



# Dimerco Sustainability Report

2024

# OVERVIEW OF DIMERCO'S ESG



## Environment

We balance growth in global commerce with a need to reduce logistics-related emissions and energy use.



## Social

With **1,900+** employees across **17** countries, we make life better in the communities where we work.



## Governance

A uniform code of ethics globally guides our actions. We are committed to integrity in every aspect of our activities.



# ALIGNED WITH GLOBAL LOGISTICS EMISSIONS COUNCIL (GLEC)

Dimerco follows the GLEC Framework for calculating and reporting the logistics GHG footprint across multi-modal supply chains.



### Scope 1 Direct Emissions

Direct Emissions from assets that are owned or controlled by the reporting company.



### Scope 2 Indirect Emissions

Indirect emissions from electricity, heating, cooling and steam associated with the reporting company's energy use.



### Scope 3 Supply Chain Emissions

Transportation emissions required to move goods from suppliers to the reporting company and then out to the market.

# DIMERCO SUSTAINABILITY GOALS

## By 2030:

Reduce CO2 Emissions of Scope 1 and 2 by 18% from a 2021 base year

## By 2050

100% renewable energy for office electricity

## ISO Certified

ISO 14064-1:2018 is an international standard that provides a framework for companies to quantify, monitor, report and verify their greenhouse gas emissions.

**ISO 14064-1**

CERTIFIED ENVIRONMENTAL  
MANAGEMENT SYSTEM

# STRATEGIES TO ACHIEVE GREEN FREIGHT AND GREEN OPERATIONS OBJECTIVES



## Green Freight

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- Carrier partnerships
- Consolidation
- Mode optimization
- Fleet electrification



## Green Operations

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- Renewable energy
- Energy efficient offices
- Recycling
- Paperless processes

# GREEN FREIGHT

## Mode Optimization

There is a significant difference in the cost and carbon output of transport modes – air, ocean, rail and road. Dimerco has developed green logistics solutions to shift to more CO2-friendly freight options. These include:

- **Direct flight air freight options.** These are greener because as much as 50% of carbon emissions from aircraft come from takeoff and landing.
- **Cross-border road freight solution in Southeast Asia.** This solution offers a cheaper, greener shipping option for cargo moving between China and Southeast Asia.
- **China-to-Europe rail.** This Dimerco solution doubled in 2022 as businesses sought more reliable, carbon-friendly shipping options to connect the two continents.
- **Sea/Air and Air/Sea combination services.** Sometimes it's necessary to ship via air freight, the least CO2-friendly mode. But we often recommend multi-mode options that meet the customer's service requirement while striking a better balance between speed, cost and the environment. and long-haul truck runs.

## Freight Consolidation

Fuel use is the root cause of carbon emissions in logistics. Where possible, our logistics specialists consolidate shipments to reduce the carbon footprint of Dimerco and its customers through our patented Consolidation Yield Management® program. The goal: ship the same volume of cargo using fewer shipments and less freight miles.

## Fleet Electrification

Fleet electrification is the transition of fleet vehicles from internal combustion engines to zero-emission electric vehicles (EVs). Dimerco is planning a gradual shift to EVs for short- and long-haul truck runs.

# GREEN FREIGHT CARRIER PARTNERSHIPS

## AIR

Commercial aviation accounts for about 2% of global carbon emissions, with 15% of this from freight movement. As a non-asset-based freight forwarder, Dimerco is committed to establishing air capacity partnerships with carriers that have active GHG reduction goals.

Air Carrier				
2022 CO <sub>2</sub> e Reduction	38,399 tons (2022)	38,970 tons (2022)	89,205 tons (2022)	39,901 tons (2022)

## OCEAN

Ocean shipping is responsible for around 4% of global carbon emissions. Dimerco is committed to reducing this carbon impact and has forged partnerships with Clean Cargo (Smart Freight Centre) member companies. We work closely with the Asia-based carriers shown below on a variety of decarbonization strategies for containerized ocean cargo.

Ocean Carrier				
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Sources: IATA, Cathay Pacific Airways Limited – Sustainable Development Report 2022; China Airlines 2021 CSR Report; Eva Air 2021 Sustainability Report (P.81); Singapore Airlines 2021/2022 Sustainability Report (P.122); , Smart Freight Centre

# GREEN OPERATIONS

## Paperless Processes

Our secure, cloud-based operating system enables automated workflows that eliminate paperwork among Dimerco offices, agents, carriers and customers. We are leaders in IATA's e-freight/e-AWB program to create an end-to-end paperless transportation process for air cargo. By automating workflows, we use less energy-reliant equipment and office space.

