



DHL to deliver cost and carbon savings across BP Retail network DHL Supply Chain extends relationship with BP for a further four years

London, UK – 11 March 2010: DHL Supply Chain has been awarded a four year contract worth £75 million (approximately €86M) to manage the UK warehousing and distribution of dry goods and chilled produce for BP's UK Convenience Retail business. DHL has a track record implementing efficiency improvements for BP UK Convenience Retail and now the new contract will see the two companies improve on productivity targets as well as cost and carbon savings.

As part of the contract, DHL will manage the storage and delivery of 20 million cases of dry and chilled goods to all 360 BP forecourts around the UK each year. The team will also take on inventory forecasting and the management of BP Retail's service call center, which supports round-the-clock inbound replenishment orders and outbound activities such as goods collection and pre-emptive ordering.

DHL has been working with BP in the UK for over four years, during which the team has consistently delivered against its service level agreements. Initiatives such as Good Faith Receiving (GFR), which negates the need for staff to check-in the items at delivery stage, have improved product turnaround, getting items into customers' hands faster. DHL has also reduced BP's food miles by 1.7 million kilometers per year and increased fleet efficiency by introducing double-deck trailers with trunking, for maximum vehicle capacity.

Rebecca Harrison, Supply Chain Manager, BP Trading says: "We believe that DHL truly understands our business objectives, from improving the in-store experience our customers receive, cutting costs in operations, right through to reducing our environmental impact. The team is continuously presenting innovative ways of managing our operations, which to date have improved productivity levels by 20%. This kind of progressive thinking and initiative is exactly what we need to increase profitability and help us to achieve our sustainability objectives."



To build on existing carbon savings, DHL plans to fit all vehicles with aerodynamic body kits, which can improve fuel efficiency by up to 10%. In addition, optimized delivery schedules will reduce the number of vehicles on the road, thereby cutting costs and reducing BP's carbon footprint.

Further strategic supply chain enhancements include plans to share empty warehouse space with a non-competitive third party and backhauling.

Dean Wyatt, Business Unit Director and Head of Development, Food Retail for DHL Supply Chain, UK says: "BP Retail has been through significant periods of change since we began working with the team. Initiatives such as improvements to the warehouse lighting realized savings of 28% and reduced BP's carbon footprint by 250 tonnes. This gives DHL the opportunity to support our customer's environmental agenda and our own commitment of improving our CO2 efficiency by 10% by 2012."

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Media Contact

Deutsche Post DHL

Media Relations

Sabine Hartmann

Phone: +49 (0)228 182-99 44

E-mail: pressestelle@deutschepost.de

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DHL is part of Deutsche Post DHL. The Group generated revenue of more than 46 billion euros in 2009.