming Employer of Choice. We have already received Top Employer certification in all divisions. The Express division was designated the fourth-best employer worldwide by Great Place to Work, an improvement of two places over the previous year. Top Employer and Great Place to Work are two international institutions specializing in assessing corporate culture and existing HR processes.

Keeping track of our workforce structure

Internal and external applicants alike are judged on the basis of professional and personal qualifications alone. We fill vacant positions or newly-created jobs internally whenever possible and assign suitable, appropriately trained employees to new responsibilities or provide opportunities for job advancement. In addition, we continually enhance our training methods and expand our HR development measures. In the year under review, we were able to fill 82.8% of vacant management positions with internal candidates.

We take both operational requirements and staff turnover data into account when planning our workforce structure. Particular attention is paid to unplanned staff turnover, for example when employees leave at their own request. At the close of the year under review, staff turnover Group-wide was 18.1% (2018: 16.6%). The corresponding value for close of the year under review, staff turnover Group-wide was 18.1% (2018: 16.6%). The corresponding value for the regional training management positions was 9.6% (2018: 7.4%).

5,500 TRAINEES GROUP-WIDE

We offered about 2,000 apprenticeship positions in Germany during the year under review; 97% of those positions were filled. In 2020 we will offer the same number of apprenticeships in more than 20 occupations, such as commercial training as an e-commerce specialist, and 16 integrated degree programs in Germany alone.

College and university graduates can choose from a number of trainee and graduate programs (college recruiting). Our trainee programs span several months and prepare outstanding recent graduates with bachelor’s or master’s degrees for careers as specialists and managers in our company. The programs are practice-based and are organized in modules throughout the Group. The Group is committed to the principles of the UN Global Compact and adheres, subject to local legislation, to the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the Declaration on Fundamental Principles and Rights at Work (ILO), and the principle of social partnership.

Human rights & employee relations

As an employer, Deutsche Post DHL Group leads by example: its human rights policy anchors minimum standards for fair working conditions and human rights in employee relations throughout the Group. The Group is committed to the principles of the UN Global Compact and adheres, subject to local legislation, to the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the Declaration on Fundamental Principles and Rights at Work (ILO), and the principle of social partnership.

Creating a common understanding

In line with Deutsche Post DHL Group’s leadership principles, our managers adopt an open and respectful approach when dealing with their employees. They act as role models, conveying the standards required to establish a common understanding of respect for human rights within the company. This is why the Code of Conduct is an integral component of their employment contracts.

Creating good employee relations

Our measures aim to create employee relations that are based on a spirit of trust. The Employee Relations Forum (ER Forum) is responsible for steering employee relations issues and implementing measures promoting respect for human rights as defined in our human rights policy. This body consists of employee relations experts from the divisions and from Group headquarters. Best-practice solutions are regularly presented and discussed at the meetings, and measures are developed with the aim of continuously improving the quality of our employee relations and raising awareness of respect for human rights in all divisions.

Employee relations (ER) management system

Implement and enhance policies

Train employees with management responsibilities

Monitor and report on the progress of action plans

Derive concrete measures from review findings and set deadlines

Certified external experts review the local situation

Employee relations (ER)
Dialog with employee representatives

74% of all Group employees worldwide are employed under contracts governed by collective agreements, works agreements or statutory requirements. In addition to direct dialogue with their superiors and management representatives, employees can turn to employee committees, works councils, unions or other bodies to help represent their interests. The primary responsibility for dealing with local employee representatives and trade unions rests with the divisions at country and local site level.

An open and trusting dialogue at global level

At the global level, we have engaged in regular dialogue on employee relations for over ten years with the two international union federations UNI Global Union (UNI) and the International Transport Workers’ Federation (ITF). These discussions focus on issues of global importance and their impact on Deutsche Post DHL Group. Building on this tradition of close and open collaboration, we are continuing this regular dialogue with the two union federations which is based on a protocol signed by the OECD’s German National Contact Point (NCP) in 2016.

Dialogue with European unions

The Deutsche Post DHL Forum is a European works council by agreement comprising employee representatives and managers from all divisions across 30 European countries. The Forum’s committees advise on the Group’s business performance and on topics with an international reach, such as organizational changes and the introduction of new work and production processes. The plenary sessions of the Deutsche Post DHL Forum are held twice a year with the Board Member for Human Resources in attendance. The two international union federations – UNI Global Union and the European Transport Workers’ Federation – can each send a representative to participate in these sessions.

In Germany we collaborate constructively with employee representatives in all business units where works councils have been formed. Our regular dialogue with our Group Works Council and with our parent company’s General Works Council also involves the Board Member for Human Resources.

Sociopolitical dialogue with the European Commission

As Europe’s largest postal service provider, Deutsche Post DHL Group is a member of the European Commission’s European Social Dialogue Committee for the Postal Sector, and has chaired it since the end of 2016. The committee brings together employers and union representatives from the postal sector in European member states to discuss relevant issues – with due consideration given to social aspects.

Results & progress in 2019

Continuing implementation of the management system

We reviewed the effectiveness of the individual components of the management system. As a result, the two training modules “Employee Relations for HR” and “Building Great Employee Relations” were combined. More than 2,400 employees and managers across the Group have now completed this training, bringing the total number of participants since rollout to around 11,000. We will continue our training measures in 2020. We have intensified our communications activities on respect for human rights and good employee relations, providing information online on a regular basis.

Guidelines for managers developed

As a result of the ER Reviews, we created internal guidelines for managers on good employee relations. These contain guidance on applicable policies and standards that must be taken into account when dealing with employees and their representatives. Regional and local discussions take place at regional meetings chaired by a member of the ER Forum and provide an opportunity for mutual support. For example, in Japan the solutions developed to implement the labor law reform were shared among the divisions.

ER Reviews completed in five countries

The ER Reviews in Bulgaria, Colombia Hong Kong, Kenya and South Africa revealed substantial amounts of overtime. To reduce these figures, local managers analyzed the causes and developed potential solutions that were then translated into local action plans. Implementation of these solutions will be reviewed at a later date. In 2020, ER Reviews will be conducted at sites in the following countries: Costa Rica, Côte d’Ivoire, Slovakia and Turkey.

Dialogue with international unions

During the year under review, we worked with the two international union federations, UNI and ITF, to enhance the contents of the OECD protocol and to continue the constructive dialogue. The lead organization is the German National Contact Point for the OECD Guidelines for Multinational Enterprises, which signed the protocol in the presence of both parties on November 25, 2019. The general secretaries of the two union federations will continue to meet our Board Member for Human Resources at least once a year to share information and ideas. Various workshops also took place in the year under review, discussing not only possible means of enhancing the dialogue but also how future challenges in employee relations could be faced.
Discussion with unions at European level
In the year under review, the Deutsche Post DHL Forum – which is a European works council by agreement – met more than 26 times (including committee meetings). The main issues discussed were our Strategy 2025, our business performance, compliance issues, IT security and cyber security, and the impact of digitalization on employees. Takeaways relevant to Germany are reported on in the following section.

Support for the National Action Plan for Human Rights
As of 2019, the German government has been performing random checks on companies with more than 500 employees as part of the National Action Plan to monitor implementation of the UN Guiding Principles on Business and Human Rights. Five German subsidiaries participated in the initial survey. The process of completing the questionnaire enhanced awareness of respect for human rights in our subsidiaries and stimulated internal dialogue on the issue. We also worked with the National Action Plan project group and assisted in preparations for the second data collection phase. The findings of the first survey will be published in 2020.

Sociopolitical dialogue at EU level
The EU project “Trend research for the postal sector in 2030”, which began in 2017, was successfully concluded in June 2019. In it, management and labor representatives (social partners) in Europe collaborated with a futures studies institute to develop possible scenarios for the postal sector in 2030, focusing in particular on social aspects. The insights gained were presented at a wrap-up conference in Brussels and the final report was published. A declaration on the importance of lifelong learning and associated employee needs – and the final report was published. A declaration on the importance of lifelong learning and associated employee needs was adopted. In addition, the benefits of the company collective agreement (such as our company pension plans) have now been extended to all employees.

Motivation & satisfaction
A number of factors combine to boost employee motivation and make us more attractive as an “Employer of Choice”, performance-based, competitive remuneration including additional benefits designed to improve the work-life balance, a broad range of development opportunities, and the chance to make a real difference with innovative business ideas or suggestions for improving the working environment. Employee motivation is also cultivated by superiors who establish a culture of trust and embrace change and uncertainty in a positive manner. We measure employee engagement and leadership qualities in our annual Group-wide Employee Opinion Survey.

Attractive compensation
We offer appropriate, competitive remuneration packages in all of the markets we serve. Compensation is subject to local and position-specific requirements and regulations. Local market conditions are also taken into account when rates are set. Remuneration includes a base salary plus the agreed variable remuneration components such as bonus payments and, in some countries, retirement plan contributions and health insurance costs. In many countries, Deutsche Post DHL Group also offers employees defined benefit and defined contribution occupational retirement plans, and assumes the costs of health insurance and treatment for employees and their family members.

For 74% of our employees, remuneration is based on works agreements, collective labor agreements, or statutory salary adjustments. Within Germany, it is generally regulated through either company- or industry-specific collective agreements. In many of our German subsidiaries, employees covered by collective agreements also receive a performance-based bonus in addition to their wage or salary.

We use neutral job grading to avoid discrimination based on characteristics such as gender, national or ethnic origin, religion, age, sexual orientation and identity, or disability. Our sole considerations are the nature of the tasks to be performed, the position in the company and the level of responsibility. Our systematic approach ensures an impartial and equitable remuneration structure within the Group.

Additional time off under the 2018 collective agreement
For the first time in October 2018, and again in October 2019, the 130,000 or so Deutsche Post AG employees covered by collective agreements could choose if they wished to take additional time off or benefit from a wage increase. At the end of the year, a total of 16.9% of such employees had chosen to take more time off, and are now enjoying up to 13 extra days’ free time per year.

Delivery GmbHs included in company collective agreement
In March 2019, changes were made to Deutsche Post AG’s company collective agreement in Germany. This constitutes a further step toward ensuring competitive wage structures in the mail and parcel market, building a foundation for sustainable business success.

The changes primarily take account of regional factors when new hires are made. They allowed us to bring the 13,000 or so employees at our 46 Delivery GmbH companies in Germany under Deutsche Post AG’s company collective agreement as of July 1, 2019. Our employees are even more successful now that they are under one roof, and now we have a single, competitive collective agreement for our post and parcel business. Combining the administration of parcel delivery staff also makes it easier for us to organize day-to-day production. In addition, the benefits of the company collective agreement (such as our company pension plans) have now been extended to all employees.

“Our new company collective agreement consciously distances us from low-wage competitors in the sector. In addition, we have ruled out terminations for operational reasons through the end of 2022.”

Dr. Thomas Ogilvie
Board Member for Human Resources & Labor Director
Corporate Incubations

<table>
<thead>
<tr>
<th>Staff costs (€ million)</th>
<th>19.640</th>
<th>19.592</th>
<th>20.072</th>
<th>20.825</th>
<th>21.610</th>
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</thead>
<tbody>
<tr>
<td>Average growth rate</td>
<td>2.8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
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<td>2019</td>
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It was also agreed not to outsource mail and combined mail and parcel delivery services before December 31, 2020. Equally, the moratorium on terminations for operational reasons was extended to December 31, 2022.

Achieving a healthy work-life balance
We offer a variety of benefits designed to support our employees as they plan the different phases of their lives, helping to make the Group’s jobs and working models more attractive to women as well as men.

- **Flexible work models:** Subject to operational requirements, employees can agree flexible working hours and locations. Additionally, the Generations Pact allows Deutsche Post AG employees to take advantage of the option of partial retirement based on working-time accounts. Comparable benefits are also available to the civil servants employed within the Group.

- **Family care offering in Germany:** We work with a service provider to support employees in their search for suitable childcare. Options include vacation programs, emergency care, advisory and placement services, and company support for childcare places. We also offer support for staff who are caring for relatives.

- **Vacation offerings:** The Recreation Service (Erholungswerk Post Postbank Telekom e.V.), which receives financial support from Deutsche Post DHL Group, offers affordable vacations to current employees and retirees. Children of employees can also receive vacation allowances in certain circumstances on a means-tested basis. Such assistance was approved for approximately 2,300 children in the year under review.

**Ideas breed success**
We use the Start-up Lab and our idea management platform to motivate our employees to apply their creativity and knowledge to develop new business models or improve their own working environment.

