

NOVEMBER 2022

SUSTAINABILITY-LINKED FINANCE FRAMEWORK



Introduction

The logistics industry has never been more widely acknowledged by society than it has been in recent years. Due to the major challenges humanity is facing, we are seeing businesses transform logistics from a quiet, back-end operation into a strategic asset and value driver.

As the world's leading Logistics Company, Deutsche Post DHL Group connects people and markets and is an enabler of global trade, economic growth, and individual prosperity. With our two strong brands Deutsche Post and DHL we offer a comprehensive range of parcel and postal services in Germany as well as international express and parcel services, freight transport, supply chain management services, and e-commerce logistics solutions.

Our Strategy 2025 enables us to harness the potential of our core logistics business by setting clear targets on our journey to be Employer of Choice for our staff, Provider of Choice for our customers and an attractive Investment of Choice for our shareholders. Sustainability is firmly embedded in our Strategy and an essential element of our mission. As a logistics company we have an enormous impact on the environment and we see it as our clear responsibility to lead the way and guide our industry into a sustainable future.

Therefore, we reinforced and realigned our targets in 2021 and implemented our ambitious ESG-roadmap, focussing on three areas: **Environment, Social and Governance**. By pursuing clear objectives in each area, we strive to run clean operations that protect the climate, provide a great place to work for all, and be a highly trusted company and partner.

ESG Facts ¹⁾	
Environment 	<ul style="list-style-type: none">▪ >320 aircraft▪ 112,460 vehicles of which 21,430 e-vehicles▪ 29,200 bicycles of which 12,400 e-trikes▪ GHG footprint: 39.4 million tonnes CO₂ e▪ 86% electricity from renewable sources
Social 	<ul style="list-style-type: none">▪ Around 590,000 employees globally▪ 11th largest private employer▪ Around 5,100 trainees▪ €23.8 billion in staff costs
Governance 	<ul style="list-style-type: none">▪ Business operations in 220 countries and territories▪ Around 12,600 sites▪ Headquarters Bonn, Germany▪ International Hubs Cincinnati (US), Hong Kong, Leipzig (Germany)

1) As of 31.12.2021

Our commitment to sustainability underscores our values, focuses on our mission, and creates long-term value. Fulfilling our purpose of “connecting people, improving lives” requires us to make every dimension of our business sustainable. To achieve this we have defined a bundle of decarbonization measures on which we will spend up to EUR 7 billion in the current decade, focused on a 30% share of sustainable fuels in air, ocean and road transportation, electrification of at least 60% of our pick-up and delivery vehicles as well as the design of all new owned buildings in a carbon neutral way.

Over the years, we have repeatedly redefined logistics, from introducing the industry's first green product to becoming the first logistics company to commit to a net zero-emission target. While leading the way we have already implemented several initiatives that stretch from green solutions to huge investments in sustainable aviation and marine

fuel. In addition, we run the biggest electric fleet in Germany. But we are not finished yet. Going forward we will constantly invest in new innovations and sustainable alternatives.

With our Sustainability-linked Finance Framework we are further expanding our commitment towards permanently reducing our company's carbon footprint. Using our absolute annual CO₂ emissions as a key performance indicator to determine interest payments stresses the urgency to decarbonize the entire logistics sector and underscores our willingness to reduce the Group's greenhouse gas emissions to below 29 million tonnes of CO₂e by 2030. This emissions target is in line with the Paris Agreement and was validated and approved through the Science-Based Targets initiative (SBTi).

Decarbonization measures			
Measure	2021 Results	2030 Targets	
Realized Decarbonization Effects	728 kilo tonnes CO ₂ e (2022 Target: 969 kilo tonnes CO ₂ e)	Reduce GHG emissions to <29m tonnes CO ₂ e	
Use sustainable fuels in air, ocean and road transport	Share of sustainable fuels amounts to 1.3%	>30% share of sustainable fuels in air, ocean and road transport	
Increase in electrification of the fleets	Some 20,700 e-vehicles used in pick-ups and deliveries	60% e-vehicles used in pick-ups and deliveries	
Climate-neutral building design		All our new buildings are climate neutral	

Employee matters			
Measure	2021 Results	2022 Targets	2025 Targets
Employee Engagement score in Employee Opinion Survey	84%	>80%	Maintain employee engagement at a high level
Share of women in middle and upper-management	25.1%	25.9%	30%
Lost Time Injury Frequency Rate per 200,000 working hours	3.9	3.7	<3.1

Corporate governance			
Measure	2021 Results	2022 Targets	
Participation of executives in middle- and upper-management in compliance trainings	96%	>97% share of valid training certificates in middle and upper management	

Entering the field of sustainable finance shows our confidence that we will do our utmost to get our emissions down, while being aware that missing our target will result in paying higher interest rates to debt investors. Integrating our sustainability targets into our financing strategy accelerates the green transformation of our Group and serves as a financial incentive to deliver on our environmental ambitions. The framework provides an opportunity for investors to learn more about our conviction to drive the positive transformation within the transportation and logistics industry.

