

STRENGTH THROUGH DIVERSITY



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Puerto Rico
**WEATHERING
THE STORM**



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Global, local
**STRONG
VALUES**



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Saudi Arabia
**BOLD
MOVES**



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Brazil
**RESPECT AND
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**PROUD TO
GO GREEN**



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MILESTONES

2009

GoTeach – the Group's program to improve employability – gets underway



2005

Partnership with the United Nations established. GoHelp – the Group's disaster management program – is also rolled out

2003

The first environmental report marks the start of CR reporting

1490

Franz von Taxis founds the modern postal system





2017



**Another ambitious climate protection target is set:
To reduce all logistics-related emissions to
net zero by 2050**



2008



GoGreen – the Group-wide environmental and climate protection program – is launched. Deutsche Post DHL Group is the first logistics provider to set a measurable climate protection target



2006



Our corporate values are laid down in the Code of Conduct



2000

Deutsche Post AG goes public on November 20



ABOUT THIS REPORT ✓

This Corporate Responsibility Report 2018 (“CR Report”) comprises the mandatory disclosures required by sections 289b ff. and 315b ff. of the German Commercial Code (Handelsgesetzbuch – HGB), which are contained in a Separate Consolidated Non-financial Report (“Non-financial Report”). The information in 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.

Scope of reporting

The information provided in the CR Report covers the period from January 1 to December 31, 2018 and applies to the entire ① consolidated group as described in the 2018 consolidated financial statements. Any departures from this rule are indicated.

Standards used in the Non-financial Report

The issues and concepts of importance to ensuring compliance with the requirements of the German Commercial Code have been derived from the results of the materiality analysis conducted in 2017 in accordance with the GRI G4 Guidelines:

- Anti-corruption and bribery matters → Chapter Resilience & Integrity, page 34
- Respect for human rights
 - In relation to the supply chain: Chapter Resilience & Integrity, page 34
 - In relation to our employees: Chapter Employees, page 52
- Employee matters relating to the issues of “employee engagement”, “employee development” and “occupational health and safety” → Chapter Employees, page 52
- Social matters relating to the issue of “corporate citizenship” → Chapter Society, page 76
- Environmental matters relating to the issue of “energy efficiency and climate change”
 - Chapter Environment, page 88

The non-financial performance indicators used for managing the Group 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.

Standards used in voluntary CR reporting

The material issues selected for inclusion in the report are based on the results of the materiality analysis conducted in 2017 in accordance with the GRI G4 Guidelines. 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 (UNG). The linkages to the UNG’s Ten Principles are based on the joint UNCI/GRI publication “Making the Connection”. The relevant references to the Ten Principles have been included in the GRI Index.

Data capture and bases of calculation

Unless otherwise noted, employee data refers to the headcount as of the reporting date (December 31, 2018). The measurement techniques used are explained in the relevant places in the CR Report. Similarly, the bases of calculation for data, and information that is based fully or partly 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.

In accordance with the Greenhouse Gas Protocol, Scope 2 greenhouse gas emissions are reported as gross CO₂e volumes using both the site-based and market-based methods. 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

Based upon the Group's early warning system and in the estimation of its Board of Management, no reportable risks were identified for the Group in the current forecast period that were linked to its own business activities, business relationships, products or services, that are highly probable, and that have or will have a severe adverse impact on the significant aspects. Opportunities and risks that are relevant to the minimum requirements for the Non-financial Report are ascertained and quantified as part of the Group's opportunity and risk management process.

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.
- **CR 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. → page 115

Terms and abbreviations used

This report aims to be gender-neutral. Words of any gender also refer to other genders. We have also abbreviated the UN's Sustainable Development Goals to "SDGs", non-governmental organizations to "NGOs", corporate responsibility as "CR", and the Group's Anti-Corruption and Business Ethics Policy to "Anti-Corruption Policy".

Finding your way around

→ Cross-reference within the Report

 Audited by PwC

↗ Reference to external content

 Status achieved

 Glossary entry

 Status not achieved

Our key figures in 2018



€61,550 million

revenue



€3,162 million

EBIT



Approx.

98,500

vehicles



>250

cargo aircraft,
214 of which
company-owned



77%

green electricity use



Approx.

9,100

StreetScooters



550,000

employees



65%

men

35%

women

22.1%

women in
executive positions



“Corporate Responsibility is not a ‘nice to have’; it is absolutely integral to our strategy of connecting people and improving lives.”

Dr. Frank Appel
CEO

INTERVIEW WITH DR. FRANK APPEL

Diversity as a driver for innovation and future success – a word about our milestones in 2018

Why the title “Strength Through Diversity” for this report?

Deutsche Post DHL Group is one of the most international companies in the world. We have some 550,000 people on the ground in over 220 countries and territories, and each of these individuals makes his or her own unique contribution to our success. Diversity also applies to our wide-ranging portfolio of logistics and supply chain services, which gives us a unique competitive advantage. There's no question in my mind that diversity is key to helping us fulfill our ambition to be The Logistics Company for the World. It drives our innovative capacity, productivity and competitiveness. Our diversity also allows us to respond to challenge or uncertainty; it's about resilience, too.

Was 2018 a particularly challenging year?

The economic uncertainty on the macro level was not new or unique to 2018, but yes, as a company we had to overcome some new challenges, most notably the restructuring of the German mail and parcel business. This was a step we took to strengthen our domestic business and better exploit the opportunities open to us in the booming e-commerce logistics market. But for me, 2018 also demonstrated the strength of our foundation as a company. An important component of this foundation is our corporate strategy, which is itself based on the diverse needs and expectations of our stakeholders: customers, employees and investors. So we don't just have one bottom line, we have three bottom lines: to become Provider of Choice, Employer of Choice and Investment of Choice.

How does Corporate Responsibility fit into this strategy?

The basic idea behind Corporate Responsibility (CR) is that we want to do more than create value for our customers and shareholders; we also want to give something back to society and the planet. But this is not separate from our everyday business. CR is not a “nice to have”; it is absolutely integral to our strategy and driven by our core company purpose of connecting people and improving lives.

So is CR your fourth bottom line?

CR is a bottom line in the sense that responsible business is just good business. This starts with respect, tolerance, honesty and candor vis-à-vis employees, customers and stakeholders; these are the key pillars of our Group-wide Code of Conduct, our “ethical compass”. Without employees, of course, we don't have a business. When they are healthy, motivated and performing well, it's good for business and everybody wins. On the environment front, we are increasing the carbon efficiency of our operations, reducing local air pollution emissions, and helping customers make their supply chains greener with environmentally friendly products and solutions. Yes, we're a pioneer in green logistics, but at the same time, the demand is there from customers and investors. So CR contributes directly to all three bottom lines.

What would you consider some of your key accomplishments as an employer?

Our fundamental goal is to establish long-term employee relationships. This requires a combination of effective leadership and employee engagement. I was especially pleased to see our KPIs for Active Leadership and Employee Engagement improve in 2018, even as we began restructuring our mail and parcel businesses.

For me, the fact that we added around 28,000 employees to our workforce last year is no small achievement. As of December 31, 2018, we reached our highest ever total of 547,459. This figure has grown continuously since 2012 – a testament to the strength of our position within the postal and logistics services industry, even in times of change. And it's a diverse workforce! We're proud to be listed in the Thomson Reuters IX Global Diversity & Inclusion Index and the Bloomberg Gender Equality Index. We also received the European Diversity Award in 2018 and

recently became the first German company to receive the US-based 2019 Catalyst Award for our "Women in Management" project. Of course Forbes named our CFO Melanie Kreis one of the World's 100 Most Powerful Women in 2018, and she is also on Fortune's list of Most Powerful Women internationally.

What were the climate and environment focus areas?

Urban air quality was one of our focus areas in 2018. Among other measures, we further expanded deployment of our City Hub solution in European cities, which replaces delivery vans with cargo bikes, and we began replacing conventional motor scooters with electric scooters.

What's more, over 9,000 StreetScooters, our electric delivery vans, have now been deployed throughout Europe – and now that they are available to third parties, our list of external customers continues to grow.

Our carbon efficiency has improved up to 33% over the 2007 baseline, which represents another milestone on the way to Mission 2050. Group-wide, our use of green electricity from renewable energy sources such as wind, hydropower, solar and biomass has already risen to an impressive 77%. We also made progress in a wide range of initiatives designed to increase energy efficiency and the use of alternative power sources – from electric-drive trucks, to LNG powered trucks, to state-of-the-art aircraft, to green building technologies. And we stayed on track with our forest conservation target, joining partners to plant 1 million trees.

Looking forward, I believe that promoting synthetic fuels based on renewable energy sources will be an important piece of the puzzle when it comes to lowering the carbon footprint in transport. In 2018, we joined the Global Alliance Power Fuels to help improve the marketability of synthetic fuels, and continue to support development of alternative aviation fuels.



Would you say the company has given back to society as much as it has done for the environment?

Certainly we have. We are a signatory of the UN Global Compact and have been a supporter of its Ten Principles since 2006, and this, along with the UN Sustainable Development Goals, provides a kind of framework for our business and CR activity. So we're part of a larger effort by the international community to bring the world together and improve lives. This inspires many of our people to give their time and talents as part of our Global Volunteer Program to leverage our strengths as a company for the greater good of the communities in which we live and conduct business. In 2018, for example, some 123,000 Group employees gave a total of over 374,000 hours of their time to thousands of social projects across the globe.

A perennial highlight for me is the work of our Disaster Response Teams and our GARD disaster preparedness program in collaboration with the UN – both of which showcase the effectiveness of public-private partnerships in humanitarian action. DRT and GARD once again completed multiple deployments and workshops in 2018; these are great examples of our logistics specialists delivering maximum impact and benefit as volunteers.

We continued to improve employability for disadvantaged youth worldwide through our GoTeach program, and also integrated our refugee initiative into the program last year. During 2018, we signed employment contracts with around 4,000 refugees. They are building new lives for themselves, performing valuable work for us, and enriching and strengthening the fabric of society.

One of the tenets of the UN Global Compact is that responsible business is an important force in bringing about change. Do you consider your company an agent of social change?

All companies should be the agents of social change. In our case we can provide valuable examples of progress in areas like human rights,



environment and society. Take the example of the refugees I just mentioned. While the news often focuses on the refugee problem and the lack of practical answers, our story provides an example of a solution, a positive outcome. On the climate front, it can be frustrating to see the lack of progress on the global, political level. In the meantime, Deutsche Post DHL Group continues to set clear, ambitious goals, such as our zero emissions target for 2050, and to apply discipline and can-do spirit to making steady progress in reaching these goals.

You sound optimistic!

Indeed I am! Sure, the world still faces plenty of challenges, but you can argue it's never been in better shape. 70 years without a world war is something we are certainly grateful for and celebrate here in Europe. Extreme poverty is down by more than half since 1990, for example, and life expectancy is on the rise. I also have a fundamentally positive view of globalization and digitalization, the two major forces of our time. Certainly globalization is under some pressure, and we should not take for granted the relatively new form of openness we enjoy today. But in my opinion, the knowledge flows driving today's global economy and technological advances are too strong to be stopped. And this is good! Becoming more connected is the only way to move from a fragile world to a world of solid, shared and sustainable progress.

This is how our connectedness makes us stronger, and how diversity makes us stronger. I firmly believe that this is also how Deutsche Post DHL Group can continue to enable progress and improve lives around the world.



**“We really all moved
‘As One’ – that unity made
us very powerful.”**

Javier Aleman, Station Manager

DHL Global Forwarding

Puerto Rico

WEATHERING THE STORM

In the aftermath of Hurricane Maria, DHL teams in Puerto Rico kept operations running against all odds – helping employees, moving critical life sciences cargo and caring for communities.

Maria, one of the most powerful Atlantic hurricanes on record, hit Puerto Rico with full force, causing a humanitarian crisis. The entire island was cut off from electricity, and clean water, food and fuel were scarce. In the immediate aftermath, almost nothing moved. DHL however was back in business within 36 hours, with DHL Global Forwarding (DGF) moving critical life sciences goods for customers and DHL Express operating flights as soon as San Juan airport reopened, providing cargo capacity some two weeks before others resumed operations. Javier Aleman, DGF Station Manager in Puerto Rico, talks about how teams bonded together to help employees, customers and communities when many others could not – and how helping the communities continues until today.

Javier, what goes through your mind when a powerful hurricane is about to slam Puerto Rico?

Our clear priority was to ensure the safety and well-being of our employees, and this focus really carried us through those first couple of days. After accounting for everyone and assessing their personal situations, we did what was necessary to ensure their basic needs, including water, food, fuel, generators for their homes and daycare for their kids. We negotiated with local gas stations to provide priority service to employees and arranged meals through a local cafeteria. Most employees came back to work within 36 hours, which was incredible. Ensuring the well-being of our people was really the key to everything else we were able to achieve.



THE GROUP

By the time other companies resumed regular operations, you had been moving cargo and aid for two weeks and were busy supporting communities in need. Why was DHL in such a strong position to help?

I see three main success factors. First, the attention we paid to our own people, making sure they were well, able to work and ready to help others. Second, our preparedness. Hurricane Irma had struck the region less than two weeks before, and we seized on this chance to update our hurricane preparedness plan, including agreements with fuel suppliers, which proved to be critical. Third, the power of DHL's network. DHL Express has a policy of being the last out, first in, in any type of disaster situation, and theirs were the only planes flying in after the airport reopened. Jointly, the teams in Puerto Rico did an outstanding job – supported by our entire global network. Colleagues from DHL Supply Chain and Customer Solutions & Innovation helped to support customers, and the DPDHL Disaster Response Team was on the ground to help distribute humanitarian relief. DHL employees in the U.S. and beyond donated an incredible amount of humanitarian aid. We really all moved "As One" – that unity made us very powerful.

Your proudest moment?

During the hurricane and its aftermath, I was in contact with so many people throughout the organization and everyone had this "How can I help?" attitude; it filled me with pride each time. We received thank you letters from a number of major healthcare customers, and even a letter from the mother of an infant who received critical supplies just in time. We had countless employees participating in relief efforts, personally delivering help to distressed families across the island. Even today, some of the non-profits in Puerto Rico continue to receive support from DHL. The list goes on! It's really all about a common "can-do" spirit, and I'm just proud to be part of it.

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NON-FINANCIAL REPORT ✓

We contribute to global trade and economic development with our product and service portfolio and our near-global presence. 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 as far as possible. In doing so, we promote the Group's long-term growth and secure jobs worldwide.

BUSINESS MODEL

Deutsche Post DHL Group is a provider of mail and logistics services and was organized in four operating divisions in the year under review: Post - eCommerce - Parcel; Express; Global Forwarding, Freight; and Supply Chain. Internal Group services are bundled under Global Business Services. Group management functions are centralized in the Corporate Center. In April 2018, a new Board department – Corporate Incubations – was created with the aim of driving forward innovative products such as our StreetScooter electric vehicle, and developing automation and digitalization solutions.

PRODUCTS

We offer integrated services and tailored, customer-oriented solutions for transporting mail, goods and information. The Post - eCommerce - Parcel division provides 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.

For details on our business model and business performance, please refer to our Group Management Report. ↗ 2018 Annual Report, from page 12



THE GROUP

WE AIM TO BECOME PROVIDER, EMPLOYER AND INVESTMENT OF CHOICE

BUSINESS & PRODUCTS ✓

Deutsche Post DHL Group is a listed company; its Group headquarters are in Bonn, Germany. We offer logistics and postal communications services under our Deutsche Post and DHL brands.

We contribute to the economic well-being of individuals and society in a number of ways. With approximately 550,000 employees, we are one of the world's largest employers in the transport and logistics sector. Furthermore, our economic performance enables us to contribute to society.

- As a catalyst for global trade: Our global logistics networks lay the groundwork for companies and people to participate in global trade.
- As an indirect economic factor: Our sites, employees and suppliers also contribute to economic growth and development in their respective regions.

Indeed, it is as a result of our stable economic situation that we are able to maintain and expand our commitment to corporate responsibility.

Efficient organization

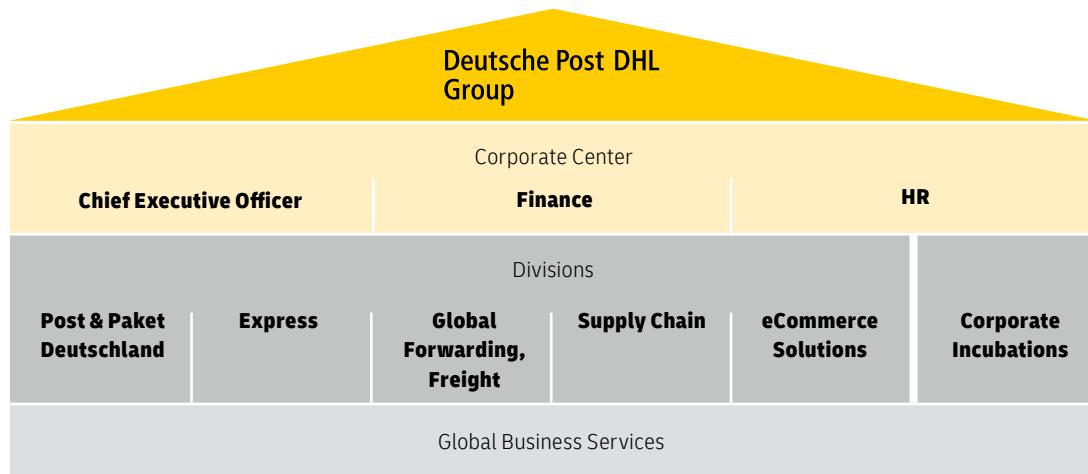
In 2018, Deutsche Post DHL Group was organized into four operating divisions, each run by its own divisional headquarters. Internal Group services, including Corporate Procurement, IT Services, Insurance & Risk Management and Corporate Real Estate, are bundled under Global Business Services. Group management functions are performed by the Corporate Center, which comprises the CEO, Finance and HR functions.

In April 2018, a new Board department – Corporate Incubations – was created; led by Dr. Thomas Ogilvie, it develops innovative products such as the StreetScooter and automation and digitalization solutions.

Effective January 1, 2019, the Post - eCommerce - Parcel division portfolio was reorganized into two separate divisions: The Post & Paket Deutschland division headed by Dr. Frank Appel as acting director will now handle business in Germany; our international business will be the responsibility of the newly created eCommerce Solutions division led by Ken Allen, who will also continue to be in charge of Customer Solutions & Innovation. At the same time, John Pearson will take over as Board member for the Express division.

→ page 11

Group organizational structure, effective January 1, 2019



Economic performance

In the year under review, we generated revenue of €61,550 million and EBIT of €3,162 million.

↗ 2018 Annual Report, from page 40

The Group brings together two of the most valuable brands in the world, Deutsche Post and DHL, under one roof. DHL was rated no. 62 in a ranking of the world's top 100 most valuable brands, with a brand value of US\$20.6 billion. Deutsche Post is ranked 21st in the German top 50, with a brand value of US\$3.6 billion.

Tax experts pursue conservative tax strategy

The taxes and other duties that we pay to federal, state and local authorities in many different countries help maintain and expand their infrastructure. Our income tax payments totaled €579 million in the year under review.

This responsibility is the basis for our 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, our subsidiaries 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.

Dividend increased

Following the resolution by the Annual General Meeting on April 27, 2018, we distributed €1,409 million in dividends for financial year 2017 to our shareholders in the year under review.

Information on the dividend proposal for financial year 2018 is provided in the Group Management Report. ↗ 2018 Annual Report, from page 42

Staff costs

Staff costs amounted to €20,825 million, or 33.8% of Group revenue, in the year under review. These costs include wages, salaries, and compensation and all other benefits paid to Group employees for their work during the financial year, along with social contributions. The latter primarily comprise mandatory statutory contributions, and in particular social security contributions.

We also offer defined benefit and/or defined contribution pension plans, which accounted for approximately €846 million of the staff costs in the year under review. More detailed information on the pension plans is available in the notes to the consolidated financial statements in the 2018 Annual Report.

↗ 2018 Annual Report, from page 132

Remuneration paid to the Board of Management and the Supervisory Board represents 0.07% of total staff costs. In 2018, the total remuneration paid to active Board of Management members amounted to €11.37 million; total remuneration for the Supervisory Board was €2.73 million. These figures include share-based remuneration. Please refer to the Group Management Report for additional details on Board of Management and Supervisory Board remuneration. ↗ 2018 Annual Report, from page 25

Investing in technological developments

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, this has helped to further extend our pioneering role in the development of electric delivery vehicles. → page 96

Investment expenditures amounted to €2,648 million in the year under review. A detailed report on Group investments can be found in our 2018 Group Management Report. ↗ 2018 Annual Report, from page 46

Sustainable products

Our Deutsche Post and DHL brands stand for a wide-ranging portfolio of products and services. 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 worldwide offer our customers sophisticated cold chain logistics services. We improve patient safety and save lives all around the world.

In the year under review, we set up a competence center for humanitarian logistics in the United Arab Emirates in order to bundle our global activities in this area. Thanks to our digital 4PL/control tower solution, our customers can rest assured that humanitarian deliveries in the Middle East and Africa in particular will be handled smoothly. The center was officially opened in February 2019.

- **Environment:** We are expanding our range of environmentally-friendly products and logistics solutions, which help our customers and transportation partners reduce their environmental footprint.
- **Infrastructure:** We enable the global flow of mail and goods – even in remote and hard-to-reach areas – and provide secure digital communication. Our disaster management programs integrate our worldwide network with the United Nations' global humanitarian system.

Value-added products (selection)



Healthcare

- DHL Air or Ocean Thermonet
 - DHL Freight Coldchain
 - DHL Medical Express
- ↗ www.dhl.com/coldchain



Environment

- Carbon Reports
 - Carbon Neutral
 - Green Solutions
- ↗ www.dhl.com/gogreen

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 further optimize solutions.

Facts about FIRST CHOICE¹

Rolled out Group-wide in **2006**

Approx. **36,000** members of management and employees trained

>29,000 improvement initiatives implemented

>170,000 employees involved in daily performance dialogues

>170 customer satisfaction surveys commissioned and analyzed

Our performance dialogues not only focus attention on our KPIs and defined targets, but also help employees become more aware of potential ways of improving processes and quality standards in their immediate working environments. Other FIRST CHOICE tools, such as simple problem-solving techniques, are then applied to help in their implementation. In addition, a variety of communications channels encourage dialogue among employees, motivating them to use the available methods and tools to drive improvements. This creates a common appreciation for the goals and benefits of our culture of continuous improvement,

¹ Not subject to review.

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 by analyzing customer complaints.

Service quality in the divisions

Post - eCommerce - Parcel: Approximately 93% of letters in Germany reached their destinations the next working day (D+1) in the year under review. We also rank among the top postal operators for international shipping. Parcels reached their destinations the next working day around 82% of the time. Our 27,000 or so sales outlets were open for business an average of 54 hours per week. 94.3% of customers were satisfied with the quality and service they received and 93.5% of customers were served within three minutes.

Facts and figures

Mail delivery

57 million letters per working day

93% D+1, 95% D+2

Parcel shipping

Approx. **5 million** parcels per working day

82% reached their destinations the next working day

Facts and figures

Approx. **955,000** international shipments per day

Sites certified according to ISO 9001:2015;
approx. 290 also TAPA-certified

Express: We continuously improve our service to meet our customer commitments and always deliver the best possible 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.

Global Forwarding, Freight: In the Global Forwarding business unit, we use customer feedback to systematically improve our offering. We initiated 200 customer improvement projects in the course of the year under review. Operating performance is also monitored continuously and modified regularly. In the Freight business unit, we expanded our customer satisfaction survey to cover 30 countries and implemented more than 200 initiatives.

Facts and figures

13.2 million m² of contract logistics storage space (owned or leased in 2017)

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.

Facts and figures

Approx. **4 million** tonnes of air freight

>3 million TEUs¹ of ocean freight

¹ Twenty-foot equivalent units.

LEADING THROUGH INNOVATION

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.

The Corporate Incubations Board department, which was set up in 2018, bundles projects that are developing new business models such as the sale of our StreetScooter electric vehicle to third parties. Our Start-up Lab lets employees contribute their own ideas for new business concepts. One successful example is the TRAILAR project for equipping trucks and trailers with electricity-generating solar mats.

"If we want to keep moving forward, investing in people, processes and infrastructure, we have to produce a strong bottom line."

Ken Allen
Board Member
DHL eCommerce Solutions



Customer Solutions & Innovations 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 near Bonn) and Asia (Singapore) serve as platforms for these dialogues. Another center is being built in the USA (Chicago), with the opening planned for summer 2019. ↗ www.dpdhl.com/innovation-center

We are using existing technologies to increase the level of 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 are also used to ease their workload.

Trend reports and studies in 2018

"Artificial Intelligence in Logistics"

Outlook on and use cases for integrating artificial intelligence in supply chains ↗ www.logistics.dhl/ai

"The Logistics Transport Evolution: The Road ahead"

New technologies as a key factor in the development of the transportation sector ↗ www.dpdhl.com/ground-transport-investment

"Logistics Trend Radar 2018"

Analysis of 28 key trends that could impact logistics in the next five to ten years ↗ www.dpdhl.com/trend-radar2018

"Shortening the Last Mile: Winning Logistics Strategies in the Race to the Urban Consumer"

The four main trends that are shaping delivery services to end customers in metropolitan areas ↗ www.dpdhl.com/last-mile2018

Supply chain digitalization: We are already conducting field tests, using collaborative robots for picking, as well as artificial intelligence applications and self-driving vehicles. Investments in this area are made first and foremost to increase output and capacity, and to ease our employees' workload. ↗ www.dpdhl.com/digitalization-supply-chains

Artificial intelligence (AI) ⓘ : Logistics data are an early indicator of trends in trade and the global economy. We use AI to conduct global analyses of this data and gain valuable information, which we then publish in our quarterly DHL Global Trade Barometer as an aid to investment and supply chain decision-making. ↗ www.logistics.dhl/ai

Big data, predictive analytics and algorithms ⓘ : We deploy these technologies in our Resilience360 product for monitoring supply chains. Potential incidents are identified and managed in near real time. With the release of the Resilience360 app, customers can now also use this tool on their smartphone. ↗ www.dpdhl.com/resilience-conference

Blockchain ⓘ : This technology is being used in a pilot to integrate data sets in the pharmaceutical supply chain. With the help of unique predefined serial numbers, blockchain enables accurate tracking and tracing of individual pharmaceutical products from manufacture to use, thus helping to prevent counterfeiting. ↗ www.logistics.dhl/blockchain



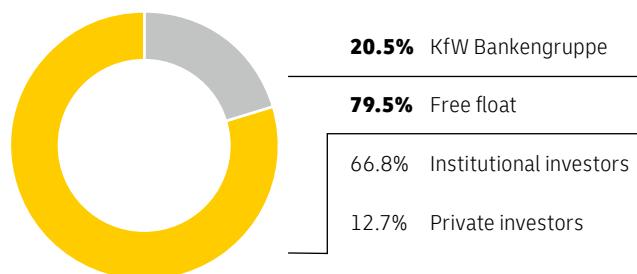
LEADERSHIP AND MANAGEMENT ✓

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.

 2018 Annual Report, from page 74

As at December 31, 2018, 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, 2018



The Board of Management

The Board of Management, with the consent of the Supervisory Board, has established rules of procedure 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 rest of the Board about key developments. The Board of Management as a whole decides on matters of particular significance for the company or the Group. These include all decisions 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.

Changes during the year under review

In April 2018, Dr. Frank Appel became acting director of the Post - eCommerce - Parcel division. In June 2018, Dr. h.c. Jürgen Gerdes resigned from the Board of Management and Dr. Thomas Ogilvie assumed responsibility for the Corporate Incubations board department in addition to his existing duties.

