OUR SUSTAINABILITY ROADMAP
EXCELLENCE. SIMPLY DELIVERED.
IN A SUSTAINABLE WAY.

Bonn, 22 March 2021
Frank Appel, Group CEO
Melanie Kreis, Group CFO
Thomas Ogilvie, Group HR

Deutsche Post DHL Group
Introducing the Sustainability Roadmap of Strategy 2025

Acceleration of our ESG initiatives, in line with Strategy 2025 ambitions:

- Science-based target for **CO2 reduction**: More than carbon-neutral growth – absolute reduction by 2030
- **€7bn expected spend** on green technologies by 2030; first elements already reflected in 2021/23 guidance
- ESG targets anchored in **Corporate Board Incentivization**
Our Sustainability agenda is derived from who we are and what we do

The transportation sector is responsible for 16.2% of global greenhouse gas (GHG) emissions

In 2020, our share of total sector emissions was 0.4%

1) Source: Climate Watch, WRI (2020)
We have a strong track record as a sustainable, purpose-driven company.
Our purpose is the driving force for our Sustainability Roadmap

3 commitments with concrete action fields

CONNECTING PEOPLE, IMPROVING LIVES
Our Sustainability Roadmap
Significant investment and science-based target for clean operations
Our Sustainability Roadmap – Clean Operations

Our CO₂ footprint

2020 emissions down to 27m tonnes
Largest exposure in Scope 3 and by mode in air transport

Change of measurement to Well-to-Wheel (WtW)
- Measurement along the entire energy chain
- Covering all greenhouse gases
- Lifting 2020 base to 33m tonnes CO₂e

Continued industry growth expected
Based on expected business growth and current initiatives, our emissions would increase to an estimated 46m tonnes CO₂e by 2030
Our Sustainability Roadmap – Clean Operations
We will **reduce our greenhouse gas emissions** to under 29m tonnes CO$_2$e by 2030

We will invest **€7 billion until 2030 in Clean Operations** (capex & opex) to reduce our emissions to under 29m tonnes CO$_2$e by 2030 and thereby commit to the Science Based Targets initiative (SBTi)
All modes to contribute to targeted reduction of CO₂ emissions – key contribution to be achieved on aviation emissions

- Electrify 60% of our last-mile delivery vehicles by 2030
- Grow sustainable fuel share in line-haul to >30%

Target >30% sustainable aviation fuels blending by 2030

Offer green alternatives for all our core products/solutions

Carbon neutral design to be used for all new owned buildings

Clean operations for climate protection
Our key levers to become leader in Sustainable Aviation

1. **SAF blending**
   - On average **above 30% SAF blending** for air transport by **2030** (Scopes 1 & 3)
   - **Strategic partnerships with** SAF producers and carriers to secure sufficient, cost effective SAF supply

2. **Re-fleeting**
   Continue to invest in the latest technology of **most fuel-efficient, SAF capable**, and alternative power aircraft

3. **Fuel optimization**
   Improve flight operations efficiency by utilizing **technology, ideal weight balance and optimized network design** and choosing efficient carriers

4. **Drive innovation**
   Support innovative technologies like the development of ePlanes and ready to scale Power-to-Liquid SAF plants

5. **Decarbonize our ground handling**
   Use **electrification and hydrogen technology** to drive down emissions of ground operations at our major hubs

6. **Green products for customers**
   Foster **green product offerings**, such as carbon reduced TDI and Air Freight
Our key levers to become leader in
Green Last Mile Delivery & Line Haul

1. **Green Routes**
   - Electrify 60% of our last-mile delivery vehicles by 2030

2. **Network Optimization**
   - Reduce fuel consumption through permanent network improvements

3. **Driver Training**
   - Enable employee contribution through eco-friendly driving training programs

4. **Green products for customers**
   - Foster green insetting and book & claim product offerings for end customers

5. **Sustainable Fuels in Line-Haul**
   - Grow sustainable (bio)fuel share >30% by 2030

6. **Drive Innovation**
   - Drive development and market availability of hydrogen and electric trucks

7. **Transport Partner Activation**
   - Foster green transport of our subcontractors through standards, education and incentives to invest in green transport solutions
Our key levers to become leader for Carbon Neutral Buildings

1. **Carbon neutral design**
   Starting in 2021, carbon neutral design for all new (owned) buildings, remaining emissions to be neutralized