We are looking forward seeing you supporting us on this journey.

Bonn, November 2022

CEO
Frank Appel

CFO
Melanie Kreis

Head of Corporate Development
Yin Zou

Contents

Approach to Sustainability	5
Sustainability Strategy	6
Committed to the Global Goals	6
External Recognition	8
Environment	8
Sustainable Aviation	10
Sustainable Ocean Freight.....	11
Sustainable Road Transportation	11
Carbon Neutral Buildings.....	12
Green Product Portfolio	12
Materiality	13
Governance	14
Sustainability-Linked Finance Framework.....	15
Selection of Key Performance Indicators (KPI)	15
Calibration of Sustainability Performance Targets (SPT)	17
Financial Instrument Characteristics	20
Reporting	21
Verification	22
Second Party Opinion	22

Approach to Sustainability

We face fundamental challenges. Our business is an essential driver of global trade, economic growth, and individual prosperity, but it also has an enormous impact on the environment. Logistics helps power the world, but it is people who power our logistics company. And we may connect every corner of the globe, but we must comply with a wide range of regulatory environments. Over the past 15 years, we have continuously improved our carbon efficiency. But it is still our duty as a globally operating company to reduce our footprint even more and make supply chains greener. We also have to ensure equal opportunities and a safe working environment, as well as comply with all regulations and stand up as a world-class role model for good corporate governance. With worldwide operations and a team of over half a million, we have great potential to take action today that will make a positive impact on tomorrow. That's why we are a longstanding, dedicated partner of the United Nations (UN) and committed to the UN's Sustainable Development Goals (SDGs). Together, we can fully tap into our potential and make a lasting impact.



“There is no way around sustainable logistics in the future. We are deciding today what kind of world we and our children will live in 30 years from now. And our aspiration is to make a substantial contribution to ensure that this will be an even better world.”

Frank Appel, CEO of Deutsche Post DHL Group

Sustainability Strategy

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



Our ESG Roadmap reinforces and realigns our climate action and environmental protection activities. It underscores and further defines our strategies towards social responsibility and corporate governance. In addition, from 2022, all three ESG areas will be incorporated into and account for 10% respectively, of the target portfolio for bonus calculation of the Board of Management. The details are provided in a separate statutory remuneration report that will be published on our website.

Committed to the Global Goals

We conduct our business in accordance with applicable law and high ethical principles and environmental standards. As a signatory to the UN Global Compact, Deutsche Post DHL Group implements its ten principles in areas where we have influence. Additionally, we take guidance from the principles set out in the Universal Declaration of Human Rights, the OECD Guidelines for multinational enterprises and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, as well as from the principle of social partnership. Our ethical and environmental values apply to the entire Group and are laid down in our Code of Conduct for employees and in the Supplier Code of Conduct for the business partners in our supply chain. Since respect for human rights is particularly important to us, we specify these guidelines in our Human Rights Policy Statement. Moreover, we participate in numerous United Nations initiatives and support the UN Sustainable Development Goals (SDGs). Our commitment is most closely aligned with the goals of Quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), Climate Action (SDG 13) and Partnerships for the Goals (SDG 17).

Our Group's journey to sustainability includes actions that support many aspects of these six SDGs. In our Sustainability Roadmap, we have made key commitments to run clean operations to protect the climate, provide a great company to work for all, and be a highly trusted company and partner. The programs and initiatives aimed at achieving these

goals will improve access to quality education, empower women, promote equal opportunities, create jobs, enable economic growth, mitigate climate change, and foster collaboration and partnership.

At Deutsche Post DHL Group, our purpose is Connecting People and Improving Lives. That means the spirit of the UN's Sustainable Development Goals is also at the heart of everything we do. By pursuing our purpose every day, we make a significant contribution to prosperity and well-being by responsibly facilitating global trade and empowering people to make their lives and futures better.



- ❖ SDG 4 – We seek to make quality education and lifelong learning opportunities accessible for all.
- ❖ SDG 5 – We promote gender equality and take measures to empower women and girls.
- ❖ SDG 8 – We support growth by facilitating global trade in a responsible manner.
- ❖ SDG 11 – We minimize air pollution in cities and support disaster-affected communities.
- ❖ SDG 13 – We want to minimize the impact of our business activities through targeted measures.
- ❖ SDG 17 – We collaborate with the UN and other partners to ensure the sustainable impact of our activities.

External Recognition

Our performance in the area of Sustainability is evaluated independently against economic, ecological, social and ethical standards by ESG rating agencies according to their own autonomous principles.

