

PPN 06/21 - Carbon Reduction Plan

Supplier name: **DHL Supply Chain UK**

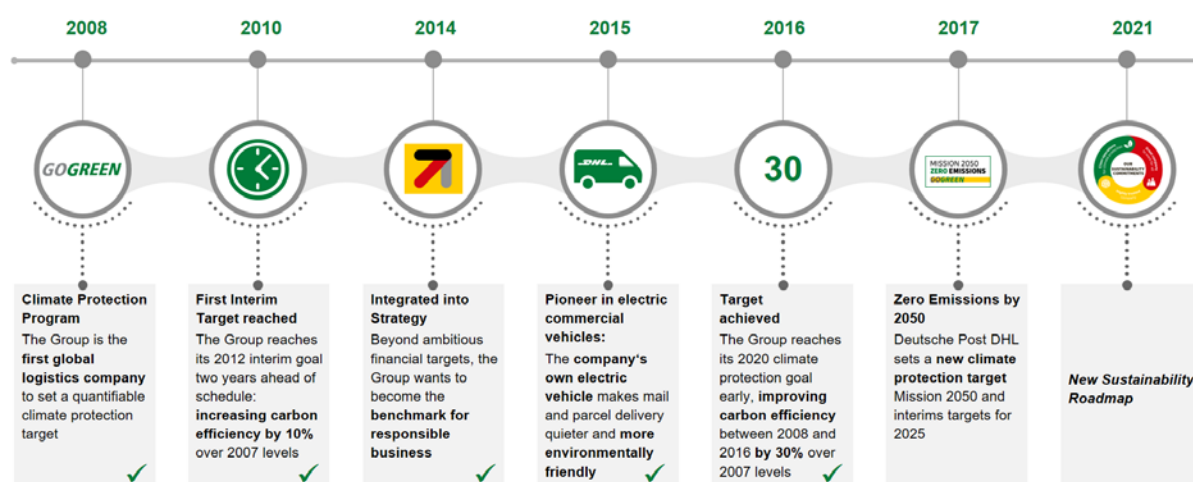
This carbon reduction plan captures DHL Supply Chain Limited and McGregor Cory Limited; together referred to as 'DHL Supply Chain UK'.

Publication date: **16.11.2021**

Commitment to achieving Net Zero

DHL is committed to achieving Net Zero emissions by 2050. DHL has also joined the UN Initiative Race To Zero. We are convinced that limiting global warming to 1.5°C is crucial for our planet; the decisive factor is how we jointly shape the transition to a climate-neutral world.

DHL is a 'green' pioneer in logistics



Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

As a global leader in supply chain management, our response to climate change is to “manage what we measure”. We introduced a global carbon accounting system to measure our own fuel and energy use to calculate greenhouse gas emissions in 2009. Since 2010, Carbon Accounting and Controlling has been established as a line function within DHL's Corporate Accounting and Controlling department, emphasizing the business relevance of GoGreen.

Our internal management information system tracks both carbon emissions and carbon efficiency. We calculate our greenhouse gas emissions based on widely-accepted international standards including the Greenhouse Gas Protocol (GHG Protocol) standards,

the Corporate Accounting and Reporting Standard as well as the Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Global Logistics Emissions Council (GLEC) Framework. Our data is also collected and processed in accordance with the requirements of EN 16258 and ISO 14064 standards.

Baseline Year: 2019	
Additional Details relating to the Baseline Emissions calculations.	
<p>With the launch of the GoGreen programme in 2008, DHL became the first logistics company in the world to set a measureable climate protection target. By 2020, DHL committed to improve its CO₂ efficiency by 30 percent compared with the base level from 2007 – we have been measuring and communicating on our progress ever since in annual reports.</p> <p>In 2021, we published our accelerated sustainability roadmap, including committing as part of the Science Based Target initiative (SBTi) to reduce our greenhouse gas emissions by 2030 in line with the Paris Climate Agreement compared to a 2019 business as usual scenario. For this reason, we have provided 2019 as the baseline year in the table below.</p>	
Baseline year emissions: 2019	
EMISSIONS	TOTAL (tCO₂e) Well-to-Wheel (WtW)
Scope 1	371,387
Scope 2	1,850
Scope 3 (Included Sources)	311,110
Total Emissions	684,347

Current Emissions Reporting

Reporting Year: 2020 FY	
EMISSIONS	TOTAL (tCO₂e) Well-to-Wheel (WtW)

