

# DHL Global Forwarding Americas

## Environmental Sustainability program GOGREEN

### Program Overview

Alejandro Palacios/Sonia Nunez  
Plantation, May 2010



# DP DHL'S Commitment to Climate Protection

The logistics industry is facing on of the 21<sup>st</sup> century's major challenge – climate change. Deutsche Post World Net is the first major logistics company to set specific carbon targets.

## Our Industry

- The transport sector has a share of 14 percent in global carbon emissions
- Plays an important role in combating climate change
- Is faced with high awareness for climate protection issues by policy makers and customers



## Our Goals

- Improving the carbon efficiency of DP DHL and its subcontractors **30% by 2020**
- Intermediate step: improving DPWN's own carbon efficiency **10% by 2012**



## Our Program



Deutsche Post DHL climate protection program

- is currently being rolled out in all business units worldwide
- focuses on fleet renewal, energy efficiency, new technologies, employee engagement and the active involvement of sub-contractors and customers

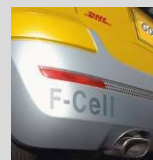
# DP DHL GoGreen Approach Guidance Points

- **Fleet & Technology Optimization**
- Gradually renew own air, and ground fleet
- Develop multi-modal solutions supported by increased transparency
- **Innovative Technology**
- Raise the efficiency of own fleet and offer resource-saving solutions to customers
- Develop highly innovative products based on future logistics trends (Green Supply Chain, Consolidation)
- **Changing Behavior**
- Raise awareness and involve employees
- Support employees in leading an environmental-friendly life both at work and at home
- **Sharing Responsibility**
- Offer customers the GoGreen option to send shipments in a carbon-neutral way
- Demand transparency in regard to CO<sub>2</sub> emissions from subcontractors
- Encourage subcontractors to reduce their emissions in their operations

## What sets us apart from others?



We have communicated specific CO<sub>2</sub> targets



We have bundled our innovation activities to develop sustainable solutions for the industry



We offer Green Products and services and have set up a certified carbon management program

# Recalibrating our Mindset Around Environmental Sustainability ...in Business Discussions



Less

More

Conceptual Discussions

Actionable Tools/Processes

Trying to justify

Identifying Tangible Benefits

Politics

Business

Good Intentions

Corporate Social responsibility

Remote Causes

Benefits for the Company, Employees & Customers

Labeling

Measuring

"One-Offs"

