



# ESG: ACTIONS TOWARDS SUSTAINABILITY

DHL SUPPLY CHAIN LATIN AMERICA

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# INDEX

ESG Introduction	03
Environment	04
Social	06
Governance	11





# ESG INTRODUCTION

*In recent years, the term sustainability has been widely used in businesses and communities. However, for DHL Supply Chain, sustainability is not a fad or a new term; sustainability has been part of our essence and the strategy we use to guide our worldwide business for years.*

In March of 2021, we grouped our investments, initiatives, operations and social programs into an ESG (Environmental, Social and Governance) framework to pave the way for a fast track to sustainability based on these three pillars.

ESG is the launch pad for our future growth and one of the strengths that sets us apart in the industry. When someone mentions sustainability, we automatically think of the environment. However, sustainability is a much more complex issue, which is why we have brought the equally high priority “social” and “governance” areas into our plan.

Being consistent in our goals allows us to have a positive and lasting impact and to establish synergies with our customers who have also set their own sustainability goals.

Our fast track to sustainability focuses on meeting three key commitments:

- **Environmental:** clean operations for climate protection.
- **Social:** being a great place to work for all.
- **Governance:** a highly reliable, trusted and ethical company.

Apart from these three commitments, we also want to create an impact in the communities where we operate through our social, corporate citizenship programs.



# ENVIRONMENT: CLEAN OPERATIONS TO PROTECT IT

*In the fight against climate change, DHL Supply Chain has set targets to reduce greenhouse gas emissions. These targets are consistent with the level that climate science shows we need to strive for to prevent a 2°C temperature rise in line with the Paris Agreement.*



## Net Zero Emissions Warehouses

By the year 2025 we aim for all our owned warehouses to be Net Zero Emissions. In Latin America we have Renewable Energy Certificates (iRECS) that help meet this goal. This means that we work on renewable energy projects that help us neutralize our emissions by consuming clean energy and no fossil fuels.

We currently have 45 carbon-neutral buildings in the region (52%). Six of these are located in Brazil and Mexico and are LEED®-certified, including the Louveira, Brazil, site, which has achieved Platinum Certification.

Eight warehouses located in Brazil and Colombia have implemented the ISO14001 standard, which is an international standard for achieving effective environmental management.

## Reducing emissions from transport

We will increase our efficiency and the use of clean fuels in our own fleet and outsourced transport. These fleet allow us to avoid generating more than 1,616 Tons of CO<sub>2</sub>e.

### ECO FLEET IN LATIN AMERICA 2021

Vehicle Type	Quantity
Electric vehicles	54
Double Deck	9
Trailer	19
Natural gas vehicles	4
Oversized vehicles	10
Vehicles SPEC	113 (8 hybrids)
Bicycles for last mile delivery	6
Electric motorcycles	2

## Packaging

Together with our customers, we design sustainable and optimized packaging solutions, including:

- Cardboard shredders operating in Mexico, Brazil, Chile and Argentina allow us to recycle cardboard waste as packaging material and reduce the use of bubble wrap
- Waste compactors at our operations in Brazil, Chile and Mexico help to improve waste management
- Use of reusable containers in various automotive operations in Mexico reduce cardboard consumption
- Compostable bags to stop polluting our ecosystems
- Reduction in paper consumption by automating processes and replicating these throughout the region
- Reduction in plastic inputs: use of kraft paper to replace bubble wrap in operations in Colombia and Brazil; use of plastic bands to replace stretch film in Mexico; and reducing plastic waste and the use of pre-stretched film in various operations in the region by 96%.
- Reusable packaging solutions in the cold chain

These solutions have enabled us to reduce the amount of waste sent to landfill, thereby supporting our Zero Waste to Landfill initiative.

## Green solutions

In partnership with our customers, we are designing a more sustainable supply chain through the implementation of green solutions, such as:

- On-site power supply from renewable sources (solar) at two of our warehouses in Mexico and Brazil, respectively
- Implementation of efficient LED lighting projects in the region
- Use of more efficient equipment such as high frequency chargers in the region and lithium batteries in Chile for our material handling equipment
- Zero Waste to Landfill program in the region
- Water saving equipment such as dry urinals and faucets with lower water consumption throughout Latin America

## Sustainable Culture

Our purpose is to create a culture of sustainability by training, informing and empowering our employees to make greener decisions on a daily basis. We currently have **5,400 employees** certified through our GoGreen specialists training program.





