



# ESG HÄLT EINZUG IN DIE IR-ARBEIT - EIN KLASSISCHER CHANGE PROZESS

**MARTIN ZIEGENBALG**

HEAD OF INVESTOR RELATIONS

**Deutsche Post DHL  
Group**



ESG is no longer  
a separate track  
– needs to be  
fully integrated  
by corporates,  
sell-side and  
buy-side



DPDHL approach: **ESG treated like any other corporate** topic  
– also not fundamentally different for IR role



**How to get there?** 1. Define what is most relevant; 2.  
manage, measure and communicate on it



Take everybody along: manage ESG integration as a **classic change process**



**ESG in IR practice:** Also here: Don't overpromise, be  
transparent about your progress



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**ESG** should be treated like all other relevant corporate topics



**Integral part of Group Strategy**



**Strategy Department / Board**



**Execution as part of daily business**



**Divisions**



**Performance steering on core KPIs**



**Finance**



**Integral part of Group Equity Story**



**Investor Relations**



**Feedback loop of investor perception**



**Investor Relations**

# **Executive Summary ESG at Deutsche Post DHL Group**

## ESG complements existing IR Role, but not fundamentally different

### Externally

- IR is **NOT a sales function** – we do not ever “sell” or “push” DPDHL stock. But we aim to attract investors’ attention through DPDHL equity story and ESG performance
- Communication on financial and ESG topics as **analysts and most investors try to project DPDHL’s future performance**. Thus, IR doesn’t aim to trigger headlines but to allow investors making well-informed investment decisions
- Relationship management function as first point of contact with the investment community, including ESG investors

### Internally

- Communicate market expectations and feedback on both financial and ESG topics back to the Group, not only to C-level
- Answering investors/analysts’ enquires with information from various functions: from e.g. Controlling – Regulation – ESG – Aviation
- Prepare quarterly earnings story line and related presentations incl. ESG topics and prepare CEO/CFO for possible Q&A



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# We did not start from scratch: we have a **strong** track record as a sustainable, purpose-driven company