Comprehensive & Professional Approach



# GoGreen – Program Structure & Focus Areas 2010

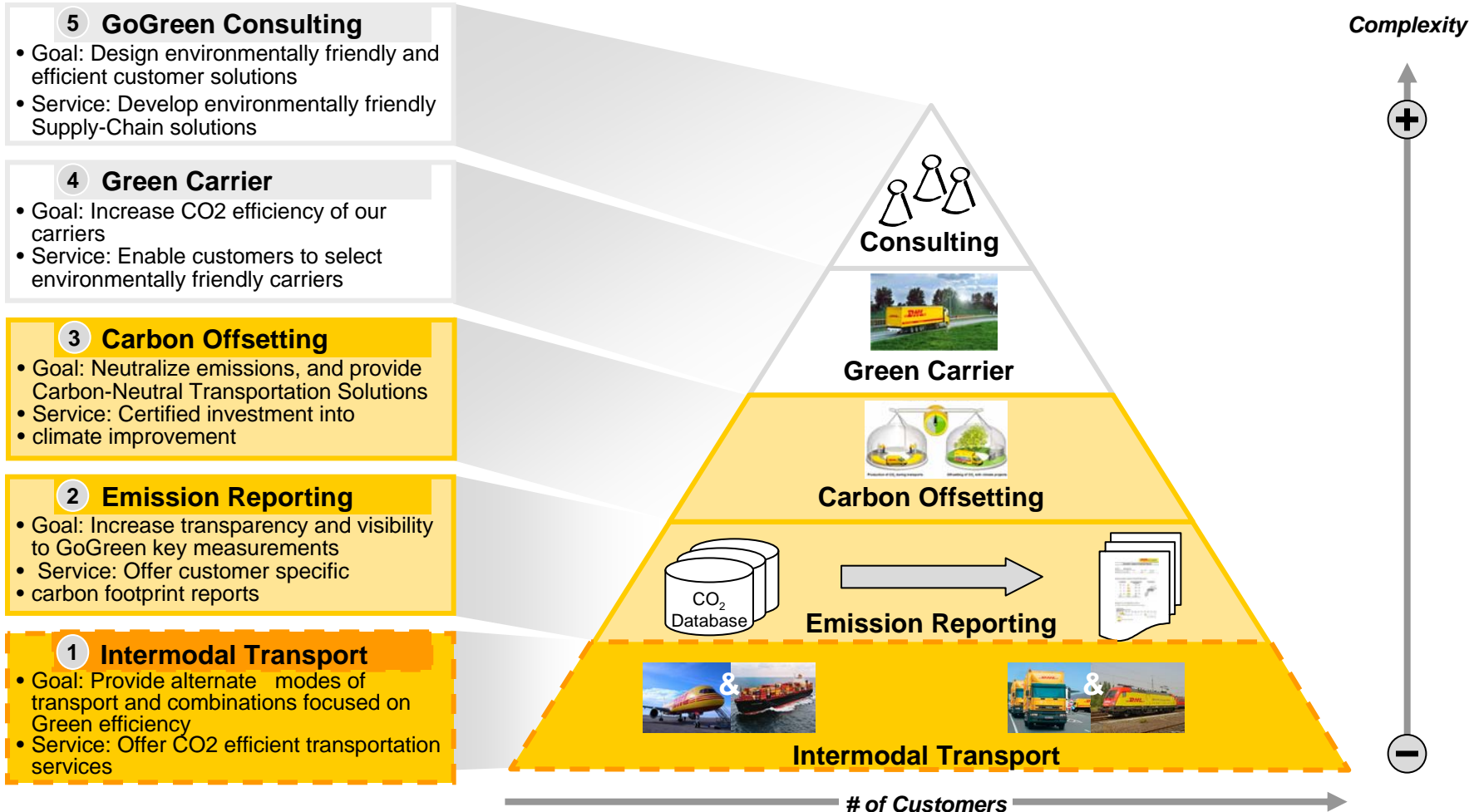
In 2010, the DHL Global Forwarding GoGreen program will focus on improving our own emissions, involving our carriers increasingly and start offering Green Services to the market.

This **requires the involvement and support of the whole DGF organization** – from all levels of seniority & roles, from support functions to front-line roles (products, Operations, M&S).

## GoGreen House

TRANSPARENCY	EFFICIENCY	MOBILIZATION	VALUE to MARKET	AGENDA SHAPING
<ul style="list-style-type: none"> <li>• Define carbon accounting method</li> <li>• Calculate annual DGF footprint</li> <li>• Measure “own” CO2 efficiency regularly (CREST &amp; SoFi)</li> </ul>	<ul style="list-style-type: none"> <li>• Improve own CO2 efficiency (country &amp; station level)</li> <li>• Improve relevant operational processes</li> <li>• Integrate CO2 efficiency into carrier management</li> </ul>	<ul style="list-style-type: none"> <li>• Involve employees in CO2 efficiency increase</li> <li>• Run awareness campaigns</li> <li>• Support GoGreen eLearning for all Employees and Sales Force</li> </ul>	<ul style="list-style-type: none"> <li>• Provide an auto-mated customer CO2 report</li> <li>• Offer/sell Green solutions:               <ul style="list-style-type: none"> <li>–CO2 reports</li> <li>–Offsetting</li> <li>–Inter-modal products</li> <li>–Others</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Foster development of CO2 efficiency standards</li> <li>• Join relevant platforms/forums</li> <li>• Leverage teams and corporate representation opportunities</li> </ul>

# Green Services – General Structure



Source: DHL Global Forwarding

# GoGreen Tools – General GoGreen Knowledge & Transparency



## DPDHL eLearning GoGreen<sup>1)</sup>

- Engaging course introducing climate change basics, the 5 GoGreen pillars and what each employee can do in the office and at home
- Open to all employees Group-wide



## GoGreen Pocket Guide

- Concise 50-page booklet featuring the implementation of GoGreen within DGF
- Available to all employees as pdf-file



