

GENDER PAY GAP REPORT

CLOSING THE GAP

“At DHL Supply Chain, UK & Ireland and Tradeteam (part of DHL Services) we believe in creating a diverse and gender balanced workforce which reflects the customers and communities we serve and ensures our people can be their best selves at work.”

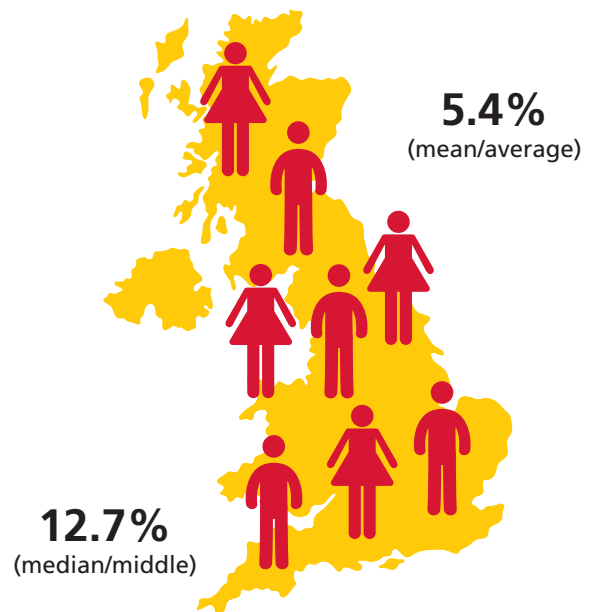
Across our supply chain operations in the UK & Ireland we have a gender pay gap of 5.4% (average) and a median (middle) gender pay gap of 12.7%. This is significantly smaller than the current national median average of 18.1%, however, we are not complacent and will continue to seek every opportunity to further narrow the gap.

And as part of a truly global company we value the diversity of our employees as a genuine strength. Our organisation brings together people from a wide range of cultural backgrounds – all with different skills, experiences and viewpoints.

The diversity of our employees mirrors the diversity of our customers, suppliers and investors. It enables us to deliver innovative products and services that make our customers successful. We believe that everyone can contribute to our joint success. Being all different, together we are successful.

Paul Dyer
CEO, DSC UKI

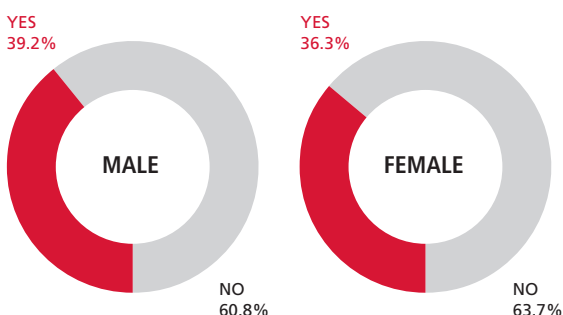
Nikki Craig,
Senior VP HR, DSC UKI



DIFFERENCE BETWEEN MEN AND WOMEN

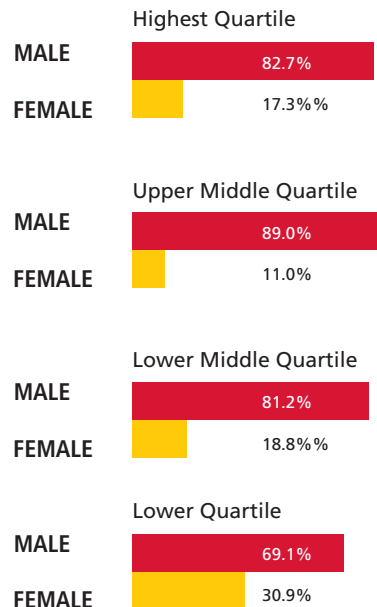
	Mean (Average)	Median (Middle)
Gender Pay Gap	5.4%	12.7%
Gender Bonus Gap	-21.5%	-29.9%