## SOCIAL: A GREAT COMPANY FOR EVERYONE

*As a global company, we see the diversity of our employees as a genuine strength. A strength that we will only really capitalize on if we ensure that our employees sincerely feel they can bring their true selves to work every day, regardless of their ethnicity, religion, sexual orientation, gender, disability or any other individual characteristic.*

***This is what we mean by inclusion.***



Within the social focus area, DHL Supply Chain works on various initiatives in line with its corporate values of “Respect and Results” and its mission Connection People. Improving Lives. These include talent attraction and development, as well as diversity and inclusion to ensure that all people feel included and are able to pursue their talents, which helps drive our success. Currently 37% of women are part of the company.

In addition, DHL Supply Chain has established the goal of maintaining its “employee engagement” approval rating in the annual global employee survey at a consistently high level of more than 80%.

All this is possible because we adhere to and respect human rights as a core value. Creating awareness and minimizing risks is crucial, and with this in mind we also seek to foster safety and well-being among our employees, who are supply chain specialists.

The social aspect also includes participating actively in the communities in which we operate, and we encourage our employees to participate in local community support activities; we are an essential part of daily life, and we show it with our actions.

## ACTION FOR LATIN AMERICA

### SOCIAL IMPACT

NGOs we have helped	+844
Activities	+1 844
People positively impacted	+69 202
Participants in DHL Supply Chain volunteer programs	+29 671
Volunteer hours	+33 571

Among our flagship activities to benefit the community, the Peru-Argentina-Chile (PAC) cluster made an outstanding commitment to education, with 225 volunteers helping to enhance the employability skills of 1,754 young people as part of the Enseña and SOS Children's Village partnerships in each country. In addition, during 2021 the same cluster built two homes for homeless families and impacted 1,574 children, youth, adults and seniors living in foster homes, boarding schools, hospitals, vulnerable communities and medical rehabilitation centers. In the area of reforestation, 350 highly committed employees planted fruit and vegetable seeds in their homes for consumption. In addition, a total of 972 employees carried out beach clean-ups, collecting plastic and paper film to be sent to recycling organizations.

In Chile and Argentina, employees cleaned up public spaces and planted 701 trees. In Colombia, the annual Botellas de Amor (Bottles of Love) contest led to the recycling of 1,700 kg of single-use plastic in 2021.

### "My First DHL Job" Pilot Program in DHL Supply Chain Peru, Argentina & Chile

One of the priorities of the social pillar is to be a Great Place to Work for ALL, so the Peru, Argentina and Chile (PAC) cluster participated in the pilot program for "My First DHL Job." This consists of a one-year temporary contract, focused on training and developing young people who come from vulnerable backgrounds and are supported by or part of the SOS Children's Villages and Teach for All (Enseña) organizations.

The young people performed jobs assigned by their managers and the Human Resources team in each country; they receive various training and coaching courses, as well as the constant support of a mentor. By the end of the experience, the individuals are prepared to apply for any regular position within or outside of DHL, thus launching them on their career. As a result of the program, four young adults joined DHL Supply Chain in September 2021.



As part of our commitment to ensure the social mobility of young people, in 2021, we launched a logistics technical training program designed by DHL in Colombia.

The program is in partnership with the Colombian National Apprenticeship Service. The program is dedicated to providing social mobilization opportunities by employing young adults. Applications were received from individuals in municipalities close to DHL Supply Chain Colombia's operations so that those selected could complete the program and then potentially join the organization.

During the training period, the participants received a cash subsidy. The individuals incur no expenses as the training is delivered online. The program currently benefits 93 young people.

In Mexico, DHL Supply Chain continued its tradition of supporting local communities, donating 2,241 toys on Children's Day. It also provides educational grants for the English studies to beneficiaries of the Children's Village organization, training to develop employment skills among young people and the "Fortalecimiento Institucional" program for organizations such as Fundación por el Bien de Tepetzotlán.

Other achievements included the donation of 20 wheelchairs to employees' families and internal fund-raising drive that raised almost EUR 17,000 to build a community canteen.

In Mexico, the company held a series of webinars on Diversity and Inclusion topics with more than 950 participating employees. The topics included:

1. Respect vs. Tolerance, sexual and gender diversity
2. Role of men and women in gender equality
3. Wealth of Diversity, how to exercise inclusive leadership.
4. Promoting positive male role models
5. What the LGBTIQ+ community is fighting for?





