



“Right now, the year 2050 seems a long way off – 33 years to be exact. Over this time we’ll see countless new generations of vehicles, but only a few new generations of aircraft. And container ships being launched today are built to operate for 20 years or more. So we have to use these three decades to convert our business to zero emissions technologies.”

MELANIE KREIS

MEMBER OF THE BOARD OF MANAGEMENT FINANCE, HR



EMPLOYEES & WORKPLACE

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EMPLOYEES & WORKPLACE

Management approach & targets ✓ PwC

Our market position as a leader in the postal and logistics industry and the innovative power of Deutsche Post DHL Group are largely founded on the commitment shown by our workforce of approximately 510,000 employees and their readiness to continually further their personal and professional development. Becoming and remaining Employer of Choice is a core objective of our corporate strategy. We are therefore committed to excellence when it comes to human resources management, leveraging the potential of our employees worldwide, giving them the opportunity to develop and grow, and recruiting the right candidates to fill open positions.

We offer a supportive, respectful work environment in which our employees can develop their creative potential and commitment to the full. We believe that open, constructively led employer-employee dialogue is just as important as fair, reasonable and competitive remuneration. Our Code of Conduct provides the foundation for a corporate culture characterized by mutual respect and sets the benchmark for our actions as individuals and as a company. We see great strength in the diversity of our workforce and the potential in each and every one of our employees. The objective of our diversity management approach is to create an understanding of the various facets of diversity, heighten awareness of all forms of discrimination and

assist both managers and employees in ensuring a culture of acceptance and respect.

Great importance is placed on open and direct communication between managers and their employees at Deutsche Post DHL Group. It not only demonstrates a culture of mutual respect. It also plays a key role in employee satisfaction. We use our annual Employee Opinion Survey to assess employee engagement and satisfaction. Survey results are used to make continuous improvements in the workplace the organization. They are also used to derive our “Active Leadership” indicator; performance in this area is a variable remuneration component for our executives. The survey has also shown us that personal development and further training and education are important factors in promoting employee engagement. In this spirit, we are using the Group-wide Certified initiative to make our employees the best in the business.

As a responsible employer, the health and safety of our employees are number-one priorities for us. We want to provide our employees with a workplace that promotes health, provides access to a healthcare system and fosters a workplace culture that places safety first.

We measure the success of our human resources management measures with the help of various KPIs, which we track and evaluate with the help of the HR Scorecard; results are reported to management on a regular basis. For the HR themes of relevance for our stakeholders, we have defined the following management parameters and targets:

Progress made in the reporting year and new targets for 2017 ✓ PwC

Issue	KPI	Target 2016	Status
Employee engagement (Material issue)	Employee Opinion Survey approval rating for “Active Leadership”	Increase the approval rating to 74% in 2016	Achieved
Training and HR development (Material issue)	Participation in Certified initiative	Certify 80% of our workforce by 2020	More than 230,000 employees certified
Occupational safety (Material issue)	Accident rate (LTIFR)	Review and set suitable targets in 2016	Group-wide target set
Employee relations	Impact Assessments (appears later as “ER due diligence”)	Conduct three impact assessments in Asia	Achieved
Target 2017			
Employee engagement (Material issue)	Employee Opinion Survey: “Active Leadership”	Increase approval rating by one percentage point	
Training and HR development (Material issue)	Participation in Certified initiative	Certify 80% of our workforce by 2020	
Occupational safety (Material issue)	Accident rate (LTIFR)	Improve Group LTIFR to 3.8	
Employee relations	ER due diligence	Continue assessments in Latin America and Asia	

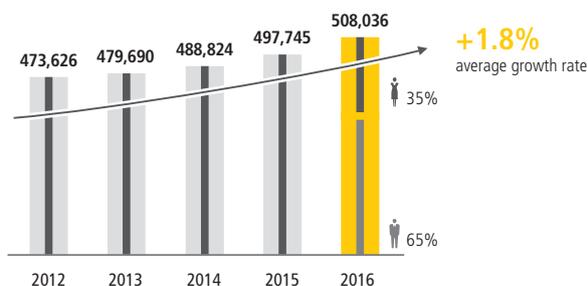
Employees

At the end of 2016, our global workforce numbered some 510,000 employees, making us one of the biggest employers in both Germany and the world. The vast majority of our workforce is made up of employees who work in the operative side of the business and are responsible for processing and distributing shipments and goods. We also employ experts in a range of specialist disciplines. These include logistics experts, IT and finance specialists, and managers.

WORKFORCE STRUCTURE ✓ PwC

Given our position as the leading postal and logistics services provider, we were able to employ some 10,000 more employees in the reporting year as compared to 2015. Our global workforce, which now totals 508,036 employees, comprises 65% men and 35% women. The average age is 41. We have some 330,000 employees in Europe, making it the Group's largest region in terms of employment numbers. Of these, around 211,000 employees are based in Germany, where our headquarters are located.

Employee numbers¹ ✓ PwC



¹ Headcount at year end

We offer men and women the same opportunities and career perspectives. In upper and middle management, the share of women in executive positions is 21.1%. We also strive to make the jobs and working models we offer more attractive to women, and to prepare suitable women employees for leadership roles.

One reason we are able to attract employees all over the world is that both our business and our workforce are international. In our Bonn headquarters alone, we employ people from approximately 50 different countries.

Developing our future workforce ✓ PwC

We consider several factors when calculating and managing our future workforce structure – these include not only our operative requirements but the projected effects of fluctuation rates. Close and particular attention is paid to unplanned turnover, which includes the short-notice departure of employees due to changes in personal circumstances, for example.

Workforce fluctuation opens up opportunities for other employees, allowing them to assume new responsibilities and further their development. Internal hiring helps us retain expertise while new hires bring fresh ideas and new insights.

In 2016, average employee turnover Group-wide was around 15%, on par with the annual average in the transport and logistics sector. Over the course of the reporting year, approximately 8% of employees left the Group unplanned. Analyses show strong regional differences in our unplanned turnover figures. It is lowest in Europe (4%), where we employ the majority of our workforce. In the Americas and in Asia Pacific, it reaches into the double digits, an effect of the dynamic market environment.

Detailed data on fluctuation can be found in the Annex to this report.

NEW HIRES – INTERNAL AND EXTERNAL RECRUITMENT

Instead of filling vacant positions or newly-created jobs primarily through the recruitment of external candidates, whenever appropriate, we make it a point to assign employees new responsibilities or give them opportunities for job advancement. Developing our training methods and HR development measures is therefore important for us and something we do as part of an ongoing process. Over 70% of vacant management positions in 2016 were filled with internal candidates

Job applicants use our global online recruiting platform to learn about and apply for training and career opportunities within the Group. The platform is an effective way for finding the most suitable candidate for the job and filling open positions quickly and efficiently. We offer equal opportunities for both internal and external hires, as laid down in our Code of Conduct and the Deutsche Post DHL Group Diversity and Inclusion Statement. Applicants are judged on the basis of merit alone, and hiring decisions are based on the qualifications of each individual applicant.

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. In Europe, training is mainly through vocational schools and colleges. Austria, Denmark, Germany and Switzerland have special dual systems which combine on-the-job training at a company or organization with classroom learning at a state vocational school. We train our young employees according to the applicable norms, standards and guidelines in the respective countries and prepare them for their future role in professional life. In 2016, we received some 28,000 applications for apprenticeship positions in Germany.

