



THE ROLE OF SAF TO DECARBONIZE LOGISTICS

INSIGHTS FROM DEUTSCHE POST DHL GROUP'S DECARBONIZATION ROADMAP

IEA AMF

Webinar, 03. November 2022

Corporate Development | Clean Operations

**Deutsche Post DHL
Group**

Pillars of sustainability roadmap



CONNECTING PEOPLE, IMPROVING LIVES

Clean operations for climate protection



- Green last mile & line-haul
- Leader in sustainable aviation
- Carbon neutral buildings by default
- Most comprehensive portfolio of green products

Great company to work for all



- Attract & retain the best talent
- Strong “Safety First” culture
- Diverse & inclusive workplace

Highly trusted company



- Compliance as an integral part of daily business
- Effective governance set-up across the organization
- Like-minded and compliant suppliers and partners

Lasting impact in communities through our **Go** programs

GOGREEN

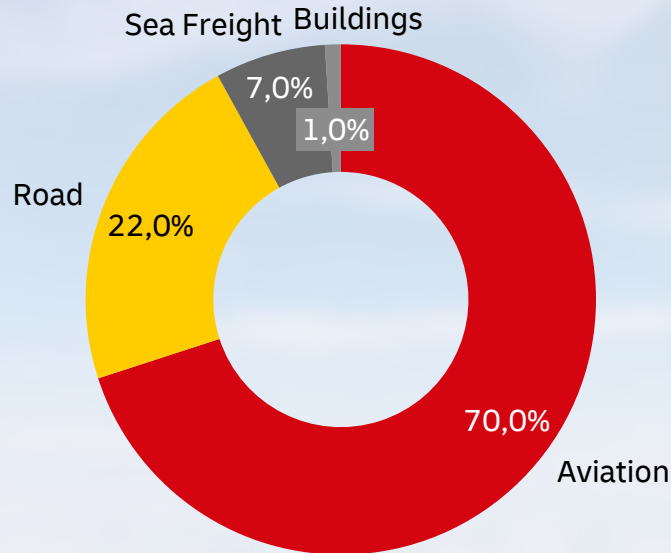
GOTRADE

GOHELP

GOTEACH

Transportation is the core of our business, therefore we have always been highly dependent on fossil fuels

CO₂e emissions footprint at DPDHL 2021: 39.4 Mt

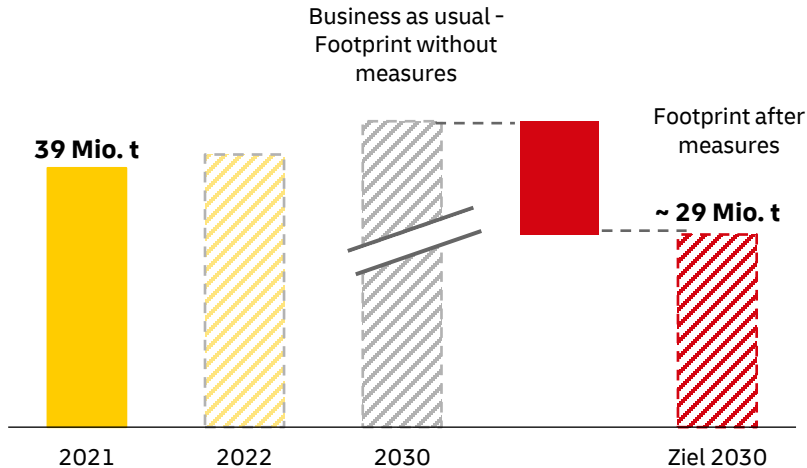


- The main source of emissions at DPDHL is airfreight, followed by road emissions
- 27.4 MT CO₂e Emissions from Aviation – ~60 % from DHL Express, 40 % from DHL Global Forwarding
- Relevant shares of subcontracted (Scope 3) Emissions in all transport modes – ~80 % across DPDHL Group