Rating agency	2022 performance		
CDP	<ul style="list-style-type: none"> ‘B’ Rating confirmed for climate protection reporting (2021) ‘A-’ Rating confirmed for supplier management (2021) Update Dec. 2022 		
FTSE Russell	<ul style="list-style-type: none"> Listed in the FTSE4Good index series Confirmed for >10 years in a row 		
ISS ESG	<ul style="list-style-type: none"> C+1 rating and PRIME status confirmed PRIME status confirms highest quality scores in environmental and social aspects Disclosure score 1 for social aspects, no. 2 for governance and environmental 		
Moody's VE	<ul style="list-style-type: none"> “Robust” rating (2021) Update in 2023 		
MSCI	‘AA’ Rating (2021: A)		
S&P Global ESG	<ul style="list-style-type: none"> Score 72 (2021: 70) Update of DJSI World and DJSI Europe members Dec. 2022 		
Sustainalytics	Low ESG risk confirmed		
Supplier rating			
Ecovadis	<ul style="list-style-type: none"> ‘Advanced’ status confirmed DPDHL Group is among the top 3% of evaluated companies industry-wide 		

Environment

The group-wide Clean Operations for climate protection program pursues our global target: net zero emissions by 2050. Climate and environmental protection has long since become one of the most important issues of our time. Our contribution to greater climate protection around the world is green logistics. To realize a more sustainable future we think it’s important to think big. Our climate protection target is to reduce all logistics-related emissions to net zero by the year 2050 (scopes 1 to 3, excluding offsetting). To help realize this vision of zero emission logistics, we have established a number of ambitious interim goals across the main action areas of our sustainability strategy.

Acceleration of our climate protection measures:

- ❖ Science-based target for the reduction of greenhouse gas emissions: Focusing on an absolute reduction of emissions by 2030
- ❖ Additional investment of up to EUR 7bn for sustainable fuels and technologies by 2030
- ❖ Environmental target fully integrated into Board of Management variable remuneration from 2022 onwards

Deutsche Post DHL Group's Greenhouse Gas Emission Footprint

As a global logistics company, the vast majority of our global greenhouse gas emissions arises from aircraft, vehicles, vessels, and logistics sites that we and our subcontractors operate globally. Around 70% of total emissions are attributed to air transport, 22% to road transport, 7% to ocean freight and only 1% to the operation of buildings.

We calculate our greenhouse gas emissions according to the internationally recognized Greenhouse Gas Protocol Corporate Standard and in accordance with the requirements of the European Emissions Trading System (EU ETS), the EN 16258 and the ISO 14064 standards. We also follow the recommendations of the Global Logistics Emission Council (GLEC). In our Corporate footprint reporting and covered by our mid-term decarbonization targets, we include the following data:

- Scope 1: Direct emissions from fuel combustion in own or controlled sources, mainly from fuel consumption in own aircraft and road vehicles – ~19% of total footprint
- Scope 2: Indirect emissions from the production of energy we purchase, mainly from electricity use in road vehicles and buildings (market based approach) – ~1% of total footprint
- Scope 3 – Transportation (GHGP Scope 3 Categories 3 “fuel- and energy-related activities”, 4 “upstream transportation and distribution” and 6 “business travel”): Indirect emissions generated from our subcontracted transportation partners and business travel and emissions related to the production of fuel and energy consumed, mainly from fuel consumption in our subcontractors’ aircraft, ocean freight vessels and road vehicles and upstream-related processes for fuels and energy used – ~80% of total footprint

Additionally, we report on further Scope 3 categories annually in our ESG Statbook. These are not material and collectively represent less than 20% of total Scope 3 emissions:

- Scope 3 – Other indirect emissions (all other GHGP Scope 3 categories): Indirect emissions generated for example during the production of goods and services, capital goods, employee commuting

Sustainable Aviation

Aviation is the largest source of greenhouse gas emissions in our business and therefore the area where the greatest reductions are required. Sustainable Aviation Fuels (SAF) offer a viable alternative to fossil fuels for powering commercial aircraft with significant potential to reduce aviation's greenhouse gas emissions.



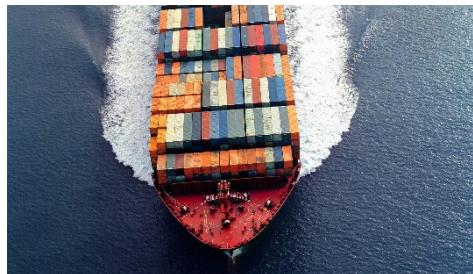
Our approach to become leader in sustainable aviation:

- ❖ Increase share of Sustainable Aviation Fuel (SAF) use to >30% by 2030
- ❖ Continuously modernize fleet of aircraft and replace older aircraft
- ❖ Increase efficiency by improving weight load, optimizing network structure and design
- ❖ Select sustainable air freight partners
- ❖ Electrify and use hydrogen technology for Ground Handling equipment
- ❖ Drive innovation through the support of e-plane development and deployment and the promotion of power-to-liquid SAF plants
- ❖ Offer sustainable products for our customers (e.g. low-emission Time Definite International solutions in Express business, Air freight solutions based on the use of sustainable fuels in our network)



Sustainable Ocean Freight

Being the second largest logistics provider in the ocean freight segment, we have a responsibility to reduce the environmental impact of ocean freight transports. The use of sustainable marine fuel is an important step towards decarbonizing our customers' ocean freight transports.



