Meeting the Green Transportation Challenge
Thursday January 29 • 9:30am – 11:00am

Presenters:

Greg Kraliz, Leader, National Distribution, Nestlé Canada Inc.
Martin Kelly, Senior Business Development Manager, Wheels International
Eric Oostindie, General Manager, Blue Chip Logistics Inc.

Moderator: Dr. Garland Chow, Associate Professor of Logistics, Supply Chain Management, UBC
Dear Session participant

• Thank you for attending our session on green transportation. We appreciated your participation.

• Please find here the slide presentation. This set contains additional slides made up by the panel but excludes selected intro slides and does not capture the in-depth remarks made by both panelist and yourselves.

• We would like to expand this presentation and plan to expand these slides with those panel remarks and audience questions and comments. If you received this document directly, you will automatically receive the expanded version, if you did not please send a request to us.
Do you believe there is global warming?
CO₂ and temperature are related
Greenhouse Gas Emissions (GHG) from Freight Transportation – Significant and Still Growing
A significant amount of emissions is produced by your suppliers – Scope 3

"Our analysis suggests that for consumer goods makers, high-tech players, and other manufacturers, between 40 and 60 percent of a company’s carbon footprint resides upstream in its supply chain—from raw materials, transport, and packaging to the energy consumed in manufacturing processes. For retailers, the figure can be 80 percent.”
A significant amount of emissions is produced by suppliers – Scope 3

Corporate Value Chain Emissions

Upstream (Suppliers)
- Extraction of purchased materials
- Production of purchased materials
- Transport of purchased materials
- Waste from purchased materials

Electricity Generation

Company’s Own Operations

Downstream (Customers)
- Transport of sold products
- Use of sold products
- Disposal of sold products

Scope 1
Scope 2
Scope 3
Are you being asked the Question ….
Shippers have both a direct and indirect influence on the adoption of best practices in reducing energy consumption and GHG emissions by transportation carriers.

- How shippers choose to move the freight
- Which transport suppliers are chosen to move the freight
- How shippers manage the transportation process with the rest of the supply chain
Web survey of 169 shippers and 3PLs who purchase transportation

Sustainable Transportation: Lessons from the Green Shipper Survey
2014 Green Shipper Survey

- On line survey with 169 valid responses
- Firms or business units operating in Canada
- Transportation movements dominated by domestic, then followed by cross border, and then international
- Full range of business types and size in the Canadian economy
Supplemented by case studies of 5 shipper and TPL purchasers of transport services
## NCI Transport Delivery Modes

### 2014 Route to Market Strategy

**Nestle Canada Physical Logistics**

“We will be recognized as the trusted industry leader in providing lean, sustainable, consumer value”.

<table>
<thead>
<tr>
<th>Pizza is shipped to Customer Warehouses LTL:</th>
<th>Frozen Food is shipped to Customer Warehouses LTL:</th>
<th>Ice Cream is mostly Direct Store Delivery:</th>
<th>Retail is shipped to Customer Warehouses LTL:</th>
<th>Chilled is shipped to Customer Warehouses LTL:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Two 3P Dist. Centres (Versacold-Walker &amp; Calgary)</td>
<td>• One 3P Distribution Centre (Trenton Cold)</td>
<td>• 5 Distribution Centres</td>
<td>• One 3P Distribution Centre (Hopewell)</td>
<td>• One 3P Distribution Centre (Versacold-Walker)</td>
</tr>
<tr>
<td>• 349 Ship to Customers</td>
<td>• 189 Ship to Customers</td>
<td>• 246 Routes</td>
<td>• 753 Ship to Customers</td>
<td>• 60 Ship to Customers</td>
</tr>
<tr>
<td>• 5.2K Orders</td>
<td>• 8.3K Orders</td>
<td>• 155 FT, 27 Seasonal Trucks</td>
<td>• 20K Customers</td>
<td>• 1.8K Orders</td>
</tr>
<tr>
<td>• 2.3M Cases</td>
<td>• 5.7M Cases</td>
<td>• 250K Deliveries</td>
<td>• 35.6K Orders</td>
<td>• .5M Cases</td>
</tr>
<tr>
<td>• Trailers Outbound: 4.6K</td>
<td>• Trailers Outbound: 2.1K</td>
<td>• 10.4M Cases DSD</td>
<td>• Trailers Outbound: 7.8K</td>
<td>• Trailers Outbound: NA</td>
</tr>
<tr>
<td>• Cube: N/A</td>
<td>• Cube: 1610</td>
<td>• 3.3M Cases WH</td>
<td>• Cube: 1755</td>
<td>• Cube: N/A</td>
</tr>
<tr>
<td>• On Time: N/A</td>
<td>• On Time: 97.2%</td>
<td>• $243.3M DSD NNS</td>
<td>• On Time: 98.7%</td>
<td>• On time: N/A</td>
</tr>
<tr>
<td>• $160.6M NNS</td>
<td>• $99.6M NNS</td>
<td>• $68.2M WH NNS</td>
<td>• $768M NNS</td>
<td>• $13.8M NNS</td>
</tr>
</tbody>
</table>

