

Living Responsibility: GoGreen at Deutsche Post DHL

Going green without compromising on quality and efficiency

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DHL Neutral Services



LIVING
RESPONSIBILITY

Strategy 2015

Our Group

Deutsche Post DHL is the world's leading mail and logistics services group with around 500,000 employees in more than 220 countries and territories. In 2008, the revenues exceeded 54 billion.

Our Vision

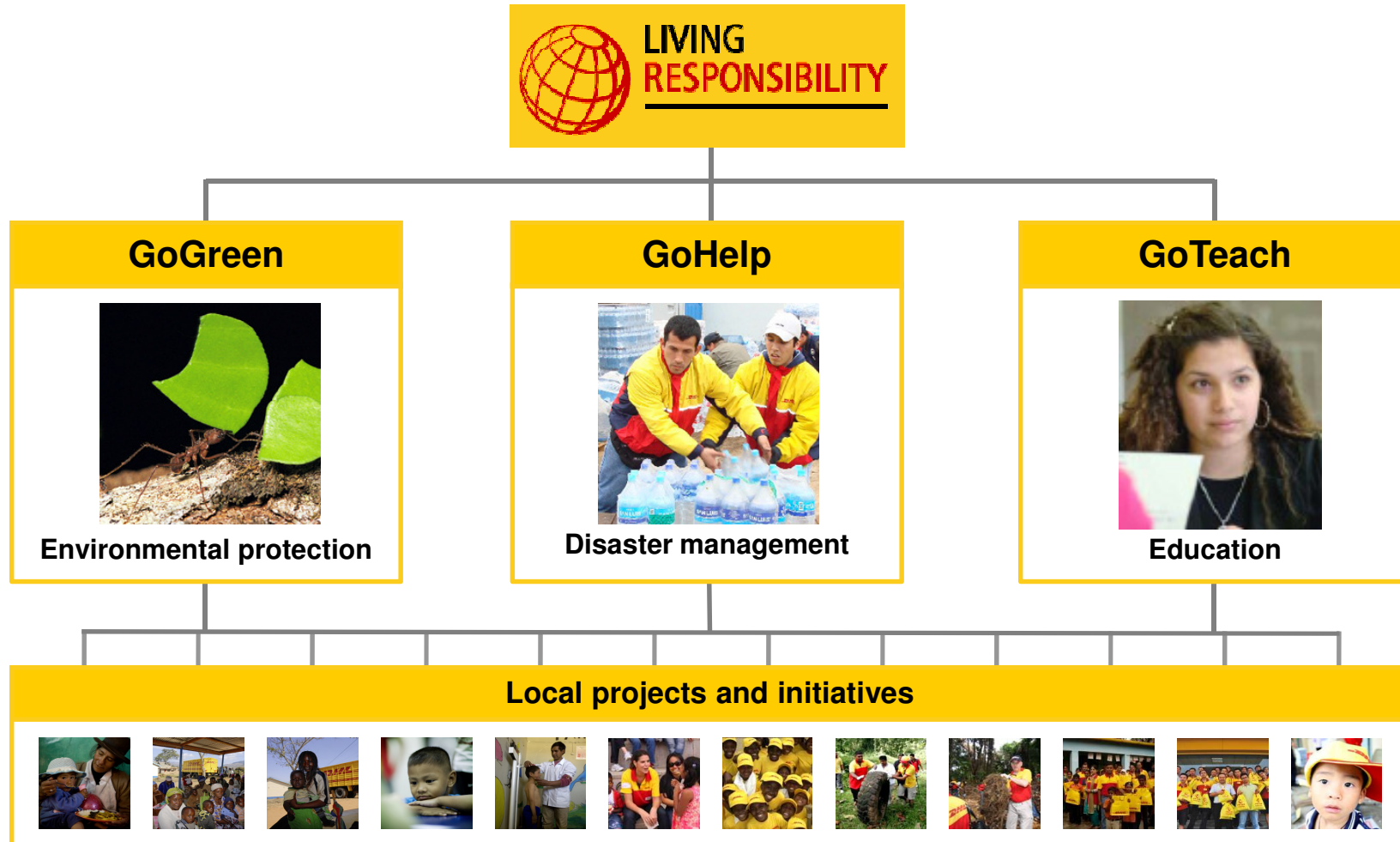
We are „**Die Post für Deutschland**” and **The Logistics Company** for the World

Our mission

- › We want to make our customers, employees and investors more successful
- › We always demonstrate respect without compromising on results
- › We simplify our customers' lives
- › **We want to make a positive contribution to our world**