Our approach for sustainable ocean freight:

- ❖ Increase share of Sustainable Marine Fuel (SMF) use to >30% by 2030
- ❖ Optimize network to drive down GHG emissions
- ❖ Enter into strategic partnerships with SMF producers and carriers to foster technological and process-based innovation and strengthen collaboration
- ❖ Offer sustainable products for our customers (e.g. Sustainable Marine Fuel switch product for both Full-Container Load and Less-than-Container Load transports)

Sustainable Road Transportation

To ensure excellence in our deliveries to our customer, we have initiated steps to make our pick-up and delivery (PuD) and linehaul transports more sustainable. The measures include among others, electrification of our PuD fleet, use of sustainable fuels in linehaul, and network optimization, all in close collaboration with our subcontractors in this area.

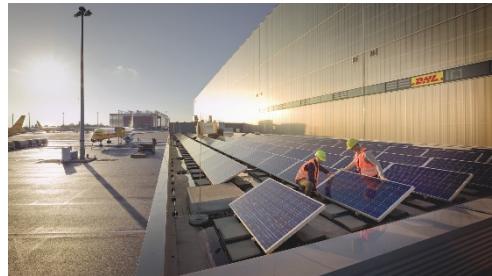


Our approach for sustainable road transportation:

- ❖ Electrify 60% of our pick-up and delivery vehicles by 2030
- ❖ Increase share of sustainable fuels to >30% by 2030
- ❖ Reduce fuel consumption through permanent network improvements
- ❖ Enable employee contribution through eco-friendly driving training programs
- ❖ Drive innovation and increase market availability of hydrogen and electric trucks
- ❖ Substitute road transports by mode-shift to rail
- ❖ Ensure sustainable transport solutions from our subcontractors through standards, education, and incentives to invest in sustainable or climate-friendly transport solutions
- ❖ Offer sustainable products for our customers (e.g. decarbonized post & parcel shipments based on sustainable fuels and electrification)

Carbon Neutral Buildings

Being the most international company in the world with operations in over 220 countries and territories, we operate a considerable number of sites like warehouses, sorting centres/hubs/terminals, office buildings etc. We aim to leverage the latest sustainable technologies to have all new (owned) buildings carbon neutral across our businesses worldwide.



Our approach for carbon neutral buildings by default:

- ❖ Design all new own buildings in a carbon neutral way
- ❖ Increase share of electricity from renewable sources to more than 90% globally by 2030
- ❖ Directly procure energy from sustainable sources
- ❖ Use sustainable heating systems in our buildings
- ❖ Convert locally produced electricity from renewable sources (e.g. solar power / photovoltaic) into energy for our electrified fleet
- ❖ Use digitalization / intelligent building management systems to further reduce energy consumption

Green Product Portfolio

As the world's leading logistics company, we feel it is our responsibility to set an example in our industry and be a sustainability leader. Reducing the carbon footprint of our operations and setting the highest social and governance standards is essential to us.

Over the years, we have repeatedly redefined logistics, from introducing the industry's first green product to becoming the first logistics company to commit to a net zero emissions target. Across industries more and more companies are committing to climate protection targets and are requiring their suppliers to support.