2. **Green Electricity**
   Further increase share of green electricity globally

3. **Sustainable Heating**
   Foster roll-out of sustainable heating in our buildings

4. **Power Purchase Agreements (PPA)**
   Directly procure Energy from sustainable sources (PPA) to ensure higher standards

5. **Sector coupling**
   Convert locally produced electricity from renewable sources (e.g. solar power) into fuels for our electrified fleet

6. **Building Automation**
   Use digitalization/intelligent building management systems to further reduce energy consumption
MISSION 2050
ZERO EMISSIONS

GHG Efficiency Improvement

CEX (Carbon Efficiency Index):

“As the world’s leading logistics company, it is our responsibility to move ahead and lead the logistics industry into a sustainable future”
Our Sustainability Roadmap
By investing in our people, we strive to become a **great company to work for all**
We take action to **provide a safe, inclusive and engaging working environment** for all our employees.

**Attract and retain best talent**
and reach a consistent >80% score on Employee Engagement in EOS

**Put safety first and reduce LTIFR**
(lost time injury frequency rate) to below 3.1 by 2025

**Being “best-in-class” in our industry** when it comes to respect for Human Rights

**Increase share of women in management** to 30% by 2025
We are taking continuous action to **attract and retain the best talent**

Reach a consistent >80% score on **Employee Engagement** in EOS

**Number of employees**

<table>
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<tr>
<th>Year</th>
<th>2013</th>
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<tbody>
<tr>
<td></td>
<td>480k</td>
<td>550k</td>
<td>570k</td>
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**Employee engagement (Employee Opinion Survey)**

<table>
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<td></td>
<td>72</td>
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We are on track to achieve our aspiration to be a great employer as well as a reliable partner to the communities we operate in.
Our **Safety First culture** means that the safety of our employees takes utmost priority

Reduce **LTIFR** (lost time injury frequency rate) to **below 3.1 by 2025**

**Accident rate (LTIFR) per 200 kh worked (LTFRI) trend**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>Rate</td>
<td>4.4</td>
<td>4.3</td>
<td>4.2</td>
<td>3.9</td>
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-Trend: -0.5
Our comprehensive approach to **Diversity & Inclusion** covers Group-wide priorities along with local degrees of freedom.

**GENDER:**
Increase share of women in upper & middle management to 30%

**INCLUSION:**
Identify and remove roadblocks. Value different skills, experiences and viewpoints regardless of gender, race, national origin, religion, age, disability, LGBT+ and other characteristics

**CULTURE:**
Measure, appreciate and actively promote our cultural diversity within the group as a key strength and competitive advantage

**TRANSPARENCY:**
D&I analytics ensure fact based pathway to progress and to track the performance of targeted measures and efforts

**+1:**
Flexibility for Business Units to address topics at the regional/country level

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Gender Equality is a core aspect of our Diversity & Inclusion commitment

30% female managers by 2025

23.2% Women in upper and middle management positions in 2020

We are endorsing SDG 5 – Gender Equality, underlining our commitment to diversity & inclusion
Human Rights Policy Statement: We aspire to be “best-in-class” in our industry when it comes to respect for human rights
We will continue to have a **strong impact on communities** by scaling up our core programs¹

**VOLUNTEER PROGRAMS TO RECOGNIZE AND ENCOURAGE VOLUNTEER WORK**

- **Improving Lives Fund**
  - Corporate Matching Program
- **Global Volunteer Day**
  - Global Employee Volunteering Program
  
**SUPPORT PROGRAMS TO HELP COLLEAGUES IN NEED**

- **UPstairs**
  - Scholarship Program
  - Employee Disaster Relief

**SUSTAINABILITY PROGRAMS TO LEVERAGE OUR CORE CAPABILITIES**

- **GOHELP**
  - Disaster Management
- **GOTEACH**
  - Improving Employability
- **GOTRADE**
  - Facilitating Trade
- **GOGREEN**
  - Protecting the Environment

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¹ Corporate and global programs

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Connecting people and improving their lives is what makes us get up and go every day. To live up to that purpose, we will **spend 1% of our net profit each year** to create lasting impact for the people and the communities we operate in.
Our Sustainability Roadmap

