



Actions for sustainable logistics

DHL Supply Chain Latin America

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Introduction

As the world's leading logistics company, we have a tremendous responsibility as a Group to set an example in our industry and be a sustainability leader. With around 600,000 employees in over 220 countries and territories worldwide, we have great potential to take action today that will make a positive impact on tomorrow. Together, we can fully tap into our potential and make a lasting impact.

Sustainability is fundamental in the supply chain, as our operations significantly impact the world around us. From reducing carbon emissions to providing a great place to work for all, to being a highly trusted partner for our customers every action we take can contribute to a more sustainable and equitable future.

At DHL, we take sustainability seriously because we believe we must care for the planet and the communities in which we operate. Through our Sustainability Roadmap, we have set ambitious commitments to be the leading logistics provider in Sustainability.

We aim to run clean operations, achieving net-zero logistics-related emissions by 2050. Additionally, we strive to provide a safe and healthy working environment for all our employees and promote a culture of diversity, equity, inclusion, and belonging, adhering to high ethical standards, and compliance with international and local regulations.

We believe that by acting today, we can build a better tomorrow. In this report, we share the actions taken by the DHL Supply Chain in Latin America concerning our Sustainability Roadmap. From energy efficiency initiatives to corporate social responsibility programs, we will show how we work to fulfill our purpose while inspiring the logistics and business ecosystem to continue the supply chain revolution.

Join us on this journey towards a sustainable future, and together, let's connect people, improving lives!

What does ESG mean at DHL Supply Chain?

Our Sustainability Roadmap at DHL Supply Chain defines our commitments in the area of Environmental, Social, and Governance (ESG) and represents a comprehensive approach that guides our actions and decisions in the mentioned key areas. These fundamental pillars reflect our commitment to being a sustainable, responsible, and reliable company.

In terms of the environment, we strive for clean operations that protect the climate. We drive sustainable transport and seek innovative solutions to reduce carbon emissions. Additionally, we are working towards achieving carbon neutrality in all of our warehouses by the end of 2025. We also promote sustainable packaging and the circular economy, adopting reduce, reuse, and recycling practices to minimize waste generation and maximize efficiency.

In the social sphere, we strive to be a great company to work for all. We attract and develop the best workforce, creating purposeful work experiences for all our employees. We promote diversity, equity, inclusion, and belonging, recognizing that success lies in collaborating with different individuals in an environment where everyone feels valued and part of the team. Furthermore, we are committed to providing a healthy and safe work environment and implementing policies and practices that ensure the well-being of our employees.

In terms of governance, we strive to be a highly reliable company. We place ethics and human rights at the center of everything we do. We have a strong code of conduct and a speak-up hotline promoting transparency and reporting inappropriate conduct. Additionally, we are committed to complying with business regulations and promoting fair competition. About cybersecurity, we implement resilient measures to protect the data of our company, our customers, and our people. We work closely with suppliers and partners who share our values, promoting a supplier code of conduct and establishing risk management processes and due diligence.



Clean operations to contribute to the Environmental pillar

DHL Supply Chain's sustainable warehousing solutions effectively reduce carbon emissions in its customers' storage operations. The portfolio of solutions covers new and existing buildings and applies to all owned and leased operations.



Warehouse & Energy Usage

In Latin America, DHL Supply Chain operates in Argentina, Brazil, Chile, Colombia, Mexico, and Peru, forming a region where nearly 90% of Distribution Centers are carbon neutral closing by the year 2023, with a commitment to increase this number to 100% by the end of 2025. This reflects DHL's commitment to sustainability in the region.

Regarding the use of renewable energies, Mexico has experienced significant growth in installed solar production capacity, from 499 kW in 2021 to 4,856 kW in 2023, representing an 873% increase compared to 2021. This translates to 7.1% of the electricity used coming from solar panels in 2023, compared to 1.5% in 2021. Moreover, Brazil has installed 5,000 square meters of solar panels.

DHL Supply Chain's low carbon and carbon neutral storage solutions consist of proven and commercially viable technologies including intelligent management, automation, efficient building design, as well as the use of renewable energy sources and efficient energy management and electric material handling equipment, including lithium battery technology and high-frequency chargers.

In terms of certifications for sustainable buildings, DHL Supply Chain Mexico has an Edge certification and two LEED-certified certifications. In Brazil, we have obtained prestigious LEED Platinum and LEED Gold certifications, demonstrating DHL's leadership in sustainable construction.

Transport

Our sustainable transport solutions will substantially reduce greenhouse gas emissions and add value to your transport operations. Our portfolio of solutions mainly applies to new vehicles we purchase or lease and serves as a guide for procurement teams when appropriate for customers and the country.

