dpd group

DrivingChange™

Acting for green delivery

Corporate Social Responsibility
Report 2019



Parcel delivery
network of GeoPost

Contents

We are DPDgroup
Page 4

DrivingChange™ in a nutshell
Page 8

Employer of choice
Page 16

Carbon neutral commitment
Page 22

Smart urban delivery
Page 28

Closer communities
Page 36

Innovative entrepreneurship
Page 44



Our vision

2019 was another challenging year for parcel operators with strengthened competition, driver shortages, increasing last mile delivery costs, and more stringent urban operating rules to fight congestion and pollution in dense urban areas. Conscious of our responsibility towards the planet and its people, we continued to roll out our Corporate Social Responsibility programme DrivingChange™, that supports our core business priorities and society's evolving needs.

A great shift is taking place. A global community demanding climate action and cleaner air. At DPDgroup, we recognise we are part of the problem. But we are also in a unique position to help.

For the planet, we have pursued our sector-leading carbon neutral commitment since 2012 by implementing low carbon technologies on the road and in our facilities. In particular, we are decreasing our footprint and neutralising the remaining emissions by investing in emission free energy production projects.

In 2019, DPDgroup deployed more than 100 smart urban delivery solutions throughout Europe, in cities such as London, Dublin, and Hamburg including urban facilities with customer-centric features and low-emission delivery methods. We are making ambitious investments in solutions for the future. For example, Chronopost in France has made deliveries in Paris with 100% low-emission vehicles since mid 2019, a first in our sector in Europe.

Our delivery experts play a key role for cities and their citizens. Through our fleet and our depots, we decided to measure air quality levels (PM 2.5) in real time, street by street providing a free, comprehensive picture of air pollution levels for city authorities and DPD consignees. We chose to do this because we know that information inspires action.

This report forms our annual Communication on Progress, in line with La Poste's CSR strategy, our shareholder. We confirm our commitment to the Sustainable Development Goals, which nurture our sustainability strategy.

In 2020, our operating environment became more challenging due to the global Covid-19 pandemic. More than ever, on behalf of DPDgroup, I express my continued support for the UN Global Compact and renew our ongoing commitment to the initiative and its principles.



Boris Winkelmann
Executive Vice President

We are DPDgroup

DPDgroup at a glance

DPDgroup combines innovative technology and local knowledge to provide a flexible and user-friendly service for both shippers and shoppers. With its industry-leading Predict service, DPDgroup is setting a new standard for convenience by keeping customers closely informed about their delivery.

With **77,000 delivery experts** and a network of more than **46,000 Pickup points,** DPDgroup delivers **5.3 million parcels each day – 1.3 billion parcels per year** – through its DPD, Chronopost, SEUR and BRT brands.

DPDgroup is the parcel delivery network of GeoPost, which posted sales of **€7.8 billion in 2019.** GeoPost is a holding company owned by Le Groupe La Poste.

Our commercial brands

dpd chronopost SEUR BRT

Who we are

46,000
Pickup points

The largest
parcel delivery
network
in Europe

+1,000
hubs & depots

7.8 billion
euros revenue
(6.7% growth revenue vs 2018)

Parcels
delivered to over
230
countries

A NEW EUROPEAN RECORD OF
9.3 million
parcels delivered
on Cyber Monday (2 december 2019)



Activity in volume:

55%
in BtoB

and

45%
in BtoC

+9%
Growth in BtoC in Europe (in volume)

+13.5%
intra-european volume growth in 2018

Present through our **own operations** in
23
European countries

77,000
delivery experts

5.3 million
carbon neutral parcels
delivered per day

1.3 billion
carbon neutral parcels
delivered in 2019

DrivingChange™ in a nutshell

	Key figures		Ambitions	SDG
Employer of choice	100%	of our business units have implemented our Code of Business Conduct.	Providing a mindful, respectful and ethical workplace.	8 DECENT WORK AND ECONOMIC GROWTH
	84%	of our staff have permanent contracts.		
	+37%	in training per employee between 2017 and 2019. **(14.3 hours vs 10.4).**		
	29%	women in the workforce.		
Carbon neutral commitment	-14%	CO_2 emissions reduction per parcel in 2019 (vs 2013).	Making every parcel we deliver carbon neutral.	13 CLIMATE ACTION
	100%	of our transport and energy consumption offset in 2019 (the equivalent of **1 046 184 t CO_2e**).		
	N°1	in the voluntary carbon offset sector, in the CEP sector.		
Smart urban delivery	4.55	Average age of fleet vs 4.96 in 2018.	Contribute to sustainable urban centres.	11 SUSTAINABLE CITIES AND COMMUNITIES
	82%	of our pick-up and delivery fleet is at least compliant with the Euro 5 standard vs 75% in 2018.		
	+9%	of Pickup points in Europe in 2019 vs 2018 (from 42,000 to 46,000).		
Closer communities	100%	of business units conducted Closer Communities initiatives.	To further increase our employees' and partners' involvement in community initiatives.	17 PARTNERSHIPS FOR THE GOALS
	27,007	employees involved.		
	3	local foundations (SEUR in Spain, DPD Germany, DPD Poland).		
	312	organisations supported.		
Innovative entrepreneurship	61	entrepreneurs supported.	Implement innovative entrepreneurship programmes to foster innovation and intrapreneurship.	8 DECENT WORK AND ECONOMIC GROWTH
	14	initiatives from 9 European business units.		
	16	Social entrepreneurs from the Ashoka network empowered by DPDgroup since 2011.		











DPDgroup
An international group with local commitments

Belgium
DPD Belgium is now operating city deliveries in Mechelen and Brussels with electrical vehicles.

Croatia
DPD Croatia is acting to expand access to sports in its local communities by supporting local clubs.

Czech Republic
DPD Czech Republic was the only Logistics and Transport company to win the Top Responsible Company award for 2019.

Estonia
DPD Estonia was awarded the VEF Index Gold Level for CSR by the Responsible Business Forum.

France
Chronopost has served 100% of Paris with low-emissions vehicles since October 2019.

DPD France supports “Everyone Against cancer” and took part in the “Chef’s Hat Tour” delivering gastronomic meals in hospitals.

Germany
DPD Germany invested in electrical vehicles, making a new step towards 100% low-emission deliveries in Hamburg.

Hungary
DPD Hungary took part in the One Table Love 2019 initiative by delivering presents for children and equipment to hospitals.

Ireland
DPD Ireland opened its first electric depot in Dublin with 15 electric delivery routes covering the city centre area.

Latvia
DPD Latvia reached the Silver level in the local Corporate Sustainability Index for its CSR efforts.

Lithuania
DPD Lithuania delivered Christmas presents to children in need for the 6th year in a row.

Netherlands
For the third year running, DPD Netherlands organised the DPD Open Squash, gathering the world's best squash players at its new hub in Eindhoven.

Poland
DPD Poland joined the DKMS Foundation to help organise a “Donor Day” to recruit potential stem cells donors for patients with blood cancers.

Portugal
DPD Portugal supported the Christmas Angels initiative by delivering Christmas parcels for underprivileged children.

Slovakia
DPD Slovakia is the first company in the country to deploy electric vans specifically designed for urban areas.

Slovenia
DPD Slovenia is engaged in reducing CO_2 emissions by delivering 20% of parcels in Lubljiana’s urban zone by bicycle.

Spain
SEUR is in the top 100 Best Ideas of Actualidad Económica for its urban hubs.

Switzerland
DPD Switzerland won the Golden Headset Award in the “Employee focus” category.

United Kingdom
DPD UK won the Green Apple Award for best environmental practices thanks to its achievements in reducing CO_2 emissions.



2020-2030, the decade of action:

Ten years to achieve sustainable development

There are just ten years left to fulfil the UN's 2030 vision for a fair, sustainable world, in the face of deepening social inequality, climate change and biodiversity loss. Reaching the scale and impact required to achieve the 17 Sustainable Development Goals (SDGs) will require a major collaborative effort and rapid innovation. DPDgroup is committed to supporting the SDGs on which we stand to make the greatest difference, as we strive to create value for our stakeholders.

The four SDGs supported by DPDgroup:

United Nations Global Compact

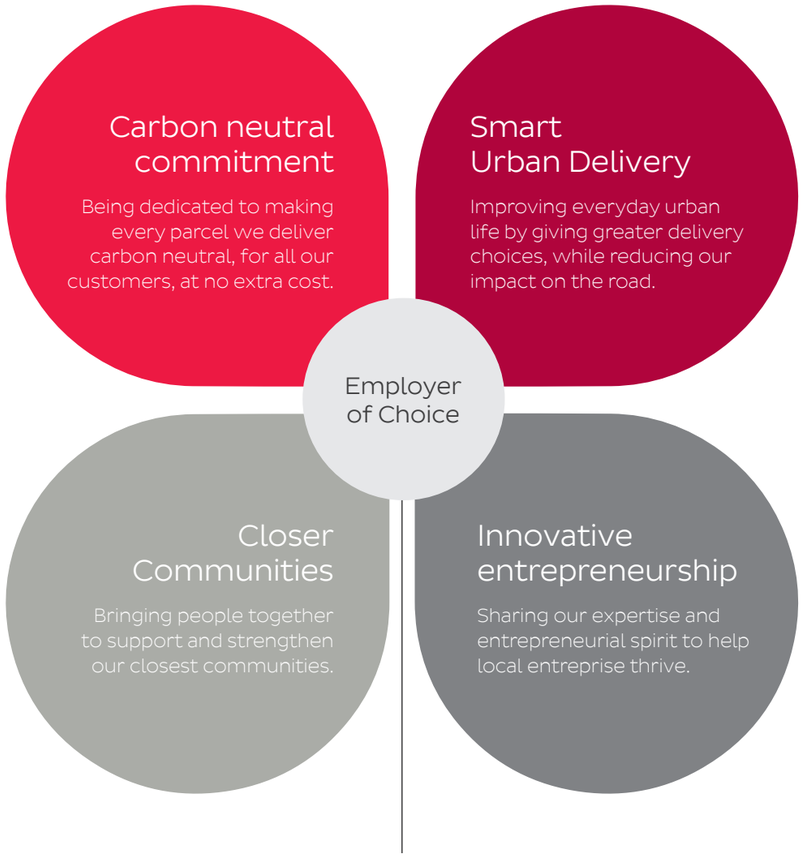
DPDgroup's SDG commitments

Our DrivingChange™ strategy is based on our company's strong values and culture of integrity. As a committed member of the UN Global Compact (UNGC), we have joined responsible businesses worldwide in defining exactly how we can best support specific SDGs. This starts with integrating the SDGs into our business. Together with our business units and the UNGC team, we prioritised the goals and targets that are most relevant to our business and on which we can deliver the greatest impact. In this way, we selected the four goals that we can best support through DrivingChange™.