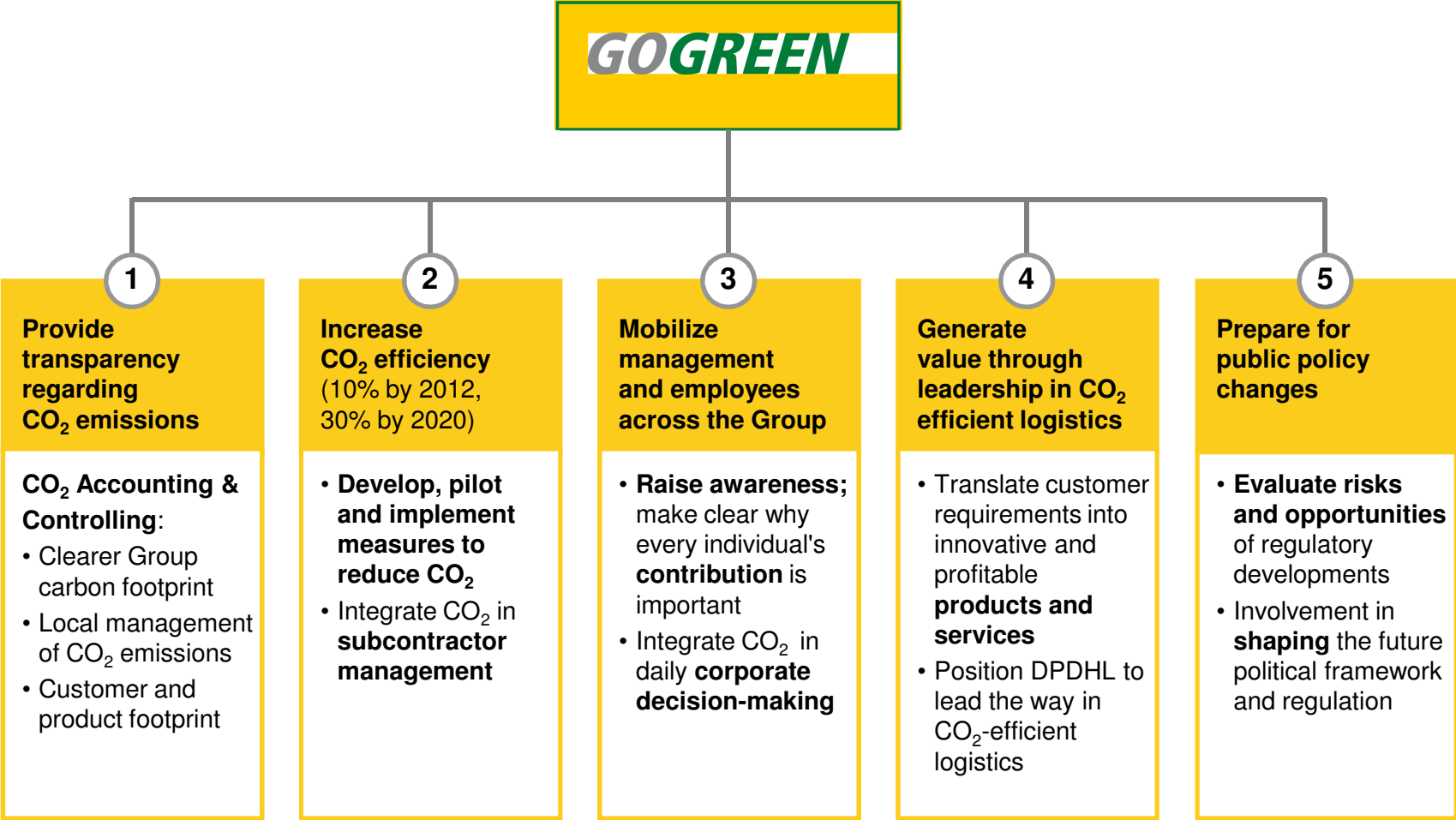
We have developed a comprehensive strategy for fulfilling our corporate responsibility – the motto is “Living Responsibility”

Our focus areas



GoGreen – DP DHL’s carbon agenda

Five key elements necessary for any carbon strategy



The starting point: energy optimisation

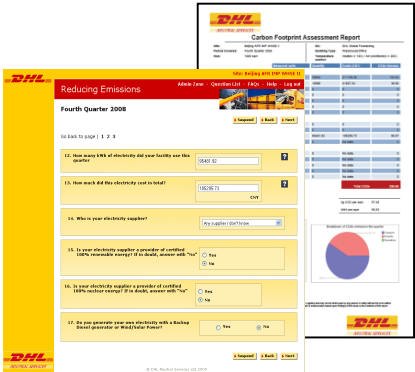
Optimisation is the reduction of energy consumption through the implementation of low and no cost (capital) processes and actions