Effective January 1, 2019, the Post - eCommerce - Parcel division was reorganized into two separate board departments: The Post & Paket Deutschland division headed by Dr. Frank Appel as acting director and the DHL eCommerce Solutions division led by Ken Allen. At the same time, John Pearson took over as Board member for the Express division.

Board of Management as at January 1, 2019

Corporate Center

Dr. Frank Appel CEO Global Business Services Born 1961 Member since Nov. 2002 Appointed until Oct. 2022	Melanie Kreis Finance Born 1971 Member since Oct. 2014 Appointed until June 2022	Dr. Thomas Ogilvie HR, Labor Director, Corporate Incubations Born 1976 Member since Sept. 2017 Appointed until Aug. 2020
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Divisions

Dr. Frank Appel Post & Paket Deutschland (acting)	Ken Allen DHL eCommerce Solutions Born 1955 Member since Feb. 2009 Appointed until July 2022	John Gilbert Supply Chain Born 1963 Member since March 2014 Appointed until March 2022	John Pearson Express Born 1963 Member since Jan. 2019 Appointed until Dec. 2021	Tim Scharwath Global Forwarding, Freight Born 1965 Member since June 2017 Appointed until May 2020
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The Supervisory Board

The Supervisory Board advises and oversees the Board of Management, and appoints members to it. 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.

The Supervisory Board has 20 members: ten shareholder representatives who are elected by the Annual General Meeting and ten employee representatives who are elected by employees in accordance with the provisions of the German Co-determination Act. All members of the Supervisory Board are independent as defined by the German Corporate Governance Code.

In the year under review, the term of office of the Chairman of the Supervisory Board, Prof. Dr. Wulf von Schimmelmann, ended as planned at the end of the Annual General Meeting on April 24, 2018. Dr. Nikolaus von Bomhard was appointed as his successor by the Supervisory Board. Two shareholder representatives were elected by individual votes at the Annual General Meeting: Dr. Günther Bräunig, CEO of KfW Bankengruppe, and Dr. Mario Daberkow, member of the Management Board of Volkswagen Financial Services AG. 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. A total of 35% of the Supervisory Board are women. ↗ www.dpdhl.com/agm

Facts about the Supervisory Board

Chairman

Dr. Nikolaus von Bomhard



10 shareholder representatives



10 employee representatives

6 committees

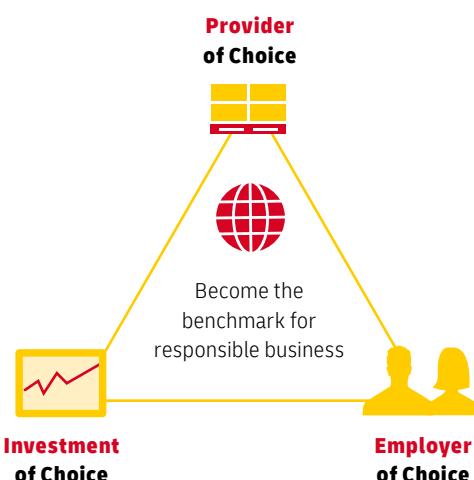
- Executive Committee
- Finance and Audit Committee
- Personnel Committee
- Mediation Committee
- Nomination Committee
- Strategy Committee

STRATEGIC ORIENTATION ✓

Our Group strategy is based on sustainability and corporate responsibility. 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. Our core objective is to become the Provider, Employer and Investment of Choice – and a benchmark company for responsible business.

Our mission is to connect people and improve lives. We enable individuals and companies to take part in global trade and contribute to economic development with our product and service portfolio and our near-global presence. 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 as far as possible. In doing so, we promote the Group's long-term growth and secure jobs worldwide. ↗ 2018 Annual Report, from page 19

Corporate strategy goals



We are a longstanding partner to the United Nations and support the realization of the organization's Sustainable Development Goals (SDGs). The following five SDGs are most closely aligned with our CR activities:



SDG 4 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 8 Decent Work and Economic Growth

By facilitating global trade, supporting economic growth and creating jobs around the world, we help connect people and improve their lives.

SDG 11 Sustainable Cities and Communities

Providing sustainable logistics solutions and clean pick-up and delivery concepts to improve air quality in urban areas. Our natural disaster management and refugee aid activities help promote sustainable communities.

SDG 13 Climate Action

Our ambitious Mission 2050 climate target and green logistics solutions are helping the world community reach the goals set at the UN Paris Climate Conference (COP 21).

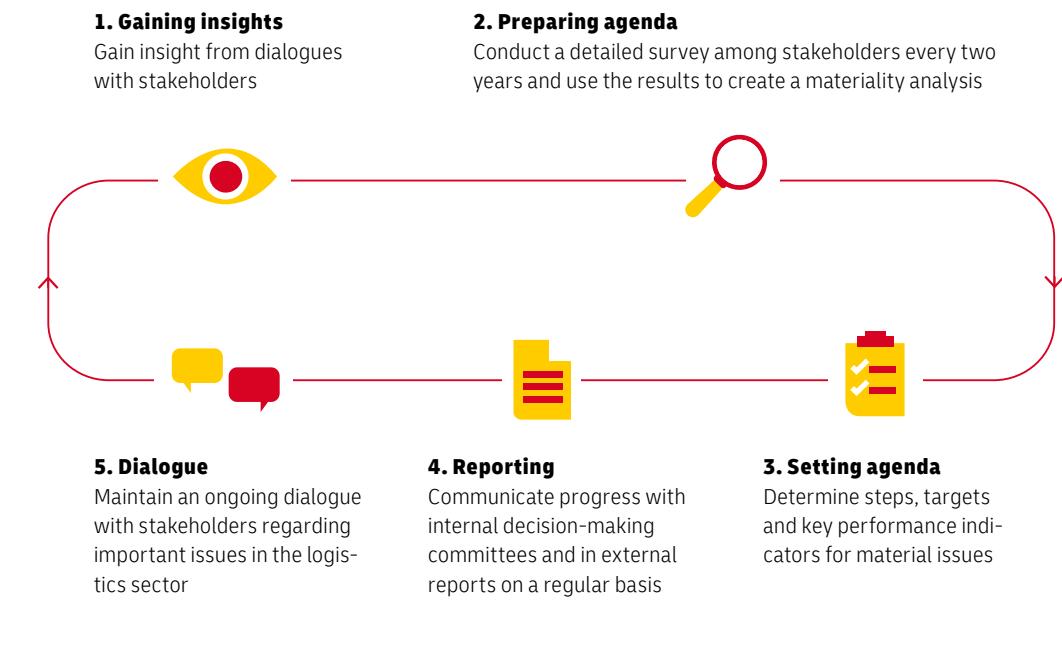
SDG 17 Partnerships for the Goals

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 cooperated with United Nations organizations for many years as part of our Group programs for natural disaster management.

Managing our strategic orientation

We aim to continuously improve our performance and to ensure that we meet stakeholders' expectations of the Group with regard to social and environmental issues. Our multistage management process enables us to make continuous improvements and to identify early on new topics that could become relevant for our activities.

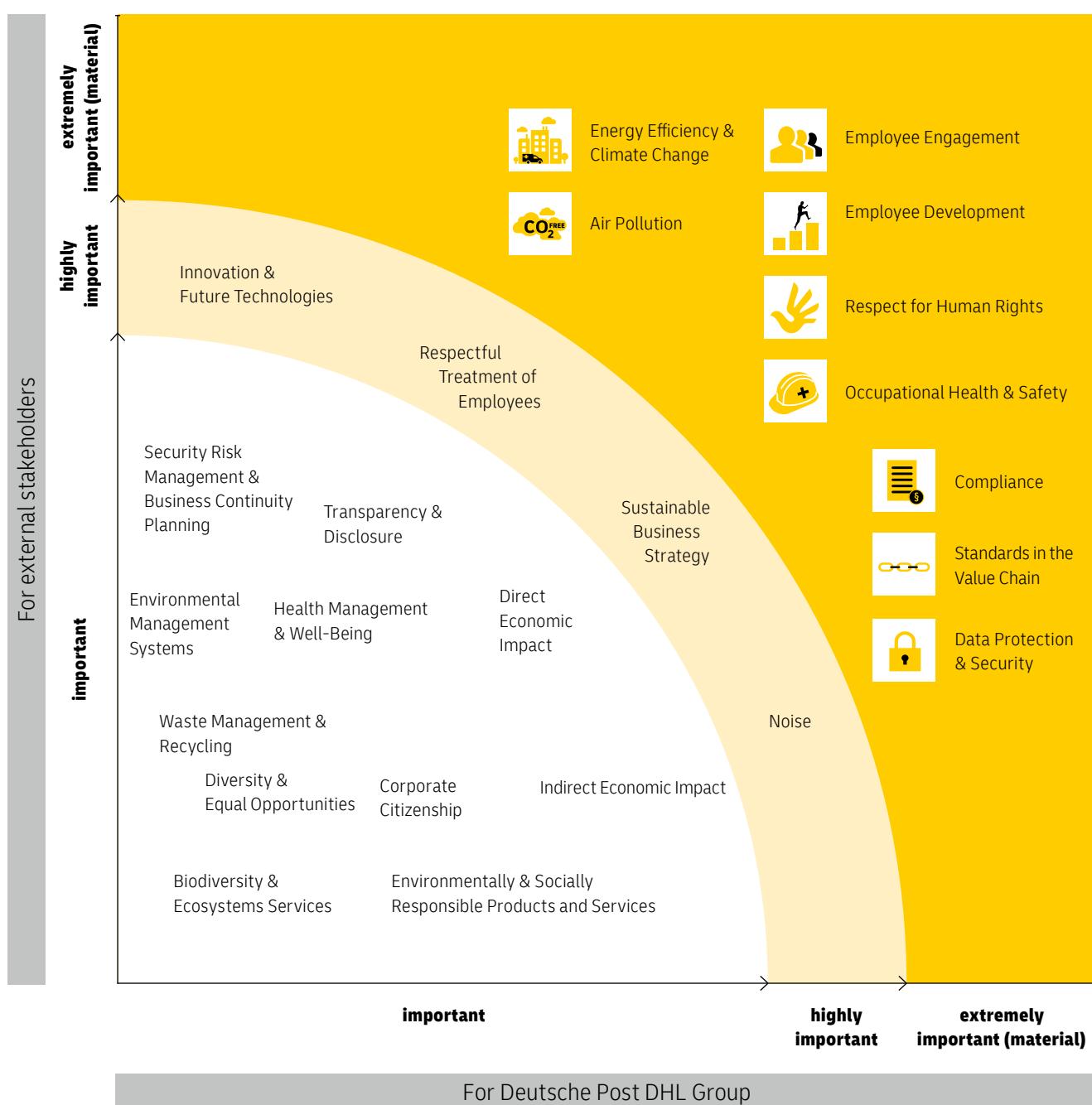
Corporate responsibility management process



Materiality analysis process

We conducted qualitative interviews on the basis of GRI G4 Guidelines with our stakeholders in 2017 to review the results of the 2015 materiality analysis and our material issues. This process will be repeated in 2019 in accordance with the GRI Standards.

Key issues in logistics ✓



Managing material issues

The Corporate Center and Global Business Services are responsible for defining standards for responsible corporate governance and anchoring these in Group policies. The divisions are responsible for aligning customer requirements with our strategic and ethical principles, and for anchoring the Supplier Code of Conduct in their contractual relationships. We manage the issues and create maximum transparency with the help of clear governance structures, management systems, KPIs and targets. At the working level, relevant issues are identified and decision papers prepared for submission to the higher-level bodies concerned.

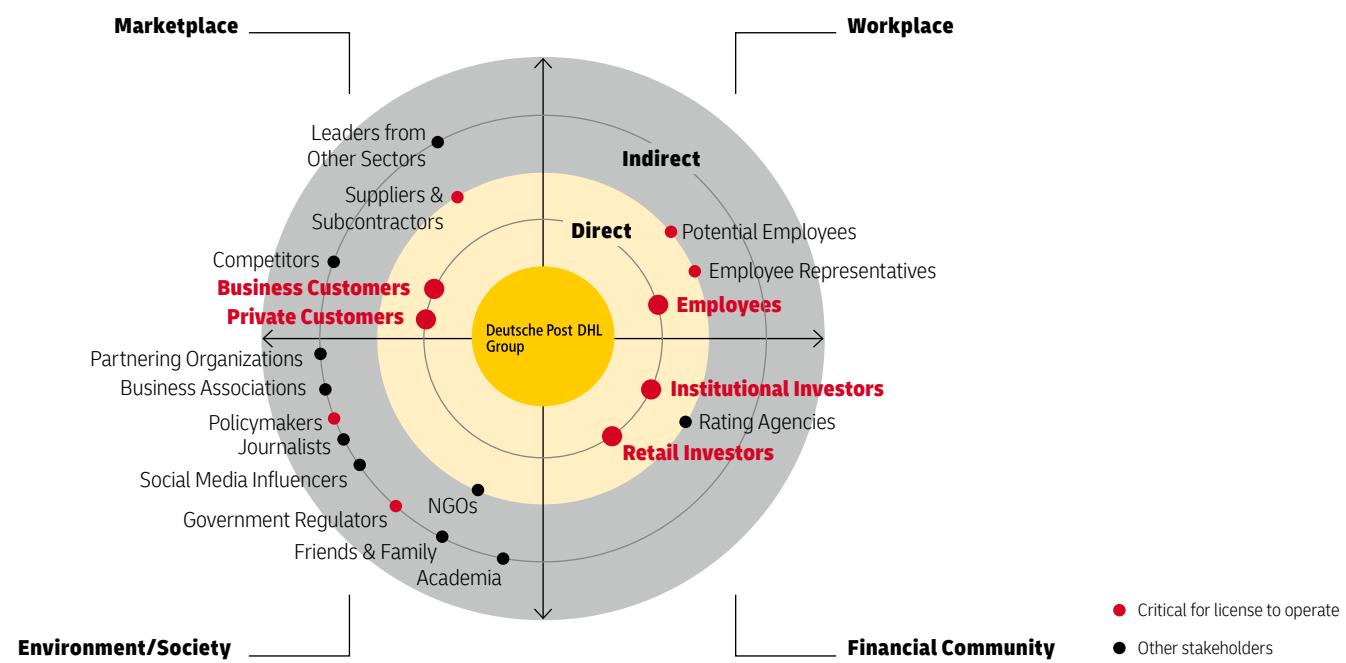
Corporate responsibility bodies

<p>HR Board</p> <p>Chair: Dr. Thomas Ogilvie</p> <p>Subordinate bodies:</p> <ul style="list-style-type: none"> ER Forum Diversity Council 	<p>Function</p> <p>Group-wide steering of all personnel topics</p> <ul style="list-style-type: none"> • ER Forum: Steers human rights processes in employee relations • Diversity Council: Tracks progress made in diversity management
<p>Operations Board</p> <p>Chair: Dr. Frank Appel</p> <p>Subordinate bodies:</p> <ul style="list-style-type: none"> Occupational Health & Safety (OHS) Committee 	<p>Function</p> <p>Oversees topics such as the development of occupational safety KPIs</p> <ul style="list-style-type: none"> • OHS Committee: Prepares decisions, defines cross-divisional standards and regulations for occupational safety, analyzes high accident rates and develops preventative measures
<p>GoGreen Sponsors Board</p> <p>Chair: Dr. Frank Appel</p> <p>Subordinate bodies:</p> <ul style="list-style-type: none"> GoGreen Working Group 	<p>Function</p> <p>Decides on environmental strategy implementation</p> <p>Environmental protection topics are also discussed at Group Board of Management meetings</p>
<p>RBP Council</p> <p>Chair: Prof. Dr. Christof Ehrhart (until Dec. 2018), Jill Meiburg (from Jan. 2019)</p> <p>Subordinate bodies:</p> <ul style="list-style-type: none"> RBP Working Group 	<p>Function</p> <p>Decides on corporate governance topics, and ensures a strategic approach and appropriate standards for responsible business practices</p>
<p>Sustainability Advisory Council</p> <p>Chair: Melanie Kreis</p>	<p>Function</p> <p>Members include independent experts and thought leaders from different disciplines (science, business, the humanitarian community, the environmental sector, logistics, politics, the media and ethics)</p> <p>Focus of the two meetings in the year under review:</p> <ul style="list-style-type: none"> • Impact of digital transformation on groups of topics in CR • Importance of employee engagement for the company's success

In dialogue with our stakeholders

Regular, open and constructive dialogue with our stakeholders – especially customers, employees and investors – is part of our strategic management process. We work together with our stakeholders to develop solutions to future social and business challenges that we consider significant for our company.

Deutsche Post DHL Group stakeholders



Our dialogue formats are based on our Stakeholder Engagement Guidelines (SE Guidelines), which comply with the international AA1000 Stakeholder Engagement Standard (AA1000 SES). The guidelines were revised in the year under review. Employees can now call on both local-level contacts and the RBP network directly.

Dialogue formats in the year under review

Priority is given here to involvement in national and international forums that allow us to actively participate in shaping the dialogue on overarching topics, and to discuss technical progress. One example is the dialogue with decision-makers and leading logistics experts that takes place at the World Economic Forum in Davos. Key topics in January 2018 were: how to navigate a divided world, the significance of digitalization for globalization, and the new balance between humans and machines in the workplace.

The focus of our dialogue with external stakeholders in the year under review was on environmental topics; our internal dialogue prioritized information sharing with our employees on organizational changes in the mail and parcel business.

We discussed innovative packaging ideas and green city concepts together with sustainability experts and representatives from the world of politics and society. Roadshows at locations throughout Germany centered on the organizational changes in the mail and parcel business; the CEO was present to discuss the requirements and the impact of these changes with employees in person. The Board of Management addressed questions from investors at the Capital Markets Day. The event included an update from the CEO and CFO on the company's current position and the situation in the divisions.

Dialogue formats by stakeholder group in 2018

Multifocus	Customers
Sept.	Ongoing Performance and satisfaction surveys (online, in person, written)
Nov.	5 x per year Customer conferences and workshops at Innovation Centers
	5 x per year Delivered. customer magazine: Digitalization of manufacturing, innovation as a driver for the technology sector, digitalization in the healthcare sector, logistical challenges posed by offshore wind energy, the e-commerce revolution in the automotive sector
Employees	Investors
As from May	Mar. 7 2017 annual earnings press conference ↗ www.dpdhl.com/annual-earnings2017
Sept.	April 24 Annual General Meeting ↗ www.dpdhl.com/agm
Multiple occasions	May 8 Capital Markets Day ↗ www.dpdhl.com/cmd
Ongoing	Nov. 6 9M 2018 press conference ↗ www.dpdhl.com/pr-q3-2018
Ongoing	Nov. – Dec. Investor conferences ↗ www.dpdhl.com/roadshows
	Mar – Dec. Roadshows ↗ www.dpdhl.com/roadshows
	Ongoing Dialogue with CR rating agencies

Memberships and partnerships

We continue to enhance our corporate responsibility topics and help shape overarching sustainability topics by working together with organizations and participating in the dialogues taking place there.

Our key memberships and partnerships include the World Economic Forum, the United Nations Global Compact and the international Partnering Against Corruption Initiative. We regularly take part in discussions with other companies in Germany via econsense working groups and steering committees. We work together to establish a consensus and provide feedback on draft legislation at EU level. We also get involved in selected areas and work to develop common solutions and positions on specific topics.

Memberships and partnerships (selected organizations) [↗ www.dpdhl.com/member-partnerships](http://www.dpdhl.com/member-partnerships)

Health & Safety



Environment



Business Leadership Forum to Target Depression in the Workplace

This initiative is designed to help employees tackle the effects of workplace depression.

European Road Safety Charter (ERSC)

Improving knowledge about the causes of road accidents and developing appropriate preventive measures and solutions

Global Occupational Safety & Health Network of the International Organisation of Employers

Dialogue with other employers around the world

World Health Organization (WHO)

Gaining knowledge about health risks in specific countries

Diversity & Inclusion

Diversity Charter

A corporate initiative to promote the recognition, appreciation and integration of diversity in Germany's business culture

Business School for Social Responsibility's Clean Cargo Working Group

Working toward greater sustainability in international ocean freight shipping

EV 100

This initiative aims to accelerate the transition to electric vehicles (EVs) and make electric transportation the new normal by 2030

German Energy Agency's Global Alliance Power Fuels

Partner network drawn from the fields of research, science, politics and society whose objective is to open up global markets for synthetic fuels based on renewable energy sources

Global Logistics Emissions Council

Promoting standardization of emissions recording and calculation methodologies

Green Freight Asia

Increasing awareness of the importance of emissions data among road transportation partners

Transport Decarbonisation Alliance

Brings together companies, cities and countries with the aim of reducing emissions in the transportation sector to net zero by 2050

Wirtschaft macht Klimaschutz

A dialogue forum that aims to foster communication and interconnectedness between business, politics and science in Germany in order to promote climate protection and initiate specific climate protection measures

External ratings and recognition

Rating agencies and other institutions evaluate our performance in the area of corporate responsibility independently using their own standards. We are in ongoing dialogue with the key rating agencies for us and take their assessments into account in our management approaches. We also utilize customer platforms to obtain external evaluations of our performance as a service provider.

Ratings and index listings

A large proportion of our share capital is already held by signatories of the UN Principles for Responsible Investment (UN PRI). These investors incorporate non-financial topics and changes in related KPIs into their company ratings. The first step in the process is to verify whether the company concerned has received a positive rating from a CR rating agency. For our company, rating agency ratings and ESG index rankings are primarily of strategic significance.

Ratings from CR rating agencies in 2018

CR rating agencies

     					
Rating					
A- ↗ www.cdp.net	Confirmed listing in FTSE Index serie since 2002 ↗ www.ftserussell.com	Prime Status; Rating C+ ↗ www.oekom-research.com	AAA rating; listing in MSCI index series ↗ www.msci.com	Listing in DJSI ¹ World and Europe ↗ www.sustainability-indices.com	Leader ↗ www.sustainalytics.com

Topic-specific indices (focus on diversity and inclusion)

Bloomberg Gender Equality Index	Thomson Reuters IX Global Diversity & Inclusion Index
Rating	
Follow-up confirmation ↗ www.bloomberg.com/gei/about	Follow-up confirmation ↗ bit.ly/2H8nP70

Supplier platforms

Ecovadis	Responsible Business Alliance
Rating	
Gold Level; top 1% of suppliers assessed ↗ www.ecovadis.com	“Low risk” category ↗ www.responsiblebusiness.org

¹ Dow Jones Sustainability Indices.

Awards and distinctions

Deutsche Post DHL Group received several major awards in the year under review in recognition of our achievements in various areas. We are particularly proud of receiving our first awards for our commitment to equal opportunity and diversity.

Diversity and equal opportunities

Employees

European Diversity Award

For a holistic and long-term commitment to equality and diversity. ↗ www.dpdhl.com/eu-diversity-award2018

Total E-Quality and Add-On Diversity Award

The company was honored for its successful long-term efforts in promoting equal employment opportunities for men and women. The Group has also been honored with the Add-On Diversity Award in the area of diversity.
↗ www.dpdhl.com/e-quality2018

Great Place to Work® and FORTUNE

The Express division came sixth in the “world’s best workplaces” category. Distinction for its culture of recognition and outstanding employee satisfaction.

↗ www.dpdhl.com/dhl-best-workplace2018



Environment

National Energy Globe Award

For the “Save80 Stoves for Lesotho” climate protection project, which has been improving living conditions in the country since 2011. ↗ www.dpdhl.com/energy-globe2018

Stevie® Awards in multiple categories; two gold and two silver

- “Mission 2050: Zero emissions” as a visionary flagship project
- Award given for “Climate protection: Global communication on a global topic!” campaign in recognition of its holistic approach. ↗ www.dpdhl.com/stevie-awards2018

German Awards for Excellence

Audience prize for “Our Mission 2050: Zero emissions” as the best short film on sustainability.

↗ www.ga-excellence.com

B.A.U.M. Environmental Award

Awarded in the “large enterprise” category to Dr. Frank Appel as CEO, in recognition of his particular efforts in encouraging sustainable development within the company. ↗ www.dpdhl.com/baum-award2018





“With our Supplier Code of Conduct, we integrate our ethical values and climate protection goals into our supply chain.”

Cecilia Colabella Cencigh, Head of Global Procurement Governance

Andrea Lattimore, Global Head of Compliance and Export Control DHL Supply Chain

STRONG VALUES

Ethical and ecological standards are of critical importance in the supply chain. Both at global and local level, dedicated teams at DPDHL Group are working to educate and empower the company's vast supplier base to ensure the highest standards are met in line with the Group's Supplier Code of Conduct (SCoC).

This effort requires teamwork and close collaboration between colleagues at global and local levels. Cecilia Colabella Cencigh, Head of Global Procurement Governance, and Andrea Lattimore, Global Head of Compliance and Export Control DHL Supply Chain, are two experts who regularly work closely together to assure standards and compliance are upheld within the Group's supply chain.

The Group's Supplier Code of Conduct sets a high standard of what we expect from our suppliers. How do you "keep it real" so that employees and suppliers can identify with it?

CC: The Supplier Code of Conduct is a partnership. Internally, it is a process of collaboration between functions to ensure the collective values and expectations of suppliers are identified and understood. It is also about ensuring that every colleague understands that the values we expect

of each other, we also expect of our suppliers. It's about doing the right thing. From an external perspective, it's about forging and sustaining strong partnerships: Collaboration with partners who align with our principles of high standards and ethics is not only key, it also supports our aims of being first choice for customers, employees and investors.

How do you ensure compliance?

AL: Partnership with our suppliers goes beyond mere compliance. It's about forging relationships which are built on strong values are developed through education, awareness, engagement and fostering collaborative improvement programs which help our suppliers become better responsible businesses. A good example is where DHL Supply Chain enables effective operations with a number of temporary labor suppliers who help us through operational peaks. In my capacity as



RESILIENCE & INTEGRITY

Compliance Officer, I strive to ensure that our temporary staff are treated with respect and that their employers adopt and apply high labor standards, as outlined in our Supplier Code of Conduct, irrespective of where they are in the world. It is our responsibility to ensure the human rights and labor rights of individuals affected by our business.

And you're seeing progress?

CC: Yes. Of course, we are on a joint journey with our suppliers to build sustainable, socially and environmentally responsible supply chains. Training has played an important role in ensuring those of our employees who have contact with suppliers understand the importance of strong values within our supply chain. Meanwhile, a dialogue with our suppliers is essential in order for them to familiarize themselves with our standards before entering into contract negotiations. Our responsible supply chain enables us to make a difference – to “connect people and improve lives.” That is ultimately what drives this process forward.

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NON-FINANCIAL REPORT ✓

We provide our services in accordance with the law, our own values and our strategic objective of becoming a benchmark company for responsible business. Our material issues also include information required by law on anti-corruption and bribery matters, which we disclose in our voluntary reporting under the heading of compliance, as well as information regarding respect for human rights.

CONCEPTS

Our focus is on preventing possible 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 design of this system.

Corporate Procurement defines the principles for supplier management and ensures that standardized processes exist for supplier selection and drafting of the contracts. The Chief Procurement Officer reports directly to the CEO.

- **Anti-corruption and bribery matters:** We observe 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 with respect to customers, suppliers, public authorities or other relevant third parties. Our employees can report possible violations around the clock using a compliance hotline and a special web application. External whistleblowers can use a form on the Group website. Information on relevant violations is included in regular compliance reporting to the Board of Management and to the Supervisory Board's Finance and Audit Committee.
- **Respect for human rights:** Our Supplier Code of Conduct is a binding component of Group contracts with all suppliers and service providers, and contains an explicit requirement to respect human rights. 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 AND KPIs

Compliance is responsible for recording violations of anti-corruption and bribery requirements.

- **Anti-corruption and bribery matters:** The Global Compliance Office develops standards for the Compliance Management System and supports the corresponding activities in the company's divisions. All relevant activities and reporting content prepared by the compliance officers in the divisions and 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.
- **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 and transportation service providers with high environmental and social standards. Supplier selection is based on a standardized, multistep evaluation process. We also continually train Procurement staff in order to raise awareness for detecting additional potential risks at an early stage.

