

THE ERA OF SUSTAINABLE
LOGISTICS



LEADING TOWARD A SUSTAINABLE FUTURE

ZONE 6 DIGEST

PEOPLE

A condensed look at how to embrace change and engage your workforce for a sustainable future – as explored at the Era of Sustainable Logistics Global Summit.



LEADING PEOPLE TOWARD A SUSTAINABLE FUTURE

WHY EMBRACING CHANGE REQUIRES ENGAGING YOUR WORKFORCE

In today's market, integrating sustainability into business models isn't just an environmental imperative – it's a strategic one. While many companies rightly focus on strategy and targets, it's people who are the company's most essential asset for achieving sustainability goals. Why? Because it's people who turn strategies and targets into results. Whether introducing sustainability business practices, developing sustainable products, or making progress toward set sustainability goals, business leaders will find it impossible to achieve their goals without employees who not only share their convictions but take action and inspire others.

But to lead your people toward a sustainable future – to motivate them to embrace change – you must actively engage them. This means making sustainability an integral part of your business, leading by example, and turning your people into sustainability ambassadors.

There are three pillars that elevate companies from mere participants to green business leaders. The first is fostering a culture of environmental consciousness where sustainable practices become ingrained, celebrated,

and rewarded. The second is weaving sustainability into the very fabric of the business – integrating it into your model and daily operations to ensure every process reflects the company's green aspirations. The third is making sustainability a differentiator in today's competitive labor market – ensuring your green credentials become a powerful draw for a more environmentally conscious generation.

In the following pages, we examine these three critical areas and offer insights into transforming your organization into a beacon of sustainability that others will be inspired by and follow.

“ *It's up to each of us to shape our businesses and help deliver a sustainable future!* **”**

Katja Busch

Chief Commercial Officer and Head of Customer Solutions & Innovation, DHL Group

CORPORATE CULTURE

MAKING SUSTAINABILITY ESSENTIAL

Leading the transformation begins with embedding a culture of sustainability into the daily ebb and flow of company life. It means creating a sustainability mindset by promoting and rewarding sustainable practices and behaviors and leading by example. Sustainability becomes a company policy rather than a series of one-off initiatives – green values are nurtured and grow deep roots.

Awareness and training play a pivotal role in this. At DHL, we engage and educate our employees through our Certified GoGreen Specialist training program. Available as e-learning or classroom training modules, the program teaches the fundamentals of climate change, the actions DHL

is taking to make our operations greener, and how every employee can make a difference.

Tailoring activities to specific business areas and roles is also key to maximizing effectiveness. For example, Gemba Walks and dialog maps can be powerful tools because they focus on direct engagement and collaborative problem-solving. A Gemba Walk involves walking the factory floor or office space to observe processes and gain firsthand insights from employees. Dialog maps support structured thinking around complex issues. Companies looking for assistance can take advantage of third-party programs, such as McKinsey's Sustainability Academy, to help raise

awareness and upskill employees. Working with knowledgeable partners, organizations can design and deliver customized training on core sustainability topics for employees at all levels.

And creating a sustainability mindset isn't reserved for internal activities. Your green values can be put to good use "off the job" by volunteering in your community. At DHL, we empower our people to make an impact through our 'GO' family of community engagement programs.¹ Activities include everything from planting trees to helping improve the employability of young people – all of which are grounded in promoting sustainability and resilience.

GET OUT AND 'GO'

DHL social impact programs including GoHelp, GoTeach, GoTrade, and GoGreen in 2022

95

- number of active countries

153,754

- number of participating DHL employees

238,349

- hours invested by DHL employees

CORPORATE CULTURE

TAKING YOUR COMPANY CULTURE TO THE NEXT LEVEL



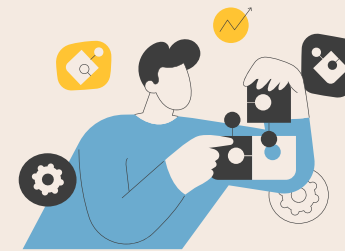
Sustainability hackathons

Organize multi-day collaboration events to bring together participants from diverse backgrounds to collaboratively address pressing sustainability challenges over a few days.