The Brazil team also worked in partnership with SOS Children's Villages to stage the DHedicar Program. The aim of this is to encourage the academic and professional training of young people in the State of São Paulo, through classes taught by volunteer collaborators; 36 volunteers have taken part in this program.

Still on the subject of educational projects, DHL Supply Chain Brazil and the lochpe Foundation, through the Formare Program, provide basic professional training courses to young people from public schools. The aim of this partnership is to prepare young people for the job market and their first job. The participants are trained as Distribution Center Operations Assistants, and the course is recognized and certified by UTFPR - Federal University of Technology - Paraná. A total of 102 volunteers have devoted 2,400 hours to providing support to 59 students in this program. The students also receive materials such as tablets, internet, school supplies and additional benefits such as scholarships, medical insurance, dental plans, life insurance and a food basket.

### **Women on Brazil's roads: this program is a growing success**

The Brazil Transportation team developed the Pioneering Women on the Road program to hire more women to drive electric vehicles, thus combining DHL Supply Chain's Diversity and Sustainability pillars.

Today, the success of the effort lies in the support given by sector leaders to the program, as well as the direct support offered to the drivers to monitor their individual progress and satisfaction.

A total of 32 women drivers are now on the road driving DHL Supply Chain's electric vehicles. Our goal for 2022 is to reach more than 140.

**Thanks to the work of all the volunteers, we continue to improve people's lives.**



## GREAT PLACE TO WORK®

Within the social pillar, the company has set a minimum approval level as part of the annual worldwide employees' survey. DHL Supply Chain, as part of its Strategy 2025, set a goal to achieve the Great Place to Work® or Top Employer® Certification in locations where it operates.

The aim of the certifications is to strengthen the company's current support of its employees, in addition to fostering a safe work environment for more than 42,000 employees in Latin America.

Great Place to Work® certification also makes it possible to identify opportunities for companies to become an excellent place to work by striking an effective balance between achieving the organization's goals and providing a space of trust, respect and fairness where people are cared for and that development is nurtured.

The Great Place to Work scheme, allows us to find out how employees perceive us and obtain information about the working environment.

As in any process, DHL Supply Chain continues to address required areas to enable it to achieve its talent management and development objectives. Examples include change management through training and digitization tools, alignment and standardization between locations to ensure that the experience provided to employees – and customers – offers the same level of excellence driven by the company's values, leadership and innovation practices in various areas.

In their latest Employee Survey, DHL Supply Chain Latin America, achieved an approval rating of over 80%. The countries making up DHL Supply Chain's Latin American region: Argentina, Brazil, Chile, Colombia, Mexico and Peru also achieved Great Place to Work® certification during 2021.



### Challenges ahead

Achieving a certification of excellence goes beyond an image, it is a latent commitment by DHL Supply Chain to identifying next steps and opportunities to generate action plans that are in line with its strategy while making communication improvements to ensure the satisfaction of employees who have made it their Employer of Choice.



## GOVERNANCE: A HIGHLY RELIABLE AND ETHICAL COMPANY



When we talk about governance, we touch on important aspects such as our Code of Conduct, which covers the behavior and standards that we consider to be the foundation of our business; in terms of governance, this includes accurate reporting that helps us evaluate the status and effectiveness of our activities, allowing us to establish our next steps, and our business and investment plans.

Through its Compliance area, DHL Supply Chain also provides tools and training to promote and encourage ethics in business, since our company does not tolerate any corrupt behavior.

Just as the world has evolved, so has technology. While digitization is part of our corporate strategy and allows us to connect people, IT security protects companies. We therefore embrace both, safeguarding data and improving lives, and sustainability to keep us just as we are.



## **DHL** – The logistics company for the world

**DHL** is the leading global brand in the logistics industry. Our DHL divisions offer an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. With about 380,000 employees in more than 220 countries and territories worldwide, DHL connects people and businesses securely and reliably, enabling global sustainable trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, engineering, manufacturing & energy, auto-mobility and retail, DHL is decisively positioned as “The logistics company for the world”.

DHL is part of Deutsche Post DHL Group. The Group generated revenues of more than 81 billion euros in 2021. With sustainable business practices and a commitment to society and the environment, the Group makes a positive contribution to the world. Deutsche Post DHL Group aims to achieve zero-emissions logistics by 2050.