DPDHL has submitted its Carbon Roadmap to the Science Based Target initiative

Our Science-based Target

- Absolute reduction approach only
- Base year 2021, 9-year target by 2030



Science-based Target Initiative requirements

Required ambition

| | |
|---------------|--------|
| Scope 1 and 2 | 1.5 °C |
| Scope 3 | WB2D |

Timeframe

5–10 years

Reporting

The recommended base year is the last year for which these values are available

Updating

annual

Clean operations for climate protection

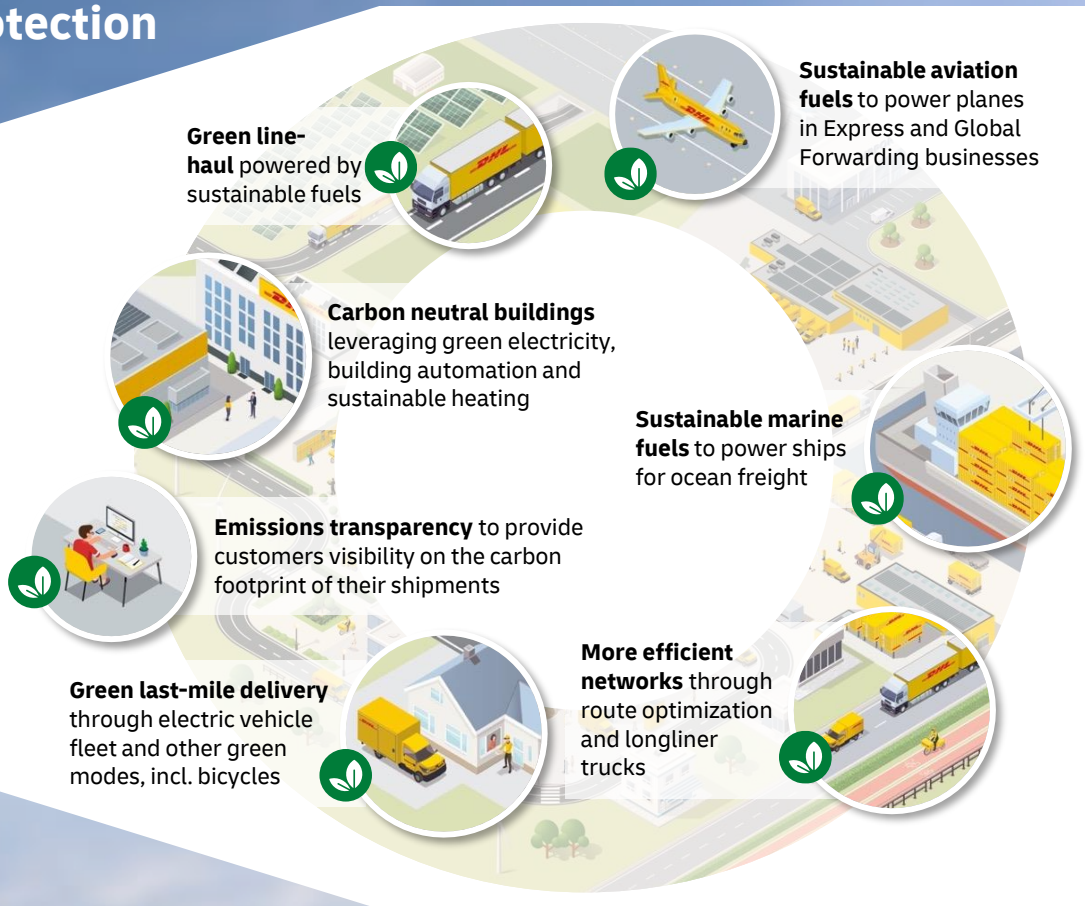
We will invest

€ 7 billion

until 2030 in clean operations
to reduce our emissions to under

29 MT

by 2030 and thereby commit
to the Science-Based Targets
initiative (SBTi)



DPDHL's decarbonization measures in aviation focus on SAF – Several barriers for SAF ramp-up exist despite significant progress on technological challenges



Price premium has increased despite progress in production due to tight market – capacity building is still not fast enough to keep up with demand increase

Investment security is low despite overwhelming demand due to uncertainty in regulation (EU files pending, US incentives limited to 2025/2027)

Sustainability requirements vary across the globe in regulation and standards – uncertainty on recognition of feedstocks hinders development

Book & Claim/Insetting is not fully established yet – hence end-customers ability contribute financially to SAF use and capacity building is still limited

Sustainability Criteria are required to avoid harmful developments – 3rd party verification ensures compliance with DPDHL Sustainable Fuel Policy

DPDHL Sustainable Fuel Policy

specifies the use of sustainable biofuels; updated regularly in a stakeholder dialogue.

