NON-FINANCIAL STATEMENT

for Deutsche Post AG and for Deutsche Post DHL Group in accordance with Sections 289b(1) and 315b(1) HGB

The year 2022 was one of the most challenging of the last few decades. The war in Ukraine and the economic sanctions it caused and the discontinuation of energy supplies from Russia, as well as the significant rise in natural disasters due to extreme weather conditions, impacted living conditions around the world and put the stability of supply chains to the test. Moreover, employees and business partners as well as the capital market are still all increasing their expectations for sustainable business. In addition, legislators continued to intensify their requirements of sustainable financing and reporting.

General information

The Global Reporting Initiative (GRI) standards are taken as the framework for determining material non-financial topics, supplemented by HGB requirements. The key performance indicators used for managing the Group were determined in accordance with the HGB and the German Accounting Standard 20 was applied.

ESG standards anchored in the Code of Conduct

We conduct our business in accordance with applicable law and high ethical, social and environmental standards. As a signatory to the UN Global Compact, Deutsche Post DHL Group implements its ten principles in areas where we have influence. Additionally, we take guidance from the principles set out in the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, as well as from the principle of social partnership. Our ethical, social and environmental values are anchored for the entire Group in our Code of Conduct for employees, and in the Supplier Code of Conduct for our suppliers and subcontractors. Since respect for human rights is particularly important to us, we specify them in our Human Rights Policy Statement, Corporate governance.

Moreover, we participate in numerous United Nations initiatives and support the UN Sustainable Development Goals (SDGs). Our commitment is most closely aligned with the goals of Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), Climate Action (SDG 13) and Partnerships for the Goals (SDG 17), Company website.

Strategic orientation

Our purpose – Connecting people, improving lives – reflects our understanding of sustainability, which is embedded in our strategic bottom lines throughout the Group. The degree to which we meet the needs of our key stakeholder groups, minimise the environmental impact of our business, increase our contributions to society and act as trustworthy business partners are also determinants of the success of our company. That is why we adhere to principles aimed at reducing our environmental footprint, creating a safe, inclusive and motivating workplace for our employees, and ensuring that our business practices are transparent and in compliance with the law.

Our ESG Roadmap increasingly realigns our climate action and environmental protection activities with decarbonisation measures and further defines our strategies towards social responsibility and corporate governance, Strategy. In addition, all three ESG areas were incorporated into, and for the year under review account for 10% respectively, of the target portfolio for annual bonus calculation of the Board of Management. The details are provided in a separate statutory remuneration report that will be published on our Website. From 2023, ESG metrics will also be included in the annual bonus calculation for executives in upper-level management.

To support our commitment to our sustainability agenda, we published a sustainability-linked finance framework which enables us to issue sustainable financing instruments. The framework follows the Sustainability-Linked Bond Principles of the International Capital Market Association and provides an overview of our activities and initiatives aimed at achieving our ambitious ESG targets, along with an overview of the potential structure of a sustainable financial instrument, Company website.

Material topics and performance indicators
The materiality analysis was updated at its regular interval in 2021. Using this, six topics were derived on which our business has a material influence or, conversely, which can affect our business. These topics also represent the basis for the alignment of our ESG Roadmap, which was reviewed together with the Board of Management and the Supervisory Board during the year under review: the topics were confirmed and the cybersecurity rating key figure introduced in the reporting year was additionally determined to be steering- and remuneration-relevant for the 2023 financial year.

Material topic	Performance indicator
Climate and environmental protection with a focus on greenhouse gas (GHG) emissions	Absolute logistics-related GHG emissions and Realised Decarbonisation Effects
Employee Engagement	Employee Engagement: Approval rate in the annual survey
Diversity and inclusion	Share of women in middle and upper management
Occupational health and safety	Lost time injury frequency rate (LTIFR)[1]
Compliance	Share of valid compliance-relevant training certificates in middle- and upper-level management
Cybersecurity	Cybersecurity rating[2]

[1] Work-related accidents per 200,000 working hours resulting in at least one working day of absence for the affected person following the accident.
[2] Steering- and remuneration-relevant from the 2023 financial year.

The development of actual versus planned key performance indicators is presented to the Board of Management along with financial KPIs, and discussed monthly. Deviations are analysed and solutions developed and approved. The Employee Engagement KPI is determined once per year and discussed with the Board of Management. We completely integrated the ESG metrics and targets into our financial systems and reporting and planning processes, as well as the internal control system and the opportunity and risk management process in the reporting period.

Non-financial risks
Opportunity and risk management takes place in Group Controlling and also covers sustainability-related aspects. In addition to financial assessment, opportunities and risks arising from climate change are analysed on the basis of a scenario analysis according to the standards of the Task Force on Climate-related Financial Disclosures (TCFD), which was developed further in the year under review and supplemented with provisions of the EU Taxonomy. This involves discussing and assessing both transitory and physical risks stemming from climate change using various scenarios. The details are provided under the heading Environment. ESG risks of medium significance for the Group were determined in the material issues of climate change (risk categories: operational, market- and customer-specific and from regulation), employee matters (risk category: human resources) and in cybersecurity (risk category: information technology), Expected developments, opportunities and risks.

Responsibility for the ESG topics and performance indicators
The Board of Management is the central decision maker on Group-wide sustainability focus, whereas the divisions are responsible for implementation of the measures. The progress achieved is regularly discussed by the Board of Management. The ESG topics are also regularly dealt with in the meetings of the Supervisory Board as well as the Strategy and Sustainability Committee, Report of the Supervisory Board.

Our Code of Conduct provides all employees and managers with clear rules and standards for contributing to our success within the scope of their jobs and responsibilities. Additional guidelines were derived from the Code of Conduct to offer more specific guidance, including the guidelines on anti-corruption and standards for business ethics and on the environment and energy, as well as the Human Rights Policy Statement. All our employees, but in particular our executives, play a key role when it comes to implementing our values and objectives, so we have made the Code of Conduct an integral component of their employment contracts.

The Code of Conduct for Suppliers (Supplier Code of Conduct) is a reflection of the ethical, social and environmental standards we set for ourselves and it is a binding component of the Group's relationships with our suppliers, including subcontractors. By signing, they commit to complying with our standards and implementing them in their own supply chains.

The codes and the guidelines are regularly reviewed to ensure that they are complete and up to date.

Relevant boards for sustainability issues

[1] Chief Executive Officer, Board of Management members responsible for Finance and HR.

Responsibility for strategic orientation, the materiality analysis, stakeholder dialogue and implementation of the strategic and operational ESG programme falls under the auspices of the CEO board department, where the ESG topics are developed further in the Group strategy and regularly reviewed by the Sustainability Steering Board. The Sustainability Steering Board comprises the CEO, the CFO and the Board member for Human Resources, as well as executives from central and divisional functions.

Group-wide concepts for leadership and corporate culture, promotion of talents and skills, specifications related to HR processes and services, maintaining relationships with the employee representatives and respect for human rights in our workforce are developed, implemented across divisions and managed by the HR board department.

Responsibility for ESG reporting and controlling, opportunity and risk assessment, integration of the internal control system and the financial systems, compliance management and data protection fall under the purview of the CFO board department.

Among other topics, the Global Business Services board department is responsible for determining the Group-wide standards for sustainable procurement and the process for selecting suppliers, as well as the specifications for cybersecurity and Corporate Real Estate.