### Thermometers
- Pizza: -18°C
- Frozen Food: -18°C
- Ice Cream: -25°C
- Retail: 3°C – 5°C
- Chilled: Ambient / Conditioned >6 - <30°C with 55 ± 10% relative humidity

*** includes indirect reporting businesses (Professional and Nutrition)
About Wheels International
A Well Established North American Platform

- Founded in 1988, leading non-asset third party logistics (3PL)
- Dominant player in Canada, significant footprint in the U.S.
- Non-asset model enabling highly scalable growth, flexibility to shift modes, markets, services

- Canada Headquarters: Mississauga, Ontario
- U.S. Headquarters: Woodridge, IL
- Employees: ~385
- Offices: 18
About Wheels International
Expertise In An Extensive Carrier Network

Extensive network of over 6,000 qualified transportation partners:

- One of the largest highway supplier bases in Canada
- Carrier selection expertise
- Direct and deep relationships with all Class I railroads in Canada and the United States
- Ensures dependable service and favourable pricing for customers

Demonstrated commitment to quality and service:

- Multiple-industry recognition
- Recognized as one of “Canada’s Best Managed Companies” since 1997 - 17 consecutive years - Platinum Status
- First Canadian 3PL provider to achieve ISO 9001:2008 Quality Standard and registered since 2001
- SmartWay carrier supporting internal green program

STRONG PARTNER RELATIONSHIPS & COMMITMENT TO QUALITY
Canadian Based Business
North American Wide Service – including Mexico
Offices and Agents Network throughout Canada
Blue Chip Logistics

- Non-Asset Based TPL
- Operational Based TPL
- Multi modal
- Important values: Quality Relationships & Leadership
- Vision: Global Leaders in Freight Solutions
Meeting the Green Transportation Challenge- A Six Step Process

1. Have a good reason to be sustainable – find your motivation

2. Translate the motivation into the vision that guides your strategic decisions

3. Establish commitment of company leadership
Meeting the Green Transportation Challenge- A Six Step Process

4. Set Goals to achieve

5. Identify and use relevant metrics

6. Take the appropriate emission reduction actions
Step 1 – Have a good reason to be sustainable – what motivates you?

Self-Interest Behavior

- Perceived Sustainability Benefits
- Perceived Collateral Benefits

Sustainability Effort

Compliance Behavior
Step1- Motivation for Reducing Transportation Emissions – The Survey
Step 2 - Translate the motivation into the vision that guides your strategic decisions–
The Survey

CO2 Sustainability Part of Vision and Mission

- Strongly Disagree: 5%
- Disagree: 24%
- Neither Agree or Disagree: 25%
- Agree: 26%
- Strongly Agree: 20%
Step 3–Establish commitment of company leadership – The Survey

Senior Management is Committed to CO2 Sustainability

- **Strongly Disagree**: 7%
- **Disagree**: 23%
- **Neither Agree or Disagree**: 24%
- **Agree**: 26%
- **Strongly Agree**: 21%
Meeting the Green Transportation Challenge- Panel Insights

1. What drives sustainability in your company?

2. How is sustainability reflected in your vision or mission statement?

3. Is your company leadership committed?
Step 3 – Establish commitment of company leadership

Creating Shared Value (CSV) is the basic way in which the whole Nestlé organization does business.

“We will be recognized as the trusted industry leader in providing lean, sustainable, consumer value”.