**Turning employees into entrepreneurs**
Ideas for innovative business models or potential applications of new technologies are presented to a jury and assessed over several rounds. In the final rounds, the jury primarily consists of members of the Board of Management. Successful participants are granted dedicated time away from their usual responsibilities, intensive coaching from a member of the Board of Management, and mentoring and external consultancy services to help them move their concepts forward.

1,500 employees have presented roughly 590 projects since 2018, of which 36 received intensive support and seven are already in operational use. In the year under review, around 250 employees presented a further 135 projects, of which 17 were taken up by the program for development this year.

**Project examples**
- **TRAILAR:** Our subsidiary in the UK equips trucks and trailers with solar mats that generate power for vehicle electrical systems. This not only reduces carbon emissions but also fuel consumption. The people who came up with the idea were promoted to TRAILAR management and are now in charge of a team of 35 employees.

- **XPL:** This is a **smart contract management system that uses blockchain technology to enable intelligent digitalization of freight contract management in the Global Forwarding, Freight division.**

**Ideas for enhancing work processes**
We also encourage our employees to play an active role in improving their own working environment. They can submit their suggestions via the idea management platform. Any ideas that result in a proven benefit are rewarded using a bonus system.

**Employee development**
With companies competing for the best employees and managers, the professional and personal development of all employees is essential for our business success. Once again, this analysis has been confirmed by our employees themselves and by other stakeholder groups. In the 2019 Employee Opinion Survey, the Learning & Development KPI received an approval rating of 83%.

In the year under review, approximately 64,000 new ideas were submitted. About 83% of the ideas with proven benefits were implemented in 2019, resulting in cost savings of €14.2 million. Here are two successful examples from our idea management platform:

- **Process digitalization:** The existing distribution and management software was improved so that it can now distinguish between returns from major customers and other items. This resulted in shorter processing times, a decrease in the error rate to 0%, and fewer contractual penalties.

- **Clearing blockages:** Magazines often cause malfunctions in automated sorting systems. However, technical optimization has made it possible to avoid sorting errors and ensure punctual delivery.
We plan to certify 80% of our workforce by 2020. Starting in 2020, we will also place greater emphasis throughout the Group on developing employees with management responsibility. These represent an important interface between senior management and employees, and it is their responsibility to identify and encourage potential and to provide effective support as employees work to achieve their own goals.

The drive to keep learning
Our broad range of individual training and development opportunities extends from basic courses through to specialized training aimed at specific target groups. Focus areas include issues such as compliance and lifelong learning, but also encompass personal development plans with appropriate training courses and activities.

Code of Conduct: Case studies are used to familiarize employees and managers with the significance of the Code of Conduct and other Group policies. The training also covers the various ways in which suspected infringements of the policies can be reported. Roughly 52,300 employees took part in the training in the year under review.

Raising diversity awareness: Our dedicated training and workshop modules offer employees the opportunity to enhance their awareness of the importance of diversity and inclusion. Managers play a key role in putting diversity management into practice. This year’s Diversity Week, in which numerous employees worldwide once again took part, focused on unconscious bias. The topic led to more than 600 posts and over 100,000 comments on our internal social media channel alone.

Health at work: We implement targeted training measures to promote health awareness among our employees and managers. Our Certified training allows managers to learn about the impact their leadership style can have on employees’ health. All employees receive tips on how to keep healthy and are given regular training in occupational safety.

Management development
We expect our managers to have a motivational leadership style. Their core responsibility is to make clear to employees how their work helps the company achieve its objectives and how they can support the organization. About 1,500 managers have now taken part in training courses on our six leadership attributes: being results-oriented, leveraging one’s strengths, providing purpose, having and creating trust, focusing on priorities and being positive about challenges, uncertainty and change. The resulting idea of comprehensive leadership is also reflected in the training courses for the Group’s senior management, who take part in ongoing development measures using specific training formats.

Additionally, we offer leadership seminars and development programs that are specially tailored to the needs of individuals and the requirements of their divisions. Members of the Board of Management also take part in these modular development programs, which are based on methods such as reflection, feedback and coaching – sometimes in the capacity of trainers.

Employee Engagement
77% of all employees around the world took part in our annual Group-wide Employee Opinion Survey, our most important feedback channel. We explicitly encourage everyone to express their opinions openly, and participation is of course entirely voluntary. All responses, whether by mail or electronically, are completely anonymized. The same EOS questionnaire is used throughout the Group, ensuring comparability of results for all categories and questions across all divisions. In the year under review, we reviewed the processes and procedures for analyzing the responses with Internal Audit. The results will be used to prepare this year’s survey.

2019 Employee Opinion Survey

<table>
<thead>
<tr>
<th>Employee Engagement 77%: + 1%</th>
<th>ACTIVE LEADERSHIP 78%: + 2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>The questionnaire comprises 41 questions that are assigned to 10 key performance indicators (KPIs). The Performance Enablement Index is also derived from these questions. Among other things, we want to know what employees think about the current situation within the Group, how they evaluate the leadership of their superiors, the extent to which they identify with our values and our strategy, and where we might need to improve. We also use the survey to assess whether they think that the information, resources and training we provide are enough to ensure their success. We consult external ratings to shed light on our own observations and results.</td>
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<tr>
<td>Improvements in all categories: We achieved a one percentage point improvement in every category, and two percentage points in Active Leadership, bringing our score to 78%. We also scored 77% for Employee Engagement and are therefore approaching our target of 80% in both areas – our benchmark as the Employer of Choice. Active Leadership serves as a key non-financial performance metric in accordance with German Accounting Standard GAS 20 and is taken into account in the calculation of managers’ bonus payments. Managers are role models when it comes to implementing our corporate values and goals, and have a major bearing on the motivation and engagement displayed by our employees. The Employee Engagement KPI helps us gauge how motivated our employees are to contribute to the company’s success. We also recorded improvements in the year under review in categories that had previously been stagnating: Future &amp; Strategy, Performance Enablement Index, and Cooperation.</td>
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2019 Employee Opinion Survey

<table>
<thead>
<tr>
<th>Approval rating by category</th>
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<tbody>
<tr>
<td>Customer Centricity &amp; Quality</td>
</tr>
<tr>
<td>Employee Engagement</td>
</tr>
<tr>
<td>Active Leadership</td>
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<tr>
<td>Future &amp; Strategy</td>
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<tr>
<td>Communication</td>
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<tr>
<td>Teamwork</td>
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<td>Learning &amp; Development</td>
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<tr>
<td>Job Fulfillment &amp; Workplace</td>
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<tr>
<td>Continuous Improvement</td>
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<tr>
<td>Group Responsibility</td>
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<tr>
<td>Performance Enablement Index</td>
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</tbody>
</table>
We are proud of these results. They confirm that we are on the right track as a company and that we are getting closer and closer to our goal of becoming the Employer of Choice. We are not complacent, however, and our success spurs us on to do even better. When developing our Strategy 2025, we reviewed our concepts and found that focusing on a single issue from the Employee Opinion Survey as a KPI no longer seems appropriate. Instead, starting in 2020, we will introduce overall Employee Engagement as a KPI and use it when calculating managers’ bonuses. By 2025 we hope to achieve an 80% approval rating across the Group.

**Occupational health & safety**

The health and safety of our employees at work is extremely important to us. Occupational safety was also confirmed as a material item by our stakeholders. Our Strategy 2025 makes it our mission to create a culture of safety at work within the Group. This involves raising awareness among managers about their function as role models, and among employees with regard to potential hazards.

Compliance with the Group’s occupational health and safety policies, and with statutory regulations and industry standards is particularly important to us, so much so that it is embedded in our Code of Conduct. Our Supplier Code of Conduct, a binding component of Group contracts, requires our business partners to adhere to these same high standards. Our codes embed certain practices in our own operations and those of our business partners – these include workplace risk assessments, instructing employees on potential risks and hazards, implementing preventive measures to protect employees, external workers and others from injury, and regular safety training.

**Safety first**

Accident prevention in the workplace is our main priority. Some of our most difficult challenges can be found in our pick-up and delivery operations, known as the first and last mile. Bad weather, roadworks, complex traffic situations or dealing with animals require employees to pay attention, concentrate and take responsibility for themselves. The most common causes of accidents are trips, slips, ankle twists and falls, or handling heavy loads.

**Managing occupational safety and measuring progress**

Our Group-wide Occupational Health & Safety Policy Statement uses seven key components to define our requirements in this area. They are specified in the “Safety First Framework” guidelines, which describe our occupational safety measures on the basis of ISO 45001.

The divisions are responsible for operational management: Each Group division has its own organizational and management structure dedicated to occupational safety. The Occupational Health & Safety Committee facilitates dialogue and collaboration between occupational safety experts in the different divisions. It defines cross-divisional regulations and standards, investigates accident black spots, develops best-practice solutions for accident prevention and lays the groundwork for decisions to be made by the higher-level Operations Board. The Board of Management has tasked this body with overseeing the implementation of the requirements in the divisions and their progress in managing the occupational safety KPIs. We measure the success of these measures based on the accident rate per 200,000 working hours (LTIFR). Our accident data also includes accidents among external temporary staff working at our sites.

**Management system defined**

We defined the elements of a management system based on ISO 45001 in our guidelines for implementing occupational safety measures. The divisions themselves decide on the extent of implementation, from the use of individual elements to external certification. The guidelines are supplemented by additional tools:

- **Self-assessment:** With the help of a questionnaire, site managers can review progress on the occupational safety measures required by the guidelines, and identify any necessary actions. In the year under review, this tool was externally verified to ensure conformity with ISO 45001.

- **Employee surveys:** One questionnaire helps determine the degree to which employees have internalized the culture of safety. Employees also have the option of registering their personal opinion about the maturity of occupational safety in the company.

**Results & progress in 2019**

The Group’s LTIFR in the year under review fell to 4.2 (2018: 4.3). However, we did not meet our target. This was largely due to the high accident rate in Post & Parcel Germany. The division dominates the figures for the Group as a whole because of its large workforce and also registers a relatively large number of accidents. These are primarily in pick-up and delivery, where employees operate in public spaces and risks are much more difficult to assess than in a controlled working environment.

**Accident rate (LTIFR) trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>LTIFR</th>
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<tbody>
<tr>
<td>2017</td>
<td>4.4</td>
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<tr>
<td>2018</td>
<td>4.3</td>
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<tr>
<td>2019</td>
<td>4.2</td>
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<tr>
<td>2020</td>
<td>4.0</td>
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<td>2025</td>
<td>3.1</td>
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Each work-related accident led to an average of 16.5 missed workdays (2018: 15.8 missed workdays). In the year under review, we included GEMBA Walks, a tool from the First Choice initiative, as one of our occupational safety measures, making it available as an app. GEMBA Walks are used to raise awareness among employees about potential accidents where they work. Problem areas are subsequently identified and addressed in meetings. Communication activities about occupational safety were stepped up in the run-up to the busy Christmas period.

The employee surveys were carried out with site managers and executives from various divisions. We will continue them in 2020.
A comprehensive approach to health and well-being

Continuous change – in the workplace, in demographics, in global health trends – is demanding more and more of our employees. To help them maintain their motivation and performance levels, we encourage employees and their families to pursue healthy lifestyles, avoid risk factors, and take advantage of offerings such as preventive screening. Our approach is based on the World Health Organization’s comprehensive healthy workplace model. We also take into consideration the impact of aging populations and the strain this puts on healthcare systems.

Health insurance outside Germany

Many of our employees live and work in countries where statutory health insurance does not exist or is inadequate. Since 2015, we have been offering employees and their dependents high-quality, affordable healthcare coverage through our Group-wide employee benefits program. The program currently reaches some 250,000 employees in over 100 countries. We also have incentives in place for local management to reinvest insurance savings in health promotion programs for our employees and their families.

Organization and risk analysis

Health risks considered relevant for the Group are analyzed on a quarterly basis and reported to the Board of Management. Based on an additional, systematic evaluation of risk indicators, Insurance & Risk Management develops initiatives and other offerings tailored to local needs. Implementation is then left to the Group’s divisions, which are also responsible for local-level health management.

The HR Board receives regular updates on, and discusses, the company sickness rate and progress made with regard to health initiatives and health coverage offerings for employees. Particularly important issues that are relevant to the Group as a whole are decided on by the Board of Management. When it comes to issues related to medical crisis management, the Board of Management is advised by the Chief Medical Officer, who is also responsible for assessing health risks that are relevant to the Group and for defining strategies to address these risks. We make sure when developing and designing health management measures to involve employee representatives and support them with appropriate training. We measure the success of our initiatives across the Group with the help of various KPIs. Our external reporting focuses on sickness rate trends.

Fatal workplace accidents

In the year under review, three employees (2018: eight fatalities) lost their lives because of accidents in the workplace. One fatalit resulted from a traffic accident. We meticulously analyze and document the cause of each accident to prevent any repetition of such incidents. Our findings are then used to design and implement corrective measures.