We have established numerous trainee and college recruiting programs. The trainee program Graduate Opportunities Worldwide (GROW), for instance, develops outstanding recent graduates with Bachelor or Master's degrees to become specialists and managers within our company. For the duration of the 18-month program, GROW trainees are supported by a mentor who provides them with regular feedback and career planning support. In 2016, 38 participants were selected from a pool of over 4,000 applicants.

We have also collaborated with the international student organization AIESEC since 1996 to provide more than 100 internships Group-wide each year for qualified

university students. This helps strengthen our competitive position in the war for talent.

Vocational occupations and integrated degree programs in Germany

Deutsche Post DHL Group is one of the biggest vocational training companies in Germany. In 2016, we hired some 2,500 new apprentices and students. This brought the total number of apprentices to around 4,000. Of these, 76% were hired into full-time positions – or part-time work if requested – after they had completed their training. We aim to continue with our vocational training policy and plan to offer 2,472 new apprenticeship and study positions in 2017.

We offer a wide range of vocational occupations. Depending on their level of education and individual interests, at our company in Germany, secondary school graduates can choose from over 15 different officially recognized

4,000
trainees

apprenticeships and twelve integrated degree programs which combine university studies with fixed periods of work practice. Given that we receive 11.3 applicants for

each apprenticeship position, we are able to fill vacant positions with highly qualified and ambitious candidates. Graduates who have completed one of the integrated study programs are in demand within our company and have the opportunity to take on management responsibility in a relatively short amount of time.

Employee satisfaction

The loyalty and positive mindset of our employees are contributing factors to our business success and for achieving our strategic goals. The following aspects play a key role in strengthening employee trust, motivation and loyalty:

- We give our employees a voice: we use our annual Group-wide Employee Opinion Survey to measure employee engagement and see where we need to improve from our employees' point of view. Results from the "Active Leadership" section of the survey, a central non-financial performance metric for the Group, are tied to bonus payments for company executives.
- We offer performance-based, market-standard remuneration that is aligned with business goals and provides long-term incentives. We also foster motivation and engagement by offering attractive non-financial benefits such as flexible working models.
- We offer our employees excellent development and training opportunities, and give them the space they need to develop their potential.
- We practice and promote an open dialogue based on honesty, respect and trust, and use a range of communications channels and formats to make sure our employees receive timely information on matters such as new developments and organizational changes within the Group.
- We leverage our employees' expertise: as specialists in their fields, they are best placed to identify areas for improvement in existing processes. We offer a broad training program to enable employees to learn and apply First Choice methodologies based on Six Sigma and Lean.
- We encourage our employees to take an active role in improving their work environment. They can submit their suggestions via the online idea management platform. We use a bonus system to honor ideas that result in a proven benefit.
- We support our employees' commitment to serving their communities and protecting the environment.

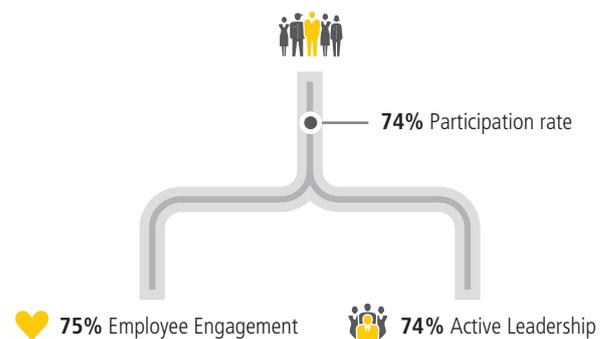
EMPLOYEE OPINION SURVEY: GIVING EMPLOYEES A VOICE ✓ PwC

Our annual Employee Opinion Survey (EOS), which we introduced in 2009, is our central tool for assessing employee engagement. The EOS aims to do the following:

- Strengthen our corporate and leadership culture
- Gauge employee awareness of and identification with our values and the Group's corporate strategy
- Identify success factors and action areas for continuously improving the workplace and to compare our results with those of other companies

At 74% in 2016, the EOS participation rate reflects the high level of acceptance the survey enjoys among our employees. We expressly encourage our employees to give their honest opinion in the survey, which is purely voluntary. Employees' data is completely anonymized and assessed by an external, independent company. The same questionnaire is used throughout the Group, ensuring comparability of results for all categories and questions across the divisions. The questionnaire comprises 41 questions across ten different key performance indicators (KPIs) and the Performance Enablement Index.

Results of the 2016 Employee Opinion Survey ✓ PwC



One of the survey’s central KPIs, Employee Engagement, helps us gauge the extent to which employees feel motivated to make our company successful and go the extra mile for our customers. The Performance Enablement Index helps us to establish not only whether our employees feel motivated to give their very best to our customers. Employee Engagement achieved a result of 75% in 2016, two percentage points above the external reference value. For Performance Enablement, we achieved a rating of 81%, five percentage points higher than the external reference value.

Our managers influence employee engagement and motivation through their personal management styles. They also serve as role models in implementing our corporate values and goals. The results from the Active Leadership section of the survey are used as a central non-financial performance indicator for the Group. Performance in this area is also a variable remuneration component for our executives. In 2016, the Group-wide result for this KPI rose by one percentage point compared with 2015, thus meeting our 74% target for the reporting year.

Positive survey outcome and outlook ✓ PwC

The positive results for 2016 strengthen us in our business approach. Given the challenges we face, not least the digital transformation of our company, we take encouragement from the survey to strive for further improvement. For 2017, we have set ourselves the goal of improving the approval for the Active Leadership KPI by another percentage point.

Detailed results from the Employee Opinion Survey can be found in the Annex to this report.

COMPENSATION

A system of performance-based, market-standard remuneration combined with long-term incentives plays a key role in making us an attractive employer. Along with monetary compensation, we also provide a wide range of non-financial incentives intended to motivate our employees to go the extra mile for our customers and to retain them for the long term.

Over 70% of all Group employees are employed under contracts governed by collective labor agreements, works agreements or legally binding statutory increases. Monetary compensation includes a base salary plus variable remuneration components such as bonus payments

that are subject to local and position-specific requirements and regulations. In some countries, compensation also covers retirement plan contributions as well as health insurance costs.

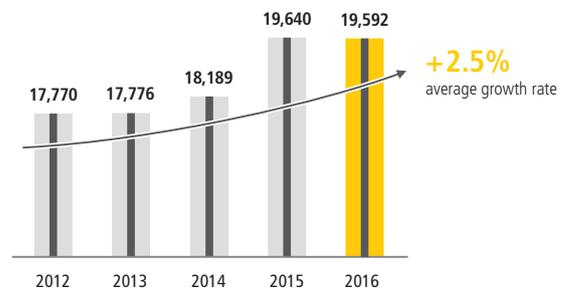
In Germany wages or salaries are generally regulated through either industry-level or company-level collective wage agreements. In many of our companies throughout Germany, our wage-scale employees also receive a performance-based bonus in addition to their wage or salary. At our principal company Deutsche Post AG in Germany, wage-scale employees generally receive a bonus of between 5% and 17.5% of their annual base salary. Non-managerial, non-pay-scale employees are entitled to a bonus of between 17.5% and 40% of their annual base salary.

