

DrivingChange™

Corporate Social Responsibility
Report 2016



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Discover the digital CSR report on our dedicated website:
www.dpdgroupdrivingchange.com

11 We are DPDgroup

Our vision



We are focusing our CSR ambitions on four priorities closely related to our business and on which we can have a direct, positive impact. In particular, our carbon neutral commitment strives to make our operations as CO₂ efficient as possible before neutralising our remaining transport emissions on the voluntary carbon offsetting market. Moreover, DPDgroup considers social dialogue, collective bargaining, and a constructive relationship with trade unions as a fundamental asset to perform sustainably. As a result of a fruitful cooperation, DPDgroup signed a global agreement with UNI Global Union on fundamental human rights and the freedom of association.

On 27 April 2016, I committed DPDgroup on an important step of its recent history by expressing our support to the ten principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

By doing so, we agreed to make the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engage in positive, collaborative projects.

Our approach is intended to be pragmatic. Our actions are designed to be as efficient as possible, which is why we are focusing on areas where we can make the greatest difference.

In 2016, we reconfirmed our CSR commitment through the launch of the DrivingChange™ programme.

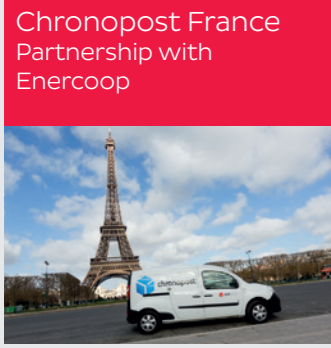
Following on from a year where DPDgroup has grown rapidly through unprecedented volumes in e-commerce and major new external acquisitions, our commitment is to continuously adapt our organisation and instil a sustainable and people-minded culture to tackle our upcoming challenges. Our driving force is to be and to remain a friendly, responsible and pragmatic partner to the people, businesses, and communities we work with locally. Our Corporate Social Responsibility stands as a key driver in our strategy to support those changes in a positive and sustainable way.

On behalf of DPDgroup employees, I hereby express my continued support for the Global Compact and renew our ongoing commitment to the initiative and its principles.



Paul Marie Chavanne
President and CEO of GeoPost

2016 CSR Highlights



After Paris Concorde and Beaugrenelle, Chronopost deploys renewable energy supplied by Enercoop on its Urban Logistics Spaces in Toulouse and Lille.



With DrivingChange™, we focus on four priorities where we can make direct and positive impact. We aim to be a responsible partner for our stakeholders.



Three employees of DPD France came up with an imaginative project, "Mr Pasha", for attracting new customers with a parcel concierge service followed by last-mile delivery solutions every day of the week.



DPD Poland has won "Eco-responsibility in Business award" in the "Enterprise" category, as a company engaged in social responsibility.



For the first time worldwide, DPDgroup has received the authorisation from the French Civil Aviation authority (DGAC) to deliver parcels on a 15km regular commercial route using drones.



Together with the children's charity Plan International, the DPD Germany Foundation sponsors children in Africa, Asia and Latin America. Over hundred of employees and of our young trainees have now embarked into personal sponsorship of children.

January

February

February

April

September

October

October

October

December

December

December



DPD UK has been listed for the first time in the prestigious Sunday Times' "Best Big Companies to Work For" list which celebrates excellence in workplace engagement and employee.

DPD France New Alternative Vehicles



Following Lyon, Grenoble and Strasbourg this winter, DPD France is once again expanding its sustainable city-centre deliveries with 35 vehicles using CNG (Compressed Natural Gas).

DPD Czech Republic Wins "Top Responsible Company" Award



DPD CZ has been awarded the Gold Certificate of the "Top Responsible Company" for its sustainable development initiatives and was recognised for its long-lasting contribution to sustainable business conduct.

SEUR Nissan's new eco-friendly fleet



With the aim of encouraging the use of electric vehicles for urban distribution of goods, and as part of its commitment to drive sustainable mobility, Nissan has supplied twenty of its 100% electric Nissan cars to SEUR.

DPD United Kingdom Fundraising for Save the Children



On "Christmas Jumper Day", all the UK BU's depots take part in raising money for the "Save the Children" charity including 120 beneficiary countries.

Our business



Our business



DPDgroup is the international parcel delivery network of GeoPost, a holding company owned by the French Le Groupe La Poste (2016 revenues of €23,294 million).

In 2016, GeoPost posted sales of €6.2 billion, 26% of Le Groupe La Poste's revenues.

DPDgroup is n°2 in Europe, with 12% (+0.4% vs last year) market shares of the CEP (Courrier, Express and Parcel) market benefiting from its largest European road network (2015 data).

We are a multi-domestic player and have developed our strong cross-border network by external growth, acquiring well-known domestic players on each market.

We have a strong presence across Europe, where we rely on local accountability (strong domestic brands, local proximity to customers), while acting globally in a consistent manner and maintaining the same image and reputation with respect to all our stakeholders.

We have developed our network, leveraging our historical expertise in BtoB in order to develop a strong pan-European BtoC network, which represents 36% of our volumes today.

We are now the fastest growing B2C player in Europe, representing 1.5 million parcels delivered each day to end-customers.

We believe in building closer connections with all our customers. We work hard to know and understand their ambitions and challenges, so we can evolve our business to support their growth.

Our Group combines innovative technology and local knowledge to provide a flexible and user-friendly service for shippers and shoppers, senders and recipients. With our industry-leading signature services, Predict* and Pickup**, DPDgroup is setting a new standard for convenience and flexibility. Our stakeholders put their trust in DPDgroup to supply reliable and competitively priced delivery services anywhere in the world.

We have the ambition to be a leader in BtoB and BtoC, locally in each domestic market and at a Pan-European level, turning ourselves into the natural choice of service partner for our customers, and for their customers.

* Our industry-leading Predict service, available in 20 countries, is a unique interactive delivery service giving e-shoppers advanced notification of a one hour delivery window while also giving them the opportunity to re-schedule the date or the place of delivery if they want, via smartphone or online. DPDgroup is the 1st delivery network to offer such a service all over Europe.

** Pickup is our extensive pan-European network of 28,000 parcel shops and lockers across 23 European countries, providing flexibility and convenience for all our customers, senders and receivers. 95% of the population in the UK, France and Belgium less than 15 minutes away from a Pickup point.

Our people

“Our people: our strength”

In DPDgroup we believe that each and every person with his or her own individuality contributes to the success of our company. Making our 30,000 employees responsible is therefore a major challenge and the “can do” attitude is an integral part of our culture.

Initiatives

Human rights, employee rights

In 2008, GeoPost signed a European Works Council (EWC) Agreement, whose scope applies to all European Business Unit. This agreement has been set up to develop a social dialogue consistent with our values. Sixteen European countries are represented with nineteen staff representatives.

Five years later, GeoPost and EWC renewed their commitment by signing a CSR Charter, which covers non-discrimination, intolerance towards forced and child labour, occupational health and safety, etc.

A new agreement was signed in March 2017 with UNI Global Union, which reaffirms the Group's commitment to respecting fundamental human rights, in recognition of the Fundamental Principles and Rights at Work of the International Labour Organisation (ILO) and United Nations Guidelines.

“GeoPost is perfectly positioned, both in Europe and worldwide, to demonstrate that decent employment and respect for unions create sustainable businesses.”

Philip Jennings,
General Secretary of UNI Global Union.



DPDgroup, caring about our people

GeoPost and the EWC agreed on the fact that well-being at work is our major priority, the European recommendations on Quality of Life At Work were signed in 2015.

Every two years, DPDgroup is committed to launching an Employee Opinion Survey within all European Business Unit and to rolling out our action plans to improve employee satisfaction. In 2016, around three quarters of DPDgroup employees answered this survey in 17 countries and on average 80% of them were satisfied with their working environment. In 2017, each Business Unit will present to the EWC its own quality of working life action plan to improve 2016 results.

“At DPD Estonia, there is a balance between our employees' work and home life. While adult family members are hard at work making sure all our clients' parcels are delivered safely on time, our smaller family members enjoy themselves in weeklong summer camps.”

Annika Oruaas, HR manager.

Our people

In Spain, SEUR is committed to promoting health, safety and the well-being of employees within a process of continuous improvement. Training is given on safety aspects and, in regards to health, SEUR provides information on many aspects of healthy lifestyles, promotes participation in sporting activity and even has a health blog.

Skilled and motivated employees for sustainable business

Acquiring new skills can improve business performance, internal dynamism, and the employability appeal of our people.

In 2016, DPDgroup trained 63% of its employees which represents 42,807 training days in total.



Focus on DPDgroup initiative Lise, the e-learning platform dedicated to service culture launched in 2016. LISE (Learn, Improve and Share Expertise) is a user-friendly platform that consists of 10 training courses on service culture and soft skills for the sales team, drivers, customer services teams and managers. Today, LISE is more than a platform: it is a community of Training Managers who now share best practices, training materials and co-design digital modules on service culture.



“To me personally, more than ever, every employee is the face of our brand/service and we must all take personal responsibility to promote and encourage a consistent customer experience that delights our customers and sets us apart.”

Daniel Sweeney,
Customer Services Manager, DPD Ireland.

Empowering our people

Good working conditions, training initiatives and various employee achievement recognition awards within DPDgroup are aspects that contribute to the value we bring to our employees. DPD UK has been the forerunning Business Unit in this approach to employee empowerment, called “DNA strategy” which addresses the human resources strategy, operational plan and metrics analysis to:

- develop and share best business practices and leadership skills, and
- inspire individual contributions from the workforce.