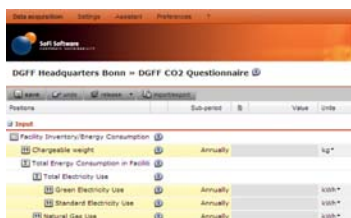
## DGF eLearning GoGreen Sales

- Interactive course explaining our DGF GoGreen service offers (06/10)
- Target group: All DGF sales employees and/or employees interacting with Customers



## CREST

- DPDHL financial reporting system
- Captures CO<sub>2</sub> emissions from scope 1 & 2 per legal entity (mostly country level)
- Financial reporting tool
- Basis for annual carbon footprint report

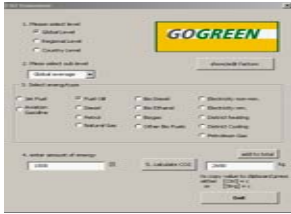


## SoFi

- Web-based environmental data capturing tool
- Environmental management tool
- Captures CO<sub>2</sub>, waste and paper consumption data on station level quarterly basis (minimum)
- Being rolled out to all major DGF stations in 2010

Source: DHL Global Forwarding

# GoGreen Tools – Carbon Efficiency, Employee Engagement and CO<sub>2</sub> Reduction



## Carbon Converter

- Excel-based tool to easily convert fuel and energy savings into CO<sub>2</sub> emissions

## The GoGreen Champion Network (Americas Program!)

- Activated GoGreen Champion Network (GGCN) – to date reached participation from ~75% of the region, ~70 GoGreen Champions
- GoGreen Americas iShare site to manage/share materials, tools, communications documents and success stories



## The Lighting Retrofit Americas

- Example of achievements from six large locations in US & CA
- Lighting Cost Reduction 50%, CO<sub>2</sub> Reduction 50.1%



## Corporate Intranet Page – GoGreen Americas

Comprehensive & straightforward easy to navigate platform that contains:

- Tool kits, GoGreen program information and training
- Policies & Best Practice
- Green Lighthouse information to highlight and leverage successes



## GoGreen Product Portfolio (Under Construction) –remember to ask for details!-

- Calculation of CO<sub>2</sub> on shipment level
- Offsetting the CO<sub>2</sub> amount
- Issuance of annual certificate for public use
- The process of the GOGREEN is annually certified by third party – SGS



Source: DGF Green Strategy: Scope 1 includes direct GHG emissions from owned and controlled sources. Scope 2 accounts for emissions from the generation of purchased electricity and district services / SOFI: Software for environmental data processing for Finance Service industries / SGS: Société Générale de Surveillance

# How We Measure Ourselves: Country Scorecard – Scope 1 & 2 (own) Emissions



### DGF GoGreen Country Scorecard

#### DGF Neverland

Total CO <sub>2</sub> 2009 (own emissions excl. subcontractors) [kg]	<b>2.119.774</b>	
EOS value on green awareness (DGF Global 74%)	<b>58%</b>	
Number of stations <sup>1)</sup>	<b>6</b>	
Number of owned vehicles (excl. company cars) <sup>2)</sup>	<b>33</b>	
Headcounts certified under ISO 14001	<b>100%</b>	
Environmental country manager	<b>johanna.doe@dhl.com</b>	

**STATUS: Carbon Footprint from Scope 1 & 2 Emissions in 2009**

Buildings & Facilities		Road	
<b>CO<sub>2</sub> Buildings [kg]</b>	<b>334.405</b>	<b>CO<sub>2</sub> Road [kg]</b>	<b>88555</b>
CO <sub>2</sub> Buildings	<b>44%</b>	CO <sub>2</sub> Road	<b>56%</b>
kWh Total	<b>3.290.161</b>	Total fuel costs [€]	<b>317.636</b>
kWh/m <sup>2</sup>	<b>131,92</b>	Na. of cars	<b>33</b>
kg CO <sub>2</sub> /m <sup>2</sup>	<b>37,47</b>	Na. Van and Truck (p1,2) and (3,4)	<b>9</b>
Costs for heating & electricity <sup>3)</sup> [€]	<b>407.674</b>	Na. Truck and Tractor (p1,2) and (3,4)	<b>0</b>
Green electricity	<b>71%</b>	Na. Truck and Tractor (p1,2) and (3,4)	<b>23</b>
Costs for heating & electricity/m <sup>2</sup>	<b>16,35</b>	Na. Tractor (p1,2)	<b>1</b>