	8 DECENT WORK AND ECONOMIC GROWTH	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION	17 PARTNERSHIPS FOR THE GOALS
Why?	Promoting inclusive, sustainable economic growth and decent work for all is central to our business success. As an employer of 77,000 people in Europe, DPDgroup has a responsibility to create safe, productive employment.	With the second largest parcel delivery network in Europe, we have a real opportunity to contribute to safe, resilient and sustainable cities by reducing our impact on air quality, helping to increase citizens' wellbeing.	Urgent action is needed to combat climate change and its social and economic impacts. With a core business reliant on transport, DPDgroup has a major role to play in the low carbon transition, as part of global efforts to keep temperatures from exceeding 1.5°C above pre-industrial levels.	Collaboration is central to enabling every country to achieve the UN's SDGs. This means strengthening existing partnerships and creating new partnerships for collective action. Businesses, including DPDgroup, can make an important contribution.
In the next decade...	... we aim to support high quality jobs, innovation and entrepreneurship. We seek to prioritise equal opportunities and pay, and ensure that all workers' rights are respected in the workplace, particularly the most vulnerable.	... we aim to improve the experience of living in cities by helping to promote clean air.	... we aim to include plans to prevent climate change within every aspect of our work.	... we aim to work with multiple partners, private and public, sharing our knowledge, skills and expertise to create a positive impact and help fulfil the SDGs.
We are...	... doing this by empowering our employees, promoting inclusion and diversity, keeping our people and sub-contractors safe, and leveraging innovative entrepreneurship for social good.	... doing this by reducing the impact of our last-mile delivery fleet in urban centres and offering greater delivery choices to optimise distances travelled and lower the impact of pollutants. We will also monitor air quality and collaborate with city authorities to support clean air strategies.	... doing this by reducing our carbon emissions per parcel by 30% by 2025 and ensuring that 100% of our deliveries are carbon neutral. Involving our employees, partners and customers, through education and communications campaigns will be vital to our success.	... doing this by stepping up our involvement in community initiatives, working with NGOs across Europe, partnering with start-ups to scale up innovative solutions and engaging multiple stakeholders to address key topics, such as air quality.

Our DrivingChange™ programme

Paving the way to a more sustainable business, DrivingChange™ is DPDgroup's CSR programme – a programme inherent to who we are and how we do business. DrivingChange™ focuses on four priorities where we feel we can make the most meaningful difference within parcel delivery and beyond: by reducing and neutralising our carbon footprint; providing smarter and more efficient urban delivery solutions; driving innovation inside and out; and building meaningful connections in the communities where we work. At the heart of these four priorities stands being an Employer of Choice. Providing a mindful, respectful and ethical workplace for all employees and partners forms the foundation of our business and an ambition to which we all contribute in our daily work.



Providing a mindful, respectful and ethical workplace for all our employees and partners.

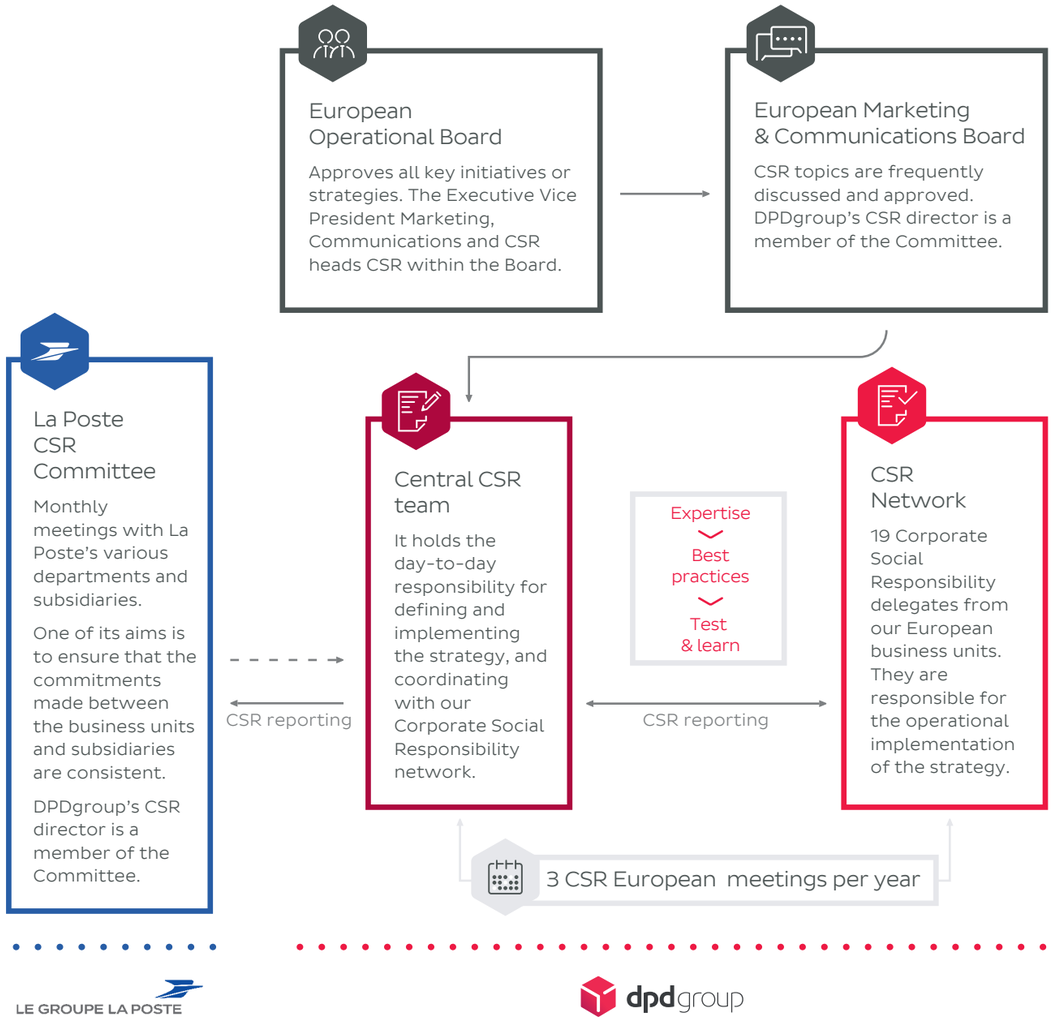
CSR Governance

DPDgroup launched its Corporate Social Responsibility strategy, DrivingChange™ in 2016, reflecting the high standards and sector-leading ambitions of Le Groupe La Poste. Our governance and close links with La Poste on CSR topics allow us to ensure that our commitments are consistent with those of the group.

DPDgroup's most senior decision-makers help define our CSR strategy and oversee its implementation, supported by a robust governance structure designed to enable the management of environmental, social, and ethical topics throughout our business.

The role of central CSR team is to define key directions, provide expertise and tools, and help countries connect and share practices.

In a decentralised organisation, each of the 19 Business Units taking part in Driving Change adapt CSR action plans and initiatives for each pillar of the strategy to local needs.



Employer of choice



Providing a mindful, respectful and ethical workplace for all our employees and partners

As a Europe-wide organisation, we have a responsibility to enable our employees to fulfil their potential and contribute to the success of our business. We help to ensure all our employees live our values and act with ethics and integrity.

Ambition

Providing a mindful, respectful and ethical workplace.

2019 Key figures

100% of our business units have implemented our Code of Business Conduct.

84% of our staff have permanent contracts.

+37% increase in training per employee between 2017 and 2019 **(14.3 hours vs 10.4).**

29% women in the workforce.

8 DECENT WORK AND ECONOMIC GROWTH

Promoting decent work for all is central to our business success. As large employer, we have a responsibility to create a safe, secure and equal work environment. We seek to ensure that all workers' rights are respected in the workplace, particularly the most vulnerable.

How ?

Providing a mindful, respectful and ethical workplace for all employees and subcontractors.

On our journey to being an employer of choice, we focus on two fundamental pillars of our business:

Our people

Our ethics

"As a responsible and attractive employer, the employer of choice instils a climate where people feel safe, respected, recognised, engaged and supported to develop their talents : taking care of our people and talent management are crucial."

Marie-Hélène Michon
Executive Vice-President in charge of HR and Corporate Administration



Taking care of our workforce

Attracting employees who share our values

Talent management sits at the heart of being an employer of choice. We seek to attract and retain loyal, committed employees by offering the best training, development and career progression opportunities. As a responsible company, we seek to recruit employees who share our values and ambitions. We are committed to promoting employee health and safety, and prioritise our people's wellbeing. We recognise and reward dedication and performance, inspiring employees to give their best while achieving high levels of productivity.