RESULTS AND OBJECTIVES

We revised our Anti-Corruption Policy in the year under review, simplifying and streamlining processes and procedures. The changes were reported in detail and their effects set out for employees and managers in a communications campaign to mark International Compliance Day. In addition, regular audits by Corporate Internal Audit were closely connected to compliance with the Supplier Code of Conduct in procurement processes.

Above and beyond the mandatory disclosures required by the German Commercial Code (HGB), we report on our Compliance Management System → page 44 and supplier management in the following chapter. → page 40

RESILIENCE & INTEGRITY

WE TURN CHALLENGES TO OUR ADVANTAGE

Our Code of Conduct anchors our understanding of legally correct, and ethically and socially irreproachable conduct by our employees and managers within the Group, while our Supplier Code of Conduct establishes the same requirements for our contractual partners.

Robust processes create confidence.

Central functions ensure that activities throughout the Group are conducted in accordance with legal and internal Group guidelines, that potential risks are identified early and that both tangible and intangible corporate assets are safeguarded. This allows us to preserve confidence in our services and guarantees business continuity. At the same time, we promptly identify opportunities in our market environment that could lead to new business.

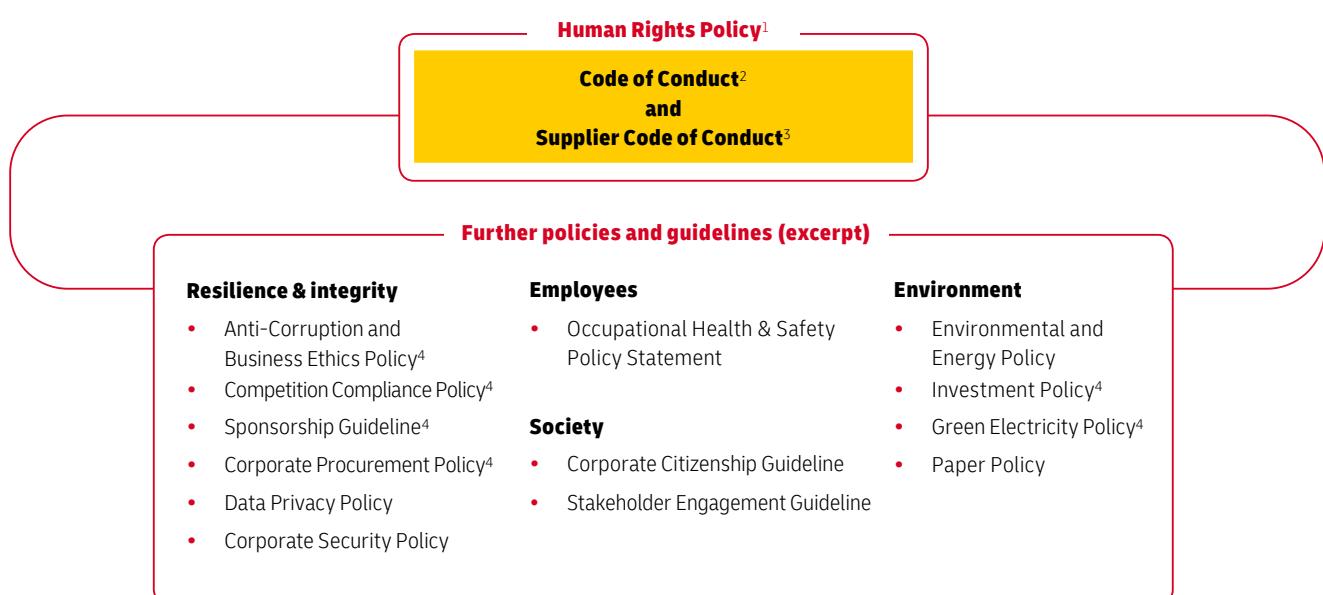
The material issues relevant in this context are the standards in the value chain, compliance, and data protection and security. → page 23

CODES OF CONDUCT ✓

Taken together, our two codes – the Code of Conduct and the Supplier Code of Conduct – constitute our human rights policy. We have therefore foregone formulation of a separate policy in this area.

We regularly review both codes to ensure they are up to date and complete, and modify the statements made or supplement them with new topics where necessary. The current version of the Code of Conduct has been in force since 2016, and the current version of the Supplier Code of Conduct since 2017.

Deutsche Post DHL Group policies



¹ Together, the two codes constitute our human rights policy. We have therefore foregone formulation of a separate policy. ² Guided by the principles of the Universal Declaration of Human Rights and the UN Global Compact with reference to the International Labour Organization (ILO) Declaration on the Fundamental Principles and Rights at Work from 1998 and the OECD Guidelines for Multinational Enterprises. ³ The term suppliers also refers to our transportation subcontractors. ⁴ Not available to the public.

Group-wide rules of conduct

Integrity, respect for employees and customers, and the willingness to accept social responsibility are shared values that we first set out in our Code of Conduct in 2006. All divisions and corporate functions were involved in drafting the Code of Conduct, which as a result also incorporates regional requirements and forms the foundation for our corporate culture in all countries and at all levels of the hierarchy.

The key principles anchored in our Code of Conduct are respect for human rights, equal opportunity, transparency and an unequivocal stand against discrimination, bribery and corruption. They are based on the principles contained in the Universal Declaration of Human Rights and the UN Global Compact. This sends a signal to both our stakeholders and the public that Deutsche Post DHL Group is a trustworthy partner that successfully combines superior service with a sense of responsibility and environmental awareness.

Our managers serve as role models for our behavior and our values. They support our corporate culture in all matters, and manage their teams in line with our leadership principles and on the basis of our values, which they also pass on to our business partners. The Code of Conduct is an integral component of our employment contracts with our managers.

All other policies in force at our Group, such as the Anti-Corruption Policy and regional policies and guidelines, are either based on or derived from the Code of Conduct.

There are a number of channels for reporting possible violations of the Code of Conduct, including a compliance hotline. Where this is permitted by law, such reports can also be anonymous. → page 45

The Code of Conduct is available on our Group-wide intranet in more than 20 languages. We use online seminars to familiarize employees with its contents and application in everyday scenarios; the seminars also form an integral part of the induction process. This training is mandatory for members of management since they perform an important function as role models and multipliers.

Code of Conduct

- In force since **2006**
- **>20** language versions
- Training concepts rolled out
- Reporting procedure using compliance hotline

Shared values with suppliers

We ensure that our ethical and environmental values and principles are anchored in the supply chain by making the Supplier Code of Conduct a component of all Group contracts. In turn, this encourages suppliers to implement the same standards in their own supply chains. The Supplier Code of Conduct sets out what we mean by respect for human rights and fair working conditions, in the same way as these are also understood by our employees:

-
- **Child labor:** Suppliers shall not employ children under the prevailing legal age of employment. In countries where no legal provisions exist, the minimum hiring age for minors shall be 15.
 - **Forced labor:** Suppliers shall not use any form of forced, bonded or involuntary labor. Suppliers shall ensure that employees are not required to pay fees or make payments of any kind in return for employment. Punishments and physical and mental coercion are prohibited.
 - **Compensation and working hours:** National laws and binding industry standards apply with regard to working hours, overtime and compensation. Suppliers must pay employees promptly and provide them with clear and concise information about the basis on which they are paid.
 - **Freedom of association and collective bargaining:** Suppliers' employees are free to join or not to join a union or employee representative body of their choice. In addition, suppliers shall recognize and respect the right to collective bargaining within the framework of the applicable law.
 - **Diversity:** Suppliers shall promote an inclusive work environment in which the diversity of their employees is valued. Suppliers shall not discriminate or tolerate discrimination with respect to gender, race, religion, age, disability, national origin or any other characteristic protected by law.

We have made the Supplier Code of Conduct available in some 30 languages, and also offer training courses on its use. The main content and requirements are outlined in an interactive module on the Group website, a measure which is designed to increase the likelihood of a shared understanding of our values and goals.

IDENTIFYING RISKS, COMPLYING WITH GUIDELINES ✓

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, and in so doing contributes 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. ↗ [www.dpdhl.com/
share-holdings2017](http://www.dpdhl.com/share-holdings2017)

The audit teams examine local processes and assess whether these are suitable for reaching defined objectives and values, and whether these objectives can be met. They also review whether the processes and measures in place are consistent with the defined targets and values.

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 then discuss the audit findings and agree 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 twice a year.

Progress and findings during the year under review

During the year under review, 242 regular audits were conducted throughout the Group that were either directly or indirectly related to compliance topics or to compliance with the Supplier Code of Conduct during procurement processes.

In addition to the existing audit processes, our auditors were involved in Employee Relations (ER) Reviews for the first time. → page 60 As well as checking for compliance with the Code of Conduct, the implementation of the measures agreed is also included in the findings of the process scope ER Reviews.

Recognizing opportunities, evaluating 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 topics related to corporate responsibility, 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. ↗ 2018 Annual Report, from page 66

Business continuity and crisis management

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. What is more, as global trade grows so does the risk that our global supply chains become targets for criminal activity, for example via cyberattacks on our extensive networks.

We prepare comprehensively for these challenges in a number of different ways. Our Group-wide security management system ensures business continuity even in emergency situations and hence helps maintain customer confidence in our products and services.

By implementing Group-wide crime prevention measures and investigating security incidents, we safeguard our employees, our customers' goods and our own tangible and intangible assets.

Our team of security analysts at the Global Security Situation Center (GSSC) identifies and assesses strategic risks and trends worldwide based on predefined indicators. Changes in the operating situation are tracked in near real time. Security reports and trend reports are regularly presented to managers and discussed by the Board of Management. Since the end of 2018, these have also included regular cybersecurity analyses.

Tasks performed by the GSSC

- Monitoring the situation
- Identifying risks
- Gathering information
- Analyzing the security situation
- Assessing impacts
- Preparing reports

Progress and results during the year under review

Corporate Security and our security management system were certified according to the ISO 28000 standard as planned. In 2018, the GSSC integrated algorithm- and AI-based analysis tools into its processes. Additionally, standardized training measures on various topics were continued so as to raise employee awareness of safety and security. Employees preparing for deployments in high-risk countries were also given special training. Over and above this, we provided expertise for, or performed, the following additional activities.

- Group Crisis Management is to be expanded to deal with potential cybercrises; experts working in different IT security areas will be specially trained to prepare for this new challenge.
- A Counter-Crime Working Group has been set up and tasked with the overarching coordination of measures to combat criminal phenomena targeting the supply chain. The working group regularly informs the Operations Board of the current situation. → page 24
- Security experts support Internal Audit with its audits of divisional security management systems.
- We have stepped up our dialogue with security authorities and are actively involved in national and international security bodies and institutions. Our expertise has not only allowed us to contribute to security policy solutions but also to establish Deutsche Post DHL Group as a relevant security partner.

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. 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.

WORKING TOGETHER WITH SUPPLIERS ✓



Management approach

The successful management of our global supplier network is a key competitive factor for us. 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 strategic 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 above all to implement our standards in the supply chain. The main focus of supplier management is on 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 the design of 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 2018 amounted to around €10 billion. This includes the costs of upgrading our fleets and sites. In addition to the central procurement measures, Procurement staff advise the divisions on calls for tender, for example when acquiring airplanes or signing contracts, and in 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.

Progress made and new targets

Employee development	Target in 2018	Status	Target in 2019
 <p>KPI Sensitize and train employees, enabling them to act as role models for ethically correct behavior</p>	<p>Continue Certified initiative training → page 42</p>	✓	Continue Certified initiative training
Supplier management			
<p>KPI By 2020, develop external supplier evaluation criteria and define minimum thresholds</p>	<p>Continue deepening the dialogue with our suppliers → page 42</p>	✓	
<p>Corporate Procurement Policy</p>			Target in 2019
<p>KPI By 2020, include environmental and social standards in the supplier selection process as a binding selection criterion and roll out revised version throughout the Group</p>	<p>Update Corporate Procurement Policy → page 43</p>	✓	Prepare rollout of criteria throughout the Group

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. ↗ www.dpdhl.com/supplier-code 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 degree of quality and objectivity during tendering procedures.

Ongoing supplier screening

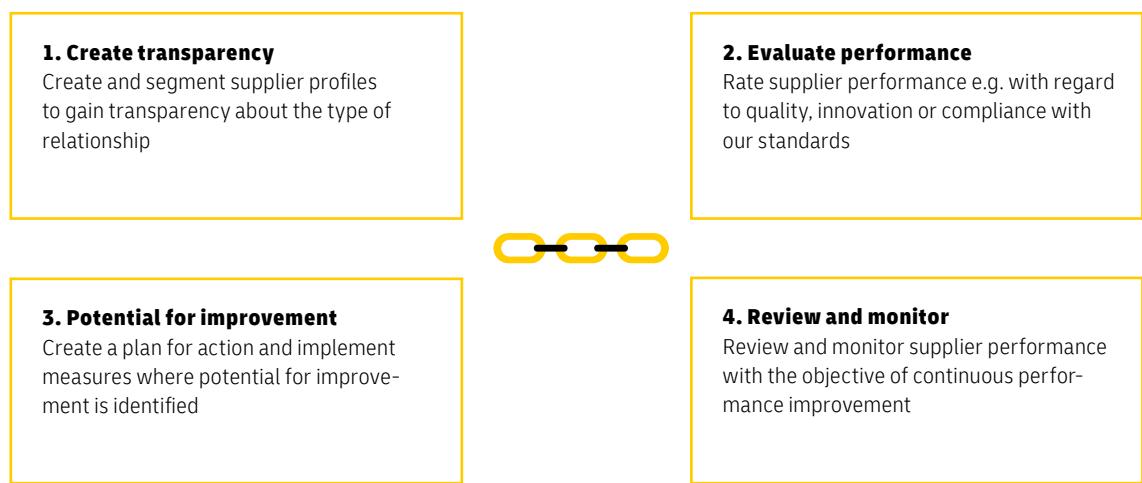
A standardized supplier monitoring and evaluation process is an integral component of our procurement platform, which we use to manage all procurement processes throughout the Group. Suppliers assigned to certain risk categories in our Anti-Corruption Policy are evaluated regularly as part of our due diligence screening. Our activities are also aligned with external standards, such as those defined by the United Nations, in order to take country-specific factors into account more effectively.

The results of the evaluation are documented and stored on the procurement platform. All Procurement staff have simultaneous access to comprehensive supplier profiles, meaning that all decisions can be made on the basis of the same information. As a result, we can ensure that suppliers who pose an increased legal compliance or reputational risk for the Group or who fail to demonstrate ethical pricing practices are not considered for contracts.

Fostering lasting relationships

When signing a contract, we aim to enter into a long-term, mutually advantageous relationship with the supplier, one that will allow us to learn from one another and develop together. To this end, we systematically evaluate supplier relationships using a four-step process:

Four-step process to evaluate strategic partners



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 intention of working together to develop innovative ideas.

Raising awareness among staff

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 Procurement, Corporate Security, Legal and Compliance. In the course of the 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 tracking violations

As a matter of principle, we trust our suppliers and business partners to comply with the terms of our agreements and 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 a 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 deadlines for implementation. Depending on the severity of the violation, these measures could include terminating the business relationship.

Results in the year under review

Our focus was placed on developing supplier evaluation criteria and incorporating minimum selection thresholds for environmental and social standards as a binding criterion in the supplier evaluation process.

Our Corporate Procurement Policy was revised in line with this and the individual process steps in the process were also amended. All Group procurement processes – including in all Group companies – now adhere to these guidelines. This means we have met our strategic target two years ahead of schedule.

In 2019, we will focus on preparing the rollout of the selection criteria throughout the Group, with specific reference to the technical requirements of the different divisions.

COMPLIANCE ✓

Management approach



Acting in an ethically and legally irreproachable way in our dealings with business partners, shareholders and the public is a major factor behind our company's reputation and the basis for Deutsche Post DHL Group's lasting success. Our Compliance Management System focuses on preventing corruption and anticompetitive practices.

As a global logistics provider, we operate in a wide range of countries with very different political systems, laws and cultural values. We meet this challenge with binding, Group-wide policies

and measures: We observe 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.

Ensuring legally compliant conduct in our business activities and when dealing with our

employees is a key task of all of the Group's management bodies. Compliance assists them with this task. The rules for ethical conduct defined in our Code of Conduct are further specified in our Anti-Corruption Policy, which also defines how to deal with ① donations and gifts to political parties and government institutions.

Our aim is to focus on preventing violations of our own standards and of the legal requirements. Our Compliance Management System implements clear lines of responsibility and reporting structures, as well as 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.

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 the 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 are also included in the audits commissioned by the Board of Management and performed by Corporate Internal Audit . → page 38

Compliance Management System

Identifying compliance risks

The primary goal of the Compliance Management System is to prevent possible violations, or detect them as soon as possible, so that appropriate measures can be taken. 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.

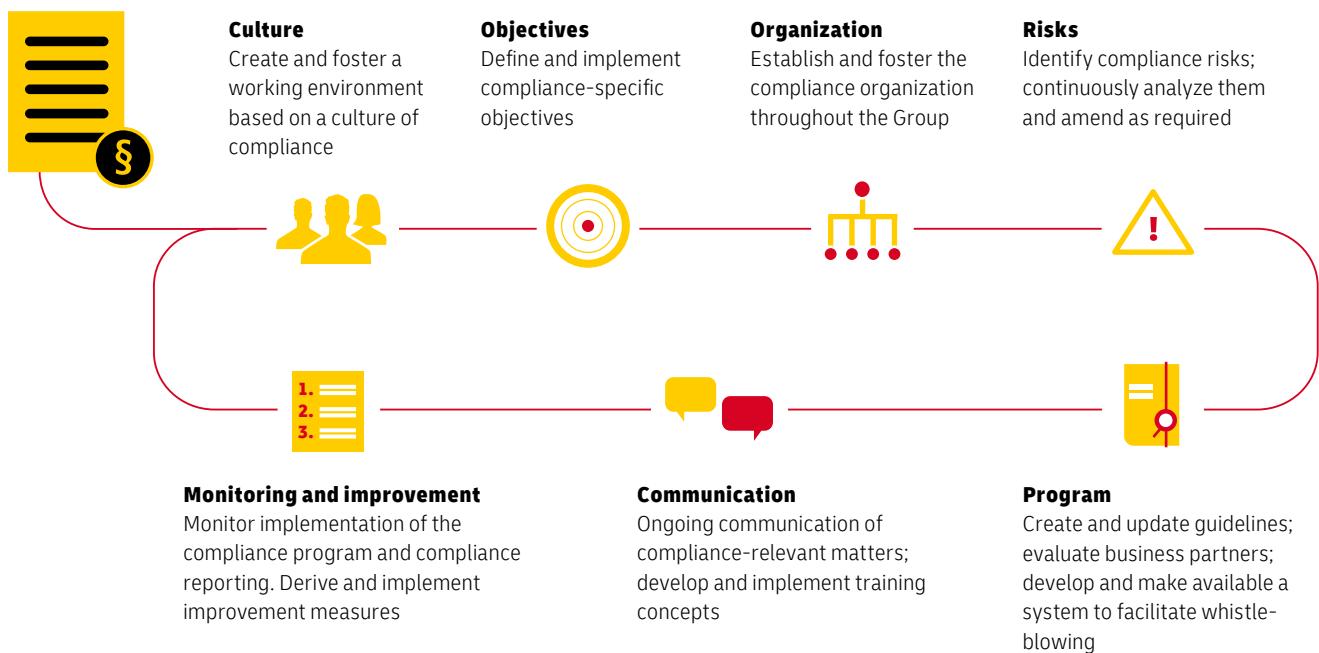
Regular compliance training for our employees and managers is a key element of our Compliance Management System; it serves to strengthen our compliance culture and enhance individuals' awareness of compliance issues. We expect our managers to lead by example in their behavior and values, and to communicate our corporate culture, principles and values to both employees and business partners.

"I am extremely aware of my special responsibility as an executive, and know that my employees view me as a role model."

Melanie Kreis
Chief Financial Officer



Elements of the Compliance Management System



We also encourage our employees to be alert to potential compliance violations and not to delay in reporting any suspicions they may have to their manager 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. Staff can give their names when reporting compliance violations or can do this anonymously, to the extent that this is permitted by local law. External whistleblowers can use an online form to report violations, and can either give their name or remain anonymous. All reported violations are handled professionally and confidentially. We investigate all substantive reports thoroughly, with all the consequences this entails. Internal media are used to ensure that employees are aware of the reporting systems and procedures available to them as well as of whom to contact within the local compliance organization. Information regarding relevant compliance violations is included in the reports to the Board of Management and the Supervisory Board's Finance and Audit Committee.

Other elements of the compliance program include: establishing and updating relevant guidelines; evaluating business partners with regard to compliance; developing, implementing and continually updating compliance training and internal communication measures, as well as systems for reporting potential violations of the law or policies, including any sanctions deemed necessary.

Both managers and employees whose work puts them at greater risk in relation to compliance issues undergo online training as part of our Compliance Curriculum. This curriculum is modular and comprises modules on the Code of Conduct, anti-corruption and competition law. Depending on their function, employees are required to complete either the entire curriculum or selected training modules.

Results in the year under review

A review of all compliance policies was performed in 2018 on the recommendation of Corporate Internal Audit.

- The revision of the Anti-Corruption Policy resulted in streamlined regulation and approval processes, a standardized process for resolving conflicts of interest, the inclusion of criteria for donations and the approval process for these, and revised criteria for screening business partners.
- The previous competition compliance guide-lines were replaced by our new Competition Compliance Policy, which in particular defines the rules governing meetings with competitors more clearly.

Employees and managers were informed in-depth about these changes as part of a Group-wide communications campaign for Global Compliance Day on December 9, 2018. The training documents and courses are now being revised in all language versions to reflect the new policy before being rolled out across the Group.

In the year under review, a total of 242 regular audits that were either directly or indirectly related to compliance were conducted throughout the Group 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 further enhance the compliance program. The audit findings are also used to review existing audit criteria for topicality and completeness.

Wherever a transparency register exists, such as in the EU, we also report voluntarily on the type, scope and financing of the activities we perform in pursuing our interests. → www.dpdhl.com/eu-transparency-register

Compliance Hotline

- Web application and telephone hotline
- Available 24 hours a day worldwide
- **>30** languages
- Anonymous reports are possible – to the extent permitted by law



PROTECTING PERSONAL DATA ✓



Management approach

As digitalization increases across all spheres of life, individuals' right of self-determination with respect to personal information is also growing in significance. 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.

Deutsche Post DHL Group is one of the few companies worldwide to have established minimum standards for itself, which are set out in the Group-wide Data Privacy Policy. In doing so, we enable 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.

The Group Data Privacy Policy contains concrete instructions on processing personal data and provides information on basic rights, 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, direct marketing and e-commerce activities.

Data protection management

Ensuring data privacy across the Group

The Corporate Data Protection Officer monitors implementation of the DPDHL 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. We ensure compliance with our own Data Privacy Policy and national data protection regulations by obtaining the support of legal counsel and through our comprehensive training program and internal audits. Implementation of our Data Privacy Policy is also subject to regular external third-party review.

The "IT Security" section reports 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.
- An online training module was developed so that employees could familiarize themselves with the key requirements of the EU GDPR.
- The rollout across the divisions fulfilled the requirements of the maturity level test.
- The DPDHL Data Privacy Policy was revised to comply with the GDPR.
- We also introduced a data privacy module as part of the Certified initiative, as planned; the course is now included in our training catalogue.

Results in the year under review

A number of measures were implemented in connection with the EU's General Data Protection Regulation (GDPR), which entered into force on May 25, 2018:

- Existing processes were reviewed and amended as required and, where necessary, new processes were introduced. One such case related to the handling and timely processing of inquiries from data subjects.
- Contracts were amended, and training and seminar documentation was revised.

“For me, the award also sends a message to my many talented female colleagues and to women in my country: If I can do it, so can you!”

Reema Al Sadlan, MENA Customer Service Tools, Process and Programs Manager
DHL Express
Saudi Arabia



BOLD MOVES

A raft of reforms is starting to bring change to Saudi Arabia, especially for women. At DHL Express, however, females have already been fostered in the workplace for the past decade, and many are now boldly moving ahead in their careers.

Conservative traditions in Saudi Arabia used to mean strict gender segregation, with women not encouraged to enter the workforce. DHL Express however began hiring women from 2008, growing numbers steadily, with more and more taking on managerial roles and over 200 talented females employed today. MENA Customer Service, Tools, Processes and Projects Manager Reema Al Sadan became the first woman to work in an otherwise all male office environment, spearheading change and empowering her colleagues, both female and male. She is also the first Saudi female to win a Gold Stevie Award for two initiatives she developed.

You've been able to climb the career ladder as a woman in Saudi Arabia. How?

Social reform is part of it. The government's Vision 2030 is about diversifying the economy and developing people, which has resulted in

more female participation on a number of levels. But working at DHL Express has been an even bigger factor. I've always thought that DHL was a few steps ahead of the rest of Saudi Arabia with regard to empowering women, partly because we are an international company.

Is that what brought you to DHL Express?

You could say that. I joined a small team of women in the DHL Express call center in 2009 after graduating from university. I wanted a job that would bring me into contact with different people and cultures, so this role was just right.

Did you imagine you'd be winning a prestigious international business award just nine years later?

No! I feel very honored and of course grateful to DHL for the chance to develop myself. Our global Certified program, CIS, is a good example. In 2014 I became the first female facilitator for the pro-



EMPLOYEES

gram in the region, then a CIS Master Facilitator in 2015. This really sparked my own passion for people development. After attending a mixed-gender CIS training course in Dubai, I asked my manager if I could train mixed-gender groups here in Saudi Arabia. Women training men was a pretty bold concept, but management supported me, and today I train 134 male and female colleagues in customer service. We broke boundaries, for sure, but I think the main driver was DHL's commitment to developing its people.

Your award-winning initiatives also broke some boundaries.

When I became training and development manager for customer service in 2015, I saw a lot of room for improvement. I took a hard look at our hiring processes and came up with the idea of the Assessment Center. Rather than conduct a standard interview, I wanted to see what people are actually capable of and how they handle themselves in certain situations. This really helped us get the right people in the right places. Another issue was the need to improve English skills, which was the inspiration for the English for Everyone initiative. Both of these formats were brand new – the English program even unprecedented in Saudi Arabia – but DHL management supported me 100 percent.

What is your biggest motivator?

I love sharing knowledge with others and seeing how inspired people get when they're assigned work that matches their talents. Empowering women is another big motivator for me. Thanks to the Stevie Award, I've been able to share my experience with a bigger audience and hopefully inspire other women. For me, the award also sends a message to my many talented female colleagues and to women in my country: If I can do it, so can you!

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NON-FINANCIAL REPORT ✓

Our company's high-quality service and overall success depend on our employees – their engagement, their skills and talents, and their expertise. With some 550,000 employees, Deutsche Post DHL Group is one of the world's largest employers in the transportation and logistics industry. Through our Code of Conduct, we have embedded our understanding of ethically and legally correct conduct across the Group. With this as our foundation, our goal is to become Employer of Choice within our industry. Employee matters and respect for human rights in our employee relations are material issues for our company.

CONCEPTS

Our goal is to offer attractive jobs, fill open positions with the right people, and build long-term relationships with our employees around the world. With our personnel policies and HR strategies, we navigate a working world that is changing by the day, focusing our activities on the challenges of demographic change, digitalization and the corresponding need for lifelong learning. All the while, respect for human rights remains the cornerstone of our actions.

The HR Board, which is chaired by the Board Member for Human Resources, is responsible for the management and implementation of our HR concepts. Issues of special scope and importance are discussed with the Board of Management. In addition, external expertise and recommendations are sought from the Sustainability Advisory Council (SAC).