We pursue our aspiration to be a **highly trusted company** in our industry.
We take action to **ensure trusted, transparent and compliant business practices** every day, everywhere.
Compliance is an integral part of everything we do

- Maintain curriculum of **mandatory trainings on the Group’s compliance & data protection standards** for all employees in relevant management positions

- Ensure that our information security capability is positioned in the **top quartile of our industry**
Supplier Code of Conduct: Working with a sustainable and resilient supplier base

What we expect from our suppliers and subcontractors:

- Increased effort to protect the environment by setting measurable targets that support our commitment to clean operations
- Greater clarity on social issues like human rights/trafficking and diversity & inclusion
- Enhanced governance through increased due diligence, audits, a whistle blowing mechanism and other measures

Risk Assessment
A group-wide and consistent data-driven approach to identify high risk spend categories and high risk suppliers to reduce the exposure for our company and focus our efforts.

Due diligence & monitoring of suppliers
Ensure suppliers are compliant with our Supplier Code of Conduct. The process is supported by assessments, audits and effective consequence management for suppliers who may pose a risk to the Group.
ESG KPIs will be further integrated and enhanced in internal management reporting & steering

**ESG KPIs integrated into management reporting**
- Full transparency on ESG performance based on core financial consolidation system as the single source of truth
- Inclusion of ESG KPIs into executive management reporting

**ESG in risk reporting & investment evaluation**
- Reflection of ESG risks and opportunities in DPDHL risk reporting
- Strengthening of ESG components into business case evaluation and monitoring

**ESG performance reviewed at all levels**
- ESG performance reviews on corporate, divisional and local level, including implementation of performance measures
- Audit of ESG related quality controls down to local entities
Integrated external ESG reporting: Strengthening external reporting by integrating financial & ESG reporting and increasing transparency

**Annual Report:** The non-financial statement can now be found in the 2020 Annual Report with further material ESG information.

**ESG Presentation:** We bundle all relevant ESG information for financial year 2020 and present the programs with the progress made.

**ESG Statbook** includes all published ESG data from 2016 on as well as the GRI and SASB index ¹)

**Way forward:** We will continue to enhance ESG disclosures and to implement regulations including EU Taxonomy.

¹) Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) index
Our Sustainability Roadmap
ESG targets fully integrated into new proposed management remuneration

Criteria for Annual Variable Pay

2020 & 2021

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<td>EAC Group</td>
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75% financial targets

2022

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<td>30% ESG targets</td>
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70% financial targets

Bonus payment schedule for annual bonus and deferral

- 50% paid in current year if bonus criteria achieved
- 50% payout of achieved bonus deferred by additional 2 years*

* Medium-term component will only be paid out if EAC target is reached during the sustainability phase; at least the cost of capital was covered

1) Proposal to AGM 6 May 2021; 2) Divisional EAC: only applicable for Divisional CEOs
Our Sustainability Roadmap
Assumptions for €7bn investments

€7bn investments
ramping up through 2030

- Aviation
- All other modes

Investments include...
- Sustainable Aviation Fuel
- Sustainable Maritime Fuel
- Vehicles electrification
- Bio Liquefied Natural Gas

Base principles of calculation:
- Extra costs for clean technology
- No customer contributions included
Our Sustainability Roadmap
Conclusion
Our Sustainability Roadmap

Targets along 3 core commitments, aligned with incentivization

**CONNECTING PEOPLE, IMPROVING LIVES**

**Clean operations for climate protection**
- **Reduce emissions** to <29m tonnes CO$_2$e by 2030 (SBTi); no offsetting included
- Supported by targets on sustainable fuel, electrification and carbon neutral design
- **Mission 2050: Zero emissions**

**Great company to work for all**
- Consistent >80% score on Employee Engagement in Employee Opinion Survey
- **Reduce LTIFR** to below 3.1 by 2025
- **Increase share of women in management** to 30% by 2025

**Highly trusted company**
- ESG roadmap supported by stringent **internal reporting, training measures and policies**
- External reporting in line with SASB and GRI core standards
- 30% weight for **ESG targets in board annual variable pay**; to be proposed to 2021 AGM (May 6th)

Pledge to **invest 1% of our net profit** each year into creating social impact, for example through our GO Programs

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DPDHL Group | Our Sustainability Roadmap | Bonn | 22 March 2021
Our Sustainability Roadmap

Sustainability as basis for long term success on all three bottom lines