

A WORD FROM THE CEO G41

Dear Readers,

The past year was characterized by ongoing geopolitical tensions and, for many people around the globe, a prevailing sense of uncertainty. Faced with an ever-changing, increasingly complex world, many long for orientation and simple answers, and, once again in 2017, we saw populist movements benefitting from this anxiety in various countries. But isolation and exclusion will not help us to overcome the challenges we face. Rather than focusing on what divides us, we should be seeking out that which connects us and brings us together. The title of this Corporate Responsibility Report – “Dedicated to Shared Values” – also reflects our basic approach to day-to-day work at Deutsche Post DHL Group. But viewed in a broader context, such shared values, to which everyone – in politics, business and society at large – is dedicated, are also fundamental to peaceful, stable and democratic development around the world.

Economically, 2017 was in many ways a good year. At the same time, economic systems and the world of work are undergoing dramatic change. Globalization has fundamentally altered the way we live and work, and created new opportunities for growth and development. While the logistics industry has helped make this evolution possible, it has also been impacted by the consequences. And now digitization promises to usher in a new wave of change. Although it clearly helps make life simpler and more sustainable in many areas, digitization will also have a huge impact on how we work in the future. Some occupations will undergo radical transformation or even disappear completely, while entirely new jobs and modes of collaboration will emerge. One thing is clear: having a basic understanding of commonly-used technologies and being fundamentally open to new ideas will be absolutely essential – and not just on the labor market. As a global logistics company, we were among the first to recognize new technologies as an opportunity; indeed, we see ourselves as a logistics industry trailblazer in an increasingly digital world. Today, we are in a position to react quickly to change and to adopt new technologies and business models so that we can conduct our business more efficiently and sustainably.



In 2017, we continued to pursue our goal of becoming a benchmark company for responsible business, focusing our efforts on those issues considered most relevant by our stakeholders. Continuous improvement is another key component of corporate responsibility at Deutsche Post DHL Group and, during the reporting year, we conducted a fresh round of stakeholder interviews in order to reassess and update the results of our 2015 materiality analysis. At the heart of our activities are our employees, who put our shared values into practice every day with passion, dedication and a clear sense of the value they contribute. As part of our annual Employee Opinion Survey, we ask our people to evaluate categories such as Active Leadership and Employee Engagement, and we use this input to gauge progress towards our continuous improvement goals. Our activities in the area of sustainability, which involve collaborations with several external partners, are subject to high standards. Our adherence with the UN Global Compact principles and support for the United Nations Sustainable Development Goals (SDGs) are just two such examples.

In 2017, amendments to Germany's Commercial Code (HGB) changed the requirements placed on corporate reporting. In addition to existing reporting criteria, companies are now also required to submit a non-financial report detailing information on personnel and social matters, human rights and combatting corruption. While this new requirement demands an additional level of investment on our part, it is also indicative of the growing relevance of corporate responsibility in society today – an aspect long-since reflected in our own reporting practices.

This year, our report includes a long list of achievements of which we can be proud. One very important area is our responsibility to the approx. 520,000 employees throughout the Group. I'm pleased to report that this number grew again in 2017, and that we now employ 11,500 more people than in the previous year. The continuous growth of our workforce is a testament to our success and supports our goal to become Employer of Choice. All the more encouraging, then, to see the Employee Opinion Survey once again generating such high approval ratings among employees. Employee involvement in volunteer projects was, as ever, impressive this year. Together, our people invested nearly 400,000 hours in social and environmental projects, supported refugee integration efforts, and helped plant more than one million trees, thus exceeding one of our Mission 2050 goals.

In the reporting year, we achieved several more milestones on the way to Mission 2050. We improved our carbon efficiency by 32% over 2007 levels, which exceeded our own goal for 2017 by one index point. In keeping with our role as forerunner in climate-efficient green logistics, we have now deployed 5,500 StreetScooter electric delivery vehicles in our mail and parcel operations. We already deliver 28% of our own first and last mile services with clean pick-up and delivery solutions – whether by foot, StreetScooter, e-bike or cargo bike – and this year we also began selling the StreetScooter to external companies and organizations.

A further goal of our climate protection activities is to make a significant contribution to the two-degree climate goal established by the UN. Our partnership with the 2017 climate change conference (COP 23), which took place in the immediate vicinity of our Post Tower headquarters in Bonn, was a terrific opportunity to communicate our commitment to this issue to the global climate community.

Although a report like this focuses primarily on past activities and achievements, I do not want to conclude without a brief look at what lies ahead. In the future, we want to further expand our role as a leader in corporate responsibility and sustainability, and become a benchmark company for responsible business. We are excited about the incredible potential opened up by digitization, and will continue to seize the opportunities it brings. But this is only possible in an

environment in which logistics is free to realize its full potential. As a logistics company, we enable the exchange of goods and information, thus promoting economic growth and development around the world – we connect people and improve their lives. But free-flowing commerce is crucial to all of this. Protec-

tionism and walls, either in our minds or at national borders, threaten not only social progress, but also the exchange of ideas and values. All of which brings me full circle – we are Dedicated to Shared Values and to working together across cultures and borders.

“I believe it's not enough for a company to focus solely on creating value for its shareholders – we want to give something back to society, too.”

Sincerely,

Dr. Frank Appel
CEO