## Energy-efficient office environment

Office temperatures are set at 24C or higher. We've invested in energy-efficient lighting for offices and warehouses. Our Jakarta Indonesia office has earned certified green building status from The Green Building Council.

## Reduce/Reuse/Recycle Policy

Across 150+ owned Dimerco offices and 80+ logistics operations, there is a corporate-wide effort to reduce use of stationery, paper cups, disposable eating utensils, and bottled water. At Dimerco, anything that can be recycled is recycled.

## Renewable energy

Two warehouses in Germany are now powered 100% through photovoltaic rooftop installations, saving ~11,600 tons per year in CO2 emissions.





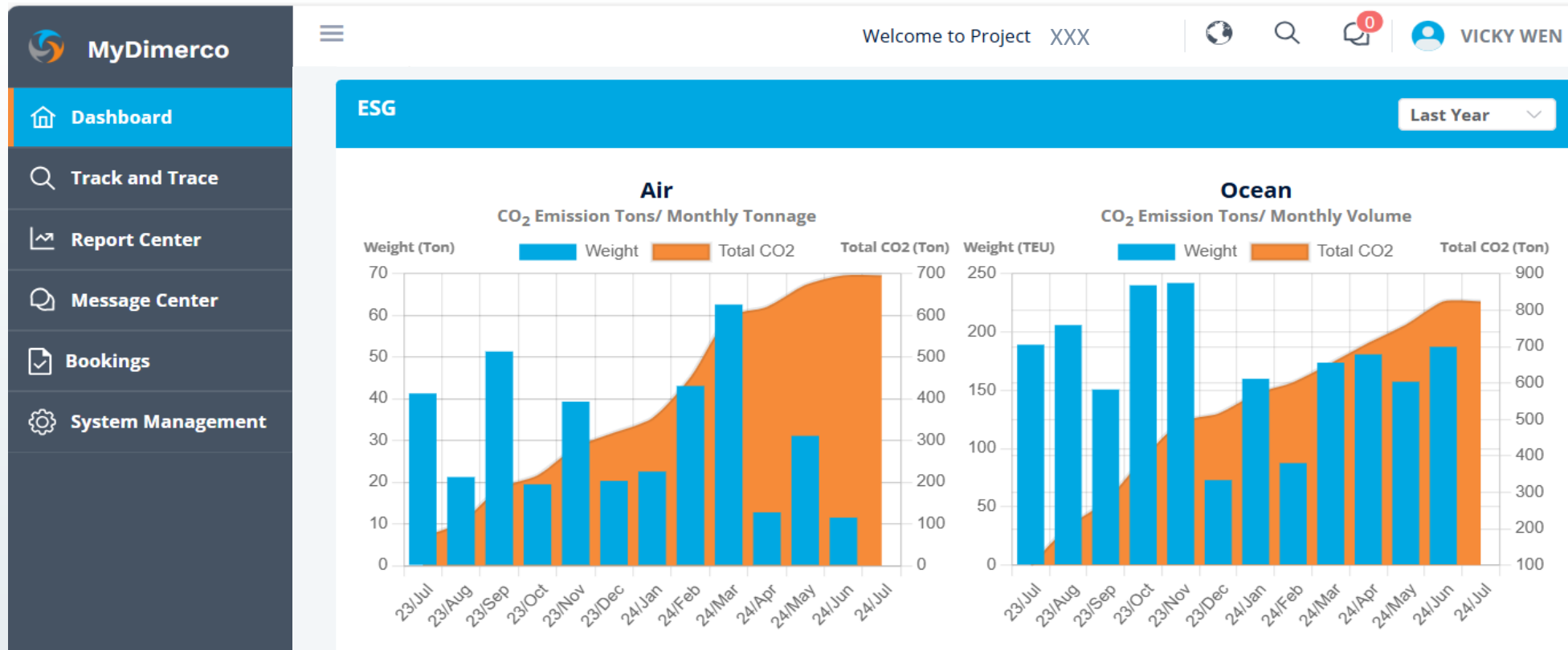
# CUSTOMER PARTNERSHIPS

# SUPPORT CUSTOMER'S ESG REPORTING

## DATA COLLABORATED WITH EcoTransIT World



### Data as reported to a customer

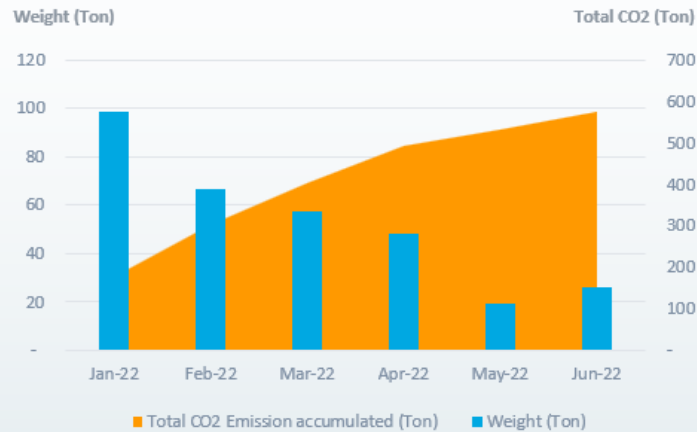


# OUR COMMITMENT AND PROGRESS

## Support Customer's ESG Reporting



CO<sub>2</sub> Emission Tons / Monthly Tonnage



Latest 2023 CDP Score

**B-**

**Above-average performance in the intermodal transport and logistics sector, both in Asia and globally.**

\* CDP (Carbon Disclosure Project) score is a snapshot of a company's performance on environmental action.

# DIMERCO JOINS FORCES WITH CATHAY'S SAF PROGRAM



February 22-23  
Shenzhen, China

2024  
Annual  
Management  
Meeting

## Signing Ceremony Cathay & Dimerco Partner on SAF Usage

Dimerco Express Group

Dimerco Express Group

Cathay



### Dimerco Express Group

"We work closely with our customers to reduce freight-based carbon emissions. SAF stands out as a game-changer, slashing greenhouse gas emissions up to 80% compared to fossil fuels. By joining forces with Cathay Pacific, we're taking concrete action towards a more sustainable world."

**George Chiou**  
President - Air Freight

**Signatory: George Chiou**  
President – Air Freight  
Dimerco Express Group



**Signatory: Jeffrey Shih**  
CEO  
Dimerco Express Group



**Signatory: Frank Yau**  
Head of Cargo Sales HK & GBA  
Cathay



Source:

- [Corporate SAF Programme](#) | [Corporate Social Responsibility](#) | [Cathay Pacific Corporate Sustainable Aviation Fuel Programme](#) | [Cathay Pacific](#)
- [Dimerco Makes Significant Strides in Sustainability and Global Connectivity](#) — [Dimerco](#)



# COLLABORATING WITH CATHAY (CX)

CX has committed to using 10% SAF for flights by 2030