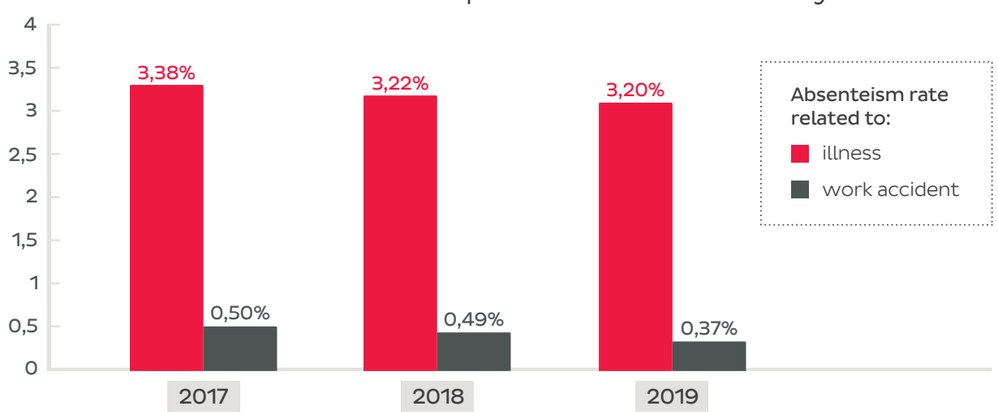
Ensuring good human resources governance

While we have a central human resources (HR) team, local HR teams are relatively autonomous and have the capacity to respond effectively to local needs. Twice a year, all our business units meet to discuss operational HR topics and share best practices. In 2019, 22 business units shared 64 initiatives to attract and retain drivers, many relating to the 5 top operational priority topics: training, operational processes, bonus system & incentives, communication & briefing and onboarding process.

Health and safety is key

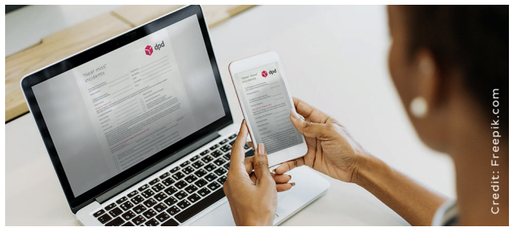
Health and safety is fundamental for the parcel delivery sector, with workers undertaking tasks including heavy lifting and driving, which carry inherent challenges. At DPDgroup, keeping our employees safe is a top priority, and an ongoing effort. We maintain strict safety standards and make sure our people are able to conduct their work safely. We continuously provide more training to employees and seek to further engage our subcontractors. Since 2017, employee days lost to work-related incidents or illness have decreased from 0.5% to 0.37% and from 3.38% to 3.2% of total work day done respectively.

Absenteeism rate at Group level - Breakdown by reason



Providing safety training

Delivering high quality safety training is integral to promoting employee health and safety and ensuring our workers have the skills and knowledge they need to perform their work safely. In 2019, we provided more than 48,800 hours of employee health and safety training, a significant increase on 2018 (a +300% rise, up from 11,893 hours). More than 24,500 employees participated in at least one training session, with training hours per employee rising to 14.29 hours in 2019, up from 10.42 hours in 2017. Our commitment to enabling our employees to develop their skills led to the implementation of our Learn, Improve and Share Expertise programme, a user-friendly platform providing e-learning courses.


Credit: Freepik.com

Case study

DPD UK: Acting to prevent 'near miss' incidents

Understanding why incidents nearly occur is vital to preventing real accidents and maintaining a culture of workplace safety. In 2019, DPD UK launched an initiative to gain a more in-depth view of 'near miss' incidents, providing a simple online form for all managers to report near misses as they occur. Within the first eight months, managers had reported 472 'near misses', with one manager purchasing two defibrillators and delivering training to enable first aiders to react in an emergency.

Taking care of our employees' wellbeing

We listen to our employees and take action to address their concerns. In 2018, 73% of DPDgroup employees from 18 European countries responded to our employee satisfaction survey. 72% were satisfied with their working environment and 73% understood how their work contributed to company goals. We continued to promote work-life balance, and share knowledge on best practice among our HR teams. We are also integrating feedback from depots and road logistics teams. In order to facilitate drivers' jobs and prevent overtime and fatigue, we are rethinking the role of drivers: moving from a model where they are required to both sort and deliver parcels, to one where the two roles are clearly separated.



Case study

Chronopost strives to be an employer of choice

To help achieve employee satisfaction, maintain safe working conditions, limit turnover and deliver high quality customer service, Chronopost launched a comprehensive employee training plan in 2019: It delivered training to 1,855 new drivers in 2019, (target of 2,300 by the end of 2020), and gave all drivers a safety manual. Chronopost has also set itself the target of improving working conditions in 20 depots by the end of 2020.

A fair and inclusive employer

DPDgroup aims to be a fair and inclusive employer across the business for employees and subcontractors.

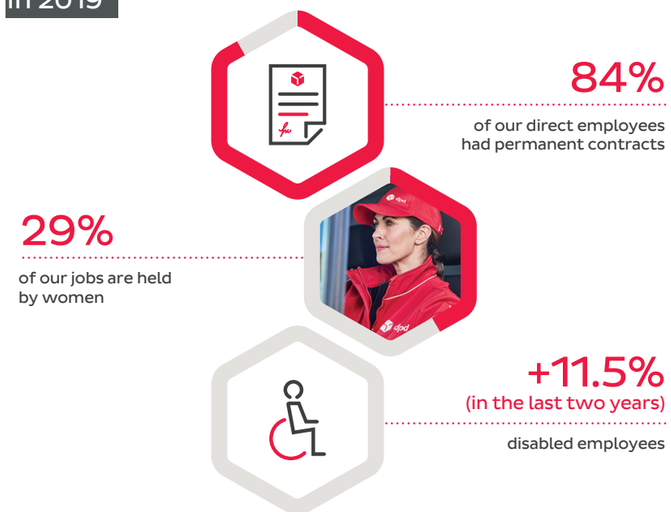
Protecting human rights

We seek to protect the human rights of everyone working for DPDgroup, respecting the International Labour Organization's Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. Our commitment has been strengthened by our global agreement on human rights and freedom of association with the UNI Global Union since 2017.

Promoting inclusion and diversity

77,000 people work for DPDgroup across Europe, including employees and sub-contractors. In 2019, 84% of our direct employees had permanent contracts, up from 78% in 2017. We continue to foster a more diverse, inclusive workforce, prioritising gender balance and people with disabilities. 29% of our jobs were held by women in 2019, with this proportion rising to 50% among certain groups, including technicians and employees. Meanwhile, the number of disabled employees at DPDgroup has increased by 11.5% in two years, up from 530 in 2017 to 591 in 2019.

In 2019





Case study

DPD Czech Republic: Towards greater inclusion of couriers and subcontractors

To attract new couriers and subcontractors, DPD Czech Republic launched the 'Ride with us' initiative, a package of 30 activities that focuses on attracting and retaining couriers with an inclusive, welcoming approach. The first campaign resulted in more than 400 applications in 4 weeks, while courier turnover decreased from 40 to 25%. This project was presented with a company Quality & Management Award in January 2020.

Empowering our employees

The DNA Programme

To enable our employees to deliver high quality service, we implement an award-winning 'DNA' employee empowerment programme. We support each business unit in engaging employees and sub-contractors to meet local needs, driven by robust leadership and an inspiring vision. In the past 10 years since this initiative was launched, we have implemented DNA in 13 countries, with more countries scheduled for 2020.

Understanding our mission

Each business forms a deep understanding of the group's mission, vision and values through a dedicated communications campaign, with everyone encouraged to help achieve shared goals. Our people integrate what they learn into their daily work, supported by training, clear systems and processes.

Building momentum

The various DNA programmes continue to make progress, with our business units demonstrating significant interest and commitment. Our European Works Council is also giving its full support to the programme, promoting company-wide progress.

Engaging our people to support employee retention

To address the sector-wide challenge of high staff turnover levels, all our business units are taking action to improve driver retention rates, working closely with employees and subcontractors to keep them safe and engaged. In 2019, staff turnover rates dropped to 15% (18% in 2018).



Case study

DPD Switzerland

To attract and retain employees who share DPDgroup's values, DPD Switzerland created a 'Conquer Swiss Hearts' programme in 2019. The business integrated clearly defined values into its recruitment process and encouraged employees to support the company's vision through dedicated team-building exercises.



Case study

Lithuania and Baltics

To empower its employees to achieve delivery excellence, DPD Lithuania and Baltics is focusing on outstanding customer experience, shareholder value, environmental responsibility, employee performance and efficient partnerships.

Carbon neutral commitment



Being dedicated to making every parcel we deliver carbon neutral, for all our customers, at no extra cost

Transport accounts for a quarter of the European Union's greenhouse gas emissions – and this figure is increasing. According to the European Green Deal, a **90% reduction in transport emissions** will be needed by 2050 to achieve climate neutrality. Aware of the major carbon impact associated with its business model, DPDgroup is committed to ensuring every parcel it delivers is carbon neutral, at no extra cost for our customers. We aim to reduce by 30% our CO_2 emissions per parcel by 2025.

Ambitions

1. To reduce our CO_2e emissions per parcel by 30% by 2025.[1]

2. To maintain our leadership by continuing to ensure that 100% of our deliveries are carbon neutral.

2019 Key figures

-14% CO_2 emissions reduction per parcel in 2019 (vs 2013).

100% of our transport and energy consumption offset in 2019 (the equivalent of **1 046 184 t CO_2e**).

N°1 in the voluntary carbon offset sector, in the CEP sector.

13 CLIMATE ACTION

Urgent action is needed to combat climate change and its social and economic impacts. With a core business reliant on transport, DPDgroup has a major role to play in the low carbon transition, as part of global efforts to keep temperatures from exceeding 1.5°C above pre-industrial levels.

How ?

We are reducing our impact on climate change and have been carbon neutral since 2012 by taking a three-step approach:

We measure
our carbon footprint with externally audited methods and tools.

We reduce
our CO_2 emissions per parcel.