Low-emissions fleet in Latin America by the end of 2023

Electric and Hybrid Vehicles	135
Double Deck	2
Gas Vehicles	31
Oversized	10
Trailer	16
Bikes	4

- Mexico: As part of the actions to promote the energy transition in transportation, 5 electric vehicle charging stations have also been installed.
- Brazil: In 2023, in addition to expanding the electric vehicle fleet, fast chargers were installed, increasing the usage of vehicles.



Packaging

Regarding packaging, DHL Supply Chain in Latin America has implemented various sustainable solutions in several countries:

- Brazil: Since 2022, reusable packaging has been implemented for customers in the Healthcare sector, such as the "Cold Chain" box for cold chain management, which eliminates the disposal of polystyrene and aluminum. The Sample Box replaces disposable plastic or cardboard and reduces labels and paper by incorporating an RFID (radio frequency identification) system.
- Chile: In 2023, a cardboard die-cutting machine was incorporated for fillers in the healthcare sector. Additionally, stretch film with 30% post-consumer recycled material and biodegradable bags are used in the e-commerce and technology sectors.
- Colombia: Since 2022, two cardboard crushers have been incorporated for reuse as packaging material. In addition, cover pallets and straps have been implemented to eliminate the use of stretch film and reduce the use of plastic sheets, also integrating the use of biodegradable resin-based tape for consumer and retail customers. Linerless labels and paper tape have been implemented in some operations as replacements for plastic tape. Furthermore, all stretch film purchased by DHL is pre-stretched, reducing the amount of plastic used.
- Mexico: In 2022, three cardboard crushers have been implemented to reuse cardboard as packaging material.
- Peru: In 2023, the use of pre-stretched stretch film in the automotive sector's packaging was integrated, as well as recycled material strapping with thermal sealing.

Waste Management

During 2022 and 2023, DHL Supply Chain in Latin America has made significant progress in waste management, focusing on reduction and recycling.

- Colombia: 549 tons of waste were recycled in 2022. This effort continued in 2023 when the amount of recycled waste increased to 594 tons. Additionally, the revenue from the sale of recyclable waste was reinvested to provide waste bins with educational messaging for operations.
- Mexico: A significant milestone was achieved by reaching 2,400 tons of recycled waste. This achievement reflects the efforts of DHL Supply Chain in the country to implement best practices in waste management to advance towards the goal of zero waste sent to landfills.
- Brazil: By the year 2023, two warehouses had successfully implemented the "Zero Waste to Landfill" concept, meaning that no waste was sent to landfills. Additionally, five warehouses were equipped with waste compactors, and one warehouse utilizes upcycling as a way to give new life to materials that would otherwise be discarded.
- Chile: During 2023, measures have been implemented to improve waste management. This includes the integration of a dual waste compactor (plastic and cardboard) in a multi-customer space, as well as the incorporation of a manual compactor for Stretch Film in the technology sector. These actions aim to optimize waste management and promote waste reduction.



In summary, during 2022 and 2023, DHL Supply Chain in Latin America has made significant progress in waste management, including increasing tons of recycled waste in Colombia and Mexico, implementing sustainable warehouses in Brazil, and improving waste management in Chile. These achievements demonstrate DHL Supply Chain's commitment to sustainability and reducing environmental impact in the region.

Part of DHL Supply Chain's goals is to create a culture of sustainability by providing training, information, and empowerment to its employees to make more informed decisions on their lives. By 2024, DHL Supply Chain Latin America aims to have 60% of its employees certified as GoGreen Specialists, demonstrating their commitment to sustainability and ability to implement environmentally responsible practices in their work.

Social: A great company to work for everyone

DHL Supply Chain continuously strives to provide a safe, inclusive, and purpose-driven workplace rooted in its guiding principles of Respect and Results. These core values form the foundation of all the company's actions.



Actions for Latin America

Social Impact

NGO / Associations	1,546
Activities	3,601
People Impacted	10 Millions
Volunteers	9,327
Hours	37,622

Under the Diversity, Equity, Inclusion, and Belonging (DEIB) strategy, DHL Supply Chain has implemented various activities in different countries in Latin America:

- Colombia: A Labor Inclusion Program has been established, which defines employment paths for different groups, such as women and men, transgender and non-binary individuals, people with hearing and cognitive disabilities, and individuals over 50 years old.
- Peru: A specific Labor Inclusion Program for people with disabilities has been implemented, achieving a 3% representation of employees with disabilities in the company.
- Chile: A Labor Inclusion Program for people with disabilities has also been established, achieving a 1% representation of employees with disabilities in the company.
- Mexico: Aligned with our purpose of connecting people, and improving lives, we have partnered with the Humanist Foundation for Disabled Assistance to incorporate employees with physical disabilities in the Metropolitan Area of the State of Mexico.
- We have invested in counseling and infrastructure to achieve accessibility for wheelchair users.

