

HOW TO DECARBONIZE LOGISTIC EMISSIONS

COMPANY EXCHANGE @DPDHL

Continuous Improvement: Sustainable and Digital
Troisdorf, 20 October 2022

Deutsche Post DHL
Group



Intro



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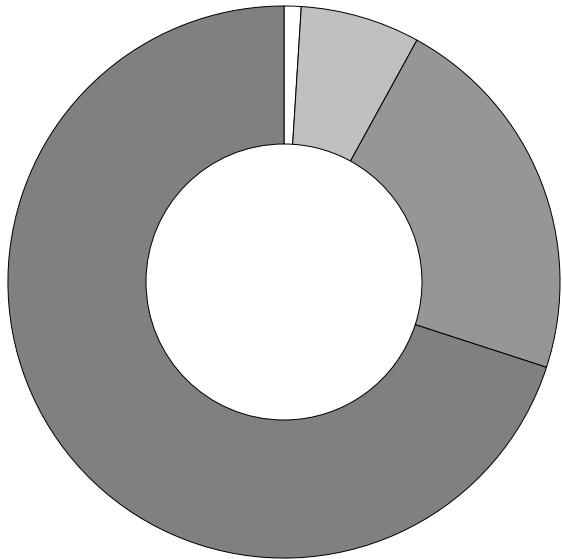
Deutsche Post DHL Group				
 DHL Express	 DHL Global Forwarding, Freight	 DHL Supply Chain	 DHL eCommerce Solutions	 Post & Parcel Germany
Transport of urgent documents and goods, primarily as time-definite international shipments	International forwarding services for air, ocean and overland freight	Tailor-made logistics services and supply chain solutions such as warehousing, transport and value-added services	Domestic last-mile parcel delivery in selected countries in Europe, US, and Asia	Transporting, sorting and delivering documents and goods in Germany and export to the rest of the world