Accident rate in the divisions

- Supply Chain: The accident rate of 0.6 was once again the lowest in the Group (2018: 0.7). In contract logistics, the level of awareness of workplace accident risks is very high.
- Post & Parcel Germany: By contrast, the measures intended to reduce the accident rate in this division, which were ramped up three years ago, have not yet had any sustained impact: The figure increased by 0.4 year-on-year to 12.5 (2018, adjusted: 12.1). We will step up both the accident analysis process and preventive measures, and will expand training in this area. We provide our employees with special footwear to prevent accidents due to trips, slips or ankle twists.
- Express: The LTIFR saw an improvement to 2.4 (2018: 3.1). This result was achieved mainly by introducing accident prevention campaigns at sites with elevated accident rates. One such example saw employees in the USA share know-how and best-practice solutions with their German colleagues. This helped one site in Germany to reduce its accident rate by more than 40% within 18 months. Another example, also in the USA, saw the trial of “Kinetic wearable technology”, which is designed to measure physical strain. The idea is to encourage ergonomically correct postures when employees lift loads.
- Global Forwarding, Freight: At 0.9, the LTIFR was down 0.1 on the prior-year level (2018: 1.0). Global Forwarding’s sites in Europe are now ISO 45001 certified.
- eCommerce Solutions: This division was established in January 2019 so the LTIFR is being reported separately for the first time – it was 1.6.

Although we have not managed to achieve our targets in recent years, we are working as hard as ever to minimize the accident rate in the Group. Our aim for 2020 remains to reduce the LTIFR to 4.0. In addition, we are continuing to pursue our 2025 target of improving the LTIFR to 3.1.

Safe transport of dangerous goods

We specialize in transporting dangerous goods and materials subject to our terms and conditions, and we instruct employees in this area to ensure we provide safe, professional transportation and storage. Priority will always be given to the safety of our employees and minimizing risk. Dangerous goods are transported in accordance with applicable international and national safety standards, including the European Agreement concerning the International Carriage of Dangerous Goods by Road and the International Air Transport Association Dangerous Goods Regulations.

OFFICIAL PARTNER OF THE EU-OSHA HEALTHY WORKPLACES CAMPAIGN

Only specially trained employees are permitted to handle dangerous goods. In all divisions, dangerous goods safety advisors ensure compliance with applicable regulations. Dangerous goods guidelines are made available in the languages of the countries concerned. Despite the Group’s high standards and extensive experience in the area of dangerous goods transports, handling and warehousing, we still rely on our customers to declare and label their dangerous goods shipments completely and correctly, as required in our general terms and conditions. In the year under review, we participated as an official partner in the EU-OSHA’s Healthy Workplaces Campaign 2018-2019 on how to manage dangerous goods.

Four pillars of health management

- Education & Awareness
- Behavioral Change
- Health Management
- Disease & Condition Management
- Prevention & Screening
Improving health and well-being across the Group

We work together with selected partners to evaluate regional and typical business health risks and develop health promotion and well-being initiatives that specifically target the identified problems and cost drivers. Our health promotion measures empower our employees and their dependents to take responsibility for their own health and well-being, and help to embed a culture of health at all levels of our organization, while reducing related costs. Our Four Pillars of Health model provides the framework for our Health and Well-being Program, with each pillar addressing a different phase in health promotion: prevention, health awareness, mitigating disease, and driving behavioral change.

Since launching the program, we have seen steady growth in the number of initiatives implemented across the Group, covering topics such as children’s health, diet and exercise, diabetes management, achieving a work-life balance, managing musculoskeletal conditions and lifestyle issues. A central IT platform is available to employees as a way to promote dialogue and provide relevant information on these topics.

Results & progress in 2019

Employees have experienced a significant increase in health and well-being campaigns since 2018, demonstrating an expanding and holistic approach to the dissemination of a wellness culture within our Group. Best-practice examples include activities and campaigns related to nutrition and leading a healthy lifestyle (Mexico), a Sunday morning run with over 700 employees (Thailand), and campaigns and regular online information about various topics plus a women’s running day (Middle East/North Africa).

As workplace digitalization continues, employee mental health remains an important issue. Our Certified training for managers stresses the relationship between good leadership and good mental health among employees. 2,320 managers took part in these training courses in the year under review. In Germany, China and the USA – the countries with the largest numbers of Group employees – we offer mentally ill employees support in the form of access to occupational health experts and employee assistance programs. We work together with recognized research institutes to identify and assess sources of psychological stress. In Germany, we cooperated with a health insurance provider to prepare the launch of a health app that gives users pointers to specific, personalized health solutions. This will enable additional data analyses that supplement ICD10-based data reporting, and will help us tailor our initiatives and offerings more closely to the needs of employees.

Sickness rate at prior year level

The change in the sickness rate can largely be attributed to the rise in chronic diseases affecting, for example, the musculoskeletal system. In the year under review, the Group-wide sickness rate remained at the prior-year level of 5.3%. Workplace accidents accounted for 0.3 percentage points of this figure. Page 104

Sickness rate by division in 2019

<table>
<thead>
<tr>
<th>Division</th>
<th>Sickness Rate</th>
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<tbody>
<tr>
<td>Post &amp; Parcel Germany</td>
<td>10.2%</td>
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<tr>
<td>Express</td>
<td>2.7%</td>
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<tr>
<td>Global Forwarding, Freight</td>
<td>3.1%</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>3.3%</td>
</tr>
<tr>
<td>eCommerce Solutions</td>
<td>2.5%</td>
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</table>

Various factors affect regional sickness rates, including the relatively high average age of employees in some areas and changes in working structures – most notably in delivery operations in Germany.
Our sites, employees and suppliers around the world assist in the socioeconomic development of their regions and make an indirect contribution to the prosperity of both individuals and society as a whole. Our corporate citizenship initiatives make a direct impact on the communities in which we operate. In keeping with our mission to connect people and improve lives, we leverage the power of our global network and the logistics know-how of our employees to make a difference on the local level.

**Policies** (also GRI management approach)

We provide various incentives to support employees in their volunteering activities. We also manage Group-wide programs focused on specific areas:

- **Disaster management (GoHelp)**

  Developing procedures and emergency response plans at airports to avoid relief-supply bottlenecks. We also offer emergency logistics support in the event of natural disasters.

- **Improving employability (GoTeach)**

  Providing support to young people living in disadvantaged socioeconomic circumstances as a result of poverty, loss of family or being forced to flee their country. GoTeach aims to prepare them for the demands of the working world and to improve their chances of gaining employment.

All of these areas of activity involve collaboration with established partner organizations. GoHelp relies on our longstanding partnership with the United Nations (UN), while our partnerships with Teach For All and SOS Children’s Villages form the basis of our GoTeach initiatives. It is thanks to the expertise of these partners that we can ensure the social relevance and effectiveness of our programs and activities.

Our Group-wide activities in this area are coordinated and managed by the CEO board department. The focus areas and objectives of these activities are outlined in the Group’s Code of Conduct and set out in greater detail in our Corporate Citizenship Guideline. This ensures that employees at all Group sites clearly understand how they can get involved, what is required, and how their involvement contributes to the Group’s larger goals. A central internal platform facilitates employee dialogue across the Group and catalogues individual activities, which we then use for internal and external reporting.

**Measure & KPIs**

Based on the dialogue with our employees, we know that corporate citizenship is a relevant factor in determining their overall level of motivation. Our employees want their work to have a positive impact on society and the environment, and hence to help enhance the company’s reputation. They identify with our corporate citizenship programs and are proud to be a part of the larger family that is Deutsche Post DHL Group.

With this in mind, we use our Corporate Citizenship Index KPI to measure the impact of our activities. The KPI has two components: first, the approval ratings in the Corporate Citizenship category in the annual Group-wide Employee Opinion Survey; and second, the results of a dedicated online survey which reaches about half of all employees.

**Results & objectives**

Our Disaster Response Teams were called on by the UN to support disaster relief efforts following a cyclone in Mozambique and the hurricane in the Bahamas. We also ran emergency preparedness workshops in Honduras, Iraq, Nepal, Peru and Madagascar, which included developing emergency response plans for airports on the ground. 2019 also saw the continuation of various GoTeach program activities.

The Corporate Citizenship Index score for the year under review was 79%; this represents an increase of two percentage points over the prior-year figure. Our goal for 2020 is to at least maintain this score at its current level. Information on additional activities beyond the mandatory disclosures required by the German Commercial Code (HGB) can be found in the rest of this chapter.

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**Our responsibility**

We want to contribute real solutions to the global challenges of our time, which is why our programs and partnerships are designed to achieve maximum effectiveness and impact for society. In the year under review, we celebrated the 10-year anniversary of both our GoTeach program, which aims to improve the employability of disadvantaged young people, and our GoHelp program, which helps airports in disaster-prone regions prepare for the demands of an emergency response.

**OUR EMPLOYEES ACT AS AMBASSADORS FOR VOLUNTEERING**

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**The pillars of our corporate citizenship activities**

- **Local projects**
  - Volunteering
  - Financial support

- **Disaster management**
  - Get Airports Ready for Disaster (GARD)
  - Disaster relief

- **Improving employability**
  - Partnership with Teach For All
  - Partnership with SOS Children’s Villages
  - Refugee aid

Our programs and partnerships support the United Nation’s Sustainable Development Goals (SDGs).

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Volunteering

Our employee surveys have shown a measurable correlation between participating in corporate citizenship activities and motivation on the job. Nearly 80% of our employees feel that the company encourages them to act in a way that is socially and environmentally responsible. We have also found that employee motivation and company loyalty are even higher when an employee’s individual interests and skills are aligned with their area of involvement. We use various instruments to support volunteering among our employees, showing them how they can get involved in different initiatives or join forces with like-minded colleagues to get a project off the ground themselves. In doing so, we hope to inspire our employees to act as role models and ambassadors for volunteering.

Today, more than 100,000 employees Group-wide devote time outside work to volunteering in climate protection projects, disaster relief efforts, refugee aid, or helping young people improve their job and career prospects. This volunteer work is not limited to a given day or individual project. Our partner organizations manage countless social and environmental projects, and employees can engage in these throughout the year as local opportunities and their schedules allow.

OVER 114,000 EMPLOYEES TOOK PART IN VOLUNTEER PROJECTS

Supporting practical action

Our Global Volunteer Day has been a major component and driver of employee volunteer work since 2008, calling on employees to get involved year-round in projects that serve local needs. An online platform allows staff to share their volunteering experiences, recruit others to join them, and report the results of their activities. We are seeing steady growth in both the number of volunteer hours and the diversity of volunteer projects.

Activities as measured by the LBG in 2018

- 70% Investment in local communities
- 23% Commercial initiatives
- 7% Monetary donations

Volunteering in 2019

Employee volunteers: 114,239

- 2,607 Employees set up projects and functioned as ambassadors
- 72,422 Employees got involved in projects
- 39,210 Employees made donations

Financial support for outstanding projects

Through our Living Responsibility Fund, we have also been providing financial support to approximately 100 outstanding projects every year since 2011. Our goal is to support employees who demonstrate lasting commitment to social or environmental causes and serve as role models for their fellow colleagues. A cross-divisional jury selects the most eligible projects, which can then receive support of up to €4,000. In order to qualify for financial support, at least two Group employees must volunteer a total of more than 50 hours of their time to a charitable partner organization over the course of one year.

Results & progress in 2019

In the year under review, we developed target-group-specific workshops to help employees better understand our approach and develop and realize their own volunteer projects and activities. Associated communications and additional tools help support employees and make it as easy as possible to get involved. Over 114,000 employees volunteered around 230,000 hours in around 3,100 projects. The Living Responsibility Fund supported 120 employee projects from 44 countries in 2019.
Disaster management

Our Group-wide GoHelp program has two main focus areas:

- Get Airports Ready For Disaster (GARD): We develop procedures and emergency response plans at airports in disaster-prone regions to rehearse for, and avoid relief-supply bottlenecks in the event of natural disasters.
- Help on the ground from Disaster Response Teams (DRTs): Our DRTs provide timely support in the wake of natural disasters, handling a range of logistics tasks at airports and coordinating the transfer of relief supplies to local relief organizations.

Our employees receive specially targeted training in preparation for their deployments and the situation on the ground. Every two years, we survey employees on the effectiveness of our GoHelp activities. The 2019 survey revealed an approval rating of 95%.