Contents of the combined non-financial statement

Reporting in accordance with Sections 289b(1) and 315b(1) HGB

Aspects (HGB)	Concepts	Target for 2022[1]	Result for 2022	Target for 2023[1]	Heading
Business model					General information
Environmental matters	Climate and environmental protection: Avoiding GHG emissions	Limit logistics-related GHG emissions to 41 million tonnes of CO_2e	Logistics-related GHG emissions[1,2] decrease to 36.46 million tonnes of CO_2e	Limit logistics-related GHG emissions[2] to a maximum of 39 million tonnes of CO_2e	Steering metrics Environment Expected developments
		Generate Realised Decarbonisation Effects of 969 kilotonnes of CO_2e	1,004 kilotonnes of CO_2e avoided through Realised Decarbonisation Effects[1,2]	Generate Realised Decarbonisation Effects[2] of 1.3 million tonnes of CO_2e	
Employee matters	Maintain employee engagement and motivation at a high level	Employee Engagement KPI approval rate of more than 80%	Employee Engagement[1,2] at the prior-year level: approval rate at 83%	Employee Engagement KPI approval rate[2] of more than 80%	Steering metrics Workforce Expected developments
	Diversity and inclusion: Increase share of women in middle and upper management	The share of women in middle and upper management amounts to 25.9%	The share of women in middle and upper management[1,2] amounts to 26.3%	Share of women in middle and upper management[2] amounts to 27.7%	
	Ensure health at work: Prevent accidents	LTIFR[3] amounts to 3.7	LTIFR[1,2,3] amounts to 3.4	LTIFR[2,3] amounts to 3.5	
Social matters	Corporate citizenship: Measure employee pride in contribution to society		Approval rate of 79% for this question in annual survey of employees[2]	–	Society
Compliance, including anti-corruption and -bribery matters	Compliance with laws, principles and policies: Participation by executives in compliance training	At least 97% valid training certificates in middle and upper management	98% valid training certificates in middle and upper management[1,2]	98% valid training certificates in middle and upper management[2]	Steering metrics Corporate governance Expected developments
Respect for human rights	Carry out internal audits with regard to human rights		33 audits carried out[2]	–	Corporate governance
	Implement standards in the supply chain		Key figures introduced: Supplier spend covered by an accepted Supplier Code of Conduct	–	
Cybersecurity	Guarantee IT system and data security		Introduced cybersecurity rating[2] key figure	Rating[2] is at least 710 out of 900 points	Corporate governance Expected developments
Taxes	Avoid corporate structuring only for the purpose of tax optimisation		Tax strategy adhered to Group-wide	–	Corporate governance

[1] Steering-relevant. [2] Reviewed with reasonable assurance, Assurance Report. [3] Work-related accidents per 200,000 working hours with at least one day of absence for the affected person following the accident.

Reporting on the facilitation of sustainable investments (EU Taxonomy)

pursuant to Regulation 2020/852, Article 8, of the European Parliament and of the Council as well as Delegated Regulation 2021/2178 of the European Commission

EU Taxonomy	Result for 2022	Heading
Determine the taxonomy-eligible and -aligned shares of revenue, capital expenditure (capex) and operating expenditure (opex)	53% of revenue, 63% of capex, 58% of opex are taxonomy-eligible 12% of revenue, 25% of capex, 11% of opex are taxonomy-aligned	EU Taxonomy

Environment

Climate action in the focus of our operations

Our business activities impact the climate and the environment mainly in the form of greenhouse gases (GHG), which contribute to climate change. Within the framework of our ESG Roadmap, we have defined measures and ambitious targets to minimise these effects.

Medium term: We have set ourselves a target of reducing our emissions to below 29 million tonnes of CO_2e by the year 2030. This target also includes the transport services carried out by our subcontractors (Scope 3). It was developed based on the requirements of the Science Based Targets Initiative and supports global efforts to limit global warming in accordance with the Paris Agreement of the United Nations.

In the year under review, the Science Based Targets Initiative verified the following sub-targets in this regard and assessed them as aligned with limiting global warming to 1.5 degrees Celsius: using 2021 as the base year, Deutsche Post DHL Group has committed to reducing its absolute direct emissions from the use of fuels and the indirect emissions from purchased energy (Scopes 1 and 2) by 42% by the year 2030. Absolute Scope 3 emissions from fuel- and energy-related activities, upstream transport and sales and business travel are to be reduced by 25% by 2030.

Long-term: We want to reduce the GHG emissions of our logistics services to net zero by 2050. That means we will use active reduction measures to reduce emissions (Scopes 1, 2 and 3) down to an unavoidable minimum, which is to be fully compensated for with recognised countermeasures (excluding offsetting).

The central climate protection measures are defined by Corporate Development in the board department of the CEO. The Finance board department collects environmental data, monitors progress towards goals, assesses opportunities and risks and carries out internal and external reporting, embedded in the internal control system.

Orientation and targets with regard to climate and environmental protection are set out in Group policies: in the Code of Conduct and the Supplier Code of Conduct, in the Environmental and Energy Policy, the Paper Policy, the Sustainable Fuel Policy (not public) and the policies for procurement processes.

For achieving our goals by 2030, we plan to spend up to an additional €7 billion to expand the use of sustainable fuels and technologies in our fleets and buildings. We round out this package of measures with a range of specifically environmentally friendly products: GoGreen Plus enables customers to make a conscious decision for sustainable transport solutions or the use of sustainable fuels. This approach allows us to uphold our responsibility to the climate and the environment.

In addition, together with our subcontractors, we work as part of initiatives to reduce fuel consumption and lower GHG emissions. This also enables us to procure the consumption and emissions data necessary for subcontractor management, which is why we take part in industry-wide initiatives and collaborate closely with customers, suppliers and industry partners.

Risks arising from climate change

In the reporting period, we assessed our opportunities and risks arising from climate change using a scenario analysis according to the standards of the Task Force on Climate-related Financial Disclosures (TCFD). This involved applying scenarios including possible warming of the planet by 2.0, 2.4 or 4.3 degrees Celsius to assess physical risks which could result from a rise in ocean levels, for instance. For transitory risks, we used the sustainable development scenarios of the International Energy Agency.

Together with the respective Board of Management members responsible for the divisions, we analysed and evaluated the possible effects of climate change on our business models, strategy and operational business in workshops and considered them in view of our mission of achieving net zero GHG emissions by 2050. Moreover, locations with an increased physical risk were assessed as part of division-internal workshops and measures were defined and documented.

This results mainly in transitory risks for the Group, particularly with regard to the development of carbon pricing, GHG emissions and operational limitations due to stricter regulation and the availability of sustainable fuels and energy from renewable sources. This conclusion underscores the strategy behind our climate action activities: reducing GHG emissions and using sustainable technologies and fuels to minimise dependency on fossil fuels. We provide details on opportunity and risk management in **Expected developments, opportunities and risks.**

Decarbonisation avoids 1 million tonnes of CO_2e

The management and the reporting are focused on the development of absolute logistics-related GHG emissions and the GHG emissions avoided by our decarbonisation measures. Our calculation includes the entire process chain for generating and supplying energy for transport as an additional Scope 3 category, General information, Steering metrics.

In the year under review, development of the absolute logistics-related GHG emissions was better than planned, decreasing to 36.46 million tonnes of CO_2e. Our GHG intensity amounts to 386 grams per euro of revenue. The GHG emissions are the result of the air (69%), land (22%) and ocean (8%) modes of transport, as well as buildings (1%).