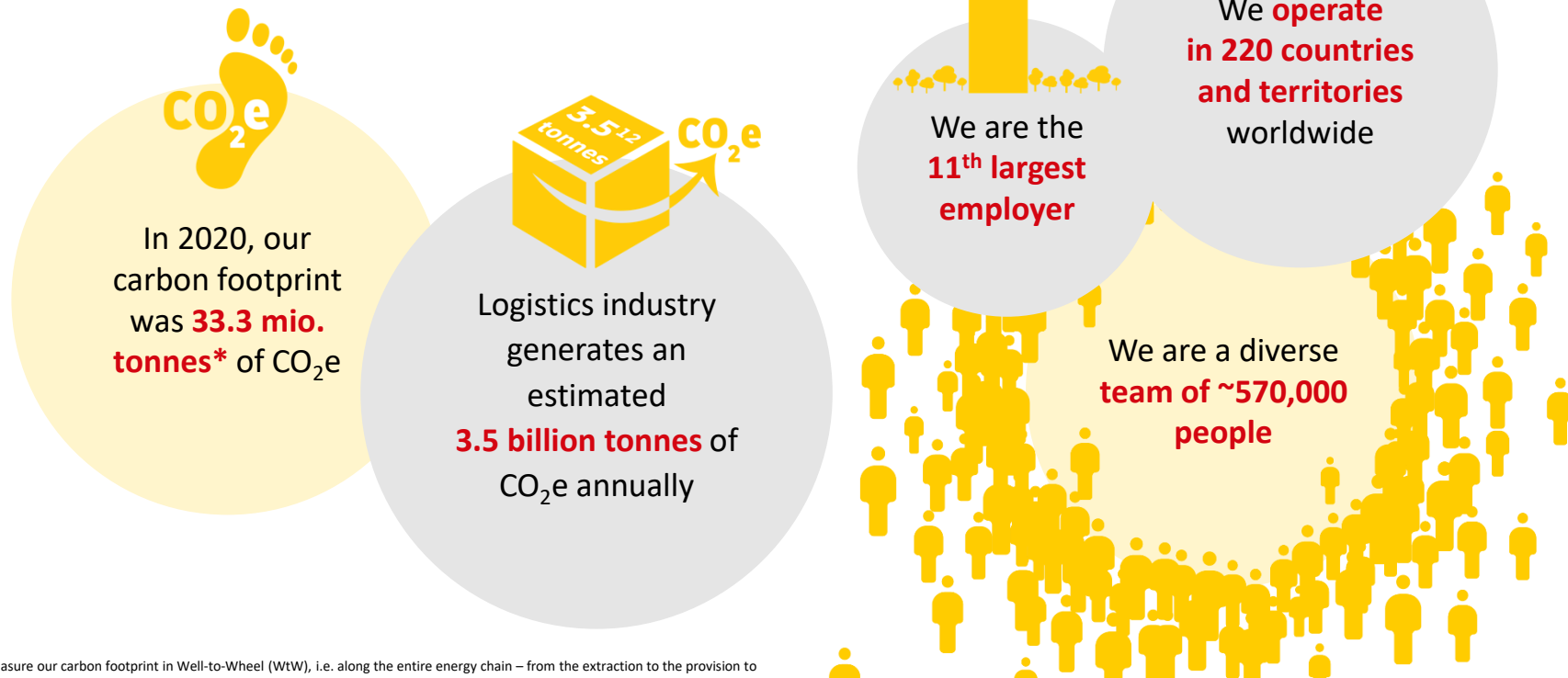


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# 1. Define what's most relevant: Company profile determines your most relevant ESG topics



\*We measure our carbon footprint in Well-to-Wheel (WtW), i.e. along the entire energy chain – from the extraction to the provision to the conversion of the drive energy - and cover all greenhouse gases (CO<sub>2</sub>e).

## DPDHL Sustainability roadmap has identified **3 focus areas with respective ambitions**

### Clean operations for climate protection



- Green last mile & line-haul
- Carbon neutral buildings by default
- Leader in sustainable aviation
- Most comprehensive portfolio of green products

### Great company to work for all



- Attract & retain the best talent
- Strong “Safety First” culture
- Diverse & inclusive workplace

### Highly trusted company



- Compliance as an integral part of daily business
- Effective governance set-up across the organization
- Like-minded and compliant suppliers and partners

**Lasting impact** in communities through our **Go** programs

**GOGREEN**

**GOTRADE**

**GOHELP**

**GOTEACH**

## DPDHL Sustainability Roadmap has also set **targets along 3 core commitments**

### Clean operations for climate protection



- **Reduce emissions** to <29m tonnes CO<sub>2</sub>e by 2030 (SBTi); no offsetting included
- Supported by targets on **sustainable fuel, road fleet electrification** and **climate- neutral design of new buildings**
- **Mission 2050: Zero emissions**

### Great company to work for all



- Consistent >80% score on **Employee Engagement** in Employee Opinion Survey
- **Reduce LTIFR** to below 3.1 by 2025
- **Increase share of women in management** to at least 30% by 2025

### Highly trusted company



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

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

**GOGREEN**

**GOTRADE**

**GOHELP**

**GOTEACH**

## 2. Manage, measure and communicate:

### ESG KPIs integrated in internal management reporting & steering



#### ESG KPIs integrated into management reporting

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



#### ESG in risk reporting & investment evaluation

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



#### ESG performance reviewed at all levels

- ESG performance reviews on corporate, divisional and local level, including implementation of performance measures
- Audit of ESG related quality controls down to local entities

**Approach to non-financial KPIs follows the same logic than defining financial KPIs**



## 2. Manage, measure and communicate: Strengthening external reporting by integrating financial & ESG reporting and increasing transparency



