

CIRCULAR BUSINESS MODEL IN SUPPLY CHAIN MANAGEMENT


2016 SMU Logistics & Supply Chain Symposium


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Singapore, 7 March 2016


Corporate Responsibility is part of our Strategy 2020

Focus.

We focus on what has made us successful ...

1 Logistics as our core 

2 Committed to the needs of our stakeholders & our planet 


3 A family of divisions 


... to achieve industry-leading margins.

Connect.

We connect across the organization ...

1 One global team 


2 Certified specialists for everything we do 

3 Connected approach in operations, commercial, green solutions and shared services 


... to achieve quality leadership & service excellence.

Grow.

We expand in new segments ...

1 Leader in eCommerce related logistics 

2 Accelerate footprint shift towards emerging markets 

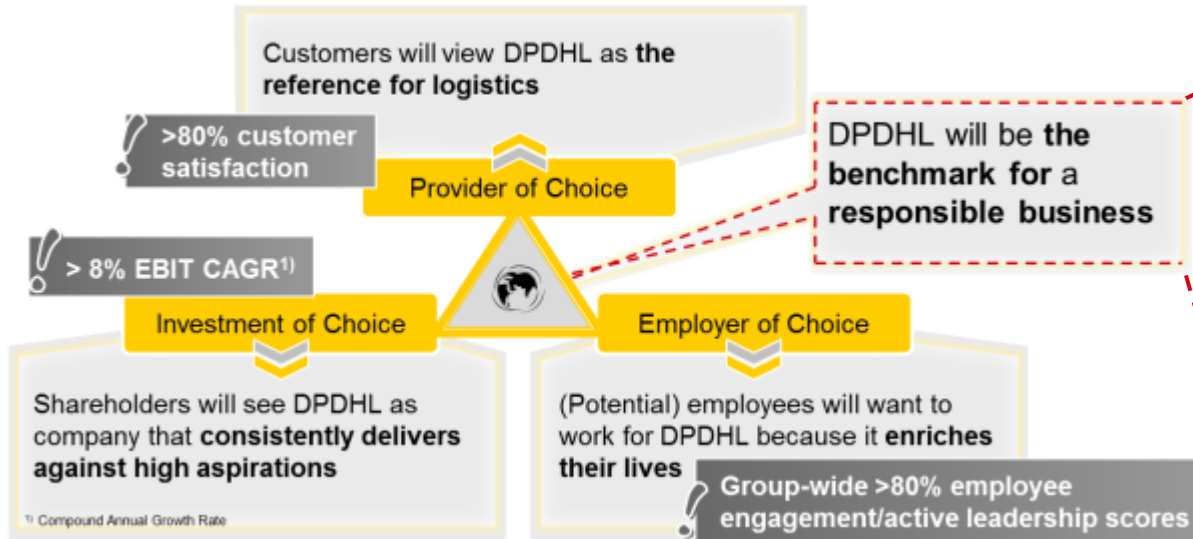
3 Tap new market opportunities for organic expansion 

... to achieve sustainable above-market growth.

Source: Deutsche Post DHL Group, Strategy 2020

Become the benchmark for a responsible business

Material issues defined to become the benchmark for responsible business



Prioritized Issues

- **Responsibility: Governance**
- **Responsibility: People**
- **Responsibility: Environment**

First logistics company with a voluntary carbon efficiency target: Improve CO₂ efficiency by 30% by the year 2020, compared to our 2007 baseline.