The decrease in GHG emissions is attributable primarily to lower transport volumes and was additionally supported by the improved utilisation of passenger aircraft after the increasing loosening of restrictions on account of the pandemic. In addition, Realised Decarbonisation Effects from our measures contributed 1,004 kilotonnes of CO_2e to this decrease; this includes 205 kilotonnes of CO_2e through the use of sustainable fuels. An additional reduction of 178 kilotonnes of CO_2e results from the statutory blending of biofuels.

We estimate the amount of the non-logistics-related Scope 3 emissions (Category 1: Purchased goods and services, 2: Capital goods, 7: Employee commuting) to be around 6 million tonnes of CO_2e, which are not accounted for in our medium-term target.

According to our planning for the medium-term 2030 target, despite limited availability we expect a further increase in blending of sustainable fuels in air and ocean freight for the coming reporting year.

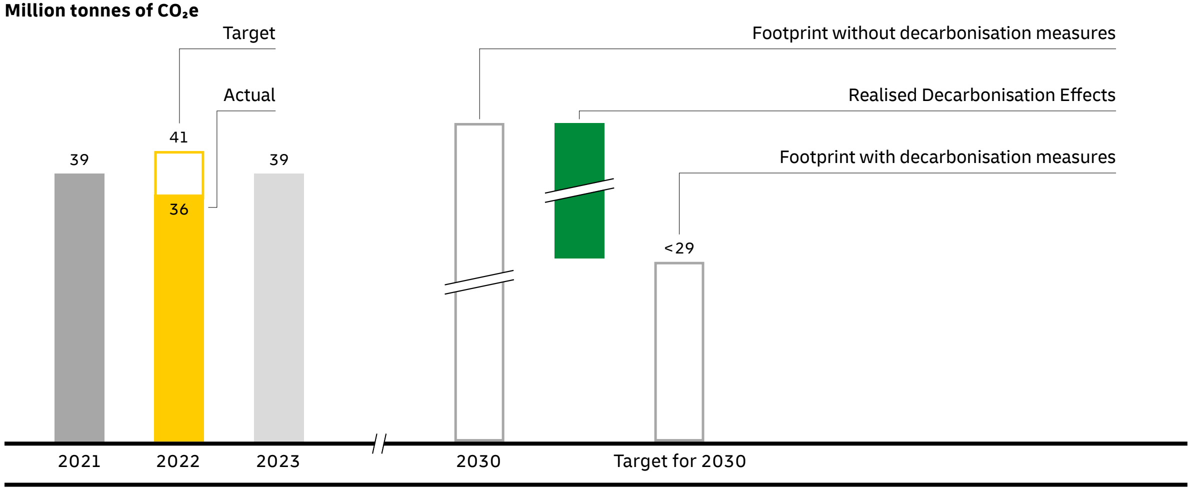
GHG emissions (well-to-wheel)

		2021	2022	+/– %
Total GHG emissions	**million tonnes of CO_2e**	**39.36**	**36.46**	**–7.4**
of which Scope 1		7.30	8.30	13.7
Scope 2[1]		0.20	0.07	–65.0
Scope 3[2]		31.86	28.09	–11.8
Realised Decarbonisation Effects	kilotonnes of CO_2e	728	1,004	37.9
Reduction resulting from statutory blending of biofuels	kilotonnes of CO_2e	172	178	3.5

[1] Market-based method. [2] Logistics-related emissions of GHG categories 3, 4 and 6.

Our path to the 2030 target

Million tonnes of CO_2e



Development of GHG emissions in 2023 will also depend on the development of the global economy. If transport volumes undergo weaker development, we expect GHG emissions to remain approximately at the prior-year level; if the economy proves to be more dynamic, we aim to limit GHG emissions to a maximum of 39 million tonnes of CO_2e. This includes decarbonisation effects of 1.3 million tonnes of CO_2e which we plan to realise in 2023. We continue to expect a significant reduction to not come until the second half of the decade.

Using sustainable technologies and fuels

Our focus of our measures is mainly on the modes of transport using the most fuel and generating the most emissions, namely air and ocean freight and road transport, and further increasing the electrification of our fleet of pick-up and delivery vehicles. We also invest in technologies to design our own new buildings to be climate neutral. The share of sustainable fuels is to top 30% in air, ocean and road freight by 2030. In pick-ups and deliveries, 60% of vehicles used are to be electric vehicles. All of the company's new buildings are to be climate-neutral. We also drive decarbonisation with our range of GoGreen Plus products, with which we enable our customers to make use of, among other things, air and ocean freight transports with sustainable fuels, Company website.

In the year under review, we nearly doubled additional expenditure for decarbonisation measures compared to the previous year to €284 million, and in doing so avoided around 1 million tonnes of CO_2e.

The share of sustainable fuels increased by 0.5 percentage points to 1.7% (previous year: 1.2%). In pick-ups and deliveries, we increased the number of e-vehicles used in the reporting period by 34% to approximately 27,800 (previous year: 20,700). At 94%, the share of electricity from renewable sources used was well above the level of the previous year (previous year: 86%).

In addition to our reduction measures, we offer our customers offsetting products to compensate for GHG emissions. However, in accordance with the GHG Protocol and for the presentation of the Realised Decarbonisation Effects, this offsetting is not taken into account as an emissions reduction for the calculation of our GHG footprint.

Expenditure for decarbonisation measures

€m

	2021	2022	+/–%
Sustainable fuels and technologies	**156**	**284**	**82.1**
of which sustainable fuel	28	66	>100
electrification of the fleet	115	179	55.7
buildings	13	24	84.6
further measures (shifting shipments to rail, biogas trucks)	–	15	–

Examples from the divisions in the year under review

In the year under review, Express was able to conclude further delivery contracts for sustainable aircraft fuels. Moreover, the modernisation of the aircraft fleet was continued and the network of partnerships with transport subcontractors was expanded. In addition, the Alice – the first all-electric aircraft – successfully completed its maiden flight, with the first deliveries of this model scheduled for 2027 to be used for shuttle flights in the United States. Moreover, we continued with the expansion of our international fleet of e-vehicles.

Global Forwarding, Freight expanded its partnerships for insetting with sustainable fuels. Unlike offsetting, insetting offers the ability to specifically implement climate protection in our own supply chain, enabling a positive impact on the achievement of our targets through the direct replacement of fossil fuels. With its Green Carrier Certification, the division creates transparency regarding the sustainability of our subcontractors. Global Forwarding, Freight is one of the first companies in our industry to offer air and ocean freight solutions that make use of sustainable fuels. The myDHLi customer platform offers real-time GHG reports in all modules and thus supports customers in air and ocean freight in achieving their own sustainability objectives.

Supply Chain is driving the decarbonisation of its supply chains with a portfolio of state-of-the-art, sustainable products for carbon-neutral storage, transport and packaging. In the year under review, the focus was on the expansion of carbon-neutral warehouses and sustainable transport, one example of which is the use of trucks that run on biogas in the United Kingdom.

eCommerce Solutions focused on the expansion of its fleet of e-vehicles and the increased use of electricity from renewable sources. In addition, the division incorporated GoGreen products into its portfolio in further countries.

