DHL Supply Chain & NHS Supply Chain Carbon Reduction

Greener Hospitals – 4th June 2009

Helen O'Hara

Contents

DP DHL Programme & Objectives

DHL Supply Chain Approach

DHL Supply Chain Goals & Measurement

NHS SC Go Green Programme

Our commitment to climate change

Sustainability is a core part of our business strategy and our daily business – <u>Responding to climate change is a key objective</u> We have committed to improving our CO2 efficiency by 30% by the year 2020

Our Industry

The transport sector…

- …has a share of 14 percent in global carbon emissions
- …plays an important role in combating climate change
- …is faced with high awareness of climate protection issues by policy makers and customers (First Choice)

Our Goals

- Improving the carbon efficiency of DP DHL and its business partners

  30 % by 2020

- Intermediate step: improving carbon efficiency

  10 % by 2012

Our Program

GOGREEN

The DHL climate protection program…

- …is currently being rolled out in all business units worldwide
- …focuses on fleet renewal, energy efficiency, new technologies, employee engagement and the involvement of our business partners and customers

Contents

DP DHL Programme & Objectives

DHL Supply Chain Approach

DHL Supply Chain Goals & Measurement

NHS SC Go Green Programme

GoGreen Dimensions: 5 key areas

GOGREEN

I Provide transparency regarding CO_2 emissions	II Increase CO_2 efficiency (10% by 2012, 30% by 2020)	III Mobilize management and employees across the Group	IV Generate value through leadership in CO_2 efficient logistics	V Prepare for public policy changes
• Implement fully capable **carbon accounting** system	• Develop, prioritize and implement **abatement levers** • Develop and implement **subcontractor management**	• Raise **aware-ness** among management and employees; make them understand why their **contri-bution** is crucial	• Transfer customer requirements into innovative and profitable **products and services** • **Position** DP DHL as the **leader** in "green" logistics	• Evaluate **risks and opportunities** in public policy development • Sharpen DP DHL **lobbying** activities

0 Organization/ program management

- Enable and facilitate Program set up
- Drive Program implementation on corporate and divisional level
- Ensure information flow through the Group
- Monitor and report progress

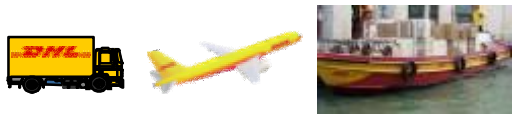
DP DHL emissions according to scopes 1, 2 & 3

To ensure measurable CO_2 efficiency goals, DP DHL adopted the three scopes of the Greenhouse Gas Protocol[1)]

DP DHL's view on emissions according to Scopes 1 to 3

Scope 1

Direct CO_2 emissions from fossil fuels which we use



CO_2 from fossil fuels used in vehicles which we directly own, rent or lease.

CO_2 from fossil fuels used to heat, cool or provide power in buildings which we own, rent or lease.

Scope 2

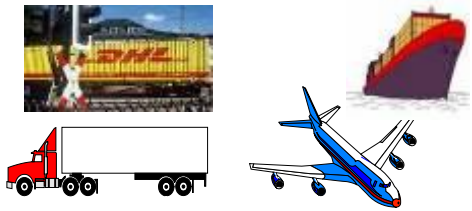
Indirect CO_2 emissions from purchased electricity

CO_2 from electricity which we buy from external suppliers for all applications.

We also include in this category emissions from district heating or cooling which we purchase. (District heating / cooling is normally produced by the municipality and pumped via pipes into the building.)

Scope 3

Other indirect CO_2 emissions from our business partners



CO_2 from transportation services of our business partners (e.g. subcontracted pick up and delivery, purchased air freight, purchased space on container ships, trains, trucks etc.). Business travel.

DP DHL's own carbon emissions (including emissions from electricity used by DPWN)

Carbon emissions of DPWN's business partners

Source: GHG Protocol, 1) GHG Protocol is a widely used international accounting tool to understand, quantify, and manage greenhouse gas emissions;

Contents

DP DHL Programme & Objectives

DHL Supply Chain Approach

DHL Supply Chain Goals & Measurement

NHS SC Go Green Programme

Carbon Footprint – What is measured

Scope 1 / 2 Data	Unit	Conversion factors	KPIs
Total electricity	Translated to kWh	Translated to carbon through: ▪ Fuel or material specific CO_2 emission factors ▪ Country factors (**N.B.** Conversion factors internationally recognised / agreed and available)	▪ CO_2(e) in absolute tonnes ▪ CO_2(e) in tonnes / €mn revenue ▪ CO_2(e) in tonnes / m^2 ▪ CO_2(e) in tonnes / km **N.B.** Appropriate benchmarks applied to make KPIs meaningful, e.g. a chill site compared to similar chill sites
Green electricity			
Natural Gas			
Fuel Oil			
Propane/LPG			
Diesel	Litres		
Biodiesel (inc grade: 5%, 30%, 100%, etc) Petrol Refrigerants			

Challenges

- 2009 data management; establishing like for like comparisons
- Baseline Adjustments
- Data audits
- Subcontractor data collection
- Target setting at a local level

Contents

DP DHL Programme & Objectives

DHL Supply Chain Approach

DHL Supply Chain Goals & Measurement

NHS SC Go Green Programme