What do you think of, when you think of **logistic emissions?**

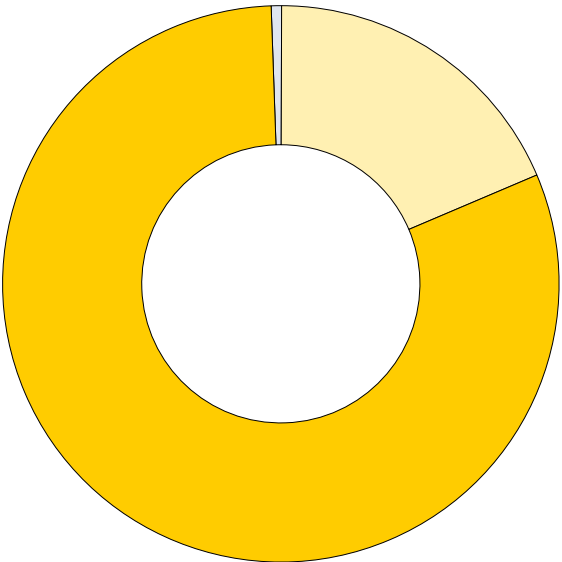


Split of DPDHL group emissions

GHG emissions by mode of transportation in 2021



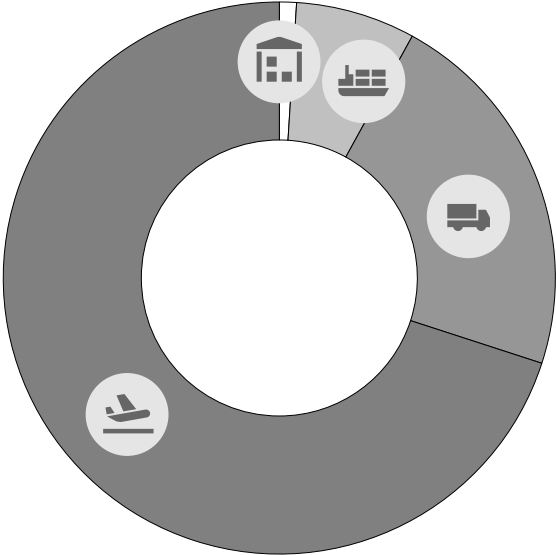
GHG emissions by Scope in 2021



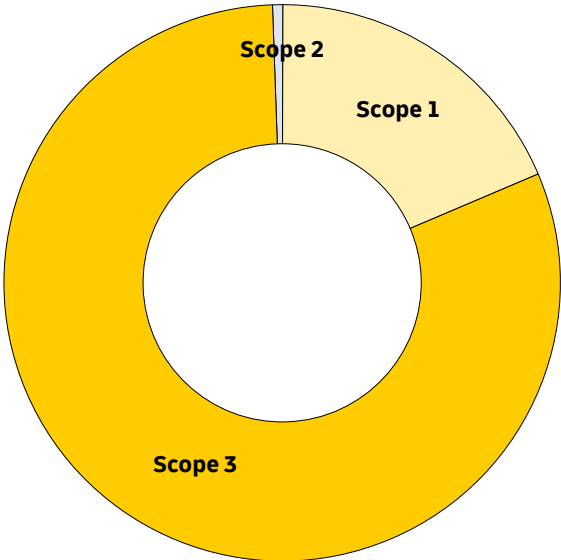
Scope 1: Direct emissions from owned sources, e.g. own trucks
Scope 2: Indirect emissions from the generation of purchased energy
Scope 3: Indirect emissions (excluding Scope 2), e.g. for subcontracted transport

Split of DPDHL group emissions

GHG emissions by mode of transportation in 2021



GHG emissions by Scope in 2021

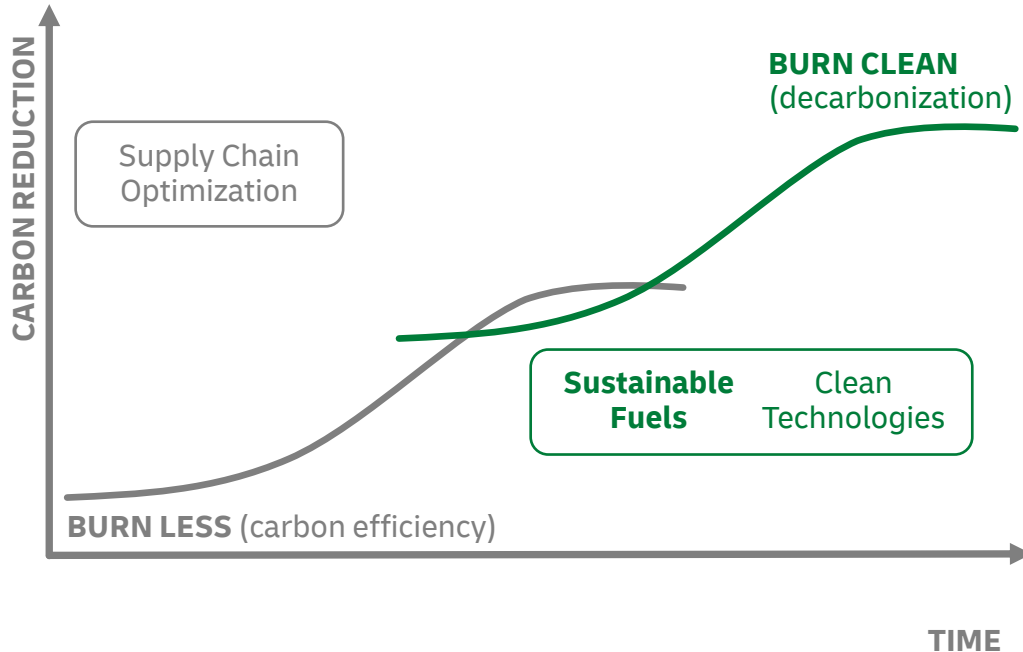


Which possibilities come to mind in order to decarbonize Air and Ocean Freight?