Post & Parcel Germany continued the expansion of its fleet of electric vehicles and already has some 23,000 electric vehicles in use in pick-ups and deliveries. The use of rail transport for parcels is another measure to promote sustainability. The rail transport service enables private customers to actively opt for rail transport when sending parcels and thus avoid GHG emissions.

Energy consumption and efficiency

Group-wide energy consumption (Scopes 1 and 2) rose to 34,498 million kWh in the reporting period. We increased the energy used from renewable sources by 24% compared to the previous year. Energy efficiency amounts to 0.4 kWh per euro of revenue.

In our business model, air freight is the most energy-intensive mode of transport. With continuous modernisation processes in our own fleet and at our locations, we will have a positive impact on our energy consumption. Moreover, our divisions are increasingly using our own fleet and training the pilots in the use of energy-conserving flight manoeuvres.

Energy consumption of the company's own fleet and buildings (Scopes 1 and 2)

Million kWh	2021	2022	+/–%
Total energy consumption	**30,486**	**34,498**	**13.2**
from fossil sources	**28,660**	**32,227**	**12.4**
of which air transport	22,484	26,649	18.5
road transport (excluding e-vehicles)	4,486	4,237	–5.6
buildings and facilities	1,690	1,341	–20.7
from renewable sources	**1,826**	**2,271**	**24.4**
of which air transport	175	343	96.0
road transport[1]	150	242	61.3
of which e-vehicles	–	58	–
buildings and facilities	1,501[2]	1,686	12.3

[1] Includes legally required blending.
[2] Includes consumption by electric vehicles.

Workforce

Common DNA as a factor for success

Our corporate culture makes us strong. It is underpinned by common values, convictions and behaviours and is one of the most important factors in our business success. We call it our common DNA, Strategy. It connects us across all business units and operating regions and defines who we are and how we operate. As early as 2006 we defined a Code of Conduct applicable to the whole Group. We value the diversity of our workforce and treat one another with respect, so that we may work together cooperatively and lay the foundation for our company's financial success.

Being an employer of choice

Our employees are our most valuable asset. With some 600,000 employees, we are one of the world's largest employers in our sector and aim to be an employer of choice, attracting competent and committed employees, continuously developing them and retaining them over the long term. Only motivated employees deliver excellent service quality, meet our customers' needs satisfactorily and therefore ensure the sustainable profitability of our business activities. For this reason, we want to strengthen and lock in their commitment at a high level. We are dedicated to the principles of diversity, equity, inclusion and belonging to create a work environment free of discrimination where each individual is valued and to guarantee workplaces that promote health.

Employee matters

Material topic	KPI		2021	2022	2023[2]	2025[2]
Employee Engagement	Employee Engagement[1]: Approval rate in the annual survey	%	84	83	At least 80	Maintain at the high level
	Continuing education: Total training hours	million hours	–	3.7	–	–
Diversity and inclusion	Share of women in middle and upper management[2]	%	25.1	26.3	27.7	At least 30%
	Employees with disabilities[3]	headcount	14,652	14,274	–	–
	Employment rate[3]	%	8.0	8.0	–	–
Occupational health and safety	Lost time injury frequency rate (LTIFR)[2,4]		3.9	3.4	3.5	Less than 3.1
	Sickness rate	%	5.5	6.3	–	–

[1] Steering- and remuneration-relevant in the year under review. [2] Steering-relevant KPIs. [3] Deutsche Post AG (principal company in Germany), pursuant to section 163 SGB IX. [4] Work-related accidents per 200,000 working hours with at least one working day of absence for the affected person following the accident.

Preserving employee interests

In addition to direct dialogue with their superiors and management representatives, our employees can turn to employee committees, works councils, trade unions and other bodies to indirectly represent their interests. At the global level, we engage in regular, open dialogue with international trade union confederations such as UNI Global Union (UNI) and International Transport Workers' Federation (ITF). At the European level, employee concerns are regularly discussed with our European works council, the Deutsche Post DHL Forum. The Board Member for Human Resources takes part in the discussions twice per year. UNI and the European Transport Workers' Federation are also represented.

In addition, as the largest postal service provider in Europe, the Group is a member of the EU Commission's European Social Dialogue Committee for the Postal Sector and has been the Committee Chair since 2016. The work of this committee involves exchange between the employers and union representatives in the postal sector of European member states on relevant topics in consideration of social matters.

Together with the two trade union confederations, we reviewed and strengthened the joint OECD Protocol from 2019 in the year under review, Company website. With this agreement, all parties undertake to maintain a continuous dialogue on employment and working relationships for the next three years. During the yearly meeting between the secretaries general of the ITF and UNI and the Board Member for Human Resources, the revised agreement was approved by all parties and then signed by the German National Contact Point for the OECD Guidelines for Multinational Enterprises in Berlin.

Performance-based remuneration and development of the workforce

We foster employee loyalty and motivation by offering performance-based remuneration in line with market standards. It includes a base salary plus the agreed variable remuneration components such as bonus payments. In many countries, we also provide employees with access to defined benefit and defined contribution retirement plans. We also use neutral job evaluations to prevent discrimination on the basis of personal characteristics. These evaluations focus on the type of job, position in the company and responsibilities assigned. This systematic approach enables an independent and balanced remuneration structure.

In Germany, wages or salaries are generally regulated through either industry-level or company-level collective wage agreements. In many of our subsidiaries throughout Germany, our wage-scale employees also receive a performance-based bonus in addition to their monthly wage or salary. The collectively bargained principles are gender-neutral, so the use of collective agreements ensures equity in pay for women and men. Employees of Deutsche Post AG covered by the collective wage agreement may opt to take additional time off in lieu of a pay increase. A total of 18.7% of the workforce there had exercised this option as at 31 December 2022. The remuneration of employees in a non-pay-scale employment relationship (Deutsche Post AG, principal entity in Germany) is bound by existing works agreements.

Moreover, we offer both defined benefit and defined contribution pension plans in which approximately 70% of the Group's employees participate. Our main retirement benefit plans are provided in Germany, the UK, the USA, the Netherlands and Switzerland, Note 37.1 to the consolidated financial statements.

At €26,035 million, staff costs exceeded the prior-year figure of €23,879 million. Details can be found in Note 15 to the consolidated financial statements.

As at 31 December 2022, we employed 600,278 people around the world, which is 1.4% more than the previous year. Added to this, an average throughout the year of 83,951 external FTEs subject to the control and direction of the Group were employed at our locations.

Workforce development

	2021	2022	+/–%
Headcount at year-end[1]	**592,263**	**600,278**	**1.4**
Average for the year[1]	574,047	589,109	2.6
Full-time equivalents at year-end[1]	**548,042**	**554,975**	**1.3**
of which Express	114,134	114,151	0.0
Global Forwarding, Freight	43,840	48,053	9.6
Supply Chain	175,099	182,403	4.2
eCommerce Solutions	33,809	32,721	–3.2
Post & Parcel Germany	168,084	163,904	–2.5
Group Functions	13,076	13,743	5.1
Average for the year[1]	528,079	542,917	2.8
Share of part-time employees (%)	17	17	–
Average age of Group employees (years)	40	40	–
Share of female employees (%)	34.7	34.4	–
Unplanned employee turnover (%)	12	14	–

[1] Including trainees.