Overall confidence level of country data: (High) (Low): **1**

#### OUTLOOK: 2010

Overall DGF GoGreen TARGETS for 2010	Your Country Targets 2010	Tracking / Source
1) 5% reduction of energy & CO <sub>2</sub> consumption per country compared to 2009 level for facilities	Target value for kWh/m <sup>2</sup> in 2010: <b>125,33</b> Target value for CO <sub>2</sub> /m <sup>2</sup> in 2010: <b>35,59</b>	Monthly reports on the DGF PM Station Country Region Scorecard please refer to: johanna.doe@dhl.com
2) Introduce SaFi data capturing system to measure CO <sub>2</sub> paper consumption and waste generation in key stations	% of stations to be covered: <b>67%</b>	Quarterly reports to be provided by regional DGF GoGreen Coordinators
3) Run minimum 1 Dialas Map presentation with a budget of 50 FTE <sup>4)</sup> excluding stations which did a Dialas Map in 2009	# of minimum GoGreen Dialas Maps: <b>6</b>	Quarterly by Regional FO Team
4) Ensure that at least 10% of DMIAs/PIWs have a green impact, i.e. reduction of direct or indirect fuel or energy consumption <sup>5)</sup>	# GoGreen DMIAs: <b>optional</b> # GoGreen PIWs: <b>1</b>	Quarterly by Regional FO Team
5) Ensure 80% of all relevant sales channels (SME, MNO, Trade Lane Sales) have passed the DGF GoGreen sales e-learning	# sales managers trained in your region: <b>356</b>	Quarterly by Regional GoGreen Sales Representative; e-learning report

#### TOOLS & RESOURCES

	To Do	To look at	Where to find it?
Energy checklist & Self-Assessment Lighting Guide	x		All tasks and resources are available at
GoGreen Dialas Map Toolkit	x		http://quicklink.intra.dpun.net/dgf-ff-projects/energy
User guide for environmental data collection with SaFi	x		
Self-assessment example Green DMIAs		x	
Green customer chat card		x	
GoGreen Pocket Guide		x	

Disclaimer: Due to increased KPI activities and increasing of different energy data sources management, for the country report all data from the legal entities belonging to our country were added.

### Global and regional benchmark in kWh/m<sup>2</sup>

Legend:   
 - Yellow bars: kWh/m<sup>2</sup> (Country/Region)  
 - Dashed line: Europe 114,4  
 - Solid line: Global 53,6