We offset
the remaining transport and energy consumption emissions.

"We have integrated our carbon neutral commitment into our culture by setting ourselves the objective of becoming the UK's leader in sustainable delivery, and setting a target of 600 electric vehicles delivering the last mile by the end of 2020. In 2019 we continued to implement operational and technological innovations, including route optimisation processes to increase delivery stops per route, making a further positive impact on emissions."

Dwain McDonald
CEO DPD UK



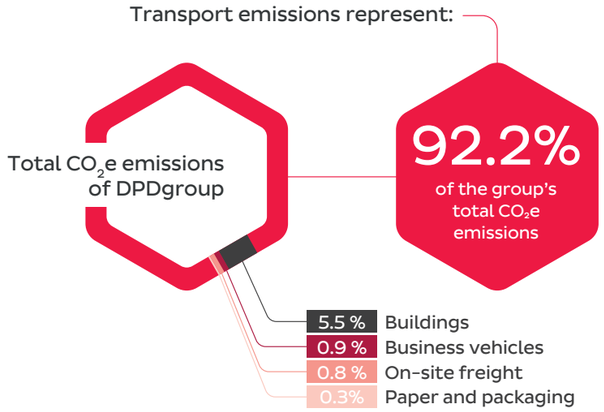
1. compared to 2013

We measure

Since we launched our carbon neutral commitment in 2012, we have delivered 7.7 billion carbon neutral parcels. Every day, DPDgroup's delivery experts deliver more than 5 millions parcels per day across our 19 subsidiaries part of our DrivingChange™ programme. In order to reach this ambitious carbon neutral commitment, we measure our impact, reduce it as much as possible, and offset the remaining emissions. We provide carbon neutrality certificates on request, allowing our customers to promote carbon-neutral transport to their own customers.

Measuring our own impact

To measure DPDgroup's carbon emissions, we use an internal reporting tool, 'RESPIRE', to collect energy consumption data related to transport, depots and hubs at the 19 subsidiaries fully owned by DPDgroup. The tool aligns with international standards such as ISO 14064, the European standard EN 16258, the French standard BEGES and our internal protocol, and data is externally audited annually to ensure its accuracy. This allows us to have a deep understanding of our carbon impact throughout our value chain.



Enabling customers to measure their carbon footprint

Since 2016, DPDgroup provides customers with a Carbon Report, allowing them to measure the impact of each parcel, taking into account its exact route. This enables individuals and businesses to build a better understanding of their carbon footprint. It also responds to the needs of DPDgroup's growing base of environmentally conscious customers. The analysis is performed for every parcel that enters the group's transport network, and the tool has been independently checked by SGS[1] to confirm its accuracy and compliance with the European standards.

"Transport companies have a responsibility to act in a sustainable manner, measure and continuously reduce their impact on the environment, by innovating and optimising their processes."

Dominique Mamcarz
CSR Director of DPDgroup



1. **SGS:** Sustainable Development Goals

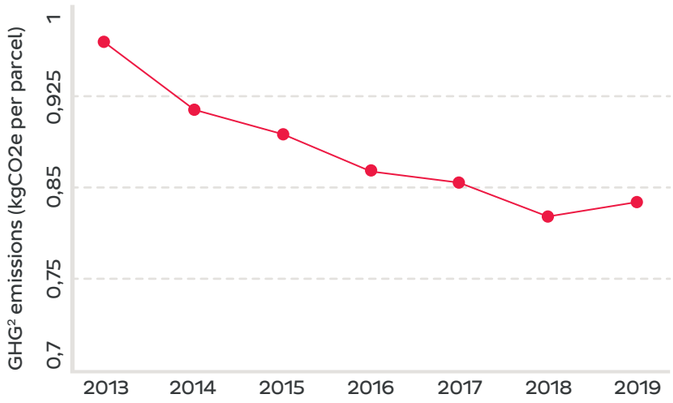
We reduce

Parcel volumes are rising sharply, prompted by an increase in e-commerce, which has grown by almost 12% in Europe since 2017. This trend is, in turn, impacting carbon emissions. In order to make every parcel carbon neutral, all Business Units engaged in the DrivingChange™ Programme have established a reduction plan to minimise their CO_2 emissions by taking action to optimise their transport operations. An estimated 3.4 million parcels will be delivered through our low-emission fleet.

Our carbon reduction goal

To achieve our objective of reducing our CO_2e emissions per parcel by 30 % by 2025 (compared to 2013), we are promoting a consistent approach group-wide, focusing on two levers of action to lower both our direct and indirect carbon emissions. We are improving our fleet through transport innovation, and giving Business Units access to funds to finance the transition via our Carbon Fund.

Overall, DPDgroup has reduced its carbon emissions per parcel by 13.9 % since 2013. In 2019, we have seen a slight increase of 1.4 % in carbon emissions per parcel compared to 2018. This was caused by significant increases in two business units, one of which is due to changes in the reporting methodology used, and in the precision of data reported. However, while three other business units have seen slight increases or no movement in their emissions per parcel, the majority of business units reduced them in 2019, with 14 business units out of 19 lowering the amount of emissions per parcel, including 5 by 10% or more.



Science-based targets

While we remain committed to achieving our existing carbon reduction goal, reaching the Science-Based Target Initiative's reduction level is challenging considering the significant growth rate of the parcel delivery industry. We will continue to ensure improvements with regard to our carbon impact, and reassess the ambition of our targets frequently, as our business and industry evolve.

Improving our fleet through transport innovation

We improve our fleet by addressing and improving our whole range of transportation options. To lower the carbon footprint of our long haul journeys for instance, we have committed to only operate long distance vehicles with an average age of less than five years by 2025. For our last mile operations, we increasingly use light and electric commercial vehicles to collect and deliver parcels to our customers. Using **electric vehicles** and cargo bikes in city centres helps us achieve zero emission deliveries and prevent traffic congestion. We are also using natural gas vehicles and providing our drivers with fuel-efficient driving training.

By 2025
5,000
low-emission vehicles in operation



By 2025, we expect to have a low-emission delivery fleet of 5,000 vehicles in operation - representing 10% of the fleet - by investing in more reliable and affordable new technologies, and using smaller but more numerous urban depots to reduce the average distance of our delivery routes. We have reached almost a fifth of our objective in 2019, with a total of 900 low-emission vehicles.

2. **GHG:** Greenhouse Gas

Our Carbon Fund

In order to help subsidiaries invest in carbon reduction initiatives such as alternative vehicles, sustainability training and building energy management, DPDgroup created in 2017 a Carbon Fund aiming at supporting innovation and carbon reduction investments of the business units each year.

The scheme is still proving successful in 2019: 16 business units have submitted projects, and it has helped finance 3 urban depots, 30 low-emission vehicles, 83 charging points for electric vehicles, and close to 500 LED lights. These initiatives will save approximately 355 tonnes of CO_2e annually.



Case study

Using cargo bikes to revolutionise last mile delivery in London

To help achieve zero emission deliveries in central London, DPDgroup's Carbon Fund has provided funding to purchase ten electric cargo bikes, rolled out in three of the capital's most central urban depots: Westminster, Shoreditch and Hyde Park. This investment will help save 6 tonnes of CO_2e annually.

Case study

DPD Poland makes progress on carbon emissions with electric bikes and solar energy

With the support of DPD's Carbon Fund, DPD Poland implemented ten city bike scooters and installed solar panels at two depots. The scooters will enable couriers and delivery employees to make more efficient, timely deliveries, avoiding delays connected to limited parking availability. Using a carefully loaded backpack, they will be able to deliver 50,000 parcels annually, saving 4 tonnes of CO_2e. The solar panels could help to save 30.3 tonnes of CO_2 annually.









Case study

SEUR continues to optimise fleet efficiency

In 2019, SEUR's long distance transport fleet introduced an LNG[1] trailer to help reduce harmful emissions and continued to invest in megatrucks, optimising the configuration of the trucks to improve parcel efficiency. The LNG trailer is set to be used between Spain and Portugal, transporting an estimated 200,000 parcels while avoiding 23 tonnes of CO_2e per year. Harnessing natural gas as fuel also creates significant fuel savings compared to diesel, benefitting both the carrier and SEUR. With its two new units, SEUR has reached a total of 7 megatrucks. Looking ahead, the business aims to reach 30 megatrailers by 2025.

1. **LNG:** Liquefied Natural Gas

We offset

To help achieve carbon neutrality, we offset all our remaining CO_2 emissions. This includes both direct emissions generated by our transport operations and energy consumption and indirect emissions from outsourced transport. In 2019, we delivered 1.3 billion carbon neutral parcels.

DPDgroup, #1 on the voluntary carbon offset market in the CEP sector

We have developed our new three-year offsetting programme in partnership with carbon neutrality expert CO_2logic, focusing on renewables, clean energy and circular economy projects. Each project is selected on the basis of its social and environmental benefits, and verified by the rigorous Verified Carbon Standard (VCS) to guarantee accurate measures of CO_2e savings. Our project portfolio will offset 100% of our residual CO_2 parcel delivery emissions while promoting sustainable energy and improving quality of life for local communities. For example, we are supporting wind energy projects in India and helping to fund a project in Brazil producing clean energy from landfill gas. Our carbon offsetting activity is voluntary, not tax-exempt and we do not have equity investments in the projects we support.

"DPDgroup's offsetting programme is very clear, supporting certified offsetting projects linked to clean energy in countries linked to DPDgroup business locations. As of today, this offsetting programme is fully aligned with the best practice. For 2020, we will work on enhancing carbon management standards and help DPDgroup to better communicate about its strong carbon commitments that cannot be restricted to offsetting but actually cover all the 3 carbon management pillars: calculate, reduce and offset."