Over 18 months, continuing into 2017, this approach is now being rolled out in other Business Unit within DPDgroup in Belgium, France, the Netherlands, Portugal, Spain and Switzerland.

Our people

Key figures 2016



Ambitions for 2017

Each Business Unit is currently working on its own quality-of-working-life action plan to improve the 2016 results locally.

Regarding e-learning, our objective is to propose short modules translated into all languages. These modules will be part of a complete integration programme for new employees.

Six countries will start the implementation of “DNA strategy” in 2017.

Ethics

“Doing business in an ethical framework, and at every level”

Corporate Social Responsibility implies responsible, moral and transparent internal and external business conduct, i.e., conducting business in an ethical manner. Our ethical programs aim at developing and maintaining a compliance culture within the company, preventing anti-compliance practices and detecting violations:

2015: nomination of a Competition Compliance Officer

2016: nomination of an Anticorruption Officer and the deployment of competition and anti-corruption programs.

Initiatives

A Code of Business Conduct

Fair competition practices and anti-corruption measures are supported by GeoPost’s 24-page Code of Business Conduct, enacted in 2012. This is continually reviewed, with the latest update in 2016.

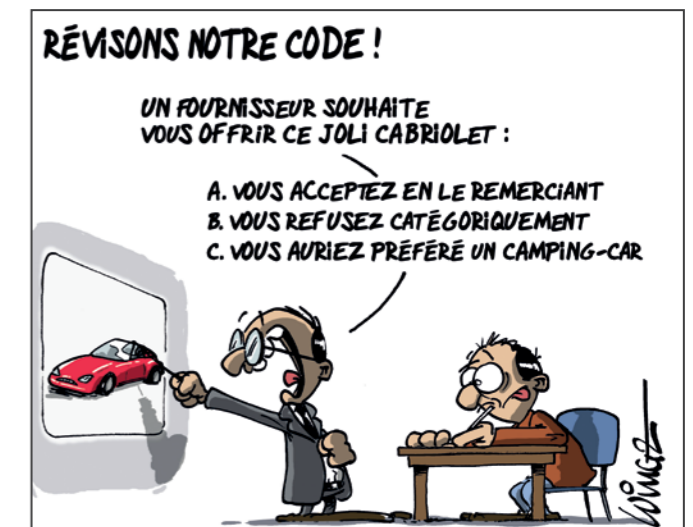
Each DPDgroup entity is required to roll out the Code of Business Conduct. Its aim is to give all employees the keys to a high degree of professional practices, to the best standards in the profession and in line with GeoPost values. Amongst the many issues that it addresses are personal conduct and respect for others, confidentiality, privacy, the conduct of employees vis à vis external stakeholders, honesty, integrity, avoiding conflicts of interest, competition, employee health and safety, diversity, and personal development.

GeoPost has implemented an internal IT whistleblowing tool, a valuable early-warning tool to reduce risks. All employees can connect up to the tool and receive advice or help concerning a delicate situation, or report a possible or proven offence to persons possessing the necessary skills to assess the practical and legal aspects of the situation.

Adhering to fair competition practices

In France DPDgroup, via its holding company GeoPost, has published a 48-page referential document based on competition law. This document gives examples of anti-competition practices, transparent commercial relations, restrictive competitive practices, inquiries carried out by public bodies and practical in-the-field information.

In addition to this reference document, DPDgroup has also published a practical guideline for use by employees on the behaviour to adopt in the presence of competitors, for example, in trade association meetings. The ultimate aim of this guideline is to ensure that our employees respect the principles of fair competition practices.



Ethics

Ensuring ethical continuity

In addition to the guideline available on “best practices and behaviour in the presence of competitors”, the relevant managers and employees of the companies located in France (GeoPost, Chronopost, and DPD France) have been trained on competition rules. They also have access to an intranet tool illustrating the referential document.

Direct CSR procurement is applied to areas such as raw materials (fuel, etc.) and fleet management, and supplier selection focuses on criteria such as ISO 14001/9001 certification, eco-labels and CSR policies. Some of the BUs provide CSR support to their suppliers, for example, by training them on our Group’s CSR strategy, eco-driving training.

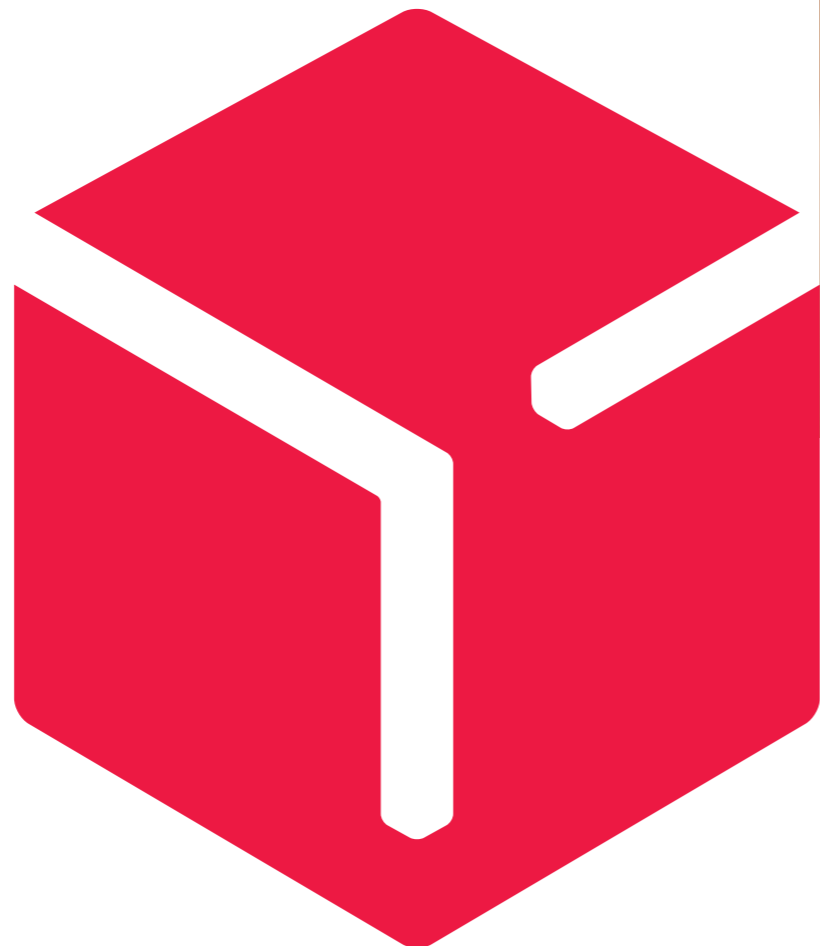
Working against corruption

In France, the law called “Loi Sapin II”, enacted on 9 December 2016, requires that all French companies implement an anti-corruption compliance programme not only for themselves but also within all of their subsidiaries. Since 2011, DPD UK is committed to conducting all of our business in an honest and ethical manner with a Bribery and anti-corruption policy, which is a zero tolerance approach to any form of bribery and corruption

In July 2016, ahead of this law, GeoPost/DPDgroup CEO Paul-Marie Chavanne committed to implementing La Poste Group’s principle of zero-tolerance against corruption and anti-corruption measures, within DPDgroup.

Developing a sustainable procurement approach

We aim to roll out sustainable procurement practices to all our Business Units. To start the ball rolling, a sustainable procurement survey was undertaken in 2016 covering 16 European business units. The overall feedback shows a mixed level of maturity on this issue. Over 50% of business units have a sustainable procurement policy in place.



Ethics

Key figures 2016

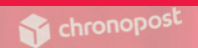


Code of conduct



19 Business Units

is the number of countries that have implemented a code of conduct.



Ethical trainings



100%

of managers trained on competition rules in France.

Ambitions for 2017

Roll-out of an anti-competition compliance programme will be continued within GeoPost and its subsidiaries.

Ensure that best practices already in force are promoted in certain subsidiaries in regards to the implementation of a legally required anti-corruption plan.

Increase anti-corruption commitments within client and supplier contracts.

Implement user-friendly training tools for its subsidiaries.

Develop a sustainable procurement approach with the European BUs and share the best practices.

Our CSR Network



The DPDgroup CSR team

CSR Management and Governance

Preserving the trust of its customers, employees, partners and other stakeholders is essential for DPDgroup. This is the reason why DPDgroup strives to be transparent on its governance practices by setting up an organisation that combines effective decision-making processes and promotes respectful, sustainable and ethical behaviour as part of its activities.

DPDgroup governance is structured to enable efficient management of environmental, social, and ethical business matters at all levels. Our European Operating Board (EOB) is responsible for reviewing and validating CSR strategic orientations annually. The strategy is designed to be in line with Le Groupe La Poste directives consistently rolled out as well by other branches of the Group.

DPDgroup CSR Department, overseen by an EOB member, ensures the implementation of the CSR strategy DrivingChange™ and coordinates the process with a network of 19 CSR correspondents responsible for the operational implementation in the European Business Units.

Most of the Business Units correspondents ensure the effectiveness of the implementation by leading cross-functional CSR steering committees at local level.

An active network

DPDgroup is in line with the main international standards concerning Corporate Social Responsibility.

- We have been a member of the Global Compact since 2016 and published our first Communication On Progress (COP) in 2017.

