

# Featured Partner: Deutsche Post DHL Group



## ABOUT DEUTSCHE POST DHL GROUP

Founded in California in 1969, DHL was acquired by Deutsche Post in 2005. Today, as part of Deutsche Post DHL Group, DHL operates four key U.S.-based business units, all of which participate in SmartWay: DHL Express, DHL eCommerce Solutions, DHL Global Forwarding and DHL Supply Chain.

Through both its express delivery and supply chain management operations, DHL has a dedicated fleet that runs a mix of line-haul, regional and last-mile delivery. Its transportation brokerage group sources additional capacity and manages and services a large, diversified network of several hundred large and independent domestic carriers.

DHL's group of companies leverages its dedicated and contracted carrier network to provide a comprehensive suite of products and services, including end-to-end supply chain management, domestic and international express parcel and freight delivery, less-than truckload, line-haul, air, and ocean freight transport.

#### DHL

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As the world's largest logistics company, Deutsche Post DHL Group (DHL) has a responsibility to set an example and help guide our industry to a more sustainable future. For the past decade, virtually all of DHL's U.S.-based business divisions have participated in SmartWay. The program has played an integral part in helping DHL and its partners protect the climate by measuring and reducing carbon and other GHG emissions from our freight operations.

Greg Hewitt, CEO, DHL Express U.S.

### DHL ACCELERATES ITS SUSTAINABILITY ROADMAP

Five years ago, Deutsche Post DHL Group publicly **committed to reduce its logistics-related**, **global greenhouse gas (GHG) emissions to net zero by 2050**. More recently, using 2020 as a baseline for growth, the company announced interim goals to reduce its 2030 emissions footprint to 29 metric tons. In setting its goals, DHL used principles established by the Science Based Target initiative, or SBTi.

To reach its goals, DHL is stepping up efforts to deploy technologies and strategies that are proven to reduce and eliminate GHG emissions from the trucks, other modes of transport, freight equipment, warehouses, and buildings that DHL owns and operates. It also is testing and verifying many emerging technologies that show promise. At the same time, DHL is working to develop the sustainability of its logistics network and the supply chain management services it offers.

# ELECTRIFICATION IN THE LAST MILE, EXPRESS DELIVERY

Last-mile delivery is core to DHL's business operations, and nearly a fifth of the company's existing last-mile fleet is composed of net zero emission vehicles. These vehicles include 18,000 light-duty 'StreetScooter' delivery vans, and several thousand e-bikes and e-cargo trikes, the majority of which operate in Europe. By 2030, DHL's aim is to have more than 80,000 e-vehicles, or 60 percent of its global last-mile fleet running on clean electricity as a power source.



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In the U.S., DHL took a small, but important step forward to electrify its last-mile domestic fleet last year, when after a successful pilot, it started deploying nearly 100 new, fully electric Class 2b delivery vans in New York and San Francisco. The new electric vans represent an enhancement to the company's domestic fleet of alternatively fueled vehicles, which currently runs on a mix of fully electric, hybrid-electric and clean diesel varieties – in addition to low-power electric-assist e-Cargo Cycles

To date, the EV deployment in New York and San Francisco shows promise and will help DHL pave the way to electrification in the U.S. The new electric delivery vehicles consistently operate on a range of 125 miles a day with just a single charge – and are achieving just over 60 MPGe (mile per gallon equivalency) as compared to 13 MPG for similar gasoline-powered vans. In their first years of operation, DHL reports the electric vans in New York have reduced its traditional fuel use by 2,272 gallons and prevented the release of 20.2 metric tons of carbon during 1,767 days in use. DHL has also launched four BYD Class 8 battery-electric trucks, which are based in Los Angeles and will prevent more than 300 metric tons of greenhouse gas emissions from entering the atmosphere per year.



### **HYDROGEN FOR HEAVY EQUIPMENT**

Though the benefits of battery electrification are particularly well suited to DHL's last-mile truck fleet, the company is also testing the use of hydrogen fuel cell electric technology in its global express network. This work is focused on shifting DHL away from its use of petroleum-based fuel in its fleet of 1,600 pieces of heavyduty ground support equipment (GSE).

In a pilot that started last year here in the U.S. at a major DHL hub operating out of the Cincinnati airport (CVG), the company commissioned and installed a temporary hydrogen refueling station for several pieces of its equipment including high loaders, baggage tractors, and belt loaders. For its GSE fleet, DHL sees the potential for hydrogen fuel cell electric equipment to meet the demands of busy airport hubs that operate in areas where local utilities may not be able to scale up and charge heavy equipment and big battery electric fleets that operate 24/7.

Later this year, DHL will report on the emissions benefits of its pilot, and the **operational feasibility of hydrogen fuel cell electric GSE**. That report also will include an assessment of the cost and feasibility of installing large-scale, permanent green hydrogen infrastructure, which could not only fuel GSE, but other hydrogen-powered vehicles as well.

### **GREEN LOGISTICS AND EMISSIONS ACCOUNTABILITY**

In addition to its investment in the freight equipment it owns and operates, DHL is committed to offering logistics services that support its shipper and carrier partners that want to address climate change too. To that end, the company understands that the first step to reducing emissions is to measure and establish a baseline inventory of freight-related emissions, not an easy task.

To make it easier, DHL offers its partners a 'GoGreen' service, where DHL customers have access to carbon emissions data that can be calculated at the shipment level, for regional, national, and international shipments of all sizes – everything from parcels to shipping containers. Specifically, the GoGreen service includes a calculator that helps shippers understand what factors affect the emissions of transporting their goods and run different scenarios. These factors include mode, truck size, a carrier's environmental performance, and routing options, among other inputs. Using the calculator, DHL and its customers can adjust those factors and find opportunities that can help both reduce freight emissions and achieve cost efficiencies.



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Carbon offsetting through investment in "climate protection" projects and carbon reduction through Sustainable Aviation Fuel (SAF) usage is also available. And customers can also aggregate these shipments and track the environmental performance of their freight operations annually.

DHL has also introduced a global DHL Green Carrier Certification to reward road transport subcontractors for their efforts to become more sustainable.

Notably, for its North American customers, DHL has developed proprietary algorithms using SmartWay data to drive more freight to better performing carriers. The company can run scenarios for customers to show how much it would cost – and how much CO2 they'd save – to transition to a more eco-friendly carrier.

DHL can also bring in other criteria to the algorithm, like diverse-owned or womanowned carriers. So, for example, if a customer wants to see what it would look like to move to a diverse-owned carrier with better emissions performance, DHL can run predictive scenarios and provide the data they need to make a decision. They can also track actual performance of that decision over time using the company's Transport Management System and proprietary analytics tools.





#### **LOOKING AHEAD**

Deutsche Post DHL Group knows that its 2050 net-zero emissions goal is ambitious. Between now and 2030, the company has set aside nearly \$8 billion USD to help set the stage and support that goal. Those funds will be used to seed a major overhaul of its freight equipment to run on clean electricity and other sustainable fuels, including green hydrogen, and renewable fuels. It also is using and supports the development of future emissions trading and credit systems that will engender new, clean energy sources in other industries and communities throughout the world. It expects these systems will play an increasingly important role in the upgrades and improvements it has planned for its extensive network of warehouses, distribution hubs and office structures.

Further, DHL is committed to **cultivating a culture that embraces a sustainable work ethic and ethos**. With a workforce dedicated to transforming the energy sources needed to power its operations, it believes it can establish relationships with customers and partners that will reshape the industry and ensure a healthy environment for generations well into the future, including 2050 and beyond.

