

**“Global challenges
can only be tackled
together.”**

Dr. Frank Appel
CEO



SUSTAINABILITY IS PART OF OUR DNA

Connecting people, improving lives: How do we make that a reality?

We use our logistics services to connect people and enable flows of goods and trade to every corner of the world – we view this as our purpose. The taxes we pay locally contribute to increased prosperity; our infrastructure and the jobs we create have an indirect positive impact which is felt by communities on the ground. It goes without saying that we take potential environmental impacts into account – after all, social and ecological responsibility have long been integral to our operations. I firmly believe that logistics is critical for sustainable economic growth.

Sustainability necessitates change.

First, let me say that 2019 was a very successful year for Deutsche Post DHL Group. Our company is on firm financial footing, and we are excellently positioned for the future.

Strategy 2025 has enabled us to further cement our focus and set new goals. We are monitoring current geopolitical developments and trade limitations that may have an impact on our business – and are well prepared moving forward. We intend to continue to utilize the opportunities that globalization affords. The booming e-commerce sector and the associated intensive global exchange of goods drive our growth. The ongoing digitalization of our business operations is also picking up speed and will significantly improve our processes.

Sustainability is integral to Strategy 2025...

Absolutely. Sustainability is being even more closely integrated into our three bottom lines of becoming Employer, Provider and Investment of Choice. We want to increase our profitability in a continuous, sustainable way, and embed social and environmental aspects more firmly in our business operations. As a signatory to the UN Global Compact this is a consistent and logical continuation of the measures we implemented years ago. We naturally take the UN Sustainable Development Goals into account as we go. As diverse as our business models may be, our operative business divisions and corporate functions all agree that, particularly in our logistics operations, sustainable development is a must as well as a favorable differentiating feature. [➔ Page 26](#)

LOGISTICS IS CRITICAL FOR SUSTAINABLE ECONOMIC GROWTH

Logistics without digitalization is inconceivable.

Global networks and processes are accelerating. This calls for new infrastructures, and places huge demands on digital security. Existing job profiles will change and new ones will emerge. This makes it all the more important that we continually develop our employees as we move forward together into the digital world of work. By 2025 we will be investing €2 billion to improve the customer experience, our operative performance and, of course, working conditions for our employees.

Climate and environmental protection are gaining importance on a global scale. But as an industry, logistics also produces carbon emissions.

Although some 14% of greenhouse gas emissions are caused by the transportation sector, our share amounts to just 0.4%. Contrary to popular belief, online retail and the associated increase in transportation volumes is not fundamentally bad for the environment. The carbon footprint of a normal parcel corresponds to a three-kilometer journey by car. With growing volumes, that ratio improves to the benefit of online retail. And while I in no way wish to understate the impact of our business operations, this is actually something we have been working on for several decades.

The demands made of sustainable logistics are more complex than ever before.

By introducing suitable measures, we have paved the way for sustainable logistics and have worked together with our stakeholders to identify “energy efficiency and climate change” and “air pollution” as key action areas. Our goal is an ambitious one: By 2050 we want to reduce our logistics-related emissions to net zero. However, the number and complexity of statutory requirements continue to increase – for example in relation to customs and export controls. With our compliance management system, we ensure that our transportation services comply with prevailing law around the world, and uphold our reputation in the eyes of our customers and business partners. And when it comes to the sustainability of our business operations, we are well-equipped to respond to the growing demands brought about by “green taxonomy” and Fridays for Future activists, and with these the increased expectations as regards reporting.

Our environmental successes.

There are many. For example, we have improved energy efficiency by an additional 2 percentage points, raising it to 35% compared with 2007. This was largely due to efficiency gains both in ocean and road freight. However, the increased use of green electricity at our sites has also had a positive impact.

Furthermore, we put four new aircraft into service to replace older planes in our fleet. These will generate roughly 18% less carbon emissions and contribute to improved fuel and emissions efficiency. Our road vehicle fleet now comprises more than 13,000 vehicles with alternative drive systems. At the moment, our biggest challenge lies in medium and long-haul operations because electric vehicles are not yet viable. As a solution I believe we need a rapidly available supply of sustainably produced synthetic fuels. → Page 88

13% OF OUR VEHICLES ARE ALREADY EQUIPPED WITH ALTERNATIVE DRIVE SYSTEMS

Finding solutions requires ongoing dialogue.

One of our successes in 2019 is certainly our long-standing working relationship with the UNI and ITF, the two biggest international union associations. The foundation of mutual trust we have built will continue to shape our regular dialogue in the future. To be honest, achieving a common understanding for respect for human rights across cultural, regional and legal divides can present certain challenges. This is why our HR experts engage in ongoing dialogue with all of the relevant stakeholders. → Page 62

What else have we achieved as an employer?

With some 550,000 employees, we are one of the largest employers in the transportation and logistics sector. One unmistakable sign of our economic strength is the annual 2.5% average growth in our workforce, and the 2.8% increase in our personnel expenditure since 2015. Once again, we received Top Employer and Great Place to Work awards, and the increased approval rates in our Group-wide Employee Opinion Survey confirm that we have adopted the right approach. → Page 69

How does diversity influence our role as an employer?

Very positively! We see the diversity of our workforce as a key success factor. Their different experiences – personal, cultural and intellectual – make them a strong interface to our customers. Indeed, we employ people from some 175 nations at our headquarters in Bonn alone. In 2019 we were able to provide jobs for some 4,200 refugees and take on around 90 as apprentices. With our Strategy 2025, we have for the first time set a global target for women in management positions: We want to increase the percentage of female managers from 22% today to 30% by 2025.

Employee volunteering remains a key factor.

Yes, this is where our purpose really comes to the fore. With our Corporate Citizenship initiative, we offer employees the chance to develop and to utilize their knowledge and skills to benefit society. We make our networks and our services available free of charge – for example to assist humanitarian efforts in the aftermath of natural disasters. More than 114,000 employees volunteered in around 3,100 local-level projects in 2019 alone.  Page 79

Let's talk about the future.

Just by making small changes in our everyday lives, we can all help to protect the environment and promote social development. But if we are to tackle the bigger social challenges, then global solutions are needed. Joint efforts make for harmonized conditions, and they prevent distortion of competition. Let me use sustainable synthetic fuels as an example. If they were already mature for market, they could help reduce greenhouse gas emissions in aviation. That is why we will be intensifying our involvement in related initiatives, while driving cross-sectoral dialogue with the aim of developing a global strategy and global standards. Only by joining forces can we move forward in a truly sustainable way.

“Top Employer and Great Place to Work confirm we are Employer of Choice in our industry.”