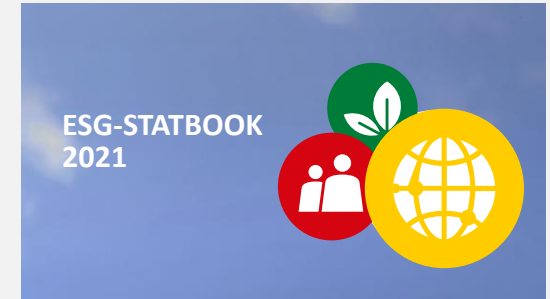
### Annual Report

The non-financial statement (including on EU Taxonomy) is part of the 2021 Annual Report



### ESG Presentation

Consolidates all ESG-related information along with progress realized in FY 2021



### ESG Statbook

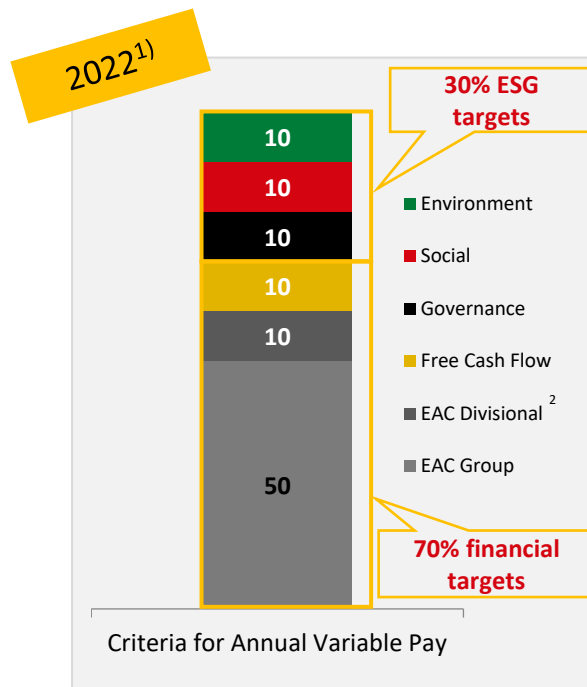
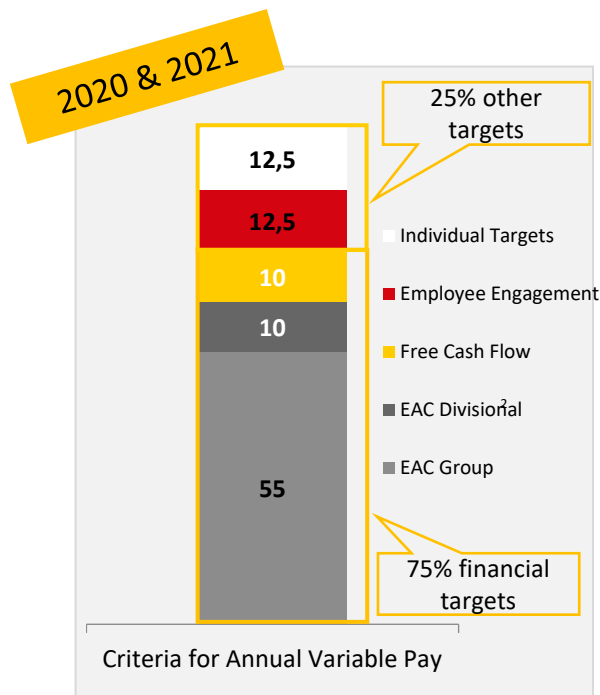
Contains all ESG data published since 2016 as well as reporting standard indexes<sup>1</sup>

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

<sup>1</sup> GRI Standards, Sustainability Accounting Standards Board, TCFD, World Economic Forum.