Currently focus on **waste & residue** feedstocks such as used cooking oil, manure and tallow

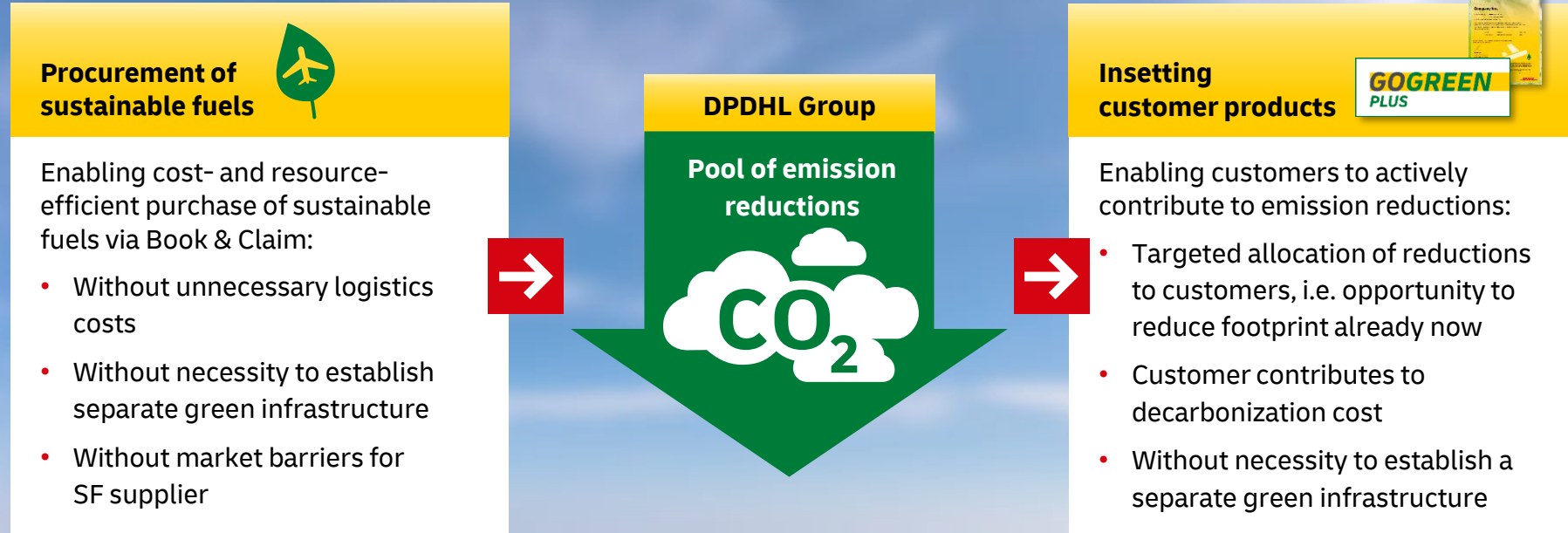


- Exclusive use of sustainably produced biofuels:
 - Sustainable fuels' production does not contribute to **deforestation** or undesired **land-use-change**
 - With certified LCA GHG⁽¹⁾ **emission reduction of >60%** according to relevant frameworks (e.g. EU RED, GREET) for each individual contract and targeting average reduction > 75% across the Group
 - No negative impact on **local communities** by feedstock sourcing or processing (e. g. water depletion)
 - No fuels from feedstocks with a high risk of unsustainable production – **ban on palm oil** and palm fatty acid distillate (PFAD) feedstocks.
 - **Third party verification** required – for liquid fuels from ISCC or RSB or equivalent



⁽¹⁾ Life Cycle Assessment of Greenhouse Gas

Importance of **Book & Claim/Insetting** for procurement of SAF and for customer facing GoGreen Plus products



Prerequisite: Clear standard and system for a robust and fraud-resistant Book & Claim mechanism

THANK YOU



Book & Claim is required for an efficient SAF market launch – A central SAF registry is required to enable Book & Claim

Back-up / Deep Dive