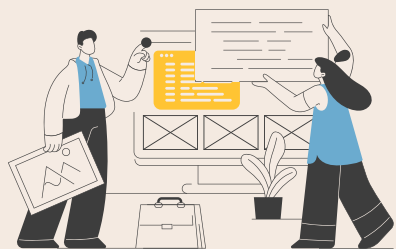
Residency programs

Invest in programs that give employees the opportunity to work in a new environment with sustainability experts related to their field of work for a defined set of time.



Fun communication formats

Educate and entertain your employees with creative communication formats like podcasts or video blogs. Set up a sustainability-inspired photo booth so that employees can get engaged. Or spread the word by providing fun laptop stickers or social media GIFs.



Internal digital engagement platforms

Create an environment for open exchange and bundle your activities all in one place by setting up a digital internal engagement platform. It can serve as a space to build a community of sustainability champions and provide opportunities for networking and collaboration.



Sustainability events

Give your existing divisional or team events and parties a new twist by incorporating sustainability as a theme. For example, get inspiring speakers or organize sustainability masterclasses.

BUSINESS OPERATIONS

EMBEDDING SUSTAINABILITY INTO YOUR OPERATING MODEL

As consumer awareness and regulatory demands around environmental, social, and governance (ESG) criteria intensify, companies recognize the value of integrating sustainability into their business model. It is becoming a cornerstone of resilience and innovation.

Embedding sustainability into your organization is a transformative journey that doesn't happen overnight. The first step is to assess where you stand – whether you're just starting, building on established processes, or already generating value from sustainable practices. Ultimately, the goal is for sustainability to become part of your company's DNA: business-as-usual and central to decision-making, with employee incentives tied to performance. You become a sustainability leader by going beyond legal requirements, setting new benchmarks, and forging high-impact alliances that redefine sustainable business.

WHERE ARE YOU ON YOUR SUSTAINABILITY JOURNEY?



1 Establishing foundations

- Identify your long-term ambition and kick-start a few initiatives
- Meet and report on baseline standards
- Donate resources



2 Reinforcing formal processes

- Identify important issues
- Implement a supplier code of conduct
- Build a data infrastructure to start initiatives and convince stakeholders
- Comply with voluntary industry standards



3 Generating value from sustainability

- Integrate sustainability into your corporate strategy
- Establish a comprehensive reporting process for non-financial disclosures
- Outperform industry average benchmarks
- Run more initiatives across a wider scope

4

Sustainability as part of the DNA

- Fully integrate sustainability into strategic decision-making and turn initiatives into business-as-usual
- Have a central leader & team(s) in place
- Tie sustainability performance comprehensively to employee incentives
- Report on impact metrics beyond what is required by law
- Create new sector standards and start high-impact sustainability alliances

BUSINESS OPERATIONS

LEADING BY EXAMPLE AND MOTIVATING YOUR PEOPLE

Every executive has the power to champion sustainability through actions that resonate across the company. Symbolic acts, visible actions, and transparent decisions can send a powerful message about the company's commitment to a sustainable future. These activities should be intuitive, aligning closely with the company's broader sustainability narrative to foster a shift in both mindset and behavior.

By integrating green practices into the very fabric of the employee experience – from sustainability-linked incentives to celebrating eco-friendly achievements – leaders can cultivate an environment where green acts are both recognized and rewarded. Moreover, upskilling teams and mentoring young people can go a long way to building a workforce of green experts and enthusiasts.

WHAT CAN YOU DO TO CHAMPION SUSTAINABILITY?

1 Make sustainability a part of the employee experience

Survey your employees to find out what really matters to them and what they think about your company's sustainability initiatives.

2 Tie sustainability to pay

Demonstrate the importance of sustainability by tying team and/or individual targets to environmental sustainability metrics.

3 Give awards

Expand your annual corporate awards by recognizing the sustainability champions leading the change in your company.

4 Upskill your team

Actively provide and enable training and development opportunities for you and your employees to become better climate change advocates.

5 Update your communications channels

Your company's communications channels are a great opportunity to raise awareness of your sustainability push and can inspire colleagues to initiate their own green practices.

6 Gift with the environment in mind

Think about the carbon footprint of your gifts.

7 Think outside the box to go green

How about integrating vertical farming or rooftop gardening in your office spaces?

8 Mentor young people

It is a thoughtful and powerful way to guide someone toward a better future through sustainable behavior.

9 Volunteer your time

To enable employees to make sustainability a part of their day, allow them to dedicate a certain amount of the working time to sustainability.