Mathieu Cribellier
Project Director,
CO_2logic



Supporting wind energy in India

Hindi Wind in India is one of the initiatives supported by our offsetting programme. Hindi Wind is helping to run 802 wind turbines annually, generating 809,473 MWh of clean electricity for nearly 704,000 people and saving 754,619 tonnes of CO_2e. The electricity produced is channelled to India's national grid, reducing the country's reliance on fossil fuels. In addition, the project has sought to improve the lives of people living near its plants. In 2019, it helped to empower around 190 women to become more economically independent, promoted the importance of education among 400 children, provided free learning materials to a further 350 pupils and launched a library programme benefitting 800 pupils.



Smart Urban Delivery



Improving everyday urban life by giving greater delivery choices, while reducing our impact on the road.

Some 40 million people in the European Union's 115 largest cities are exposed to poor air quality, exceeding the World Health Organization's guidelines. As one of the largest parcel delivery companies in Europe, DPDgroup has an important role to play in **limiting its impacts on air quality** and **improving wellbeing and convenience** for people everywhere it operates.

Ambitions

1. Being a reliable stakeholder for city authorities.

2. Contributing to sustainable urban centers.

2019 Key figures

4.55
Average age of fleet
vs 4.96 in 2018

82%
of our pick-up and delivery fleet is at least compliant with the Euro 5 standard
vs 75% in 2018

+9%
increase in Pickup points in Europe in 2019 vs 2018 (from 42,000 to 46,000)

11 SUSTAINABLE CITIES AND COMMUNITIES

With the second largest parcel delivery network in Europe, we have a real opportunity to contribute to safe, resilient and sustainable cities by reducing our impact on air quality, helping to increase citizens' wellbeing.

How ?

We reduce
the impact of our last-mile delivery fleet.

We act for
greater delivery choices to improve everyday life.

We use
urban depots to optimise distances travelled.

We take action
to monitor air quality and reduce pollutants from our fleet.

"We are opening a new chapter for our industry on social and environmental responsibility. Delivering in Paris with 100% low-emission vans marks the first step in implementing clean delivery throughout France."

Martin Piechowski
Chairman
Chronopost



Urban Logistics Solutions

DPDgroup delivers more than 5 million parcels across Europe on a daily basis. We strive to lead the sector in innovating towards smart, sustainable urban delivery solutions, tailoring our services to the needs of each city and helping to improve quality of life, including the reduction of our transport emissions and sharing air quality information with citizens. We seek to anticipate local legislation by continuously optimising our operations. In addition, we are taking action to improve the environmental impact of the 50,000 vehicles we operate through 18 countries, helping to reduce carbon emissions and pollutants.

Responding proactively to consumers' sustainability expectations

With regular e-shoppers accounting for 85% of online purchases in Europe, understanding their needs and behaviours is critical to the continent's e-commerce market. Among the insights disclosed by the e-shoppers Barometer conducted each year by DPDgroup in 22 European cities,[1] the desire for more sustainable e-commerce is clear. In 2019, for the first time, we identified major common trends, including the growing popularity of parcel shops, and more customers seeking sustainable deliveries. Importantly, shoppers who are concerned about the environment and willing to pay more for sustainable services ('eco-selective shoppers') represent a growing market segment. There is therefore an opportunity for the entire e-commerce industry to embrace an ecological mindset and propose greener, cleaner services.

The opportunity for more sustainable e-commerce:

With the issue of climate change gaining importance among the public, consumers around the world are becoming increasingly environmentally aware and adapting their purchasing decisions. This trend includes the e-commerce sector, where eco-selective e-shoppers demonstrate their concern for the environmental impact of their consumption both through the products they choose and the expectation they have for companies to be responsible.

70%

of European regular e-shoppers consider that brands and companies must be environmentally responsible.



15% of European e-shoppers

The epicurean e-shopper

Highly demanding in terms of delivery and returns:

85%

of epicurean e-buyers believe that companies must be **environmentally responsible.**



17% of European e-shoppers

The eco-selective e-shopper

Concerned about the environment, prepared to pay a premium for more sustainable services, seeking flexibility and multiple delivery options.

52%

of eco-selective e-shoppers are willing to pay a premium for products that respect the environment.

1. https://www.dpd.com/group/en/expertise/e-shoppers-in-europe/

Optimising urban deliveries

By understanding our consumers' evolving expectations, and in light of the growing demand for flexible, sustainable services, we are innovating to adapt our delivery services to meet people's needs. For example, to optimise our service offering, we have improved and expanded our existing Predict and Pickup services throughout Europe.

Using **our Predict service,** customers can select a one-hour delivery slot at a time that suits them, receive updates and reschedule as necessary. By improving our 'first time' delivery rate, we have improved our efficiency and reduced our CO_2 emissions per parcel by an average of 4%.[2]

In 2019, DPD UK launched **the Green Notification,** an automatic message for Predict customers, letting them know their parcel will be delivered by a low-emission vehicle, as well as its type (such as electric or LNG vehicles, or cargo bikes). In response to the demand for a more innovative and sustainable service, Chronospost adopted the green notification in September 2019. It will also be deployed in did Germany and SEUR in 2020.

Our Pickup network offers customers the opportunity to collect their parcels from 46,000 collection points in 19 countries, with nearly 95% of collections within 15 minutes of recipients' homes. We are continuously developing our network to increase the level of flexibility we offer to customers. Chronopost's new Chronocity shop in Paris, for instance, is a shared space allowing customers to prepare their parcels, collect them, and try clothes on, for example.



KEY FIGURES

France

Chronopost delivers
100%
of central Paris with low-emission fleet since October 2019.

Germany

2,200 parcels
are delivered in Hamburg daily using an optimal mix of alternative vehicles.

Spain

In Madrid, we cover
50,000 km
annually using low-emission vehicles.

Ireland

Our Dublin urban depot uses
100%
renewable electricity.

United Kingdom

DPD UK aims for
10%
of its fleet to be electric by 2021

Brazil and Singapore

DPDgroup's out-of-home delivery network also uses **350 Pickup points** in Singapore and **780** in Sao Paulo.

2. Compared to a classic delivery on last-mile operation.

Our urban depots

DPDgroup is adapting its logistics to promote smart and responsible urban deliveries. To implement this, we are locating our urban depots ever closer to consumers, while tailoring our approach to individual cities. We aim to locate our urban depots within or near to city centres, close to areas where we experience a high volumes of parcels for delivery. These urban spaces might range from small storage surfaces to fully mechanised infrastructures according to the locations available in city centres.

With a keen focus on improving the environmental footprint of our depots, we are exploring clean energy options, with our Dublin urban depot now using 100% renewable energy. We also aim to offer high levels of flexibility and innovative services for customers, including lockers available 24 hours a day in Tallinn, Estonia, and a network of 45 urban depots with on-site dressing rooms in Poland, allowing instant returns of clothing if necessary.

By the end of 2019, DPDgroup had 110 urban depots in 13 countries, enabling delivery by foot, cargo bike or electric vehicle.

Warsaw Urban Depot



CO_2

6.8 tonnes
of CO_2 avoided per year

20,000 km
Distance covered by low-emission vehicles per year

Alternative fleet
21
cargo bikes and electric vehicles

Case study

DPD Estonia offers multiple delivery locations

Customers in Tallinn, Estonia, can benefit from multiple delivery options. These include 36 locker systems placed in convenient locations and open 24/7, four robot towers, enabling automatic sorting and giving of the parcels to customers, and ten self-driving robots. With this innovative mix of smart urban delivery solutions, DPD Estonia is saving 288 tonnes of CO_2 annually - 50% of which comes exclusively from the use of lockers.



2 & 3. Compared to a classic delivery on last-mile operation.



Reducing pollution locally

DPDgroup prioritises the reduction of two major air pollutants, particulate matter (PM) and nitrogen oxide (NOx), which are particularly damaging to people's health. Exposure to these inhalable pollutants can cause headaches, respiratory and cardiovascular illnesses, or even lung cancer. As these pollutants are mainly emitted by transport, we are working hard to limit those emitted by our fleet in order to improve air quality in our delivery locations. We are therefore replacing our diesel and petrol delivery vehicles with alternatives such as electric vehicles, biogas vehicles or bicycles, to reduce pollution and improve quality of life.

A new approach to analysing DPDgroup's pollutants

In 2019, DPDgroup commissioned an independent analysis of the pollutants emitted by its fleet by climate experts EcoAct. Using a thorough methodology to assess DPDgroup's emissions, EcoAct considered factors including speed, load and age of vehicles to estimate the pollution associated with the company's operations.

The relatively high proportion of NOx emissions identified is due to diesel vehicles comprising the majority (99%) of DPDgroup's fleet. Solutions to reduce air pollution include reducing vehicle speed on motorways, optimising loading efficiency and replacing diesel vehicles with natural gas or electric vehicles, DPDgroup's main priority.

1.8 billion kms travelled in 2019

Total emissions of pollutants in 2019:

1,075 tonnes of NOx

106 tonnes of PM



Improving our delivery fleet

As air pollution continues to be a major focus for cities across Europe, it is vital that we continuously improve the efficiency of our fleets. DPDgroup's extensive pick-up and delivery fleet accounts for the majority of its carbon impact in urban areas. To help reduce congestion and pollution in city centres, we deploy light commercial and low-emission vehicles for last mile operations, including natural gas or electric vehicles and cargo bikes. To reduce the impact of conventional vehicles, we use the Euro Standard, a 6-grade scale established to measure the level of pollution emitted by vehicles in Europe, with Euro 6 awarded to the least polluting vehicles. 82% of our fleet now meets Euro 5 or 6 Standards, up from 75% in 2018.