- We follow the United Nations Environmental Programme - UNEP's study recommendations for a carbon neutral world by the end of the century through our partnership with EcoAct, an internationally recognised consultancy in carbon neutral strategies.

- We comply with the obligations of The Universal Declaration of Human Rights and all the applicable regulations at regional and local levels.

International standards: guidelines for our network

DPDgroup operations comply with all applicable laws and standards.

DPDgroup adopts the ISO 14001 management system standard within its operations to provide a consistent and structured approach to the management of environmental aspects and their subsequent impact.

Fair competition practices and anti-corruption measures are supported by GeoPost's 24-page Code of Business Conduct, enacted in 2012.

CSR external benchmark

DPDgroup was granted in 2016 with the silver recognition level by EcoVadis which is an international sustainability rating platform for global supply chain. We are placed between the top 13% of companies assessed by EcoVadis in all categories.

Our CSR programme: DrivingChange™

With DrivingChange™, we focus on the areas where we can make direct, positive impact – 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 we work with.

This approach brings us closer to our customers and other stakeholders such as our employees and suppliers, and allows us to drive positive change in how we do business, and evolve our business.

DrivingChange™

To guide our CSR activities and differentiate our approach, we focus on four priorities – at the heart of our core business – where we feel we can make the most meaningful difference within parcel delivery and beyond:





“Dedicated to making every parcel we deliver carbon neutral, for all our customers, at no extra cost”

The transport sector is a major source of carbon dioxide emissions. In 2014 in Europe, road transport accounted for 21% of overall CO₂ emissions.

As an express delivery company, DPDgroup is a major user of transport for its own and subcontracted operations; as such, it plays an active role in the race towards lower carbon emissions.

DPDgroup is leading the way in carbon neutral delivery by being dedicated to making every parcel we deliver carbon neutral, for all our customers, at no extra cost.

Since 2012, DPDgroup has been a pioneer in carbon neutral delivery by offsetting 100% of parcel delivery emissions, voluntarily.

Initiatives

Through the DrivingChange™ Carbon Neutral commitment, DPDgroup is engaged in making every parcel we deliver carbon neutral, for all our customers, at no extra cost to them. Our approach strives to be simple, pragmatic and effective. We therefore focus on measuring our CO₂ emissions, acting to reduce them, and offsetting the remaining ones.



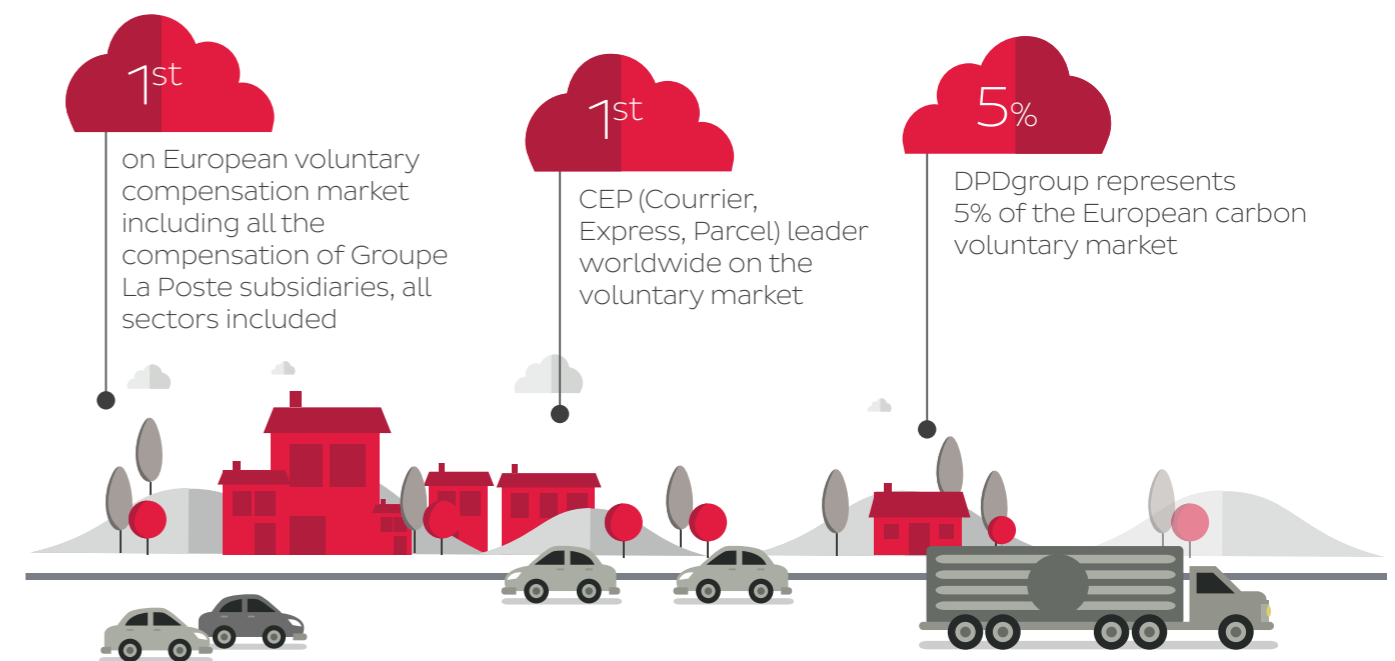
1 We measure



2 We reduce



3 We offset



1. Measure



Measure it to manage it

We accurately measure the carbon footprint of our transport network. An external audit is held every year to verify the amount of GHG emitted and to be offset. In 2016, the total amount of GHG (greenhouse gas) emissions from our transport was 863,331tCO₂e (tonnes of carbon dioxide equivalent, which includes the main greenhouse gas emissions).

The quantity of emissions is determined by using an internal reporting tool (RESPIRE), where each business unit enters data every quarter. The tool follows international standards, such as ISO 14064, to calculate GHG emissions and the main indicators that enable us to measure our environmental performance.

Transport vehicles are our major source of emissions. The emissions from these (whether owned/leased or subcontracted) are used in offsetting calculations.

A recognised external, independent auditor verifies and provides assurance on the compliance of the protocol with the standards in terms of data collection and calculations, and therefore with the exactness of the calculated CO₂ emissions.

2. Reduce



Target met with a reduction of -10,1% of CO₂e emissions per parcel in 2016

As a responsible business, we are dedicated to reducing our carbon footprint. We have set a 10% reduction in our CO₂e/parcel target by 2020 compared with 2013 levels and met the target in 2016, well ahead of schedule. We were able to reduce the carbon intensity per parcel to an average of 0.747 kg CO₂e /parcel, which enabled us to achieve a reduction of 10.1%. This performance has resulted from higher transported parcel volumes, combined with daily operational optimisations and carbon reduction initiatives, thus enabling us to make better use of our resources and increase efficiency. Now that the target has been met we will work in 2017 on new medium-and long-term carbon reduction objectives.

We reduce our emissions as part of our daily operations. Increasing the load factor of our transport vehicles and using optimal routes enable us to make major efficiency improvements, saving time, costs and emissions. On top of that, we act on other impacting levers such as vehicles, fuel and driver behaviour: by using alternative fuel vehicles; and by optimising load including double-decked trucks or Long and Heavier Vehicles (LHV).

Alternative-fuel vehicles



At the end of 2016, DPDgroup fleet had around 250 alternative fuelled vehicles, i.e., powered by liquefied natural gas (LNG), Bio Natural gas (BNG), electricity and electric assistance. Our fleet of alternative vehicles travelled more than 6.2 million kilometres in 2016.

The first Spanish delivery van transformed from using pure diesel fuel only, to using Compressed Natural Gas as well, arrived in Madrid in September 2016. This project is the result of a public-private partnership. A first in Spain, SEUR will use this van with the objective of obtaining real-use measurements on this type of transformation for last-mile delivery.



Road-trains, reducing emissions through load and route optimisation

Road trains, or LHV, allow a single truck to carry more load and therefore reduce the total distance covered. By 2016, DPD NL had 21 of these trucks.

“2016 was a special year for us as this was the year when the LHV concept really took off, with trucks of 162m³ loading capacity – the maximum volume authorised – allowing us to be in full control of our branding and operational strategy for high-volume delivery.”
Jako Bos, Network Director for DPD NL

DPD NL has witnessed very tangible benefits by using LHVs, especially lower emissions. In 2016, by using LHVs instead of normal heavy vehicles and trucks powered by Liquefied Natural Gas (LNG) instead of diesel, DPD NL avoided the emission of 560 tCO₂e.