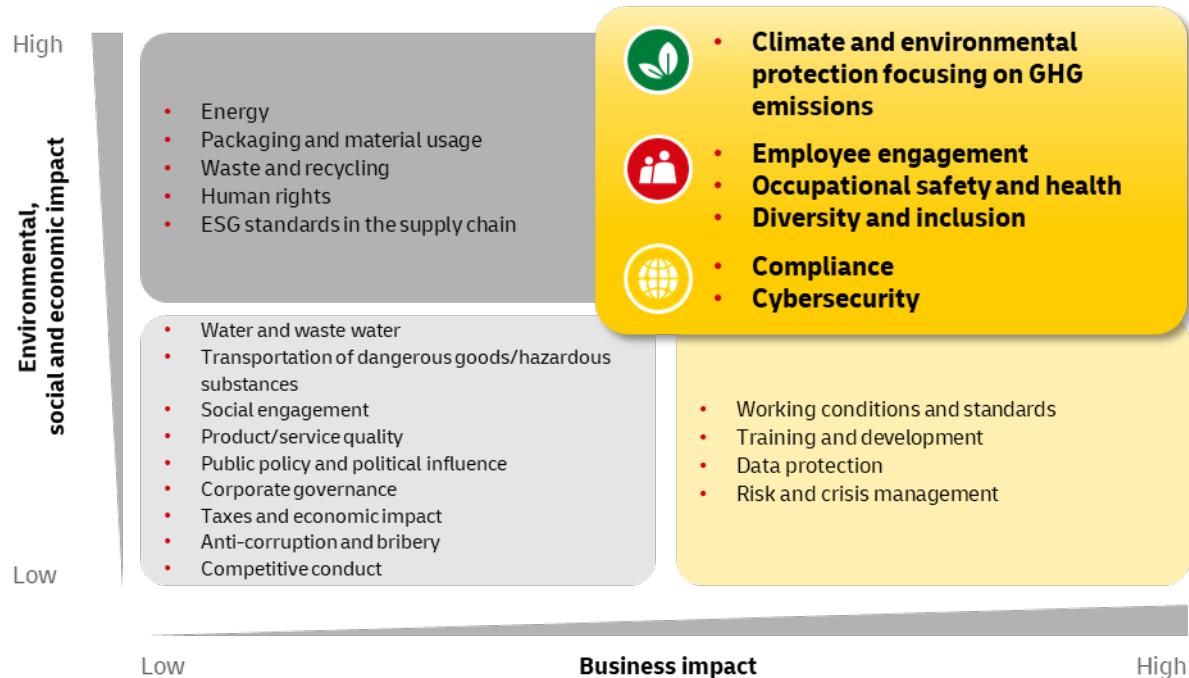


Therefore our clear goal and commitment is to offer the most comprehensive portfolio of green products and solutions in the industry. We believe that together with our customers we can create a significant positive impact on our environment. With our comprehensive, green product and solution portfolio we help our customers to reduce emissions in every part of the logistics value chain and achieve their sustainability targets.

Materiality

Our materiality analysis resulted in six topics on which our business has a material influence or, conversely, which can affect our business. The six topics are: 1. climate protection with a focus on GHG emissions, 2. engagement of our employees, 3. diversity and inclusion, 4. occupational safety and health in the workplace, 5. compliance and 6. cybersecurity. Key performance indicators (KPIs) have already been defined and targets determined for five of these topics; the definition of targets is under development for the topic of cybersecurity.

Results of the 2021 materiality analysis



Governance

The Board of Management is the central decision maker also on Group-wide sustainability focus, whereas the divisions are responsible for implementation. The progress achieved is regularly discussed by the Board of Management. ESG topics are also the subject of meetings of the Supervisory Board and its committees. Topics relating to sustainability have been added to the tasks of the Strategy Committee and the skills profile of the Supervisory Board. The Sustainability Advisory Council provides perspectives from stakeholders outside the company.

Our ethical and environmental goals are expressed in Group policies that provide all employees and managers with principles and clear standards for contributing to our success within the scope of their jobs and responsibilities. The most important Group policies include the Code of Conduct and Supplier Code of Conduct, the guidelines on anti-corruption and standards for business ethics and on the environment and energy, as well as the Human Rights Policy Statement.



Responsibility for strategic orientation, the materiality analysis, stakeholder dialogue and implementation of the strategic and operational ESG programme lies with Corporate Development under the leadership of the CEO, where ESG topics are also embedded in the Group strategy.

ESG controlling and reporting is handled by Corporate Accounting & Controlling in the Finance Board department. This responsibility includes defining ESG metrics, meeting reporting standards, developing specifications for implementation in financial systems and the reporting itself.

Measures to counteract climate change and improve occupational safety are managed by the Operations Board and cybersecurity is managed by the IT Board, both of which are under the leadership of the CEO. Human resources (HR) issues such as employee matters and social standards are handled by the HR Board, which is chaired by the Board member for HR. Corporate citizenship is supported by the Board of Management and driven by corporate communications. Corporate Procurement defines the standards for procurement, designs the Corporate Procurement Policy and determines the selection processes for suppliers. The Chief Procurement Officer reports directly to the head of the Global Business Services Group Function and ensures that the Group's standardised selection processes are applied. The Chief Compliance Officer is responsible for the design of the Compliance Management System and reports to the CFO.

Sustainability-Linked Finance Framework

This Sustainability-Linked Finance Framework has been developed to be aligned with the Sustainability-Linked Bond Principles (SLBP), established by the International Capital Markets Association (ICMA) in June 2020. Deutsche Post DHL Group may issue different financial instruments including bonds and Schuldscheins (SSDs) under this Sustainability-Linked Finance Framework.

The Sustainability-Linked Finance Framework has been developed to be aligned with the five core components of the SLBP:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Bond characteristics
4. Reporting
5. Verification



Sustainalytics will provide a Second Party Opinion on this Sustainability-Linked Finance Framework, which will be made publicly available on Deutsche Post DHL Group's website (www.dpdhl.com).

Selection of Key Performance Indicators (KPI)

The KPI's that have been included for the purpose of this Sustainability-Linked Finance Framework mirror the key sustainability challenges that the transportation sector is facing. In order to safeguard the long-term success of Deutsche Post DHL Group, **greenhouse gas emissions from transportation must decrease**. By focusing our efforts on energy efficiency and especially the reduction of emissions caused by transportation such a goal is within reach. In line with others in the transportation sector with global reach, Deutsche Post DHL Group's carbon footprint can largely be tracked to the value chain. That is why Deutsche Post DHL Group has selected GHG emissions reduction KPI's for this Sustainability Linked Finance Framework.

