



[Login](#)

EMCC

European Monitoring Centre on Change

Germany: Dynamic Parcel Distribution (DPD)

22 January 2013 | Observatory: [EMCC](#)

About

Case study name:

[The greening of industries in the EU](#)

Country:

Germany

Organisation Size:

500+

Sectors:

Transport and storage

DPD is one of the largest parcel services in Germany. It has, as all providers of parcel services and logistics, huge CO₂ emissions from transport. The company has therefore implemented various small measures to reduce its impact on the environment, including eco-driving programmes, recycling management and a 'mode-shift' programme promoting ground transport. The measures taken have had some, although small, impact on jobs; contrary to the situation some years ago, energy efficiency and environment protection are now required of most jobs in the company. ISO certification has helped to increase awareness of green change among employees and management.

Introduction

The parcel and express logistics market in Germany is growing at a fast pace. Since 1995, the annual turnover growth in the market was 5.5% per year, compared to 2.2% in the overall economy. Approximately 250,000 people work in the sector, accounting for 0.6% of total employment in Germany. The sector has been under increasing pressure from the rising taxation of fuel, but has nevertheless managed to sustain its growth.

Dynamic Parcel Distribution ([DPD](#)) is the second largest company in the parcel and express logistics sector in Germany, second only to Deutsche Post subsidiary DHL. The company is a subsidiary of [GeoPost S.A.](#), an international parcel and logistics provider owned by French company [La Poste](#). It was founded in 1976 and taken over by La Poste in 2001. Currently DPD has 7,500 employees in Germany. Its major activities are parcel services and point-to-point express courier and logistics services.

DPD has implemented a number of green business practices and is, more generally, a very active player in implementing corporate social responsibility (CSR) practices. There is no single green business practice that has a large impact on the quantity and quality of jobs. Numerous measures taken by the company have made DPD more environmentally friendly; these have had mainly qualitative impacts on jobs in the company. The key measures on which this case study is focused include ISO 14001 certification, CO₂ management, recycling concepts in every distribution base, and measures to increase the energy efficiency of buildings.

Drivers and motivations

DPD is actively engaged in increasing energy efficiency mainly because more than 80% of the company's CO₂ emissions come from transport, and energy cost is a very important competitiveness factor in the transport and logistics sector. Even a small reduction of energy consumption in the fleet, for example, can have a huge impact on the total carbon emissions and energy consumption within the company.

Moreover, the express logistics and parcel service market is very price-sensitive, making it important to keep costs low at every stage of service provision. For DPD, energy efficiency is one of the most important ways to reduce risk arising from future increases in energy prices.

In addition, recycling is a vital element of every parcel and logistics operation due to large amounts of packaging material that can be recycled. Given the ever-increasing prices for raw materials, recycling activities are bound to turn a profit.

Finally, DPD has a long tradition of CSR activities and uses them in marketing to increase the company's reputation and to take responsibility for stakeholders and employees. For example, DPD supports Deutsche Sporthilfe, a charity supporting athletes, organising sporting events in disadvantaged communities. In the past, CSR activities have been implemented mostly by sponsoring social and educational projects.

Currently, energy efficiency and responsible use of resources have become more important topics in public relations.

The transport and logistics sector has not been subject to strong regulatory measures concerning environmental issues to date. However, rising taxation of fuels has had an impact on the company. Moreover, some cities have implemented bans on vehicles emitting fine particles above a certain threshold. However, the impact of this regulation on companies like DPD is rather small as their fleet is generally quite modern anyway. The recent economic and financial crisis has not had an impact on DPD's green business practices – the company was on the path of green change already before the crisis hit.

Green business practices

The key green business practices pursued by DPD are outlined below.

- DPD will soon offer carbon-neutral shipping to all customers without any extra charge. This will be achieved by a combination of insetting (reducing CO₂ emissions at the company level) and offsetting (funding CO₂ reduction projects worldwide). These efforts also require an extensive monitoring of energy consumption at the company level.
- DPD has adopted a programme that makes a valuable and responsible contribution to reducing CO₂ emissions by dealing with the mode-shift 'from air to ground'. The programme fosters customers' conscious choice of road transport by providing information about the CO₂ emissions that can be saved by selecting road transport. DPD also has plans for further programmes to move from road to rail transport in selected regions. Experience with the routes selected for rail transport has so far been very positive. In cooperation with Aschaffenburg University, DPD is also looking at additional routes that could be suitable for operation by rail.
- The DPD environmental management system was certified in accordance with ISO 14001:2004 for the first time in 2011 and covers the entire company. Environmental aspects such as energy consumption, carbon emissions, waste and waste water are covered, together with indirect factors such as monitoring the operations of the company's suppliers, and relationships with these suppliers and various stakeholders.
- DPD has offered eco-driving courses for franchisees. However, the take-up has not been extensive. DPD continues to offer these courses but is considering abandoning them in the near future. However, similar courses are now being introduced by DPD in other European countries.
- In each distribution centre (there are 75 in Germany) DPD has one environment manager supervising the implementation of a waste management system and coordinating recycling efforts with local waste management and recycling companies.
- Since January 2011, seven electric vans have been in operation at DPD Stuttgart and Hamburg. This model initiative is executed in cooperation with Mercedes-Benz and allows emission-free delivery of parcels in these regions.