Diagram:

- Creating Shared Value
  - Nutrition, water, rural development
- Sustainability
  - Protect the future
- Compliance
  - Laws, business principles, codes of conduct
Blue Chip Logistics

“Blue Chip Logistics is environmentally responsible for a reason. That reason is Environmental Stewardship - we are committed to limiting the carbon footprint while we grow our business”

Dale Parsons, President
Making the Commitment at Wheels Int.

“The Smartway program is another example of the work being done at Wheels to ensure that we are doing our part to reduce our environmental footprint and aid our customers in achieving greener supply chain solutions.”

Peter Jamieson, Wheels Group COO
Step 4 Set Goals to achieve panel insights

What specific sustainability goals have been set by the firm?

• Quantitative goals
• Process goals

Why is it difficult for the non asset TPL to set quantitative goals?
Step 5 Identify and use relevant metrics – case study firms

Nature’s Path

% freight shipped by rail,
Lbs of CO2 per pound shipped
Index of traffic on SW carriers

Catalyst Paper

Estimated Scope 3 GHGs associated with transportation of products to customer. The company is still improving its scope 3 accounting…

Distribution yield by mode
Step 5 Identify and use relevant metrics – panel insights

What performance metrics for green transportation have been used by the firm?
Step 5 Identify and use relevant metrics

Measures CO2 reduction from lean transportation initiatives

Gas Emission Savings 2013 Western Canada Rail vs. Road

4694 metric tons of CO2 savings
Step 6 Take the appropriate emission reduction actions – The Survey

• Survey asked about the adoption of 26 transportation strategies that could be implemented to manage and improve transportation sustainability.
Adoption of Green Transportation Strategies by Shippers (Implemented)
## Maximizing Loads and Capacity

<table>
<thead>
<tr>
<th>Sustainability Strategy</th>
<th>Implemented</th>
<th>Plan to Implement</th>
<th>Don't plan to implement</th>
<th>Don't know/Not Applicable</th>
<th>Total Responses (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back-hauling to minimize empty miles</td>
<td>37.38%</td>
<td>16.82%</td>
<td>15.89%</td>
<td>29.91%</td>
<td>107</td>
</tr>
<tr>
<td>Consolidation of shipments &amp; load maximization</td>
<td>64.49%</td>
<td>13.08%</td>
<td>9.35%</td>
<td>13.08%</td>
<td>107</td>
</tr>
<tr>
<td>Transloading to minimize loads moved (use 53ft containers rather than 20ft or 40ft to gain efficiencies during transportation)</td>
<td>35.51%</td>
<td>10.28%</td>
<td>14.02%</td>
<td>40.19%</td>
<td>107</td>
</tr>
<tr>
<td>Transportation management software to maximize load and reduce vehicle miles</td>
<td>24.27%</td>
<td>14.56%</td>
<td>34.95%</td>
<td>26.21%</td>
<td>103</td>
</tr>
</tbody>
</table>
## Optimizing Miles Driven

### Adoption of Sustainability Strategies in Transportation

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Improved pickup and delivery scheduling to reduce miles</td>
<td>47.66%</td>
<td>21.50%</td>
<td>13.08%</td>
<td>17.76%</td>
<td>107</td>
</tr>
<tr>
<td>Route planning and trips scheduling to reduce miles</td>
<td>50.47%</td>
<td>16.82%</td>
<td>13.08%</td>
<td>19.63%</td>
<td>107</td>
</tr>
<tr>
<td>More direct shipments to reduce miles</td>
<td>50.47%</td>
<td>19.63%</td>
<td>15.89%</td>
<td>14.02%</td>
<td>107</td>
</tr>
<tr>
<td>Empty container inventory management to minimize vehicle miles</td>
<td>27.10%</td>
<td>9.35%</td>
<td>21.50%</td>
<td>42.06%</td>
<td>107</td>
</tr>
<tr>
<td>Routing and scheduling software programs to reduce vehicle miles</td>
<td>26.21%</td>
<td>10.68%</td>
<td>34.95%</td>
<td>28.16%</td>
<td>103</td>
</tr>
</tbody>
</table>
## Mode Substitution

### Adoption of Sustainability Strategies in Transportation

<table>
<thead>
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<th>Don’t plan to implement</th>
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<th>Total Responses (#)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase utilization of fuel-efficient modes (rail, sea, intermodal)</td>
<td>43.24%</td>
<td>15.32%</td>
<td>24.32%</td>
<td>17.12%</td>
<td>111</td>
</tr>
<tr>
<td>Modify scheduling to enable optimal loading of fuel-efficient modes of transportation</td>
<td>32.43%</td>
<td>16.22%</td>
<td>33.33%</td>
<td>18.02%</td>
<td>111</td>
</tr>
</tbody>
</table>
Step 6 Take the appropriate emission reduction actions - panel insights