Scope 1	279,223
Scope 2	700
Scope 3 (Included Sources)	304,849
Total Emissions	584,772

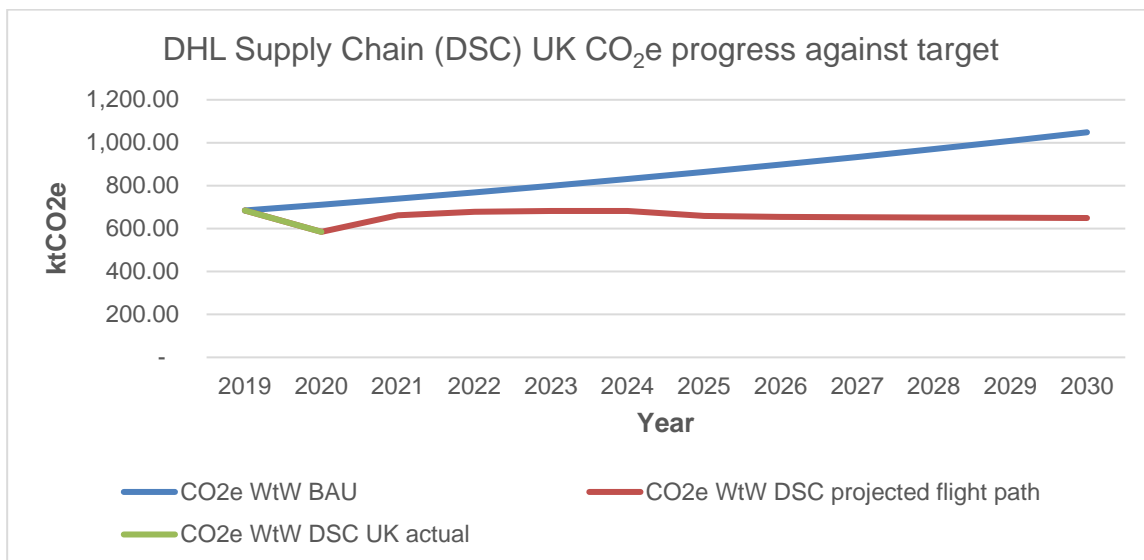
Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

DHL's 2020 goal to improve CO₂ efficiency by 30 percent compared with the base level from 2007 was achieved in 2016, four years ahead of schedule.

In 2017, DHL set an ambitious to reduce all logistics-related greenhouse gas emissions to net zero by the year 2050. With our mission to achieve net-zero emissions by 2050 ('Mission 2050'), we strive for clean operations for climate protection. For DHL Supply Chain UK, we will reduce our greenhouse gas emissions to under 0.7 million tonnes by 2030 compared to a business as usual scenario, and thereby commit to the Science Based Targets initiative (SBTi). This is a reduction of nearly 40%.

Progress against these targets can be seen in the graph below:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

DHL has been designing and implementing climate and environmental protection measures for over a decade, and has helped lead the way towards a green, sustainable future for logistics. By 2020, DHL Supply Chain UK had achieved a 44% improvement in carbon efficiency compared to its original 2007 baseline.

Note that due to COVID-19, a number of operational sites within DHL Supply Chain UK temporarily closed or experienced significantly reduced activity during 2020. The following environmental management measures and projects have been completed or implemented in DHL Supply Chain UK. The carbon emission reduction achieved by these schemes equate to 99,576 tCO₂e, a 15% reduction against the 2019 baseline and the measures will be in effect when performing the contract.

Supporting policies and Governance

- **Policies:** Our [Environmental and Energy Policy](#) defines measures to minimize our effects on the environment. In line with our investment policy, all new acquisitions must be demonstrably more carbon efficient than existing assets.
- **Management system:** We implement our environmental standards across the company and create a uniform framework for 'green' thinking and action (based on ISO standards). DHL has developed and maintains an Environmental and Energy Management System known as the EMS 10 Steps. The EMS 10 steps approach has been formally evaluated by an independent third party assessor (SGS), and has been used as the framework for obtaining external accredited certification to both ISO 14001 and ISO 50001 standards for many of our operations in different countries. In 2020, 59% of DHL's global ISO-relevant operational sites were certified as ISO 14001 and / or ISO 50001 compliant, as well as being audited by independent third party auditors.