# DPDHL Sustainability Roadmap

## ESG targets fully integrated into new proposed management remuneration



**Bonus payment schedule for annual bonus and deferral**

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

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

1) Proposal to AGM 6 May 2021; 2) Divisional EAC: only applicable for Divisional CEOs



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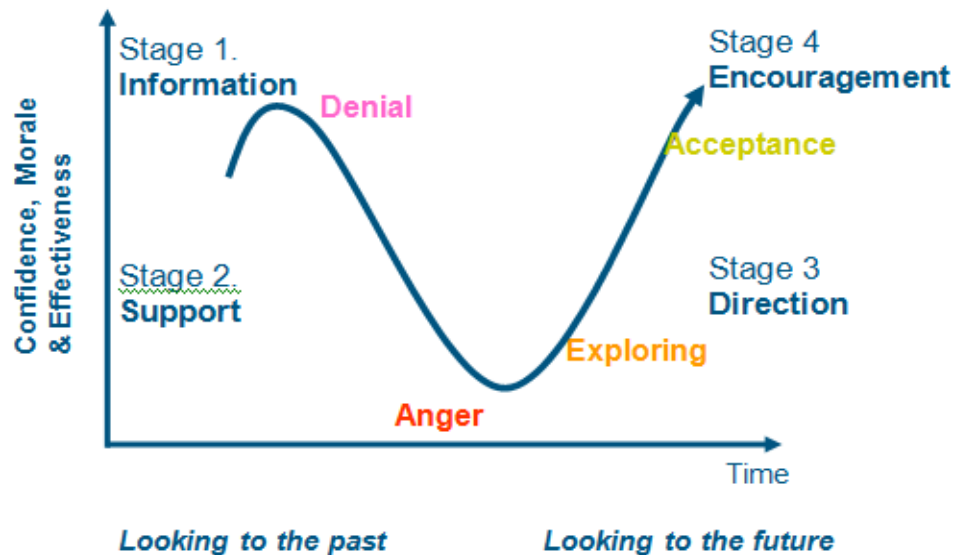
Take everybody along: manage ESG integration as a **classic  
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**ESG in IR practice:** Also here: Don't overpromise, be  
transparent about your progress

**ESG becoming  
new part of daily  
work for many  
colleagues**

Actively support change along the **classic change curve**





**Treat ESG like  
„traditional“  
financial or  
strategic KPIs**

## How to deal with external requirements





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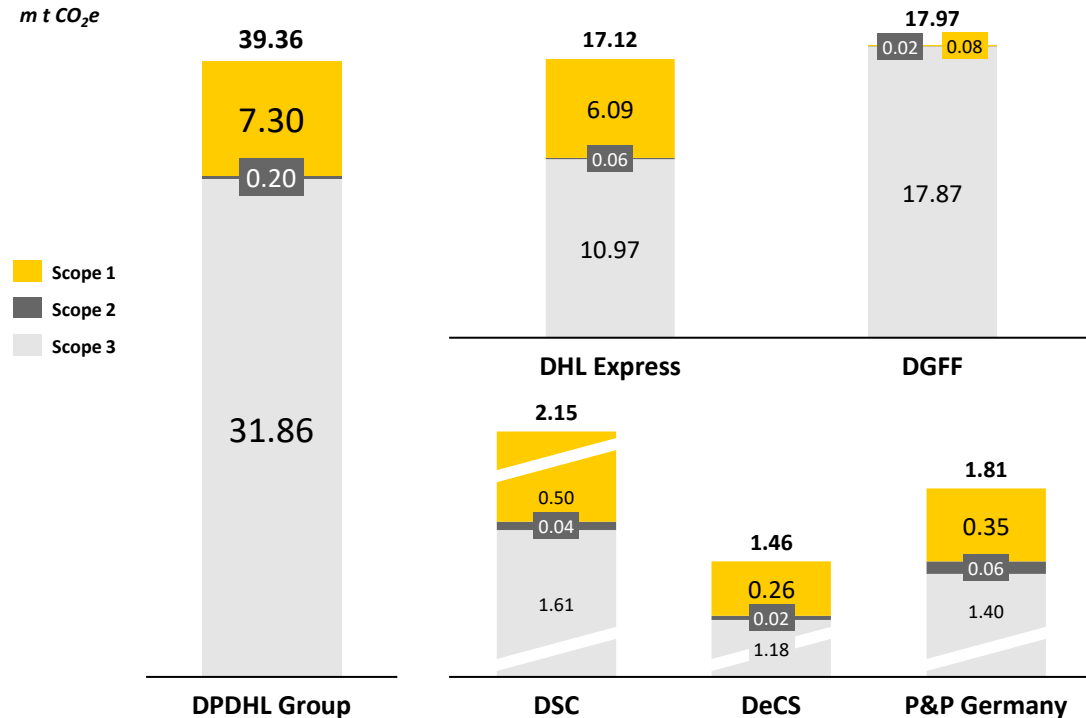