- **Employee matters:** With policies for employee engagement, HR development, and occupational health and safety, we support the company in its efforts to build long-term relationships with employees and establish itself as an attractive employer on the market. Respect and results are the keys to understanding, and living, our corporate culture. Equal opportunity in recruitment and employment is among the core tenets of our Code of Conduct.
- **Respect for human rights:** As a signatory of the UN Global Compact, we also support its principles, as well as respecting the principles set out in the International Labour Organization in its Declaration on Fundamental Principles and Rights at Work, in compliance with national laws. Because our managers play such a critical role in putting these values into daily practice, the Code of Conduct is a binding component of management-level employment contracts.

MEASURES AND KPIs

We measure the success of our initiatives with the help of various KPIs.

- **Employee engagement:** We assess employee engagement levels based on the results of our annual Group-wide Employee Opinion Survey (EOS). Special focus is placed on how employees rate the leadership of their superiors; the "Active Leadership" KPI has therefore been defined as a management indicator under GAS 20, and is used in the calculation of executive bonuses.



- **Employee development:** As part of our Group-wide Certified initiative, we train employees to become specialists in their respective areas of work. For management-level staff, the Certified Logistics Leader program provides training in our leadership attributes. The participation rate serves as the relevant KPI.
- **Occupational safety:** Our primary focus in the area of occupational safety is accident prevention. Compliance with applicable occupational health and safety policies, legal regulations and industry standards is therefore critical. Slips, trips and falls are among the most common cause of accidents and injury in pick-up and delivery; in the contract logistics industry, the main causes are the manual lifting and handling of heavy loads. In the year under review, we modified the footwear used by delivery personnel to improve safety and stability. We also provide awareness training on possible on-the-job safety hazards, and supplement this with comprehensive communications measures. The relevant KPI is the accident rate per 200,000 hours worked (LTIFR).
- **Respect for human rights:** We want to establish a common understanding of human rights in our employee relations at all levels, and to raise awareness of the topic as a way to prevent violations. Training plays an important role in achieving this. In the year under review, we focused on training for executives and management-level employees.

RESULTS AND OBJECTIVES

We achieved the following results in the year under review:

- **Employee engagement:** The approval rating for “Active Leadership” was 76%. Our Group-wide target for 2020 is a consistent approval rating of 80%.
- **Employee development:** Over 290,000 employees have already participated in the Certified training initiative in recent years. Excluding employee turnover, this represents 59% of our workforce on average for the year under review. We plan to certify 80% of our workforce by 2020.
- **Occupational safety:** The LTIFR for the year under review was 4.3. Our goal for 2019 is to improve to 4.0.
- **Respect for human rights:** Around 9,000 employees have taken part since the training offering was launched; it is continuously reviewed and adjusted as necessary.

We report on additional measures beyond the mandatory disclosures required by the German Commercial Code (HGB) later on in this chapter.

EMPLOYEES

SUCCESSFUL AS INDIVIDUALS, STRONG AS A TEAM

MANAGEMENT APPROACH ✓

More than half a million people work for Deutsche Post DHL Group. Each and every individual – from delivery personnel, to logistics specialists to managers – brings his or her skills and dedication to the daily challenge of achieving the best possible result for our customers.

Given the growing demand for logistics industry specialists and managers, strategic succession planning plays a key role in helping us retain expertise as well as gain fresh ideas and insights through new hires.

We are increasingly integrating new technologies into our operations and developing new areas of business. As part of this, we monitor the impact of today's digital transformation, and whether it is causing job profiles to change or creating new areas of activity. We offer training on specialist areas and methods to meet these changing requirements and to make sure employees keep up with change.

We consider the diversity of our workforce to be one of the company's great strengths, and take an inclusive approach when selecting both internal and external candidates to fill vacant positions. Deutsche Post DHL Group brings together people from a wide range of societies and cultural backgrounds. In Germany alone, over 150 different countries are represented among our workforce. Job applications are evaluated based on merit alone.

In line with our Code of Conduct, we are committed to respecting human rights, to equal opportunity recruitment and employment, and to promoting health and safety in the workplace.

**Employees are our
brand ambassadors.**

Our Diversity and Inclusion Statement also clearly spells out our position in this regard. For us, "diversity" includes all differences that make us unique as individuals; this extends beyond gender, national or ethnic origin, religion, age, sexual orientation and identity, or disability or any other characteristic protected under law. ↗ www.dpdhl.com/diversity

Given demographic change and increasing demand for skilled workers and managers, we make sure to offer flexible work and development/training options in an effort to attract the best applicants and retain our employees over the long term. Recognizing, fostering and developing the potential of our employees is therefore central to our HR activities. Our six leadership attributes help orient managers on how to create a supportive, respectful work environment that motivates employees, promotes open communication, and helps our people develop their talents and skills. Especially in times of change, continuous dialogue between managers and employees is essential.

In addition to performance-based, competitive remuneration, we offer options such as mobile working, childcare solutions, and time for community involvement, to the extent it is compatible with operational needs. → page 65

Last but not least, we promote health awareness among our employees and provide many employees outside Germany with access to health insurance. The safety of our employees in the workplace is our number one concern – a concern which as a matter of course takes priority over operational needs. Our activities have also received external recognition. → from page 68



These measures also support the United Nations Sustainable Development Goals (SDGs).

→ page 21

Focus on four material issues

Together with our stakeholders we have identified four material issues for our company, which also form the framework of this chapter:



Respect for human rights: Our multilevel management system ensures that respect for human rights in employee relations is implemented consistently throughout the Group. We specially train employees to review specific situations on site and help prevent violations. Regular training for employees with management responsibility ensures a common understanding of human rights and raises their awareness of the topic. → from page 59



Employee development: With our Group-wide Certified initiative, we train employees to be experts in their field, to represent our company's objectives to customers and other interest groups, and to contribute to achieving these goals. Personal and professional development is an additional driver of motivation. The KPI for employee development is the rate of participation in Certified training courses. → from page 66



Employee engagement: We regularly and systematically obtain feedback from each and every individual in our workforce with the help of the annual Group-wide Employee Opinion Survey (EOS). The most important KPI derived from the EOS is the employee approval rating for "Active Leadership", since the degree of respect and support an employee receives from his or her manager is a primary factor in employee satisfaction and motivation levels. In line with this, the "Active Leadership" KPI is relevant for executive bonus payments. → from page 63



Occupational health & safety: Our measures here focus primarily on accident prevention, identifying the cause of accidents, and embedding a company-wide culture that makes workplace safety the number-one priority. We measure the success of these initiatives based on the accident rate per 200,000 working hours (LTIFR). → from page 68

Managing and measuring success

Fundamental human resources decisions are managed via the HR Board, which is chaired by the Board Member for Human Resources. Cross-divisional and cross-functional issues, such as how to implement our values in the supply chain, are addressed by the Group's Responsible Business Practice Council. The Employee Relations Forum manages the measures put in place to ensure respect for human rights throughout the Group. The Diversity Council advises on the further development of diversity management in the Group's divisions. We regularly review the effectiveness of our measures. External expertise is also provided by members of the Sustainability Advisory Council. → page 24

Our HR Dashboard helps us track and evaluate KPIs and other relevant figures for internal reporting purposes. It also provides management with trend information with regard to the proportion of women in management.

Material issues: Progress made and new targets ✓



Respect for human rights in employee relations	Target in 2018	Status	Target in 2019
KPI On-site reviews (ER Reviews)	Implement management system Group-wide → from page 59	✓	Carry out ER Reviews in Europe, Asia, Africa and Latin America, and train employees



Employee engagement	Target in 2018	Status	Target in 2019
KPI Employee Opinion Survey: approval rating for "Active Leadership"	Increase approval rating by one percentage point → from page 63	✓	Increase approval rating by one percentage point



Employee development	Target in 2018	Status	Target in 2019
KPI Participants in the Certified initiative	Certify 80% of our workforce by 2020 → from page 66	✓	Certify 80% of our workforce by 2020



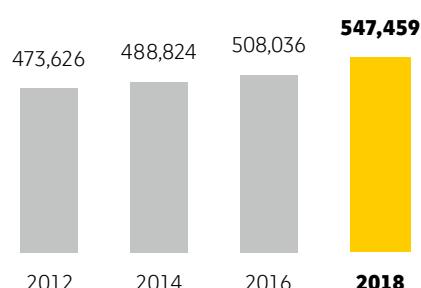
Occupational safety	Target in 2018	Status	Target in 2019
KPI Accident rate per 200,000 working hours (LTIFR)	Improve LTIFR to 4.2 → page 68	✗	Improve LTIFR to 4.0. By 2025, we want to improve the LTIFR by 30% as compared to the 2017 baseline.

WORKFORCE STRUCTURE ✓

Our steadily increasing workforce numbers – even in times of change – testify to the strength of our position within the postal and logistics services industry. As of December 31, 2018, we employed 547,459 people across the Group, some 28,000 more than in the prior year.

All Group divisions increased their workforce in the year under review and all regions benefited from these new jobs. In Europe alone, we expanded our workforce by around 12,000, including approximately 6,800 new employees in Germany. Our workforce in the Americas region also grew by some 8,300 employees, and rose in Asia Pacific by approximately 7,300.

Development of employee numbers¹



Employee growth rates

2.6% Average growth rate since 2012

Growth per division in 2018:

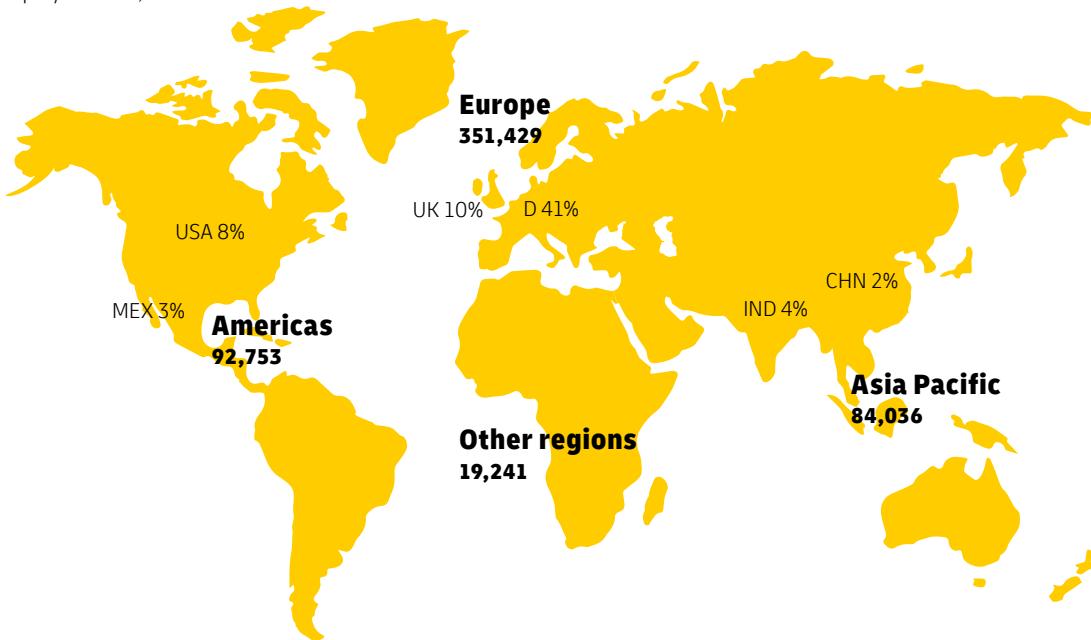
Post - eCommerce - Parcel ¹	4.3%
Express	5.6%
Global Forwarding, Freight	4.5%
Supply Chain	6.9%

¹ Headcount at year end.

¹ Effective January 1, 2019, reorganized into two separate divisions: Post & Paket Deutschland and eCommerce Solutions.

Employees by region in 2018

Number of employees: 547,459¹



¹ Headcount at year end. CHN = China, D = Germany, IND = India, MEX = Mexico, UK = United Kingdom, USA = United States of America.

The average age of Group employees remained unchanged at 41. Gender distribution also remained constant, with 65.2% of jobs filled by men, and 34.8% by women. This continuity is largely due to the physical demands of operational roles such as delivery or loading. Through the use of new technologies and tools, such as robotics and lifting slings, we are reducing the physical demands of such roles and helping employees remain fit and active longer. In doing so, we hope to make these jobs more attractive to women over the long term.

As part of the Generations Pact, older employees in Germany also have the option of reducing their hours while continuing to work until they reach the statutory retirement age. This option was developed in cooperation with our social partner in 2011, and is financed via working-time accounts, an employer-funded top-up, and a demographic fund. Under the terms of the collective wage agreement, as of 2018, it is now possible for employees to benefit from this option four years earlier, from the age of 55.

Generations Pact

Around **29,500** people taking part

→ page 105

17.6% of our employees have part-time work arrangements, either due to operational needs or at their own request. 76,000 are employed part-time in Germany alone.

We respond to seasonal and other demand-driven volume peaks by employing external personnel, which also helps reduce the strain on our employees. In the year under review, we employed an average of 78,822 full-time equivalents worldwide through external companies, primarily at our locations outside Germany. We use this employment model most often in contract logistics, i.e. in our Supply Chain division.

Equal opportunities for women and men

Career prospects and opportunities in the Group are the same for both men and women. Although only somewhat over one-third of our employees are women, the percentage of female managers and executives within the Group continues to grow steadily. The overall percentage is 22.1%, and we are working to further increase this number.

Every fifth manager in the Group is a woman.

In 2018, we organized a number of different internal events to engage in dialogue with female managers and employees. Female managers talked about how they have succeeded in balancing their careers and private lives. In discussion forums, participants talked about ways to attract more women to management-level jobs. We aim to make our jobs and working models more attractive to both men and women; a key aspect of this is facilitating a better work-life balance. In Germany, the target that we have set ourselves in accordance with legal requirements is to increase the share of women in our principal company, Deutsche Post AG, to 20% at the first management level and to 30% at the second management level below the Board of Management by the end of 2019. → 2018 Annual Report, page 86

In January 2019, we became the first German company to be awarded the 2019 Catalyst Award.

↗ www.dpdhl.com/catalyst-award

Inclusion is today's reality

The inclusion of people with disabilities – with a focus on the individual strengths and talents they bring to their working environment – is one of the pillars of our corporate culture. We take part in events held by the Employment Agency and Landschaftsverband Rheinland as part of our efforts to showcase not only Deutsche Post as an employer but also the various vocational tracks available within the company. We also want to remove any hurdles that might prevent candidates from applying.

As of the end of the year under review, we employed 15,610 employees with disabilities in our principal company in Germany, Deutsche Post AG; 20 of whom were apprentices or trainees. This corresponds to an average annual employment rate of 9.5%, which is nearly twice the minimum rate of 5% required by German law.

Employees with disabilities¹

15,610 employees

9.5% employment rate

20 apprentices/trainees

1 Deutsche Post AG, principal company in Germany.

Succession planning ✓

Talent management, targeted recruiting and the training of new hires are the main components of strategic succession planning. Whether we are hiring internally or externally, our processes ensure equal opportunities for all. Applicants are judged on the basis of merit alone, and hiring decisions are based on the qualifications of each individual applicant.

We fill vacant positions or newly-created jobs internally whenever appropriate and make it a point to assign suitable, appropriately trained employees new responsibilities or provide opportunities for job advancement. In addition, we continually develop our training methods and expand our HR development measures. → page 66

In the year under review, we were able to fill 78.7% of vacant management positions with internal candidates. Our measures in Express and Supply Chain again earned us Top Employer certification.

↗ www.dpdhl.com/top-employer-sc ↗ www.dpdhl.com/top-employer-express

Developing our future workforce

There are various different reasons why an employee might choose to leave the Group, for example due to changes in personal circumstances. While staff turnover represents a loss of knowledge, it is also an opportunity for colleagues to take the next step within the Group or, indeed, for the company to gain fresh ideas and new insights through new hires. When planning our workforce structure, we consider not only our operational requirements but also the projected effects of unplanned staff turnover, e.g. the departure of employees at their own request.

At the close of the year under review, staff turnover Group-wide was 16.6%, which is just above the normal average in the transportation and logistics sector. The figure at management level was 7.4%. At 9.2%, unplanned turnover was the greatest contributing factor to employee turnover Group-wide. The trend in employee turnover is depicted according to division and region in the multi-year overview.

→ page 107

Training and recruiting young employees

We offer a wide range of employment opportunities for job starters and recent graduates. There are,

however, significant differences between the vocational training systems in different countries and regions. In many regions, apprenticeship training takes the form of on-the-job training. However, in some European countries, training is performed through vocational schools and colleges. During the year under review, we offered a total of 2,680 apprenticeship positions and options for on-the-job training in Germany.

Vocational training in Germany

Around **4,000** in training

92 trainees hired

2019

Over 2,000 new apprenticeship positions, 21 vocational occupations, 18 integrated degree programs

We train our young employees according to the applicable standards and guidelines in the respective countries and prepare these trainees and students for their future role in professional life. In the year under review, we added the integrated degree program in Business Informatics – Data Science and the E-commerce apprenticeship to the vocational occupations available with us.

College/university graduates can take advantage of various trainee and college recruiting programs. The 18-month trainee program Graduate Opportunities Worldwide (GROW), for instance, develops outstanding recent graduates with Bachelor's or Master's degrees to become specialists and managers within our company. Throughout the program, GROW trainees are supported by a mentor who provides them with regular feedback and career planning support.

Deutsche Post DHL Group is one of the largest vocational training companies in Germany.



HUMAN RIGHTS IN EMPLOYEE RELATIONS ✓

As an employer, we set a good example by defining minimum standards for fair working conditions and human rights in our employee relations, and anchoring these standards throughout the Group with our **①** **human rights policy.** → page 35 Our management system helps ensure consistent implementation and the same processes in all countries and cultures throughout the Group.

Common understanding of human rights

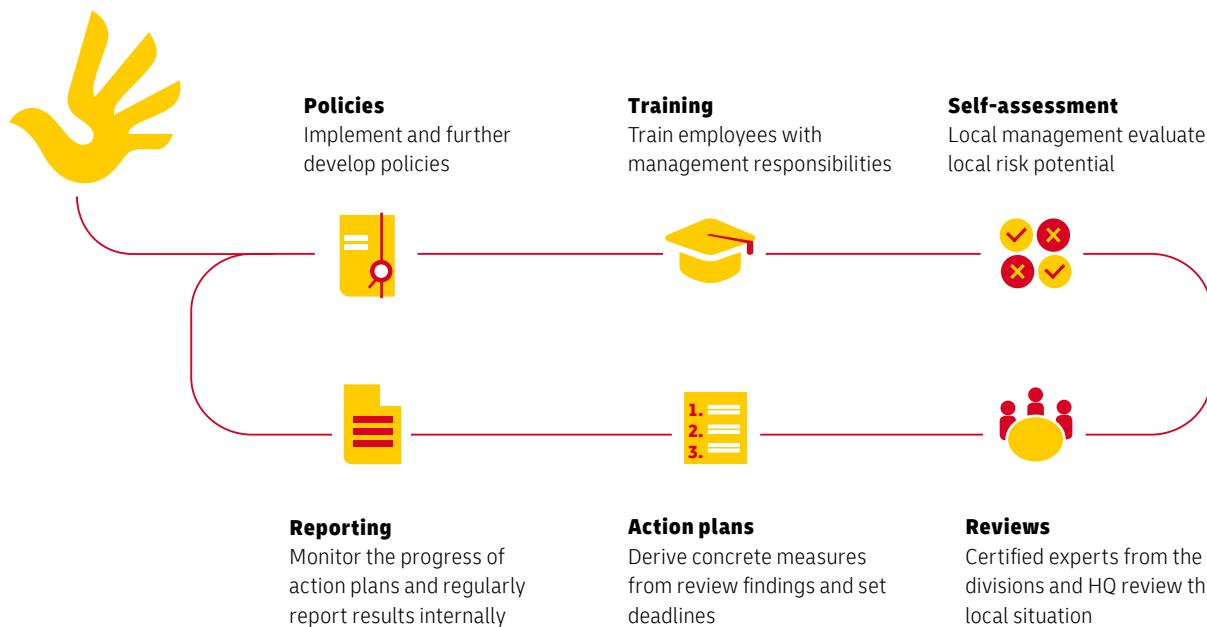
We expect our managers to act as role models – to embody our leadership attributes, and adopt an open and respectful approach when dealing with their employees. After all, they are the key to ensuring respect for human rights throughout the company. And for this very reason, the Code of Conduct is an integral component of our employment contracts with our managers.

The Employee Relations Forum (ER Forum) manages the measures in place to ensure respect for human rights, as defined in our policy on human rights. This governance body consisting of employee relations experts from all divisions and from Group headquarters regularly discusses best-practice solutions and develops measures with the aim of improving the quality of our employee relations and raising employee awareness for respecting human rights. The Forum also assists local-level managers in everyday matters by facilitating dialogue among the divisions at the regional and country level, for example. ER Forum recommendations are also regularly discussed by the HR Board. In addition, external expertise and recommendations are sought from the Sustainability Advisory Council (SAC).

Systematic implementation of Group policies

The goal of our management system is to effectively implement our human rights policy across the Group and to satisfy the requirements of the UN Guiding Principles on Business and Human Rights.

Employee relations management system



Our approach to ER Reviews

When choosing countries in which to conduct ER Reviews, we focus on the Maplecroft Institute Human Rights Index, Transparency International's Corruption Perceptions Index, and on a set of internally defined criteria, such as the number of employees. ↗www.dpdhl.com/cpi2018

In countries with elevated risk potential, ER Reviews are performed by specially trained and externally certified experts from both the divisions and Group headquarters to ensure the objectivity and quality of the review process. In countries with a comparatively low-level risk, it is left to the divisions to decide whether an ER Review is needed and, if so, to perform the review themselves. In all other countries, reviews are carried out as the need arises.

An integral component of the ER Review process is the "focus group", which consists of randomly selected employees from a range of operational areas, along with external employees. When performing reviews we ensure that people are treated with respect and have the right to freely express their opinion. Feedback from the focus groups is forwarded, in anonymized form, to the management team responsible for developing and implementing a suitable action plan. ER Reviews are repeated at regular intervals and progress made with the local action plan is monitored over an agreed and binding time frame. Implementation of resulting action measures is also monitored through regular audits performed by the Corporate Internal Audit team.

Major activities in the year under review

The six components of the management system were reviewed for their effectiveness, and we continued to make progress on implementation at the country level.

The two Certified training courses "Building Great Employee Relations" and "Employee Relations for HR" were mainly held in higher risk countries. Across the Group, a total of approximately 9,000 employees and managers were trained during the year under review.

Over and above their monthly meetings, the ER Forum members conducted three workshops to review their current methods in light of the ever-changing demands of the working world, and to strengthen employee relations. One result was the decision to apply the ER Forum format at the regional level. As of the fourth quarter, the first regional meeting had taken place.

ER Reviews were conducted in six countries: Chile, Germany, Panama, Romania, Thailand and the UK; these resulted in minor findings in just a few isolated instances. Working together with local managers, the causes of problems were identified, and solutions developed and then documented in action plans. At locations in Latin America, for example, employees taking part in focus group sessions indicated that they didn't understand how bonuses were calculated. In response, the bonus criteria were revised together with the local trade union and then communicated to employees via managers and information sheets.

Progress made in implementing action plans is reviewed on a regular basis. Collaboration with Corporate Internal Audit was also intensified in the year under review. → page 38 Dates for ER Reviews and review catalogues are now coordinated.

The German federal government's expectation that all enterprises introduce corporate due diligence with regard to respect for human rights is stipulated in its National Action Plan for the Implementation of the UN Guiding Principles on Business and Human Rights. From 2019 onwards, companies with more than 500 employees will be subject to spot checks to monitor compliance. We are supporting the German government in preparing this review process and will remain involved as it develops.

Open dialogue with employee representatives

Over 70% of all Group employees worldwide are employed under contracts governed by legislation, collective labor agreements and works agreements. In addition to direct dialogue with their supervisors and management representatives, employees can turn to employee committees, works councils, unions or other bodies to help represent their interests. The primary responsibility for managing local employee representatives and trade unions rests with the divisions at a country and local site level.

An open and trusting dialogue at global level

At the global level we have engaged for over ten years in regular dialogue with the two international union federations UNI Global Union (UNI) and the International Transport Workers' Federation (IFT). Our discussions focus on employee relations issues of global importance and their impact on Deutsche Post DHL Group. Building on this tradition of close and open collaboration, we maintain regular dialogue with the two union federations, based on a protocol concluded by the German National Contact Point (NCP) of the OECD in 2016. After further improving and intensifying our collaboration in the last several years, we achieved the following results in 2018:

- First joint conference held in Latin America; this brought together Group and union representatives from various countries with the shared aim of discussing the challenges facing the region.
- Collective bargaining negotiations entered into with the trade union of a subsidiary in Turkey; negotiations were successfully concluded in January 2019.

Over and above this, numerous additional topics were discussed, including the election of employee representatives in Ivory Coast, Group restructuring and the future of work.

Four additional meetings have already been scheduled for 2019. The parties involved have agreed to review and expand the content of the regular meetings, and to use such content as a reference for employment relations. In addition to this, UNI, ITF and Deutsche Post DHL Group intend to get together to discuss digitalization and responsible standards in the supply chain; a joint workshop is also planned on the future of the dialogue, which is based on the OECD protocol.

Constructive 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. Forum committees advise on the Group's business growth as well as topics with international reach, such as organizational change or 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 HR in attendance. The two international union federations, UNI and the European Transport Workers' Federation, can each send a representative to participate in these sessions.

In the year under review, the Deutsche Post DHL Forum, including its committees, met more than 30 times. Meetings focused on the Group's restructuring and the possible impact on employees. The potential ramifications BREXIT could have on the company were also addressed. In addition, the Forum signed a joint declaration on racism and xenophobia. Two meetings were also held to discuss important topics related to health and occupational safety.

In Germany we collaborate constructively with employee representatives in all business units where works councils have been formed.

Socio-political dialogue with the EU 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 served as Committee Chair since the end of 2016. In the year under review, the role of Committee Chair was again assigned to Deutsche Post DHL Group for the next session. The Committee discusses social issues with employers and union representatives from the postal sector in European member states.

In the year under review, regional workshops were conducted in Vilnius and Athens as part of the ongoing project entitled "Promoting Social Dialogue in the postal sector in an enlarged Europe". Insights gained were then discussed in expert panels as part of the concluding conference. Publication of a report on the overall project was announced for early 2019.

Initiated in 2017, the EU project "Trend research for the postal sector in 2030" kicked off with workshops in Bonn and Paris. In this project, the social partners of the European Social Dialogue Committee for the Postal Sector are developing possible scenarios for the postal sector in 2030, in particular from a social point of view. An additional workshop is planned for 2019 in Warsaw. The findings are expected at the end of the current year.

EMPLOYEE ENGAGEMENT AS A SUCCESS FACTOR ✓



We foster employee motivation and satisfaction in a number of ways: With performance-based, competitive remuneration, as well as with non-financial benefits such as an improved work-life balance and a broad range of personal and professional development opportunities. In addition, we offer employees the chance to realize their own innovative business ideas, or to play an active role in improving their work environment through our idea management platform. Superiors also help boost employee motivation by establishing a culture of trust, and by embracing change and uncertainty. Both leadership and employee engagement are measured by our annual Group-wide Employee Opinion Survey.

Attractive compensation

For a large portion of our employees, remuneration is based on works agreements, collective labor agreements, or legally binding statutory salary adjustments, and is subject to local and position-specific requirements and regulations. It 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 Germany, wages and 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 wage or salary. Workers employed by our 46 Delivery GmbH companies in Germany are also paid wages according to the respective regional forwarding/logistics sector collective agreements agreed with the union, and are eligible for performance-related bonuses.

“We are very pleased with the outcome of the collective bargaining negotiations, which represents a satisfactory conclusion for all concerned.”