Disaster management in 2019

<table>
<thead>
<tr>
<th>Event</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>April 2019 – Cyclone Idai, Mozambique</td>
<td>DRT deployment, Mozambique</td>
</tr>
<tr>
<td>September 2019 – Hurricane Dorian, Bahamas</td>
<td>DRT base, Dubai</td>
</tr>
<tr>
<td>December 2019 – Hurricane Iota, Nicaragua</td>
<td>DRT base, Nicaragua</td>
</tr>
</tbody>
</table>

Disaster management in 2019

1 Bilateral framework agreements reached to provide disaster management support in: Chile, El Salvador, Guatemala, Peru, Asia Pacific: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand, Vietnam, Other regions: Turkey.

Optimizing airport procedures (GARD)

In cooperation with the United Nations Development Programme (UNDP), we conduct multi-day workshops on-site for airport personnel and local disaster management organizations to evaluate existing logistics procedures and improve airports’ capacity for processing and dispatching large volumes of incoming relief workers and supplies.

During these workshops, our air freight experts act as trainers, helping participants analyze their emergency response plans and develop ways to increase airport capacity, including avoiding bottlenecks in the event of relief efforts. Workshop results are then submitted to the United Nations for inclusion in its national and regional emergency response plans.

Due to a growing number of requests to include regional airports in our preparedness program, we have begun training local airport experts as GARD trainers, who can then conduct workshops on their own. The goal of this train-the-trainer approach is to achieve nationwide airport preparedness in countries at higher risk of natural disaster. Since launching GARD ten years ago, we have held $1 workshops in 26 countries with over 1,200 participants.

Help within 72 hours (DRTs)

In cooperation with the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), we have established Disaster Response Teams (DRTs) based in the Americas, Middle East/Africa, and Asia Pacific regions. This network allows us to provide disaster-response coverage to approximately 80% of higher-risk countries.

If called upon by the United Nations, our DRTs can be deployed within 72 hours to manage the logistics of incoming relief supplies (unloading, inventory and storage) at airports, ensuring their efficient transfer to local relief organizations.

Urgently needed supplies such as food, cooking utensils and medical supplies are sorted and packed at the airport into waterproof polypropylene bags known as Speedballs, which can then be airdropped over remote areas.

We prepare our logistics experts for both the physical and psychological challenges of DRT deployments with special courses that realistically simulate disaster-response workflows under difficult conditions. 1,500 employees have undergone such training since the launch of the program.

Results & progress in 2019

In the year under review, GARD workshops were held in Honduras, Iraq, Madagascar, Nepal and Peru, including the analysis of emergency response plans for 5 airports. A total of 151 people took part. Our DRTs were deployed on two occasions:

- April 2019 – Cyclone Idai, Mozambique: This was the first time one of our DRTs saw action in an African country. Twelve employees spent almost three weeks volunteering on the ground, working in three rotating teams to process some 800 tonnes of relief supplies at Beira Airport.
- September 2019 – Hurricane Dorian, the Bahamas: As part of the relief effort following the category 5 hurricane, employees from Florida, Colombia, Panama and Puerto Rico volunteered their time and processed around 275 tonnes of relief supplies for dispatch to help those affected.

Donations from colleagues for colleagues

Our internal relief fund “We Help Each Other” (WHEO) provides employees with a channel to donate money and show their support for colleagues and their families who have been affected by natural disasters. 34 employees benefitted from the fund in 2019: 24 in Mozambique, 7 in the USA and 3 in the Bahamas. “We Help Each Other” has come to the aid of 1,900 employees since it was founded.
Improving employability

Our Group-wide GoTeach program supports young people living in disadvantaged socioeconomic circumstances as a result of poverty, loss of family or being forced to flee their country. Helping them discover their strengths and build self-confidence gets young people off to a better start and encourages them to set and achieve career goals. We also provide young people with first-hand exposure to the working world. Our employees volunteer their time to the projects, sharing their experience and expertise to familiarize participants with the demands the workplace can bring. As part of activities focused on career guidance and basic professional skills, volunteers function as mentors, trainers or internship supervisors and help participants develop the professional skills they will need later on.

“EQUAL OPPORTUNITIES AND COMPETITIVENESS ARE OUR GOALS.”

Dr. Frank Appel
CEO

Our activities in this area rely on global partnerships with Teach For All and SOS Children’s Villages. Not only do our partners benefit from the commitment of our employees but also from our financial support. We now operate in 56 countries around the world in cooperation with 67 partner organizations. In 11 of these countries we work together with both SOS Children’s Villages and national Teach For All partners.

Partnership with Teach For All
We have been collaborating with the Teach For All global network since 2010 and support its partner organizations in 19 countries. In the year under review, we expanded our partnership to seven additional countries.

Partnership with SOS Children’s Villages
Our global cooperation with SOS Children’s Villages now covers 48 countries. A further six countries were added in the year under review. SOS Children’s Villages uses our support measures as a blueprint to develop similar programs for young people around the world. Our YouthCan! program was founded as part of a joint initiative with SOS Children’s Villages. It has already helped us recruit additional companies to become involved in business partnerships – and we hope to recruit even more.

Autonomy through integration
We work together with Germany’s Federal Employment Agency and numerous other partners to promote refugee integration, primarily in Germany. In recent years we have also initiated pilot projects with partners outside Germany and are now investigating how we can incorporate offerings for young refugees into existing programs. In 2018, we also started supporting the UNHCR initiative #WithRefugees.

Since launching our refugee aid initiative in Germany in 2015, we have signed employment contracts with 11,000 refugees, with 246 currently in apprenticeships. The volunteering activities undertaken by our employees focus on long-term projects, such as our mentoring programs.

Results & progress in 2019
In the year under review, over 2,100 employees took part in the GoTeach program, reaching out to and supporting roughly 11,000 children and young people in the process. In our yearly GoTeach employee survey, 89% of survey participants confirmed the program’s positive impact on society.

Around 4,200 refugees from Eritrea, Iran, Iraq, Somalia and Syria have received an employment contract, and around 90 an apprenticeship contract.
Environmental matters

The ongoing boom in e-commerce and the corresponding growth in demand for transportation solutions is an important driver of global trade today. While this trend is good for our business, we also recognize that our activities impact the environment and the climate around the world, particularly in the form of greenhouse gas emissions. To minimize this impact, we have defined targets and implemented measures to help protect the environment and climate. These targets and measures are also embedded in our Code of Conduct, our Supplier Code of Conduct, and our Environmental and Energy Policy. This provides employees across the Group with clear guidelines on how they can contribute to achieving our climate and environmental targets.

Policies (also GRI management approach)
The core elements of our approach are as follows: Reducing dependence on fossil fuels and promoting the use of alternative fuels/energies in our fleets and buildings. Designing and implementing policies to reduce emissions, improve fuel efficiency and increase the use of alternative fuels as part of our Group-wide GoGreen program. In line with the GHG Protocol, these measures target both our direct and indirect carbon emissions. Deploying innovative pick-up and delivery solutions to reduce the impact of our business on air quality, especially in urban areas. This also reduces energy costs, anticipates possible legislative changes, and helps ensure the stability of our business in the future.

Our carbon emissions and central KPI, Carbon Efficiency Index (CEX) are tracked by our internal management information system. Our GoGreen Sponsors Board – headed by the CEO – convenes regularly so that Group divisions can provide updates on their progress in implementing climate/environmental protection measures and on meeting their targets. Quarterly business review meetings are used to discuss not only operational trends, but also changes in our environmental KPIs. Any deviations from planned targets are discussed and appropriate solutions are identified and resolved. Topics that are particularly important to our environmental targets are also regularly discussed in Board of Management meetings.

Measures & KPIs
The Carbon Efficiency Index (CEX) – which has been defined as a management indicator under GAS 20 – is calculated on the basis of specific emission intensity figures for each business unit. Greenhouse gas emissions are calculated using internationally recognized standards such as the Greenhouse Gas Protocol (GHG Protocol). When calculating the CEX, we also include emissions generated by our transportation subcontractors (GHG Protocol Scope 3).

Results & objectives
Expanding our use of electromobility remains our core focus area, and also extends to our road fleet outside Germany. We also continued modernizing our air fleet in the Express division and further explored the use of sustainable synthetic fuels in our fleets.

In the year under review, we improved efficiency by a further two percentage points to 35% over the 2007 baseline. This was largely due to efficiency gains both in ocean and road freight within our Global Forwarding, Freight division, and in road transportation in the Supply Chain division. The use of green electricity at sites in our Express and Supply Chain divisions also contributed to this improvement. Our target for 2025 is to improve the energy efficiency of our transports by 50% compared to our 2007 baseline.

Efficiency principle and target

Climate & environmental protection

The transportation sector is responsible for roughly 7.5 gigatons of carbon emissions – about 14% of greenhouse gas emissions worldwide. 0.4% of this figure can be attributed to our business operations, which is why we have been designing and implementing climate and environmental protection measures for more than 15 years and have helped lead the way towards a green, sustainable future for logistics. Together with our stakeholders, we identified two main action areas for the Group in the climate and environment area: energy efficiency and climate change, and air pollution. The Group target that has been derived from this is an ambitious one: to reduce all logistics-related emissions to net zero by the year 2050. This is our contribution to helping the world community reach the two-degree goal established at the COP 21 climate conference.

We have set interim targets for 2025 for both of these action areas on our way to achieving zero-emission logistics by 2050. Additional focus areas include certifying our employees as GoGreen environment and climate experts, and reforestation.

Mission 2050 and interim targets for 2025

Our programs and partnerships support the United Nations’ Sustainable Development Goals (SDGs).

As a pioneer in sustainable logistics, we are involved in a number of industry initiatives working to establish measurement standards for greenhouse gas emissions and promote the development of sustainable alternative fuels such as biofuels and e-fuels.
Realizing environmental targets across the Group

Our Code of Conduct establishes climate and environmental protection as a core action area, while more detailed measures are specified in our Environmental and Energy Policy. Above and beyond this, it goes without saying that the Group always acts in accordance with applicable environmental laws and regulations. Additional corporate policies supplement our Environmental and Energy Policy, including our:

- **Investment Policy**: This requires new acquisitions to be demonstrably more carbon efficient than existing assets. Every new investment proposal must include calculations demonstrating this.
- **Green Electricity Policy**: The primary source of electricity throughout the Group is green power, i.e., electricity from renewable sources. Exceptions can be made if this is not available in the markets in sufficient quality or quantities, or if its application is not commercially viable. Our fleets also use liquid biofuels that, as specified in our Biofuel Policy, do not negatively impact local food production in the countries where they are produced.

Management system provides framework for action

An environmental management system based on ISO standards 14001 (Environment) and 50001 (Energy) creates a uniform framework for thinking and acting “green” at our sites, and helps us implement our Group-wide policies. Decisions on obtaining external certification of our sites are based on business relevance, consumption figures, the existence of standardized processes, and strategic importance. Where we run a facility on behalf of a customer, the latter decides whether or not it should undergo certification.

We operate a total of some 12,600 sites around the world. In the year under review, 7,338 of them – or 58% (2018: 68%) – were certified according to at least one of ISO standards 14001 and 50001. The decrease from the previous year was mainly due to the reorientation of, and associated organizational changes in, our post and parcel business in the year under review.

Environmental and climate protection measures in 2019

<table>
<thead>
<tr>
<th>Region</th>
<th>Vehicles1</th>
<th>Green electricity</th>
<th>Trees</th>
<th>Offset projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>&gt;11,100</td>
<td>87%</td>
<td>5,275</td>
<td>6,028</td>
</tr>
<tr>
<td>Americas</td>
<td>1,100</td>
<td>94%</td>
<td>1,456,000 Trees</td>
<td>751,000 Trees2</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>40</td>
<td>65%</td>
<td>875,000 Trees</td>
<td>12</td>
</tr>
<tr>
<td>Other regions</td>
<td>12 trucks</td>
<td>87%</td>
<td>1,581</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stoves</td>
<td></td>
<td>11,100</td>
<td></td>
</tr>
</tbody>
</table>

ISO-certified sites in 2019

- **Uncertified**: 14001
- **Certified**: 50001
- **Dual certification**: 12,613

<table>
<thead>
<tr>
<th>Status</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncertified</td>
<td>6,401</td>
</tr>
<tr>
<td>14001</td>
<td>5,091</td>
</tr>
<tr>
<td>50001</td>
<td>6,028</td>
</tr>
<tr>
<td>Dual certification</td>
<td>5,275</td>
</tr>
</tbody>
</table>

Targets and progress in the year under review

Our Mission 2050 includes interim targets for 2025. In the year under review, the following progress was made towards the latter:

- **Energy efficiency & climate protection**
  - Improve carbon efficiency (CEX) by 50% compared to the 2007 baseline by 2025
  - **Target for 2019**: Improve CEX by at least one index point
    - Status: Achieved
  - **Target for 2020**: Improve CEX by at least one index point
    - Status: Achieved

We also continued to make progress towards our other interim targets.