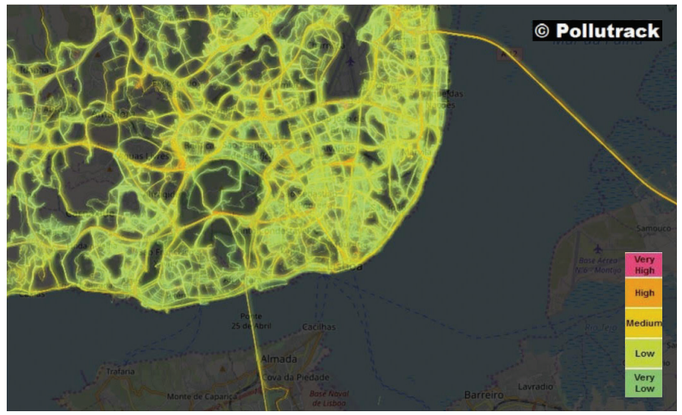
In 2019, we launched new smart urban delivery initiatives across Europe. Since October, 100% of Chronopost's Paris deliveries have been made with low-emission vehicles, helping to tailpipe and CO_2 emissions by 87%, and 139 electric vehicles have been deployed in the United Kingdom.

Air Quality Monitoring Programme

With air quality rising up the public health agenda, it is vital for transport companies to innovate to reduce their impact on the quality of air we breathe. At DPDgroup, we have a significant opportunity to support cities' clean air initiatives by understanding and reducing the pollutants emitted by our fleet. We are doing this through collaboration with various partners.

A unique partnership for tracking fine particles

DPDgroup has set up a unique partnership with Pollutrack, enabling the first air quality measurement system of this scale and precision. Pollutrack is the first mobile tracking system for fine particles ($PM_{2.5}$). Designed and tested in Paris during COP21, it initially helped to provide a clear picture of the diverse and changing levels of air pollution in Paris. DPDgroup is the first company to have committed to implementing sensors on its fleet across Europe.



Pollutrack - **Fine Particles $PM_{2.5}$ hotspots in Lisbon – June 2019**

Taking action to measure air quality

Through our air quality monitoring programme, already deployed in Paris, Lisbon and Madrid, we are measuring fine particles ($PM_{2.5}$) in real time by fitting our delivery vehicles, urban depots and Pickup points with Pollutrack laser sensors. These sensors collect data every 12 seconds, street by street and at breathing level. The resulting 'air quality diagnosis' delivers an insight into urban air quality levels in the areas where we operate, displayed on high resolution maps. We plan to expand the programme to 20 European cities by 2021, starting with Rotterdam and Dublin, and leverage the results to adapt our strategy to reduce pollutants.

"This partnership is a triple win - for DPDgroup and Pollutrack in achieving deployment across Europe, for decision-makers, who gain access to comprehensive air pollution data to address air quality, and for DPDgroup customers and the general public. Thanks to this partnership, Paris now has the world's greatest air monitoring capacity at breathing level, which is set benefit both cities and citizens."

Eric Poincelet
Co-founder of Pollutrack



Acting local for the benefit of cities and citizens

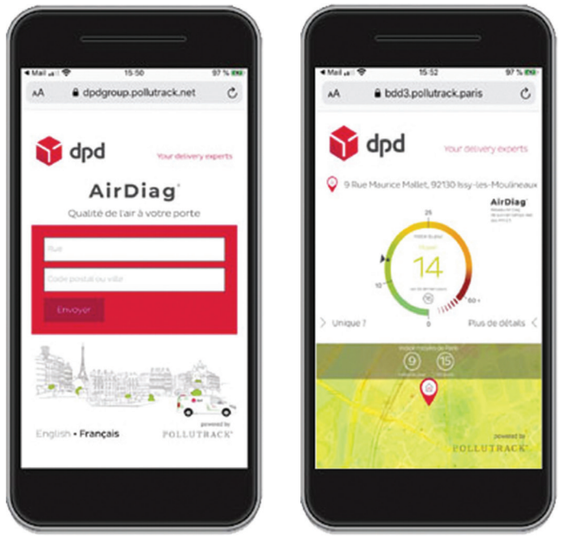
In order to help improve quality of life and health in cities, we aim to play a key role in tracking air quality. For this purpose, we are making the results of our air quality monitoring programme available to cities and citizens through web-based interfaces.

Providing air quality information on a very precise scale will enable city officials to leverage the data as they plan initiatives and regulations to reduce pollutants, and allow citizens to know the air quality level on their doorstep or at the address of their choice, and adjust their activity accordingly.

Monitoring air quality in Lisbon

DPD Portugal partnered with the city of Lisbon on its European Green Capital 2020 Commitment. Thanks to data measured by Pollutrack using 73 mobile sensors and 19 fixed sensors in the city on our fleet and at our Pickup points, Lisbon's authorities were able to design their new low-emission zone in the heart of the city. In this way, they pinpointed air quality hotspots, and now plan to launch a service to enable consumers to view air quality levels.

The pollution $PM_{2.5}$ hotspots highlighted by Pollutrack enabled objective decision-making to the benefit of Lisbon citizens and the quality of air they breathe.



"Gaining access to air quality information is very useful for our city, enabling us to identify and address hotspots and understand where and when the air is cleanest. Our collaboration with DPDgroup will inform our ongoing efforts to improve air quality and promote public health."

Miguel Gaspar
Deputy Mayor of Lisbon, Portugal



Closer Communities



To make a positive contribution to society, DPDgroup leverages its resources, expertise and closeness to local communities to support them the best we can. By partnering with non-profit organisations in each of the countries where we operate, **we better respond to consumer expectations and increase employee satisfaction.** We encourage employees to volunteer and act with us for a better world, helping us reach **72% in employee satisfaction,** according to a survey of DPDgroup employees in 18 countries.

Ambition

To further increase our employees' and partners' involvement in community initiatives.

2019 Key figures

100% of business units conducted Closer Communities initiatives.

27,007 employees involved.

3 local foundations (SEUR in Spain, DPD Germany, DPD Poland).

312 organisations supported.

17 PARTNERSHIPS FOR THE GOALS

Collaboration is central to enabling every country to achieve the UN's SDGs. This means strengthening existing partnerships with all players, including the public sector and non-profit organisations, and creating new partnerships for collective action.

How ?

We support communities in two ways:

Solidarity transport

Providing our delivery and logistics expertise to local projects.

Employee commitment

Sharing our time, passion and skills.

"By allowing everyone to be fully involved in our approach to the organisations and causes we support, we wish to enable our employees to embrace our common values of proximity and sharing, values that will be all the more important after the current health crisis for the world of tomorrow."

Amélie Ranaivojaona
CSR Manager, DPD France



*compared to 2013

Closer Communities Programme

With delivery operations across Europe, DPDgroup interacts with local communities every day, enabling us to understand local challenges and support worthy causes. To make a positive contribution to the communities to which we are closest, we deploy our fleet for charity and community support efforts, and invite DPDgroup employees to propose projects that are close to their hearts. Our people get involved in a wide range of volunteering activities, sharing their time, skills and knowledge to make a difference in the community. We also partner with NGOs, foundations and local communities to ensure we support a diverse, inclusive mix of initiatives, providing logistics support and building long-term partnerships to amplify our impact on an ongoing basis.

interview

Frank Vergien
Board Member of DPD Germany Foundation



DPD Germany's support to the DPD Foundation

DPD Germany is committed to acting as a responsible corporate citizen and – making a positive social impact beyond its core business. The DPD Foundation focuses on three main areas. Firstly the DPD Aid Fund helps employees, transport operators and delivery personnel facing an emergency situation. Secondly, apprentices at DPD Germany are actively involved as sponsors and in contact with children in need from Africa, Asia and Latin America. And thirdly, the DPD Foundation supports charitable and non-for-profit projects run by the Plan International organisation and other partners. For example, we are currently supporting a project in Rwanda which promotes early childhood education and helps children create brighter futures.

Why was the DPD Aid Fund set up?

Anyone can suddenly find themselves in a financial emergency - whether it is due to illness, natural disasters, an accident or family circumstances. We wanted to help DPD employees, transport operators, delivery staff, sorting hall contractors and their dependants in the event of personal misfortune.

The Fund provides fast and flexible financial assistance, and in five years, has helped 51 members of the DPD family.

How can employees get involved with the Foundation?

Employees can get involved in many different ways. They can make a voluntary monthly donation, opting to give the amount of cents behind the decimal point of their net salary or an amount of their choice. At present, almost 6,000 employees are involved in this «Rest Cent» initiative. In addition, there are regular fund-raising campaigns - for example a raffle or a bake sale - at many depots and locations. The proceeds then go to the Foundation.

The DPD Foundation is also involved in Rwanda - why Rwanda in particular?

The DPD Foundation seeks to improve educational opportunities and quality of life for children in Rwanda, where people have faced major challenges since the 1990s genocide.

We began by supporting the establishment of four centres for early childhood education for around 2,000 children up to the age of six.

The DPD Foundation is now supporting the three-year children's aid project "Good education for children" to help improve education for 11,000 children in 20 schools and 25 kindergartens in the regions of Bugesera and Nyaruguru.

Solidarity transport

We use our delivery expertise to support communities where we operate, providing both emergency relief and delivering vital supplies to vulnerable groups.

Switzerland

Supporting refugees with clothing donations



€1,800 of transport costs provided

Asylum seekers arriving in Lesbos often face harsh living conditions. DPD Switzerland partnered with emergency relief organisation Lighthouse Relief to transport donated clothes to refugees on the island's northern shore, helping people to maintain dignified conditions in the first days after arrival. DPD Switzerland donated half of the transport costs and sponsored the clothing collection campaign.

Slovakia

Delivering parcels for seriously ill children



100 parcels distributed

DPD Slovakia partnered with the Angel Wings Foundation to support seriously ill children and their families by delivering parcels of food, medicine, clothing and toys. The Foundation provides financial, emotional and material support, together with rehabilitation stays, to help improve quality of life for these children and their families.