Dr. Thomas Ogilvie

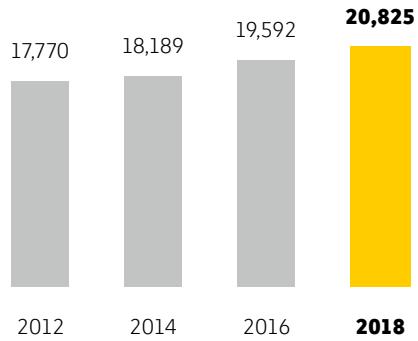
Board Member

Human Resources, Corporate Incubations



On April 10, 2018, a sustainable collective wage agreement was concluded for our employees at our principal company in Germany, Deutsche Post AG, guaranteeing both employees and the company security and opportunity over the long term, and enabling future growth. The collective wage agreement stipulates an incremental wage increase and, for the first time, the option of additional free time (Entlastungszeit). This model gives employees the option of forgoing the wage increase in favor of additional free time.

Development of staff costs (€ million)



Collective wage agreement in April 2018¹

As of October 2018:

- ↗ Wages and salaries: **+ 3.0%**
- ↗ For trainees: **+ 3 – 4%**

Additional increase as of October 2019:

- ↗ Wages and salaries: **+ 2.1%**
- ↗ For trainees **+ 2.2 – 3%**

¹ Deutsche Post AG, principal company in Germany.

Job evaluation system ensures equal opportunity

Job evaluations throughout the Group are based on the type of work and job content. This ensures, for example, an impartial, equitable system of remuneration across the company irrespective of gender, national or ethnic origin, religion, age, sexual orientation and identity, or disability.

Our pay structures take into account not only national minimum wage requirements, but also the needs of our divisions per business unit and local market demands. This allows us to offer reasonable and competitive remuneration packages in all of the markets we serve. In many countries, Deutsche Post DHL Group also provides employees with access to defined benefit and defined contribution retirement plans, and assumes the costs of health insurance and treatment for employees and their family members.

Additional benefits

Non-financial benefits are a further component of employee compensation packages. These include:

- **Flexible work models:** In line with operational requirements, we help our employees achieve a good work-life balance in the different phases of their lives. This includes a flexible approach to where and when employees perform their duties. In Germany, Deutsche Post AG employees can take advantage of the option of partial retirement and working-time accounts as stipulated by the Generations Pact. A similar option is also available to the civil servants we employ.
- **Recreation Service:** The Recreation Service (Erholungswerk Post Postbank Telekom e.V.), which receives financial support from Deutsche Post DHL Group, enables current and former employees and their families to take advantage of affordable vacation offerings. Under certain income-related circumstances, children of employees can also receive vacation allowances. Such grants were approved for approximately 2,400 children in the year under review.
- **Family-friendly offerings in Germany:** We work together with a service provider to offer employees in Germany support in their search for suitable childcare services or care for family members. Along with school vacation programs and emergency care, services include advisory and placement services. An internal online portal provides employees with access to all relevant offerings and information. We also offer employees company childcare places at several of our major locations in Germany.
- **Scholarships for employee children:** Our Group-wide UPstairs program offers scholarships to employee children. Since the launch of the program, we have awarded approximately 2,600 scholarships in more than 120 countries. In addition, some 550 employee children so far have received pre-vocational support in the form of application-writing workshops, summer school courses and internships within the company.

Turning employees into entrepreneurs

Our Start-up Lab encourages employees to develop new business ideas, covering innovative business models and the use of new technologies in our operations. Their ideas are evaluated by a jury consisting of members of the Board of Management, who select the most promising concepts. Participants whose ideas are selected are then given the time they need to further develop their ideas; they also receive intensive coaching and support from mentors and external experts.

Five out of eight teams from the 2018 Start-up Lab were so successful that they turned their ideas into actual products and services. A particularly promising example is TRAILAR – a two millimeter thick solar foil that supplies trucks and delivery vehicles with electricity as a way to save fuel.

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, and any ideas that result in a proven benefit are rewarded by means of a bonus system. In the year under review, some 60,000 ideas – 86% of all ideas submitted – were put into practice.



Employee development as motivation

4.7 million hours in training

The equivalent of **537** years

A key prerequisite in motivating and retaining talented employees is their professional and personal development. This is absolutely essential to our business success, as confirmed by our employees and other stakeholder groups. In the 2018 Employee Opinion Survey, 82% of employees said that the Group affords them opportunities for learning and development.

On average, each employee completes 1.4 days of training per year. In the year under review, approximately 4.7 million hours were spent in various online and classroom training programs. Our training and development opportunities are available to all permanent employees.

Certified initiative: Turning employees into certified specialists

Only with highly qualified and motivated employees can we provide first-class service and stand out as the Provider of Choice for our customers. Our Group-wide Certified initiative includes a two-day foundation training for all employees, which conveys a common understanding – across all divisions and countries – of our strategic goals. It also provides insight into the business models, strategy and culture of the respective divisions, and conveys a deeper understanding of business processes and interrelationships across the Group. On top of the foundation training, the Certified program offers employees a broad range of subsequent modules geared more towards their individual role or area of specialization.

Certified trainings are conducted by company employees and managers who have completed special facilitator training. Our experience shows that this approach not only increases the impact and longevity of the training, but also fosters a sense of loyalty and team spirit within the company. Over 290,000 employees have already participated in the Certified training initiative in recent years. Excluding employee turnover, this represents 59% of our workforce in an average reporting year. We plan to certify 80% of our workforce by 2020.

Comprehensive training and development opportunities

We also offer a broad range of individual training and development opportunities – from basic courses to specialized training for specific target groups. Focus themes include compliance and lifelong learning, not to mention customized development plans with appropriate training courses and activities.

A few examples:

- **Code of Conduct:** These training courses convey to employees and managers the importance and necessity of our Code of Conduct, while case studies help familiarize participants with additional Group policies. The courses also teach participants how to respond to suspected violations of the Code of Conduct, including the different options for reporting possible violations. In the year under review, 73,400 employees took part in the training.
- **Raising diversity awareness:** In our training courses for employees and managers, special attention is paid to the topic of “Diversity and Inclusion”. The aim is to sensitize managers to the importance of their role in putting diversity management into practice. This year, more than 40,000 employees at more than 430 locations in 40 countries on all continents took part in presentations and workshops as part of our annual Diversity Week event. Employees can also take advantage of a range of year-round discussion forums across our various internal networks.

- **Advancing women:** We use a diverse range of measures to support our aim of increasing the number of women in management positions over the longer term. These include career planning workshops, career coaching, mentoring programs and networks for women, as well as various practical offerings to promote a good work-life balance. We also use our internal media to regularly report on how mixed leadership teams are helping to drive business success as a means of encouraging women to pursue a management career at Deutsche Post DHL Group.
- **Health at work:** We implement targeted measures to promote health awareness among our employees and managers. In Certified training courses, managers learn about the effects of their management style on the health of their employees, and receive tips on how to promote and maintain their own health.

Development measures for management employees

The core responsibility of our managers is to motivate employees and make clear to them how their work supports the company in achieving its objectives. We expect that they lead by example using our leadership principles: Being results-oriented, leveraging strengths, providing purpose, having and creating trust, focusing on clear priorities and being positive about challenges, uncertainty and change. At the core of this development program are training modules that foster this style of management and transmit an appreciation for holistic leadership based on the trinity of head, heart and guts. Some 1,600 managers have taken part in the program so far. Managers can also take advantage of leadership seminars and development programs specially tailored to individual needs and the respective divisional requirements. The members of the Board of Management also take part in modular development programs based on methods such as reflection, feedback and coaching – sometimes in the capacity of trainers themselves.

Employee engagement is measurable

The most important feedback channel in the company is the Group-wide annual Employee Opinion Survey (EOS), and we encourage every single employee to take part. Participation is of course purely voluntary, and we expressly encourage employees to give their honest opinion in the survey. From the time the survey is sent out, whether by mail or electronically, to the time the results are evaluated, employee data is completely anonymized. In the year under review, participation in the EOS was 76% – another strong showing that underscores its high level of acceptance among employees.

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 employees are satisfied with the information, resources and training we provide to help them do their work successfully. The EOS also allows us to compare our standing as an employer with that of other companies, and to assess our competitiveness.

Current Employee Opinion Survey results

The same EOS questionnaire is used throughout the Group, ensuring comparability of results for all categories and questions across the divisions. The questionnaire comprises 41 questions that are assigned to ten different key performance indicators (KPIs). The Performance Enablement Index is also derived from these questions.

Approval ratings in 2018

76% Active Leadership



76% Employee Engagement

81% Performance Enablement Index

Our managers have a substantial influence on employee engagement and motivation through their personal management styles, for example by recognizing good performance and promoting employee development. They also serve as role models with regard to our corporate values and goals. The “Active Leadership” category therefore serves as a key non-financial performance metric (in accordance with German Accounting Standard GAS 20) and is tied to company executive bonus payments. The Group-wide result for this KPI once again rose by one percentage point compared with the previous year, thus meeting our target for the year under review.

One of the survey’s central KPIs – Employee Engagement – helps us gauge employee motivation and drive to contribute to the company’s success. Here, too, we were able to improve by one percentage point over the previous year.

Our Performance Enablement Index determines whether we provide employees with an environment in which they are able to give their very best to our customers. At 81% for the year under review, this rating remained at the same high level achieved in the previous year.

Competitiveness indicators

Comparing survey results with reference values from other companies provides insight into our strengths, but also points to action areas where further improvements can be made. The results of the most recent survey are above the external reference values in almost all areas, at times by a significant margin. In the “Continuous Improvement” category, for example, results were eight percentage points higher than the reference value.

In the “Employee Engagement” category, we exceeded the external reference value by one percentage point. In “Active Leadership”, we were on par with the reference value. Our Performance Enablement Index score exceeded the external reference value by four percentage points.

Especially in times of change, maintaining dialogue with our employees is critical to involving them in these changes, and making sure they remain informed and up to speed. The survey results indicate that we are on the right track, which is both encouraging and a source of motivation to improve further. As part of our strategy to become the Employer of Choice, we want to achieve an 80% approval rating for “Active Leadership” and “Employee Engagement” by 2020.

OCCUPATIONAL HEALTH & SAFETY

Workplace safety, along with the health and well-being of our employees, is a top priority. Given their fundamental importance, we devote special attention to occupational safety and employee health. Occupational safety is among the material issues identified by the company and its stakeholders.

Safety at work is priority #1 ✓



Accident prevention is the number one workplace priority. In our pick-up and delivery operations, also known as the “last mile”, preventing accidents presents a particular challenge. Trips, slips, ankle twists and falls are among the most common types of work-related accident in this area. In the contract logistics industry, the main causes are the manual lifting and handling of heavy loads.

We place great importance on complying with the Group’s existing occupational health and safety policies, legal regulations and industry standards, and we have embedded these in our Code of Conduct. In addition, all of our occupational safety measures are aimed at establishing a “Safety First” culture across the Group. Our goal is to make this culture universally relevant for all employees; we aim to work together to identify and raise awareness of potential health and safety risks, and to define and implement appropriate measures to improve risk management.

Our Supplier Code of Conduct requires our suppliers and subcontractors to adhere to these same high standards. By signing a contract with us, they commit to the following measures: Conducting risk analyses and workplace risk assessments, instructing employees on potential risks and hazards in the workplace, implementing preventive measures to protect workers and others from injury, and regular safety training.

Managing occupational safety and measuring progress

Our Group-wide Occupational Health & Safety Policy Statement defines our requirements in this area by means of seven key components, and is, as with all Group policies, binding for all Deutsche Post DHL Group subsidiaries.

The divisions are responsible for operational management: Each division has its own organizational and management structure dedicated to occupational safety. The Group-wide Occupational Health & Safety Committee facilitates dialogue and collaboration between occupational safety experts in the different divisions. It defines cross-divisional regulations and standards, identifies accident black spots, develops appropriate prevention measures, and lays the groundwork for decisions made by the Operations Board.

By order of the Board of Management, the committee oversees the implementation of the requirements in the respective divisions and their progress in managing the occupational safety KPIs. The KPI used to measure the success of our occupational health and safety measures is the number of accidents per 200,000 working hours (LTIFR).

Higher accident numbers in delivery

We record workplace accident data as part of a Group-wide accident-rate statistics report, which includes figures for temporary workers. The LTIFR for the year under review was 4.3; this failed to meet our target. Each work-related accident led to 15.8 missed workdays on average.

Our Supply Chain division once again achieved the lowest accident rate in the Group, with a result of 0.7. Accident rate figures for the Post - eCommerce - Parcel division suggest that the intensified accident reduction measures initiated two years ago have begun to yield positive results. For

the year under review, the value was down 0.7 to 10.2. The values for the other divisions remained at the prior-year level.

Our goal is to reduce the 2019 accident rate to 4.0. By 2025, we want to improve this figure by 30% compared to the 2017 baseline.

Workplace fatalities in the year under review

In the year under review, eight employees died due to work-related accidents, two of whom were employed by third-party contractors; three fatalities resulted from a traffic accident. The other accidents were caused by the handling of vehicles or other means of transportation. In a bid to ensure such incidents are never repeated, our first response was to action comprehensive investigations into the causes of the accidents; corresponding remedial measures have already been introduced based on our findings.

Management system defined

As part of guidelines for implementing occupational safety measures, we defined a management system based on  ISO 45001. This stipulates that the divisions themselves decide on the extent of implementation, the use of individual elements, and the possible need for external certification. Two additional tools are among the measures that supplement the guidelines:

- **Self-assessment:** With the help of a questionnaire, the site manager can assess progress on occupational safety measures required by the guideline, and identify any necessary actions.
- **Employee surveys:** One questionnaire helps determine the degree to which employees have internalized the “Safety First” culture; another questionnaire allows employees to rate their managers.

Preventive measures in the year under review

We design preventive measures based on our analysis of accidents and their causes.

- **Post - eCommerce - Parcel:** Accidents due to trips, slips or ankle twists can be avoided through the use of special footwear, which we make available to our employees. In the year under review, we began testing a new version of the shoes that offers improved safety and stability.
- **Express:** Employees in the US shared 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%. The two sites plan to intensify and promote dialogue between the sites. Driver safety training courses were also conducted. As part of a “rodeo” competition, the best drivers received financial rewards for their exemplary safe driving habits.

Safety standards for dangerous goods transports

As a logistics company, we also specialize in the safe and proper transportation and warehousing of dangerous goods and substances in compliance with our general terms and conditions. Ensuring the safety of our employees and minimizing risk remain top priorities at Deutsche Post DHL Group.

Dangerous goods are transported in accordance with applicable national and international safety standards, including the European Agreement concerning the International Carriage of Dangerous Goods by Road and the International Air Transport Association's Dangerous Goods Regulations. ↗www.dpdhl.com/tapa2018

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 must still rely on our customers to declare and label their

dangerous goods shipments properly and honestly, as required in our general terms and conditions.

Promoting employee health

A workforce of engaged and productive employees is key to addressing modern-day challenges associated with demographic change, increased digitalization and global health trends. At Deutsche Post DHL Group, we provide healthy work environments and promote a good work-life balance. We also encourage our employees and their families to pursue healthy lifestyles, avoid risk factors, and take advantage of offerings such as preventive screening and condition management initiatives. In doing so, we align our own holistic approach with that of the World Health Organization Healthy Workplace Model.

↗<http://bit.ly/2HohZhZ>

Organizational health management

While the divisions are responsible for local health management within their organizations, cross-divisional issues are discussed and agreed centrally by the Board of Management.

Health management in Germany

100 working groups



90 company physicians, plus psychologists and a physical therapist

ISO 9001 certified

Based on a systematic international evaluation of risk indicators, our corporate functions develop health initiatives and offerings tailored to local requirements. The Chief Medical Officer analyses health risks relevant to the Group, defines corresponding management strategies, and advises the Board of Management on medical crisis management. Insurance & Risk Management develops strategies and measures for workplace safety and health insurance offerings outside Germany. We measure the success of our initiatives across the Group with the help of various KPIs. Our external reporting focuses on sickness rate numbers.

Sickness rate slightly higher than previous year ✓

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 sickness rate Group-wide rose slightly by 0.1 percentage points year on year to 5.3%. Workplace accidents accounted for 0.3 percentage points of the total sickness rate.

The sickness rate in the regions is subject to various factors; Europe, for example, was hit hard by the flu epidemic at the beginning of the year under review. Further factors can be attributed to the often relatively high average age of employees and changes to working structures, most notably in delivery operations in Germany. We report on the development of our sickness rate in more detail in the multi-year overview. → page 110

In Germany, data was analyzed to identify the most important factors impacting employee health and performance. Various measures were derived on the basis of these findings: As part of our Certified initiative, for example, we draw attention to the positive impact good leadership can have on the health and well-being of employees. We are also developing our health promotion system further.

Additional health insurance benefits

More than half of our employees live and work outside Germany – many of them in countries that do not offer sufficient social health coverage. Our Group-wide Employee Benefits Program, which already reaches some 250,000 employees, provides employees and their dependents in over 100 countries with primary or supplementary healthcare cover at costs well below local market alternatives. Our ability to maximize and control funding efficiencies around the provisions of our insurance program allows us to invest in health promotion measures to benefit our employees and their families.

Sharing experience throughout the Group

A key element of our program to promote health and well-being is the sharing of best practice initiatives and measures. These measures are, in turn, ranked as part of our  Four Pillars of Health, a model which allows business units to qualify for discounts on Group-sponsored insurance coverage, freeing up resources to be used to further benefit the well-being of our people and their families locally. In addition to this, a centralized IT platform serves as a valuable resource for information on current health issues, trends and the sharing of best practices. In Germany, internal networks provide employees with the option of talking to company physicians or even receiving a virtual medical consultation.

Raising management awareness of mental health and well-being

In our digital age, the topic of mental health and well-being also plays an increasingly important role at Deutsche Post DHL Group. It is extremely important that our managers understand the impact of their leadership style on both stress levels and motivation levels among their employees. We make this correlation clear with the help of targeted manager training, which is part of our Group-wide Certified initiative. → page 66

When designing health management measures, we make sure to involve employee representatives and support them with appropriate training.

In Germany, China and the US, we offer mentally ill employees support through dedicated occupational health experts and employee assistance programs. We work together with recognized research institutes to identify and assess sources of psychological stress.

**“You’re talking about people –
human nature! And we
all share the same need to
be respected, listened to
and valued.”**

Eduardo Batista, Vice President HR

DHL Supply Chain

Brazil



→ RESPECT AND RESULTS

As champions of respect and fairness in the workplace, specially trained managers at Deutsche Post DHL Group are leading the way in building great employee relations.

A best in class corporate culture is not something that just happens – it needs a strategic approach, defined ethical standards and passionate people who lead the way. In line with its goal to become Employer of Choice, DPDHL Group is giving managers the perspective and tools they need to create a positive employee relations culture across the company. Eduardo Batista, Vice President HR, DHL Supply Chain Brazil, took part in the Group's "Building Great Employee Relations" (BGER) training in Germany and is now spearheading the effort to conduct BGER training across all DHL divisions of Latin America.

What prompted you to take part in the Building Great Employee Relations training?

BGER is part of the Group's worldwide Certified initiative and I was already a Certified facilitator within Supply Chain. The Certified training for managers emphasizes how important it is for leaders to be close to their teams and take care of

them, so I was already close to this idea of building positive employee relations. I'm also a big believer in the Certified initiative; it offers tremendous people engagement tools that really help employees understand the dimension and purpose of their jobs.

So what does it take to build great employee relations?

It takes a corporate culture in which the commitment and achievements of each individual employee are respected, appreciated and honored. It's all about respect and awareness in the workplace and I truly believe that this is the foundation for business success. One huge aspect of "respect" is getting employees to feel that they are part of a larger mission, and that they can make a difference to the organization as a whole. BGER really emphasizes that every single team leader is key to creating a positive employee relations culture – that this is not just the responsibility of top management.



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How is the training going so far in Brazil and across Latin America?

It has been amazing facilitating BGER in the region over the past year. In Brazil we've begun training across divisions and I'm also leading a cascading process within Supply Chain across Latin America. We have a comprehensive BGER agenda already in place for the whole region, which makes me very happy and very motivated.

Participants have responded really well. We're providing a unique space where they can reflect on their leadership and share real cases with the group. They learn tools, but also come away with a new understanding of how important they are for employee relations in the company, and how respectful behavior drives a more successful business. Ultimately, we are training leaders – leaders in building a great corporate culture.

Brazil is so big and diverse, not to mention Latin America! Is there such a thing as “one-size-fits-all” employee relations training?

The training needs to be localized for language, of course, and countries have different labor regulations. The examples used in the training also need to fit the business of each division, so that people identify with the training. And some environments are more open, while others are more formal, so facilitators do need to adjust.

But overall, the BGER training is designed to be global. It's about spreading respect in the workplace across the Group and around the world. The key message stays the same. BGER talks about five basic components: transparency, listening, constructive dialogue, compliance and equal treatment. Ultimately, you're talking about people – human nature! And we all share the same need to be respected, listened to, and valued.

NON-FINANCIAL REPORT ✓

SOCIAL MATTERS

Our sites, employees and suppliers contribute indirectly to the socio-economic development of their respective regions, promoting the prosperity of both individuals and society. Through our voluntary activities we directly influence the communities in which we live and do business. We believe that this also has a lasting, positive impact on our reputation as a company. In addition, our voluntary work on behalf of social and environmental causes supports our strategic goal of becoming Employer of Choice. Potential employees increasingly prefer companies that dedicate themselves to addressing local social concerns, and they remain loyal to employers who offer meaningful work and enable personal fulfillment.

POLICIES

In line with our Corporate Citizenship Guideline, in which we formulate the focus and objectives of our corporate citizenship activity, we look to establish long-term working relationships with established partner organizations to make sure our activities are socially relevant and as effective as possible. Our activities and partnerships are coordinated and managed by the CEO board department.

MEASURES AND KPIs

Corporate citizenship is a relevant driver of employee engagement throughout the Group. In the year under review, we introduced our new “Corporate Citizenship Index” KPI, which illustrates the impact of our corporate citizenship activities on employees better than the total number of volunteer hours. This new KPI consists of the yearly Employee Opinion Survey approval ratings in the “Employee Engagement” category combined with the results of an additional online survey on corporate citizenship. In the year under review, numerous disaster management measures were taken in the Group’s GoHelp program. We also took part in a wide range of activities dedicated to improving employability for young people. In addition, our refugee support activities, which include vocational integration and language training, were incorporated into the Group’s GoTeach program.

RESULTS AND OBJECTIVES

The “Corporate Citizenship Index” KPI was calculated for the first time in the year under review; our Corporate Citizenship Index score for 2018 was 77.

In addition to the mandatory disclosures required by the German Commercial Code (HGB), we report on the individual measures in the following chapter.



SOCIETY

WE MAKE AN IMPACT LOCALLY WITH A WIDE RANGE OF PROJECTS

MANAGEMENT APPROACH ✓

The goal of our diverse range of social and environmental activities is to make a positive, measurable contribution, and we believe we can

be most impactful by contributing the power of our global network and the know-how of our employees locally. We consider our voluntary social commitment – what we call corporate citizenship – to be

part of our corporate responsibility. For many years, we have worked together with established partner organizations who have the experience to know where and how our contributions can be most impactful.

Our employees expect us to be good corporate citizens. They judge us based on the quality and quantity of the volunteering opportunities offered as part of our programs. These opportunities span three different areas:

- **Disaster management:** Our GoHelp program focuses on airport preparedness and disaster relief deployments in the wake of natural disasters. → from page 79
- **Improving employability:** Our Group-wide GoTeach program focuses on improving the employability of children and young people. → from page 81 It also promotes the career/vocational and economic integration of refugees in Germany and other host countries.
- **Local projects:** Around the world, our employees join forces with partner organizations to initiate local social and environmental projects. Outstanding projects also receive financial support from Deutsche Post DHL Group. → from page 82



These measures also support the United Nations Sustainable Development Goals (SDGs). → page 21

Corporate Citizenship



Disaster management (GoHelp)

- Get Airports Ready For Disaster (GARD)
- Disaster Response Teams (DRTs)

Improving employability (GoTeach)

- Teach For All
- SOS Children's Villages
- Refugee aid

Local projects

- Employee volunteering
- Financial support
- Employees support employees

Central documentation and coordination of activities

Our Corporate Citizenship Policy sets out the focus and objectives of our corporate citizenship activities. In line with this, the statements in our Anti-Corruption Policy relating to corporate citizenship were also revised. → page 43 This ensures that employees have clear practical guidelines for their successful involvement. A central web-based platform catalogues all activities and facilitates dialogue across the Group. The focus of the programs and partnerships is coordinated and managed by the CEO board department.

Measuring our impact

In our dialogue with our employees, we have learned that: The more they are encouraged to get involved in social or environmental matters, the more satisfied and motivated they are in their jobs. Roughly two-thirds of employees surveyed about our programs believe that these have a positive impact on society and the environment, and help enhance the company's reputation. They identify with our programs and are proud to be a part of Deutsche Post DHL Group.

In the year under review, we introduced a new KPI – the Corporate Citizenship Index – which better reveals the impact of our activities. The KPI has two components:

- 1.** The approval ratings in the “Employee Engagement” category in the annual Group-wide Employee Opinion Survey, which targets all employees.
- 2.** The results of an additional online survey specifically addressing corporate citizenship, with which we reach about half of all employees.

In addition to this, we conduct surveys on specific topics to assess the effectiveness of individual programs.

Contributions in 2017 (LBG)

Donations: **10.7%**

Investment in local communities: **67.3%**

Commercial initiatives: **22%**

As in previous years, we continue to document and quantify the impact of our corporate responsibility activities using the ⓘ LBG model. All activity falls into one of the following categories: Donations in the form of one-time gifts, investments in the community through long-term, strategic involvement in and partnerships with charitable organizations, and commercial initiatives – business-related advertising or sales/marketing measures that also deliver community benefit.

Objectives

We are continuously improving our framework and offerings in the area of corporate citizenship in order to generate even more enthusiasm among employees and make it easier for them to get involved in social projects. The Corporate Citizenship Index score for the year under review was 77. In 2019 we will assess whether this KPI requires adjusting.

NATURAL DISASTERS – PREPAREDNESS TRAINING AND EMERGENCY AID

In the wake of devastating natural disasters, people in affected areas depend on the international community to respond quickly with emergency aid. Our Group-wide GoHelp program has two objectives: To prepare airport personnel in disaster-prone regions for the logistics challenges of a disaster relief effort, and to deploy our Disaster Response Teams quickly to affected areas following natural disasters.

We regularly review the effectiveness of our measures with the help of a special GoHelp employee survey, which is conducted every two years.

Get airports ready for disaster (GARD)

When natural disasters strike, airports in or near the affected area often become bottlenecks in the flow of relief supplies. In cooperation with the United Nations Development Programme (UNDP), we conduct multiday workshops for personnel at airports and local disaster management organizations. The workshops prepare participants for the logistical challenges of a disaster relief effort, and help them improve processes for dispatching and processing large volumes of incoming relief workers and supplies.

Led by our air freight experts, participants in these five-day workshops assess the airport's maximum volume for processing goods and passengers. In addition, measures are developed to increase airport capacity and remove potential bottlenecks in the event of a disaster, and are documented in an airport surge capacity assessment report. This is then included by the United Nations in its national emergency response plans.

In the year under review, a total of 122 participants took part in workshops in Bosnia-Herzegovina, Costa Rica, India and Peru. In India, the new workshop format was well received; in future all of the country's airports will undergo GARD program reviews. To make this possible, we trained airport personnel and disaster relief organization staff in applying our method and in transferring knowledge effectively. As a result, India can now conduct these workshops on its own.