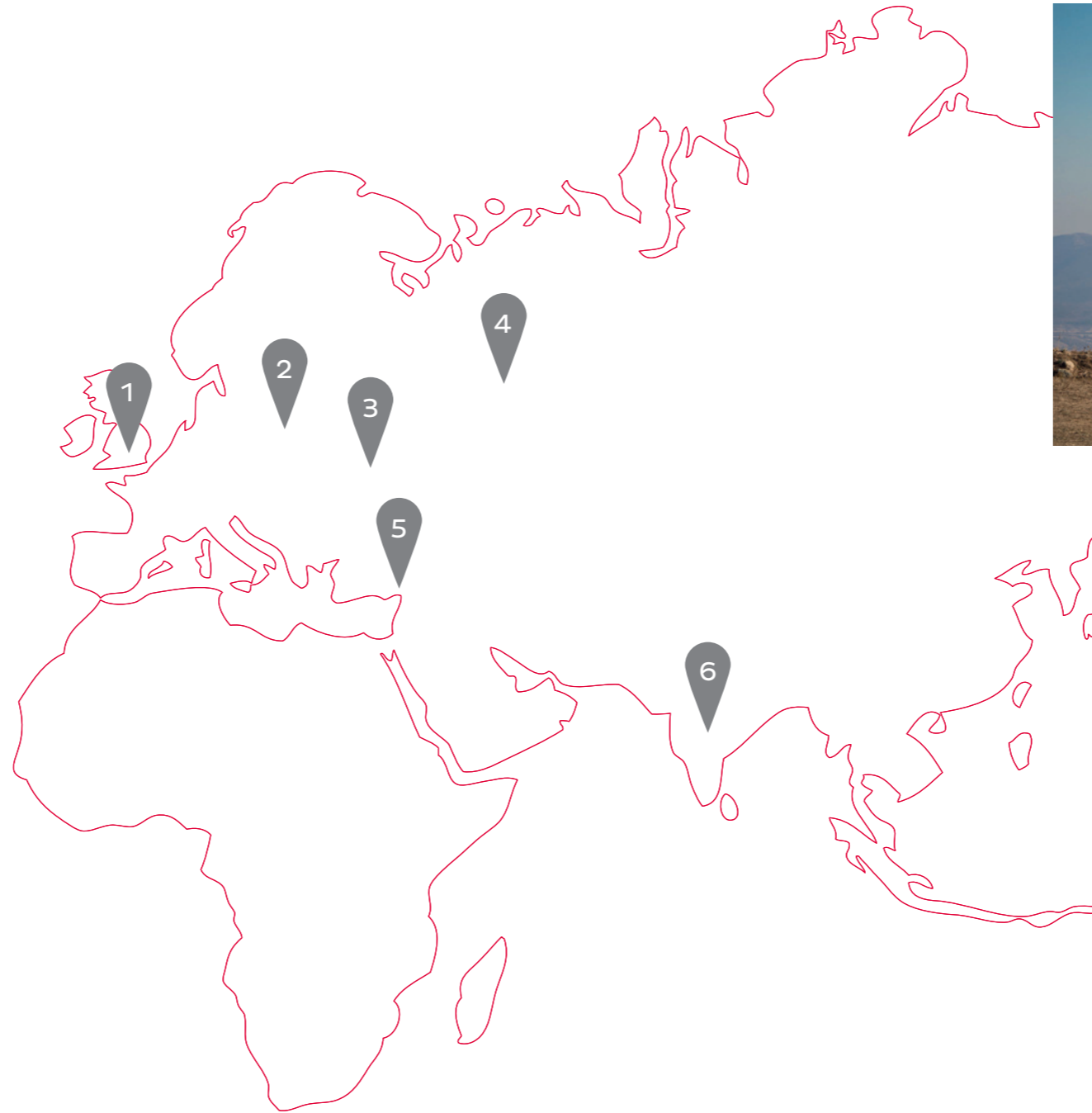
3. Offset

We voluntarily offset 100% of transport emissions at no additional cost for all our customers.

Since 2012, DPDgroup has been a pioneer in carbon neutral delivery by voluntarily offsetting 100% of parcel delivery emissions, at no additional cost for all our customers.

Our offsetting programme consists of six projects related to renewable and cleaner energy production. The offsetting projects are mostly located close to our business locations in Europe, Turkey and India.

Together with EcoAct, an internationally recognised consultancy in carbon neutral strategies, we have put in place an offsetting programme that complies with the most rigorous international standards, while also driving social and economic improvements. These standards provide a third-party verification that ensures accurate carbon accounting.



1 **United Kingdom**
United Shire Project
VCS



2 **Germany**
Cleaning Ground Project
VCS



3 **Czech Republic**
Waste Energy Project
CC



4 **Poland**
Green Binders Project
CC

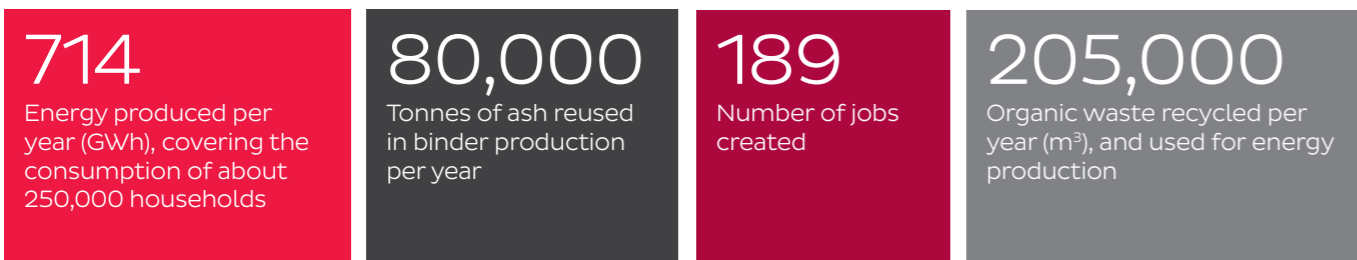


5 **Turkey**
Balikesir Wind Project
Gold Standard
Cleaner Security & Sustainable Development



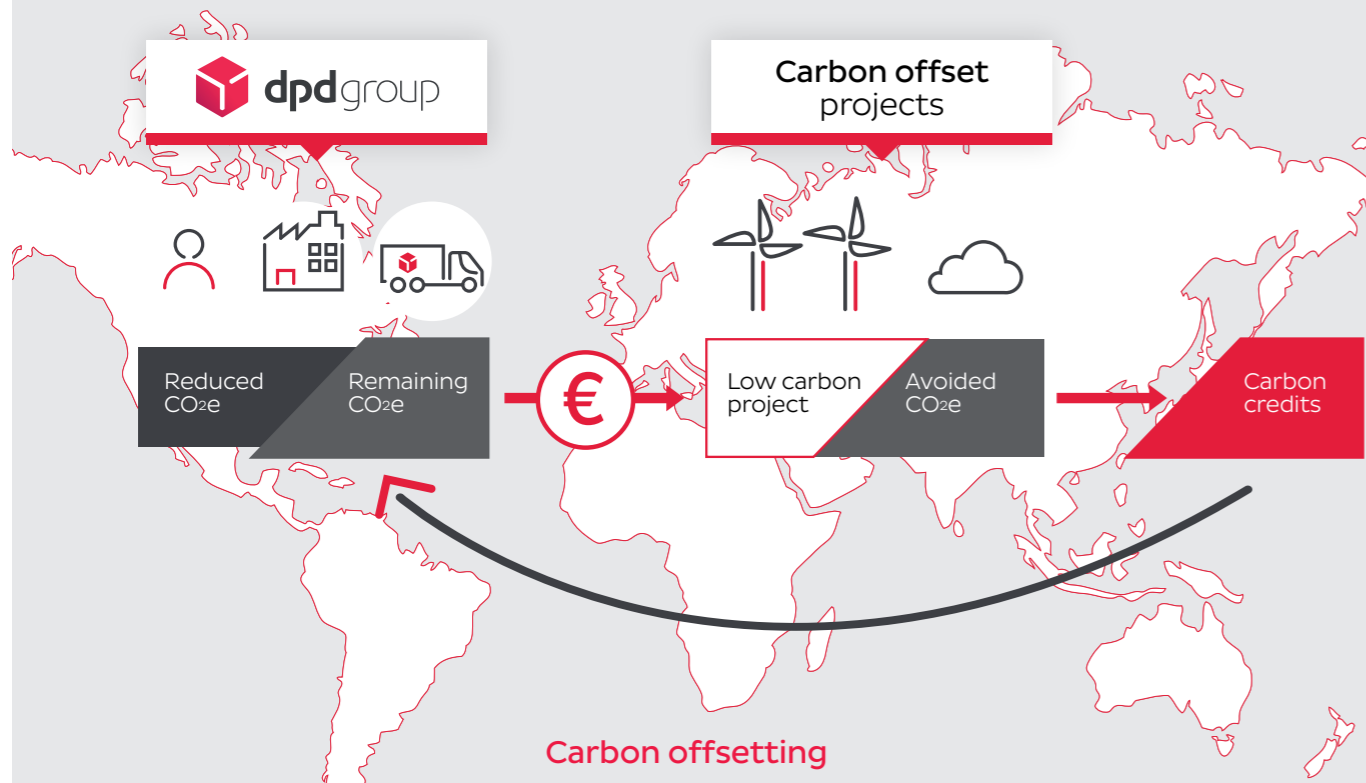
6 **India**
Indi Wind Project
VCS

The above-mentioned projects not only offset 100% of our GHG parcel delivery emissions, they also drive social and economic improvements:

