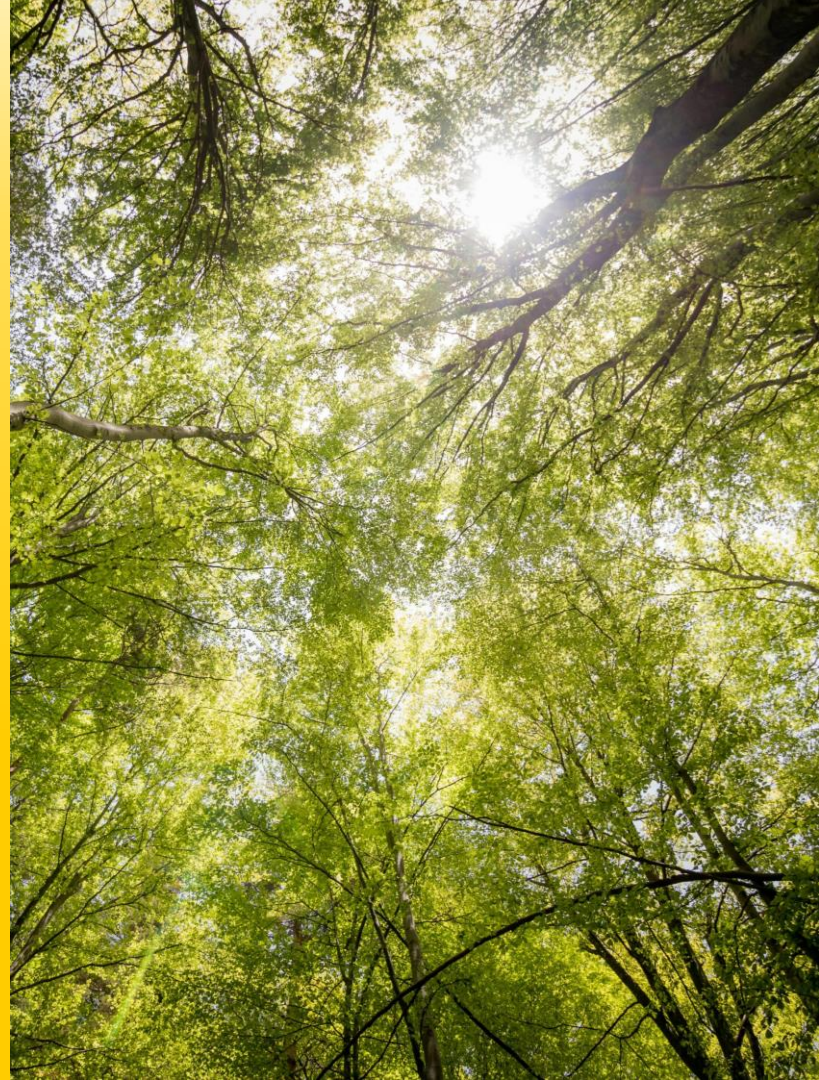


SUSTAINABLE LOGISTICS. SIMPLIFIED

HOW A NEW FRAMEWORK FOR CARBON
EMISSIONS ACCOUNTING CAN HELP ADVANCE
SUPPLY CHAIN DECARBONIZATION FOR YOUR
BUSINESS

DHL Global Forwarding – Excellence. Simply Delivered.