In 2023, in Colombia, Mexico, Argentina, and Chile, DHL Supply Chain employees participated in Pride marches to demonstrate visibility, integration, and support for the LGBTQ+ community.

Additionally, Mexico received the Orange Badge for its good practice initiatives that promote a culture of labor equality and non-discrimination.

These initiatives demonstrate DHL Supply Chain's commitment to diversity, equity, inclusion, and belonging in Latin America. The company strives to create an inclusive work environment where all employees are valued and respected, regardless of ability, origin, religion, generation, sexual orientation, and gender.

Stories to Tell

- **Techo:** In collaboration with the TECHO organization, five houses were built in two Brazilian states for families in impoverished communities and an indigenous tribe. Over 120 hours of volunteer work were dedicated, with the participation of more than 40 people who donated their time to build the houses from structure to painting.
- **Formare (Brazil):** In collaboration with the lochpe Foundation, Formare is a social program for professional education for young people in situations of social and economic vulnerability, who are regularly enrolled in public high schools. The program took place in Itatiaia, Louveira, and Cajamar in Brazil. With over 900 hours of volunteering and the participation of more than 100 collaborators, including educators and coordinators, this project has allowed some students to be hired and others included in a talent bank.
- **Beach Cleaning:** Hand in hand, we improve people's lives. At Playa Loncura in the Valparaíso region of Chile, over 110 volunteers from DHL Supply Chain gathered with a common goal: to clean the beach and contribute to positive change in their community. Side by side, they collected around 100 kilograms of waste affecting the ecosystem, which was sorted between organic marine waste and recyclable waste, with the latter being the most abundant and impactful.
- **Women at the wheel:** We continue to build inclusion. The cold chain team in the Life Sciences and Healthcare sector in Mexico is promoting a more diverse and equitable work environment by increasing the share of women as drivers of temperature-controlled vans for deliveries in the metropolitan area of Mexico City, as well as in Puebla, Morelos, and Guerrero. This project, which started in Brazil a couple of years ago, has inspired us to transform the culture and provide job opportunities and growth for women who want to pursue a career in this field, whether as drivers or assistant companions.



- **Strengthening Inclusion, Changing Lives:** In Colombia, around 7% of the population has reported some type of medical condition; in some cases, this can affect their professional development and/or self-perception. However, all individuals with the diversity that characterizes them are valuable to society and companies. The Safety team at DHL Supply Chain Colombia has developed an inclusion project. Through this project, around 50 people have received formal training for 15 days and have been certified to become Loss Prevention Assistants in approximately 12 sites across the country. This program contributes positively to the company's inclusive culture and the professional development of individuals by providing a formal training process to support their growth.

A Great Place to Work for Everyone

DHL Supply Chain is proud to have Great Place to Work certifications in several Latin American countries where it operates. These certifications recognize our commitment to creating and maintaining an excellent work environment for our employees.

These Great Place to Work certifications are a testament to our commitment to people management excellence and developing a company culture based on trust, respect, and collaboration. We are proud to be recognized as a great place to work in these Latin American countries, and we continue to work towards maintaining and constantly improving our work environment and employee satisfaction.

In Brazil, for example, a talent bank has been created with more than 5,000 women and individuals from other vulnerable groups for better inclusion and talent retention.



Governance: A Company to Trust



At DHL Supply Chain Latin America, we recognize the importance of strong governance to operate and establish a foundation of integrity and sound business practices. This is crucial to protecting our shareholders' investments and being a trusted partner for our customers.

Our commitments in the governance pillar include robust compliance management, respect, and promotion of human rights, establishment of transparent and accurate reporting systems, resilient cybersecurity measures, and implementation of rigorous supplier management.

Furthermore, at DHL Supply Chain Latin America, we strive to ensure that our employees adhere to the highest standards of compliance and business ethics. We have obtained the compliance certification to ensure our employees follow established regulations and policies.

We have also implemented an anonymous speak-up hotline for our employees, customers, and suppliers. This initiative aims to foster a safe and trustworthy environment where any concerns or policy violations can be confidentially reported.

Integrating human resources principles and practices is also a key aspect of our governance. We strive to ensure compliance with labor laws and promote respect, diversity, and inclusion in all our operations. We are committed to rigorous compliance management, resilient cybersecurity measures, and respect of human rights in all our operations.



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 395,000 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 DHL Group. The Group generated revenues of more than 81.8 billion euros in 2023. With sustainable business practices and a commitment to society and the environment, the Group makes a positive contribution to the world. DHL Group aims to achieve net-zero emissions logistics by 2050.