Job evaluation system ensures reasonable pay

We apply a systematic job evaluation approach to ensure reasonable and equitable compensation within the company. Positions are graded based on job category and job content alone and in line with our corporate values.

Development of staff costs ✓ PwC

Staff costs (€ million)



As a responsible employer, our pay structures take into account not only national minimum wage requirements and the needs of our divisions, but local market demands as well. We strive to offer reasonable and competitive compensation 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

In addition to monthly monetary compensation, we also offer employees attractive non-financial benefits.

- **Flexible work models**
We offer flexible working models which vary according to operational needs and requirements. These measures help our employees to better combine and balance family and career, and can also enable them to remain in employment for a longer period. In response to the aging workforce in Germany, in 2011 a Generations Pact was signed between Deutsche Post AG and the trade unions, which largely comprises a partial retirement program and working-time accounts. Comparable provisions also apply as of 2016 for civil servants employed by our parent company in Germany, Deutsche Post AG.
- **Family-friendly provisions in Germany**
We work together with a Germany-wide service provider to support employees in their work-life balance choices such as finding suitable childcare service or care for family members. These family-friendly services, which include advice, emergency care and vacation programs, are available to all employees. In some locations, we invest in the creation of company-supported childcare facilities. We also offer a relocation service to facilitate work-related moves and get employees settled in their new environment quickly and easily. The Recreation Service (ErholungsWerk), which receives financial support from Deutsche Post DHL Group, enables current and former employees and their families to take advantage of affordable vacation offers. Under certain income-related circumstances, children of employees can also receive vacation grants. Such grants were approved for approximately 2,500 children in the reporting year.
- **Scholarships for employee children**
Our Group-wide Upstairs program provides scholarships for children of our employees. Since launching the program, we have provided over 2,000 scholarships to employees' children in more than 120 countries around the world, thus helping them to pursue higher levels of education. In addition, more than 400 employee children have received pre-vocational support in the form of application writing workshops, summer school courses and work placements.

DEVELOPMENT AS A DRIVER OF MOTIVATION

A key prerequisite in motivating and retaining talented employees is their professional and personal development. Discovering and promoting the potential of our approximately 510,000 employees is thus an important function of our human resources management work. Against the backdrop of demographic change and given the differing educational levels in developing and emerging markets, this brings a number of challenges.

Group-wide Certified initiative: Turning employees into experts ✓ PwC

We want to deliver first-class service and be our customers' Provider of Choice. We also want to be the Employer of Choice for our employees. But we can only achieve both these goals by making our employees the best in the business and by giving them the opportunity to exploit their potential to the full. As part of the Group-wide Certified initiative, we want to turn 80% of our employees into experts in their respective divisions by 2020. More than 230,000 have already been certified.

> 230,000
employees certified

The broad-based, modular program gives employees an insight into the business model, strategy and culture of their own division and enables them to acquire specific knowledge about the Group and the role they play within it. The Certified modules are conducted by company managers and employees whom we train as facilitators. These "home-grown" facilitators are key to the success of the program as they embody the values of our corporate culture and, since participating employees see them as being particularly credible, lend them special weight. Throughout the Group, 4,045 managers and employees have already been trained to facilitate Certified program modules.

Continuous development and systematic learning

We also offer employees and managers a comprehensive catalog of further education and training opportunities:

- **Broad further education and training portfolio:** the catalog of further education and training includes skills and talent programs, train-the-trainer courses, expert seminars and language lessons, and regional programs

developed especially for employees in local-level business units. Many of these courses are available as online seminars, while some involve presence events or video conferencing.

- Life-long learning: with our life-long learning, career development and preventive health programs, we secure the performance and motivation of employees in all age groups.
- Personal development plans: development plans with appropriate measures and training are developed in conversations that take place regularly between employees and their managers. Wherever possible and practicable, training is conducted online using our eLearning platform. To aid decision-making for key career paths within the Group, we provide so-called Learning & Development Planning Guides.

One of our most important leadership principles for our managers is commitment to their own continual personal and professional development, and to the continued development of their employees. It also involves developing an awareness for the principles of our Code of Conduct so that managers can lead by example and better communicate the requirements of the Code.

To advance the Group strategy and further develop the company's leadership culture, higher-level executives take part in a range of different programs with a view to developing their leadership skills and helping their employees to give their best every day:

- Group-wide programs: modular development programs based on training methods such as reflection, feedback and coaching. Through active participation in these programs, the members of the Board of Management play a central role by sharing their own management experience.
- Specialized and customized training: leadership seminars and development programs specially tailored to individual needs.

4.6 million hours of education and training

In 2016, 76% of our workforce spent more than 4.6 million hours in various online training courses and classroom education measures. This is equivalent to an average of 1.5 training days per year for each of our employees. Further

education and training programs are available without restriction to all employees provided that they have an indefinite employment contract, and subject to operational needs.

DIALOGUE WITH OUR EMPLOYEES

We use our Group-wide internal communications channels to promote a corporate culture of openness and shape opinion within the company. Internal communications is designed not only to inform employees, but to give them direction, encourage them to support our company's goals, and strengthen their identification with the Group. Our internal communication measures focus on communicating corporate messages and values, details of current issues and developments, and the exchange of information across our divisions and regions.

We foster dialogue through the use of new, interactive offerings and we support collaboration and networking with innovative applications in our Group-wide corporate intranet. Using a broad range of communications channels, such as the Extranet, newsletters, digital wall displays, print media, posters and flyer-based campaigns, we ensure that all employees, both those with access to a computer workstation and those without, always receive information that is of particular relevance to them.

Our employees at all levels of our organization receive timely information about key developments and organizational changes that could impact their work. In addition to event-type formats, such as staff meetings and video conferences, we place great importance on one-to-one talks. Our managers are therefore committed to seeking and maintaining trust-based dialogue with their employees.

Diversity management

All Different – Together Successful: this is the motto under which people from different cultures with diverse backgrounds, world-views and talents come together as a team at Deutsche Post DHL Group. Working as one, they find innovative solutions, develop new markets and win new customers. We consider this diversity a source of tremendous potential – a driver of continued business growth and a key to attracting and retaining talent in our company.

» **“Our success is derived from the knowledge, skills and perceptions of our approximately 510,000 employees worldwide. We thus place great importance on greeting the diversity and individuality of our workforce by showing tolerance and respect.”**

—
MELANIE KREIS
MEMBER OF THE BOARD OF MANAGEMENT FINANCE, HR

This international structure and multicultural teamwork increases our attractiveness as a potential employer. In Germany, we employ people from more than 150 countries – people from about 50 countries work at our headquarters in Bonn alone. Diversity is simply a part of who we are at Deutsche Post DHL Group.

As a global enterprise, we also believe it is important to align with local and cultural conditions in the diverse countries and markets in which we operate. We thus rely on local managers, whom we train and develop so they can grow our business by putting their local knowledge to use. Diversity and mutual respect are core corporate values and are embraced across the Group. In addition to everyday examples of respectful and valued collaboration in the workplace, these values are confirmed in the results of our annual Employee Opinion Survey, to which we added a diversity component in 2015. The results show how the many facets of diversity are both accepted and integrated into our everyday dealings with one another, and serve to highlight areas for improvement. We are expressly committed to equal opportunity and emphasize this both in our Code of Conduct and the Deutsche Post DHL Group Corporate Diversity & Inclusion Statement. We encourage employees to report violations of the Code of Conduct through various channels, including our Compliance Hotline.