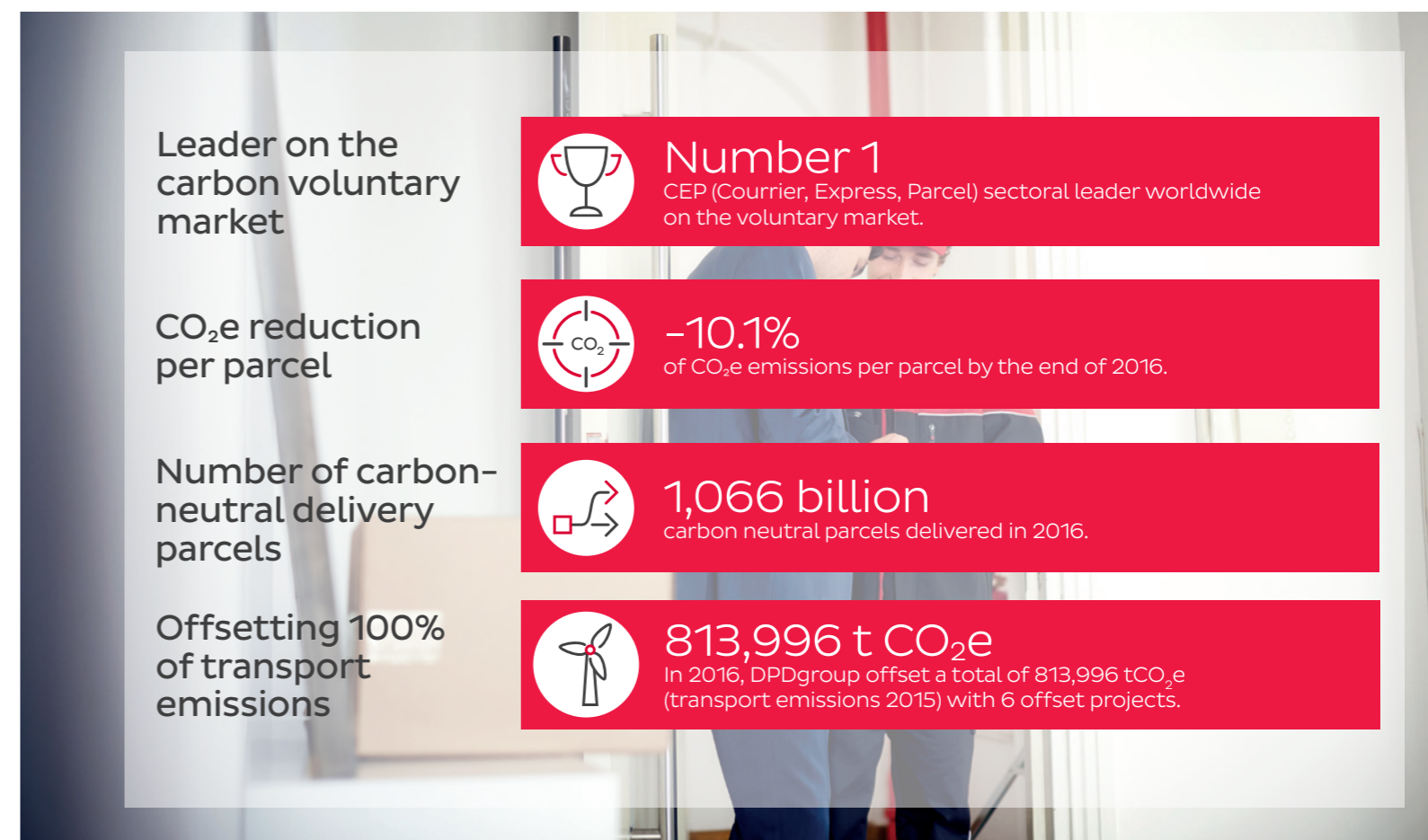


The process of offsetting

The process of offsetting is the following: we first measure our GHG emissions and put in place reduction actions where possible. The remaining emissions are then offset through the financing of low-carbon projects. The emissions that we offset include our indirect emissions from outsourced transport.



Key figures 2016



Ambitions for 2017

Continue to reduce the carbon footprint per parcel, set new medium and long-term reduction objectives in 2017.

Keep on neutralising the remaining transport-related carbon emissions and add a new offset project in our portfolio.

Other environmental aspects

“It is our commitment to reduce our environmental footprint for the communities that we serve”

Initiatives

In the implementation of its services, DPDgroup is aware of the interrelationships between transport logistics and the environment. The consumption of energy, water, other consumables and waste management is also included in our initiatives towards the continuous improvement of our environmental performance.

Energy



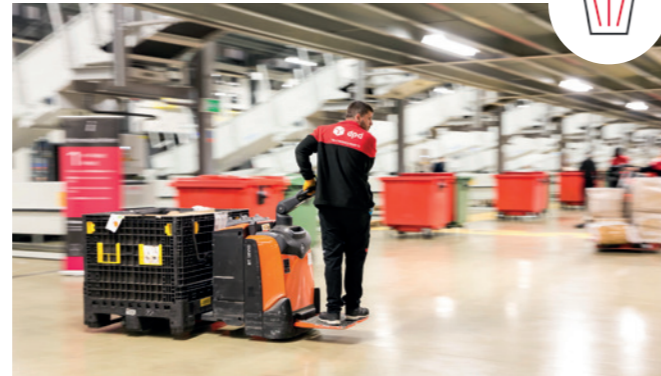
Our depots and HUB use electricity to power the sorting systems for parcels, which makes it an important aspect in our company. Consumption reduction has been achieved across our depot network with initiatives such as those on LED lighting systems and smart grids, which improve efficiency. Several business units have signed contracts with renewable energy providers, such as Enercoop. The energy they provide is from 100% renewable sources.

At DPD UK's Oldbury distribution site in the West Midlands, also our UK headquarters, a 1MWp solar panel system was fitted in autumn 2016 to the buildings' rooftops.

Paper

We follow up the consumption of office paper, labels and external communication material. In 2016, more than 2.7 million kg of responsible paper was used in the group. Whenever possible, the procurement of paper is issued from responsible sources, which come from forests that are managed in a sustainable way.

Waste



DPDgroup's business units play an active role in managing their waste and do so in both logistics hubs and offices. Paper, cardboard, plastics and pallets are sent to recycling platforms. Hazardous materials, as well as waste electric and electronic equipment, are also handled in a compliant and responsible manner. In 2016, more than 11,000 tonnes of waste were recycled or handled in other treatment processes.

Water

Although DPDgroup's activities are not major water consumers, business units are making efforts in this area. Depots monitor their water consumption in m³ and any significant increase in this consumption indicates a potential leak. On average 73 litres per m² were used in 2016, which is 4% less than in 2015.

Environmental management system

As part of our environmental commitment, our Business Units have implemented an Environmental Management System, which enables businesses to measure and monitor their environmental impacts in all aspects of their activity. 289 out of 445 depots owned by DPDgroup Business Units are certified ISO 14 001, representing 65% of the total.

Other environmental aspects

Key figures 2016



Ambitions for 2017

DPDgroup will maintain its Environmental Management Systems and the subsequent ISO 14 001 certificates.

We will work towards limiting the negative impact due to our activity and focus on environmental awareness campaigns among our employees and subcontractors.



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

Challenge of urban living and increasing demand for delivery

Over 74% of the European population lives in a city. As we deliver more and more parcels to consumers in cities every day, we need to be aware of our impact on urban populations and communities (such as increases in traffic congestion and local pollution) and offer sustainable solutions that improve people’s quality of life.

Air pollution is the top environmental risk factor for health in European cities with 600,000 deaths every year (World Health Organization). It causes a wide range of diseases and has as well several negative impacts on ecosystems and vegetation.

Even though progress has been made, European citizens often breathe air that does not meet the minimum standards. Urban transport is a major contributor to air pollution.



* source Ecommerce Europe
 ** source European Environment Agency

Initiatives

Smart Urban Delivery, one of the four priorities of DrivingChange™, is a strategic commitment for DPDgroup to improve everyday urban life by giving greater delivery choices, while reducing our impact on the road.

Reducing the impact of our delivery fleet

We are constantly renewing our fleet, to further reduce the pollution caused by our activity and we will continue to measure and reduce our impact on the environment.

In 2016, we estimated that our pick-up and delivery fleet was responsible for emitting 15 tonnes of particulate matter and 223 tonnes of nitrogen oxides.

Improving everyday life in city centers by offering greater delivery choices

We offer customers the choice and flexibility of the place and the day they want to be delivered, choosing the delivery time-slot that best suits them, with our innovative delivery services like Predict and Pickup.

Pickup



Pickup provides a flexible and convenient solution. Our customers can send and receive parcels at the most convenient Pickup point, whether it is a busy street near the office, or somewhere closer to home.

Predict



With Predict, recipients know the exact hour we will arrive: delivery information is sent via text message or e-mail.

This helps reduce emissions by increasing successful first deliveries, for greater efficiency in our delivery rounds.



Vehicle renewal and alternative fuel switch: reducing pollution

To improve urban logistics, we set up local win-win partnerships with delivery partners (such as offering discounts on new vehicles), and public authorities (for instance, for securing our licence to operate while respecting an increasing number of environment-related traffic regulations).

And we are continuously looking to the future, experimenting with innovative solutions and integrating new methods – such as soft mobility, using non-motorised transport – and alternative technologies – such as hybrid, electric and compressed natural gas (CNG) vehicles – into our approach, to make sending and receiving parcels easier than ever.

Further innovative partnerships for smart urban logistics:

Our commitment toward Smart Urban Delivery does not only mean replacing standard fleet by low emission vehicles, but also being well-positioned for the introduction of innovative smart, clean delivery solutions in towns and cities.

Chronopost, Toulouse

In Toulouse, Chronopost, as a responsible market player has been strengthened thanks to a partnership in May 2016, on the use of bicycles and electric vehicles, with Alternmobil, a specialist in last-mile delivery and electric mobility in Toulouse streets since 2008.



SEUR Barcelona

In Barcelona, SEUR (DPDgroup BU in Spain), operates a fleet of 20 zero-emission Nissan Leaf electric vehicles, which complement the bicycles and electric tricycles already used.