Help within 72 hours

Some 500 employees serve as volunteers in our Disaster Response Teams (DRTs) in the Americas, Middle East and Africa, and Asia Pacific regions. This allows us to cover approximately 80% of disaster-prone countries. The Disaster Response Teams were established in 2005 in cooperation with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). If called upon by the United Nations, our DRTs can be deployed within 72 hours to manage the logistics of incoming relief supplies, including unloading, inventory and storage at local airports. They also help ensure the coordinated transfer of relief supplies to local relief organizations. Urgent supplies such as food, drinking water and medical supplies can be packed in waterproof polypropylene bags known as Speedballs, which relief organizations can then deliver to affected areas via airdrops.

Disaster management (GoHelp) in 2018

Get Airports Ready for Disaster (GARD)

- 122 participants in workshops in 4 countries
- Emergency response plans for 3 airports analyzed
- India to begin conducting its own workshops



Disaster Response Teams (DRTs)

- 172 employees trained for DRT deployments
- Deployments in Guatemala, India and Indonesia
- 61 employees deployed on the ground for a total of approximately 40 days

We specially train our logistics experts for the challenges of a DRT deployment. The training simulates disaster-response workflows under difficult conditions and prepares them for the physical and psychological strain involved. In the year under review, no less than 172 employees took part in the training; further sessions are planned for 2019.

On-the-ground deployments in 2018

In the year under review, our Disaster Response Teams were deployed in Guatemala, India and Indonesia.



- **June 2018, Guatemala:** Two teams were deployed to Guatemala after the devastating eruption of the “Volcano of Fire”. In a warehouse near the affected area, the 30 employees assembled emergency relief packages, inventoried relief supplies and coordinated logistics in order to accelerate the distribution of supplies.
↗ www.dpdhl.com/guatemala2018
- **August 2018, India:** Five employees were deployed to Kerala, India after a monsoon caused the state’s worst flooding in 100 years. Among their tasks during the five-day mission: Packing 5,000 Speedballs, which relief organizations were then able to airdrop over affected areas. ↗ www.dpdhl.com/india2018
- **September 2018, Indonesia:** In the aftermath of the devastating earthquake and tsunami that struck the Indonesian island of Sulawesi, three teams consisting of a total of 26 employees were deployed on site for a total of 23 days to support the efficient processing of approximately 3,500 tonnes of relief supplies.
↗ www.dpdhl.com/indonesia2018

IMPROVING EMPLOYABILITY

Our Group-wide GoTeach program enhances employability and career/vocational opportunities for young people, regardless of their origins, socioeconomic background or position. GoTeach also promotes the integration of refugees into social and economic life, both in Germany and in other host countries.

We want these young people to be able to recognize and foster their talents, and to develop their sense of self and self-confidence – an important prerequisite for achieving career goals. Another objective of the program is to provide young people with early first-hand exposure to the working world. This involves interaction with Group employees, who share their know-how and experience. Our global partners for our diverse range of activities in this area are Teach For All and SOS Children's Villages.

We regularly review the effectiveness of our measures with the help of our yearly GoTeach employee survey. In 2018, 90% of survey participants confirmed they perceived a positive impact from our commitment – not only for society but also for the company. Furthermore, 87% of respondents believed that our programs help improve the employability of young people. ↗www.dpdhl.com/goteach

“We believe that all children and young people should be supported to reach their potential and grow into the best person they can be.”

John Gilbert
Board Member
Supply Chain



Improving employability (GoTeach) 2018

Teach For All

- >1,000 employees donated 4,300 hours
- >300 activities with partners
- Measures reached approx. 7,200 children and young people

SOS Children's Villages

- >1,500 employees donated 15,400 hours
- >3,000 young people supported
- 118 young people completed an internship
- 85% saw their mentor as a role model

Refugee aid

- Approx. 500 employees involved in local initiatives
- Approx. 4,000 refugees from Eritrea, Iran, Iraq, Somalia and Syria received an employment contract
- Approx. 150 refugees enrolled in traineeships



Successful transition to the working world

Teach For All's goal is to provide every child, regardless of their origins, with the education, support and opportunity they need to build a better future. We support the global organization Teach For All as well as 14 network partner organizations in the Asia Pacific,

Latin America and Middle East regions. This assistance is not only financial, but is also based on the active involvement of our employees, who volunteer locally as mentors, trainers or internship supervisors.

In the year under review, more than 1,000 employees devoted some 4,300 hours of their time to our partnership with Teach For All. Through more than 300 activities, our employees reached out to some 7,200 children and young people attending partner schools.

Setting the course for future careers

We also enjoy a longstanding global partnership with SOS Children's Villages. In addition to financial support for educational programs and youth facilities, we provide a wide variety of job training and orientation offerings. As part of our joint initiative, we were also able to attract well-known companies to

take part in further business partnerships. Using our GoTeach program as a blueprint, SOS Children's Villages was able to support young people in a large number of other countries with the transition to working life.

In the year under review, more than 1,500 employees devoted approximately 15,400 hours of their time

to our partnership with SOS Children's Villages. We were able to reach in excess of 3,000 young people through such projects.

Partnership with Teach For All

- We have supported the Teach For All global network since 2010
- University graduates work as teachers in full-time assignments for two years
- University graduates also receive intensive training and mentoring

↗ www.teachforall.org

In February 2019, our commitment was recognized with the CODESPA Award in the category "Solidarity Company".

The keys to integration with the job market and society

In the year under review, we integrated our refugee aid activity in Germany with our Group-wide GoTeach program. Our goal is to take the positive experiences and lessons learned and apply these in other countries. As part of our refugee aid work, we cooperate with Germany's Federal Employment Agency and numerous other partners. In the last two years we launched pilot projects together with partners in Syria, Lebanon and Sweden, and developed offerings for young refugees. Since 2018, we have also been supporting the UNHCR initiative #WithRefugees.

↗ www.dpdhl.com/with-refugees

Since the start of the initiative in 2015, we have signed employment contracts with approximately 6,800 refugees; 152 are currently in traineeships. 1,056 refugees have successfully completed internships. Over 16,000 employees have engaged in local aid projects. Although the number of emergency relief projects is down, employee volunteer numbers have remained stable, with the focus increasingly on longer-term projects. Here, employees offer their support to families, for example, or act as mentors.

LOCAL PROJECTS

Various incentives encourage employees to get involved as volunteers, and help foster long-term collaboration with charitable organizations in local-level projects. Outstanding projects receive financial support from the Group. In addition, our internal relief fund provides a way for employees to make monetary donations to support fellow employees in need following a natural disaster.

We regularly review the effectiveness of our measures with the help of our annual online survey on our corporate citizenship activities.

Partnership with SOS Children's Villages

- Programs in more than 40 countries
- Target group: Young people between the ages of 15 and 25
- Support in transitioning from school to working life
- Financial support for educational programs and youth facilities

↗ www.sos-childrensvillages.org

Local projects in 2018

Global Volunteer Day

- 122,911 employees, of whom 73,037 involved in projects
- 49,874 made donations
- 3,345 projects worldwide
- 374,315 hours volunteered in projects

Living Responsibility Fund

- Support for 105 projects in 32 countries
- Up to €4,000 per project
- Total of €200,000 available for project funding

We Help Each Other

24 employees received donations from fellow employees:



- 17 employees after the earthquake in Indonesia
- 3 after the torrential rain in Panama
- 4 after hurricanes in the US and Trinidad

Employees worldwide initiate their own volunteer projects

Since its inception in 2008, our Global Volunteer Day (GVD) has become a major component and driver of employee volunteer work across the Group, helping create the necessary framework for worldwide involvement. Local projects can be registered via an online platform, which employees can also use to share experiences or provide additional information on any skills or competencies needed to participate in their project. Volunteering is not limited to a specific day or project; instead, the emphasis is on long-term involvement. Employees are recording more and more volunteer hours via the platform, and the diversity of projects continues to grow as well.

As part of our Group-wide Certified initiative, we teach managers how best to encourage and implement social and environmental projects, such as our tree-planting projects; this also includes active participation in a project. → [page 101](#) One such drive took place in the Express division, where employees in Romania teamed up with family, friends, business partners and the local forestry department to plant 19,000 trees. This was just one of the many tree-planting events that took place as part of Global Volunteer Day.

In the year under review, 122,911 employees contributed to charitable projects in their communities. Of these, 73,037 were actively involved in 3,345 projects. Together they gave 374,315 hours of their time – the equivalent of 43 years, or half a lifetime – in the year under review alone.

Financial support for outstanding projects

Through our Living Responsibility Fund, we also provide financial support for outstanding projects. 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. A cross-divisional jury selects the most eligible projects, which can then receive support of up to €4,000. The Living Responsibility Fund awarded a total of €200,000 to 105 projects across 32 countries over the course of the year under review.

“I’m proud to be part of this ambitious goal – it’s motivating to feel like we’re part of something bigger.”

Benjamin Jacob, Courier

DHL eCommerce Solutions
Malaysia



→ PROUD TO GO GREEN

Green solutions for last-mile pickup and delivery bring not only environmental benefits, but also help ignite passion in employees.

On the road to zero-emission logistics, Deutsche Post DHL Group wants to provide 70% of its own first and last mile services with clean pick-up and delivery solutions by 2025. One of these solutions is the electric motorbike, which DHL has begun deploying around the world as a quiet and clean alternative to gasoline-fueled bikes. In 2018, DHL eCommerce in Malaysia joined a growing list of DHL country organizations which are testing e-bikes and starting to build their charging infrastructure in order to offer customers efficient and environmentally friendly delivery. As it turns out, the e-bikes are not only reducing noise, emissions and fuel costs, but also putting a charge in employee engagement. Benjamin Jacob, a DHL courier in Kuala Lumpur is one of the team members testing the e-bike - and he is proud to go electric.

How do you like your new e-bike and how does it differ from your old one?

I like it! It's clean, quiet and somewhat of a novelty here in Kuala Lumpur. It handles and performs more or less like a conventional bike, but there are some pretty big differences. "Refueling" is much more convenient because I can charge at the hub instead of heading to a petrol station. I do need to be mindful of the battery life and plan my route well, but usually there is still about 60% battery life remaining after the day's delivery runs. Of course there's no exhaust and almost no noise. It's still rather rare to find an electric vehicle in Kuala Lumpur, so when I'm waiting quietly at a traffic light, fellow riders think my bike has stalled. Then I accelerate quickly and silently – always good for a surprise!



ENVIRONMENT

How does it make you feel to be leading the way in green logistics?

Everyone here is excited about the e-mobility pilot and the fact that we are taking steps to go electric. Roads in Kuala Lumpur can get congested and air pollution is a problem so I'm happy that I do my bit to tackle this issue. I have always been quite conscious of preserving the environment, but it's not that easy without access to green solutions. Now I have the e-bike, and it's great knowing that my daily work is making a difference.

Do you think zero-emissions is a realistic target for 2050?

For now, I'm proud to be part of this ambitious goal; it's motivating to feel like we're part of something bigger. I know that DHL wants to train us to become certified GoGreen specialists and get us more involved in environmental action. I like that, and I like the e-bike solution, so I feel like we're moving in the right direction. Zero-emissions and 2050 both sound a bit far off today, but the e-bike is already a big step and it's only 2018, so I'm optimistic.

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NON-FINANCIAL REPORT ✓

ENVIRONMENTAL MATTERS

As a logistics company, the impact of our business activity on the environment is mainly in the form of greenhouse gas emissions. To minimize this impact, we have set ourselves ambitious environmental targets and embedded environmental and climate protection in our Environmental and Energy Policy, which is binding for all employees and subsidiaries. With the Supplier Code of Conduct, which is a mandatory component of all Group contracts, we also incorporate our environmental targets into the supply chain. The SCoC encourages suppliers to implement the same standards in their own supply chains.

POLICIES

The innovative policies developed as part of GoGreen, our Group-wide environmental and climate protection program, include solutions to reduce emissions and improve fuel efficiency. This also reduces our dependence on fossil fuels, hedges against rising energy prices and ensures the success of our business over the long term. The divisions report regularly to the GoGreen Sponsors Board – headed by the CEO – on their environmental and climate protection measures, and on progress made towards the defined targets. Any deviations from planned targets are discussed, and appropriate solutions identified.

MEASURES AND KPIs

We monitor trends in our greenhouse gas emissions with the help of the Carbon Efficiency Index (CEX), which is a management indicator (GAS 20) applied to gauge the Group's performance in this area. The CEX is based on business unit-specific emission intensity figures that are indexed to base year 2007. The calculation of greenhouse gas emissions is based on internationally recognized standards such as the Greenhouse Gas Protocol (GHG Protocol) and includes emissions generated by our transportation subcontractors (GHG Protocol Scope 3).

In the year under review, our environmental and climate protection measures remained focused on expanding the use of electric vehicles in Germany and Europe, and modernizing our air fleet in the Express division.

RESULTS AND OBJECTIVES

In the year under review, we achieved a carbon efficiency gain of one percentage point to 33% as compared to 2007 levels, thus reaching our target for the year. Our target for 2025 is to increase carbon efficiency by 50% compared to the 2007 baseline.

We describe individual action measures above and beyond the mandatory disclosures required by the German Commercial Code (HGB) in the following chapter.



ENVIRONMENT

A ROBUST APPROACH TO ENVIRONMENTAL AND CLIMATE PROTECTION

MANAGEMENT APPROACH ✓

An important driver of global commerce, and one from which we benefit economically as a logistics company, is the growing demand for transportation solutions in response to today's sustained e-commerce boom. Around the world, our business brings people together and hence supports economic growth in the countries and regions in which we do business. In keeping with the principle of shared value, our products and solutions thus add business value while also making a positive contribution to society and the environment.

Mission 2050: Reducing logistics- related emissions to net zero

At the same time, the transportation sector is responsible for some 14% of global greenhouse gas emissions, to which our business activity also contributes. It is for this reason that we want to reduce our logistics-related emissions to net zero by the year 2050. With this ambitious goal, we are leading the way towards a green, sustainable future for logistics, and doing our part to help the world community reach the two-degree target established at the Paris Climate Conference (COP 21).

As part of our GoGreen environmental and climate protection program, we are developing innovative ways to reduce emissions, improve fuel efficiency and increase our use of alternative energy sources. These solutions are then rolled out across the Group to minimize our impact on the environment. The measures address not only our direct emissions (GHG Protocol Scopes 1 and 2), but also the indirect emissions generated by our transportation subcontractors (GHG Protocol Scope 3), which account for by far the largest share of the Group's overall emissions.

Our main focus lies on reducing our dependence on fossil fuels and on using alternative energy sources for our fleets and buildings. By deploying innovative pick-up and delivery solutions we also make a contribution to improving air quality in urban areas. Taken together, these measures not only help reduce fuel and energy costs, but also anticipate possible regulatory changes, thus ensuring the strength and stability of our business in the future.

Our environmentally friendly products and logistics solutions – our GoGreen services – help our customers and transportation partners reduce their environmental impact. As a leader in green logistics, we are involved in a number of industry initiatives, including efforts to standardize the measurement of greenhouse gas emissions and promote the development of alternative aviation fuels.

Material issues and targets

As part of our Mission 2050, we have set four interim targets for 2025 in our main environmental focus areas of energy efficiency, climate change and local air pollutant reduction. These 2025 targets are as follows:



These measures also support the United Nations Sustainable Development Goals (SDGs).
→ page 21

Global target: We want to improve our carbon efficiency by 50% compared to the 2007 baseline. This target is based on the approach taken by the  Science Based Targets initiative.

Local target: We want to reduce local air pollution emissions by operating 70% of our own first and last mile services with clean pick-up and delivery solutions, including the use of bicycles and electric vehicles.

Economic target: We want more than 50% of our sales to incorporate environmentally friendly products and green logistics solutions.

People target: We want to certify 80% of our employees as GoGreen specialists and actively involve them in our environmental and climate protection activities. In addition, we have committed to joining partner organizations in planting one million trees each year to support forest conservation.

Organization and management

The CEO board department steers the Group-wide environmental and climate protection program, and defines the focus of the Group's environmental strategy. The GoGreen Sponsors Board, which comprises representatives from all divisions and from the relevant corporate functions, meets regularly to report on measures taken and progress made towards environmental targets. Any deviations from planned targets are discussed, and appropriate solutions identified. The GoGreen Sponsors Board is headed by the CEO and is responsible for implementing the Group's environmental strategy. Topics that are particularly important to our environmental targets for 2025 are also regularly discussed in Board of Management meetings. Tracking carbon emissions and the CEX is handled by our internal management information system.

Our action areas are defined in our Environmental and Energy Policy, which provides all employees throughout the Group with guidance on how they themselves can contribute to achieving our environmental targets. Above and beyond this, it goes without saying that the Group always acts in accordance with applicable environmental laws and regulations.

The following corporate policies supplement the Environmental and Energy Policy, and are binding throughout the Group. Exceptions can be made only if the items concerned are not available in the markets in sufficient quality and quantities, or if their application is not commercially viable.

- **Investment Policy:** Requires that new acquisitions be demonstrably more carbon efficient than existing assets.
- **Biofuel Policy:** Stipulates that only liquid biofuels which do not negatively impact local food production in the countries where they are produced can be used.
- **Paper Policy:** Stipulates the use of certified recycled paper only.
- **Green Electricity Policy:** Stipulates the use of electricity from renewable energy sources ("green electricity") within Group.

An environmental management system ensures compliance with the above-named policies and creates a uniform framework for thinking and acting "green" at strategically important sites. Decisions on external certification of our sites are based on business relevance, consumption figures and existing standardized processes. If we operate a facility on behalf of a customer, the customer decides whether or not the site undergoes certification. In the year under review, 7,520 out of the approximately 11,000 sites eligible for certification – or 68% – had already been certified according to  ISO 14001, ISO 50001 or both.

Progress and results in 2018

Material issues



Energy efficiency and climate change	Target in 2018	Status	Target in 2019
KPI Carbon Efficiency Index (CEX)	Target in 2018 Improve CEX by at least one index point. → page 93	✓	Improve CEX by at least one additional index point. By 2025, increase our carbon efficiency by 50% compared to 2007 levels.



Air pollution: Reduce local air pollutants	Target in 2018	Status	Target in 2019
KPI Percentage of clean pick-up and delivery	Target in 2018 Roll out StreetScooter outside Germany. → page 96	✓	Continue to expand use of e-mobility solutions in pick-up and delivery operations. By 2025, 70% of our own first and last mile services should use clean pick-up and delivery solutions.

Additional issues



Green Solutions	Target in 2018	Status	Target in 2019
KPI Percentage of sales incorporating Green Solutions	Target in 2018 Establish reporting and integrate Mission 2050 into sales processes. → page 99	✓	Implement reporting Group-wide and ensure transparency of impact. Have more than 50% of our sales incorporate Green Solutions by 2025.



Employees & society	Target in 2018	Status	Target in 2019
KPI Certify employees and plant trees	Target in 2018 Draw up employee certification plan and plant one million trees together with partners. → page 101	✓	Roll out employee training and plant one million trees. By 2025, we want to certify 80% of our employees as GoGreen specialists. Join partners in planting one million trees every year in the period up to 2025.



ENERGY EFFICIENCY & CLIMATE CHANGE ✓

As a global logistics company, we operate our own fleets and buildings, and rely on additional capacity provided by transportation subcontractors. We consider energy efficiency and climate change principal focus areas, as do our relevant stakeholders. → page 23

85% of greenhouse gas emissions produced by the Group and its transportation partners are attributable to air and road transportation. However, our buildings and facilities also consume energy and contribute to greenhouse gas emissions. We address these impacts with a comprehensive efficiency management system, as well as with innovative technologies and new acquisitions. The Group's Investment Policy requires that acquisitions of new vehicles or building technologies be verifiably more carbon

efficient or environmentally friendly than existing assets. As a result, advanced technologies are often already standard equipment in our fleet. Our dual strategy of reducing our energy/fuel consumption (“burn less”) and increasing our use of alternative drive systems and fuels (“burn clean”), helps reduce our dependence on fossil fuels and increase our carbon efficiency. This also improves our ability to react to future regulatory changes and manage energy costs – both of which contribute to the stability and success of our business over the long term. In our Global Forwarding, Freight division, we do not operate our own fleets but broker load capacity on behalf of our customers, and partner with airlines, shipping companies and rail companies.

“Selecting the best carrier for our customers is not always a question of cost but also of environmental criteria.”

Tim Scharwath

Board Member
Global Forwarding, Freight



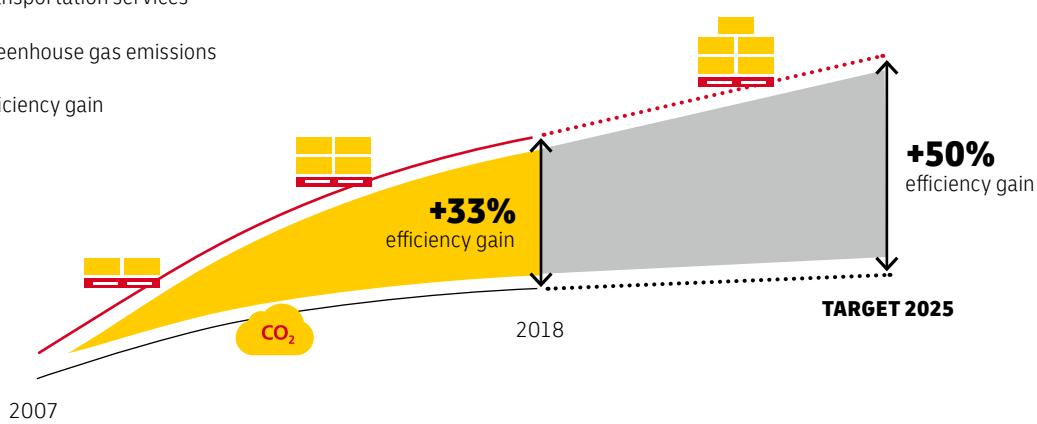
Our Global Forwarding, Freight division uses “carrier scorecards” to integrate air and ocean freight subcontractors into its environmental efficiency measures. We systematically evaluate the environmental performance of our strategic partners. In the selection process, preference is given to providers with stronger environmental performance, to the extent that the customer supports this approach.

The ongoing heavy demand for transportation solutions also affects our levels of carbon emissions and fuel consumption. However, since launching our Group-wide environmental protection pro-

gram GoGreen in 2008; our efforts have succeeded in decoupling the direct link between increased transportation volumes and increased greenhouse gas emissions. The baseline and reference value for carbon efficiency calculations is the ratio of transportation volumes to greenhouse gas emissions in 2007. As part of our environmental protection program, we have developed diverse measures to improve fleet and building efficiency, but have also identified the importance of smart route planning and systematic network utilization for the environment.

Efficiency principle and carbon efficiency trend

- Transportation services
- Greenhouse gas emissions
- ↔ Efficiency gain



A detailed calculation of greenhouse gas emissions, including those of all our transportation subcontractors, is integrated into our Group-wide financial systems, and serves as the basis for our reporting. Our greenhouse gas emissions are calculated based on the guidelines provided by the Greenhouse Gas Protocol, the EN 16258 standard and the Global Logistics Emissions Council, as well as the requirements outlined by the European Emissions Trading System. In line with this, we do not include offsets via

CO₂ emissions certificates in our calculations. Subcontractor emissions are established using calculation models, which are based on the same standards.

Efficiency gains are measured using the CEX, which is based on business unit-specific emission intensity figures.

Growth in transportation volumes reflected in emissions

During the year under review, our transports (① Scopes 1 to 3) were responsible for a total of 29.48 million tonnes of CO₂e – a 2.1% increase on the prior-year figure. This is largely attributable to the positive development of our operational business and the resulting increase in transportation volumes, which we were only partially able to offset with our efficiency measures.

Scope 1 emissions, i.e., direct emissions from our own operations, rose by 6.8% to 6.30 million tonnes of CO₂e. This was influenced by the increase in transport services in the Express division, which was in turn felt in the development of Scope 3 emissions.

Indirect emissions from energy used to produce electricity, district heating and cooling in our buildings (Scope 2) fell by 38.6% against the prior-year value to 0.27 million tonnes of CO₂e. This positive trend is a reflection of the increased use of renewable energies.

Emissions from transportation partners (Scope 3) accounted for 22.91 million tonnes of CO₂e in the year under review – an increase of 1.7% year-on-year. 0.1 million tonnes of CO₂e were caused by our employees' business travel. In addition to the increase in transportation services, the first-time application of the 15% mark-up for less direct routes for ocean freight, as set out in the Clean Cargo Working Group emissions calculation standard, contributed to this effect. The prior-period value was adjusted accordingly.

→ page 111

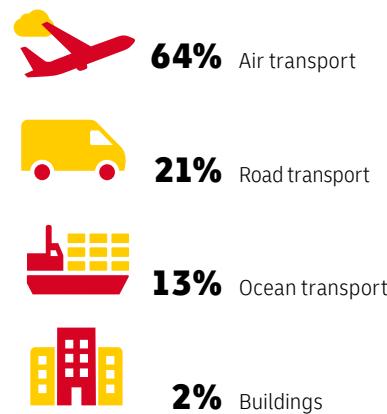
Carbon efficiency target met

The effectiveness of our efficiency measures is reflected in the Carbon Efficiency Index (CEX). In the year under review, we were able to improve this performance indicator by one additional index point against the 2007 baseline, to 33%. This meant we met our target for the year.

This improvement could primarily be achieved in road transports in North America (Supply Chain) and through the use of renewable energy sources, particularly in the Supply Chain and Express divisions. Efficiency gains in our ocean freight business, allowing for the mark-up for less direct routes, also contributed to this effect. In 2019, we want to improve our CEX score by at least one additional index point.

Carbon emissions (total) by source in 2018

Total 29.48 million tonnes CO₂e



Efficiency gains and fuel consumption

We continuously invest in improving the efficiency of our fleets and buildings; this has the added effect of reducing greenhouse gas emissions and lowering fuel and energy costs.

Air fleet modernization

Our fleet consists of more than 250 cargo aircraft – including 214 of our own planes – as well as additional load capacity contracted with other airlines and reserved exclusively for us. This allows us to react to fluctuations in customer demand.

Facts about our air fleet in 2018¹

>250 cargo aircraft



214 company-owned cargo aircraft

Air transportation is particularly fuel and emission intensive. In the year under review, we once again recorded an increase in transport volumes, which resulted in higher fuel consumption and carbon emissions. Despite the positive effects of improved route and network optimization, we were not able to offset this increase. At 1,518 million kilograms, fuel consumption in the year under review was 7.9% higher than in the previous year. Emissions from our air transport operations amounted to 4.82 million tonnes of CO₂e, accounting for 73.4% of our CO₂e emissions (Scopes 1 and 2). → page 93

¹ Not subject to review.

In the year under review, we continued to modernize our fleet of cargo aircraft and plan to continuously increase the number of planes in our fleet. Among other measures, we ordered 14 Boeing 777 cargo planes and secured options and purchase rights for a further seven such aircraft, which are known for their superior fuel efficiency and range. We also acquired four A330-200 aircraft, which will be used primarily for routes within the Asia Pacific region. Our cargo airline AeroLogic, a joint venture with Lufthansa Cargo, also added another Boeing 777 in the year under review, expanding its modern, fuel-efficient fleet to eleven of these aircraft.

We continue to participate in the Aviation Initiative for Renewable Energy in Germany e.V. to improve the deployability of alternative aviation fuels, and are also involved in local noise abatement initiatives. In the year under review, we joined the Global Alliance Power Fuels (German Energy Agency).

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Group vehicle fleet in 2018¹

Total 98,478 vehicles



71% Vans



18% Cars



11% Trucks

Efficiency gains in road transportation¹

Our road transportation operations rely on our own fleet of 98,478 vehicles worldwide, including small commercial vehicles in mail and parcel operations, light trucks for regional transportation and heavy trucks for long-haul transportation. Based on factors such as vehicle type, utilization and route, we implement any one of many different efficiency measures – or a combination of several – to achieve further efficiency gains.