Our commitment to diversity is also reflected in our contribution to refugee aid in Germany. Please see the Society & Engagement chapter for additional details. Deutsche Post DHL Group was recognized several times in 2016 for its exemplary social engagement.

In the reporting year, we enhanced our diversity KPI monitoring system; performance against the KPIs is regularly reported to Management and discussed. This brings greater transparency to this topic, helps identify action areas and promotes exchange between our business divisions.

Diversity management brings responsibility and opportunity
Managers and executives play a key role in putting diversity management into practice on a daily basis. We therefore offer management-level staff special diversity training.

The Diversity Council, an internal committee chaired by the Board Member for Human Resources that includes executives from the central functions and the divisions, advises on diversity management strategy. It convened three times in the reporting year and placed particular focus on the diversity within our management teams. Items on the agenda included processes for increasing the number of women in management as well as the diversity of nationalities in management positions. Diversity Council members also function as advocates for diversity within their respective divisions. In addition to the Diversity Council, the company also has diversity management experts in place at the regional and country levels as well as at headquarters.

For the fourth time in succession, we took the opportunity to extend Diversity Day, a Germany-wide event organized around the Diversity Charter on June 7, 2016, by holding an entire Diversity Week. At over 200 locations, some 40,000 employees took part in activities and events on various diversity-related topics. In cooperation with the Diversity Charter, the DHL hub in Leipzig held a series of diversity workshops and expert talks from June 7 - 9, 2016. The kick-off event, arranged as a podium discussion with managers and our Board Member for Human Resources, focused on the significance of our diverse workforce for Deutsche Post DHL Group. In a subsequent open forum, topics included dealing with diversity in society as a whole and its significance for Leipzig as a business location.

WOMEN IN EXECUTIVE POSITIONS

The share of women in upper and middle management in the reporting year was 21.1%. Measures implemented in 2016 resulted in a slight increase compared with 2015.

We report at regular intervals to the HR Board and the Board of Management on the status of women in leadership positions, and advise on ways to effect further improvement. In 2016, the HR Board decided to review and enhance the Group's HR processes.

21.1%

women in management positions

A succession action plan was prepared to ensure that all candidates with equal qualifications and suitability receive the same consideration regardless of gender.

As part of our annual succession planning process, we take an equitable, gender-neutral approach when reviewing employee profiles for suitability and readiness to take on management roles. We then prepare the employees we select for their next career step and provide them with targeted development support.

We also have a number of Group-wide programs in place which are designed to achieve a continual and lasting increase in the share of women in management roles. These include career planning and work-life balance workshops, career coaching, mentoring programs and networks for women. In Germany, we provide flexible working models as well as childcare-related services. We also use our internal media to report regularly on the topic of women in management positions, how they reconcile work and family life, and showcase mixed leadership teams that are helping to drive business success.

A key area of focus in 2016 involved the implementation of the German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors. In accordance with this legislation, we committed to increasing the share of women in the first management level to 19% and to 23% in the second management level at our principal company, Deutsche Post AG in Germany, by the end of 2016. With the share of women in the first management level at 18.4% in 2016, we came close to our target of 19% for the reporting year. We significantly exceeded our 23% target for the second management level, achieving 28.4%.

More detailed information on this subject is included in our Corporate Governance Report 2016.

LIVING DIVERSITY

We create a working environment that enables people with disabilities to take an active part in working life. In 2016, we employed a total of 15,456 persons with disabilities at our principal company in Germany, Deutsche Post AG. This represents an average annual employment rate of 9.9% and was once again well above the national average in Germany's private sector (4.1% in 2014; source: German Federal Employment Agency).

We make it a point to approach people with disabilities and offer them the opportunity to learn a trade. At the end of 2016, 16 youths with disabilities were enrolled in apprenticeships at our principal company

> 15,000

employees with disabilities

Deutsche Post AG in Germany. As part of our work with the German charity "Aktion Mensch", 20 new internships have been made available for people with disabilities since 2016.

We are also actively involved in educational campaigns and engaged in dialogue with associations, institutions and other companies on issues of inclusion in the workplace. We share our experience with disability-friendly workplace solutions with external platforms. Elected representatives are also in place to represent the interests of employees with disabilities within the Group.

The following initiatives demonstrate what is being done across the Group to promote inclusive employment of people with disabilities.

- As part of our Diversity Week activities in France, a campaign on the subject of "Inclusion of Employees with Disabilities" was launched in cooperation with French partner organization SAMETH.
- On behalf of our customer L'Oreal in Spain, we collaborated with the local Ilunion Foundation to establish an ultra-modern co-packing operation that employs an average of 150 people with disabilities, and as many as 265 during peak business periods. These employees, 50% with physical disabilities and 50% with mental disabilities, package and dispatch some 23 million shipments per year. The initiative was officially recognized for its contribution to inclusion in the workplace.
- At one of our warehouses in Örebro, Sweden, we have worked for more than ten years with Samhall, the

Swedish state-run employment agency, to promote the integration of employees with disabilities. Around one-quarter of the warehouse staff are people with physical or mental disabilities.

LGBTI diversity

We embrace and respect gender and sexual diversity, and as a globally active enterprise we believe we have special responsibility in this regard. Eight years ago, we established our Group-wide RAINBOWNET network for LGBTI employees. Founded in Germany, the network has contact with employees in several other European countries as well as in Malaysia, Singapore and the US.

At the invitation of the UN Office of the High Commissioner for Human Rights (OHCHR), in September 2016 we participated in a regional Europe Workshop in Brussels together with other representatives from business, NGOs

and the trade unions. The aim was to discuss recommendations to help transnational corporations combat discrimination against homosexuals, bisexuals and transsexuals.

Deutsche Post DHL Group is also one of the founding members of the PROUT AT WORK Foundation. Established in January 2014, the organization is committed to greater recognition and equal opportunity for LGBTI employees in the workplace. With a seat on the PROUT AT WORK advisory board, Deutsche Post DHL Group has the opportunity to shape the foundation's work and send a clear message in favor of diversity. Over the course of the reporting year, Deutsche Post DHL Group took part in the PROUT EMPLOYER program and enabled our employees to attend various PROUT events. These included a workshop for lesbians, a seminar for homosexual and bisexual employees on the topic of Coming Out at Work, and the PROUT AT WORK conference.

Employee relations ✓ PwC

Respect and fairness in the workplace are values we live by at Deutsche Post DHL Group. They are also embedded in our Code of Conduct. The Code serves as an ethical compass to guide us in how we treat one another within the Group. We expect our managers to lead by example in both behavior and values, fostering the corporate culture and the principles of Deutsche Post DHL Group in everything they do. The Code of Conduct is therefore an integral component of employment contracts with our managers.

As a signatory to the UN Global Compact, we are committed to respecting human rights in our employee relations and, as laid down in our Supplier Code of Conduct, require that our suppliers do the same when dealing with their own employees. To demonstrate our respect for human rights, we worked with our entities in the UK to prepare a Modern Slavery Statement pursuant to the UK Modern Slavery Act. The Statement outlines our approach for detecting and preventing modern slavery in our supply chain operations.