Anticipation and management of the impact of green change on quantity and quality of jobs

The impact of green business practices on the quality and quantity of jobs at DPD has so far been limited, despite the fact that DPD is more active than other companies in the sector. It has to be taken into account that DPD is a highly specialised logistics company, with a business model that is, due to the highly competitive environment, already very focused on efficiency.

Impact on quantity of jobs

The implementation of green business practices has no impact on the total number of jobs at DPD in Germany. Jobs for environment managers in the centres have been created by reorganising internal structures in distribution centres. That means that approximately 75 jobs have been transformed. Although this reorganisation is important for DPD's environmental performance, the quantitative impact has remained low – DPD has about 7,500 employees in Germany in total.

A position for a sustainable development manager at DPD headquarters was created in 2011. This person is responsible for coordinating all activities related to environmental concerns. The sustainable development manager is also responsible for some other CSR activities at the firm and for monitoring the ISO 14001 audits. This is a new management position and requires a wide array of competences, such as communication and social competences. It also requires extensive knowledge of energy-efficiency technologies. It has been filled by an experienced manager able to coordinate and communicate green business practices at top company level.

When the change from road to rail proves to be profitable, however, the need for road transport and thus the number of truck drivers may be reduced. However, in the current experimentation phase, this is not expected to happen within the next two or three years.

Impact on quality of jobs

The impact on the quality of jobs is subtle, but measurable. The process of ISO 14001 certification has increased awareness of environmental concerns in the whole management of the firm. Now, every change to any business process has to be checked for potential to reduce energy consumption.

However, for the majority of employees and franchisees, there is and will be no immediate impact on job quality. Franchisees will possibly use more fuel-efficient trucks in the future. If energy prices keep rising, it seems likely that they will eventually also have to modify their way of driving and participate in some re-training activities but, in general, their jobs and associated skills will remain unchanged.

The following changes in job quality have been the most notable.

- DPD has implemented projects in order to optimise its road network and to analyse options to shift road transport to rail transport. This project is implemented within a research project in cooperation with Aschaffenburg University. At DPD, implementing the project is the job of employees in the operations management department. However, this has mainly created new tasks for a small number of employees (fewer than 10 are affected) already working with the company, not to the creation of new jobs or completely new tasks. For

these operations managers, mode-shift efforts require new skills in the field of rail transport; for instance, they have to acquire knowledge on how rail tracks are assigned and how to calculate costs and time requirements for rail transport. The cooperation with Aschaffenburg University established for this project is strengthening ties between the company and researchers. More cooperative projects are envisaged in the future.

- The implementation of ISO 14001 requirements means that in any operational planning, the potential for the reduction of energy consumption has to be considered. For most employees in the firm, this has not changed their tasks directly, but it has made energy concerns a part of daily routine and regular planning, such as when separating different materials for recycling.
- In each distribution centre, DPD has created the position of environment manager. The tasks associated with this position range from implementing simple energy-saving measures (such as closing depot doors in winter) to more complex problems, mainly in waste recycling management (such as separating and recycling packaging material). Depending on the size of the centre, this task is either carried out by an employee who also has other tasks or by a person uniquely responsible for the task. Of course, this involves some retraining of employees, who come from different backgrounds. Retraining is organised internally, mainly by the highly independent regional distribution centres. Sometimes, the new position has been used to secure the employment of persons who were no longer able to do physically demanding work. In the distribution centres, the implementation of waste and sustainability management has led to new tasks for a relatively small number of employees (a maximum of 75, 1 per centre). However, the environment managers try to influence the behaviour of other employees to make them more aware of environmental problems and ways to deal with them, such as recycling, saving energy by closing doors and avoiding unnecessary run times for equipment. For some employees, the implementation of sustainable development measures has led to increased employment security, especially for older employees.
- At DPD, most of the actual distribution is done by independent entrepreneurs, whether drivers or franchisees. They normally own their trucks and are responsible for delivery in their allocated areas. The aim of programmes such as eco-driving courses has been to raise franchisees' awareness of their environmental responsibility and of ways in which they could save energy. The eco-driving courses, for instance, have been accepted only reluctantly, partly because of time pressure on franchisees. According to the spokesperson at DPD, the effect on job quality has so far been very limited.
- Environmental issues, especially energy efficiency in logistics and recycling techniques, have been made an integral part of every training activity, especially in the training for new apprentices in the fields of logistics, business accounting and communications. However, DPD's apprenticeship programmes already had a module on environmental protection before the implementation of recent measures such as ISO 14001 certification.