Our approach to reducing emissions across our transport and real estate

Our energy and fuel efficiency measures are guided by two basic principles; 'burn less' and 'burn clean'. 'Burn less' measures help us reduce the energy and fuel consumption of our operations. We then turn to 'burn clean' measures to capture additional emissions savings. The 'burn less' and 'burn clean' approach covers both technology and behavioral-based measures.

Provided below are examples of a diverse range of measures to optimise DHL's vehicle fleet, buildings and logistics networks that have been, and are continuing to be, implemented:

Employee Engagement has always been a key part of our GoGreen programme:

- Training – DHL's Certified GoGreen Specialist training program has been designed to equip all of our employees with the tools to empower them to make greener choices at work and beyond. We have set a target for 80% of our full-time equivalent

employees to be Certified GoGreen Specialists by 2025 and the roll out of the training is ongoing.

- Environmental communication via notice boards and materials ranging from newsletters, poster campaigns, videos and presentations are made available. We also make use of internal social media platforms to drive action and help promote awareness and involvement at a local level, including during World Environment Day.
- Reward & Recognition – An important aspect of engaging our employees is recognizing and rewarding their input towards sustainability. Our internal publications and CEO Award scheme do just this.

Transport

- We provide our drivers with behavioural and fuel efficiency training for improved fuel efficiency.
- At DHL we have established GoGreen minimum standards which comprise of commercially viable, proven technologies, which positively impact environmental performance and are built in where they are operationally applicable and commercially viable in a given customer scenario.
- We have a defined set of minimum standards for our fleet as applicable which include:
 - speed limiters,
 - idle cut off
 - telematics to aid driver training,
 - aerodynamic enhancement kits.
- Vehicle and lightweight trailer design
- Use of vehicle solar solutions to power ancillary equipment on vehicles and trailers.
- Fleet optimisation – continuous innovation through the development of and investment in new vehicles (majority of our diesel fleet are Euro 6) and technology. We continue to expand the use of alternative fuels, predominantly natural gas ((bio or renewable) and drives (electric), and are in the progress of implementing a significant number of gas vehicles in our fleet. In addition, we are evaluating high level opportunities to support alternative fuel purchasing or production where we cannot use the fuels in situ. For example, DHL Supply Chain launched its first 16t all-electric HGV last year.
- Network optimization programs at several levels, operational, tactical and strategic, that reduce road miles. Example, through load and route optimisation and implementation of control towers – delivering operational efficiencies such as decrease in empty running and increase in trailer fill. .
- We also improve our carbon efficiency through multimodal transport solutions.
- Subcontractor improvements – DHL Supply Chain UK has engaged tech start-up, DigiHaul as its primary subcontractor. The appointment of DigiHaul will optimise our carrier network and contribute towards reduction in carbon emissions in a number of ways, including from decreasing empty running.

Real Estate

- Renewable energy is the primary source of electricity across DHL. 99% of the electricity used across DHL Supply Chain UK's real estate is from renewable sources.
- Employee engagement 'Switch Off' campaigns

- Within our real estate, we have been defined minimum standards which we continue to implement. These include
 - smart metering to support energy management and behavior-based continual improvement,
 - LED lighting with daylight and / or occupancy sensors
 - energy-efficient electric Material Handling Equipment (MHE) and high frequency MHE charging points, which use less energy and reduce charging time.
- We address our heating and cooling usage through a variety of means throughout our properties. By ensuring our buildings are properly insulated and by using draught exclusion devices for example, temperature controls are kept to the minimum and the demand for energy within the building is reduced. We have also invested in innovative heat exchange technology for recycling energy generated within our buildings as well as heat pump technology as applicable.
- Our base build standard for new builds is to achieve BREEAM Very good rating. However, we also go beyond this to achieve Excellent and Outstanding ratings as applicable.
- Carbon neutral design - starting in 2021, carbon neutral design for all new (owned) buildings, remaining emissions to be neutralised.

In the future, DHL will invest €7 billion by 2030 globally. With this investment, in addition to other focus areas, we will we hope to implement further measures such as:

- increase the proportion of generation of own renewables,
- design all new owned and leased buildings to be carbon neutral,
- achieve net zero operational carbon emissions across our real estate by 2025
- electrify 60% of our last-mile delivery.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>

Signed on behalf of the Supplier:

Rebecca Taylor
Rebecca Taylor Rebecca Taylor (Nov 16, 2021 12:29 GMT).....

Date: **Nov 16, 2021**.....

David Pierpoint
David Pierpoint David Pierpoint (Nov 16, 2021 14:51 GMT).....

Date: **Nov 16, 2021**.....