#### KPI Glossary

Reporting Item	Definition	Calculation	Data source
m <sup>2</sup>	Size of station property (in and outdoor)	Data base provided by Corporate Real Estate	181123_CRC_RE_Data_Fullin_Ljan2011 & DGF_Permit (Corporate Real Estate)
CO <sub>2</sub> 2009	Inclusive direct CO <sub>2</sub> emissions of scope 1 & indirect scope 2 emissions excluding subcontractors	Total CO <sub>2</sub> Buildings (CCT008 Buildings & Facilities) 2009 - Total CO <sub>2</sub> Road	CREST Carbon Accounting Entry Report
# of stations	Total number of stations per country	Including country head office, as of 31.12.2009	HR solution list for EOS 2009
CO <sub>2</sub> Buildings Scope 1 & 2	Fuel burning consumption in buildings and facilities and fuel industrial building equipment (MHE/GHE, e.g. facilities, tractors fuel use only)	Total sum of CO <sub>2</sub> emissions for buildings and facilities (CREST consumption type: CCT008) for 2009	CREST Carbon Accounting Entry Report
CO <sub>2</sub> Road Scope 1 & 2	Road transport: Transport of goods with road vehicles, including company cars	Reporting period: 2009	CREST Carbon Accounting Entry Report
WWh	Energy consumption in buildings and facilities per country including heating, electrical, fuel for industrial facilities regional for 2009	Total WWh consumption plus direct and fuel oil consumption factor 11 - 18,188 WWh - petrol use and LEP-G (conversion factor 11 - 1,53 WWh)	CREST Carbon Accounting Entry Report; Conversion figures by Carbon Accounting Team
WWh/m <sup>2</sup>	WWh per m <sup>2</sup> and country for 2009	Total number of WWh from buildings and facilities divided by total number of m <sup>2</sup> of the country	CREST, Corporate Real Estate
kg CO <sub>2</sub> /m <sup>2</sup>	kg of CO <sub>2</sub> from buildings and facilities per country for 2009	Total CO <sub>2</sub> emissions for buildings and facilities divided by m <sup>2</sup>	CREST, Corporate Real Estate
Costs for heating and electricity 2009	Total costs for heating and electricity for DGF facilities and buildings per country in 2009	Regional expenses for buildings and facilities minus 20% to exclude costs for water/sewerage/garbage and other services which are included here	CREST annual 304648 "Expenses for maintenance and other utilities" plus CREST annual 304638 "heating fuel"
X Green electricity	% of electricity from 100% renewable sources used in facilities for e.g. lighting, heating, electrical facilities/IT/electrical, etc. in relation to total electricity consumption	Share of renewable electricity from renewable sources in WWh. Excluding from outdoor energy and the green share of the standard national grid does not count as green electricity.	CREST Carbon Accounting Entry Report
Total fuel costs	Total fuel costs per country in 2009	Total costs for fuel for road transport (CREST consumption type: CCT008) for 2009	CREST annual 304628 "Vehicle fuel"
Station in SaFi	Stations per country which reported WWh in SaFi for 2009	Status: 31.12.2009	SaFi
# of vehicles	DGF owned fleet per country, real company cars	Status: 31.12.2009	DPHFI Fleet Management, checklist for Corporate Responsibility Report
EOS value on green awareness	% of employees favorably in question 34, 2009: "In my own daily work, energy initiatives like environmental issues are regularly in my workplan [...]" per country	The survey includes all listed and registered employees by the local HR organization and the country management in which DGF employees work	EOS Survey 2009, EOS Tracking Tool and regional evaluation by DGF HRMO
% Environmental certified under ISO 14001	Percentage of headcount per country covered by the environmental management system ISO 14001	Reported by regional GoGreen coordinators	Checklisting from region for Corporate Responsibility Report 2010

Footnote:  
 1) Major stations as indicated in the station list for the EOS survey in 2009 provided by Global HR.  
 2) Inclusive only trucks and delivery vehicles based on the information by the regional country.  
 3) Total additional expenses from CREST minus 20% for water/sewerage/garbage, etc. plus costs for heating fuel for 2009.  
 4) Excluding stations which have closed the GoGreen Dialas Map already in 2009.  
 5) Consistent with a target of < 5 DMIAs/PIWs that apply to use GoGreen DMIAs/PIWs.

Source: DP DHL, DHL Global Forwarding

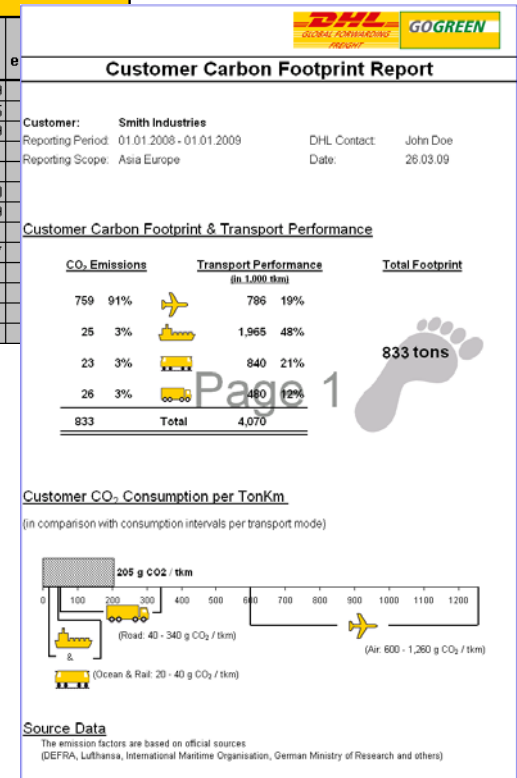
# How We Provide Transparency To Our Customer's: DGF Customer Carbon Footprint Calculator