Hungary

Helping children in hospital at Christmas

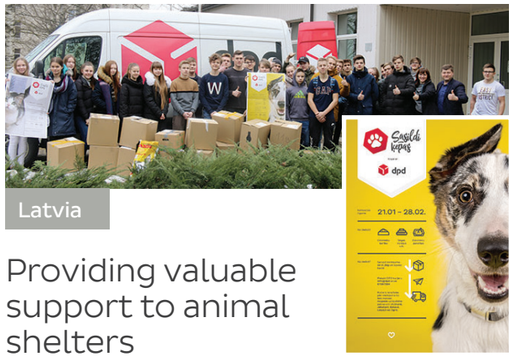
Deliveries to 9 hospitals in Hungary

DPD Hungary joined forces with the One Table Love Initiative in Hungary as a donor and delivery partner, transporting toys, clothing and more to children in nine hospitals both in Budapest and rural areas. In particular, DPD Hungary donated €2,800 worth of donations to the Children's Surgery of St. John's Hospital and Bethesda Hospital.



Latvia

Providing valuable support to animal shelters



Vital supplies donated to 5 shelters

In Latvia, we collected donations for animal shelters through a 'Warm the paws' campaign to help animals survive the cold winter months. Promoting this initiative, DPD Latvia invited employees and local communities to donate food, toys and accessories, animal beds, cat litter boxes and sand, and delivered them to shelters across the country.



Lithuania

Making children's dreams come true

3,048 gifts for underprivileged children

Together with NGO Vaikų svajonės (Children's Dreams), which collaborates with social workers to support children in underprivileged families, DPD Lithuania has delivered Christmas gifts to disadvantaged children for six years. In 2019, DPD Lithuania delivered more than 3,000 gifts to children across the country.



Portugal

Delivering Christmas gifts to underprivileged children

2,355 parcels delivered

DPD Portugal continued its support of the Salvation Army, delivering Christmas gifts to underprivileged children. People were invited to donate gifts via the Angel Tree Programme, with all gifts sent to a DPD Pickup point, before being collected and delivered to the Salvation Army.

Closer Communities Programme

We share our time, passion and skills to support communities where we operate, leveraging our experience to create a positive impact locally.



Netherlands

Supporting the training of two assistance dogs

€40,000 donation

Dogs can provide assistance, comfort and company for people living with physical or mental disabilities. DPD Netherlands donated €40,000 to Foundation Assistance Dogs in the Netherlands to support the training of two assistance dogs, enabling the organisation to teach them up to 70 different skills, as they prepare the dogs for life supporting people with a variety of illness and conditions.



France

Changing children's lives through sport

160 participating employees

In 2019, Chronopost launched the Chrono United Tour, sponsoring regional races enabling employees to raise €5 for each kilometer run. Employees raised €10,000 for the Premiers de Cordée Association, which offers free sports activities to children in hospital, and raises awareness of the importance of empowering disabled children to take part in sport. Additionally, employees in Angers raised €1,000 to fund specialised equipment to help children recover from illness.



France

Fighting child cancer

3 million steps to raise €10,000

DPDgroup headquarters invited employees to get involved in a 'steps challenge' to raise funds for the child cancer charity 'Larger than Life'. The 3 million collective steps have helped raise €10,000, that will help fund innovative treatments for children suffering with cancer in France.



Croatia

Donation to support medical care for children

€4,000 donation

DPD Croatia made a donation of €4,000 to a network of associations, Naša djeca, helping seriously ill children gain access to the best medical care, including through providing accommodation, and donating medical equipment and technology.



Heart Saver
www.heart-saver.eu

Belgium

Helping to fund vital AED kits outside schools

Second year of support to schools

DPD Belgium donated €300 to the Heartsaver, a charity which aims to install automated external defibrillators (AEDs) outside schools to help save people's lives in the event of cardiac arrests. Access to AEDs is vital in the first moments after a heart attack, and with schools occupying a central position in the community, they are a key focus for AED kits.



France

Running to fight cancer

€4,250 raised by 30 employees

30 DPD France employees ran or walked the 'Course des Héros' charity race to raise funds for the RoseUp Association, which helps, informs and defends the rights of women affected by cancer. Employees chose to take part in the 2.6 or 10km race, raising €4,250 to help the association support women fighting cancer.

Innovative entrepreneurship



Sharing our expertise and entrepreneurial spirit to help local enterprise thrive

Entrepreneurship and innovation sit at the heart of DPDgroup. We innovate to meet customers' needs, leveraging our creativity to respond to the rise of e-commerce. To create shared value in our communities, we support and empower local entrepreneurs.

Ambition

Implement innovative entrepreneurship programmes to foster innovation and intrapreneurship.

2019 Key figures

61 entrepreneurs supported.

14 initiatives from 9 European business.

16 Social entrepreneurs from the Ashoka network empowered by DPDgroup since 2011.

8 DECENT WORK AND ECONOMIC GROWTH

Promoting innovation is at the heart of DPDgroup and central to finding sustainable solutions. In the next decade, we aim to support entrepreneurship everywhere we operate and help scale up impactful innovations.

How ?

We support entrepreneurship in three ways:

We stimulate
employee innovation.

We empower
social entrepreneurs.

We help
innovative entrepreneurs in the communities where we operate.

"Our goal is to streamline our innovation processes with our CSR priorities. These innovations enable us to add value for our clients."

Łukasz ZEMBOWICZ
Sales and Marketing Director and Board Member, DPDPoland



*compared to 2013

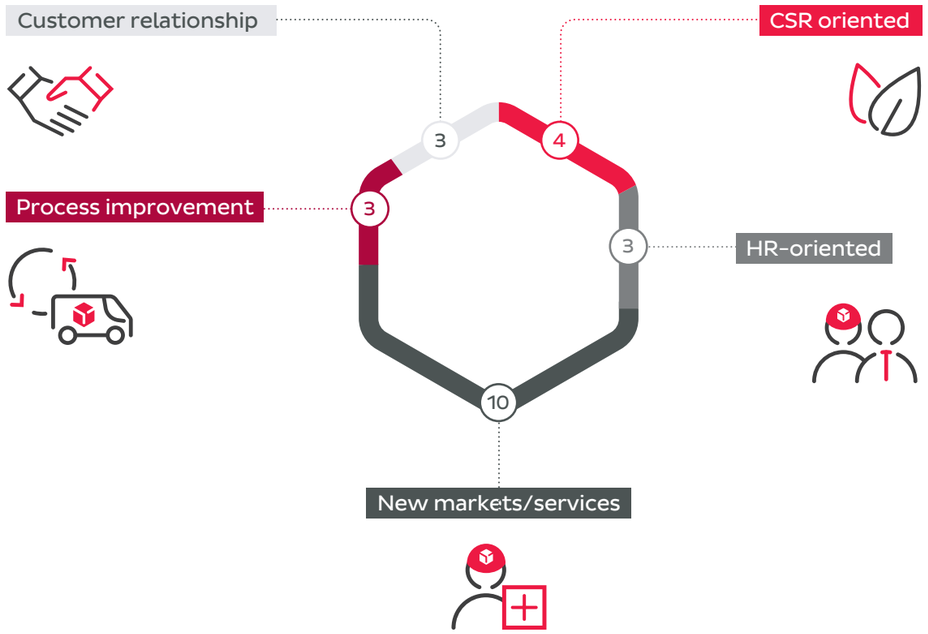
We encourage employee innovation

Employee innovation program

Harnessing our people's talents and expertise is central to strengthening our business. Through our Intrapreneurship programme, we invite employees across the company to build upon their innovative ideas by submitting a business case. An internal jury then selects the winning projects. In 2019, 52 teams from 12 business units presented 23 proposals, spanning sustainability, service innovation, HR and customer service. The 2019 winning project was proposed by DPD Ireland, with an idea to improve digital customer communication. The team will lead the development of this project, with the support of DPDgroup experts and corporate funding.

Innovation categories

2019 Intrapreneurship campaign results





DPD Ireland

2019 Winner: Improving customer communication

DPD Ireland has developed an idea to improve its communication to customers by sending a notification and an automated video providing the precise location of the delivered parcels (a safe place or neighbour's home, for example) using satellite technology. For customers, this allows increased confidence in the delivery, and helps avoid the need to call customer services.

The project has been awarded €30,000 in funding from DPDgroup and will receive the support of experts within DPD Ireland. The project, which is set to be implemented in 2020, reflects the group's strategy to build customer loyalty by continuously improving its services. In addition, it will help to reduce queries to our customer and logistics teams, enabling us to further boost our efficiency.



UPDATES

DPD Baltics

2018 Winner: Buy world enables innovative cross-border deliveries

With 10% of e-shoppers unable to access e-commerce product deliveries in their country, the 'Buy world' project is a parcel-forwarding solution developed by DPD Baltics employees for consumers purchasing goods via foreign websites. It provides them with the address of a consolidation centre in the closest country to use as a delivery address. DPDgroup then organises cross-border transport, enabling them to bypass parcel delivery restrictions in their own country and shop online with greater flexibility. Supported and funded by DPDgroup, the winning team will finalise its project, ready for initial implementation in Latvia in 2020.

DPD Poland

Innovative online tool development

In 2018, DPDPoland developed an online tool to help clients optimise their packaging according to their needs. Among other things, this tool helps minimise and optimise packaging for less waste and a better use of space. We are continuously enlarging the range of packaging available to introduce reused or recycled materials.

We empower social entrepreneurs

2019 is the ninth year of our partnership with Ashoka, the world's largest global network of social entrepreneurs. Together, we have supported numerous entrepreneurs solving social challenges with innovative ideas to create positive change.

Sponsoring Ashoka's entrepreneurs

To help support future changemakers, Ashoka identifies the world's most promising social entrepreneurs, learns from innovation trends and inspires people worldwide to create change. DPDgroup shares this ambition and supports Ashoka's efforts, while identifying potential opportunities to involve employees or leverage entrepreneurs' innovations to benefit the communities where we operate.