- **Energy efficiency & climate protection**
  - **Target for 2019**: Continued expansion of electromobility
    - Status: Achieved
  - **Target for 2020**: Continue to expand our use of zero-emission solutions

We have submitted our economic target – to have more than 50% of our sales incorporate green solutions by 2025 – for review, particularly in light of current developments at EU level, such as the push to establish a taxonomy of green products. Based on the results of this review, we will decide on our next steps over the course of 2020. The method used so far to calculate the economic target is described in greater detail in last year’s report. 

To meet our people target – we aim to certify 80% of our employees as GoGreen specialists – we rolled out the GoGreen curriculum across the Group in the year under review. The first foundation module training courses have already been held and we aim to make them available to employees in all the major languages by the end of 2020.

As part of our forest conservation efforts, we will join partner organizations in planting one million trees per year through 2025. More than three million trees have already been planted since 2017.

1) Not included in the review. 2) Trees planted since 2017.
Carbon efficiency & fuel consumption

As a global logistics company, we operate our own fleets and buildings around the world, and rely on additional capacity provided by transportation subcontractors. 86% of greenhouse gas emissions produced by the Group and its transportation partners are attributable to air and road transportation. However, energy consumption in our buildings and facilities also contributes to greenhouse gas emissions. We are addressing these impacts with a comprehensive efficiency management system and innovative technologies, and by continually investing in modernizing our fleets and buildings. New acquisitions of transportation vehicles or building technologies must meet our GoGreen minimum standards for heavy transports and buildings. Proof of compliance with these standards must be submitted with applications to the Investment Committee and reviewed in accordance with the Investment Policy.

BURN LESS AND BURN CLEAN

Our dual strategy of reducing energy/fuel consumption (“burn less”) while increasing the use of alternative drive systems and sustainable fuels (“burn clean”) helps reduce our dependence on fossil fuels and increase our carbon efficiency.

We believe that sustainable synthetic fuels will play a key role in the years ahead. Equally, we are well positioned to react to future regulatory changes and manage our cost of compliance. These fuels will allow us to continue to improve our dependence on fossil fuels and increase our carbon efficiency.

Sustainable subcontractor management
Our environmental targets are embedded in our Supplier Code of Conduct, which is a mandatory component of all Group contracts with subcontractors. We work closely with them on climate-friendly transportation solutions. Subcontractor management plays a particularly large role in our Global Forwarding, Freight division, where we do not operate any large fleets of our own, but primarily broker load capacity on behalf of our customers, and partner with airlines, shipping companies, freight carriers and rail companies. Here are two examples:

- We use “carrier scorecards” to integrate air and ocean freight subcontractors with our environmental efficiency measures and systematically evaluate their environmental performance. At the customer’s request, we give preference to providers with stronger environmental performance when selecting a carrier.

- In Sweden, we offer customers the option of supporting climate-friendly transportation for a small surcharge. Each time this option is requested, we use sustainable technologies or fuels to move goods a corresponding distance (tonne-kilometers) within our Swedish transportation network. Using insetting in this way rather than an offsetting solution allows us to reduce emissions in our own business. In this context, trucks equipped with climate-friendly technologies and working on behalf of DPDHL Group have covered a distance equivalent to circling the globe 800 times.

Our efficiency principle
The ongoing heavy demand for transportation solutions, due in large part to the boom in e-commerce, is also reflected in our carbon emissions and fuel consumption. By improving efficiency, we can decouple the link between increased logistics services volumes and increased greenhouse gas emissions. The baseline and reference value for carbon efficiency calculations is the ratio of greenhouse gas emissions to logistics services in 2007, with 2007 being considered to have a zero efficiency.

The bulk of greenhouse gas emissions are calculated automatically via our financial systems and the results serve as the basis for our internal and external reporting. Calculations are based on guidelines provided by the Greenhouse Gas Protocol, the Global Logistics Emissions Council, the EN 16258 standard and the requirements outlined by the European Emissions Trading System (ETS). In line with this, we do not include compensation via CO2 emissions certificates in our calculations. Subcontractor emissions are included using calculation models derived from the same standards. Efficiency gains are measured using the CEX, which is based on specific emission intensity figures for each business unit.

Emissions & fuel consumption
Carbon emissions declined slightly in the year under review. A total of 28.95 million tonnes CO2e could be attributed to our logistics services – down 2% from the adjusted prior-year figure of 29.46 million tonnes CO2e. At 6.59 million tonnes CO2e, direct emissions from our own operations (Scopes 1 and 2) amounted to 23% of total CO2e. Total carbon emissions included 0.1 million tonnes CO2e attributable to our employees’ business travel.

- Scope 1 emissions increased by 1% to 6.38 million tonnes CO2e (2018: 6.30 million tonnes CO2e). This was largely due to growth in our Express division’s air freight business.
- Scope 2 emissions decreased by 22% to 0.21 million tonnes CO2e (2018: 0.27 million tonnes CO2e). This was due in part to the increased use of renewable energy, especially in our Express, Global Forwarding, Freight and Supply Chain divisions.
- Scope 3 emissions decreased by 2% to 22.36 million tonnes CO2e (2018: 22.89 million tonnes CO2e). This is a reflection of lower air freight volumes and improved ocean freight efficiency in our Global Forwarding, Freight division – and was sufficient to offset the increase in emissions at Express.

Use packstations to reduce delivery tours and emissions
Continuous improvements in efficiency

We improved efficiency by 2 percentage points in the year under review to a total of 35% above the 2007 baseline. This was achieved mainly through efficiency improvements in our Global Forwarding, Freight and Supply Chain divisions.

- **Post & Parcel Germany**: The CEX was up 2 index points over the prior-year figure, largely due to the decline in the percentage of import and export volumes in the mail business.
- **Express**: Efficiency remained at the prior-year level due to increased use of renewable energy at our sites.
- **Global Forwarding, Freight**: Efficiency gains in both our ocean freight and road freight businesses combined to push the CEX 2 index points higher than in the prior-year.
- **Supply Chain**: The CEX improved by 3 index points thanks to greater use of renewable energy in our warehouses and improved efficiency in distribution from warehouse to customer.
- **eCommerce Solutions**: At 24 index points, the CEX remained at the prior-year level.

By the end of 2020, we want to improve our CEX score by at least one additional index point, to 36%, by year’s end. By 2025, our goal is to achieve an efficiency improvement of 50% compared to the 2007 baseline.

### Efficiency gains in fleets & buildings

In addition to continually modernizing our fleets and increasing our use of renewable energy, we actively promote e-mobility and are engaged in a variety of initiatives to promote the development and use of alternative, sustainable fuels. We are also involved in local noise abatement initiatives. In the year under review, we published a position paper on the use of sustainable synthetic fuels. The paper aims to stimulate public debate and highlight the fact that this new generation of fuels is currently the only alternative for achieving real reductions in greenhouse gas emissions in air and ocean freight in particular. During the year under review, road transportation fuel consumption fell to 4,442 million kWh (2018: 4,592 million kWh) as a result of efficiency measures.

### Air fleet upgrade continued

We continued upgrading our fleet of 260 dedicated cargo aircraft, which includes smaller feeder aircraft, in the year under review. In 2019, four of the 14 aircraft ordered in 2018 to replace older planes were put into service. These will generate roughly 18% less carbon emissions and contribute to improved fuel and emissions efficiency. The next six aircraft are scheduled to be operational in 2020.

We recorded a further increase in Express transportation volumes in the reporting year, resulting in higher fuel consumption and carbon emissions. We were unable to offset this increase despite the positive effects of improved route and network optimization. At 19,032 million kWh, fuel consumption in 2019 was 2% higher than the previous year (2018: 18,598 million kWh). Air transportation operations generated 4.94 million tonnes CO₂ (2018: 4.82 million tonnes CO₂e), accounting for 75% of our Scope 1 and Scope 2 CO₂e emissions.

### Modern, efficient road fleet

Our road transportation operations rely on our own fleet of around 103,600 vehicles worldwide, including some 12,900 with alternative drive systems. We implement any one of many different efficiency measures – or a combination of several of them – to achieve efficiency gains, based on factors such as the requirements profile, vehicle type and route.

### Road fleet by vehicle category

Total: 103,573 vehicles

- **72% Vans**
- **11% Cars**
- **17% Trucks**

Technological innovations in the field of aerodynamics, lightweight vehicle design, speed limiting systems and low rolling resistance tires are helping us reduce fuel consumption in our conventional fuel vehicles. We also rely increasingly on alternative drive systems and fuels. The primary focus here is on electromobility for short-distance transportation. For long-haul transportation, we are testing the use of sustainably produced biofuels and LPG drive systems. For heavy transports, i.e., trucks with a gross vehicle weight of over 7.5 tonnes, we have defined minimum standards across the Group.

We also achieve efficiency gains through intelligent network and route planning, and the use of alternative modes of transportation. Increased digitalization means that recording data via sensors and apps is becoming easier and easier, further improving our ability to connect logistics chains across continents and optimize processes.
Green electricity reduces share of emissions from buildings
Just 2% of our overall CO₂e emissions can be attributed to the approx. 12,600 sites we operate worldwide. This is primarily due to the increased use of new building technologies and the high percentage of green electricity used. We also train our employees how to use the technologies so that they can play an active role in helping us conserve resources.

Green electricity already meets 83% of our total electricity demands across the Group and meets our requirements almost entirely in 27 countries. We will continue to increase our use of green electricity where this is commercially viable and it is available in sufficient quality/quantities in the markets concerned.

Energy consumption in our buildings and facilities was 3,139 million kWh in the year under review (2018: 3,194 million kWh) – around 2% down on the prior-year level. We were once again able to avoid 0.54 million tonnes CO₂e emissions (2018: 0.53 million tonnes CO₂e), primarily through the use of green electricity.

Examples (not included in the review):
- In Panama, photovoltaics provide 82% of the energy required at one of our sites. In 2019, this led to 6.5 tonnes CO₂e emissions being saved.
- Tampere, Finland is the site of our first zero-emission facility, which combines state-of-the-art photovoltaics with geothermal systems for heating and cooling.
- Our logistics center at Cologne-Bonn Airport in Germany uses an ice energy storage system with a holding capacity of over 1.3 million liters for heating and cooling. Used in combination with a heat pump and photovoltaics, this system is also entirely emissions free.

Reducing air pollution
Burning fossil fuels results in local air pollutants such as mono-nitrogen oxides (NOₓ), sulfur dioxide (SO₂) and particulate matter (PM₁₀), which negatively impact air quality, especially in urban areas. Our business model bears a share of this responsibility, which is why we want to minimize air pollution with zero-emission solutions such as pick-up and delivery by foot, bicycle and electric vehicle.

By 2025, we want to reduce local air pollution emissions by operating 70% of our own first and last mile services with zero-emission solutions. This applies exclusively to our own services (GHG Protocol Scopes 1 and 2). We continuously optimize our pick-up and delivery routes, with increased focus on delivery by foot, bicycle, or full or partial e-mobility. In the year under review, the percentage of such pick-up and delivery solutions was already at 33%. As planned, we rolled out e-mobility solutions outside Germany as well. In 2020, we will continue to expand our use of zero-emission solutions for first and last mile services.

Zero-emission delivery
In our Post & Parcel Germany division, we already use some 27,000 bicycles, including 13,000 e-bikes and 235 cargo bikes, for pick-up and delivery operations. In the year under review, we added 1,500 new e-bikes to our bicycle fleet.

As part of our City Hub solution, Express division couriers use cargo bikes to pick up and load pre-sorted delivery containers at central points. The concept has already been successfully deployed in numerous European cities. By replacing a conventional delivery van, a single Cubicycle electric cargo bike can save up to 8 tonnes CO₂e per year. The year under review

Zero-emission delivery in Germany in 2019

Zero-emission delivery in Germany in 2019

No. delivery districts: 68,091

4% Delivery on foot
22% Delivery by bicycle
15% E-vehicles
59% Other

StreetScooter in figures

- 10,802 StreetScooters
- 14,460 charging stations
- 120 million kilometers driven
- Carbon savings of 39,600 tonnes

1) Not included in the review.

1) Post & Parcel Germany in 2019.

1) Countries in which green electricity needs are met: Argentina, Belgium, Bragg, Canada, Colombia, Czechia, Denmark, Germany, Ireland, Italy, Japan, Korea, Latvia, Netherlands, Norway, Poland, Portugal, Romania, Russia, Saudi Arabia, South Africa, Sweden, Taiwan, Thailand, Turkey, UK, USA, Vietnam. 2) Inc. district heating.
also saw Cubicycles introduced to Dublin, Rotterdam, Groening, Frankfurt, Copenhagen, Turku and Vienna, where they help reduce noise pollution and take some of the pressure off the parking problem in cities.