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# IR communication on ESG: Point investors to your most relevant topics

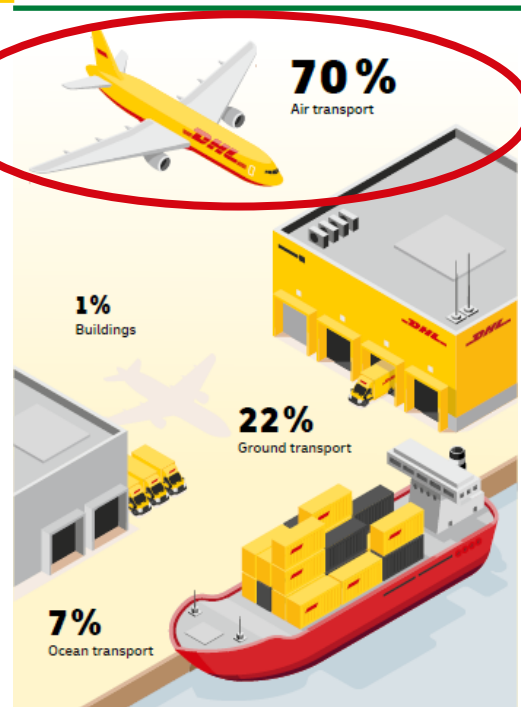
DPDHL Group CO<sub>2</sub> Emissions 2021 by divisions

m t CO<sub>2</sub>e



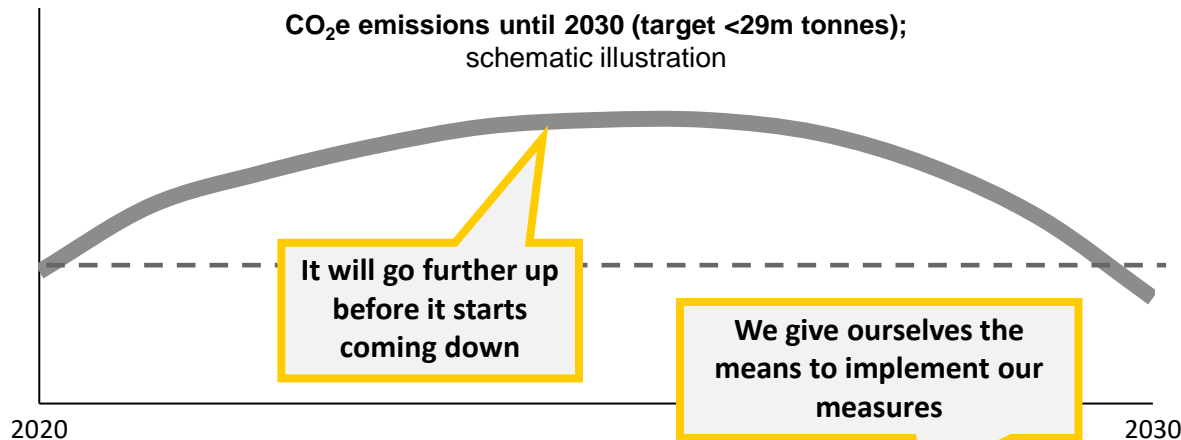
AIR transport is the main emission source