Energy Data
Set baseline & provide management reports

Framework
Structure, initiatives and site specific targets

Culture
Communication, measurement and feedback

- Carbon Footprint Assessment (CFA) tool deployed across 1,000 DHL sites in 23 countries
- Reduction of CO2 by 8.7% and improved efficiency by 19.4% in FY 09 YoY
- Drop in CO2 emissions by 12.9M kg



Increasing our efficiency

Improving our carbon efficiency with abatement levers in the areas of vehicles, real estate and network

1. Vehicles

- Fuel management
- Alternative fuels including biofuels
- Speed limitation
- Driver training
- Aerodynamics including Teardrop Trailers
- Alternative technologies, including hybrid and electric vehicles



2. Real Estate

- ‘Switch off’ campaigns
- Lighting efficiency and design
- Heating and cooling systems
- Renewable provision, including solar, heat pumps, energy mix, etc.



3. Network

- Network & route optimization
- Modal shift, e.g. air to road
- Load factor/ capacity optimization
- Supplier Management



Transport: how DHL is reducing fuel and carbon emissions



Fuel Management

One of the most effective short term improvement tools. Every litre of fuel saved is 2.6kgs less carbon emitted

Driver Training

We improve fuel efficiency by training drivers in better use of braking, gears, cruise control, momentum, acceleration and correct tyre pressures.



Alternative fuels:

We are assessing early trials of 2nd generation liquid bio-fuels to understand their potential for our operations

Aerodynamics:

Designs such as Teardrop Trailers and retrofit bulkheads have Improved fuel economy and enabled use of extra space



Speed Reduction:

Reduction of artic trunking fleet to 85kph / 53mph has improved fuel efficiency

Alternative technologies:

Electric and hybrid vehicles pilots have reduced our dependence on fossil fuels, especially within urban transport and home delivery operations.



Real Estate: increasing the efficiency of our warehouses and offices

Our initiatives include:

- Energy efficient lighting
- Natural Daylight (Roof lights)
- Air tightness (Rapid Lift Doors)
- Building management systems
- Renewable energy provision
- Switch off campaigns and Green Office Programs

We show leadership in new innovation, with new technology pilots including:

- Solar heating walls
- Solar panels
- Ground source heat pumps



Energy Benchmarking: driving efficiency at a site level

The DHL Energy Certificate helps to understand the current energy utilization and provides a baseline comparison against other facilities

To meet this objective, the tool:

- ✓ Can be completed by a non technical person
- ✓ Is in a common output format to enable comparison at a global level
- ✓ Can allow for multiple buildings per site
- ✓ Calculates a rating which accounts for:
 - Size of building
 - Climate
 - Temperature controlled areas
 - Operational hours
 - Operational equipment



Warehouse - Ground to floor (with racking)



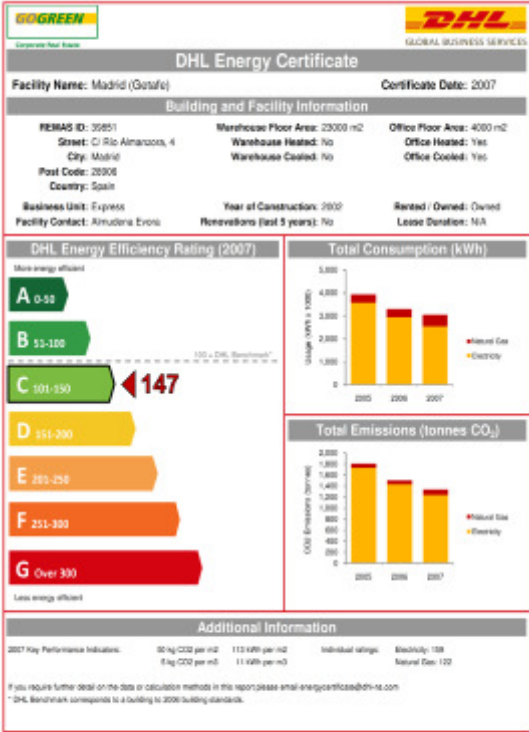
Warehouse - Ground to floor (open area)



Warehouse - Ground to floor (with sorting machine)