Shippers: What specific transportation management strategies has your company implemented to reduce the impact on the environment?
EMISSIONS INITIATIVES EMPLOYED AT NESTLES

- Rail Vs Road Options
- Cube utilization
- Right sizing delivery frequency
- Minimum order quantities
- Customer incentives (full pallet/layer sku)
- Truck technology (eutectic plates)
- Employee performance objectives
Step 6 Take the appropriate emission reduction actions - TPLs case studies

TPLs: What specific transportation management strategies has your company implemented to reduce your direct impact on the environment or your customers' impact on the environment?
WHEELS METHODS FOR CUSTOMER EMISSIONS REDUCTION

• As significant TPL - well positioned to utilize the most fuel efficient transportation options while meeting all requirements
• Aggressively market rail as green – convert road to rail.
• Leverage our years & volumes with rail contracts to achieve optimum rates, service and capacity smaller volume and even large shippers cannot obtain.
• Continue to educate our customers, the shippers, the DC’s & receivers, about the requirements, benefits and limitations of using intermodal transportation.
WHEELS METHODS FOR CUSTOMER EMISSIONS REDUCTION –cont’d

• Consolidate LTL freight of multiple shippers into full loads, Wheels & carrier / warehouse partners operate cross docks to build full loads for TL movement / multiple drops
• Recommend the utilization of carriers that have decking / logistics systems for non-stackable pallets.
• Educate / suggest to our customers how to make their product stackable
• Recommend and implement equipment changes that reduce heat and fuel surcharges.
• Provide advanced supply chain network design that results in the most efficient & sustainable supply chain network.
WHEELS METHODS FOR CUSTOMER EMISSIONS REDUCTION –cont’d

• As an significant intermediary we flush out excellent options for the shipper while playing a dynamic role assisting carriers as we find backhaul etc. to meet their real time needs.
• Ensure optimal cube utilization through education of DC’s along with carrier supply of load bars and straps
• Proactive role in reducing idle time for the carriers.
Emissions reduction enabled by Blue Chip Logistics

- Utilization of the most fuel efficient transportation alternative that meets the service requirements of its customers.

- Consolidation programs to build larger loads.

- Utilizing energy efficient road carriers with good emissions performance is also facilitated by Blue Chip and its participation in SmartWay.
Step 6 Take the appropriate emission reduction actions - TPLs case studies

TPLs also work closely with carrier suppliers.

What specific transportation management strategies has your company implemented to reduce the impact of carrier suppliers on the environment?
Emissions reduction enabled by Blue Chip Logistics

• Blue Chip assists its carrier partners to be more sustainable through sharing of best practices and recommendations.
• Important role for the company as it works with many small carrier fleets and owner operators.
• Encourages these small motor carriers to adopt technologies and practices that reduce fuel consumption and carbon emissions.
• Educates small carrier partners.
Emissions reduction enabled by Blue Chip Logistics - examples

- Education - speed directly correlates with fuel consumption and greater wear and tear (maintenance) on the equipment.
- Education – documentation of equipment ROI
- Driver training programs
- Adoption of efficient diesel engine coolant heaters
- Initial truck purchase specs with fuel saving devices
Blue Chip cont’d
Estimated simple payback period range for trailer side skirts

![Graph showing payback period vs diesel cost for standard and advanced skirts.]
WHEELS Driving Results with Carrier Partners

- LTL freight brokerage service assists TL carriers to consolidate LTL freight and drive in needed revenue
- The TL brokerage fills empty backhauls—minimize empty miles.
- Keep abreast of best practices, latest equipment / innovations & then share this information / insight with many carrier partners so they run more efficiently & “greener”. Win- Win
- Driven by a competitive market (costs) and our management strategies we must stay on the leading edge—constantly raising the bar, driving our carriers to be more efficient and consequently more sustainable. Operating excellence means more sustainable transportation for Wheels, for its customers and its carrier suppliers.
WHEELS Driving Results with Carrier Partners