Employee engagement and motivation

Each year we measure employee satisfaction and engagement by conducting a Group-wide survey. This important tool helps us determine where we are in our journey toward becoming an employer of choice. We use the analysis of the annual survey to determine the Employee Engagement KPI, which is also included in the remuneration of the Board of Management.

Once again, 75% of employees took the opportunity to express their opinion and provide valuable feedback in the year under review. This is used as the foundation for creating the best possible working conditions at our company, thus corresponding to our strategic goal of being an employer of choice. We once again exceeded the target of more than 80% with an approval score of 83%.

Selected results from the Employee Opinion Survey

%	2021	2022
Response rate	75	75
Approval rate for Employee Engagement KPI	84	83

Training and opportunities for professional development can have a positive influence on the motivation of a workforce, which is why all of our employees generally have the option of taking advantage of our training offers digitally or as part of in-person events. Our training offers convey knowledge about our Group strategy and how everyone can make an individual contribution to our success. One example is our Group-wide “Certified” employee motivation and development programme, which aims to make our employees experts in their respective areas of responsibility. It also creates an atmosphere that places our customers at the heart of our activities and ensures we provide excellent service. In addition to a certified foundation module, we offer our employees a wide range of follow-up modules customised to their specific roles and areas of expertise. We place special emphasis on providing training for management and team leaders to help reinforce employees in their roles and support executives in carrying out their leadership duties. Such training focuses on leadership attributes that are applicable to all Group executives and serve as a behavioural compass. We also offer qualified employees a number of personal development options, such as special training for those with potential and development ambitions in self-management and in participation in interdisciplinary or international projects.

In the year under review, a total of 3.7 million training hours were completed. Moreover, time and money were invested in qualification elements integrated in the job, such as orientation and service training, which are not accounted for in this figure.

Diversity, Equity, Inclusion & Belonging

Our organisation brings together people from cultures and cultural backgrounds from all over the world who possess a wide range of experiences, abilities and perspectives, with 178 nationalities represented at our German sites alone. The diversity of our employees is not only an asset to the company but also one of its major strengths. Diversity, inclusion and freedom from discrimination are anchored throughout the Group as part of our Code of Conduct. We expressly reject any and all forms of discrimination.

We take an equal opportunity approach to new hirings, both internally and externally, and look exclusively to a candidate’s qualifications when deciding on their suitability.

During the reporting period, we expanded the scope of our diversity management activities to include the topics of equity and belonging. The DEIB (Diversity, Equity, Inclusion & Belonging) Board was also established and is comprised of executives in upper management from various central and divisional functions. The constituent meeting took place in the year under review.

The focus of our measures remains on increasing the share of women in executive positions. By 2025 we aim for women to occupy at least 30% of middle and upper management positions in the Group. The company uses various approaches and programmes to specifically empower female junior staff for the next step in their careers on the way to becoming middle- or upper-level executives, including coaching, mentoring and networks. In the year under review, we managed to exceed our target of women occupying 25.9% of middle- and upper-management positions. This figure came in at 26.3%. We are planning to improve the share to 27.7% for 2023.

Our company’s in-house RainbowNet network provides space for LGBTQ+ employees to share their experiences. As a founding member of the PROUT AT WORK Foundation, we are committed to providing a collegial, discrimination-free workplace so that our employees can achieve their individual career goals regardless of their sexual orientation or gender identity.

In line with our inclusive approach, we give disabled individuals professional prospects. In Germany, employers are required by law to ensure that employees with disabilities make up at least 5% of their workforce. At Deutsche Post AG, our principal entity in Germany, 14,274 persons with disabilities were employed in the reporting year, 20 of whom were trainees; that represents 8.0% of the total workforce.

The average age of employees throughout the Group remains at 40 years old. In response to demographic change in Germany as well as for the purpose of ensuring an ageing-friendly workplace, we have established a Generations Pact enabling employees of Deutsche Post AG aged 55 and over to reduce their working hours. The option of early retirement for civil servants with a commitment to undertake voluntary work *(engagierter Vorruhestand)* is also still in effect. To recruit and retain young, talented employees, we focus in particular on positions with on-the-job training as well as trainee and dual-study programmes. In Germany, we offered a total of around 1,500 spots in our post-secondary educational training and dual-study programmes during the reporting year. We provide college and university graduates with the chance to choose between various post-graduate training programmes.

Occupational health and safety

The health and safety of our employees in the workplace is of central importance to us and is therefore embedded in our Codes of Conduct. We comply with the Group's existing occupational health and safety policies, statutory regulations and industry standards.

The Group policy on occupational health and safety defines seven core elements implemented Group-wide in our safety management system. The management system complies with the international ISO 45001 standards, to which various business units are also externally certified. Our Supplier Code of Conduct requires our suppliers and subcontractors to adhere to these same high standards, Corporate governance.

Accident prevention in the workplace is the top priority of our occupational health and safety activities. Some of our biggest challenges are in our pick-up and delivery operations, because external influences can only be managed to a certain extent in this area. Bad weather, road work, complex traffic situations and dealing with animals require employees to pay attention, concentrate and take responsibility for themselves. The most frequent causes of accidents remain slipping, tripping and falling, as well as dropping objects. Accidents are analysed, the respective root causes are identified and measures are introduced which facilitate the continuous improvement of safety for our employees. Solutions proven in practice to reduce or eliminate potential hazards are shared across the Group. Additionally, we hold regular work meetings and workplace inspections and place signage at locations with greater potential hazards to increase the awareness of employees.

To measure the success of our efforts, we use the steering-relevant KPI of lost time injury frequency rate (LTIFR), which we calculate based on the number of work-related accidents per 200,000 working hours resulting in an absence of at least one working day for the affected person. We use the accident investigations to derive measures to eliminate the respective root causes of these accidents and to avoid reoccurrence.

The lost time injury frequency rate (LTIFR) dropped to 3.4 in the year under review. We thus outperformed our target of an LTIFR of 3.7. Unfortunately, we recorded more accidents with a fatal outcome than in the previous year. We expressly regret this development. We aim to stabilise our LTIFR at 3.5 for 2023. Moreover, we confirm our target for 2025 of lowering the LTIFR to below 3.1.

Work-related accident statistics

	2021	2022
Lost time injury frequency rate (LTIFR)[1]	**3.9**	**3.4**
of which Express	1.8	1.6
Global Forwarding, Freight	0.7	0.8
Supply Chain	0.5	0.5
eCommerce Solutions	1.8	1.6
Post & Parcel Germany	11.7	10.9
Group Functions	0.2	0.3
Working days lost per accident	18.3	18.2
Number of fatalities due to workplace accidents	5	7
of which as a result of traffic accidents	4	5

[1] Work-related accidents per 200,000 working hours resulting in at least one working day of absence for the affected person following the accident.

We carry out health projects and local initiatives to create a health-promoting work environment and raise awareness of a healthy lifestyle amongst our employees. Incentives are provided to local management to offer health-promoting programmes to employees and their families.

The Chief Medical Officer advises the Board of Management in all matters regarding occupational health – for instance how to deal with physical and psychological diseases in the work environment – as well as how to deal with the circumstances of a pandemic or epidemic. During the year under review, we continued the vaccination and testing of our employees at the locations throughout the Group. The Group-wide sickness rate increased by 0.8 percentage points to 6.3% in the year under review. This development is attributable primarily to the significant increase in respiratory illnesses caused not only by COVID-19, but also by the common cold and flu-like infections.