We believe contribution to greater sustainability around the world is achieved through sustainable logistics. With our mission to achieve net zero emissions by 2050, we strive for clean operations for climate protection. We have set ourselves the target of reducing our greenhouse gas emissions by 2030. We have done this by committing to an emissions target in line with the Paris Agreement which was validated and approved through the Science-Based Targets initiative (SBTi) in October 2022.

The KPI's: Absolute greenhouse gas emissions reduction

In the fight against climate change, Deutsche Post DHL Group is committed to an ambitious GHG emissions reduction target. The Group assumes that its GHG emissions would increase significantly by 2030 without any counter measures. In 2021, emissions were 39 million tonnes. Today, the company is committed to reducing its absolute annual GHG emissions to below 29 million tonnes by 2030, despite the expected continued strong growth in global logistics activities. The derived KPIs refer to the EU Taxonomy environmental objective “Climate Change Mitigation” as well as the United Nations Sustainable Development Goal 11 “Sustainable Cities and Communities”, 12 “Responsible Consumption and Production” and 13 “Climate Action”. The mapping of the SDGs has been done in accordance with the High-Level Mapping of the Sustainable Development Goals published by ICMA.

KPI 1 - Scope 1 and 2 GHG emissions:

including air freight transportation and road freight transportation and heating energy used at our owned and leased sites, our warehouses and facilities. Scope 2 represents purchased electricity used for those sites and for the operation of electric vehicles, plus purchased district heating and cooling. We are using the market-based approach to calculate Scope 2 emissions.

KPI 2 - Scope 3 GHG emissions:

including mainly transport-related GHG emissions from Deutsche Post DHL’s subcontractors and upstream fuel and energy-related processes. It includes Scope 3 categories 3 (fuel- and energy-related activities), 4 (upstream transportation and distribution) and 6 (business travel) according to the GHG Protocol.

KPI Calculation Methodology

Scope 1 mainly describes GHG emissions from Deutsche Post DHL Group’s air freight transportation and road freight transportation and heating energy used at our sites, our warehouses and facilities. Scope 2 represents electricity used for those sites and for the operation of electric vehicles, plus district heating and cooling. We are using the market-based approach to calculate Scope 2 emissions. Scope 3 mainly describes transport-related GHG emissions from Deutsche Post DHL’s subcontractors and upstream fuel and energy-related processes. It includes Scope 3 categories 3 (fuel- and energy-related activities), 4 (upstream transportation and distribution) and 6 (business travel) according to the GHG Protocol. Category 8 (upstream leased assets) is included in our Scope 1 and 2 emissions, all other Scope 3 categories are not material and collectively represent less than 20% of total Scope 3 emissions. The calculation of Scope 1, 2 and 3 emissions is aligned with the GHG Protocol, ISO 14064 and EN 16258 standards as well as the Global Logistics Emissions Council (GLEC) Framework. The reduction target for Scopes 1 and 2 is in line with a 1.5 degree scenario, while the reduction target for Scope 3 is in line with a well-below 2 degrees scenario, as required by the Science-based Target initiative.

The SPTs: Calibration of Sustainability Performance Targets (SPT)

Reducing annual Group greenhouse gas emissions to below 29 million tonnes of CO₂e by 2030.

Despite the expected continued strong growth there are many ways to decarbonize logistics chains. Saving potential can be found in all parts of the supply chain and there are ways to minimize emissions regardless of their source. This applies to our road, ocean and air transport as well as to warehousing in logistics centres. Major efficiency gains can also be achieved by optimizing our logistics networks. Our main focus, of course, is on greenhouse gas emissions reduction. In addition to this, we implement measures to minimize all other environmental impacts of our business activity.

SPT 1 - Reducing absolute Scope 1 and 2 GHG emissions:

Deutsche Post DHL Group commits to reduce absolute Scopes 1 and 2 GHG emissions 42% by 2030 from a 2021 base year, which has been validated and approved by the Science-Based Target initiative as being aligned with reductions required to keep global warming in line with a 1.5 degree scenario.

SPT 2 - Reducing absolute Scope 3 GHG emissions:

Deutsche Post DHL Group commits to reduce absolute Scope 3 GHG emissions from fuel- and energy-related activities, upstream transportation and distribution and business travel 25% by 2030 from a 2021 base year. This target has been validated and approved by Science-Based Target initiative as being aligned with reductions required to keep global warming in line with a well-below 2 degree scenario.

Benchmarks

We have developed our GHG emission reduction target in line with the requirements of the Science Based Targets initiative (SBTi) and have received validation by SBTi in October 2022. By benchmarking Deutsche Post DHL Group's ambition against the ambition stated in the Paris Agreement, an alignment with both the expectations on climate action from our customers and future policy initiatives is achieved.

Strategy to achieve SPT's

Our business activities impact the climate and the environment mainly in the form of greenhouse gases. We have reviewed and largely endorsed the climate action and environmental protection measures we have taken to date as part of our ESG Roadmap. A major element is a new medium-term climate protection target striving for an absolute reduction in GHG emissions by 2030. We want to reduce our GHG emissions to net zero by 2050. That means we will use active reduction measures to reduce our GHG emissions (Scopes 1, 2 and 3) down to an unavoidable minimum, which is to be fully compensated for with recognised countermeasures (excluding offsetting). We have set new, ambitious targets to be achieved by 2030 that continue to include the transport services provided by our subcontractors (Scope 3).