This initiative aims to promote and develop sustainable urban distribution by using alternative vehicles and fuel for last-mile deliveries. This alternative fleet enabled SEUR to carry out 500,000 emission-free deliveries in 2015.

“Sustainable mobility is a key issue for our city and we are working to ensure that goods are delivered in the least polluting way possible within the city, in compliance with the objectives set out in the 2013-2018 Plan. Urban distribution of goods will always depend on individual vehicles and, as such, electric fleets are key to reaching our objectives.”

Mercedes Vidal, Councillor for Mobility at Barcelona City Council.



A first in France: an urban logistics hotel

La Poste and DPDgroup, for which urban logistics is a strategic priority, has implemented several projects to meet these challenges. For the last year, it has served Bordeaux's city centre using 100% clean vehicles, powered by electricity or natural gas. More than 500 travel along the city's roads. 14 self-service lockers from DPDgroup's Pickup Station, which concentrates several delivery points within one area and is accessible 24/7, were installed in the busiest places.

“The city of Bordeaux wants to take action in regards to the last mile travelled and implement non-polluting means for deliveries in the city centre. La Poste's logistics hotel project is a strong response to the last-mile issue. This is the first time that a major ULH has been built very close to a city centre. We hope that it will give other operators the idea to group together in order to create logistics hubs in the four corners of the city.”

Bordeaux City, France, Michel Duchène, Vice-President of Major Urban Planning Projects/Bordeaux City.

Urban Logistics Areas, France

Chronopost France is on track to develop shared logistics areas near several French cities. They will allow several operators to use the same logistics area at different times of the day, with goods transported on the basis of “green last-mile delivery”, using clean vehicles.

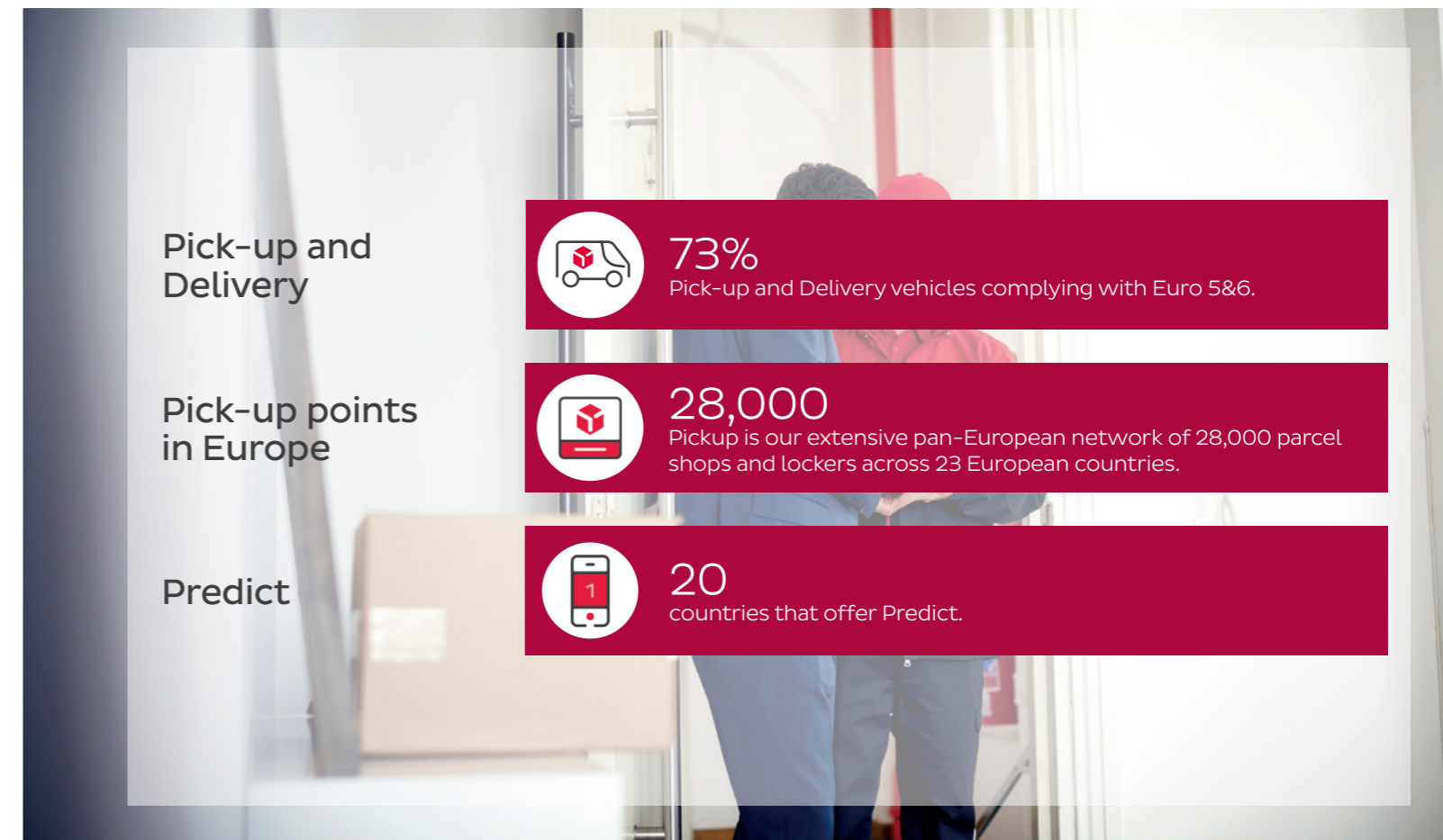
The market for express delivery of fresh food and groceries is set to expand significantly over the coming years. DPDgroup is fully involved in the development of this market, particularly in terms of “food logistics areas”, supplied by food wholesalers with distribution to customers.



Delivery by bicycle

Last April, DPD Slovenia acquired a new vehicle, the DPD bike, for parcel delivery to consignees living mainly in Ljubljana city centre. Transport bikes not only enable emissions-free parcel deliveries locally, but are also more practical and efficient in inner-city traffic.

Key figures 2016



Ambitions for 2017

The renewal of our fleet will continue, adding more vehicles that comply with at least the Euro 5 standard.

Expansion of our Pickup network in European countries.

To keep improving the first delivery attempt success thanks to our Predict service.



“Bringing people together to support and build the communities we are closest to”

As a delivery expert, DPDgroup connects with to local communities on a daily-basis. Our people voluntarily commit their time, skills and resources to support communities in need and create mutual benefit. Our ambition is to make a positive contribution to the communities we are closest to.

Initiatives

Our philosophy: engaging the DPDgroup community

Each employee can make a positive difference by contributing to local initiatives relevant for its BU on two main engagements:



Solidarity transport: using our DPDgroup delivery and logistic expertise to support communities where we operate.



Employee commitment: devoting our skills and motivation to share our expertise for supporting communities.

A wide range of areas for action:

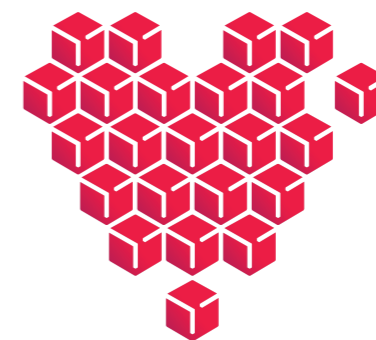
Solidarity transport

19 BU
involved in 90 initiatives

530,000km
travelled to deliver 2,500 tons
of parcels to communities

Employee commitment

260,000 hours
invested by 18,000 employees involved
to support 300 associations



Driving Change™ A closer communities initiative by DPDgroup

Solidarity transport

SEUR Foundation: “Refugees aid Plan” (1)

The SEUR foundation deployed its logistics expertise to support three Spanish organisations that provide help to refugees, with over 200 tonnes of humanitarian aid given to more than 200,000 refugees.

Through its partnership with Asociación de Apoyo al Pueblo Sirio, SEUR provides free logistics support to NGOs for the massive transport of humanitarian aid (food, clothes, shoes, etc.) donated and distributed to refugees. Almost all of the beneficiaries are located in Greece and Syria.

“The benefits for AAPS of this partnership are clear: a vastly increased volume of parcels shipped, only made possible by SEUR’s dedicated people on the ground. This partnership has been so successful that it will continue into 2017, showing SEUR employees how they have supported the association and thanking them for their help.”

Tarek Al-droubi Franich, Vice-Président of AAPS.

DPD Estonia: “Onions from Peipsi” (2)

DPD Estonia helped the Peipsi local community preserve their know-how and heritage by transporting 8 tons of their local onion production for free, promoting environmentally-friendly farming and boosting local employment.

Chronopost Portugal: “Supporting the Make-a-Wish foundation” (3)

Last Christmas, Chronopost Portugal provided the transport of materials from companies supporting the Make-a-Wish Foundation, a non-profit organisation that grants the wishes of children with life-threatening illnesses. 20 children's wishes were fulfilled thanks to this initiative.

DPD Netherlands: “Unicef Kid Power” (4)

DPD Netherlands delivers 376 parcels free of charge for the UNICEF Kid Power programme. These packages contain pedometers for 10 000 schoolchildren in Netherlands to track all their movements, their points can be converted into food pouches for malnourished children.

DPD Ireland: Logistic transport for “the Jack & Jill Foundation”

DPD Ireland helps the Jack & Jill Foundation’s fundraising activities in collecting unwanted Lego for selling to charity shops, by providing logistic transports and its depots as collection points.