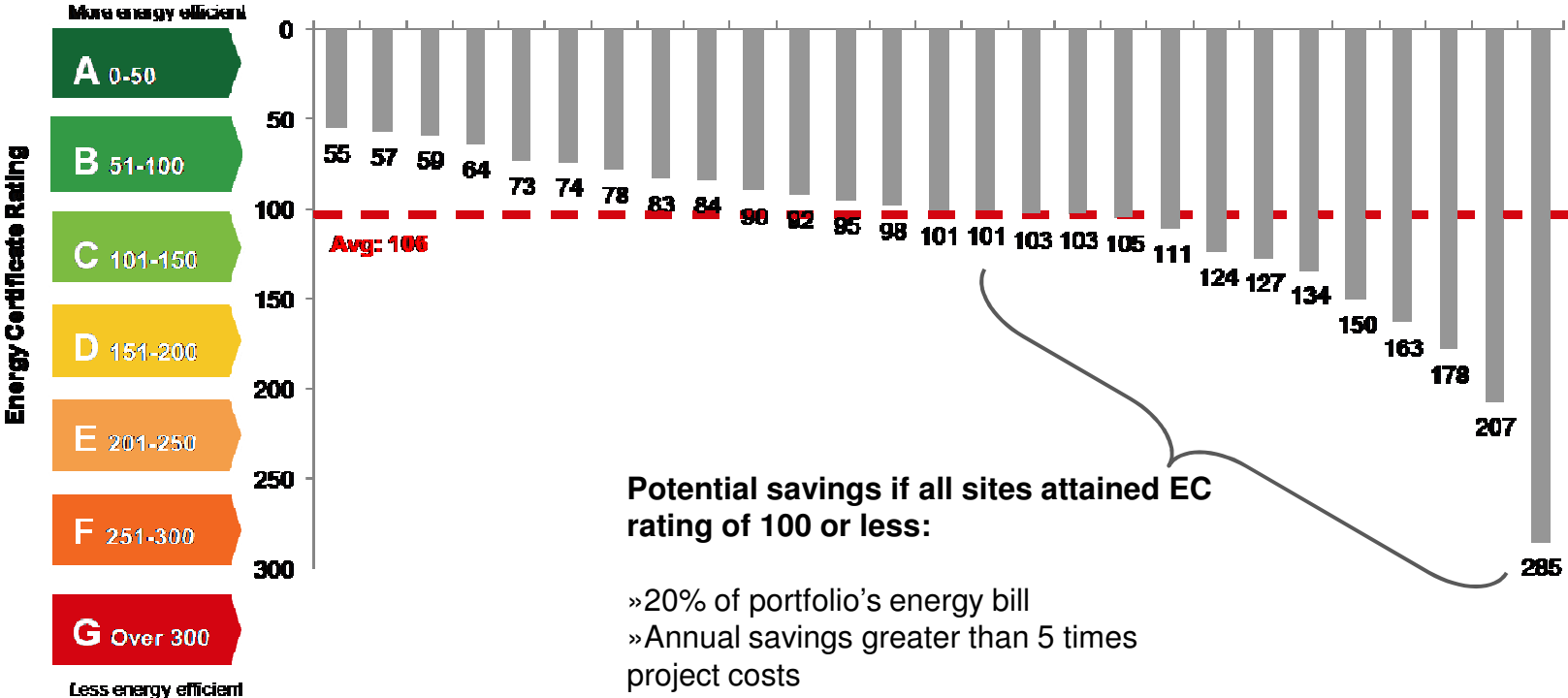


Results



Energy Certificates across a real estate portfolio

Energy efficiency benchmarking across a real estate portfolio identified significant energy, CO2 and cost abatement opportunities