We believe that a corporate culture that is free from discrimination and in which the performance and engagement of each and every employee are honored will help us to become Employer of Choice. By putting sustainable employee relations structures in place, we have created the framework necessary for achieving this goal. We aim to:

- Strengthen the engagement and motivation of our employees
- Empower our executives and managers to interact with their teams openly, appropriately and responsibly
- Anticipate future trends and respond accordingly with new or adjusted processes

Our approach to employee relations has been well received and officially recognized by internal and external stakeholders.

EMPLOYEE RELATIONS FORUM EXPANDS ITS SCOPE ✓ PwC

The Employee Relations Forum (ER Forum) addresses employee relations issues worldwide that could have cross-divisional or Group-wide impact. The ER Forum is a governance body consisting of employee relations experts

from all divisions and from Group headquarters. Action recommendations made by the ER Forum are discussed and approved by the HR Board. Additional ER Forum action areas include:

- Sharing best-practice solutions and processes from the regions and divisions
- Developing training courses tailored to local needs
- Facilitating exchange at regional and country level among the divisions
- Deepening our understanding of stakeholder requirements and expectations with regard to employee relations and human rights issues

In the course of the reporting year, the ER Forum intensified its collaboration with internal departments such as Corporate Procurement, the Global Compliance Office and the CR experts in Corporate Communications and Responsibility, and reinforced existing processes. Members of the ER Forum work in various parts of the world, ensuring that local and regional experiences and insights are shared. In addition to these monthly meetings, a workshop was held with the Board Member for HR to discuss trends and set priorities for 2016. We also publish a bi-weekly newsletter for employees in HR and provide summaries for managers as a way to raise awareness for employee relations issues within the Group.

Training and awareness ✓ PwC

Another way we raise awareness about employee relations and human rights issues and how they impact our company is through training modules included in our Group-wide Certified initiative. The module “Building Great Employee Relations” targets managers and was introduced over the course of the reporting year. During this time, a total of 700 employees completed the course. The module is available in key languages across the Group and will be translated into additional languages in the near future.

We also developed a module for HR experts to enable them to help local managers in applying the Code of Conduct on-site and support in efforts to improve employee relations. We conducted three pilot trainings in the reporting year and plan to roll out the module Group-wide in 2017.

LOCAL EMPLOYEE RELATIONS DUE DILIGENCE

✓ PwC

We conduct regular country-level Employee Relations Assessments as part of our ER due diligence process. These help us to:

- Raise awareness for the importance of good employee relations and anticipate future trends, especially in emerging economies
- Gain insight into employee relations in the respective countries
- Identify challenges in this area and help local management address them with the right tools and processes

The experience gathered since introducing the ER due diligence process in 2013 has helped us to sharpen our focus and place greater emphasis on issues such as freedom of association, working hours and employment conditions.

ER due diligence includes round-table sessions with randomly selected employees from various operating areas. Conducted according to our core value of respect, the round-tables allow employees to voice their opinions. Feedback from these sessions is provided anonymously to management, which is accountable for developing and implementing appropriate actions.

Integral to the due diligence process is cross-divisional exchange between HR experts and business managers as well as the Certified module “Building Great Employee Relations”. These measures enable our managers throughout the Group to carry out their daily duties in a way that supports the Group’s aspiration of becoming Employer of Choice.

ER due diligence is conducted by HR experts from Group headquarters to ensure the necessary levels of competence and objectivity. Countries are selected according to a set of criteria aligned with the divisions. In dialogue with Group headquarters, members of local management develop action plans based on due diligence results. Three ER due diligences were carried out in Asia in the reporting year. Additional due diligence procedures are planned for Latin America and Asia in 2017.

We seek to bring our ER due diligence process into closer alignment with internationally recognized standards and plan to achieve external certification.

EXCHANGE WITH EMPLOYEE REPRESENTATIVES

✓ PwC

In addition to dialogues with their supervisors and other members of management, the majority of our workforce makes use of bodies such as employee committees, works councils or unions to represent their interests. Over 70% of all Group employees are employed under contracts governed by collective labor agreements, works agreements or legally binding statutory increases. In Germany, where 42% of our workforce is employed, we cooperate with employee representatives in all divisions where works councils have been formed. In fact, half of our Supervisory Board consists of elected employee representatives.

The primary responsibility for managing local employee representatives and trade unions rests with the divisions at a country and local site level. At the global level we engage in regular dialogues with the Global Union Federations such as the UNI Global Union (UNI) and the International Transport Workers’ Federation (ITF).

As part of our collaborative dialogue, in March and June, 2016, we were able to officially conclude the matters which had led to the Joint Statement issued in 2014 by the German National Contact Point (NCP) of the OECD, Deutsche Post DHL Group, UNI and ITF. The issues concerning Latin America, including alleged violations of employee rights and improper employee opinion survey practices, were resolved by mutual agreement in August, 2016. It was agreed that dialogue with the Global Union Federations would take place on a quarterly basis. Having held two meetings in the reporting year, the talks will continue with four meetings already scheduled for 2017.

Initiatives within Europe ✓ PwC

Together with our social partners, we participate in an array of initiatives and activities at the European level.

The Deutsche Post DHL Forum, a European works council by agreement comprising employee representatives and management representatives from 30 European countries, and its committees address key issues and how they impact the Group’s business growth. Digital transformation will be a topic addressed by the Deutsche Post DHL Forum in 2017.

Following scheduled elections, the Deutsche Post DHL Forum met on November 24, 2016 for its constituent meeting for the next four years. Over the course of the meeting, the Forum members were instructed both in the duties

of the Deutsche Post DHL Forum and in their associated rights and obligations. The Forum and its subcommittees met a total of 27 times in the reporting year. The Global Union Federations UNI and the European Transport Workers' Federation are each entitled to send a representative to participate in the Deutsche Post DHL Forum plenary sessions.

Partners of the European Social Dialogue Committee for the Postal Sector conducted a joint project in Brussels on the subject of "Mobilising social partners in a new context". The project focused on two specific issues: a seminar on E-Commerce & New Services and the study on collective bargaining agreements in the changing postal sector (CLA Study). In the course of the reporting year, and building on the previous "E-Commerce & New Services" seminar held in November 2015, an innovative Massive Open Online Course (MOOC) was developed. In May 2016, a conference was held in Bucharest to discuss the results of the CLA study. An associated Joint Statement was subsequently issued in December 2016. A final project report has since been released.

In addition, in 2016 Europe's biggest postal service provider Deutsche Post DHL Group was appointed the new Chair of the European Social Dialogue Committee for the Post Sector.

Health & occupational safety

MANAGEMENT APPROACH & TARGETS

The health, well-being and safety of our approximately 510,000 employees around the world are top priorities at Deutsche Post DHL Group and we are committed to ensuring safe and healthful workplaces for all. Health and occupational safety are therefore fundamentally important issues for us. The materiality of occupational safety for the Group has also been confirmed by our stakeholders.

Health & occupational safety at Deutsche Post DHL Group



Our management approach sets out to address the growing demands of changing work environments, demographic shifts and global trends in health, occupational safety and well-being. As laid out in the Group's Health, Safety & Well-being Strategy, our efforts are based on the World Health Organization's Healthy Workplace Model and

address the following four dimensions: the physical work environment, the psychosocial work environment, personal health resources and community involvement. Our approach also promotes the collaboration between managers and employees in creating safer workplaces and promoting health and well-being.

Prevention is a cornerstone of our approach. It is our aim to prevent chronic illnesses, mitigate their complications, and to improve sickness rates through locally tailored measures and initiatives.