- SmartWay approved? This an automatic question in our profile build on every carrier and if they answer no we do advise they participate.
- In all major RFP’s there is a clear statement asking and again suggesting to be SmartWay approved
- We are now looking at actually performing the SmartWay application for smaller – mid size partners who have limited resources.
Survey found Transportation Sourcing to be minimally used green strategy

<table>
<thead>
<tr>
<th></th>
<th>Implemented</th>
<th>Plan to Implement</th>
<th>Don’t plan to implement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include CO2 sustainability in sourcing carriers</td>
<td>21.57%</td>
<td>23%</td>
<td>32.35%</td>
</tr>
<tr>
<td>Encourage carrier suppliers to be CO2 sustainable</td>
<td>21.57%</td>
<td>26.47%</td>
<td>28.43%</td>
</tr>
</tbody>
</table>
The choice of carrier has a significant impact on the level of CO2 emissions

Table 1 - Performance Variance and Potential Improvement

<table>
<thead>
<tr>
<th>Performance Category</th>
<th>CO2 g/km</th>
<th>Improvement from lower category</th>
<th>Cumulative Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bin 1</td>
<td>931.5</td>
<td>7%</td>
<td>25%</td>
</tr>
<tr>
<td>Bin 2</td>
<td>993.6</td>
<td>6%</td>
<td>18%</td>
</tr>
<tr>
<td>Bin 3</td>
<td>1055.7</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Bin 4</td>
<td>1117.8</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Bin 5</td>
<td>1179.9</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
The choice of carrier has a significant impact on the level of CO2 emissions

Figure 17 - Cumulative Emission Improvement from Utilization of Motor Carriers with Lower CO2 Footprint (CO2g/km improvement) - TL Dry Van For Hire
The choice of carrier has a significant impact on the level of CO2 emissions.

Table 2 - Performance Variance and Potential Improvement

<table>
<thead>
<tr>
<th>Performance Category</th>
<th>TL Dry Van For Hire (CO2 g/t-km)</th>
<th>Improvement from lower category</th>
<th>Cumulative Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bin 1</td>
<td>51.375</td>
<td>13%</td>
<td>45%</td>
</tr>
<tr>
<td>Bin 2</td>
<td>58.225</td>
<td>12%</td>
<td>32%</td>
</tr>
<tr>
<td>Bin 3</td>
<td>65.075</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Bin 4</td>
<td>71.925</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Bin 5</td>
<td>78.775</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Figure 18 - Cumulative Improvements from Utilization of Motor Carriers with Lower CO2 Footprint (CO2 g/t-km improvement)
- TL Dry Van For Hire

- Bin 5: 10%
- Bin 4: 20%
- Bin 3: 32%
- Bin 2: 45%
Survey found Carrier sourcing practices impacting GHG emissions to be weak (Top and bottom)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2 emission reduction has some importance, but cost, quality and service will dominate purchase decisions – (68%)</td>
<td></td>
</tr>
<tr>
<td>Will choose carrier with better CO2 qualification or performance when all other factors are equal (break tie in carrier selection) (40%)</td>
<td></td>
</tr>
<tr>
<td>Preferred treatment in loading &amp; unloading is given to the top environmentally friendly partners (given prime shipping &amp; delivery times, and selected docks) (11%)</td>
<td></td>
</tr>
<tr>
<td>Pay more to a carrier with a better CO2 reduction performance (10%)</td>
<td></td>
</tr>
</tbody>
</table>
## Carrier sourcing practices impacting GHG emissions (1-4)

CO2 emission reduction has some importance, but cost, quality and service will dominate purchase decisions.

Will choose carrier with better CO2 qualification or performance when all other factors are equal (break tie in carrier selection).

Ask carriers to have CO2 reduction programs in place or in development to be able to bid for traffic (carrier qualification).