Path towards Zero Emissions

FIRST CHOICE



Decarbonizing logistics is possible but requires a **collaborative effort**.

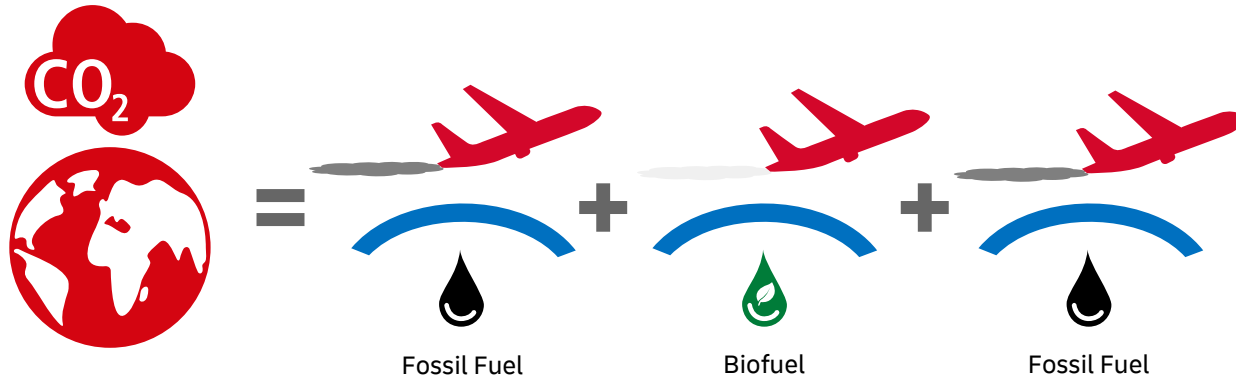
Sustainable fuels will play a key role as aircrafts / ocean vessels have been optimized to a maximum.

How to decarbonize if you **don't own** the aircraft / ocean vessel?



The philosophy: One-Atmosphere Approach

To overcome geographical or physical biofuel constraints we need to look at the aviation industry as one entity



All aircrafts exhaust in the same atmosphere.
Therefore, it does not matter for our climate where or in which aircraft biofuel is used instead of fossil fuel.

The mechanism to make it work: Book & Claim

Shippers decide which part of their DHL business shall be in scope, DHL ensures the fuel switch and verification process

BOOKING



Business Scope

- Trade lane(s)
- # shipments

MANAGEMENT & VERIFICATION



- Reliable cooperation partners
- High standard sustainable fuel
- Verified management process
- Supply & demand data verification

CLAIMING



Verified CO₂
Reduction
Certificate

Resulting product: DGF GoGreen Plus

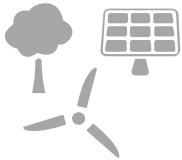
FIRST CHOICE



INSETTING



OFFSETTING



INSETTING (Option 1)

- Replacement of fossil fuel with sustainable aviation fuel (SAF) or sustainable marine fuel (SMF)
- One liter of SAF / SMF for one liter of fossil fuel
- Reduces 70-80% emissions of main haul transport

INSETTING + OFFSETTING (Option 2)

Default for LCL

- Insetting +
- **Compensation** of remaining emissions via VER Gold Standard **carbon credits**
- Door-to-door, full lifecycle emission coverage
- Climate neutral

Worldwide Service



Maximum Flexibility:

- Any trade lane
- One shipment or
- Some shipments or
- All shipments

Want green? Buy green!



Route	AFR Rate (per KG)
Frankfurt – New York	EUR ~3
Shanghai – Frankfurt	EUR ~5



Route	OFR Rate (per TEU)
Rotterdam – Los Angeles	EUR ~13,800
Shanghai – Rotterdam	EUR ~9,000

THANK YOU