DGF Customer Webinar, November 2023



The Panel for Today's Call



Kathrin Brost
Global Head of GoGreen Program
DHL Global Forwarding

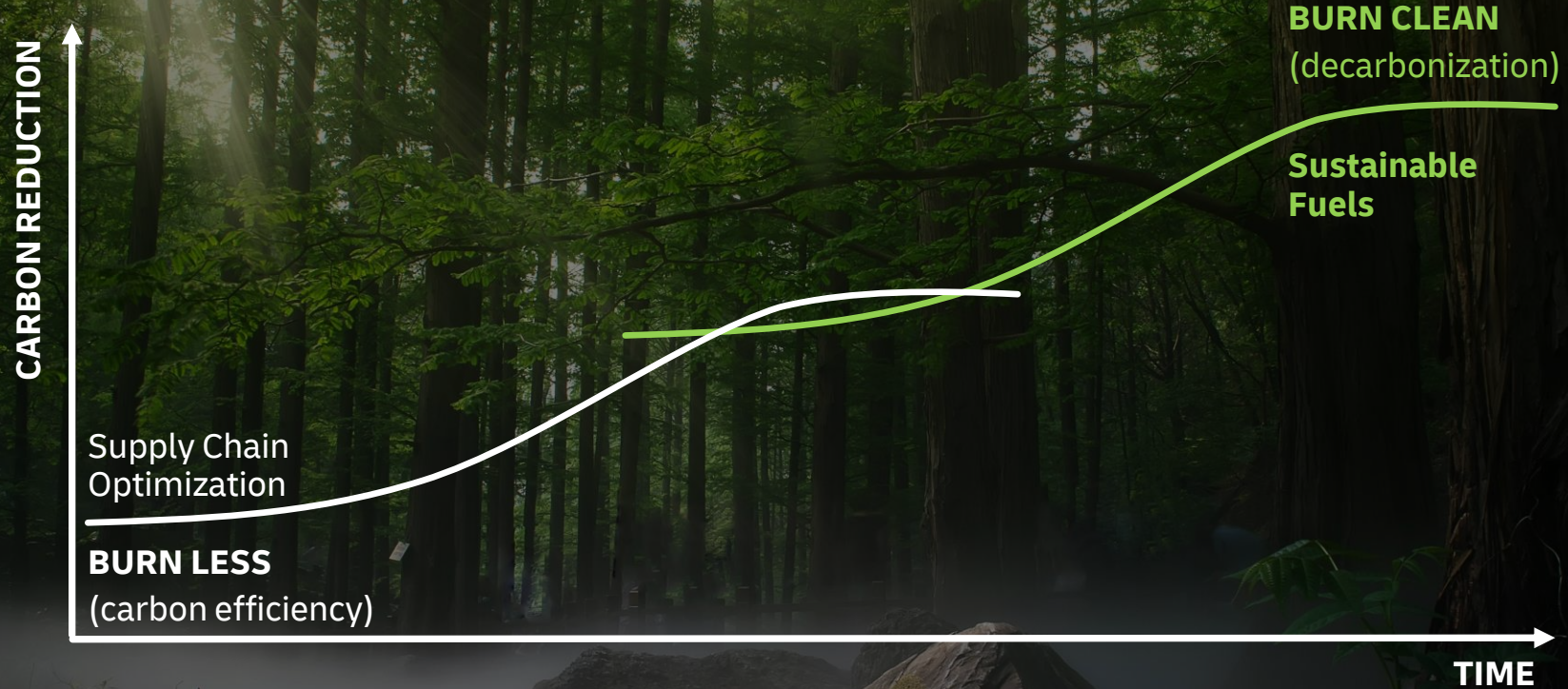


Noelle Froehlich
Senior Expert Clean Operations
DHL Group



Maria Savranska
Global Marketing Director
DHL Global Forwarding

The Two S-curves to Decarbonize Air and Ocean Freight Transportation

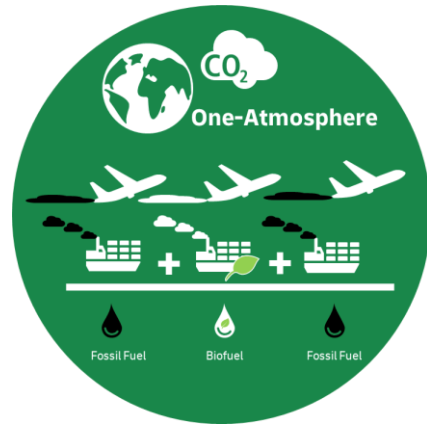


How To Leverage Sustainable Fuel To Decarbonize Your Air or Ocean Freight Shipment

The underlying philosophy:

One-Atmosphere Approach

To overcome geographical or physical sustainable fuel constraints we need to look at the airfreight or ocean shipping industry as one network



The commercial concept:

Insetting

Decarbonization of given transport footprint by ensuring that a verified sustainable fuel switch takes place in the same transport mode; i.e., same network but not same aircraft/vessel

1. Booking:

Shipper decides on fuel switch scope

2. Verification:

DHL calculates emissions, facilitates fuel switch and ensures 3rd party verification

3. Claiming:

Shipper receives verified reduction certificate



Maximum Flexibility

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

Worldwide Service



The Framework Intends to Mitigate Two Key Challenges for Logistics Decarbonization

Challenge 1



High transport
decarbonization
abatement costs

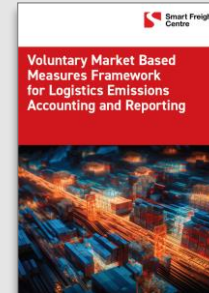
Challenge 2



Large, complex
and dynamic
supply chains

Smart Freight Center (SFC)'s framework provides a solution to facilitate logistics decarbonization:

- Market-based accounting guidelines for sustainable fuels and technologies
- Supporting the voluntary uptake of these solutions across all transport modes beyond regulatory requirements



The framework is based on a book & claim chain of custody mechanism which addresses these challenges:

- Permits suppliers and carriers to **allocate low-emission profile of solutions** (e.g. fuels) or transport services **to paying customers**
- Permits forwarders and shippers to **account for lower emissions even if shipments are not physically transported** with sustainable solutions
- Is largely **consistent with established GHG accounting methods**, e.g. GLEC and ISO 14083

Some Key Principles and Constraints Are Included Which Intend To Balance Practicability and Environmental Integrity Of The Proposed Book & Claim System

Transport Mode Constraint

Environmental benefits can only be reported within the same transport mode

Additionality

Environmental benefits can only be claimed above regulatory required volumes; exception opt-in schemes

Geographic Flexibility

Environmental benefits can be freely transferred through the supply chain on a global scale



Avoidance of Double Counting

Scope 1 and 3 benefits can only flow through the supply chain once without erroneous double counting

Vintage Requirement

Benefits must be booked within 12 months and reported within 24 months of booking

Limitation by Transport Activity

Low-emission fuels and transport services have residual emissions, no overcompensation possible

Key Takeaways

1

DHL GoGreen Plus products are **low-emission transport service**, not a trade of certificates

4

Not only the lowest price, but also the specific **terms & conditions of the solution** are important



2

Low-emission transport services are **based on real reductions within the same mode of transport**

5

Biofuel is not available limitless, but **availability exceeds usage** currently

3

No overcompensation of e.g., upstream (Well-to-Tank) emissions

6

The time to decarbonize is now!

Q&A SESSION



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THANK YOU!

If you have any further questions, contact your usual Account Manager or Customer Service Representative or visit us at [dhl.com](https://www.dhl.com)



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