

## **ISCC, Neste and DHL Group pilot new system for credible reporting of emission reductions in air travel and transport**

- Traceable report on emission reduction achieved by the use of sustainable aviation fuel (SAF) to reduce carbon footprint
- Aiming to drive emission reductions along the aviation value chain from airlines to logistics service providers to end-customers

**Bonn, October 6, 2023:** Neste, ISCC and DHL Group joined forces to pioneer and test a new system through which airlines, logistics service providers and end customers can credibly report an emission reduction achieved by using sustainable aviation fuel (SAF) to reduce their carbon footprint. As part of the collaboration, the companies piloted the ISCC Credit Transfer System, developed by ISCC, an independent, multi-stakeholder-driven non-profit organization with a long history in supply chain certification. In the ISCC Credit Transfer System, SAF use and related sustainability benefits, namely greenhouse gas (GHG) emission reductions, are tracked and transferred via a registry operated by ISCC.

This newly developed system provides full traceability of SAF transactions and related sustainability benefits. This ensures that companies purchasing SAF and airlines using the fuel, can credibly and transparently claim emission reductions and use them towards their climate targets. At the same time, it can reduce the risk of incorrect sustainability claims and double counting of SAF volumes and their GHG emission reductions. In developing the system, ISCC worked closely together with key stakeholders from across the aviation sector. The system is designed to align closely with requirements set by the Science Based Targets initiative's (SBTi) aviation guidance for SAF use in addressing organizations' value chain (Scope 3) emissions.

As the leading producer of SAF, Neste tested the system with ISCC in cooperation with DHL Group, the leading global brand in the logistics industry, earlier this year. For DHL Group, SAF is one of the key levers to achieve its 2030 SBTi-approved decarbonization target and 2050 net-zero target – DHL group aims for 30 % SAF use by 2030.

“At DHL Group, we are already using significant amounts of sustainable aviation fuel to replace kerosine. It is important for us that there is a registry ensuring transparency and reliability of sustainability claims related to the use of SAF. A registry that regulates all necessary information from fuel suppliers as well as producers and provides traceability along the value chain, is key for credible transactions and builds the basis for a trustworthy book and claim mechanism.”, stated **Dr. Klaus Hufschlag, SVP Sustainability Reporting & Controlling.**

“ISCC has developed the ISCC Credit Transfer System as a natural continuation of our established and globally used supply chain certification systems. With the ISCC Credit Transfer System we provide a solution for traceable and credible Scope 1 and 3 emission reduction claims related to SAF use,” said **Prof. Dr. Gernot Klepper, Chairman of the ISCC Association.**

“SAF is a key solution to reduce aviation-related greenhouse gas emissions but it’s also critical for airlines, freight forwarders and shippers, and corporate end-customers to be able to credibly and transparently report their SAF use and related emission reductions. The new ISCC Credit Transfer System is a big step forward as it also integrates with existing sustainability certification systems,” said **Jonathan Wood, Vice President Commercial and Technical Management from Neste’s Renewable Aviation business unit.**

The pilot involved processing the first SAF transaction through the system:

- Neste utilized one of its ISCC EU-certified SAF deliveries to DHL Group’s airline EAT and registered the environmental attributes of those SAF volumes, such as the emission reductions achieved, as “credits” in the ISCC registry.
- This enabled EAT, the airline using the SAF, to claim a reduction in its own direct emissions (Scope 1)\* and the corresponding Scope 1 credit was retired on behalf of EAT ensuring the credit cannot be used again. The Scope 3 credit for the reduction in indirect emissions achieved was transferred to DHL Groups’ account in the registry.
- As part of their GoGreen Plus lower-emission transport services to its customer, DHL Group was then able to credibly verify the emission savings in the customers’ value chain Scope 3 emissions achieved and the corresponding SAF credit was subsequently retired.

Processing this transaction through the registry according to rules defined by ISCC helps Neste as well as DHL Group and its customers ensure full traceability of their SAF transactions and SAF use-related environmental benefits while avoiding erroneous double counting of emissions reductions along the value chain. Following the successful piloting of the ISCC Credit Transfer System, the system is now ready for public consultation and can afterward be used by all companies – airlines, logistic service providers and corporate end-customers – wanting to ensure credible and transparent reporting of emission reductions from the use of SAF.

## **Sustainable aviation fuel (SAF)**

SAF is widely recognized as a key solution for achieving the aviation industry's goal of net-zero carbon emissions by 2050. By purchasing SAF for their business flights or transports, businesses can reduce their aviation-related greenhouse gas (GHG) emissions. This additional demand beyond regulatory requirements mandating SAF use can also stimulate the acceleration of the scale-up in SAF production.

*\* Airlines report Scope 1 for direct emissions of fuel use, as well as Scope 3 category 3 "Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2".*

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## **Media Contact**

DHL Group

Media Relations

Jessica Balleer

Phone: +49 228 182-9944

E-mail: [pressestelle@dhl.com](mailto:pressestelle@dhl.com)

On the internet: [group.dhl.com/press](https://group.dhl.com/press)

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DHL Group is home to two strong brands: DHL offers a comprehensive range of parcel and international express service, freight transport, and supply chain management services, as well as e-commerce logistics solutions. Deutsche Post is the largest postal service provider in Europe and the market leader in the German mail market. DHL Group employs approximately 600,000 people in over

## Press release



220 countries and territories worldwide. The Group generated revenues of more than 94 billion Euros in 2022.

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