SUSTAINABILITY AS A DIFFERENTIATOR

UNDERSTANDING GEN Z IS KEY

Authenticity is crucial when communicating with Gen Z, but to truly connect with this generation, you must understand their values. The young people entering the workforce today feel a strong sense of urgency toward climate change not felt

by prior generations. Sustainability is no longer just a nice-to-have. Gen Z firmly believes it's the responsibility of companies and governments to tackle the issue and make sustainable practices the norm.

You can ignite a sense of pride in these young professionals, ensuring job satisfaction and loyalty, if you learn how they relate to ESG topics and what factors are important to them when evaluating a prospective employer.

WHAT YOU NEED TO KNOW ABOUT GEN Z

When it comes to sustainability, Gen Z...

...is highly aware of and concerned about the environment and sees sustainability in this way. They feel a strong sense of urgency on this topic.

...feels the responsibility lies with companies and governments to make sustainability the norm.

...places high importance on social aspects in the workplace, such as fair pay, good working conditions, and flexible working options.

...prefers to work for a company with strong ESG credentials – this makes them proud and increases job satisfaction. Companies with especially poor credentials may be rejected.

...expects employers to take action and meet certain criteria – a company with ambitious sustainability goals alone is not enough.



SUSTAINABILITY AS A DIFFERENTIATOR

CREATING A SUSTAINABILITY-BASED EMPLOYEE VALUE PROPOSITION

Sustainability has transcended corporate responsibility to become a real differentiator in attracting and retaining the next generation entering the workforce. For Gen Z, a company’s environmental credentials are a decisive factor in their employment choices. They seek out employers who don’t just pay lip service to ESG goals but empower their people to make positive societal change. Companies that fail to demonstrate genuine sustainability efforts risk being sidelined by a generation of workers.

Standing out starts with a genuine employee value proposition (EVP) that focuses on sustainability. Your EVP defines your unique promise to employees regarding the experiences and benefits they will receive in exchange for the time and effort they put in for your company. Ambitious sustainability targets aren’t enough. Your message must be honest, transparent, relevant, and credible – and backed by measurable actions and verifiable outcomes. An EVP centered on sustainability will align with Gen Z’s values and signal that you are forward-thinking and ready to lead the way.

“Don’t work for climate-wreckers. Use your talents to drive us toward a renewable future.”

António Guterres

Secretary-General of the United Nations, to graduates at Seton Hall University Commencement

INTEGRATING SUSTAINABILITY INTO YOUR EVP

Great company

- Is there a well-defined culture with appealing values, particularly around sustainability?
- What impact does the business have on its people, community, and society?
- Is there a sustainability roadmap – including ambitious targets – in place?

Great leaders

- How does leadership motivate and inspire employees to act sustainably?
- Are senior leaders role models? Are they “leading by example”?
- Are executives externally recognized as thought leaders?

Great rewards

- How are employees’ sustainability actions recognized and rewarded?
- Is sustainability part of the incentive and bonus program? How is sustainability included for different target groups and turned into a real benefit?
- Which eco-friendly benefits does the company offer?

Great job

- Is there a formal sustainability training journey for employees?
- Are there opportunities to work on sustainability-related projects or topics?
- Are there opportunities to participate in social impact programs?



KEY TAKEAWAYS

LEADING PEOPLE TOWARD A SUSTAINABLE FUTURE



Execution is everything

Lead your organization toward your sustainability targets by focusing on culture, operating model fit, talent recruitment, and retention.



Create a sustainability culture

Establish a tangible sustainability culture through effective communication, on-the-job practice, training programs, volunteering initiatives, and more.



Integrate sustainability into your operating model

Select the right organizational structure, define roles and responsibilities, and link monetary incentives to ESG targets.



Attract the right talent

Use your sustainability-focused employee value proposition (EVP) to attract and retain talent and anchor sustainability within your recruitment process.

“Our world desperately needs resolute commitment and strong leadership from the industry and all stakeholders to promote more sustainable business practices and leverage its central role to help build a more sustainable future.**”**

Patricia Espinosa Cantellano

CEO of onepoint5 and former UNFCCC Executive Secretary



Sources

1. **DHL Group Social Impact Programs**
<https://group.dhl.com/en/sustainability/social-impact-programs.html>