SUSTAINABLE FUELS IN PRACTICE

DECARBONIZATION OF LOGISTICS

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Deutsche Post DHL Group

Clean operations for climate protection

We will invest

€ 7 billion

until 2030 in clean operations to reduce our emissions to under

29 MT CO₂e

by 2030 and thereby commit to the Science-Based Targets initiative (SBTi) Green linehaul powered by sustainable fuels



Carbon neutral buildings leveraging green electricity, building automation and sustainable heating Sustainable aviation fuels to power planes in Express and Global Forwarding businesses





Emissions transparency to provide customers visibility on the carbon footprint of their shipments

Green last-mile delivery through electric vehicle flee and other green modes, incl bicycles More efficient network through route optimization and longliner trucks

Excursion GHG Accounting: Scope 3 emissions are a legitimate duplication of Scope 1 emissions according to GHG Protocol – same should apply for reductions



- Scope 3 emission accounting reflects shared responsibility for Scope 1 emissions across the value chain
- Any Scope 3 emissions need to have matching Scope 1 emissions
- Scope 1 reductions "automatically" reduce Scope 3 emissions
- This is independent of the type of reduction (efficiency or sustainable fuel)

Source: DPDHL Clean Operations ; 1) WTT = Well-to-Tank – refers to upstream emissions from production of fuel (e.g. processing, transport, etc.) and are accounted for in Scope 3 of fuel user and Scope 1 of actual emitter (e.g. fuel producer)

Reduced emissions from Sust. Fuels (SF) use are not automatically reflected in Scope 3 but need to be proven through certificates across the value chain



- Scope 1 emissions are typically calculated based on actual fuel consumption – lower GHG intensity needs to be proven by SF documentation
- In Scope 3, emissions are often modelled to calculate emissions due to lack of actuals
- SF emission reductions need to be appropriately shared across the Scope 3 value chain

Source: DPDHL Clean Operations

In contrast to legitimate multiple counting across the value chain, double counting of the same SF volume in Scope 1 or at the same Scope 3 stage is illegitimate



- Selling the emissions reduction related to a volume of SAF several times to fuel users is fraudulent double counting and not legitimate
- Verification systems (such as ISCC) and monitoring authorities (in relation to incentive schemes) have significantly reduced risk of illegitimate multiple counting
- Rule of thumb to avoid illegitimate double counting
 - Scope 1 emissions and reductions can only be counted once
 - Any reduction in Scope 3 needs to be related to a physical fuel volume that is replaced by SF

Currently transactions of environmental attributes / emission reduction claims are verified at different stages of the value chain independently

- Currently different types of documents proof emission reductions along the value chain
- Several of the steps are verified by third parties but there is very limited visibility between the different stages of the process
- Parties often have limited transparency of upstream or downstream transactions making it impossible to ensure adherence to own standards



A central registry provides transparency on relevant aspects of the transaction to verifiers and stakeholders along the value chain



Once a robust registry exists – book & claim/insetting is the logical next step

Procurement of sustainable fuels



Enabling cost- and resource-efficient purchase of sustainable fuels via book & claim:

- Without unnecessary logistics costs
- Without necessity to establish separate green infrastructure
- Without market barriers for SF supplier



Insetting customer products



Enabling customers to actively contribute to emission reductions:

- Targeted allocation of reductions to customers, i.e. opportunity to reduce footprint already now
- Customer contributes to decarbonization cost
- Without necessity to establish a separate green infrastructure

Prerequisite: Clear standard and system for a robust and fraud-resistant book & claim mechanism