CO<sub>2</sub> Emissions 2021 by modes

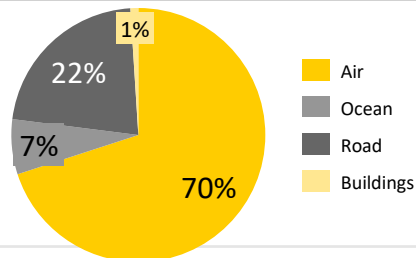


**Clear roadmap to  
reduce CO<sub>2</sub>e  
emissions to <29m  
tonnes in 2030**

**IR communication on ESG: provide clear measures and a realistic pathway to guide expectations**



CO<sub>2</sub>e emissions by mode  
39m tonnes in 2021



€7bn investments  
ramping up through 2030

Sustainable  
fuels  
~€5.5bn

Fleet  
electrification  
~€1.2bn

Sustainable  
real estate  
~€0.4bn



## IR communication on ESG: ...and then talk about your achievements

### ESG Roadmap

Part of Strategy 2025,  
Launched March 22<sup>nd</sup>,  
2021

### Science-based target for carbon reduction

Absolute reduction of CO<sub>2</sub>e emissions <29MT by 2030.

### 30% ESG targets

in Corporate Board Annual Bonus, as of 2022

### Order of first-ever all-electric cargo planes

Twelve zero-emission eCargo aircraft will form the world's first electric Express network

### -25% CO<sub>2</sub>e/Parcel

Parcel Germany, vs. 2015/16  
By far parcel provider with the lowest emission in Germany

### SMF option for all OFR shipments

"Book & Claim" mechanism for Sustainable Marine Fuel

### Top Employer & Great Place to Work

certified in numerous countries worldwide.

### Second €300 one-time covid bonus\*

For approx. 550,000 employees worldwide.  
To be paid in Q4 2021.

### ~40k vaccinations administered

Within DPDHL Group internal vaccination program



\*€ 300 per full-time employee

## IR communication on ESG:

Sort out the ratings/rankings that matter to your business

ESG rating agency	2021 performance
CDP	<ul style="list-style-type: none"> <li>• 'B' Rating confirmed for climate protection reporting</li> <li>• 'A-' Rating confirmed for supplier management</li> </ul>
FTSE Russell	<ul style="list-style-type: none"> <li>• Listed in the FTSE4Good index series</li> <li>• Confirmed for &gt;10 years in a row</li> </ul>
ISS ESG	<ul style="list-style-type: none"> <li>• PRIME Status: highest quality scores confirmed in environmental and social aspects</li> <li>• No.1 in terms of transparency and disclosure of these aspects</li> </ul>
MSCI	'A' Rating
S&P Global ESG	<ul style="list-style-type: none"> <li>• Top 10% of the best companies worldwide</li> <li>• DJSI World and DJSI Europe members</li> </ul>
Sustainalytics	Low ESG risk confirmed
<b>Supplier rating</b>	
Ecovadis	<ul style="list-style-type: none"> <li>• 'Advanced' status confirmed</li> <li>• DPDHL Group is among the top 3% of evaluated companies industry-wide</li> </ul>



## IR communication on ESG:

And provide a single source of truth on all other relevant data



### ESG Statbook

Contains all ESG data published since 2016 as well as reporting standard indexes<sup>1</sup>

### CONTENT



**Environmental data at Group-levels**  
**Environmental data by divisions**



**Social Responsibility data at Group-levels**  
**Social Responsibility data by divisions**



**Governance data and information**

### FURTHER INFORMATION

- Reporting standards indices GRI, SASB, TCFD, WEF
- Archive Nonfinancial Statements until 2019 <https://www.dpdhl.com/en/sustainability/governance.html>

# ESG Stat Book - 2021 Fiscal Year





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