Particularly important for achieving these goals by 2030 is a bundle of measures up to EUR 7 billion to increase the use of sustainable fuels and technologies in our fleets and buildings to be rounded out by a range of environmentally friendly products. Our focus

here is mainly on the modes of transportation using the most fuel and generating the most emissions, namely air freight and road transport, and further increasing the electrification of our fleet of pick-up and delivery vehicles. Moreover, we aim to further decarbonise purchased ocean freight capacity. We will also invest in technologies to design our own new buildings to be climate neutral.

This approach allows us to uphold our responsibility to the climate and the environment, while strengthening our own market position. Together with our subcontractors, we also work as part of initiatives to reduce fuel consumption and lower GHG emissions. This also enables us to procure the consumption and emissions data necessary for subcontractor management, which is why we take part in industry-wide initiatives and collaborate closely with customers, suppliers and industry partners.

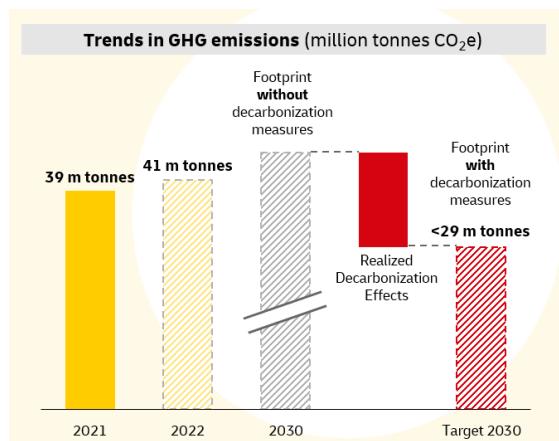
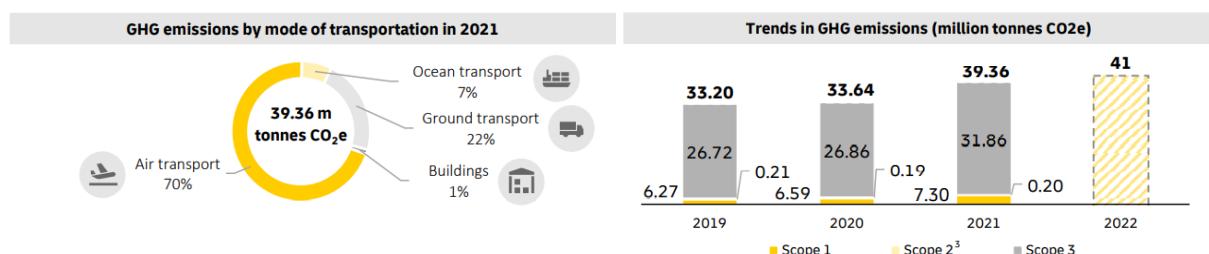
Level of ambition

Our 2030 target is to reduce the Group's overall Scope 1, 2 and transport-related Scope 3 greenhouse gas emissions to below 29 million tonnes CO₂e. The targets were assessed and approved by the Science-Based Target initiative in October 2022, thus assuring an external reference to the level of ambition.

In line with SBTi requirements and official target language, the approved Group target consists of the two following sub-targets:

Target for Scopes 1 & 2: Deutsche Post DHL Group commits to reduce absolute Scopes 1 & 2 GHG emissions 42% by 2030 from a 2021 base year. This sub-target is in line with requirements to limit global warming to below 1.5 degrees Celsius.

Target for Scope 3: Deutsche Post DHL Group commits to reduce absolute Scope 3 GHG emissions from fuel- and energy-related activities, upstream transportation and distribution and business travel 25% by 2030 from a 2021 base year. This sub-target is in line with requirements to limit global warming to well-below 2-degrees Celsius.



Financial Instrument Characteristics

The financial and structural characteristics of any financial instrument issued under this Framework will be specified in its corresponding financial instrument documentation, including the potential changes to the financial and/or structural characteristics which may succeed any Trigger Event(s).

Trigger Events

The occurrence of any of the following events (the Trigger Events) may trigger a change in the financial and/or structural characteristics of the relevant financial instrument as described below in the Changes in Financial Instrument Characteristics section.

- The lack of Deutsche Post DHL Group's KPI's performance in relation to the applicable SPT for the relevant Target Observation Date as reported on or before the Reporting End Date following the Reference Year, or
- Deutsche Post DHL Group's reporting does not meet the requirements set out in the Reporting section of this Framework, or
- the verification of the KPI's performance in accordance with the Verification section of this Framework has not been provided and, when available, made public by the Reporting End Date.

The Target Observation Date is defined as any date when KPI's performance is observed and if applicable measured against a relevant target or an SPT.

The Reporting End Date for any given year shall be the date falling 120 days after the 31st of December of that year.