DPD Switzerland: “Orange Sales Initiatives” (5)

Since 2012, DPD Switzerland collaborates with “Terre des Hommes” to deliver and sell 2 tons of oranges to people and companies to collect funds. The children's association enables hundreds of thousands of children and mothers to exercise their right to nutrition and hygiene in a sustainable manner.

DPD Czech Republic: “Firefly” (6)

Since 2003, DPD Czech Republic has supported the Glow-worm national fundraising charity run by the Czech Radio Charitable Fund. Thousands of voluntary are able to offer more than 7 tons of glow-worm antennae for collecting funds in favour of blind or severely visually impaired people.

DPD Latvia: “Butterfly effect”

DPD Latvia is helping orphanage pupils to integrate in society after leaving institutional care by collecting and delivering donated parcels free, mostly topical material needs.

Employee commitment

Chronopost France: Partnership with “Laurette Fugain” (7)

In France, Chronopost supports for a period of three years the Laurette Fugain Association. Chronopost is supporting the Association’s new project at the Trousseau Hospital in Paris for helping leukaemia sufferers to develop their physical activity, boosting both physical and moral well-being. This action is within the framework of the “Chrono United Tour”, set up by Chronopost to mobilise employees to donate funds to a worthy organisation. Over the last years, co-workers have taken part in 5 races located all over France.

“Taking part in easing the life of young patients was really what touched Chronopost’s employees.”

Delphine Hoffman, development & partnership manager for the Laurette Fugain Association stated.

DPD Slovenia: “An unforgettable surprise trip”

In cooperation with the Friends of Youth Association Maribor, DPD Slovenia organised a surprise trip for approximately 40 children from underprivileged families from Maribor and its surroundings. The children visited the Ljubljana depot, went to the pool and on a boat trip before receiving a visit from Santa Claus, who offered them Christmas gifts.



DPD United Kingdom: “Save the Children” (8)

On Friday, 16th December, 500 employees in all the UK BU’s depots take part in a raising money event for “Save the Children” charity by wearing a special Christmas outfit.

DPD BeLux: “Dogs for the blind” (9)

DPD Belux collects bottle caps and donates them to an organisation that sells them to train dogs for blind people. 420 employees were involved in the collect.

DPD Croatia: “Volunteer cleaning and maintenance of Premužić path” (10)

On 16 April 2016, 120 volunteer employees of DPD Croatia in cooperation with the public Institution “Nature Park Velebit” organised cleaning and maintenance operation of the Premužić path.

DPD Poland: “See the Sea” (11)

DPD Poland is a sponsor of a sea cruise, the aim is to organise a cruise lasting a few days for people with sight disabilities. With the help of able-bodied crew members, 50 visually impaired participants performed all duties on the ship, including navigation.

DPD Hungary: “Hand in Hand foundation” (12)

For 3 years, DPD Hungary has been working with the Hand in Hand Foundation to provide a possibility of employment for disabled people. Six disabled employees were trained to get back to work while other employees have learned how to work with them.

DPD Slovakia: “One hour to children” (13)

One Hour to Children is a fund-collecting activity lasting a whole year, organised by the Children of Slovakia Foundation. DPD Slovakia managed the yearlong logistics of the entire project by delivering 3 tons of items needed.

DPD Germany: “DPD Foundation” (14)

Together with the children’s charity Plan International, the DPD Germany Foundation sponsors children in Africa, Asia and Latin America. Over hundred of employees and of our young trainees have now embarked into personal sponsorship of children.



Key figures 2016



Ambitions for 2017

To maintain the variety of supported associations and the high level of employee involvement.



“Sharing our expertise and entrepreneurial spirit to help local enterprise thrive”

Entrepreneurship and innovation are part of our DNA.

Our development has been made through acquisitions of local delivery expert companies characterised by their outstanding entrepreneurial spirit: mostly run by entrepreneurs and highly dedicated managers.

Our decentralised organisation, which preserves the autonomy and identity of its business units and favours co-building processes, facilitates action and agility for innovation.

The traditional delivery business is being reshaped by the rise of e-shopping and on-demand delivery.

As a result, we support innovative entrepreneurship inside and outside our business activities. This has a positive impact on business and develop a mutual benefit approach. It is an opportunity to build strong relationships with innovative entrepreneurs to improve brand recognition, attract new clients and strengthen existing customer partnerships.

Initiatives

We stimulate internal creativity and innovation by giving our employees the possibility to come up with innovative ideas that improve our in-house processes and add customer value.

We support pragmatic social entrepreneurs who think “out of the box” for solving social challenges, via our partnership with Ashoka (the largest global network of leading social entrepreneurs) since 2011.

We also work together with all types of customers (from key accounts to small entrepreneurs) by transporting their parcels, growing together and co-building innovative solutions.





1

Stimulate



2

Empower



3

Support

Stimulating ground-breaking new projects in-house

We stimulate creativity and innovation within the company by giving our employees the possibility to come up with innovative ideas that improve our in-house processes and add customer value.

By enabling employees to develop new ideas, we encourage them to propose and develop ground-breaking new projects.

“Mr Pasha”, DPD France

In France, three employees of DPD France came up with an imaginative project, “Mr Pasha”, for attracting new customers with a parcel concierge service followed by last-mile delivery solutions every day of the week. Their initiative has been enthusiastically supported by the company at every moment, every stage and every need according to the initial specification. <http://misterpasha.com/>

“Grand Prix DPD”, DPD Poland

Through internal challenges, we encourage employees to propose and develop ground-breaking new projects. The Grand Prix DPD is the company’s in-house contest for the best innovative ideas in DPD Poland. It encourages employees to create and submit innovative ideas that improve our processes and/or add value for the customers.



500 hours invested,
11 winning projects

Empowering social entrepreneurs

We support pragmatic social entrepreneurs who think “out of the box” for solving social challenges, via our partnership with Ashoka (the largest global network of leading social entrepreneurs). Since 2011, we have been committed to a fruitful partnership, which has already led to a strong and sustainable relationship.

In 2016, we financially supported Singa, an organisation that is changing people's minds about the value of refugees in society. Singa is helping refugees, who have a strong negative image as ‘burdens to society, to overcome the challenges of integration without money, network or academic recognition.

<https://www.singafrance.com/>



“Singa’s action is part of two ambitions: one aims at accompanying refugees and the other at changing the way society perceives refugee people.”

Nathanaël Molle, co-founder of SINGA.

Supporting co-creation. The European Commission recognised the actions related to the co-creation of Ashoka and its partners as an innovative practice for the development of a sustainable and inclusive economy.

Supporting external entrepreneurship

We support innovative entrepreneurship with a positive impact on business, developing a mutual benefit approach.

We share our expertise and entrepreneurial spirit to help local enterprise thrive and stimulate innovative ideas by developing closer relationships with our business partners, providing training courses, granting awards, and proposing special rates for small entrepreneurs.

Start up programme, DPD Switzerland

With its “Start-up programme”, DPD Switzerland has created a special offer to help young companies in the community ship their products right from the start, including discounts on published delivery prices, attractive prices for parcel pickup, e-solutions, etc. https://www.dpd.com/ch_en/home/services/national/startups/startup_offre_speciale

“Webparcel is a cost-effective and reliable solution for small businesses like ours. Deliveries are usually made the next day, and the tracking function lets us track the parcel anytime.”

Anurima Das from St.Legier - La Chiesaz in Vaud, runs an online Indian food store.



20 participant employees



80 organisations supported

Partnership with Enercoop, Chronopost France



Chronopost France entrusts Enercoop, a cooperative that produces 100% renewable energy, with the supply of green electricity to 5 urban logistic spaces. Chronopost’s relationship with Enercoop is more than simply a client-supplier one: it is a partnership built over the years. Both entities benefit from each other’s experiences to gain skills on how to bring about an energy transition inside companies.



It is especially important for Chronopost to have renewable energy in urban logistic spaces because most of its electric vehicle fleet is located in those depots. Approximately 96 tonnes of CO2 have been avoided per year. In 2017, Chronopost France will go beyond simply buying electricity and will work on a project to produce on-site renewable electricity with solar panels. <http://www.enercoop.fr/>

“With Chronopost, we are not in a client-supplier relationship but working together for energy transition and helping each other to build a more sustainable economy.”
Gregory Dissoubray B to B Sales Manager.

Delivery by drones



At the end of 2016, after two years of tests, DPDgroup received the go-ahead from French civil aviation authorities (DGAC) to operate a regular

commercial route using drones, which allows us to deliver parcels to a dozen technology start-ups working in a business incubator. This world premier came about as the result of close collaboration between DPDgroup and the SME Atechsys. <https://www.youtube.com/watch?v=IjUfTH6YtsQ>



Innovation and Entreprise Club

Helping new businesses to grow: partnership with Innovation and Entreprise Club (IE Club).

Since 2014, GeoPost is partnering with IE Club to facilitate relationships between start-ups and large accounts, to promote their expertise in France, Europe and other continents (North America, Middle East).

Some innovative Geopost projects are challenged by IE Club senior entrepreneurs who are also mentoring some of our top executives.

IE club rolls out a business watch of innovation in transport and logistics through its chapters in Boston, Montreal and Tel Aviv to the benefit of GeoPost.