**ONE CARGO BIKE CAN SAVE UP TO 8 TONNES OF CARBON EMISSIONS**

Increased proportion of alternative drive systems (not included in the review)

We already use 13,532 vehicles with alternative drive systems within the Group, including 11,610 electric vehicles.

As there is still no single solution for significantly reducing fossil fuel consumption or avoiding emissions in logistics, we are testing and deploying a number of promising alternative technologies and measures in our fleets and at our sites, including electric vehicles up to and including plug-in hybrids for short trips and fuel cell vehicles and vehicles powered by sustainable liquid fuels such as biodiesel over longer distances.

**Examples (not included in the review):**

- **Electric trucks:** We are already piloting 6 electric trucks (up to 7.5 t) in Germany and 3 heavy-duty electric trucks (12 t) in the Netherlands.

- **Photovoltaics powering onboard electronics:** We are fitting vehicles and trailers with two-millimeter thick solar mats developed by TRAILAR, a start-up founded by Group employees. Over 500 trucks have already been fitted with the mats, which can save up to 4.5 tonnes of carbon emissions per vehicle per year and reduce fuel consumption by up to 5%. In 2020, TRAILAR will launch on the international market.

We continuously upgrade our conventional vehicles in accordance with the latest emissions standards. By optimizing pick-up and delivery routes, we also help minimize the impact on air quality in urban areas. 80% of vehicles in our conventional road fleet were compliant with Euro 5 or Euro 6 standards, or were entirely emissions-free (ZEV).

### Green products

**We offer our customers a range of green products that help them understand their environmental footprint and give them the option of minimizing that impact by using alternative modes of transportation or offsetting emissions.**

**Our product portfolio**

Our mix of standardized and customized products helps customers achieve their own climate targets and make their supply chains greener.

- **Carbon Reports:** As a service to our customers, we measure the greenhouse gas emissions resulting from the transportation and logistics services we provide to them, and make this information available in various formats.

- **Climate neutral products:** Customers can offset their transportation and logistics-related greenhouse gas emissions with Gold Standard certified climate projects.

One example of this is our own climate protection project in Lesotho. In the year under review, we transported some two billion climate neutral shipments, which we estimate would have required an offset of around 270,000 tonnes CO₂e (2018: 250,000 tonnes CO₂e). The review was concluded after the publication date of this report. Our own climate project in Lesotho generated some 30,000 CO₂ emissions certificates in 2019. The project has already saved around 150,000 tonnes CO₂e since its launch in 2012.

**THE LESOTHO PROJECT OFFSETS 150,000 t OF CARBON EMISSIONS**

**Green optimization:** Our experts analyze our customers’ entire supply chains and generate tailored solutions for them—from designs for multimodal logistics networks to warehouse logistics solutions. Along with the environmental benefits, these analyses also help identify cost-savings potential.

**Training & reforesting**

We believe that employee engagement can make a key contribution to realizing our environmental targets. We plan to certify 80% of our employees as GoGreen specialists by 2025 so as to actively involve staff in our environmental and climate protection activities. We are also engaged in forest conservation, and will be planting one million trees a year through 2025 together with recognized partner organizations.

**Becoming a GoGreen specialist**

Our GoGreen Certified training for employees is designed to not only enhance their basic theoretical understanding of environmental protection, but also empower them to support the Group’s environmental targets in their daily work. The curriculum consists of a foundation module plus additional optional modules focused on the individual divisions and their respective requirements. By year-end, around 20,000 employees had successfully completed the foundation module. In 2020, the modules will be made available to Group employees in the most frequently used languages.

**Over three million trees already planted**

Forests support and protect both people and the environment in diverse ways. Capturing CO₂ from the air to mitigate greenhouse warming is one of the many ecosystem services they provide. The majority of the trees used in our
reforestation efforts will be planted by our partner organizations – recognized charities, NGOs and national forestry authorities around the world – since they are most familiar with local conditions and habitats. In the year under review, employees once again joined with partner organizations to plant over one million trees, raising our total contribution so far to more than three million trees in support of global reforestation efforts.

### Other environmental aspects

Issues such as noise pollution, waste, natural resources and biodiversity are not considered material issues by the company or our stakeholders, since our business model does not have a serious environmental impact in these areas. We nevertheless consider these issues to be socially relevant, and report on them briefly in this report.

- **Noise pollution:** Management at Group sites located in or near residential areas works closely with residents and other stakeholders to ensure that any noise pollution we cause is kept to an acceptable minimum. Our increased use of electric vehicles for pick-up and delivery and the modernization of our air fleet is also helping to reduce noise pollution.

- **Waste and recycling:** We try to avoid waste such as transportation packaging or office-based paper waste whenever possible and take increasing advantage of digitalization to do so. We also support materials recycling, contributing to the circular economy. Maintenance and decommissioning or scrapping of our aircraft, road vehicles and IT equipment is generally the responsibility of the manufacturer or other third-party providers. Our maintenance and disposal contracts include explicit requirements for compliance with environmentally-friendly practices. Although waste is not considered a material issue, waste separation is the standard procedure at many of our sites. Waste is recorded and properly disposed of under our local environmental management systems. We also share our know-how with customers, such as offering major customers in Brazil a reusable and recyclable packaging solution for pallet transport.

- **Natural resources:** We use only recycled paper products where these meet our technical and economic requirements. We are reducing our paper usage and packaging volumes to help lower demand for virgin paper and collaborate closely with experts and customers in this area. Water is used primarily for drinking and sanitation at our facilities, and is obtained largely from municipal suppliers and discharged into public sewage systems. We implement measures to minimize water consumption as part of our environmental management activities. For new construction projects, we also look to install water recovery systems and water-efficient sanitary installations where possible. As water consumption and disposal are not among our material environmental issues, we report only on consumption in Germany and do not record data on Group-wide water usage. Page 108

- **Biodiversity:** Our business operations generally do not have a negative impact on conservation areas or endangered protected plant or animal species, since our sites are predominantly located in urban areas or designated industrial and commercial zones. Nevertheless, our business activity still has an impact on ecosystems through greenhouse gas emissions, air pollution, resource consumption and other environmental factors. This is why, for example, our Group-wide Policy on the Usage of Liquid Biofuels also addresses biodiversity aspects in the countries where biofuels are produced. Additionally, we support the United Nation’s Convention on Biological Diversity. Our terms and conditions explicitly prohibit the use of our network to transport protected plant and animal species. We are a member of the United for Wildlife Transport Taskforce. In Thailand in particular, we are involved in efforts to stop wildlife trade, and held a workshop on the issue to raise awareness among our employees.
# Employees

## Employees (headcount)

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*Part-time employees [%]*

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## Full-time equivalents (FTE)

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*Part-time employees [%]*

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## Employees (annual average)

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<tr>
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*Part-time employees [%]*

<table>
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<th>Asia Pacific</th>
<th>Americas</th>
<th>Other regions</th>
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</thead>
<tbody>
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<td>2014</td>
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<td>72,121</td>
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<td>44,737</td>
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<td>2016</td>
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<td>2017</td>
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<td>75,045</td>
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<tr>
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<td>77,694</td>
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<tr>
<td>2019</td>
<td>190,263</td>
<td>77,977</td>
<td>45,412</td>
<td>20,150</td>
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</table>

## Full-time equivalents (FTE) (annual average)

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</tr>
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*Part-time employees [%]*

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<th>Americas</th>
<th>Other regions</th>
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<tbody>
<tr>
<td>2014</td>
<td>200,868</td>
<td>72,121</td>
<td>47,079</td>
<td>18,033</td>
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<tr>
<td>2015</td>
<td>206,686</td>
<td>72,723</td>
<td>44,737</td>
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<td>2016</td>
<td>214,873</td>
<td>73,915</td>
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<td>2017</td>
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<td>75,045</td>
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<tr>
<td>2018</td>
<td>192,244</td>
<td>77,694</td>
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<td>19,081</td>
</tr>
<tr>
<td>2019</td>
<td>190,263</td>
<td>77,977</td>
<td>45,412</td>
<td>20,150</td>
</tr>
</tbody>
</table>

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n. r. = not reported  
1) Excl. apprentices and trainees  
2) Adjusted, according to note 9 to the consolidated financial statements, 2019 Annual Report.
### Employee age structure

<table>
<thead>
<tr>
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<th>2018</th>
<th>2019</th>
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<tbody>
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<td></td>
<td>Average employee age</td>
<td>Percentage of employees</td>
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<tr>
<td></td>
<td>26 and under</td>
<td>27 and over</td>
<td>55 and over</td>
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<td>41</td>
<td>41</td>
<td>41</td>
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<tr>
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<td>41</td>
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<tr>
<td>Germany</td>
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<td>45</td>
<td>45</td>
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<tr>
<td>Americas</td>
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<td>18</td>
<td>10</td>
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<td>Other regions</td>
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<td>57</td>
<td>41</td>
<td>37</td>
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<tr>
<td><strong>By division</strong></td>
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<td></td>
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<tr>
<td>Post &amp; Parcel Germany</td>
<td>-</td>
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<td>-</td>
<td>44</td>
</tr>
<tr>
<td>Express</td>
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<td>-</td>
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<tr>
<td>Corporate Functions</td>
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<td>-</td>
<td>-</td>
<td>44</td>
</tr>
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<td><strong>Temporary external FTEs (with internal reporting lines) (annual average)</strong></td>
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<td>2019</td>
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</tr>
<tr>
<td>By region</td>
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### Employee turnover (%)

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<td><em>Increase Planned employee turnover</em></td>
<td>6.4</td>
<td>7.7</td>
<td>7.6</td>
<td>8.0</td>
<td>9.1</td>
<td>9.0</td>
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<td><em>Employee turnover int management</em></td>
<td>-</td>
<td>-</td>
<td>6.7</td>
<td>4.4</td>
<td>11</td>
<td>75</td>
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<tr>
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<td>81.1</td>
<td>78.5</td>
<td>80.1</td>
<td>78.7</td>
<td>82.6</td>
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### Employees with working time accounts

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<th>2017</th>
<th>2018</th>
<th>2019</th>
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<td>-</td>
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<td>4,172</td>
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<td>3,305</td>
<td>4,307</td>
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</table>

### Employees with disabilities in Germany

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<tbody>
<tr>
<td><strong>Group</strong></td>
<td>14,741</td>
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<td>15,456</td>
<td>15,534</td>
<td>15,610</td>
<td>15,882</td>
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<tr>
<td><strong>Percentage of total employees (%)</strong></td>
<td>9.1</td>
<td>9.6</td>
<td>10.0</td>
<td>10.4</td>
<td>10.6</td>
<td>11.1</td>
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### Results of the Group-wide Employee Opinion Survey (%)  

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<tr>
<td><strong>Participation rate Group-wide</strong></td>
<td>73</td>
<td>74</td>
<td>76</td>
<td>76</td>
<td>76</td>
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<td><strong>Approval rating by category Group-wide</strong></td>
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<tr>
<td>Employee Engagement <strong>[relevant for executive bonus payments as of 2015]</strong></td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>76</td>
<td>76</td>
<td>77</td>
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<tr>
<td>Actioal Leadership <strong>[relevant for executive bonus payments until 2018]</strong></td>
<td>73</td>
<td>74</td>
<td>75</td>
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<tr>
<td>Customer Centricity &amp; Quality</td>
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<td>80</td>
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<td>Future &amp; Strategy</td>
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<td>Continuous Improvement</td>
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<td>Group Responsibility</td>
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<td><strong>Performance Enablement Index</strong></td>
<td>90</td>
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### Share of women in management  