- Our Global Health & Well-Being Program raises awareness among employees regarding health issues and motivates them to take responsibility for their own health and well-being.
- Our Group-wide Employee Benefits Program, one of the largest worldwide, provides health insurance packages to employees in numerous countries to supplement statutory health insurance or provide healthcare where it does not exist.
- In line with the Group's "Safety First" approach, our occupational safety organization has made accident prevention its top priority. We empower and engage managers as well as employees in recognizing workplace hazards and taking appropriate action.

Our Corporate Health Policy lays out our goals and action measures for promoting workplace health within the Group. Our occupational safety requirements are defined in our Occupational Health & Safety Policy Statement.

Achievements and targets

Focus area	KPI	Target 2016	Achievement
Occupational safety ✓ PwC	Accident rate (LTIFR)	Review and set suitable targets in 2016	Group-wide target set
Health management	Improve sickness rate and transparency on health risks	Capture best practices and enable exchange/knowledge transfer	Roll out Group-wide Health & Well-being platform in 2016
		Implement global health risk monitoring	Group-wide health risks are reported quarterly to the management
		Target 2017	
Health management	Measure impact of Global Health & Well-being Program	Develop a calculation methodology	
Occupational safety ✓ PwC	Accident rate (LTIFR)	Improve Group LTIFR to 3.8	

CREATING HEALTHY WORK ENVIRONMENTS

We take a holistic approach to health management at Deutsche Post DHL Group, meaning that we do more than provide healthy work environments – we also encourage and help our employees and their families to pursue healthy lifestyles, avoid risk factors and prevent chronic disease. We understand that as members of a global logistics company and, by extension, its supply chains, each and every one of our employees should be protected from epidemics and other external health risks. For this reason, we systematically monitor global health threats and their relevance to both our people and our operations.

Our Four Pillars of Health – Education & Awareness, Prevention & Screening, Disease & Condition Management (DMP), Behavioral Change – provide a framework for managing health holistically. Each pillar addresses a different phase in health promotion – from building awareness, prevention and mitigation, to driving behavioral change. This model, along with the identification of future potential trends, helps us design actionable measures that are tailored to the specific circumstances and needs of our employees in each country. We do this through our Global Health & Well-being Program.

Our approach aims to minimize occupational diseases and work-related illnesses and to reduce sickness rates

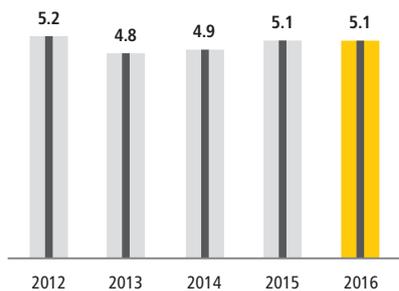
» "We regard health as a state of comprehensive physical, mental and social well-being and not merely as the absence of illness. Health encompasses the capability and the motivation to lead an economically and socially active life. In this sense, work can be a fundamental source of satisfaction and, accordingly, of health."

EXCERPT FROM THE DPDHL GROUP CORPORATE HEALTH POLICY



within the Group. The Group-wide sickness rate can generally be attributed to our aging workforce and the increase in chronic disease. For the reporting year, the sickness rate remained unchanged at 5.1%. Workplace accidents accounted for 0.3 percentage points of the total sickness rate.

Group-wide sickness rate¹ ✓ PwC



¹ Coverage rates: 98% (2016), 97% (2015), 94% (2014), 90% (2013), 73% (2012)

Managing our health management activities

While Group divisions are responsible for the local implementation of health management within their organizations, cross-divisional health-related issues are discussed and agreed centrally by the Board of Management. The Board of Management is kept informed of and is advised on these matters by the Chief Medical Officer (CMO), who is in direct dialogue with key health institutions and organizations. The CMO also provides guidance regarding potential crisis scenarios, such as epidemics and pandemics. At the same time, the CMO also consults at the local, operational level, advising the business on new workplace trends, such as new technologies designed to prevent occupational or work-related disease or make jobs easier to perform.

The CMO also heads the Group's ISO 9001 certified occupational health services in Germany, which includes a staff of some 90 occupational health physicians nationwide. Our health promotion system in Germany is managed by the Central Health Working Group, which is chaired by the Board Member for HR.

Health as a management responsibility

Our managers play an important role in establishing a culture of health and well-being across the Group. We offer them training and other targeted measures to sharpen their

awareness of this responsibility and to strengthen their commitment to health management. Well aware of our responsibility for both the physical and mental health of our employees, our executive education program includes a web-based training module called "Leadership and Mental Health". The training, which is available to all managers across the Group, provides basic knowledge on mental health, stress, and the correlation between leadership and health, and provides managers with solutions for strengthening their own personal resources and protecting their employees from harmful stress. It has already been recognized as best practice in managing mental health risks.

Additional health insurance benefits

Approximately 300,000 of our employees – more than half of our workforce – work outside of Germany. Many of these employees live and work in countries that do not offer sufficient social health coverage. Because we believe that every one of our employees should have access to quality, affordable healthcare, we have established a Group-wide Employee Benefits Program that provides insurance coverage to numerous employees and their dependents where there is a need to supplement social healthcare or where no statutory health insurance exists. Our ability to maximize and control funding efficiencies around the provisions of our insurance program allows our employees and their families access to affordable healthcare coverage.

Global program, local solutions

Our Global Health & Well-being Program offers a global strategy with tailored local solutions, meaning that our health and well-being initiatives and campaigns are specifically designed to address country health concerns. We do this by systematically monitoring health risk indicators around the world, which are then used to develop tailored measures to mitigate the underlying drivers by country. Based on this data, for example, we have increased the focus of our health initiatives in Mexico on combatting hypertension, which is widespread in the region. By contrast, in China our measures focus more on respiratory ailments.

Special attention is given to preventing chronic illnesses that according to the World Health Organization are the cause of 60-80% of deaths worldwide. The WHO has also identified mental illness, especially depression, as a leading cause of disability and a major contributor to the overall global burden of disease. In response, we have increased our efforts in the area of health management to

combat mental illnesses and depression. In Germany, China and the US, for example, affected employees are provided support through dedicated occupational health experts and employee assistance programs.

Global IT platform rolled out

Central to our Global Health & Well-being Program is the exchange of best practice initiatives and measures across the Group. Our new dedicated Health & Well-being platform, which was rolled out in the reporting year, provides a standardized mechanism for collecting, monitoring and measuring the impact of the various activities being undertaken by our entities around the world. The system is also used to rank measures, which are categorized and awarded points based on our Four Pillars of Health. Business units can accumulate points across the pillars to qualify for discounts on Group-sponsored insurance coverage, freeing resources to be used to further benefit our people and their families locally.

The platform also serves as a go-to reference for information on current health issues and trends, providing access to the most up-to-date articles, studies and research in the areas of health and well-being. This system enables HR managers not only to track the progress of their initiatives and measures but also to see what is being done to deliver health and well-being to our employees in other areas of the Group.

HIGH STANDARDS IN OCCUPATIONAL SAFETY

✓ PwC

Workplace safety for our employees is a number-one priority at Deutsche Post DHL Group. Our occupational safety efforts focus on prevention. We systematically assess the working conditions of our employees for risks and potential dangers and provide our workforce with the equipment they need to carry out their jobs safely. We also conduct classroom-based and online safety training to heighten the awareness of employees and their managers on the subject of safety and possible workplace hazards. Additional information in the form of posters and other materials are used to reinforce a “Safety First” culture within Deutsche Post DHL Group.