Key trade lane	Transportation leg	Mode of transport	Means of transport	Distance per leg (km)	Total transported payable weight per leg (t)	Average load factor	Transport performance (tonkm)	Emission factor (gCO <sub>2</sub> /tonkm)
Changzhou - Brussels	Changzhou - Shanghai	Road	Line haul truck (40t)	1.529	100,0	80%	152.900	55,9
	Shanghai - Rotterdam	Ocean	Deep-sea container vessel	19.649	100,0	standard	1.964.900	12,5
	Rotterdam - Brussels	Road	Line haul truck (12t)	121	100,0	65%	12.100	138,9
Liege - Sevilla	Liege - Brussels	Road	Cartage truck (7.5t)	96	500,0	65%	48.000	206,1
	Brussels - Madrid	Air	Passenger long-haul	1.572	500,0	standard	786.000	966,0
	Madrid - Sevilla	Road	Line haul truck (12t)	533	500,0	65%	266.500	138,9
Berlin - Brussels	Berlin - Brussels	Rail	Electric / DE / 1,500t, 700m	700	1200,0	standard	840.000	20,7

## The tool provides a customer carbon footprint report split into four sections:

- **Section 1:** General information about the customer & the report
- **Section 2:** Customer carbon footprint & transportation performance. Absolute (in tons CO<sub>2</sub>) and relative emissions per transportation mode and overall. Absolute (in tonkm) and relative transport performance per transportation mode and overall. Total carbon footprint (in tons CO<sub>2</sub>)
- **Section 3:** CO<sub>2</sub> consumption per tonkm / Customer CO<sub>2</sub> efficiency (in g CO<sub>2</sub> / tonkm) / Comparison of CO<sub>2</sub> efficiency with average figures of different transportation modes
- **Section 4:** Source data of emission factors

Source: DP DHL, DHL Global Forwarding



# Many Thanks for your Attention!

## You Can Find Out More By Reviewing:

- Our 2010 **Corporate Responsibility Report** which covers all our 'Living Responsibility' programs, e.g. **GoGreen** (Environment), GoHelp (Disaster Management), and GoTeach (Education), as well as the many related community investment projects. You can learn more by following the link: [www.dp-dhl.com/responsibility](http://www.dp-dhl.com/responsibility)
- Our GoGreen Corporate site: [Corporate GoGreen](#)
- Look forward to more programs and details as of Q2 of 2010 when we unveil our DGF Americas website as well as more GoGreen Services for our Customers!

## Feel Free To Contact Us:

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# DHL Global Forwarding Americas Environmental Sustainability program GOGREEN Business Cases & Backup Information



Alejandro Palacios/Sonia Nunez  
Plantation, May 2010



# GoGreen Dialog Maps are a key tool to increase employee awareness and increase energy efficiency in stations



## DGF Italy leveraged the GoGreen Dialog Map for their First Choice initiative “Green Choice” to save costs and resources

- Goal: Reduce cost of resources by 4% and minimize environmental impact by fostering employee behavior to eliminate waste and reduce the usage of resources
- All 650 employees in 26 branches were involved
- 41 GoGreen Dialog Maps run in all stations
- Ongoing awareness and energy saving measures (e.g. Green Choice rulebook, monitoring consumption)

### Impact



~**10.000 kg CO<sub>2</sub>** saved per month through energy and fuel saving measures



~**10.000€** saved per month through reduced energy, paper and stationary



Awareness

**9% increase in green awareness** to 2008 (EOS 2009: 75%; 2008: 66%)<sup>1)</sup>

**Most immediately, we can save energy in our own facilities. By simply changing our behavior we can bring our energy bills down, save resources, cut costs and contribute to a healthy environment.**

## New facilities

- Make sure the new building fulfils highest environmental standards

Example: DGF station Auckland, New Zealand

### Green features

- High performance glass for better isolation
- Highly energy efficient electrical devices
- Low energy lighting and “Occupancy Sensing”
- Large roof area utilized for collecting water

### Green savings

- The **carbon footprint per m<sup>2</sup>** of the new facility is **20% lower** than that of the old one



## Existing offices and stations

- Leverage the various GoGreen assessment and improvement tools for stations & offices