Some of our employees work in countries that offer insufficient statutory health coverage, or none at all. For this reason, we offer employees and their families in numerous countries high-quality primary or supplementary health insurance coverage at attractive terms through our Group's in-house employee benefits programme. Some 250,000 employees in 100 countries are covered by this programme.

Corporate citizenship

Contributing to economic development and social progress

We contribute to the socioeconomic development of the regions in which we operate through our sites, our employees and our business partners, thereby making a contribution to social and individual prosperity. As part of our corporate citizenship initiatives, we are leveraging our global network and the expertise of local employees in line with our purpose: Connecting people, improving lives.

Partnerships and initiatives

Our initiatives enable us to use our strengths and capabilities to effect change locally and to work together to meet global challenges. We partner with established international organisations to ensure that our initiatives have the greatest impact possible. With GoGreen (environmental protection), GoHelp (disaster management), GoTeach (increasing employability) and GoTrade (promoting trade) we also support SDGs 4, 5, 8, 11, 13 and 17.

We dignify employee engagement through our Global Volunteer Day, the "DHL's Got Heart" initiative and the Improving Lives Fund. Volunteering encourages employees to participate in, and give back to, local communities.

Based on the Group-wide annual survey of employees, we know that corporate citizenship is a relevant factor in determining their overall level of motivation. They want to contribute to social and environmental objectives not only in their personal lives but also at work, to help society and the environment and to enhance the Group's reputation. We therefore measure the success of our initiatives using the approval rate for the survey question asking whether our employees are proud of Deutsche Post DHL Group's contribution to society. As in the previous year, 79% of all employees responded positively in the year under review.

Large numbers of employees participate in the Go programmes

Our employees volunteered locally in large numbers once again in the reporting year. One major focus was the war in Ukraine: for the first time, our GoHelp teams were put to use in Europe to carry out the logistics for relief efforts for Ukraine.

But our employees in Ukraine are also directly affected by the war. Thanks to the generosity of donations from our workforce, we were able to provide financial support to those impacted quickly and without a lot of red tape via our internal We Help Each Other relief fund. All donations were matched by the Group, thus doubling our employees' contributions.

We expanded our GoTeach partnerships to additional countries. GoTrade initiated the DHL GoTrade GBSN Fellowship programme, which allows MBA students to support and accompany small and medium-sized enterprises for a year.

Corporate governance

Role model for responsible corporate governance

We intend to serve both as a role model for responsible corporate governance in our sector and as a trustworthy company. Ensuring our interactions with business partners, employees, the capital market and the general public are conducted with integrity and within the bounds of the law is vital to maintaining our reputation and is the basis for sustainable business success. We take steps to guarantee an honest and transparent business practice in compliance with the law by focusing on training executives in compliance-relevant content, building cybersecurity skills, shaping sustainable and stable relationships with business partners and fully integrating ESG metrics into management processes and incentive systems.

The rules for ethical conduct included in our Code of Conduct are further specified in our Human Rights Policy Statement as well as our Anti-Corruption and Business Ethics Standards Policy. Our focus at all times is on preventing potential violations of statutory requirements and internal guidelines.

Corporate Internal Audit evaluates the effectiveness of our risk management system, control mechanisms, management and monitoring processes and compliance with Group policies, contributing to their improvement. 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 discuss the audit findings and agree on measures for improvement with the audited organisational units and their management. The Board of Management is regularly informed of the findings. The Supervisory Board is provided with a summary once a year.

Corporate governance

Material topic	Key figure		2021	2022	Target for 2023[1]
Compliance: Train executives (Code of Conduct, fighting corruption and bribery, competition compliance and data protection)	Training level: Share of valid compliance training certificates in middle and upper management[2]	%	96	98	98
Respecting human rights	Carry out internal audits with regard to human rights	number	19	33	–
	Carry out on-site audits at locations in countries	countries	10	10	–
	Training level in middle and upper management	%	–	98	–
Standards in the supply chain	Supplier spend covered by an accepted Supplier Code of Conduct	€ billion	–	More than 27	–
	Potential high-risk suppliers assessed	number	–	More than 2,700	–
Cybersecurity	Training level in middle and upper management	%	98	97	–
	External assessment of our cybersecurity[3]	points	–	700	At least 710[4]

[1] Steering-relevant KPIs. [2] Steering-relevant KPI in the year under review. [3] Steering- and remuneration-relevant from the 2023 financial year. [4] The rating agency announced after the time this report was prepared that it would be making changes to its method which will have an impact on the rating scale and which could influence our results.

Trusted business partner thanks to compliance

We render all of our services in compliance with current legislation as well as our corporate values as defined in our Group policies. One important aspect of compliance is the legally required disclosures relating to fighting corruption and bribery matters. We observe all applicable international anti-corruption standards and statutes and are a member of the Partnering Against Corruption initiative of the World Economic Forum.

Ensuring legally compliant conduct in our business activities and in our interactions with employees is an essential task of all Group management bodies. In line with our objective, participation of executives in middle- and upper-level management in various types of relevant compliance training is mandatory. We believe one thing: managers have to be well informed to identify potential compliance risks and ensure that such risks are mitigated appropriately.

The foundation to this approach is our compliance training comprising our Core Compliance Curriculum (anti-corruption, competition compliance, Code of Conduct) and training on data protection. All employees who have already completed their training must update their certification every two years. We will use the share of valid training certificates amongst executives in middle- and upper-level management as a steering-relevant KPI.

With our compliance management system (CMS) we have implemented effective measures for the prevention of corruption and bribery throughout the Group. Responsibility for designing the system lies with the Chief Compliance Officer. Uniform minimum standards are laid down in the CMS and accompanied by related activities initiated by the compliance officer in the divisions.

Our Code of Conduct and Anti-Corruption Policy, along with training on these topics, help employees identify situations in which the integrity of the company could be called into question with respect to relevant third parties.

Potential violations can be reported 24/7 – if legally permitted, anonymously – via our professional compliance incident reporting system (whistle-blower hotline). In addition, potential violations can also be reported by telephone, @ Company website. The incident reporting system was made available to third parties during the year under review. Reports are reviewed and investigated internally for potential violations as part of a standardised process. Information on relevant violations is collected and included in the regular compliance reports made to the Board of Management and to the Supervisory Board's Finance and Audit Committee, Report of the Supervisory Board.

In the interest of raising awareness of compliance amongst employees, a Group-wide campaign – Compliance Awareness Week – was carried out in the year under review and rounded out by measures tailored to the specific divisions and regions. The campaign was additionally supported by "tone from the top" statements from the members of the Board of Management to emphasise to each employee the importance of compliance for the Group. To strengthen the internal dialogue, our workforce was made aware of and informed about compliance aspects on an ongoing basis by means of further communication measures and via the compliance channels.

The compliance training certification rate was 98% in middle and upper management in the year under review. We plan to maintain the rate at this high level for 2023.

In the context of its 208 audits, Corporate Internal Audit also reviewed compliance management system processes and the implementation of agreed follow-up measures. Findings from the regular audits facilitate the identification of other compliance risks and the refinement of the compliance programme.

Respecting human rights

Our commitment to respect for human rights includes adherence to the principles of the UN Global Compact and the International Labour Organization (ILO), which we have embedded in our Code of Conduct and outlined in greater detail in our Human Rights Policy Statement, @ Company website. These stipulate clear responsibilities and requirements for our employees and executives as well as our suppliers and subcontractors, and contribute to the general understanding and implementation of the principles of the UN Global Compact.