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<td><strong>Governing bodies</strong></td>
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<td></td>
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<tr>
<td>Board of Management**</td>
<td>14.1</td>
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<td>14.3</td>
<td>14.3</td>
<td>14.1</td>
<td>12.5</td>
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<td>Supervisory Board**</td>
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<td>40.0</td>
<td>35.0</td>
<td>35.0</td>
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<td><strong>Upper and middle management</strong></td>
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<td>Group</td>
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<td>21.5</td>
<td>22.1</td>
<td>22.2</td>
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<td>of which: Upper management</td>
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<td>18.1</td>
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<td>19.3</td>
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<tr>
<td>Middle management</td>
<td>-</td>
<td>23.6</td>
<td>23.7</td>
<td>23.3</td>
<td>24.0</td>
<td>25.3</td>
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<tr>
<td><strong>By region</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Europe</td>
<td>20.5</td>
<td>20.8</td>
<td>21.4</td>
<td>21.9</td>
<td>22.4</td>
<td>23.0</td>
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<tr>
<td>of which Europe excl. Germany</td>
<td>-</td>
<td>20.5</td>
<td>21.0</td>
<td>21.5</td>
<td>22.1</td>
<td>23.0</td>
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<tr>
<td>Germany</td>
<td>21.1</td>
<td>20.6</td>
<td>20.7</td>
<td>21.3</td>
<td>21.6</td>
<td>21.8</td>
</tr>
<tr>
<td>Americas</td>
<td>-</td>
<td>19.7</td>
<td>20.1</td>
<td>20.8</td>
<td>20.9</td>
<td>20.6</td>
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<tr>
<td>Asia Pacific</td>
<td>-</td>
<td>23.4</td>
<td>23.6</td>
<td>23.4</td>
<td>25.2</td>
<td>24.7</td>
</tr>
<tr>
<td>Other regions</td>
<td>-</td>
<td>17.4</td>
<td>17.8</td>
<td>19.2</td>
<td>19.1</td>
<td>18.5</td>
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<tr>
<td><strong>By division</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Post &amp; Parcel Germany</td>
<td>20.6</td>
<td>21.8</td>
<td>21.2</td>
<td>21.2</td>
<td>21.2</td>
<td>21.5</td>
</tr>
<tr>
<td>Express</td>
<td>-</td>
<td>20.9</td>
<td>20.7</td>
<td>21.2</td>
<td>22.5</td>
<td>22.8</td>
</tr>
<tr>
<td>Global Forwarding, Freight</td>
<td>-</td>
<td>19.6</td>
<td>20.5</td>
<td>21.6</td>
<td>20.3</td>
<td>21.0</td>
</tr>
<tr>
<td>Supply Chain</td>
<td>-</td>
<td>19.6</td>
<td>20.5</td>
<td>20.5</td>
<td>21.6</td>
<td>21.1</td>
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<td>eCommerce Solutions</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Corporate Functions</td>
<td>-</td>
<td>25.0</td>
<td>24.4</td>
<td>24.7</td>
<td>24.7</td>
<td>24.4</td>
</tr>
</tbody>
</table>

(1) Adjusted, according to note 9 to the consolidated financial statements, 2019 Annual Report.

### Learning and development  

<table>
<thead>
<tr>
<th></th>
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<tr>
<td><strong>Time invested and satisfaction Group-wide</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Training days per employee**</td>
<td>12.2</td>
<td>14.1</td>
<td>14.7</td>
<td>14.9</td>
<td>14.3</td>
<td>12.7</td>
</tr>
<tr>
<td>Training days per full-time employee**</td>
<td>n.c.</td>
<td>n.c.</td>
<td>n.c.</td>
<td>n.c.</td>
<td>n.c.</td>
<td>n.c.</td>
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<tr>
<td>Training offering satisfaction rate</td>
<td>71</td>
<td>79</td>
<td>81</td>
<td>81</td>
<td>82</td>
<td>81</td>
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<tr>
<td><strong>Costs for learning and development</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Training costs per employee (€)</td>
<td>150</td>
<td>149</td>
<td>145</td>
<td>155</td>
<td>152</td>
<td>153</td>
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<tr>
<td>Training costs per full-time equivalent (€)</td>
<td>164</td>
<td>165</td>
<td>159</td>
<td>172</td>
<td>168</td>
<td>169</td>
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</tbody>
</table>

(1) Group average rate 40% as of 2015, previously 35%. (2) Calculated based on headcount. (3) Annual average. (4) Corresponds to the learning & development indicator in the annual Employee Opinion Survey Participation rate: 77% (2019). (5) The costs were calculated in accordance with note 6 to the consolidated financial statements in the Annual Report.

---

1) Adjusted, according to note 9 to the consolidated financial statements. 2) Calculation based on headcount/FTEs (annual average). 3) Corresponds to the Learning & Development indicator in the annual Employee Opinion survey. Participation rate: 77% (2019). 4) The costs were calculated in accordance with note 6 to the consolidated financial statements in the Annual Report.
### Workplace Accident Statistics

| Year | 2014* | 2015* | 2016* | 2017* | 2018* | 2019*
|------|-------|-------|-------|-------|-------|-------|
| LTIFR (workplace accidents per 200,000 hours worked) | 4.2 | 4.0 | 4.4 | 4.3 | 4.3 | 4.2

By Region:

- **Europe**:
  - n. r.
  - 6.5
  - 6.4
  - 7.2
  - 6.8
  - 6.7
- **of which Europe excl. Germany**:
  - n. r.
  - 1.6
  - 1.5
  - 1.9
  - 1.9
  - 1.6
- **Germany**:
  - n. r.
  - 10.2
  - 10.6
  - 11.6
  - 10.9
  - 11.0
- **Americas**:
  - n. r.
  - 1.5
  - 1.5
  - 2.2
  - 1.5
  - 1.2
- **Asia Pacific**:
  - n. r.
  - 0.5
  - 0.5
  - 0.8
  - 0.4
  - 0.4
- **Other regions**:
  - n. r.
  - 0.8
  - 1.9
  - 0.7
  - 0.9
  - 0.8

By Division:

- **Post & Parcel Germany**:
  - 10.1
  - 10.0
  - 10.2
  - 10.9
  - 12.1
  - 12.5
- **Express**:
  - 3.5
  - 2.8
  - 3.0
  - 3.1
  - 3.1
  - 2.4
- **Global Forwarding, Freight**:
  - 1.0
  - 0.9
  - 1.0
  - 1.0
  - 0.9
  - 0.9
- **Supply Chain**:
  - 0.7
  - 0.8
  - 0.6
  - 0.6
  - 0.7
  - 0.6
- **eCommerce Solutions**:
  - n. r.
  - n. r.
  - n. r.
  - n. r.
  - n. r.
  - n. r.
- **Corporate Functions**:
  - 0.5
  - 0.5
  - 0.4
  - 0.4
  - 0.8
  - 0.4

Other Key Figures:

- **Working days lost per accident**: 14.2
- **Fatality rate resulting from workplace accidents**: 4
- **of which due to road-traffic accidents**: 1

n. r. = not reported. 1) Group coverage rate: 100% as of 2018, 99% in 2017, 99% from 2015, 98% in 2014. 2) Not included in the review. 3) Including temporary external staff with internal reporting lines. 4) Adjusted, according to note 9 to the consolidated financial statements, 2019 Annual Report.

### Sickness Rate (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td>Group</td>
<td>4.9</td>
<td>5.1</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
</tr>
</tbody>
</table>

By Region:

- **Europe**:
  - 7.0
  - 7.2
  - 7.5
  - 7.6
  - 7.6
  - 7.8
- **of which Europe excl. Germany**:
  - 4.1
  - 4.2
  - 4.0
  - 4.2
  - 4.5
  - 4.6
- **Germany**:
  - 8.6
  - 9.1
  - 9.4
  - 9.7
  - 9.7
  - 9.7
- **Americas**:
  - 1.6
  - 1.7
  - 1.7
  - 1.8
  - 1.8
  - 1.9
- **Asia Pacific**:
  - 3.3
  - 3.5
  - 3.7
  - 3.6
  - 3.6
  - 3.7
- **Other regions**:
  - 1.0
  - 1.2
  - 1.2
  - 1.7
  - 1.5
  - 1.4

By Division:

- **Post & Parcel Germany**:
  - n. r.
  - n. r.
  - n. r.
  - n. r.
  - 10.1
  - 10.2
- **Express**:
  - n. r.
  - n. r.
  - n. r.
  - n. r.
  - 2.6
  - 2.7
- **Global Forwarding, Freight**:
  - n. r.
  - n. r.
  - n. r.
  - n. r.
  - 2.9
  - 3.1
- **Supply Chain**:
  - n. r.
  - n. r.
  - n. r.
  - n. r.
  - 5.2
  - 5.5
- **eCommerce Solutions**:
  - n. r.
  - n. r.
  - n. r.
  - n. r.
  - 2.0
  - 2.3
- **Corporate Functions**:
  - n. r.
  - n. r.
  - n. r.
  - n. r.
  - 4.6
  - 4.7

n. r. = not reported. 1) Group coverage rate: 100% since 2017, 98% in 2016, 97% in 2015, 94% in 2014. 2) Adjusted, according to note 9 to the consolidated financial statements, 2019 Annual Report.
## CO₂ emissions (million tonnes)

<table>
<thead>
<tr>
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<td>Group¹</td>
<td>18.31</td>
<td>19.03</td>
<td>17.02</td>
<td>16.86</td>
<td>16.86</td>
<td>16.86</td>
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<tr>
<td>of which Scope 1</td>
<td>5.13</td>
<td>5.22</td>
<td>5.8</td>
<td>5.68</td>
<td>5.90</td>
<td>6.30</td>
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<td>Scope 2</td>
<td>0.49</td>
<td>0.44</td>
<td>0.45</td>
<td>0.57</td>
<td>0.49</td>
<td>0.27</td>
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<tr>
<td>Scope 3</td>
<td>22.65</td>
<td>25.16</td>
<td>20.97</td>
<td>20.81</td>
<td>22.52</td>
<td>22.89</td>
</tr>
</tbody>
</table>

### By division

- **Post & Parcel Germany**¹
  - 1.56 | 1.6 | 1.69 | 1.85 | 2.14 | 1.36 | 1.36 |
  - of which Scope 1 | 0.49 | 0.48 | 0.48 | 0.53 | 0.54 | 0.56 | 0.56 |
  - Scope 2 | 0.07 | 0.08 | 0.08 | 0.09 | 0.09 | 0.09 | 0.09 |
  - Scope 3 | 0.99 | 0.04 | 1.11 | 1.29 | 1.51 | 0.95 | 0.96 |

- **Express**³
  - of which Scope 1 | 1.77 | 1.89 | 2.42 | 2.54 | 2.63 | 2.96 | 3.07 |
  - Scope 2 | 0.11 | 0.12 | 0.11 | 0.11 | 0.11 | 0.07 | 0.06 |
  - Scope 3 | 6.22 | 6.63 | 6.81 | 6.71 | 6.81 | 7.15 | 7.19 |

- **Global Forwarding, Freight**³
  - 16.69 | 16.47 | 14.18 | 13.76 | 15.10 | 14.79 | 14.02 |
  - of which Scope 1 | 5.16 | 5.14 | 4.14 | 4.12 | 4.09 | 3.96 | 3.87 |
  - Scope 2 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
  - Scope 3 | 11.48 | 11.23 | 9.91 | 9.59 | 10.05 | 9.88 | 9.10 |

- **Supply Chain**³
  - 2.18 | 2.56 | 2.21 | 2.19 | 2.27 | 2.08 | 1.90 |
  - of which Scope 1 | 0.68 | 0.68 | 0.67 | 0.66 | 0.66 | 0.64 | 0.58 |
  - Scope 2 | 0.1 | 0.16 | 0.15 | 0.15 | 0.15 | 0.08 | 0.09 |
  - Scope 3 | 1.3 | 1.35 | 1.39 | 1.36 | 1.46 | 1.44 | 1.32 |

- **eCommerce Solutions¹**
  - - | - | - | - | - | - | - |
  - of which Scope 1 | - | - | - | - | - | - | - |
  - Scope 2 | - | - | - | - | - | 0.2 | 0.2 |
  - Scope 3 | - | - | - | - | - | 0.64 | 0.64 |

¹ Adjusted. ² After consolidation of Scope 1 emissions from intercompany business activities, including Corporate Functions. ³ New organizational structure, effective Jan. 1, 2019.

### Scope 2 CO₂ emissions (million tonnes)

- **market-based method**
  - 2015 | 2016 | 2017 | 2018¹
  - Post & Parcel Germany¹ | 0.45 | 0.37 | 0.44 | 0.27 |
- **location-based method**
  - 2019
  - Total | 0.90 | 0.81 | 0.88 | 0.80 | 0.75 |
- **Purchasing goods and services**
  - 2017 | 0.21 | 0.28 | 0.19 | 0.27 | 0.15 | 0.18 |
- **Capital goods**
  - 2018 | 0.05 | 0.05 | 0.09 | 0.05 | 0.05 | 0.05 |
- **Fuel and energy-related activities**
  - 2016 | 0.26 | 0.26 | 0.19 | 0.27 | 0.15 | 0.18 |
- **Extraction, production and transportation**
  - 2015 | 0.19 | 0.29 | 0.15 | 0.15 | 0.15 | 0.15 |
- **Distribution losses from the generation of electricity, district heating and cooling**
  - 2018 | 0.17 | 0.17 | 0.26 | 0.26 | 0.14 | 0.19 |
- **Road transport**
  - 2017 | 0.05 | 0.05 | 0.08 | 0.02 | 0.04 | 0.04 |
- **Kerosene**
  - 2018 | 0.05 | 0.05 | 0.08 | 0.02 | 0.04 | 0.04 |
- **Ocean transport**
  - 2016 | 0.53 | 0.53 | 0.41 | 0.41 | 0.38 | 0.35 |
- **Air transport**
  - 2015 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 |
- **Subcontracted transports**
  - 2019 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.04 |

¹ Including Corporate Functions. ² New organizational structure, effective Jan. 1, 2019. ³ Adjusted.