Example: Waste management

- By introducing waste recycling schemes the **DGF stations in Houston, U.S., and Vienna, Austria, generate annual savings of about US\$15.000 and €2.000**

Example: Paper saving initiative

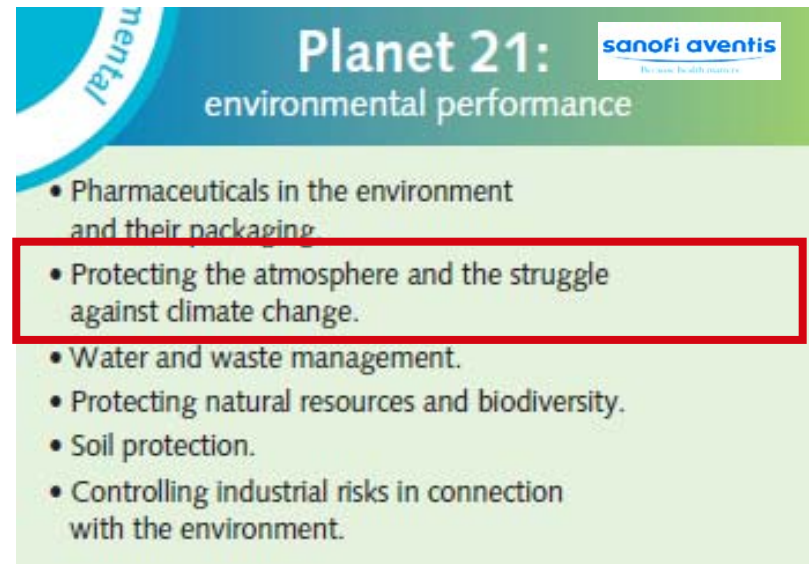
- Through a centralized printing and photocopying system on each floor **DGF Cairo reduced its paper consumption by 2%** within one year



## By using inland waterways for its transports, Sanofi-Aventis reduced its carbon footprint by 30%

### Making the difference

- For Sanofi-Aventis, DGF changed the delivery of temperature-controlled goods for sea freight export from heavy good vehicles to inland vessels
- Transporting sea freight containers by truck to European sea ports currently generates emissions of approximately 33kg of CO<sub>2</sub> per ton
- By switching to inland waterways emissions can be reduced by around 1/3 to 22kg of CO<sub>2</sub> per ton
- DGF transferred five container units each week from road to inland waterways network from Mainz to Antwerp or Rotterdam



### Voice of the customer



*"Sanofi-Aventis places great importance on acting responsibly with regard to all health & safety and environmental issues. We are delighted that DHL has developed a climate protection program and is able to help us become more CO<sub>2</sub> efficient."*

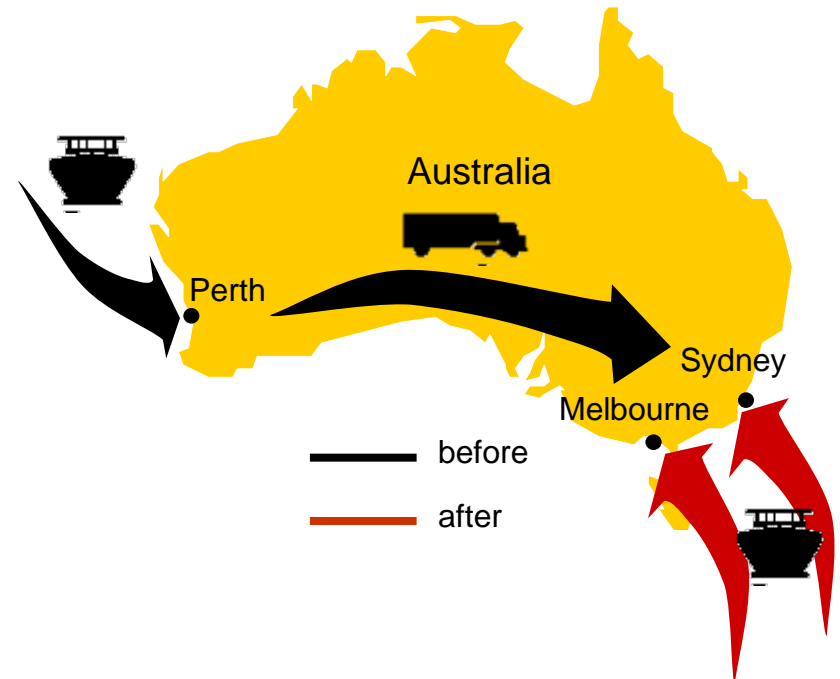
Stefan Bender, Head of Distribution Platform at Sanofi-Aventis