Our human rights activities focus on the prevention of child and forced labour, decent working conditions (remuneration, working hours, occupational health and safety) and the right to freedom of association. With the Supplier Code of Conduct, we obligate suppliers and subcontractors to comply with our ethical, social and environmental principles and implement them in their own supply chains.

The implementation of measures for respecting human rights in the workforce and in the supply chain have been monitored by the Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz* – LkSG) Council since the end of the reporting year. The board is made up of executives in upper management from the Group functions Employee Relations, Corporate Development, Corporate Public Affairs, Legal Services and Global Compliance, Corporate Procurement and Corporate Internal Audit.

As part of its audits, Corporate Internal Audit also conducted reviews relating to respect for human rights and verified that the agreed follow-up measures had been implemented. In the reporting year, 33 such reviews took place.

Preventing human rights violations in the workforce

With our internal management system, we ensure that our Human Rights Policy Statement is implemented amongst our workforce. In addition, we use the system to monitor compliance with due diligence. Key components are training initiatives and on-site reviews; these reviews are conducted by specially trained and externally certified professionals from the divisions and corporate headquarters. A risk-based approach is applied to select of countries and locations for the on-site reviews based on internal criteria, such as number of employees, as well as external criteria from Verisk Maplecroft (Human Rights Index). Additionally, we consider suggestions from international trade union confederations.

Under the leadership of the HR department, on-site reviews were held at various locations in ten countries as planned in the reporting year. These were again conducted largely as in-person reviews thanks to the loosening of pandemic-related travel restrictions. Once again, some cases of non-compliance with working time regulations and knowledge gaps concerning occupational safety requirements were identified and subsequently rectified by way of a structured action plan in the year under review.

Further employees were certified according to the Sedex Members Ethical Trade Audit (SMETA) standard, so that the annual number of on-site reviews can be increased. Moreover, as planned, the training module we use to raise employees' awareness for respecting human rights was rolled out throughout the Group. Participation is recommended for all employees. Participation is mandatory for executives in middle and upper management beginning with this reporting year; the certification rate was 98%.

Standards in the supply chain

Corporate Procurement selects suppliers that meet our ethical, social and environmental standards. Supplier selection is based on a standardised assessment process which also takes aspects such as diversity and respect for human rights into account, as well as external criteria such as those from Transparency International (Corruption Perceptions Index).

Procurement employees are regularly trained to identify potential supplier-related risks early on. We convey our expectations to our suppliers and subcontractors via our Supplier Portal Website and introduce our selection processes. Suppliers can also use our portal to familiarise themselves with our Supplier Code of Conduct, which we make available in numerous languages along with the corresponding training module. From there, they can also access our professional compliance whistle-blower system which they can use to report potential violations of the Code or statutory provisions as well as cybersecurity incidents.

In the year under review, we continued developing a Group-wide risk management system for supplier assessments and adapted the Corporate Procurement Policy accordingly. In addition, we developed and implemented two key figures: supplier spend covered by an accepted Supplier Code of Conduct and the potential high-risk suppliers assessed.

We calculate the potential for risk of suppliers at the level of purchase categories. The risk assessment is influenced by 45 types of risk within eight risk domains (ESG, economic, technical, legal, political and cybersecurity risks) which were evaluated for each individual purchasing category. The ultimate classification of the risk potential is based on the evaluation of the probability and the possible impact. More than 2,700 potential high-risk suppliers were assessed in the year under review.

We use supplier spend covered by an accepted Supplier Code of Conduct to measure the successful implementation of our standards in the supply chain. We record progress regarding the key figure via the central financial systems, report to management on a monthly basis and discuss developments with the CEO and the CFO. In the year under review, supplier spend covered by an accepted Supplier Code of Conduct amounted to more than €27 billion.

Cybersecurity

Our cybersecurity management activities protect the information of the Group, our business partners and our employees as well as IT systems from unauthorised access or manipulation and data misuse. In addition, this ensures uninterrupted availability and enables reliable operations. Our internal guidelines and processes are based on ISO 27002 and our data centres are certified in accordance with ISO 27001.

The Group Chief Information Security Officer (Group CISO) reports directly to the Board Member for Global Business Services. The IT Board determines the cybersecurity strategy and defines and manages Group-wide measures for cybersecurity, for protecting systems and data and for digitalisation processes. The Information Security Committee is made up of the central functions of Group CISO, IT Audit, Legal Services, Data Protection and Corporate Security, as well as the divisional CISOs. The committee assesses potential threats on an ongoing basis, evaluates the potential of new risks and monitors compliance with our security standards.

We limit access to our systems and data such that employees can only access the data they need to perform their duties. All systems and data are backed up on a regular basis, and critical data are replicated across data centres. Additionally, by performing regular software updates, we can fix potential security vulnerabilities and protect system functionality.

A variety of communication measures and training sessions help our workforce become more aware of possible cybersecurity risks. All employees and executives with a corporate email address are continuously made aware of current risks by means of phishing and IT crisis simulations. Participation in Information Security Awareness training is mandatory for all employees with a computer workstation. All participants who have already completed their training must update their certification every two years. In the reporting period, the share of valid training certificates amongst middle- and upper-level management was 97%.

In the year under review, the Board of Management and the Supervisory Board decided to have our cybersecurity evaluated by BitSight, an external rating agency, and to report this rating as a steering- and remuneration-relevant KPI beginning in the coming financial year. This cybersecurity rating assesses the security situation and brings potential security risks to the attention of the rated company. Assessment of the security situation is carried out by an automated service on a daily basis. Unlike with manual assessments, a cybersecurity rating offers transparency and enables comparison with other companies thanks to standardisation.

The rating amounted to 700 of a possible 900 points as at the end of the year under review. We are striving for a position in the top quartile of our reference group with BitSight for 2023, which means we expect a rating of at least 710 points. The rating agency announced after the time this report was prepared that it would be making changes to its method which will have an impact on the rating scale and which could influence our results.

Tax strategy as a standard adhered to worldwide

Our tax strategy is aligned with our Group strategy and must be adhered to throughout the Group. The overarching approach applied by the Group is that taxes are always incidental to and follow business needs. We do not undertake aggressive tax planning or enter into artificial arrangements with the goal of avoiding taxes. Our Group maintains locations in more than 220 countries and territories, including some with lower tax rates than those in Germany. These locations are necessary for carrying out our operational business in those regions. None of our companies was established with the purpose of obtaining tax benefits or is currently used to pursue aggressive tax structuring.

In interpreting and applying tax legislation, we do not merely follow the letter of the law, but also consider its spirit and intended purpose. As a globally active group of companies, our activities necessarily include operations in countries where uncertainty is high. We mitigate this uncertainty through continual dialogue with tax authorities and tax advisers to obtain the greatest possible degree of legal certainty. This allows us to meet tax compliance requirements in the countries in which we operate to the best of our knowledge and belief. Our Group risk management system incorporates a tax risk management framework that enables us to monitor and avoid tax risk as far as possible.

In the year under review, we recognised taxes and social security contributions totalling €5,354 million.