The Reference Year sets out the twelve-month period up until and including the Target Observation Date for which the KPI's performance is observed.

Changes in Financial Instruments Characteristics

The occurrence of a Trigger Event may result in changes to the financial and/or structural financial instrument characteristics. Such changes will be described in the relevant financial instrument documentation.

For the avoidance of doubt, if in respect of any financial instruments issued under this framework, the company has achieved the relevant SPT for the Reference Year, and reporting and verification for the KPI and SPT have been provided and made public in accordance with the Reporting and Verification sections of this Framework, the financial instrument characteristics of the relevant financial instrument issued by Deutsche Post DHL Group under this Framework shall remain unchanged.

For any financial instrument issued under this Framework, a Trigger Event impacting the financial instrument characteristics may only occur once during the tenor of the relevant financial instrument.,

Fallback mechanisms and exceptional events

The KPI's metrics during the base year will be recalculated to reflect better data accessibility, discovery of data errors, a change in the calculation methodology or any significant changes in Deutsche Post DHL Group's structure (e.g. acquisition, divestiture, mergers, insourcing or outsourcing). The threshold value for a significant change are changes that impact the Sustainability Performance Target, in aggregate, by 5 percent or more. Any recalculations for a certain KPI must be reported on, see the Reporting section below, and verified by an independent, qualified external reviewer as outlined in the Verification section of this Framework. Recalculation will not be triggered by organic growth and decline.

Reporting

In order to provide investors and other stakeholders with adequate information about Deutsche Post DHL Group's implementation of its sustainability strategy, Deutsche Post DHL Group will also provide relevant reporting on the progress made with respect to the KPI's and in relation to the achievement or not of the SPT's set out in the financial instrument's specific documentation. Such reporting shall be made publicly available on an annual basis in a Sustainability-Linked Finance Progress Report (SLF Progress Report) and in any case for any period relevant for assessing the KPI performance leading to a potential adjustment of the financial and/or structural characteristics of bonds or SSDs issued hereunder. The SLF Progress Report shall be published on Deutsche Post DHL Group's web page no later than the Reporting End Date after the end of the year being reported on up to and including the Reference Year.

The SLF Progress Report will form the basis for evaluating the impact on the characteristics of any securities issued under this Framework, as outlined in the Financial Instruments Characteristics section.

If a change to the financial and/or structural characteristics of the financial instrument is triggered due to a failure to report, the change will only occur after the Reporting End Date, for the relating Reference Year, regardless of when a failure to provide the verification occurs.

The SLF Progress Report will contain all the relevant information needed to assess the progress towards the SPT's including the relevant SPT's for the applicable Target Observation Date(s) including but not limited to:

- The performance of the KPIs, as per the relevant reporting period and when applicable, as per the Target Observation Date including the calculation methodology and baselines where relevant;
- Information about recalculations, if any, of the KPI levels;
- A verification report relative to the KPI performance, outlining the performance against the SPTs and the related impact, and timing of such impact, on the Bond/SSD Characteristics; and

- Information on relevant updates to Deutsche Post DHL Group's emission reduction strategy and/or governance with an impact on the KPI and Target Trajectory

Where feasible and possible the SLF Progress Report will also include:

- Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A activities and changes to the organisation, behind the evolution of the performance on the KPIs on an annual basis;
- Illustration of the positive sustainability impacts of the performance improvement;
- Updates on new or proposed regulations from regulatory bodies, such as but not limited to the EU, relevant to the KPI.

The SLF Progress Report referred to above shall be verified by qualified external reviewer with relevant expertise as described in the Verification section.

Verification

In order to provide transparency to investors and other stakeholders and in alignment with the SLBPs, Deutsche Post DHL Group will ensure an external and independent verification by a qualified external reviewer with relevant expertise, as outlined in the "Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews" developed by the SLBPs, of its actual performance level against each SPT for each KPI. The verification shall be conducted with reasonable assurance by the external reviewer. Deutsche Post DHL Group has the discretion to change the external reviewer subject to fulfilling the requirements set out herein. The verification shall be made public together with Deutsche Post DHL Group's annual SLF Progress Report on the company's webpage no later than the Reporting End Date and in any case for the SPT related Trigger Event, as outlined in the Financial Instrument Characteristics Section.

In relation to the SPT, the verification, together with the SLF Progress Report, will form the basis for evaluating whether a Trigger Event has occurred with respect to any financial instrument issued under this Framework as described in the Financial Instrument Characteristics section.

Second Party Opinion

Deutsche Post DHL Group has engaged Sustainalytics as an external reviewer to provide an external and independent, ex-ante Second Party Opinion on Deutsche Post DHL Group's Sustainability-Linked Finance Framework. The Second Party Opinion report will be made publicly available on Deutsche Post DHL Group's website.

Supportive Documents

Name of Document
<u>2021 Annual Report</u>
<u>2021 ESG Presentation</u>
<u>2021 ESG Statbook</u>
<u>Corporate Website</u>