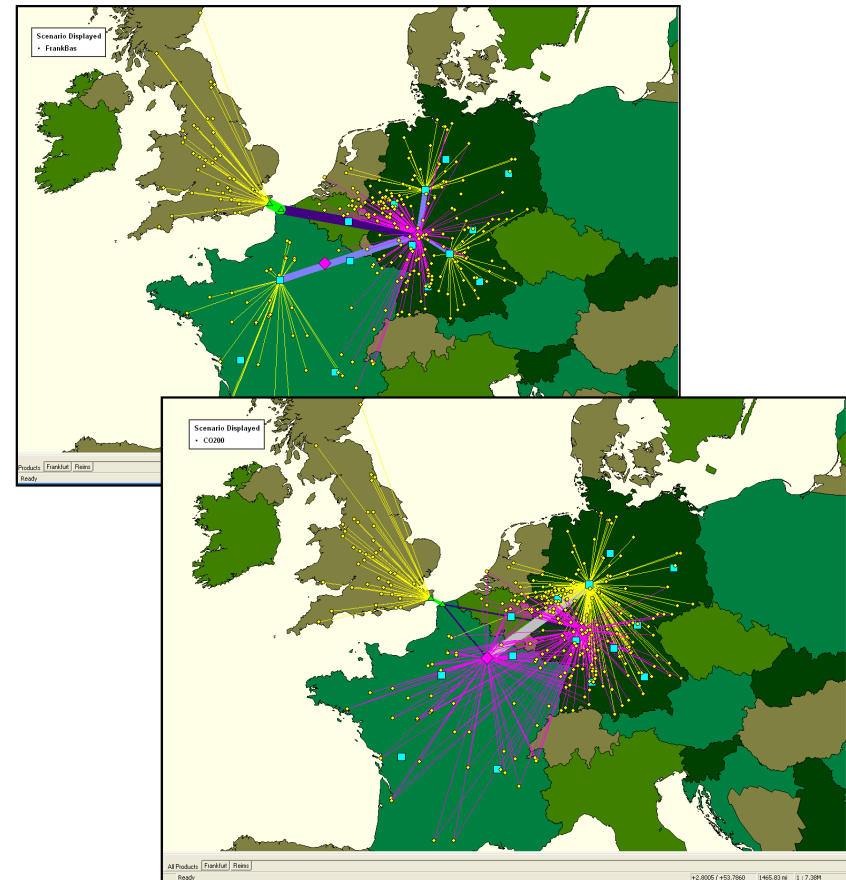


Network Design: reducing carbon emissions through network design

Allowing for carbon emissions can make significant differences to network design decisions:

- Improved operational efficiency
- Focus on modal shifts
- Sourcing strategies
- Site locations and serving areas
- Service level strategies
- Improved consolidation
- Reverse logistics
- Carrier/vehicle shifts

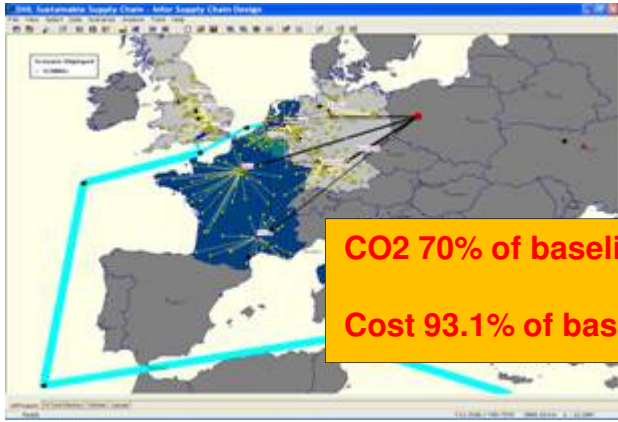
DP DHL has a consultancy service based specifically around optimising supply chains based not just on cost and service but also on carbon



Demo for a retail operation with successive CO₂ reductions



Baseline: 152 603 Tonnes CO₂



**CO₂ 70% of baseline
Cost 93.1% of baseline**



**CO₂ 40% of baseline
Cost 94.0% of base**

Reductions in emissions in this case from changes in

- Mode
- Sourcing
- Depot network
- Service trade-offs

Source: DHL Supply Chain Consulting

Customers: Express – The GoGreen Shipment

Shipment will follow normal procedure, no special handling

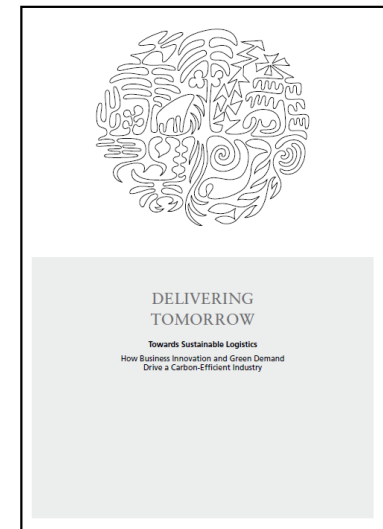


- DHL *GOGREEN* is an all-inclusive carbon neutral transport service, comprising;
 - calculation of CO₂ at a shipment level
 - offsetting the CO₂ amount through Carbon Management, our “Carbon Bank”
 - annual certificate verified by SGS
- A DHL patented methodology is used for the emission calculation from transportation

The consumer

Delivering tomorrow: Towards sustainable logistics

- The number of CO2 neutral shipments by Deutsche Post DHL almost quintupled between 2008 and 2009 - from 145 million to 704 million.
- 84% of consumers in China, India, Malaysia and Singapore say they would accept a higher price for green products - compared to only 50% in Western countries.



DP DHL Delphi Study: “Climate change will unleash a ‘green’ revolution of products and services...It will be clear that it is the most important challenge facing humanity.”

Industry initiatives



- Develop innovative and practical solutions to the complex problems that face our society and environment
- Opportunity for collaboration due the limits of working in isolation



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