## SHIPPER COMMITMENT

CX supplies SAF for flights departing from HKG airport. Investing in CX SAF gives ownership of the global environmental tonnage of carbon emissions reduced, based on the investment amount, without control over SAF allocation to specific flights or airlines.



## SAF FUEL USE

CX utilizes SAF for designated flights, replacing standard fossil jet fuel.



## VERIFICATION OF REDUCED CO2

CX provides verified emissions reduction certificates and third-party assurance letters to help companies report on Scope 3 carbon emissions, aligning with initiatives like the Science Based Targets (SBTi) for aviation-related indirect emissions.

## Why Join?

### Show Commitment

Showcase your commitment to sustainable shipping

### Lead SAF Adoption

Drive SAF usage, especially across Asia.

### Cut Scope 3 Emissions

Fulfill carbon disclosure, including SBTi. Extends to air cargo transportation, enabling low-impact journeys.

Source:

• Corporate SAF Programme | Corporate Social Responsibility | Cathay Pacific Corporate Sustainable Aviation Fuel Programme | Cathay Pacific





## LOOKING AHEAD

# FUTURE ROAD MAP FOR MEETING DIMERCO'S SUSTAINABILITY TARGETS

In upcoming years, we will continue providing reliable, on-time shipping with reduction of logistics-related emissions and energy use.

## Our plan includes:

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- Committed to the Science Based Targets initiative (SBTi) in coming 2-4 years to reach net-zero emissions by 2050.
- Collaboration with carriers with green freight focus.
- Continued implementation of existing and new green freight strategies that meet customers' service requirements with decreased carbon footprint.
- Continued Investments in Robotic Process Automation to reduce/eliminate energy-intensive manual work processes.
- Application of hybrid and electric trucks.

## **Dimerco connects Asia with the world like no other global 3PL.**

We integrate air and ocean freight, trade compliance and contract logistics services to make global supply chains more effective and efficient. The majority of our global shipping projects connect Asia's logistics and manufacturing hubs with each other and with North America and Europe.

We serve customers from 150+ Dimerco offices, 80+ contract logistics operations, and 200+ strategic partner agents throughout China, India, Asia Pacific, North America, and Europe.



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