Taxes and social security contributions

€m

	2021	2022
Total	**4,566**	**5,354**
Income taxes paid	1,323	1,782
Other business taxes	322	380
of which taxes on capital, real estate and vehicles	133	150
other operating taxes	189	230
Employer's social security contributions	2,921	3,192

EU Taxonomy

Pursuant to Article 8 of Regulation 2020/852 of the European Parliament and of the Council as well as Delegated Regulation 2021/2178 of the European Commission

We are reporting our contribution to the European Union's environmental objectives of climate change mitigation and climate change adaptation according to the guidelines laid down in the EU Taxonomy regulation and, beginning with this reporting year, are reporting the taxonomy-aligned (aligned) shares of revenue, capital expenditure (capex) and operating expenditure (opex) in addition to the taxonomy-eligible shares thereof.

Taxonomy-eligible economic activities (activities) are considered environmentally sustainable and therefore aligned if they make a substantial contribution to one of the six EU environmental objectives and are not associated with significant harm to one or more other environmental objectives (do-no-significant-harm (DNSH) criteria). In addition, the company complies with required frameworks for minimum safeguards that relate to respecting human rights and social and labour standards, as well as anti-corruption fair competition and taxation, for all activities.

Activities identified as aligned exclusively make a contribution to the EU environmental objective of climate change mitigation. Moreover, they prevent significant harm to the other EU environmental objectives of climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems.

In the reporting year, the Group policy for implementing the requirements of the EU Taxonomy was supplemented with the provisions for determining the aligned shares of revenue, capex and opex; the Group-wide financial and controlling systems were adapted accordingly.

Applied evaluation method

In the year under review, the analysis of the taxonomy-eligible activities carried out in the previous year was reviewed and confirmed. We still assign our transport services, including the necessary infrastructure and buildings, to Sector 6 "Transport", whilst real estate not used for transport services is assigned to Sector 7 "Construction and real estate".

The EU Taxonomy does not yet take into account all economic activities which are relevant for our business. Revenue from warehousing (Supply Chain division) in particular, as well as revenue, capex and opex from air freight (Express division and Global Forwarding business unit), including the associated infrastructure, is therefore not reported as taxonomy-eligible.

Capex generated by the addition of assets can be assigned directly to individual activities, whilst revenue and opex can generally not be directly assigned. In these cases, we primarily use a cost-based allocation logic that reflects the business models of the divisions. We avoid double counting by assigning revenue, capex and opex to only one activity respectively and taking intra-Group relationships into account on a consolidated basis. All taxonomy-eligible activities were reviewed with regard to their alignment. The method applied for the respective technical screening criteria is presented in the following table.

Criterion	Evaluation method
Substantial contribution to climate change mitigation, prevents significant harm (DNSH) to the EU environmental objectives of the sustainable use and protection of water and marine resources (DNSH 3), the transition to a circular economy (DNSH 4), pollution prevention and control (DNSH 5), the protection and restoration of biodiversity and ecosystems (DNSH 6)	Carried out on the basis of individual assets or groups of assets, provided that the evaluation of the criteria is possible on a superordinate level by means of uniform Group processes and within the framework of applicable national or EU regulations. These values were assessed as not aligned in all other cases.
Causes no significant harm (DNSH) to the EU environmental objective of climate change adaptation (DNSH 2)	The climate-change-related risk assessment was carried out based on the TCFD analysis, which we supplemented with adjustment solutions for physical climate risks, Environment.
EU minimum safeguards for the respect for human rights and the preserving of employees' rights, as well as regarding anti-corruption, fair competition and taxation	Ensured with our Code of Conduct, the Group policies on anti-corruption and standards for business ethics, the environment and energy, the Competition Compliance Policy, the Human Rights Policy Statement, the corresponding processes and management systems, the regular audits carried out by Corporate Internal Audit and the Group Tax Strategy. Ensured in the supply chain with our Supplier Code of Conduct, the procurement processes and supplier management, Corporate governance. At the time this report was prepared, there were no relevant legal proceedings ongoing in this context, Note 45 to the consolidated financial statements.
If shares of revenue and opex could not be directly assigned to aligned activities, specific allocation keys – such as the percentage of taxonomy-aligned vehicles in the entire fleet – were applied which also take special circumstances of the divisions into account.	

Determining taxonomy alignment

In the following, we provide an overview of the aligned assets per activity. The statements are in regard to the associated shares of revenue, capex and opex.

We generate a significant portion of our revenue from transport services (transport sector) in collaboration with suppliers and subcontractors, who render their services on an independent basis from a legal perspective. As a result, these economic activities and the assets associated with them must be evaluated there with regard to alignment with the EU Taxonomy. At the time this report was prepared, we did not have any information on the meeting of technical criteria for these activities and assets, so we are reporting them as not taxonomy-aligned.

The property, plant and equipment from business combinations were allocated largely to the transport sector; no aligned activities could be identified. Intangible assets from business combinations were classified as taxonomy non-eligible, Capex template.

Determining taxonomy alignment (EU environmental objective of climate change mitigation)

Activity		Evaluation of alignment
6.4	Operation of personal mobility devices, cycle logistics: devices for personal mobility not subject to permits	Assets within this activity, e.g. bicycles, meet the requirements of the substantial contribution to cycle logistics. Thanks to partnerships with certified recycling companies, compliance with the requirements of DNSH 4 can be ensured and demonstrated.
6.5	Transport by motorbikes, passenger cars and light commercial vehicles: light commercial vehicles[1]	Our electric vehicles operate without emissions and therefore meet the requirements of the substantial contribution. Compliance with regard to recyclability (DNSH 4) and emissions thresholds (DNSH 5) is a basic requirement for approval of electric vehicles in Europe, which is why we considered these to be met. In addition, the simultaneous meeting of the criteria for fuel efficiency and rolling noise of tyres represents a substantial requirement in accordance with DNSH 5. For this reason, we have determined the respective vehicle- and use-specific requirements of the tyres, including the load coefficients, and identified the highest class containing some products in the EPREL[2] database for each specification as well as checked the tyre classification under DNSH 5 for each vehicle.
6.6	Freight transport services by road[3]: heavy-duty vehicles[4]	Method is analogous to 6.5. Our electric vehicles do not transport any fossil fuels and are evaluated as aligned.
6.15	Infrastructure enabling low-carbon road transport and public transport[3]: infrastructure necessary for transport,[5] for example sorting and distribution centres as well as integral equipment	Sorting and distribution centres, as well as Packstation parcel lockers, enable cargo handling between the modes of transport and therefore fulfil the substantial contribution of this activity. Compliance with the requirements of DNSH 4 could be demonstrated for the construction of new buildings[5] for locations in selected countries in consideration of national waste removal statistics and regulations. The analysis of the location and noise pollution of our sites showed that nearly all of them meet the requirements of DNSH 5 and 6.[5]
7.1	Construction of new buildings: Office and administration buildings as well as warehouses	Alignment could not be evaluated due to a lack of well-founded thresholds for non-residential buildings.
7.7	Acquisition and ownership of buildings: Office and administration buildings as well as warehouses	

[1] EU Taxonomy vehicles classes M1 and N1 (unladen weight of up to 2.8 tonnes and total permitted weight of up to 3.5 tonnes). [2] European Product Registry for Energy Labelling. [3] Not including subcontracted road freight. [4] EU Taxonomy vehicle classes N1 to N3 (unladen weight of more than 2.8 tonnes or total permitted weight of more than 3.5 tonnes). [5] The criteria for recycling requirements for construction and demolition works are not applicable to existing buildings.