E-commerce seminars, DPD Lithuania

DPD Lithuania, together with partners, organize a series of seminars about e-commerce expansion to foreign markets to help e-shops to expand and increase the number of outbound parcels. DPD Lithuania share his knowledge about the parcel delivery in foreign countries and other tips & tricks regarding logistics. 50 organisations were supported.

E-entrepreneurship Awards, Chronopost Portugal

Chronopost Portugal organised an award that promotes the best online projects in Portugal, in terms of innovative ideas, with several partnerships for promoting or supporting their business. <http://www.chronopost.pt/en/node/262>



Key figures 2016

Support social entrepreneurs

3 social entrepreneurs supported with Ashoka partnership.

Stimulate innovation

170 innovative ideas supported by DPDgroup internally and externally by investing 1,828,000€ in cash and 1,950 hours.

Ambitions for 2017

We will continue to create shared value and develop co-creation with social entrepreneurs.

Report scope



The scope covers the following Business Units:

- Chronopost France
- Chronopost Portugal
- DPD Belgium/Luxembourg
- DPD Croatia
- DPD Czech Republic
- DPD Estonia
- DPD France
- DPD Germany
- DPD Hungary
- DPD Ireland
- DPD Latvia
- DPD Lithuania
- DPD Netherlands
- DPD Poland
- DPD Slovakia
- DPD Slovenia
- DPD Switzerland
- DPD United Kingdom
- SEUR

This first CSR Report by DPDgroup covers our main European Business Units. In order to represent the operations and activities of DPDgroup, the scope of this report applies to the financial control approach. As a result, the CSR report covers the European Business Units in which DPDgroup holds 100% of shares. DPDgroup will progressively include new Business Units in the scope, taking into consideration the full-stake control rule.

The information and data on carbon-offset projects also include projects in Turkey and India, where DPDgroup has acquired carbon credits provided by external partners.

DPDgroup operates under the following brand names: Chronopost, SEUR, DPD.

The information in this report has been gathered through reporting tools, documented information and internal and external stakeholder interviews. Further detailed information on reporting scope, reliability and verification of information as well as the process and tools can be found at the end of this report on page 50.

2016 key figures

Our people

Trainings



63%

In 2016, DPDgroup trained 63% of its employees, representing 42,807 training days in total.

E-learning



10

Since the launch of the e-learning platform (Lise) in 2016, DPDgroup has released 10 digital training modules.

Quality of Working Life



80%

In 2016, around three quarters of DPDgroup employees answered the TNS Sofres survey in 17 countries on the quality of working life: on average 80% of employees were satisfied with their working environment and 75% were optimistic about their future.

Ethics

Code of conduct



19 Business Units

is the number of countries that have implemented a code of conduct.

Ethical trainings



100%

of managers trained on competition rules in France.

Carbon neutral commitment

Leader on the carbon voluntary market



Number 1

CEP (Courrier, Express, Parcel) sectoral leader worldwide on the voluntary market.

CO₂e reduction per parcel



-10.1%

of CO₂ emissions per parcel by the end of 2016.

Number of carbon-neutral delivery parcels



1,066 billion

carbon neutral parcels delivered in 2016.

Offsetting 100% of transport emissions



813,996 t CO₂e

In 2016, DPDgroup offset a total of 813,996 tCO₂e (transport emissions 2015) with 6 offset projects.

Other environmental aspects

ISO 14001



65%
of owned sites are certified ISO 14001.

Renewable energy



12%
of electricity consumed was issued from a renewable energy contract.

Responsible paper



64%
of the paper used by DPDgroup came from responsible sources.

Recycled waste



More than 11,000 tonnes
of waste were recycled or sent to other treatment centers (energy recovery, for example).

Smart urban delivery

Pick-up and Delivery



73%
Pick-up and Delivery vehicles complying with Euro 5&6.

Pick-up points in Europe



28,000
Pickup is our extensive pan-European network of 28,000 parcel shops and lockers across 23 European countries.

Predict



20
countries that offer Predict.

Closer communities

Initiatives



90 initiatives
supported by 19 business units.

Employees and beneficiaries



260,000
hours invested by 18,000 employees involved in supporting 300 associations.

Transport and delivery



530,000
kilometers travelled to deliver 2,500 tonnes of parcels to communities.

Innovative entrepreneurship

Support social entrepreneurs



3
social entrepreneurs supported with Ashoka partnership.

Stimulate innovation



170
innovative ideas supported by DPDgroup internally and externally by investing 1,828,000€ in cash and 1,950 hours.

Correspondance with Global Compact principles

This document represents the communication report on DPDgroup's progress in 2016. The transposition table refers to chapters that contain information on the implementation of the 10 Global Compact principles.

Human rights

DPDgroup's commitments

- 01 Businesses should support and respect the protection of internationally proclaimed human rights
- 02 Make sure that they are not complicit in human rights abuses

- Human Rights
 - Strategic vision
 - Our People
 - Governance - CSR Network

Labour

- 03 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- 04 The elimination of all forms of forced and compulsory labour
- 05 The effective abolition of child labour
- 06 The elimination of discrimination in respect of employment and occupation

- Labour standards
 - Strategic vision
 - Our People
 - Governance - CSR Network

Environment

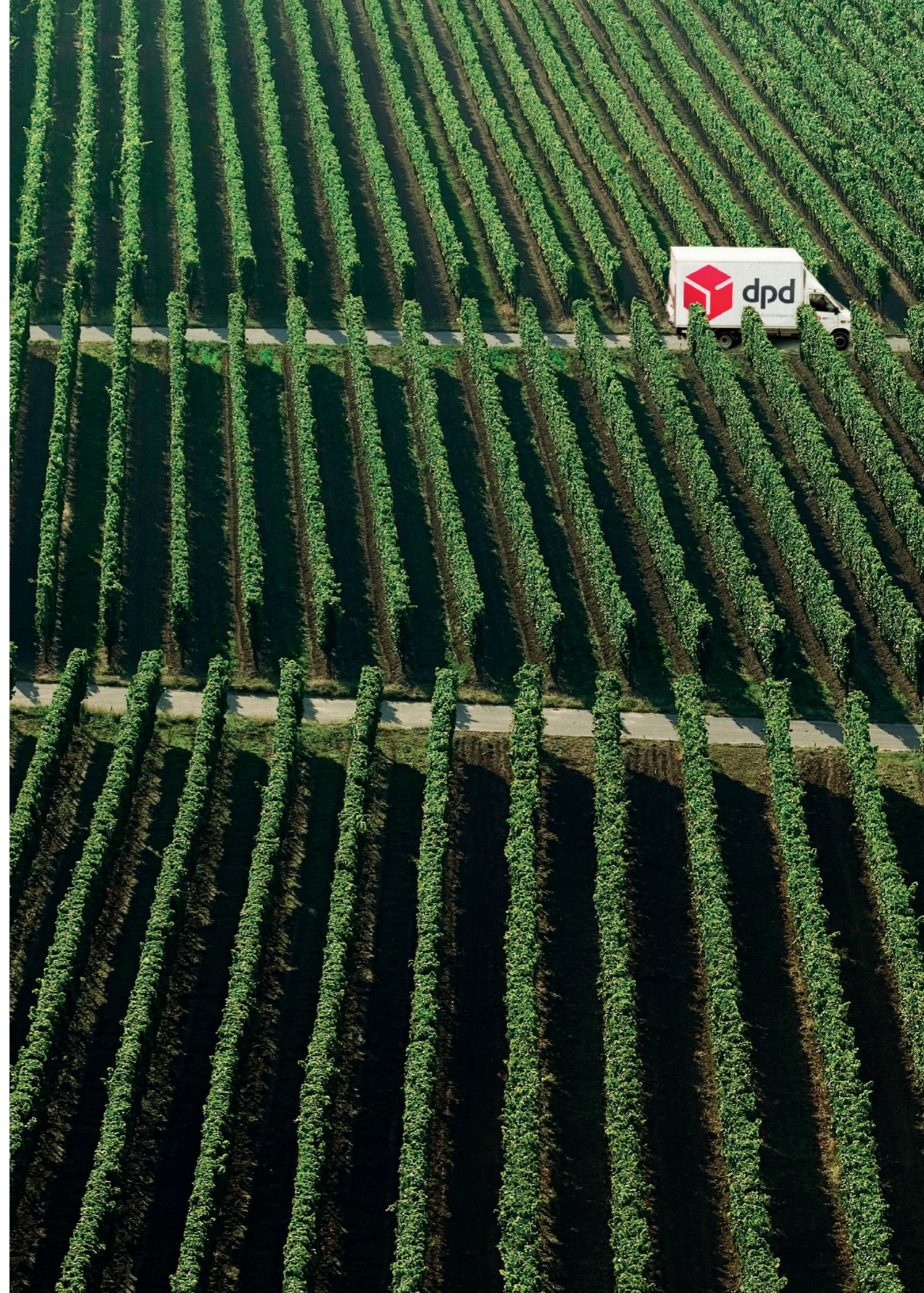
- 07 Businesses should support a precautionary approach to environmental challenges
- 08 Undertake initiatives to promote greater environmental responsibility
- 09 Encourage the development and diffusion of environmentally friendly technologies

- Environment
 - Governance - CSR Network
 - Carbon neutral commitment
 - Other environmental aspects
 - Smart Urban Delivery

Anti-corruption

- 10 Businesses should work against corruption in all its forms, including extortion and bribery

- Anti-corruption
 - Strategic vision
 - Ethics
 - Governance - CSR Network





Parcel delivery network of *GeoPost*

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