Our partnership has evolved from DPDgroup supporting five Ashoka Fellows in 2011 to launching a European 'co-creation' competition and 'Changemaker days' in Paris in 2014 to anchoring our joint efforts within DPDgroup's core social and environmental objectives, amplifying our impact and supporting our future growth.

2011-2014

Start of the partnership

5 Ashoka entrepreneurs are supported by DPDgroup.

2014-2016

Reorganisation of the partnership around 3 key actions

- Support of 3 innovative social entrepreneurs.
- Launch of a Co-Creation European competition to enable partnerships between social entrepreneurs and businesses, receiving 338 proposals from 34 countries.
- Organisation of "Changemaker Days" in Paris, two-day events gathering more than 550 innovation players and changemakers.

2017-2019

Alignment of the partnership with DrivingChange

- A stronger alignement with the key topics of DrivingChange.
- A better European dynamic with the participation of key countries (e.g. France, Switzerland, Spain, Germany, Poland).
- A greater involvement of DPDgroup employees in the partnership to develop a culture of innovation and social commitment.



SPEAK: Promoting multilingual inclusion and equality

Language barriers can prevent migrants from integrating within local communities. SPEAK, developed by 2018 Ashoka Fellow Hugo Menina, promotes inclusion and equality through language and cultural exchanges between migrants and local residents. Selected in Portugal in 2018 and recognised by the Portuguese government, the project is active in Portugal, Spain, Germany and Italy, and has reached 13,900 people in ten cities. Some 5,700 people have participated in SPEAK events, while more than 6,100 people have attended language sharing groups. DPDgroup employees have also taken part, reflecting our global commitment to inclusion and diversity.



EasyPeasy: Empowering parents to educate their children

Children's success at school is dependent on the early support and encouragement they receive from parents. But many parents lack the time and resources to support their children in the best way. 2018 Ashoka Fellow Jen Lexmond's EasyPeasy technology helps to empower parents in the UK to bridge this gap by sending fun, educational ideas directly to their smartphones. It has reached some 30,800 households, helps to improve children's cognitive performance after just ten weeks and is particularly active in disadvantaged communities. DPDgroup embraces this technology as an effective means of enabling parents to brighten their children's lives through education.



Palliative care for children

2019 Ashoka fellow Ricardo Martino is helping to create Spain's first national system of home-based palliative care for children with terminal illnesses. It seeks to help these children live full and happy lives, remaining at home for as long as possible, while relieving families' suffering. To date, 800 children and their families have benefitted from this dignified, 24-hour service from Madrid's Niño Jesús Hospital, with 65% of the children supported passing away in their homes. More than 300 doctors and nurses have taken part in training offered by Ricardo's foundation, which has 62 partnerships with NGOs, businesses, hospitals and schools.

We support external entrepreneurship

We support innovative entrepreneurs in our local communities, helping them to develop their ideas through initiatives that reflect our three innovation priorities. This includes funding support, skills training and providing free or discounted shipping services.

DPDgroup's three innovation pillars

Digital transformation and ecommerce

Developing technologies that give full control to consumers, including on-demand deliveries, and real-time notifications.

Smart urban logistics

Technology and vehicles that allow us to better respond to our customers' needs, while addressing sustainability challenges.

High technology markets

Strong innovation to support DPDgroup's new markets, such as the delivery of fresh and frozen food.



Estonia

Parcel delivery with Starship robots

DPD Estonia's innovative robot parcel delivery service, launched in 2018, offers customers high technology, flexible and convenient deliveries. Customers in Tallinn can opt for deliveries via Starship robot through a dedicated delivery app developed with robot-maker Starship Technologies. In 2019, 308 parcels were delivered by these robots, which can carry parcels from stores or hubs directly to customers within a 3km radius in 5-30 minutes. The service will be optimised and expanded to better serve customers' needs.



Poland

Start-up contest

Students in Poland won DPD Poland's start-up competition with a mobile app that enables easily accessible services between consumers and electronic appliance repair shops through voicemail services. These young innovators, from Ostrów Wielkopolski, a technical college, beat five finalists to present their game-changing idea. They received more than 2,000 euros in funding, took part in a trade fair in Paris and will also benefit from access to a co-working space.



Spain

Improving delivery efficiency with big data

The growth of e-commerce has prompted major changes in the transport sector, with significant variability in parcel volumes from one day to the next. Managing this rapidly evolving daily reality to meet customers' expectations requires precision forecasting and effective resource planning. Developed by big data expert PiperLab for DPDgroup's SEUR business in Spain, the PiperLab Forecast Tool helps 350 SEUR employees to better manage the flow of customer orders by forecasting the resources needed for any given date or time frame. It also shows historical trends. The tool's reliability has improved the efficiency of SEUR's delivery services, and resulted in SEUR winning multiple logistics prizes.



Germany

Preventing food waste with SirPlus

Some 20 million tonnes of food are wasted annually in Germany, the equivalent of 500,000 truckloads. To help prevent food waste and support those in need of food, 2018 Ashoka fellow Raphael Fellmer developed SirPlus, a supermarket for surplus food. SirPlus collects in-date food from supermarkets and food distributors and sells it at lower prices to consumers, while providing charities with free food. DPD Germany supports SirPlus with vital logistics support, helping the organisation to reach more people, including through home deliveries. We also help raise awareness of the organisation's work and vision by sponsoring events. Saving food helps to reduce pressure on natural resources, land and water, and lower carbon emissions.

Ethics

Good ethics sit at the core of our business. As stakeholders increasingly seek radical transparency and **high levels of ethical performance,** we continue to integrate corporate responsibility into the way we work, going beyond our commercial goals to be a force for good in society. We evolve our policies in line with internationally recognised standards and ever more rigorous guidelines and regulations.

Solidarity

Respect

Transparency

Accountability

Open mindedness

5 Values

DPDgroup's stance on ethics provides a global framework for the whole group, and is based on **5 core values.**

Care about
the person, not just the parcel

Recognise & respond
to each customer's need

Think ahead & act fast
to reassure

Create a smile
with every customer contact

4 commitments

Ethical business practice is also reflected in the **4 commitments** of the group's service culture.



Code of Conduct

Our Code of Business Conduct is the backbone of all of our activities. It is based on globally defined rights and best practice, as ratified by the Conventions of the International Labour Organization, and must be interpreted by each business unit in accordance with national law. Compliance with the Code is mandatory for all employees and external service providers, and is a key component of decision-making and stakeholder engagement. As part of our regular reviews, we updated the guide in 2017 to ensure its alignment with the recent French Sapin II Law, and in particular the topic of anti-corruption. In 2019, following a critical review, we decided to update it to include more situational examples. This new version will be published early 2020.

We seek to ensure compliance with our Code of Business Conduct through DPDgroup's governance system. Responsibility for governance rests with our senior leadership, with an Anti-Corruption Officer and a Competition Compliance Officer overseeing our global fair competition and anti-corruption programmes. An Ethics Officer manages issues that occur within individual business units. Employees can report breaches of the Code by contacting the offices of the above officers or by using our anonymous whistle-blowing system.

Anti-corruption

DPDgroup prohibits all forms of corruption in our interactions with stakeholders, in line with our Code of Business Conduct and our commitment to the Principles of the UN Global Compact. Being a subsidiary of Le Groupe La Poste, we have integrated its three key principles governing anticorruption plan: Zero Tolerance, Everyone Concerned and Everyone Vigilant.

Beyond this, in 2019, we developed our new anti-corruption programme. Fully compliant with the Sapin II Law introduced in France, this rigorous programme is based on a thorough and comprehensive risk-mapping exercise, for which every business unit completed an anti-corruption questionnaire. This has helped us to identify and measure all the risks connected to our activities. Together with an expert third party, we developed a strategy and roadmap to prevent and address any instances of corruption within the group.

International trade compliance

DPDgroup, as all of the actors in the transport industry, is subject to international obligations such as sanctions decided by the UN, the European Union, and national authorities. DPDgroup therefore takes a strict approach to trade compliance, and supports all business units in complying with all relevant restrictions and economic sanctions laws and regulations related to embargoes. Within this framework, DPDgroup has implemented a compliance programme to ensure that we trade with legitimate partners, which includes the application of our global sanctions policy, a defined compliance framework and the implementation of the GeoCheck screening tool.

Personal data protection

To comply with the European Union General Data Protection Regulation (GDPR), which came into force in May 2018, we have implemented a major data protection initiative across DPDgroup, integrating data protection changes throughout the organisation's processes and culture. In 2019, we implemented our action plan, underpinned by strong governance mechanisms. We are maintaining a global overview of the group's data developments, while each European business unit has appointed a GDPR point of contact. To help our European businesses remain compliant with GDPR, we have developed tools to evaluate all new projects from a data perspective. To support our continued progress on GDPR compliance, we conducted an audit of our previous two years' efforts in 2019, and created a committee to oversee ongoing efforts. The committee meets regularly, follows regulatory updates and directs the group's data protection strategy.

About this report

This is DPDgroup's fourth Corporate Social Responsibility report, published in June 2020. This report covers 19 business units across Europe, all under full ownership of DPDgroup. These businesses represent 89% of the Group's revenue.

We are working on a progressive inclusion of other business units fully owned or under our financial control within the DrivingChange™ programme.

Unless otherwise stated, this report only includes information related to 2019.

DPDgroup operates under the following brand names: DPD, Chronopost, SEUR and BRT. The information in this report has been gathered through reporting tools, documented information and internal and external stakeholder interviews.

We would like to thank all those who contributed to this report.

Please direct questions on this report or topics related to our corporate social responsibility programme to drivingchange@dpdgroup.com

Discover our CSR webpage on: www.dpd.com/group/en/sustainability



dpdgroup

Parcel delivery network of GeoPost

26, rue Guynemer - 92130 Issy Les Moulineaux, France
drivingchange@dpdgroup.com | dpdgroup.com | @DPDgroup_news

FSC