Environmental protection
with Deutsche Post DHL Group

Source: Corporate Communications and Responsibility, Corporate Development, Strategy 2020, Corporate Board 22 July 2015

eMobility for smart and clean urban delivery

Electric vehicles for short and start-stop intensive “Last Mile” driving cycles

- ~ 1,000 e-vehicles across all classes
- Globally across all regions
- Developing operational maturity



Source: Deutsche Post DHL Group

Electric fleet for Shenzhen, China

BYD and DHL partnering to test and implement electric vehicles in China



- DHL Express China entering strategic partnership with BYD
- Testing and implementing electric vehicles for logistics
- 35 eVans for delivery in the southern Chinese city of Shenzhen
- 3.5-cubic-metre cargo space for loads up to 800kg
- Maximum speed 130kmph, overall range more than 200km
- Further planned activities of DHL Express and BYD include the testing of a lightweight electric truck
- For the supply of green energy, solar panels have been installed at the DHL Express Hub

Source: Deutsche Post DHL Group

Leveraging eMobility for customer solutions

GoGreen Regional shipments' surcharge is re-invested in electric mobility to reduce carbon dioxide, local emissions and noise on the regional level

GOGREEN CLIMATE NEUTRAL: CO₂ OFFSETTING



- » Last-Mile delivery with conventional diesel vehicles
- » Revenue from climate neutral GoGreen service is invested in international climate protection projects

NEW

GOGREEN REGIONAL: CO₂ REDUCTION



- » GoGreen Revenue is re-invested in local eMobility projects
- » Customers realize own contribution and feel motivated to engage further (rebound effect)

Source: Deutsche Post DHL Group

Circular Economy: Obligations and Opportunities

Our thirst for new gadgets has created a vast empire of electronic waste
February 10, 2016 10:22am GMT

Innovative E-Waste Recycling Program Yields Initial Success

averda Dubai Signs E-Waste Contract with Municipality
08.12.2015 09:18

'Smart' Bins Deployed to Collect E-Waste in Dubai



FRANCE HAS MADE IT ILLEGAL FOR SUPERMARKETS TO THROW OUT EDIBLE FOOD

SUSTAINABILITY INNOVATION

INTELLIGENT DEVICES COULD HASTEN CIRCULAR ECONOMY

By Hannah Boxall | 9 February 2016 | [Add a Comment](#)



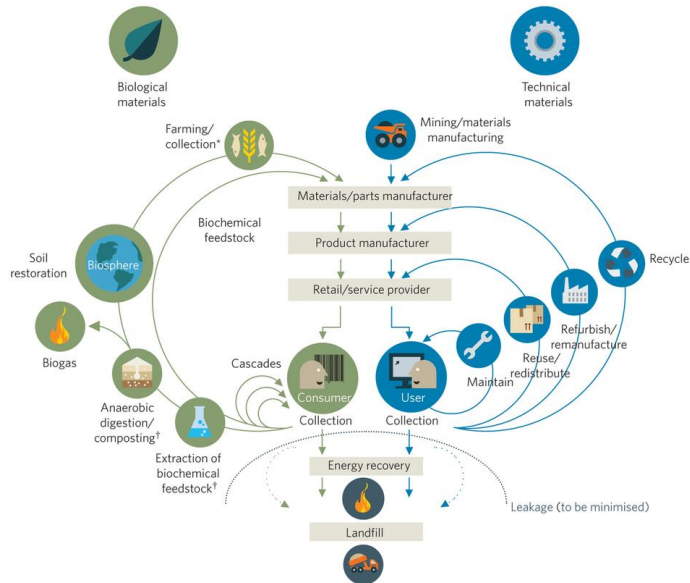
Recycling a Phone at EcoATM Is an Easy Route To Feeling Green



Source: DPDHL Group, external sources

Circular Economy: A new Paradigm?