Anticipating and managing green change

Currently, there is no planning for the impact of green change on the quality and quantity of jobs, since no significant change is expected in the near future. However, at company level there is an intensive monitoring of overall energy consumption. In vocational education and training activities, environmental awareness is already part of one module where the main topics are energy efficiency and recycling. This has not changed with the ISO 14001 certification or with the implementation of other green business practices in recent years.

Cooperation with social partners has so far not been implemented to manage green change at the company level. Existing social collaboration has not touched on the topic of green change at DPD. Newly established cooperation arrangements are in the field of mode-shift activities (involving cooperation with the university and cooperation with rail transport providers) and in the model initiative for electric engine trucks (involving cooperation with Mercedes-Benz).

Conclusions and recommendations

The case study is a good example of how ISO 14001 certification can help in raising awareness of environmental responsibility at all levels of a company. It also highlights the fact that in a highly competitive market such as the parcel and express logistics sector, competition has already led to the implementation of some green business practices, mainly due to the need to reduce energy consumption. Regulation is not necessarily the driver of such changes.

The company needs personnel to manage this type of change. DPD has created the position of sustainable development manager to manage the implementation of green change throughout the company. Because, due to fierce cost competition in the sector, hiring additional staff is not an option, implementing green change means qualifying selected persons to take responsibility at the level of the distribution centres throughout Germany. For other employees, the impact is rather low. Changes instead take place in the technology (mainly trucks) that franchisees use rather than in the work environment itself.

There is therefore a business case for green business practices, but there is also a social case for it. DPD has a long tradition of CSR and of taking socially relevant initiatives, which indicates an already increased awareness among management of issues such as the protection of the environment. This will lead to further action in the near future (carbon-neutral transport will shortly be on offer to clients) but the focus will remain on initiatives to reduce energy consumption, since energy prices are the biggest threat to DPD's profitability.

Recommendations are listed below.

- ISO 14001 certification can help raise awareness of environmental issues.
- Training selected employees in managing waste, recycling and energy-saving measures in local subsidiaries can help to give green change a 'face'. Re-training activities in this area can often be done in-house, by combining and analysing existing knowledge.
- Increasing energy efficiency can have a dual benefit, contributing both to the public image of a company and reducing its energy costs – a crucial parameter for competitiveness in an energy-intensive sector such as logistics.
- Engaging in model projects such as mode-shift and electric engines can help to create partnerships that may increase competitiveness in the future, and may create new job opportunities by encouraging growth of the company.

Bibliography

Useful? Interesting? Tell us what you think. ▼

Your name *

E-mail *

More information?

Homepage

Subject

Comment *

Save

Preview

European Monitoring Centre on Change - EMCC

[About EMCC](#)

[European Restructuring Monitor](#)

[European Jobs Monitor](#)

[Labour market research](#)

[Case studies](#)

[Future of Manufacturing in Europe \(FOME\)](#)

European Observatory on Quality of Life - EurLIFE

European Observatory of Working Life - EurWORK

Quick links

- [Legal information](#)
- [Data protection](#)
- [Environmental policy](#)
- [Cookies](#)
- [Subscriptions](#)
- [Multilingualism](#)
- [Templates for Eurofound reports](#)
- [Eurofound style guide](#)
- [Management Board extranet](#)
- [Map - how to get to Eurofound](#)
- [FAQ](#)
- [Sitemap](#)



Contact us

Eurofound, Wyattville Road, Loughlinstown, Co. Dublin, D18 KP65, Ireland

Phone: (00) 353 1 2043100

E-Mail: information@eurofound.europa.eu

Press: media@eurofound.europa.eu



MEMBER OF THE NETWORK OF EU AGENCIES



EUROFOUND ACHIEVES EMAS REGISTRATION



EUROFOUND IS AN AGENCY OF THE EUROPEAN UNION



[Access to internal documents](#) | [Financial information](#) | [Archives](#) | [Information centre](#) | [RSS feeds](#)

© EUROFOUND 2023