## Scope 3 CO₂ emissions (million tonnes)

### Activities included

1. Purchasing goods and services
2. Capital goods
3. Fuel and energy-related activities
4. Upstream transportation and distribution
5. of which – Transportation services
6. Non-applicable GHG categories

### Calculation methodology

- DEFFRA reporting guidance
- IPCC Guidelines, International Energy Agency, EN 16258
- All
- DEFFRA reporting guidance
- As value in partners usually do not disclose fuel types used, emissions were calculated assuming most common fuel types and emission factors provided in the EN 16258 standard.
- Data from operational and business intelligence systems, emission factors for air, ocean and road transport
- Data from operational and business intelligence systems, emission factors for air, ocean and road transport
- Defra reporting guidance
- Data from operational and business intelligence systems, emission factors for air, ocean and road transport
- Data from operational and business intelligence systems, emission factors for air, ocean and road transport
- Data from operational and business intelligence systems, emission factors for air, ocean and road transport
- Data from operational and business intelligence systems, emission factors for air, ocean and road transport
- Data from operational and business intelligence systems, emission factors for air, ocean and road transport
- Data from operational and business intelligence systems, emission factors for air, ocean and road transport

## Local air pollutants Scope 1 (tonnes)

---|---|---|---|---|---|---
Total mono-nitrogen oxides (NOₓ) | 32,518 | 31,965 | 32,352 | 35,754 | 36,976 | 39,795 | 41,223
of which Road transport | 18,178 | 17,625 | 15,971 | 15,634 | 15,739 | 16,844 | 16,450
Air transport | 14,540 | 14,540 | 14,381 | 20,120 | 21,237 | 22,951 | 24,773
Total sulfur dioxide (SO₂) | 1,195 | 1,129 | 1,157 | 1,043 | 1,053 | 1,148 | 1,157
of which Road transport | 1,150 | 1,150 | 1,315 | 1,123 | 1,185 | 1,278 | 1,308
Air transport | 44 | 44 | 44 | 44 | 44 | 44 | 44
Total particulate matter (PM₁₀) | 1,195 | 1,195 | 1,315 | 1,043 | 1,053 | 1,148 | 1,157
of which Road transport | 1,195 | 1,195 | 1,315 | 1,043 | 1,053 | 1,148 | 1,157
Air transport | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05
## Fleet – road transport

<table>
<thead>
<tr>
<th>Year</th>
<th>Total vehicles</th>
<th>Vans</th>
<th>Trucks</th>
<th>Cars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>91,973</td>
<td>63,650</td>
<td>11,171</td>
<td>17,152</td>
</tr>
<tr>
<td>2015</td>
<td>92,328</td>
<td>63,771</td>
<td>11,227</td>
<td>17,330</td>
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<tr>
<td>2016</td>
<td>97,165</td>
<td>67,222</td>
<td>12,096</td>
<td>17,847</td>
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<tr>
<td>2017</td>
<td>98,478</td>
<td>69,809</td>
<td>10,990</td>
<td>17,679</td>
</tr>
<tr>
<td>2018</td>
<td>103,573</td>
<td>74,548</td>
<td>11,330</td>
<td>17,695</td>
</tr>
</tbody>
</table>

### Vehicles by Euronorm class

- **Total vehicles**
  - 2014: 66,284
  - 2015: 63,861
  - 2016: 69,709
  - 2017: 74,900
  - 2018: 75,638

- **ZEV (zero emission vehicles)**
  - 2018: 6,040
  - 2019: 9,114
  - 2020: 11,161

- **Euro 6**
  - 2014: 4,592
  - 2015: 8,701
  - 2016: 12,613
  - 2017: 17,321
  - 2018: 19,671

- **Euro 5 + EEV**
  - 2014: 43,640
  - 2015: 39,542
  - 2016: 36,768
  - 2017: 35,173
  - 2018: 33,688

- **Euro 4**
  - 2014: 18,052
  - 2015: 15,618
  - 2016: 14,288
  - 2017: 13,292
  - 2018: 11,118

### Total vehicles with alternative drive systems

- 2012: 1,976
- 2013: 2,886
- 2014: 4,177
- 2015: 7,896
- 2016: 10,843
- 2017: 13,532

### Water use

<table>
<thead>
<tr>
<th>Year</th>
<th>Group water consumption in Germany (mil. liters)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,102</td>
</tr>
<tr>
<td>2013</td>
<td>1,363</td>
</tr>
<tr>
<td>2014</td>
<td>1,097</td>
</tr>
<tr>
<td>2015</td>
<td>1,054</td>
</tr>
<tr>
<td>2016</td>
<td>1,438</td>
</tr>
<tr>
<td>2017</td>
<td>1,119</td>
</tr>
<tr>
<td>2018</td>
<td>1,096</td>
</tr>
<tr>
<td>2019</td>
<td>1,161</td>
</tr>
</tbody>
</table>

### Local projects

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of projects</th>
<th>Employees involved in projects</th>
<th>Corporate Citizenship Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>110,270</td>
<td>105,804</td>
<td>77</td>
</tr>
<tr>
<td>2016</td>
<td>101,533</td>
<td>122,911</td>
<td>79</td>
</tr>
<tr>
<td>2017</td>
<td>112,911</td>
<td>135,027</td>
<td>77</td>
</tr>
<tr>
<td>2018</td>
<td>114,239</td>
<td>137,841</td>
<td>79</td>
</tr>
</tbody>
</table>

### Key figures

- **Revenue (€m)**
  - 2014: 56,430
  - 2015: 59,230
  - 2016: 57,314
  - 2017: 60,446
  - 2018: 61,550
  - 2019: 65,245

- **EBIT (€m)**
  - 2014: 2,965
  - 2015: 2,411
  - 2016: 3,491
  - 2017: 3,742
  - 2018: 3,162
  - 2019: 4,128

- **EBIT per employee**
  - 2014: 7,004
  - 2015: 7,288
  - 2016: 5,917
  - 2017: 7,750

- **EBIT (€) per employee (annual average headcount)**
  - 2014: 115,022
  - 2015: 117,747
  - 2016: 115,182
  - 2017: 116,375

- **Gross margin (%)**
  - 2014: 35.7
  - 2015: 35.0
  - 2016: 34.9
  - 2017: 34.7
  - 2018: 34.4
  - 2019: 34.1

### CORPORATE CITIZENSHIP

- **Local projects**
  - 2015: 110,270
  - 2016: 105,804
  - 2017: 122,911
  - 2018: 135,027
  - 2019: 137,841

- **Number of projects**
  - 2015: 2,016
  - 2016: 2,490
  - 2017: 2,988
  - 2018: 3,565
  - 2019: 5,107

- **Employees involved in projects**
  - 2015: 105,804
  - 2016: 122,911
  - 2017: 135,027
  - 2018: 137,841
  - 2019: 137,841

- **Volunteer hours**
  - 2015: 256,425
  - 2016: 365,076
  - 2017: 397,639
  - 2018: 374,315
  - 2019: 228,759

---

**Note:**

1. n. r. = not reported. 2) Adjusted. 3) Total cost of workforce excludes management personnel. 4) HCROI = (EBIT + staff costs) ÷ staff costs. 5) Income tax expense/profit before income taxes. 6) 2019 = Proposal. Resolution to be passed at the Annual General Meeting on May 13, 2020.
To Deutsche Post AG, Bonn

We have performed a limited assurance engagement on the sustainability disclosures, denoted with "✓", (hereinafter the "Sustainability Information") and the combined separate non-financial report pursuant to §§ (Articles) 289b Abs. (paragraph) 5 and 315b Abs. 3 HGB ("Handelsgesetzbuch": "German Commercial Code") (hereinafter the "Non-financial Report") contained therein and highlighted in color before the respective chapters in the "2019 Sustainability Report" of Deutsche Post AG, Bonn, (hereinafter the "Company") for the period from January 1 to December 31, 2019 (hereinafter the "Report"). Our engagement in this context relates solely to the disclosures denoted with the symbol "✓".

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Sustainability Information in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI Criteria") and the Non-financial Report in accordance with §§ 315c in conjunction with 289c to 289e HGB, as well as the selection of the Sustainability Information to be evaluated.

This responsibility of Company’s executive directors includes the selection and application of appropriate methods of sustainability reporting and non-financial reporting as well as making assumptions and estimates related to individual Sustainability Information and non-financial disclosures, which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as they have considered necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements. Our audit firm applies the national legal requirements and professional standards in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufsatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WpV(VB)") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer ("Institute of Public Auditors in Germany"); IDW: Requirements to quality control for audit firms (IDW Qualitätssicherungssstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 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 limited assurance conclusion on the Sustainability Information, denoted with "✓", and the Non-financial Report contained within the Report based on the assurance engagement we have performed. Within the scope of our engagement, we did not perform an audit on external sources of information or expert opinions, referred to in the Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the Sustainability Information, denoted with "✓", in the Company’s Report for the period from January 1 to December 31, 2019 has not been prepared, in all material aspects, in accordance with the relevant GRI Criteria, or

- the Non-financial Report contained within the Company’s Report for the period from January 1 to December 31, 2019 has not been prepared, in all material aspects, in accordance with §§ 315c in conjunction with 289c to 289e HGB.

In a limited assurance engagement, the assurance procedures are less extensive than for a reasonable assurance engagement, and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner’s judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement in the Report
- Analytical evaluation of selected disclosures in the Report
- Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the company management report
- Evaluation of the presentation of the non-financial information

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that

- the Sustainability Information, denoted with "✓", in the Company’s Sustainability Report for the period from January 1 to December 31, 2019 has not been prepared, in all material aspects, in accordance with the relevant GRI Criteria, or
- the Non-financial Report contained within the Company’s Report for the period from January 1 to December 31, 2019 has not been prepared, in all material aspects, in accordance with §§ 315c in conjunction with 289c to 289e HGB.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company about the results of the limited assurance engagement.

The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the Company. We do not assume any responsibility towards third parties.

Düsseldorf, February 14, 2020
PricewaterhouseCoopers GmbH,
Wirtschaftsprüfungsgesellschaft

Hendrik Fink
Wirtschaftsprüfer
ppa. Thomas Groth
(German public auditor)
GLOSSARY

Artificial intelligence (AI)
An overarching term for applications in which machines demonstrate human-like intelligence.

Big Data
A term for large amounts of data which, due to their complexity, can only be stored and evaluated using special data processing methods.

Blockchain
A continuously expandable list of records known as blocks, which are linked using cryptography. In comparison to traditional systems, blockchain transactions are considered virtually tamper-proof.

ESG
Expresses the extent to which environmental, social and societal aspects as well as the type of corporate governance are taken into account in business practice; it is also considered in the valuation of companies.

EU GDPR
General Data Protection Regulation on the protection of natural persons with regard to the processing of personal data, and on the free movement of such data within the European Single Market.

Predictive Analytics
A special form of data analysis which involves predictions made on the basis of data models as to how a situation will develop in the future.

Smart contracts
Digital contracts based on blockchain technology.

QR Codes

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The 2019 Sustainability Report was published March 10, 2020 in PDF format in both German and English. A print version can be ordered from the Group website:

www.dpdhl.com/2019sustainabilityreport

Deutsche Post DHL Group employees can order the print version of the report internally (via GeT or the DHL Webshop) using the following material numbers:

German: Mat. no. 675-800-235
English: Mat. no. 675-800-236

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Environmentally friendly production

Printed on Envirotex with Ecolabel 244053 (recycled paper made of 100% recycled paper, FSC certified, climate neutrally produced). Complies with the guidelines of EU Ecolabel AT/11/002.

Design and copy editing

CC.CONSTRUCT GMBH & CO. KG, Wuppertal, Germany

Production

Woeste Druck + Verlag GmbH & Co. KG, Essen, Germany

The English version of the Deutsche Post DHL Group 2019 Sustainability Report constitutes a translation of the original German version. Only the German version is legally binding, insofar as this does not conflict with legal provisions in other countries. Deutsche Post Corporate Language Services et al.