Circular economy concept opens-up new opportunities for DPDHL Group

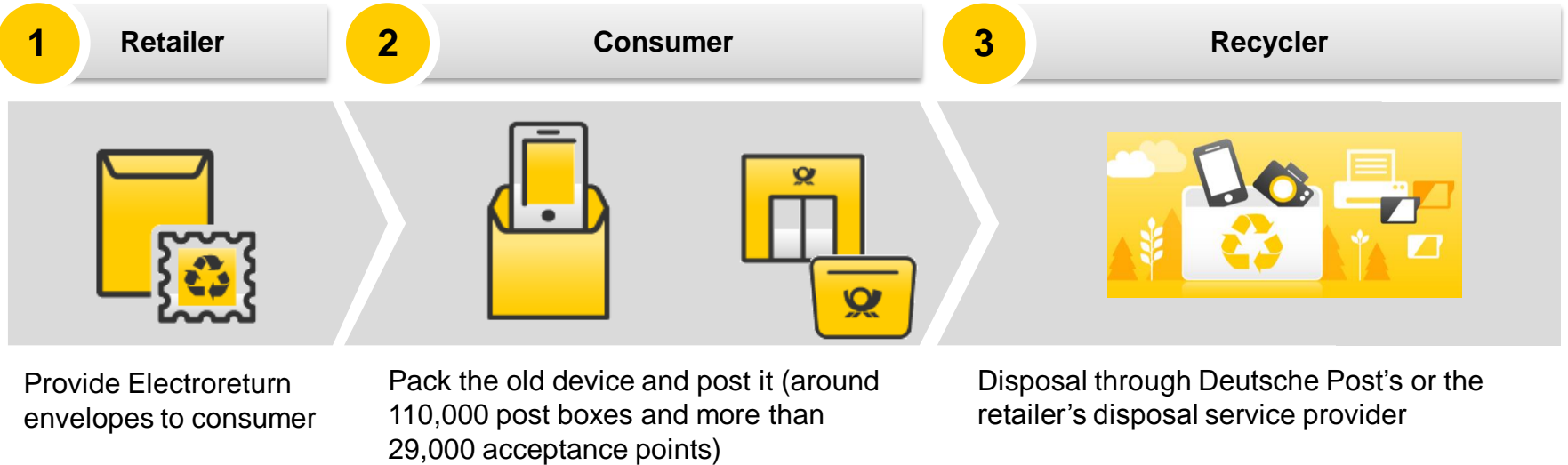


- ↻ Industrial system that is restorative or **regenerative by design**, replacing the “end-of-life” concept
- ↻ **Extension of a product’s life cycle** by (re)utilizing materials after use phase or prolonging useful life
- ↻ Aiming for the **elimination of waste** through the superior design of materials, products, systems, and, within this, business models
- ↻ Shifting towards the use of **renewable energy**
- ↻ **Harnessing supply chain capabilities** to maximize closed loop resource use

Source: Ellen MacArthur Foundation “Towards the circular economy – Economic and business rationale for an accelerated transition” 2013