% OF EMPLOYEES RECEIVING A BONUS



GENDER REPRESENTATION: PAY BANDS BY QUANTILES

Proportion of Males and Females when placed in four equally sized pay quartiles



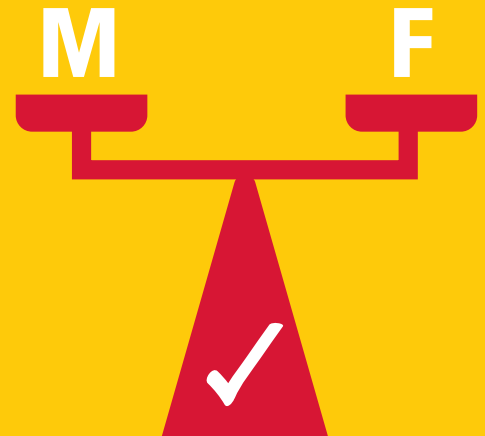
WHAT WE ALREADY DO TO ADDRESS THE ISSUE



“In 2014 we introduced a robust pay governance policy to ensure any pay increases are free from gender bias. Through extensive internal and external benchmarking, we have developed a set of pay bands for each grade. The pay governance policy

sets rules around starting salaries and ongoing pay increases, all of which require approval by the budget holder and HR Business Partner. The Centre of Expertise for Compensation & Benefits monitors compliance with the policy. Policy and pay bands are reviewed and adjusted annually in line with the benchmarking.”

“Other elements of reward, such as the management bonus scheme, are open to all employees above a certain grade level. The bonus amount is based on set percentages linked to the grade with targets based on collaborative company KPI's such as financial performance and performance against strategic objectives.”



WHAT WE ARE GOING TO DO IN ADDITION IN THE FUTURE

FURTHER POSITIVE ACTION BEING TAKEN TO HELP MINIMISE THE GAP ACROSS THE BUSINESS:

Within DHL Supply Chain we are focusing on five core priorities to help balance gender pay gap:

- Diversity Analytics – providing transparency and deep-dive analysis on female representation to achieve the Board's target of 25% of women in the organisation.
- Employee Development Reviews (EDR) – as part of our talent management process, the management and executive teams hold regular EDR panels to discuss talent, including who is ready for a promotion/move, development trends etc. As part of these sessions which are held between April and October, a mandatory review of the diversity profile of the employees and how it compares to global targets is included.
- Diversity Training – from January 2016, we have begun deploying a certified training programme to all employees in the organisation. A module on diversity is included which sets out the benefits of working in a diverse organisation, including key stats such as gender-diverse companies are 15% more likely to outperform non gender-diverse companies, while delivering up to 39% higher customer satisfaction. We are targeting 9,000 employees per year to go through the programme, with all employees to have completed it by 2020.
- Warehouse to Wheels – this scheme develops employees from warehouse operatives to HGV drivers, including support with attaining their HGV licence. The scheme is open to all warehouse employees, however as women are much better represented in warehouse roles compared to driving roles, our aim is to use the scheme to increase the number of female drivers.
- Awareness & Profile – each year we run a diversity week campaign in June and promote profiles of our diverse employees. We also produce monthly stories on our diverse leaders through our internal social media platform. Our total female diversity rate has increased by 2.1% and 1.8% for women in management.
- Specifically within IT, where women are historically under-represented, we have taken action such as rewriting the role profiles for every function to ensure the descriptions attract everyone equally. We are also training line managers to ensure all of the people responsible for recruiting within the IT function are trained in the role profiles, and that they understand the importance of a balanced team. We have also set a target of at least one female candidate to be shortlisted for every role.
- Through all of the above actions, we have increased female promotion rates to 35% of total promotions (from 30% the previous year, 2016).

NEXT STEPS IN INCREASING THE NUMBER OF WOMEN IN SENIOR POSITIONS:

- We actively monitor and review the male/female split at regular talent panels, and decide on specific measures for different groups where action is required.
- We continue to work on our diversity communications, which included launching a Global Diversity Week in 2017, during which we represented the Global DHL Supply Chain business unit with a global WebEx on talent and diversity in the technology and innovation business, to keep the discussion going.