



“GoGreen” – our approach towards improved carbon efficiency

A greener business approach becomes more and more important for the logistics industry. Concepts for sustainability and environmental protection are not only driven by corporate responsibility demand – they help to drive efficiency and competitiveness, create new market opportunities and respond to customers' requests.

Building on these convincing drivers, Deutsche Post DHL was the first global logistics company to set itself a carbon efficiency target: Improving the carbon efficiency of the Group, including subcontractors' business, by 30% by 2020, compared to 2007 levels, is the core of Deutsche Post DHL's environmental protection programme GoGreen. Started in 2008, the programme helps to minimise the company's impact on the environment and therefore builds on the following pillars:

Started in 2008, the programme helps to minimise the company's impact on the environment and therefore builds on the following pillars:

- Achieving transparency of the environmental impact, with a focus on Deutsche Post DHL's carbon footprint including subcontracted transportation;
- Improving operational efficiency and minimising the Group's environmental impact, e.g. through efficiency improvement measures in networks, fleet and buildings;
- Generating value in offering green solutions to customers and helping them to achieve their environmental goals;
- Demonstrating leadership in fostering green technologies, helping to shape political regulations and engaging with key stakeholders;
- Mobilising employees in strengthening their environmental knowledge and helping them to engage in environmental protection.



 **DEUTSCHE POST DHL****Good progress in improving the company's own efficiency**

In 2010, the carbon efficiency for Deutsche Post DHL's own operations (so-called "scopes 1 and 2") has increased by 31% compared to 2007. This improvement is largely determined by air transports, where the Group operates more intercontinental routes with own airlines and joint venture partners, using new and efficient aircraft. But the improved carbon efficiency also results from multifaceted initiatives in the areas of alternative vehicles, network optimisation, building efficiency, projects with customers and employee mobilisation.

Towards efficient subcontractor management

To reach its overall GoGreen target – a carbon efficiency improvement of 30% including subcontractors – Deutsche Post DHL is driving for better transparency and thus management of its subcontractors' efficiency. The company has already reported on the so-called "scope 3" emissions since 2006 in its sustainability publications but – as with all players in the logistics sector – still faces a lot of uncertainties: As subcontractors usually do not disclose information on fuel burn, Deutsche Post DHL's scope 3 emissions are largely based on complex calculation models and scenarios taking into account data from operational systems such as origins, destinations and routing. But especially in the road sector with a high number of carriers, transparency is a challenge. Deutsche Post DHL has begun to tackle this challenge by starting to integrate its indirect emissions calculation and reporting (scope 3) into its financial accounting. Additionally, the company is collaborating with important stakeholders to set the stage for an improved carbon efficiency of subcontracted business.

Recommendations**Support the development of technologies**

for efficient and transparent carbon reporting (monitoring and calculation of energy consumption, greenhouse gas emissions and carbon footprint at different levels).

Except for road, currently available carbon intensity values for rail and waterborne modes (expressed at CO₂ per ton-km and p-km) are often based on unreliable assumptions about loading factors and fuel efficiency of these modes.

In the context of the recommendations of former EU Commissioner Mario Monti, **a standard, EU-recognised methodology needs to be developed** for calculating the carbon footprint of transport and logistics operations to avoid a proliferation of national approaches.