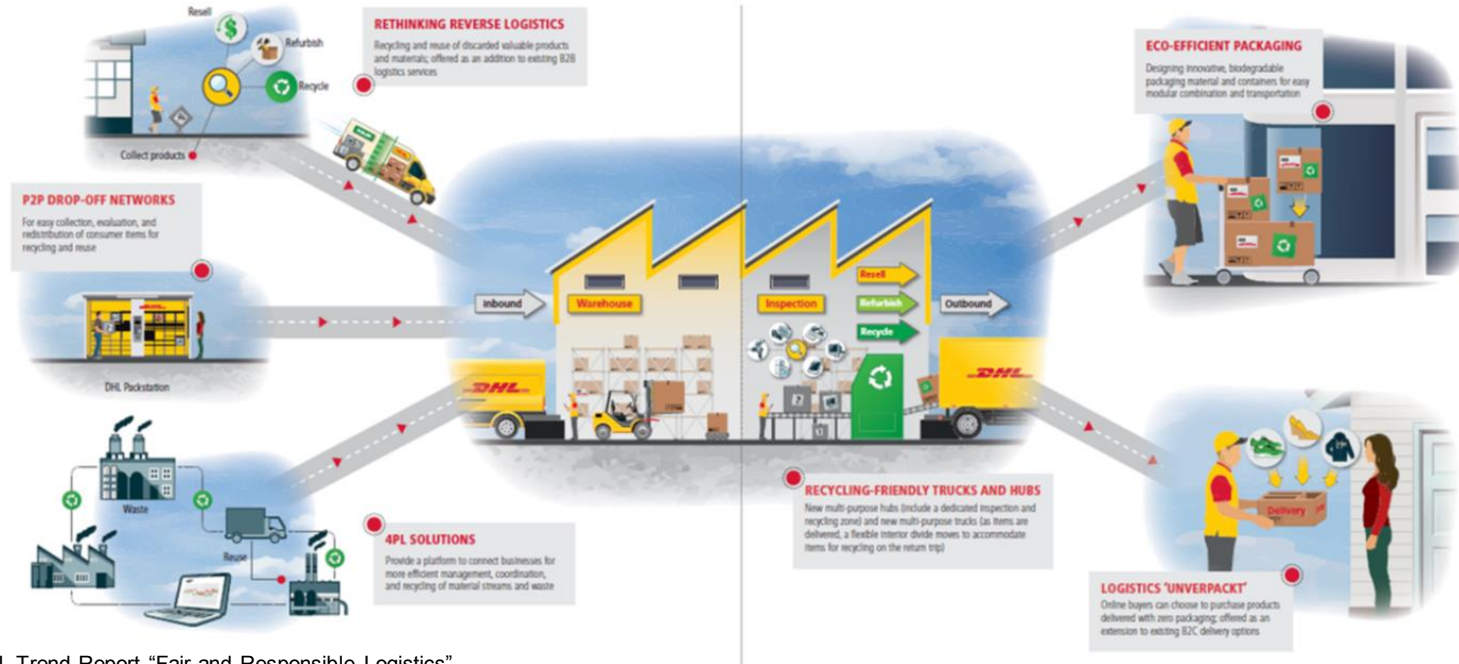
Return Solutions

Electroreturn, one of our first products that enable a Circular Economy



Source: Deutsche Post Electroreturn

Logistics for a Circular Economy



Source: DHL Trend Report "Fair and Responsible Logistics"

Circular Economy: Our Approach

Our role as a logistics provider enabling a Circular Economy



Source: DPDHL Group, Shared Value

Case Study: Electronic Retailer

Electronic Retailer in Europe

- Leading Electronic Retailer three-digit number of stores
- DHL operates national transport and a Distribution Centre



Customer Challenge

- Provide outstanding value for money to its customers
- Enable cost-effective waste take-back from home delivery
- Minimize environmental impact
- Improve recycled % of total waste materials including > 40k tonnes of Electrical Waste
- Integrate waste management into the existing supply chain flows
- Aim to achieve Zero to Landfill

DHL Solution

- Developed on-site recycling solutions at regional Distribution Centres (DCs) to reduce general waste
- Utilised reuse, parts harvesting and recycling to maximise returns and minimise costs
- Developed waste network to manage more than 12 different waste types through waste hierarchy

Customer Benefits

- Reduced Waste costs by €150k at the RDCs
- Generated significant revenues through backhauling & consolidating waste materials and parts
- Reduced equivalent waste disposal costs
- Diverted large volumes from recycling to reuse and parts utilisation

Source: DHL Supply Chain

Case Study: Airline Catering

Airline Catering

- Short Haul 'Above the Wing'
- DHL Supply Chain operate Flight Assembly Centre
- 76,500+ flights serviced per year
- 14 million+ meals per year



Customer Challenge

Support environmental agenda:

- Improve environmental performance
- Minimise waste and harmful releases to the environment
- Set objectives and targets to make improvements
- Include environment in decisions
- Manage impact on communities

DHL Solution

- Solution design, equipment selection and installation management
- Support DHL site team in managing the processes
- Implement Food driers, reducing food waste volume by 70%
- Implement new technologies to create energy from waste material
- Minimise Landfill

Customer Benefits

- Zero to landfill achieved early
- Food waste transport costs reduced by 70%
- Access to expertise on waste
- Significant additional value and energy recovered from waste
- Substantial recycling revenue generated
- Landfill Tax charges avoided

Source: DHL Supply Chain

THANK YOU