# Evaluating CO<sub>2</sub> efficiency of our customers' supply chains can create a competitive advantage to them and us

## DGF helped Hewlett-Packard Australia to cut CO<sub>2</sub> emissions from its supply chain by 41%

### Making the difference

- DGF helped HP save 2,600 metric tons of CO<sub>2</sub> by relocating its switching centers and changing transport modes
  - The switching center was moved from Perth to Sydney removing the need for overland transport
  - A new switching center in Melbourne allows delivering directly to HP's largest customers on site instead of offloading everything in Sydney
  - For land freight delivery trucks with higher storage capacity were used



### Voice of the customer



*“The new supply chain model has saved over 2,600 metric tons of CO<sub>2</sub> emitted by HP Australia over the last year, which equates to 21.6 acres of forest preserved from deforestation or 66,666 trees grown for 10 years from seedlings.”*

Richard Bailey, Vice President of HP, South Pacific

# Offsetting – Neutralising Emissions

Offsetting means to compensate CO<sub>2</sub> emissions by buying carbon credits from projects which verifiably reduce CO<sub>2</sub>. In simple terms, CO<sub>2</sub> in one part of the world can be balanced out through green projects in another.

## What offsetting cannot



- Offsetting does not reduce any emissions from your transports

## What offsetting can



- Offsetting allows customers to neutralize emissions from their shipments through other projects

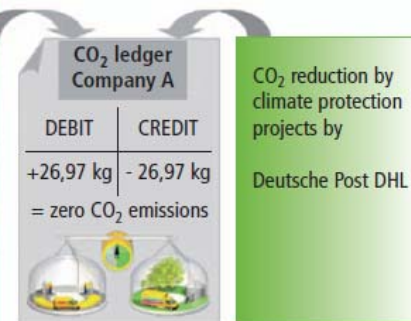
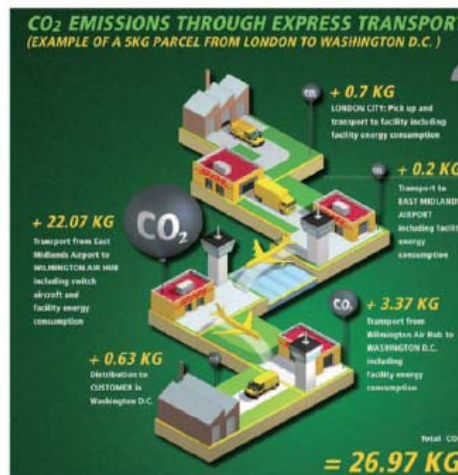
### Important to know:

- ① Offsetting is a **voluntary action** to decrease the negative impact on the environment from the customers transportation activities
- ① Customers get a certificate but **not a carbon allowance**
- ① Customers can use the DPDHL GoGreen Certificates for public communication and deduct the neutralized emissions from their transport footprint

1.: CO<sub>2</sub> transport emissions

2.: CO<sub>2</sub> calculation and management

3.: CO<sub>2</sub> offset



## CO<sub>2</sub> offsetting also provides opportunities for event sponsoring

### DGF is the official Logistics partner for the international RC44 sailing championship tour

#### Making the difference

- For the international sailing regatta DGF not only organizes the transport of boats and equipment to each venue but also makes the transports as green as possible
  - CO<sub>2</sub> emissions during the transport are reduced as much as possible
  - Unavoidable CO<sub>2</sub> emissions are offset through investments in our GoGreen climate protection projects
  - Approximately 36 tons of CO<sub>2</sub> were offset in the last season



#### Voice of the customer



*“We want to use numerous new sailing locations which requires the entire equipment to be transported smoothly and cost effectively.[...] We are particularly pleased that this is happening in an even more environmentally friendly way now.”*

Russell Coutts, 3-time winner of the America’s Cup and RC44 skipper