New technologies in the area of aerodynamics, lightweight vehicle design, speed limiting systems and low-rolling resistance tires are among the methods used to reduce fuel consumption in our conventional fuel vehicles. In addition to this, we rely more and more on alternative drive systems and fuels, including electric and natural gas powered vehicles for short distances, and sustainably produced, advanced second-generation biofuels for long-haul transportation. We have defined minimum standards for heavy trucks with a gross vehicle weight of over 7.5 tonnes.

We achieve additional efficiency gains through intelligent network and route planning and alternative modes of transportation. Thanks to increased digitalization, recording data via sensors and apps is becoming easier – and opening up exciting new opportunities for us. This further improves our ability to connect logistics chains across continents and to optimize processes.

During the year under review, road transportation fuel consumption rose by 3.0% to 465 million liters as a result of the positive performance of our operational business.

¹ Not subject to review.

Energy use in buildings

In 2018, we implemented our Green Electricity Policy, which defines options for sourcing electricity and the process of purchasing electricity within the framework of the Group's Environmental and Energy Policy. We also make sure that electricity generated from renewable sources ("green electricity") is the primary source of electric power in the Group and aligns with relevant sustainability guidelines. Overall, the use of green electricity across the Group is already at 77%.

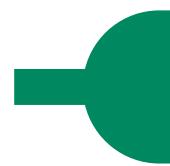
We now meet nearly all of our electricity needs with green electricity in 17 countries. Our goal is to increase our use of green electricity in other countries.

In addition to introducing technical efficiency solutions, we encourage employees to think and act responsibly with regard to resources and to make savings at our sites. Both climate and capacity utilization have a significant impact on energy consumption in our buildings and facilities. In the year under review, energy consumption in our buildings and facilities was 3,194 million kWh – in line with the previous year. Through our use of renewable energy we were able to save 0.53 million tonnes of CO₂e emissions. → page 97

Use of green electricity in 2018

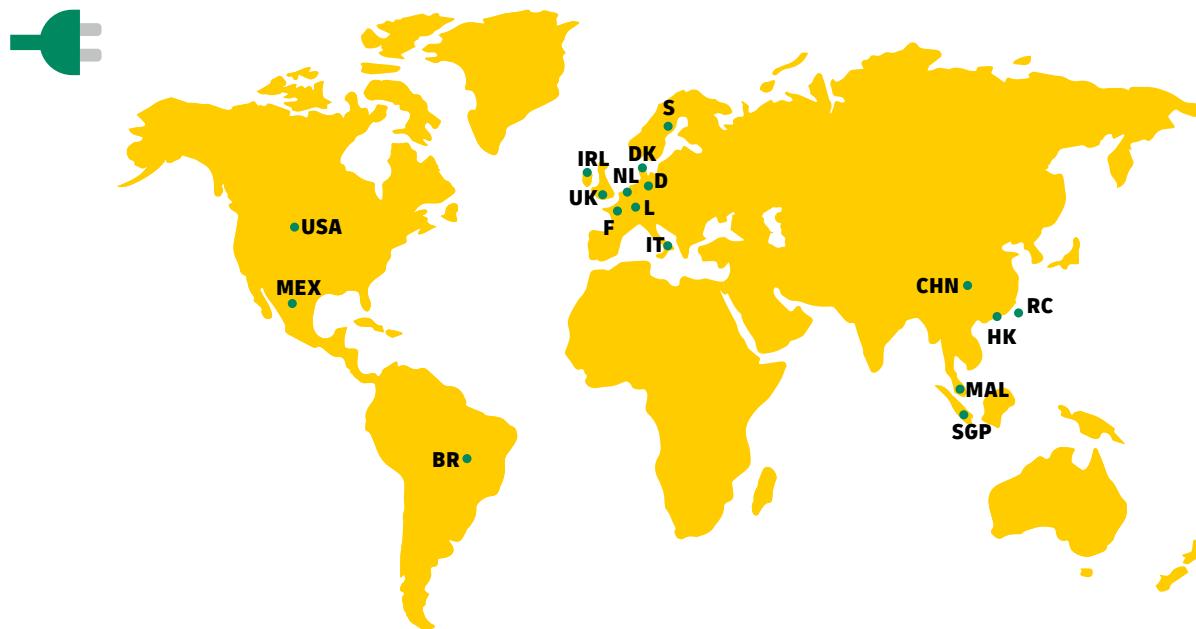
Total 1,732 million kWh

77%
Green
electricity



23%
Standard
electricity

Countries using >90% green electricity in 2018



BR = Brazil, CHN = China, D = Germany, DK = Denmark, F = France, HK = Hong Kong, IRL = Ireland, IT = Italy, L = Luxembourg, MAL = Malaysia, MEX = Mexico, NL = Netherlands, S = Sweden, SGP = Singapore, RC = Taiwan, UK = United Kingdom, USA= United States of America.

Efficient technologies reduce energy consumption

We regularly review the efficiency of our buildings, which are responsible for roughly 2% of our CO₂e emissions. Depending on the period of use of a given site and hence whether an investment in new technology is deemed economically and environmentally worthwhile, we are increasingly replacing conventional building technologies with more efficient heating, cooling and lighting systems, even in leased buildings.

In the year under review, we continued the process of upgrading to LED lighting in our mail sorting centers, and of switching to combined heating and power units in our parcel centers, in Germany. For buildings owned by the Group or leased properties with longer periods of use, we have defined minimum environmental standards; for suitable new sites, one of our goals is to obtain internationally recognized certification.

REDUCING LOCAL AIR POLLUTANTS ✓



Burning fossil fuels results in local air pollutants such as mono-nitrogen oxides (NO_x), sulfur dioxide (SO₂) and particulate matter (PM₁₀), which negatively impact air quality, especially in urban areas. Our clean pick-up and delivery solutions are designed to minimize this negative impact.

Clean pick-up and delivery

By 2025, we want to reduce local air pollution emissions by operating 70% of our own first and last mile services with clean pick-up and delivery solutions, including the use of bicycles and electric vehicles.

Delivery by foot, bicycle and electric vehicle are the modes of choice for reducing carbon emissions and local air pollutants in urban areas. More and more of our vehicles feature e-mobility solutions – from all-electric drive vehicles and cargo bikes for short distances, to plug-in hybrids and fuel cells for longer distances. Cargo bikes are a decarbonizing measure; one cargo bike can replace one delivery van, which corresponds to potential CO₂e savings of eight tonnes per year. 85 such cargo bikes are already being used in Europe, a figure that we intend to continually increase in the future. This also helps reduce noise pollution and parking congestion in cities.

Calculations for our local target are based solely on emissions data for our own road vehicles (GHG Protocol Scopes 1 and 2) deployed for the first and last mile, i.e., for pick-up and delivery. In the year under

review, the percentage of clean pick-up and delivery solutions was already at 32%. We also succeeded in our aim of rolling out the StreetScooter in several countries outside Germany.

Benefits of alternative drive technologies



Benefits of electric drives

- For short hauls
- Noise reduction
- 100% green electricity



Use of photovoltaics

- 5% less CO₂
- 5% less fuel

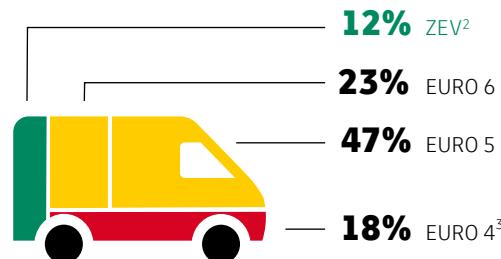
Reducing pollution from our fleet of conventional vehicles¹

In the year under review, our fleet already had 10,843 alternative drive vehicles out on the road; 9,100 of these vehicles were StreetScooters – the electric delivery vehicle designed and manufactured by Deutsche Post DHL Group. Partnerships with major cities are a particularly interesting aspect of our activities – we lead by example, demonstrating that e-mobility can become the norm in logistics.

We continuously upgrade our conventional vehicles in accordance with the latest emissions standards. By optimizing our pick-up and delivery routes, we also help reduce emissions and improve air quality in urban areas. In the year under review, 80% of our road vehicles in Europe were compliant with Euro 5 or Euro 6 standards, or were entirely emissions-free ("ZEVs"). → page 98

Vehicles by emission class in 2018¹

Total 74,900



1 Not subject to review. 2 Zero-emission vehicles. 3 Includes Euro 3 (587), 2 (10) and 1 (1) vehicles.

PROJECT EXAMPLES

Electric mobility (e-mobility) and numerous other projects are helping us achieve our global and local target. The following is a brief introduction to major projects initiated or continued over the course of the year under review.

Expansion of e-mobility

In Germany, the new StreetScooter WORK L Cool – a StreetScooter model that can be operated with either active or passive refrigeration technology – was presented at the IAA 2018. The cooling system uses an independent power supply so that it does not affect the van's range. In addition, parts not relevant to vehicle safety are made of robust, dyed-through woven plastic to reduce maintenance and repair costs. WORK L Cool also boasts energy costs roughly 60 to 80% lower than conventional vehicles.

In the year under review, the main focus was on the deployment of electric-drive trucks: In Germany, a pilot involving six vans (up to 7.5 tonnes) is underway; while in the Netherlands a 12-tonne truck is being trialed.

More innovative projects

- In Belgium, four long-haul trucks powered by liquefied natural gas have been deployed; the trucks have a range of up to 1,500 kilometers and a gross vehicle weight of up to 40 tonnes. Due to its lower cost, liquid natural gas also offers economic benefits.
- Use of photovoltaics: Vehicles and truck trailers are being fitted with two-millimeter thick solar mats, which, among other benefits, provide a mobile source of power for all vehicle electronics.
↗ www.dpdhl.com/trailar
- The City Hub concept for parcel and express delivery has already been successfully implemented in numerous European cities. Delivery personnel and couriers pick up and load pre-sorted delivery containers at central points. The containers conform to Euro pallet dimensions, can be stacked on top of each other and are easily integrated into existing delivery processes. City Hubs can also serve as service points for posting, collecting and returning products purchased online.

- A new 1,700m² Express service center in the Netherlands is fitted with PV collectors, charging stations for electric vehicles, energy-efficient LED lighting and a rainwater harvesting system. The building also has an energy management system with a heat pump to heat the warehouse. The offices are equipped with a fully-electric, energy-efficient ① VRF system for both heating and cooling. Through the use of solar panels, combined with green electricity from the grid, the building achieves an overall energy efficiency score of 0.0. Our goal is to obtain BREEAM certification in 2019.
- Our parcel center in Amsterdam, which has been awarded the BREEAM rating of “excellent”, is capable of processing 13,000 parcels per hour. A large proportion of the energy required for this is supplied by a photovoltaic installation. In October and November alone, it amounted to 30% of total energy consumption. In the summer months, we expect capacity of up to 80%.
- Two sites in Germany – Express Stuttgart and Supply Chain in Rheinbach – are making use of an innovative solar wall system, which involves the external walls of the premises being used as a ② solar absorber. In this way, the interiors of the buildings can be fed with environmentally-friendly warm fresh air.

“Whether it’s a delivery vehicle or a refrigerated truck, we make electric vehicles that meet customer needs.”

Prof. Dr. Achim Kampker
StreetScooter GmbH

Success story: StreetScooter

- 9,100 StreetScooters on the road
- Over 56 million kilometers driven
- Carbon savings of around 32,000 tonnes
- Large series production of the Work and Work XL in Europe
- Sale to third parties and customers

Model	Work	Work L	Work XL
Load capacity Range	4.3m ³ 80 to 113km	8m ³ 80 to 187km	20m ³ up to 200km

↗ www.streetscooter.eu/de



GREEN SOLUTIONS

We offer our customers a range of products that help them understand the environmental footprint of their logistics and transportation, and give them the option of minimizing that impact by using alternative modes of transportation or offsetting emissions. We also offer comprehensive consulting services to help customers optimize efficiency across their supply chains. In the spirit of shared value, this adds value for our customers while also strengthening our market positioning. At the same time, it allows us to live up to our responsibility to society and the environment.

Economic target: Increase share of sales incorporating Green Solutions ✓

By 2025, we want more than 50% of our sales to incorporate Green Solutions. In the year under review, we fine-tuned the calculation method, which was then discussed and approved for Group-wide use before being applied for the first time to calculate results. In 2019, we will begin measuring the effects Group-wide and implement the reporting process. Products and solutions that use alternative fuels or fulfill certain carbon efficiency criteria are relevant for calculating the economic target. The results for each product and solution are then aggregated in full or in part to generate a Group-wide value. Value-added services, taxes, customs and duties are not included in the calculation.

Calculation of the economic target



Revenue included from 100% green products and transport solutions

- Standard products “Carbon Reports” and “Climate Neutral”
- Customized solutions such as DHL EnviroSolutions
- The eligible proportion of revenue from transport by rail, bicycle or on foot is taken into account.
- The eligible proportion of revenue from transport that relies entirely on green technologies is taken into account.

Revenue included from partially green products and transport solutions

- Road transport solutions are considered green if they are rendered with green technologies, exhibit total carbon savings of at least 5% or a biofuel share of at least 10%, or if they significantly impact the transport solution.
- Air and ocean freight transport is classified as green, and their share included in the calculation accordingly, if the carbon intensity is considerably below industry average.
- Contract logistics revenue is classified as green if warehouses include at least one green technology and achieve carbon savings of at least 10%, provided this has a substantial impact on the warehousing solution.

Products and transport solutions not included in the calculation

- Value-added services
- Taxes
- Customs clearance
- Internal revenues

Green products and services

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

- **Carbon Reports:** provide our customers with transparency on the volume of greenhouse gas emissions resulting from the transportation and logistics services we provide to them. ↗ www.dpdhl.com/gogreen-products
- **Climate-neutral products:** enable customers to offset their transportation- and logistics-related greenhouse gas emissions through external, certified Gold Standard climate protection projects, such as our climate protection project in Lesotho. ↗ www.dpdhl.com/lesotho
In the year under review, we transported some two billion climate-neutral shipments, which offset approximately 300,000 tonnes of CO₂e. The Lesotho Project contributed around 30,000 carbon credits. Since its launch in 2012, the project has already saved around 120,000 tonnes of CO₂e. This is the approximate equivalent of the annual CO₂e emissions generated by some 850 million kilometers driven by car in Germany.

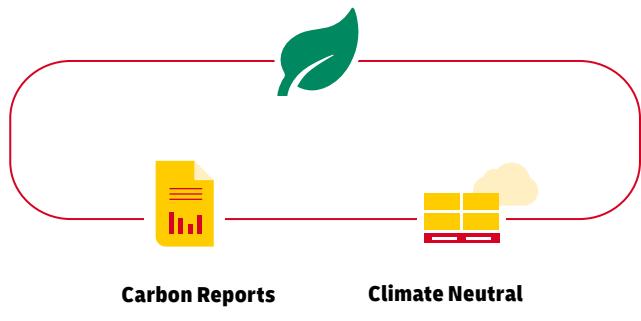
- **Green optimization:** Our experts analyze our customers' entire supply chains and generate tailored concepts for them, ranging from designing logistics networks through all modes of transportation down to warehouse logistics solutions. Along with the environmental benefits, these analyses also help identify cost-savings potential. In the Campinas and São Paulo regions of Brazil, we use electric vehicles for the distribution of goods. We offer this option to customers from various industries, allowing them not only to avoid CO₂e emissions but also help reduce noise pollution as a result.

Enabling the circular economy: These products and services continue to gain significance. With our DHL EnviroSolutions product portfolio and our project to reduce the use of plastic materials in the supply chain, we help our customers to develop solutions for reverse logistics and waste management, and to fulfill the requirements related to extended producer responsibility. The Supply Chain division, for example, operates the national distribution center for a leading pub chain in the UK. The vehicles used to supply more than 950 pubs bring waste back to the distribution center for separation and processing. The goal is to achieve zero to landfill waste. In addition, a new recycling concept was developed for the regional distribution centers of a leading electronics retailer in the UK. So far, the equivalent of 6,000 tonnes of CO₂e have already been saved from going to landfill. Here, too, achieving zero to landfill is the goal. ↗ www.dpdhl.com/gogreen-products

Green products offered by Deutsche Post DHL Group

Green Optimization

- Carbon-efficient logistics
- Circular economy



Carbon Reports

- Reports
- Analyses
- Simulations

Climate Neutral

- Emission offsetting
- Climate protection projects

EMPLOYEES & SOCIETY ✓

Employee engagement is critical to achieving our environmental targets, which is why we want to train 80% of our employees to become certified GoGreen specialists by 2025 and actively involve them in our environmental and climate protection activities. Additionally, we are joining with recognized partners to plant one million trees each year as part of our commitment to forest conservation.

Deeper understanding of environmental protection

Our GoGreen specialist training for employees is designed both to enhance their understanding of the theoretical aspects of environmental protection and to empower them to support the Group's environmental targets in their daily work. In the year under review, we developed a training concept for this, which was then included in the Group-wide learning platform. The first training courses will be offered starting in 2019.

Tree-planting target achieved

Forests provide a long list of ecosystem services, helping support and protect people and the environment in diverse ways. Among other functions, they capture carbon dioxide in the air and hence help to alleviate greenhouse warming; they also act as a key filter for gaseous air pollutants. The majority of the trees used in our reforestation efforts will be planted by partner organizations. These include recognized charities, NGOs and national forestry authorities around the world, since they are most familiar with local conditions and habitats. At the same time, employees can get involved themselves by making a donation or taking part in organized tree-planting events. → page 83

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 two million trees in support of global reforestation efforts.

Trees planted since 2017

>2 million trees

830,000 Americas



651,000 Other regions

527,000 Asia Pacific

OTHER ENVIRONMENTAL ASPECTS

Issues such as noise, waste, natural resources and biodiversity are not considered material issues by the company or our stakeholders. Nevertheless, we consider these issues to be socially relevant and have chosen to include a brief overview in this report.

Noise pollution

At Group sites located in or near residential areas, our local management works closely with residents and other stakeholders to ensure that noise pollution caused by our business activity is kept to an acceptable minimum. Our increased use of electric vehicles for pick-up and delivery and the modernization of our air fleet also help reduce noise pollution.

Waste and recycling

We try to avoid waste such as transportation packaging or paper waste whenever possible. Increased digitalization of our processes and communications, for example, helps us reduce paper waste in our offices. We also support materials recycling, thus 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 standard procedure at many of our sites. Waste is recorded and properly disposed of using local environmental management systems. We also share our know-how with customers.

Natural resources

We have committed to only buying and using recycled paper products in accordance with our Group-wide Paper Policy. Exceptions are permitted only if recycled paper does not meet certain technical requirements or cannot be procured in the local market on reasonable terms. Our systematic efforts to reduce our use of paper and packaging volumes help lower demand for virgin paper. We 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 system. For new construction projects, we also look to install water recovery systems and water-efficient sanitary installations where possible. In the year under review, we replaced the provision of bottled drinking water at our headquarters in Bonn with a new system featuring filter and carbonation functions, which is now available to the more than 2,000 employees working in the Post Tower.

As water consumption and disposal are not considered significant environmental factors for the Group, we do not record and report global water use data. → [page 114](#)

Biodiversity

As our sites are primarily located in urban areas or designated industrial and commercial zones, our business operations generally do not have a negative impact on conservation areas or endanger protected plant or animal species. 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 we consider the effect of our activities on biodiversity. One example is our Policy on the Usage of Liquid Biofuels, which addresses biodiversity in the countries where biofuels are produced.

Our terms and conditions also explicitly prohibit the use of our network to transport protected, threatened or endangered plant and animal species. We are a member of the United for Wildlife Transport Taskforce, an initiative backed by the Duke of Cambridge to stop illegal wildlife trade. In Thailand, we are involved in efforts to stop wildlife trade, and held a workshop to raise awareness among our employees on this issue. As part of our commitment to species protection, we transported four endangered Ussuri brown bears from Japan to their new UK home in Yorkshire Wildlife Park, where they will be safe from poachers.

In the year under review, we outlined our stance on biodiversity in an internal statement. We also support the United Nation's Convention on Biological Diversity. Equally, our employees take part in a range of local projects designed to support biodiversity. In the year under review, one such project involved employees installing beehives at our sites in Belgium and setting up a butterfly garden.

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MULTI-YEAR OVERVIEW

Key figures

		2011 ¹	2012 ¹	2013 ¹	2014 ¹	2015 ¹	2016 ¹	2017 ¹	2018
Revenue	€m	52,829	55,512	54,912	56,630	59,230	57,334	60,444	61,550
Post - eCommerce - Parcel		13,973	13,972	15,291	15,686	16,131	17,078	18,168	18,476
Express		11,691	12,778	11,821	12,491	13,661	13,748	15,049	16,147
Global Forwarding, Freight		15,118	15,666	14,787	14,924	14,890	13,737	14,482	14,978
Supply Chain		13,223	14,340	14,227	14,737	15,791	13,957	14,152	13,350
Corporate Functions		1,260	1,203	1,251	1,345	1,269	1,279	1,247	1,624
Consolidation		-2,436	-2,447	-2,465	-2,553	-2,512	-2,465	-2,654	-3,205
Profit from operating activities (EBIT)	€m	2,436	2,665	2,865	2,965	2,411	3,491	3,741	3,162
Post - eCommerce - Parcel		1,107	1,048	1,286	1,298	1,103	1,446	1,502	656
Express		916	1,110	1,083	1,260	1,391	1,544	1,736	1,957
Global Forwarding, Freight		440	514	478	293	-181	287	297	442
Supply Chain		362	419	441	465	449	572	555	520
Corporate Functions		-389	-423	-421	-352	-351	-359	-349	-414
Consolidation		0	-3	-2	1	0	1	0	1
Staff costs	€m	16,730	17,770	17,776	18,189	19,640	19,592	20,072	20,825
Post - eCommerce - Parcel		n. r.	8,044	8,304	9,027				
Express		n. r.	3,390	3,661	3,887				
Global Forwarding, Freight		n. r.	2,076	2,072	2,024				
Supply Chain		n. r.	5,180	5,121	4,911				
Corporate Functions		n. r.	917	928	986				
Consolidation		n. r.	-15	-14	-10				
Further key HR figures									
Staff cost ratio ²	%	31.7	32	32.4	32.1	33.2	34.2	33.2	33.8
Total cost of workforce ³	€m	n. r.	22,298	23,172					
Staff costs per FTE (annual average)	€	n. r.	n. r.	n. r.	41,300	43,700	43,200	42,800	42,500
Ratio of staff costs to total costs	%	n.r.	n.r.	n.r.	n.r.	n.r.	n. r.	34.9	34.1
Human Capital RoI		n.r.	n.r.	n.r.	1.16	1.12	1.18	1.19	1.15
Revenue per employee (annual average headcount)	€	n. r.	115,022	117,747	115,182				
EBIT per employee (annual average headcount)	€	n. r.	7,004	7,288	5,917				
Further key financial figures									
Capital expenditure (capex)	€m	1,716	1,697	1,747	1,876	2,024	2,074	2,277	5,045
Tax rate ⁴	%	23.7	20.2	14.0	15.5	16.4	11.2	14.3	14.0
Dividend distribution ⁵	€m	846	846	968	1,030	1,027	1,270	1,409	1,419
Payout ratio ⁵	%	72.7	51.6	46.3	49.7	66.7	48.1	51.9	68.4
Dividend per share	€	0.7	0.7	0.8	0.85	0.85	1.05	1.15	1.15
Dividend yield	%	5.9	4.2	3.0	3.1	3.3	3.4	2.9	4.8
Number of shares carrying dividend rights ⁶	million	1,209.00	1,209.00	1,209.00	1,211.20	1,208.70	1,209.1	1,225.1	1,233.8

n. r. = not reported. 1 Adjusted. 2 Staff costs / revenue. 3 Staff costs + costs for temporary staff and services excluding sub-contractors. 4 Income tax expense/profit before income taxes.

5 Proposal for financial year 2018. 6 Estimate (2018).

Employee data

Number of employees at Deutsche Post DHL Group at year end¹

		2014	2015	2016	2017 ²	2018 ³
Group (headcount at year end)		488,824	497,745	508,036	519,544	547,459
of which	Hourly workers and salaried employees	n. r.	n. r.	n. r.	483,927	513,770
	Civil servants	n. r.	n. r.	n. r.	29,694	27,805
	Apprentices and trainees	n. r.	n. r.	n. r.	5,923	5,884
By region						
Europe		322,440	326,979	333,080	339,521	351,429
of which	Europe excl. Germany	116,709	118,239	121,987	123,719	128,782
	Germany	205,731	208,740	211,093	215,802	222,647
Americas		76,230	78,027	81,152	84,470	92,753
Asia Pacific		72,121	73,843	75,045	76,727	84,036
Other regions		18,033	18,896	18,759	18,826	19,241
By division						
Post - eCommerce - Parcel		200,868	206,686	214,873	219,738	229,141
Express		79,896	87,453	88,409	96,047	101,420
Global Forwarding, Freight		47,079	44,737	44,283	43,438	45,412
Supply Chain		148,329	147,650	149,279	148,201	158,419
Corporate Functions		12,652	11,219	11,192	12,120	13,067
Share of part-time employees		18.2%	18.4%	18.5%	18.1%	17.6%

n.r. = not reported. 1 Incl. apprentices and trainees. 2 Adjusted, see note 10 to the consolidated financial statements, 2017 Annual Report. 3 Adjusted, see note 10 to the consolidated financial statements, 2018 Annual Report.

Number of employees at Deutsche Post DHL Group (yearly average)¹

		2014	2015	2016	2017 ²	2018 ³
Group (headcount on yearly average)		484,025	492,865	498,459	513,338	534,370
of which	Hourly workers and salaried employees	440,973	451,882	459,990	477,251	499,943
	Civil servants	37,963	35,669	32,976	30,468	28,718
	Apprentices and trainees	5,089	5,314	5,493	5,619	5,709
By region						
Europe		n. r.	n. r.	n. r.	334,868	345,918
of which	Europe excl. Germany	n. r.	n. r.	n. r.	123,270	126,229
	Germany	n. r.	n. r.	n. r.	211,598	219,689
Americas		n. r.	n. r.	n. r.	83,012	88,481
Asia Pacific		n. r.	n. r.	n. r.	76,770	80,841
Other regions		n. r.	n. r.	n. r.	18,688	19,130
By division						
Post - eCommerce - Parcel		n. r.	n. r.	n. r.	215,303	224,051
Express		n. r.	n. r.	n. r.	90,884	98,697
Global Forwarding, Freight		n. r.	n. r.	n. r.	44,142	44,933
Supply Chain		n. r.	n. r.	n. r.	151,230	154,034
Corporate Functions		n. r.	n. r.	n. r.	11,779	12,655

n.r. = not reported. 1 Incl. apprentices and trainees. 2 Adjusted, see note 10 to the consolidated financial statements, 2017 Annual Report. 3 Adjusted, see note 10 to the consolidated financial statements, 2018 Annual Report.

Full-time equivalents at Deutsche Post DHL Group at year end¹ ✓

	2014	2015	2016	2017²	2018³
Group (Full-time equivalents at year end) ¹	443,784	450,508	459,262	472,208	499,018
By region					
Europe	279,486	282,688	287,641	294,839	305,848
of which Europe excl. Germany	108,890	109,646	113,104	114,360	118,745
Germany	170,596	173,042	174,537	180,479	187,103
Americas	74,573	76,666	79,347	82,887	90,648
Asia Pacific	71,216	72,723	73,979	76,081	83,561
Other regions	18,509	18,431	18,295	18,401	18,961
By division					
Post - eCommerce - Parcel	166,342	170,549	177,307	183,430	192,237
Express	75,185	82,127	82,792	90,784	95,717
Global Forwarding, Freight	44,059	42,200	41,886	41,034	42,783
Supply Chain	146,220	145,032	146,739	145,575	155,954
Corporate Functions	11,978	10,600	10,538	11,385	12,327

¹ Excluding apprentices/trainees. ² Adjusted, see note 10 to the consolidated financial statements, 2017 Annual Report. ³ Adjusted, see note 10 to the consolidated financial statements, 2018 Annual Report.