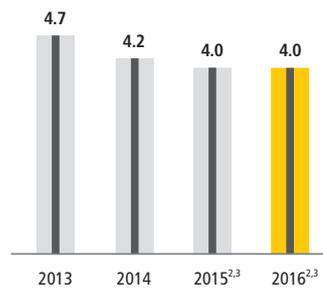
Our Supplier Code of Conduct obligates our suppliers under contract to adhere to our values and standards as well. This includes conducting risk analyses and workplace

risk assessments, instructing employees on potential risks and hazards in the workplace, implementing prevention measures to protect workers and others from injury, as well as regular safety training.

Accident rate remains stable ✓ PwC

We began publishing comprehensive accident statistics in 2015. While temporary workers are covered in these figures, subcontractors are not. Since this time, data is collected and analyzed centrally and submitted at regular intervals to the Operations Board for discussion. These discussions in the reporting year led to an agreement on a new Group-wide goal – to achieve above industry-average performance in the area of occupational safety. As part of this vision, we intend to improve our accident rate (LTIFR) to 3.8 in 2017.

Group-wide accident rate (LTIFR)¹



¹ Coverage rates: 96% (as of 2015), 92% (2014), 83% (2013); ² Includes temporary workers; ³ Verified by PriceWaterhouse Coopers ✓ PwC

Our activities and measures in the area of occupational safety are already making a positive impact on our numbers. At 4.0 workplace accidents per 200,000 hours worked, the Group-wide accident rate for 2016 remained unchanged from the previous year. The working days lost per accident decreased by 0.8 to 14.8. The diversity of the jobs performed by our people from across our divisions is reflected in these figures. Employees from the Post - eCommerce - Parcel division are at a higher risk of accident or injury from slips, trips and falls, for example, than employees who work in the logistics divisions and are not involved in delivery operations.

Our measures also helped us reduce the number of fatal workplace accidents in 2016 compared to the previous year. We extend our heartfelt condolences to the families of the four members of our staff who, despite all our efforts in the reporting year to ensure workplace safety, lost their

lives in workplace accidents or due to injuries suffered as a result of a workplace accident. Of these, two were traffic fatalities. Complete accident statistics can be found in the Annex of this report.

Managing occupational safety measures

Each Group division has its own organizational and management structure dedicated to occupational safety. Cross-functional topics are discussed by the Operations Board, a committee made up of division executives under the leadership of the CEO. The Operations Board is also responsible for managing and developing occupational safety KPIs. The Operations Board met five times in the reporting year to discuss and approve the following measures in the area of occupational safety:

- Strategic assessment of occupational health and safety (OHS) activities across Deutsche Post DHL Group
- Stocktaking on the implementation of OHSAS 18001 standard
- Improvement of coverage rates for recording key performance data and definition of suitable targets
- Analyses and benchmark comparisons
- Selection of Deutsche Post DHL Group Health & Safety Awards winners

In early 2016, a strategic workshop was conducted to identify major challenges and projects in the area of OHS for the coming years. Key topics included the transparency and reliability of OHS data, the definition and comparison of Group-wide terms, and the drafting of an occupational safety mission statement for the Group.

We also continued assessing the implementation of the OHSAS 18001 standard within the Group. OHSAS 18001 provides us with a framework for establishing the policies, procedures and controls needed to achieve the best possible workplace health and safety conditions. This also ensures alignment to internationally recognized best practice. We continued to roll out the standard in the reporting year, with compliance confirmed either through external certification or self-assessment. The external certification rate depends largely on the specific customer requirements and business models within our divisions. In 2016, we began training staff in Germany to undertake the role as on-site multipliers for the OHSAS 18001 methodology.

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.

SYSTEMATIC PREVENTION IS KEY

When it comes to ensuring safe and accident-free working environments, a systematic approach to prevention is key. After all, we want to make sure our people return home to their families safe and sound, each and every day.

- **Training for managers**
Our managers bear great responsibility for the well-being of our employees. Inspecting the working conditions of staff, correctly assessing risk levels and initiating suitable measures to minimize risk are among their most important managerial tasks. For this they receive support in the form of guidelines, recommendations and consulting from our occupational safety experts. We also work to continually fine-tune and improve the safety training we offer to managers, so that we continue to increase their awareness for the importance of occupational safety and prepare them to carry out their occupational safety responsibilities.
- **Keeping an eye on workplace safety**
All of our activities in the area of occupational safety aim to heighten employee awareness on the subject of safety and possible workplace hazards – not only for their own protection, but also for the safety of others. This includes hazards outside our area of responsibility. Technical equipment and vehicles are subject to work safety and occupational health inspections before they are purchased. This safeguards the health and safety of our employees and ensures that the equipment they use is safe.
- **Deepening understanding of workplace hazards**
We systematically assess the working conditions of our employees for risks and potential dangers. These evaluations identify the working environments of delivery personnel, drivers, machine operators and warehouse personnel as potentially dangerous. Workplace inspections and audits are carried out on a regular basis. We also conduct safety training measures to raise awareness of safety issues among our employees. Compliance with statutory and operational regulations is overseen by management systems.

International occupational safety week

In our ongoing effort to embed a Safety First culture across our business, we conducted a week-long awareness-raising campaign from April 27-30, 2016 as part of the International Labour Organization's annual World Day for Safety and Health at Work. The activities, which varied from division to division, drew attention to workplace hazards and informed employees on how to eliminate risks.

The Post - eCommerce - Parcel division, for example focused on seatbelt safety and dogs, two known risk areas for its delivery staff. Alongside seatbelt inspections and presentations on seatbelt laws and legal implications of non-compliance, employees had the chance to climb into a seatbelt simulator and experience what it is like to "crash" at low speed. Other employees had the chance to take part in a training course that taught them how best to de-escalate aggressive canine behavior.

With zero accidents as its goal, the Express division held a Safe Driving Rodeo for its couriers in the US. Express drivers participated in both practical and written tests to demonstrate defensive driving skills and their knowledge of the safety rules, which are part of a five-point approach proven to effectively reduce accidents on highways and roads.

In Spain, Supply Chain tackled warehouse safety by hanging giant balloons over sites of previous accidents or injuries. Designed to keep workplace hazards top-of-mind, the balloons are marked with signs indicating the kind of incident that occurred, for example "I tripped while stepping over pallets". Since its launch in 2014, this so-called SLAM (Stop, Look, Assess, Manage) initiative has helped reduce the number of accidents from six to zero.

ONLY THE HIGHEST STANDARDS FOR DANGEROUS GOODS TRANSPORT

As a leading logistics company, we also specialize in the safe and proper transport and warehousing of dangerous goods and substances in compliance with prevailing regulations and safety standards. While requirements vary from division to division according to business model and general terms and conditions, ensuring the safety of our employees and minimizing the risks associated with the handling, carriage and storage of dangerous goods remain

top priority for all of our four operating divisions. And in all cases, only specially trained staff are permitted to handle dangerous goods.