Full-time equivalents at Deutsche Post DHL Group (yearly average)¹ ✓

	2014	2015	2016	2017²	2018³
Group (Full-time equivalents on yearly average)	440,809	449,910	453,990	468,724	489,571
By region					
Europe	n. r.	n. r.	n. r.	292,374	303,621
of which Europe excl. Germany	n. r.	n. r.	n. r.	114,400	117,054
Germany	n. r.	n. r.	n. r.	177,974	186,567
Americas	n. r.	n. r.	n. r.	81,499	86,547
Asia Pacific	n. r.	n. r.	n. r.	76,419	80,563
Other regions	n. r.	n. r.	n. r.	18,432	18,840
By division					
Post - eCommerce - Parcel	164,582	169,430	172,717	179,345	188,525
Express	73,009	79,318	81,615	86,313	93,550
Global Forwarding, Freight	44,311	44,588	43,060	42,646	43,347
Supply Chain	146,400	145,827	145,788	149,042	151,877
Corporate Functions	12,507	10,747	10,810	11,378	12,272

n. r. = not reported. ¹ Incl. apprentices and trainees. ² Adjusted, see note 10 to the consolidated financial statements, 2017 Annual Report. ³ Adjusted, see note 10 to the consolidated financial statements, 2018 Annual Report.

Temporary external FTEs (with external reporting lines) at Deutsche Post DHL Group (yearly average) ✓

	2017	2018
Group	76,513	78,822
By region		
Europe	37,540	37,514
of which Europe excl. Germany	32,473	33,138
Germany	5,067	4,376
Americas	12,370	11,982
Asia Pacific	23,789	26,456
Other regions	2,814	2,870

Employee turnover at Deutsche Post DHL Group (%)¹ ✓

	2014	2015	2016	2017	2018
Group	12.6	13.6	14.9	15.3	16.6
of which Planned employee turnover	6.1	6.6	7.3	6.8	7.4
Unplanned employee turnover	6.6	7.0	7.6	8.5	9.2
Unplanned employee turnover by region					
Europe	3.3	3.8	4.3	4.7	4.9
of which Europe excl. Germany	8.2	8.7	10.0	10.8	10.9
Germany	0.6	0.9	0.9	1.2	1.5
Americas	15.6	15.7	18.8	22.8	25.3
Asia Pacific	11.5	11.9	10.4	10.5	11.0
Other regions	7.1	7.0	6.3	5.1	5.2
Unplanned employee turnover by division					
Post - eCommerce - Parcel	2.0	2.6	2.8	3.5	3.8
Express	7.1	7.1	8.5	9.4	9.8
Global Forwarding, Freight	10.0	10.9	10.2	11.0	11.4
Supply Chain	12.0	11.9	13.3	14.8	16.5
Corporate Functions	3.3	4.7	5.1	4.7	5.7
Further information					
Employee turnover in management ²	-	-	6.7	6.4	7.4
Internal management placements ²	86.9	81.1	78.3	80.8	78.7

1 Coverage rates Group: 100% (since 2017), 96% (2016), 97% (2015), 95% (2014). 2 Upper and middle management.

Employees by gender at Deutsche Post DHL Group at year end (%)

	2014	2015	2016	2017 ¹	2018 ²
Group					
Share of female employees	35.9	35.5	35.0	35.0	34.8
Share of male employees	64.1	64.5	65.0	65.0	65.2
By region (female employees)					
Europe	39.3	38.7	38.1	37.8	37.4
of which Europe excl. Germany	28.7	28.8	29.0	29.6	29.9
Germany	45.2	44.3	43.4	42.5	41.8
Americas	30.2	32.0	31.7	31.4	31.8
Asia Pacific	29.7	28.8	27.9	29.7	29.8
Other regions	23.5	22.3	23.1	23.3	24.0
By division (female employees)					
Post - eCommerce - Parcel	43.8	42.6	41.2	40.7	39.5
Express	26.7	28.5	28.3	28.5	28.5
Global Forwarding, Freight	42.3	43.9	42.4	44.3	44.4
Supply Chain	27.5	27.0	27.7	28.0	29.2
Corporate Functions	41.0	37.3	37.8	37.6	36.6

1 Adjusted, see note 10 to the consolidated financial statements, 2017 Annual Report. 2 Adjusted, see note 10 to the consolidated financial statements, 2018 Annual Report.

Share of women in boards/committees and in management at Deutsche Post DHL Group (%) ✓

	2014	2015	2016	2017	2018
Bodies					
Board of Management ¹	14.3	14.3	14.3	14.3	14.3
Supervisory Board ²	35.0	35.0	40.0	40.0	35.0
Upper and middle management					
of which Upper management	-	17.5	18.3	18.3	18.6
Middle management	-	22.6	22.7	23.3	24.0
By region					
Europe	-	20.5	20.8	21.4	21.9
of which Europe excl. Germany	-	20.3	21.0	21.5	22.3
Germany	21.1	20.6	20.7	21.3	21.5
Americas	-	19.7	20.3	20.8	20.9
Asia Pacific	-	23.4	23.6	23.4	25.2
Other regions	-	17.4	17.8	19.3	19.1
By division					
Post - eCommerce - Parcel	-	20.9	21.8	21.2	21.7
Express	-	20.9	20.7	21.2	22.5
Global Forwarding, Freight	-	19.6	20.5	21.6	20.5
Supply Chain	-	19.6	20.5	20.5	21.6
Corporate Functions	-	23.0	22.4	24.6	24.7

¹ Seven board areas in all; one female board member. ² 20 members in all; 10 shareholder representatives, 10 employee representatives.

Age structure of employees at Deutsche Post DHL Group¹

	2016	2017	2018	<26	27–54	55+
Average age						
Group	41	41	41	12%	72%	16%
By region						
Europe	43	43	43	10%	69%	21%
of which Europe excl. Germany	41	41	41	11%	75%	15%
Germany	45	44	44	10%	66%	24%
Americas	38	38	38	15%	74%	11%
Asia Pacific	35	35	35	16%	81%	3%
Other regions	36	37	41	7%	89%	4%
By division						
Post - eCommerce - Parcel	-	44	43	12%	66%	22%
Express	-	37	38	11%	82%	8%
Global Forwarding, Freight	-	39	38	12%	77%	11%
Supply Chain	-	39	39	13%	74%	13%
Corporate Functions	-	44	43	5%	73%	22%

¹ Coverage rates Group: 99% (2018), 97% (2017); 94% (2016).

Work time accounts and partial retirement in Germany¹ at year end ✓

	2014	2015	2016	2017	2018
Salaried employees with time value-/work time accounts	18,788	20,404	22,801	24,401	25,464
Salaried employees in partial retirement	2,323	3,305	3,718	3,886	4,115
Civil servants with time value-/work time accounts	-	-	2,923	3,629	4,017
Civil servants in partial retirement	-	-	589	1,076	1,317
Employees with time value-/work time accounts	18,788	20,404	25,724	28,030	29,481
Employees in partial retirement	2,323	3,305	4,307	4,962	5,432

1 Deutsche Post AG, principal company in Germany.

Number of employees with disabilities in Germany (yearly average)^{1,2}

	2014	2015	2016	2017	2018
Employees with disabilities	14,741	15,149	15,456	15,534	15,610
Employment rate (%)	9.1	9.6	9.9	9.8	9.5

1 Employees at Deutsche Post AG, principal company in Germany. 2 According to German Social Law (§ 80 Sozialgesetzbuch IX).

Results of the Deutsche Post DHL Group Employee Opinion Survey (%) ✓

	2015	2016	2017	2018
Participation rate	73	74	76	76
Approval rating per category				
Active Leadership (Relevant for executive bonus payments)	73	74	75	76
Employee Engagement	73	75	75	76
Customer Centricity & Quality	79	81	80	81
Future & Strategy	69	72	72	72
Communication	74	75	76	77
Teamwork	83	84	84	84
Learning & Development	79	81	81	82
Job Fulfillment & Workplace	77	78	78	79
Continuous Improvement	65	67	68	69
Group Responsibility	75	77	77	78
Performance Enablement Index	80	81	81	81

Learning and development at Deutsche Post DHL Group¹ ✓

	2014	2015	2016	2017	2018
Training days per employee	days	1.5	1.4	1.5	1.4
Training hours ¹	Million hours	4.5	4.4	4.7	4.7
Training costs per employee ²	€	150	149	143	155
Training costs per full-time equivalent ²	€	166	165	159	172
Training satisfaction ³	%	71	79	81	81

1 Coverage rates Group: 80% (since 2017), 76% (2016), 78% (2015), 76% (2014). 2 The costs were calculated in accordance with note 6 to the consolidated financial statements in the Annual Report. Calculated on the basis of headcount/full-time equivalents on an annual average. 3 Corresponds to the indicator "learning and development" in the annual Employee Opinion survey. Participation rate: 76% (2018).

Sickness rate at Deutsche Post DHL Group (%)¹ ✓

	2014	2015	2016	2017	2018
Group	4.9	5.1	5.1	5.2	5.3
By region					
Europe					
of which Europe excl. Germany	7.0	7.2	7.3	7.6	7.6
Germany	4.1	4.2	4.0	4.2	4.3
Americas	8.6	9.1	9.4	9.7	9.7
Asia Pacific	1.6	1.7	1.7	1.8	1.8
Other regions	1.3	1.5	1.7	1.6	1.6
	1.0	1.2	1.3	1.2	1.3

¹ Coverage rates Group: 100% (since 2017), 98% (2016), 97% (2015), 94% (2014).

Workplace accidents at Deutsche Post DHL Group ✓

	2014¹	2015^{2,3}	2016^{2,3}	2017^{2,3,4}	2018^{2,3,5}
LTIFR (workplace accidents per 200,000 hours worked)	4.2	4.0	4.0	4.4	4.3
By region					
Europe					
of which Europe excl. Germany	n. r.	6.3	6.4	7.2	6.8
Germany	n. r.	1.6	1.5	1.9	1.9
Americas	n. r.	10.2	10.6	11.6	10.9
Asia Pacific	n. r.	1.4	1.3	1.1	1.3
Other regions	n. r.	0.3	0.3	0.3	0.4
	0.8	1.9	0.7	0.9	
By division					
Post - eCommerce - Parcel	10.1	10.0	10.2	10.9	10.2
Express	3.5	2.8	3.0	3.1	3.1
Global Forwarding, Freight	1.0	0.9	1.0	1.0	1.0
Supply Chain	0.7	0.8	0.6	0.6	0.7
Corporate Functions	0.5	0.5	0.4	0.4	0.8
Other key figures					
Working days lost per accident	14.2	15.6	14.8	15.3	15.8
Fatalities resulting from workplace accidents ³	4	6	4	3	8
of which Due to traffic accidents	-	1	2	1	3

¹ Not subject to review. ² Coverage rates Group: 100% (2018), 99% (2017), 96% (2016, 2015), 92% (2014). ³ Including temporary workers with external reporting lines. ⁴ Adjusted, see note 10 to the consolidated financial statements, 2017 Annual Report. ⁵ Adjusted, see note 10 to the consolidated financial statements, 2018 Annual Report.

Society**Corporate citizenship**

	2015	2016	2017	2018
Volunteers	110,270	105,804	101,533	122,911
of which Involved in projects	78,270	75,692	73,374	73,037
Involved through donations	32,000	30,112	28,159	49,874
Volunteer hours	258,423	365,076	397,639	374,315
Number of projects	2,016	2,490	2,988	3,345

Environment data

Jet aircraft - by nitrous oxide (NO_x) emissions standards

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total aircraft	147	155	168	170	176	182	190	208	214
of which CAEP/6 ¹	49	59	71	80	84	90	96	107	115
CAEP/4 ¹	36	36	33	32	39	46	49	56	54
CAEP/2 ¹	34	34	39	39	39	34	28	22	17
No classification	28	26	25	19	14	12	17	23	28

1 Classification issued by the Committee on Aviation Environmental Protection (CAEP). The higher the CAEP class, the more stringent the requirements.

Jet aircraft - by noise standard

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total aircraft	147	155	168	170	176	182	190	208	214
of which Chapter 4	69	80	100	110	117	122	130	142	151
Chapter 3	75	73	67	59	59	60	60	66	63
of which Equipped with hush kits	20	17	15	9	3	0	0	0	0
No classification	3	2	1	1	0	0	0	0	0

Deutsche Post DHL Group road fleet

	2015	2016	2017	2018
Vehicles	91,973	92,328	97,165	98,478
of which Vans	63,650	63,771	67,222	69,809
Trucks	11,171	11,227	12,096	10,990
Cars	17,152	17,330	17,847	17,679

Vehicles by Euronorm class 2018

	2015	2016	2017	2018
Vehicles¹	66,284	63,861	69,709	74,900
of which ZEV (zero emission vehicles)	-	-	6,040	9,114
Euro 6	4,592	8,701	12,613	17,321
Euro 5 + EEV ²	43,640	39,542	36,768	35,173
Euro 4 ³	18,052	15,618	14,288	13,292

1 Covers our largest vehicles fleets within scope of Euro emission classification. 2 Enhanced environmentally friendly vehicles. 3 Includes Euro 3 (587), 2 (10) and 1 (2) vehicles.

Vehicles with alternative drive systems

	2014	2015	2016	2017	2018
Alternative drive systems	1,976	2,886	4,177	7,896	10,843
of which Electric ¹	346	881	2,432	6,040	9,358
Hybrid	325	372	474	572	554
Liquid biofuels	0	0	30	30	0
Compressed natural gas (CNG, contains drives with bio CNG) / Liquefied natural gas (LNG)	767	864	701	401	206
Liquefied petroleum gas (LPG)	144	184	121	113	74
Bioethanol	221	419	269	606	472
Dual Fuel	173	166	150	134	179

¹ Covers StreetScooter and other e-vehicles.

Fuel use for transportation¹ ✓

	2011	2012	2013	2014	2015	2016	2017	2018
Air transport (million kg)								
Kerosene	1,019.1	1,059.0	1,151.0	1,188.0	1,312.8	1,332.5	1,406.3	1,518.1
Road transport								
Road transport (million liters)	476.4	472.3	450.2	447.6	449.1	447.2	451.1	464.7
of which Gasoline	37.4	37.0	19.3	20.6	21.0	22.7	21.6	24.7
Biodiesel	1.5	1.8	0.7	1.0	1.4	2.9	3.0	1.9
Bioethanol	1.2	0.3	0.0	0.0	0.1	0.2	<0.1	0.1
Diesel	435.3	432.3	429.6	425.1	426.1	420.2	425.9	437.6
Liquefied petroleum gas (LPG)	1.0	0.9	0.6	0.9	0.5	1.2	0.5	0.4
Road transport (million kg)	1.4	2.2	3.2	4.4	4.9	4.5	3.6	4.2
of which Bio natural gas	0.2	0.4	0.2	0.2	0.2	0.2	0.2	0.3
Compressed natural gas (CNG)	1.2	1.8	2.9	4.2	4.7	1.7	1.1	2.7
Liquefied natural gas (LNG)						2.6	2.3	1.2

¹ Only includes consumption of own vehicle and aircraft fleet.

Energy use in buildings (million kWh) ✓

	2012	2013	2014	2015	2016	2017	2018
Total	3,127	3,393	3,247	3,113	3,039	3,194	3,194
Electricity	1,737	1,824	1,697	1,690	1,647	1,737	1,732
of which "Green" electricity ¹	745	1,056	1,040	1,056	1,013	1,086	1,342
Standard electricity	992	768	657	634	634	651	390
Natural gas	864	952	951	806	969	903	919
Heating oil ²	242	248	308	305	328	275	259
District heating	185	202	189	195	54	171	168
District cooling	8	8	8	1	8	8	7
Liquefied petroleum gas (LPG)	91	159	94	116	33	100	109

¹ Includes electric vehicles. ² Also includes quantities of gasoline and diesel for auxiliary power generators.

Carbon efficiency (index points) ✓

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Group	0	3	9	15	18	20	22	26	29	30	32	33
Post - eCommerce - Parcel ¹	0	16	17	18	27	26	25	28	31	31	31	33
Express ²	0	9	23	28	30	32	35	36	37	37	39	38
Global Forwarding, Freight ³	0	0	2	9	10	11	15	20	21	23	26	28
Supply Chain ⁴	0	-3	-4	11	20	26	23	27	32	30	30	39

1 Main reference base: CO₂e per liter (physical volume). 2 Main reference base: CO₂e per tonne-km. 3 Main reference base: CO₂e per tonne-km or TEU (20-foot equivalent units)-km.4 Main reference base: CO₂e per square meter of warehouse space and CO₂e by revenue from transportation services.**CO₂e emissions Group-wide** (million tonnes) ✓

	2013	2014	2015	2016	2017 ¹	2018
Group²	28.31	29.03	27.02	26.86	28.86	29.48
of which Scope 1	5.13	5.22	5.6	5.68	5.90	6.30
Scope 2	0.49	0.44	0.45	0.37	0.44	0.27
Scope 3	22.69	23.36	20.97	20.81	22.52	22.91
Emissions by division						
Post - eCommerce - Parcel	1.56	1.6	1.69	1.85	2.14	2.19
of which Scope 1	0.49	0.48	0.48	0.53	0.54	0.55
Scope 2	0.07	0.08	0.08	0.03	0.09	0.07
Scope 3	0.99	1.04	1.13	1.29	1.51	1.57
Express	8.18	8.66	9.23	9.42	9.71	10.77
of which Scope 1	3.77	3.89	4.29	4.34	4.59	4.96
Scope 2	0.13	0.12	0.13	0.13	0.13	0.07
Scope 3	4.28	4.64	4.81	4.95	4.99	5.74
Global Forwarding, Freight	16.69	16.47	14.18	13.76	15.10	14.82
of which Scope 1	0.16	0.16	0.14	0.13	0.10	0.10
Scope 2	0.05	0.05	0.05	0.05	0.05	0.03
Scope 3	16.47	16.26	13.99	13.58	14.95	14.69
Supply Chain	2.18	2.56	2.21	2.19	2.27	2.08
of which Scope 1	0.68	0.68	0.67	0.66	0.66	0.66
Scope 2	0.2	0.16	0.15	0.15	0.15	0.08
Scope 3	1.31	1.72	1.39	1.38	1.46	1.34

1 Adjusted. 2 After consolidation of scope 3 emissions from intercompany business activities, including Corporate Functions.

Scope 2 CO₂e emissions (million tonnes) ✓

	market-based method				location-based method			
	2015	2016	2017	2018	2015	2016	2017	2018
Group¹	0.45	0.37	0.44	0.27	0.90	0.81	0.88	0.80
Post - eCommerce - Parcel	0.08	0.03	0.09	0.07	0.26	0.19	0.27	0.24
Express	0.13	0.13	0.13	0.07	0.19	0.20	0.20	0.19
Global Forwarding, Freight	0.05	0.05	0.05	0.03	0.07	0.07	0.06	0.06
Supply Chain	0.15	0.15	0.15	0.08	0.32	0.31	0.31	0.28

1 Group includes Corporate Functions.

Scope 3 CO₂e emissions by GHG category (million tonnes) ✓

Category	Activities included	Calculation methodology	2014	2015	2016	2017	2018
1. Purchased goods and services	Production of goods and services purchased	In accordance with the DEFRA reporting guidance (EEIO)	2.7	2.5	2.0	2.1	2.1
2. Capital goods	Production of capital goods	In accordance with the DEFRA reporting guidance (EEIO)	0.6	0.7	0.8	0.7	1.3
3. Fuel- and energy-related activities	Extraction, production and transportation of fuels and energy purchased; distribution losses from the generation of electricity, district heating and cooling	IPCC Guidelines, the International Energy Agency, the EN 16258 standard and the DEFRA reporting guidance	1.1	1.3	1.3	1.4	1.4
4. Upstream transportation and distribution			27.8	25.2	25.1	27.1¹	27.6
of which Transportation and distribution	Transportation services purchased across all business units	Data from operational and business intelligence systems, emission factors for air transport (NTM), ocean transport (Clean Cargo Working Group), and road transport (Handbook Emission Factors for Road Transport)	22.9	20.9	20.8	22.4 ¹	22.8
Fuel- and energy-related activities for upstream transportation and distribution	We also report emissions from fuel- and energy-related activities for upstream transportation and distribution to fulfill the requirements of the EN 16258 standard and offset the imbalance between our own and subcontracted transports.	As value chain partners usually do not disclose fuel types used, emissions were calculated assuming most common fuel types (air transport: kerosene; road transport: diesel; ocean transport: HFO) and emission factors provided in the EN 16258 standard.	4.9	4.4	4.3	4.6	4.7
6. Business travel	Includes emissions from business travel via airplane. Emissions from business travel via company car are included in our scopes 1 and 2. Emissions from business travel via bus, train, and private/rental cars are not reported	Emissions data from our main travel agencies extrapolated to reach full coverage of our business travel.	0.05	0.1	0.1	0.1	0.1
7. Employee commuting	Includes emissions from employee commuting in vehicles not already included in scopes 1 and 2	Data calculated using global headcount data and national statistics	0.5	0.7	0.7	0.7	0.7

¹ Adjusted.**Non-applicable GHG categories**

Categories 8, 10, 11 and 15 are not applicable to our business model. Emissions in categories 5, 9, 12, 13 and 14 are currently not reported, as emissions are only estimated and have limited management relevance.

Water use at facilities in Germany (million liters)

	2012	2013	2014	2015	2016	2017¹	2018
Water consumption	1,102	1,363	1,097	1,054	1,438	1,119	1,096

¹ Adjusted.

ASSURANCE REPORT

Independent Practitioner's Report on a Limited
Assurance Engagement on Non-financial Reporting
and Sustainability Information

ASSURANCE REPORT

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting and Sustainability Information¹

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) 3 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 “Corporate Responsibility Report” of Deutsche Post AG, Bonn, (hereinafter the “Company”) for the period from January 1 to December 31, 2018 (hereinafter the “CR 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 §§ 315b and 315c in conjunction with 289b 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 CR 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 (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer”: “BS WP/vBP”) 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 Qualitäts-sicherungsstandard 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 CR 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 CR 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

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the “CR Report” and “Non-financial Report” and issued an independent practitioner's report in the German language, which is authoritative. The following text is a translation of the independent practitioner's report.

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 CR Report for the period from January 1 to December 31, 2018 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 CR Report for the period from January 1 to December 31, 2018 has not been prepared, in all material aspects, in accordance with §§ 315b and 315c in conjunction with 289b 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 CR Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the CR Report
- Identification of the likely risks of material misstatement in the CR Report
- Analytical evaluation of selected disclosures in the CR Report
- Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group 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 CR Report for the period from January 1 to December 31, 2018 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 CR Report for the period from January 1 to December 31 2018 has not been prepared, in all material aspects, in accordance with §§ 315b and 315c in conjunction with 289b 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 15, 2019
 PricewaterhouseCoopers GmbH
 Wirtschaftsprüfungsgesellschaft

Hendrik Fink
 Wirtschaftsprüfer
 (German public auditor)

ppa. Axel Faupel

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GLOSSARY

Artificial intelligence (AI)

An overarching term for applications in which machines demonstrate human-like intelligence.

Aviation Initiative for Renewable Energy in Germany (aireg e.V.)

A joint initiative comprised of airlines, airports, research institutions, as well as aviation companies and companies from the extractive industries; its aim is to promote the manufacture and use of alternative aviation fuels.

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.

BRREEAM

Building Research Establishment Environmental Assessment Method. A sustainability certification program for buildings in the UK.

Carbon efficiency

A ratio index we use to manage the greenhouse gas emissions of our business operations, whereby carbon emissions resulting from fuel and energy consumption are assessed in relation to services rendered.

Consolidated group

A term for all the companies included in the Group's consolidated financial statements.

D+1

Describes the specified time of delivery for letter mail and postcards by Deutsche Post AG: "Day of posting + 1 working day."

EN 16258

A European standard which helps achieve accuracy, transparency and consistency in the calculation of energy consumption and greenhouse gas emissions for transportation services – irrespective of whether they are rendered by company-own vehicles or vehicles of subcontractors. In contrast to the GHG Protocol standards, greenhouse gas emissions caused by buildings,

warehouses and transshipment facilities are not taken into account.

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.

Four Pillars of Health

Describes the various phases of health promotion Education & Awareness, Prevention & Screening, Disease & Condition Management Programs and Behavioral Change.

Green Carrier Scorecard

Our air and ocean freight operations have no Group-owned fleet. We operate solely as an agent between customer and freight forwarder. When selecting our transport partners we also consider environmental criteria such as carbon efficiency, transparency in fleet composition and commitment to industrial initiatives. The data obtained is entered into the Green Carrier Scorecard.

Greenhouse Gas Protocol

(GHG Protocol)

Guideline for the accounting of corporate greenhouse gas emissions. We apply the following standards: "Corporate Accounting and Reporting Standard" (Scope 1), "Guidance Accounting and Reporting Standard" (Scope 2), and "Corporate Value Chain Accounting and Reporting Standard" (Scope 3).

Human rights policy

Taken together, the Deutsche Post DHL Group Code of Conduct and Supplier Code of Conduct constitute the company's human rights policy.

ISO 9001

Defines the minimum requirements for an effective quality management system.

ISO 14001

Defines the requirements of environmental management systems, including life cycle assessments, environmental indicators and environmental performance evaluations.

ISO 14064

Defines measures for the quantification, monitoring, control and verification of greenhouse gas emissions.

ISO 28000

International security standard for the entire supply chain.

ISO 50001

Energy management standard with which energy efficiency can be continuously increased. Companies benefit from lower energy costs and can identify additional savings potential in taxes, allocations and duties.

LBG model

Regulates the measurement and reporting of corporate community investment within three categories: **Input:** Total financial donations, monetary value of time/service donated by employees, donations in kind, as well as the management costs associated with the coordination and implementation of the various activities.

Output: Number of people reached or supported; number of activities/offering.

Impact: Short and long-term changes in supported individuals/groups as well as changes within the company as a result of activities.

Political Action Committees (PACs)

Describe lobby groups in the USA that work to support or oppose candidates for political office. In accordance with applicable law, employees can make financial contributions on a personal, voluntary basis. These are however listed with the name of their employer.

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.

Science Based Targets Initiative

A collaboration between the United Nations Global Compact, the World Resources Institute, the World Wide Fund for Nature, and the CDP which aims to increase the climate protection targets of companies around the world. Applying a science-based methodology is integral to the evaluation of such targets.

Scopes 1, 2 and 3

The GHG Protocol categorizes greenhouse gases in three groups referred to as "scopes." The classification into scopes 1, 2 or 3 is based on the source of the emissions.

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Scope 1: Direct greenhouse gas emissions resulting from the company's own business activities. **Scope 2:** Indirect greenhouse gas emissions generated by the production of electricity, district heating and cooling. **Scope 3:** Other indirect greenhouse gas emissions.

Solar absorber

Systems that convert solar radiation into usable heat. These can range from simple black-colored surfaces to complex vacuum absorber tubes. Thermal solar absorbers tend to be used for indoor heating or hot water supply.

Stakeholders

People or institutions who are directly or indirectly affected by business activities, have specific expectations of such activities and attempt to exercise influence on the company.

VRF system

An air conditioning system with variable refrigerant flow (VRF) can be set individually for each room. A heat pump VRF system can also be used for heating; simultaneous cooling and heating within a building is also possible.

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PUBLICATION

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The English version of the Deutsche Post DHL Group Corporate Responsibility Report 2018 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.

PDF version: ↗ www.dpdhl.com/cr-report2018-download

DATES

May 15, 2019

Annual General Meeting

March 10, 2020

2019 Corporate Responsibility Report

2019 Annual Report

May 13, 2020

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