- Post - eCommerce - Parcel

All of the division's employees involved in handling and transporting dangerous goods undergo regular training in accordance with international and national regulations, including the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) and the Safety & Quality Assessment System (SQAS). We also offer special driver training on safe maneuvering and securing cargo, for example; this is frequently carried out by our own in-house trainers. External and internal safety and quality assessments are conducted to ensure safe and compliant transport.

- Express

Policies, processes and work instructions governing the handling of dangerous goods shipments are prepared by the Restricted Commodities Group. This task force is also responsible for training any Express staff involved in the carriage of dangerous goods, including not only loaders and couriers but anyone involved in flight operations, such as the flight crew and loading engineers. Strict requirements apply to the stowing of dangerous goods in cargo aircraft, for example, with classification determining their placement in relation to each other as well as to the flight crew and any animals being transported. All procedures for acceptance and handling are based on the Air Transport Association (IATA) Dangerous Goods Regulations, which are readily available in all relevant sites and facilities.

- Global Forwarding, Freight

The division complies with the standards and regulations on dangerous goods for air freight (IATA), ocean freight (IMDG/International Maritime Dangerous Goods Code) and road freight (ADR). All three guidelines require employees involved in the shipment and handling of dangerous goods – which in some cases also includes administrative staff – to receive specialized training. Dangerous Goods Safety Advisors are on hand at site level to enable and monitor compliance. Our occupational safety and health function provides the division with additional support regarding the proper storage and handling of dangerous goods in our Global Forwarding

warehouses. Procedures are in line with the OHSAS 18001 standard. Handling guidelines are made available in local languages, with audits conducted at the country level by local authorities.

- Supply Chain

In this division, dangerous goods management is overseen by an extensive community of certified Dangerous Goods Safety Advisors, who are regularly recertified by the Scottish Qualification Authority (SQA) as required by dangerous goods regulations. Dangerous Goods Safety Advisors also provide on-site awareness training and coaching for individuals and operators that are not required to hold fully regulated dangerous goods qualifications.

Despite the Group's high standards and extensive experience in the area of dangerous goods transport, 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.

GUIDELINES AND POLICIES

Our Corporate Health Policy lays out our goals and action measures for promoting workplace health within the Group. Our occupational safety requirements are defined in our Occupational Health & Safety Policy Statement. Road safety is also important for a transport and logistics company like Deutsche Post DHL Group. That is why we have laid out seven safety rules in our Road Safety Code.

Health management and occupational safety are integrated into the Group's quality management system. Group-wide, we apply OHSAS 18001, the internationally recognized standard for occupational health and safety.

AWARDS

It is important to us to recognize the efforts of teams that go the extra mile to promote workplace safety and health across the Group, and we do this once a year with our Group-wide Health & Safety Awards. Three awards are issued in the Occupational Safety category, and three in the Health & Well-being category.

Winners of the 2016 DPDHL Group Health & Safety Awards

Award	Division	Region	Initiative
Occupational Safety			
Best Behavioral Change Initiative	Supply Chain	UK and Ireland	The road to a Safety First culture: Strategy for driving common commitment to the values of Health & Safety throughout the whole division.
Best Hazard Awareness and Risk Mitigation Initiative	Express	US	100% Engagement: Every employee is a member of the Safety Team, with each of them contributing to improving safety standards every day. Measures focus on prevention, communication, collaboration and control.
Most Innovative Approach towards Resilience in Safety	Supply Chain	UK and Ireland	Raising awareness and instilling a safety mindset in people with long service histories whose jobs have become routine.
Health & Well-being			
Recognized as a Best-in-class local practitioner	Express	Taiwan	Together 4 You: Comprehensive health screening program to identify potential health risks. Reach and impact achieved through employee volunteers who act as "health ambassadors".
Best or most innovative local initiative	Global Forwarding, Freight	Mexico	Balance Total Program: Holistic approach based on analysis of local needs, with measures focused on nutrition, physical exercise and stress management.
Best local execution of Health & Well-being Strategy	Express	China	You Shine – We Shine: Systematic implementation of Health & Well-being Program, with activities for employees and their families with the aim of creating a healthy and happy workplace.



INTERVIEW

» **To offer quality products and services, a company must not only retain its employees, it must motivate them as well.** ‹‹

MELANIE KREIS
MEMBER OF THE BOARD OF MANAGEMENT FINANCE, HR

Interview with Melanie Kreis

“A holistic approach is the basis for everything I do.”

As the Board Member for Finance and HR, what would you say were the key developments in these departments in the course of 2016?

I'd say 2016 was a good year for Deutsche Post DHL Group. Not because of any specific events or results, but because of the outcome for the year as a whole. Our business divisions continue to benefit not only from our growing e-commerce business, but from the quality of our services and from new business wins. The past year was also a good year thanks to the excellent HR work done in dialogue with our social partners, both nationally and internationally. One of the key issues in 2016 involved the development of new, future-focused leadership attributes for managers across the Group. Another equally important HR task was to improve employee engagement. The outcome of our efforts can be seen in the two percentage point rise in the results for the respective Employee Opinion Survey KPI. And as we forged ahead with our Refugee Aid Initiative, we expanded our program of activities and gave hundreds of refugees a new perspective, either by offering them an internship or hiring them into a job.

Despite the financial challenges faced, Deutsche Post DHL Group plans to create up to 100,000 new jobs. Which markets would you say offer the greatest opportunities for growth?

We will continue to exploit the growth seen in our e-commerce business and grow organically as a result. I'd say the greatest growth potential lies in Asia and

Europe. We will also continue to rely on innovation, at national and international level. With digitization playing an increasingly important role, we want to chart a meaningful course for the Group.

The transport sector is in a state of constant flux. Using innovative technologies and expanding the service portfolio calls for specialist skills, a willingness to learn and the ability to adapt. This increases the need for training and gives rise to new types of jobs. How does Deutsche Post DHL Group use its training programs to respond to these growing needs?

The Group has extremely broad-based training offerings which our employees can access in a variety of ways. In addition to traditional, job-oriented training, we also offer online seminars and personal coaching. These are continually developed and enhanced by our HR experts, who also adapt them to current needs. Our Group-wide Certified initiative, which we introduced more than a year ago, is designed to promote employee engagement and improve service quality. More than 230,000 employees have completed the program so far.

An adaptable, multinational workforce plays a prominent role at Deutsche Post DHL Group. People from many different origins, cultures and professions work within a culture of common values and interests to achieve the company's strategic goals. Has diversity become a matter of routine?

Yes, it has. In a globally active company like ours, employees from many different countries and cultures work closely together on complex business processes to meet high quality demands. It is part of our policy to promote employee mobility between our functions and regions. In

our parcel and mail centers, which have long been microcosms of our globalized world, colleagues from countries like Afghanistan, Turkey and Spain testify to the diversity that runs across Deutsche Post DHL Group. This multinational approach is embedded in our Code of Conduct. We want to promote a corporate culture built on the principles of tolerance and respect.

What does “Seeing the Bigger Picture”, the title of this report, require you to focus on in 2017?

A holistic approach is the basis for everything I do. I’m often asked if my two departments, Finance and Personnel, are not a contradiction in terms. You have figures and finance on the one hand, and people and soft skills on the other. But for me, this assumed conflict of interests is simply the wrong approach. The key to sustainable business management is not to see finance and personnel in opposition, but as a collective task. To offer quality products and services, a company must not only retain its employees, it must motivate them as well. That is the only way to secure long-term financial success.