Use CO2 qualifications or performance as a factor in the scorecard in evaluation used in carrier selection.
## Carrier sourcing practices impacting GHG emissions (5-8)

<table>
<thead>
<tr>
<th>Use equal balance between greenness, cost, quality, and service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Require carriers to have a certified CO2 reduction program in place or in development to be able to bid for traffic (carrier qualification)</td>
</tr>
<tr>
<td>Carriers with given level of CO2 performance earn a preferred carrier rating</td>
</tr>
<tr>
<td>Measure the costs associated with the carrier's carbon emissions, when choosing the lowest total cost carrier, to compare costs of alternative carriers</td>
</tr>
<tr>
<td>Carrier sourcing practices impacting GHG emissions (9 – 12)</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
</tr>
<tr>
<td>You keep track of / are aware of carrier strategies implemented by carrier suppliers to reduce emissions</td>
</tr>
<tr>
<td>Weight CO2 reduction program participation significantly in carrier selection scorecard or evaluation of carrier selection</td>
</tr>
<tr>
<td>You help your carrier suppliers to develop and implement fuel emission reduction strategies</td>
</tr>
<tr>
<td>Awards and recognition are made to high performing carriers with respect to CO2 performance</td>
</tr>
<tr>
<td>Carrier sourcing practices impacting GHG emissions (13-16)</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>CO2 sustainability is very important; willing to make cost or service sacrifice for 'green' supplier</td>
</tr>
<tr>
<td>You require CO2 reporting on your shipments from your carrier suppliers</td>
</tr>
<tr>
<td>Preferred treatment in loading &amp; unloading is given to the top environmentally friendly partners (given prime shipping &amp; delivery times, and selected docks)</td>
</tr>
<tr>
<td>Pay more to a carrier with a better CO2 reduction performance</td>
</tr>
</tbody>
</table>
Not unexpected since CO2 Sustainability Initiatives Must Have Return on Investment
Green sourcing panel insights

• How has Nestle’s implemented green transportation sourcing?
• What are the TPLs seeing from their customers with respect to green sourcing requirements?
• How is the green versus economic cost trade-off managed?
Green Sourcing Panel Insight
Blue Chip Logistics

• From the non-SmartWay Shippers there is almost zero requirements
• From the SmartWay shippers they are requesting KPI’s
• Green carriers are not necessarily more expensive
• To remain in the market place you must be competitive
Carrier Sourcing Management – An Untapped Source of GHG Emissions Reduction according to the survey!

- Significant reductions can be achieved by utilizing the greenest carriers
- But Green Sourcing is among least frequently utilized and …
- Green requirements and incentives weak
- Few respondents actually have an Emissions Measurement Program
- Is measuring emissions compliance a barrier to effective carrier management?
- You can’t manage what you can’t measure
SmartWay Transport Partnership Addresses the Need for Freight Transportation Data

- Provides free standardized reporting tools and resources to help freight transport carriers to become more efficient
- Benchmarking and data reports allow carriers to measure their progress against their industry peers
- Freight shippers can use carrier data to accurately report their carbon footprint

Save Fuel, Save Money, Reduce Emissions
Vision of the future?

Kellogg's Corn Flakes

Nutrition Facts

Serving Size 1/6 package (60g)
Servings Per Container 6

Amount Per Serving Mix Prepared
Calories 260 360
Calories from Fat 80 150
Total Fat 9* 14% 26%
Saturated Fat 3.5g 18% 30%
Cholesterol 0mg 0% 1%
Sodium 360mg 15% 20%
Total Carbohydrate 46g 15% 16%
Dietary Fiber 1g 4% 4%
Sugars 28g
Protein 2g
Vitamin A 0% 10%
Vitamin C 0% 0%
Calcium 15% 25%
Iron 6% 6%

Total Score: 97%

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Utilization of SmartWay by case study firms

• How long has your company been involved with SmartWay?

• How do you utilize SmartWay today or plan to use it in the future?

• What is the value of SmartWay to your sustainability effort?
Utilization of SmartWay

• Started the Smartway Partnership process in 2010
• Utilize SmartWay shippers and carriers as much as possible
• Provide non-SmartWay partners with Best Practice information
• Assistance the smaller & micro companies with their green initiatives
• Sharing our Environmental Mission and Vision
• SmartWay is a Resource for our sustainability efforts
Utilization of SmartWay

• Wheels have been a SmartWay Partner since 2009
• We will maintain our role as a partner –again for all the right reasons including using it as a proper ethical marketing tool.
• We will continue to educate our staff, customers, carriers and any outside organizations –SmartWay is the real sell on sustainability in transportation sector
Trends and Factors Increasing Importance of Transportation Sourcing

- The differences in carrier emission performance are striking
- Increasing importance of emissions sustainability by your customers
- Increasing recognition of Scope 3 emissions as part of an organizations GHG footprint
- Measuring the carbon footprint in transportation has become easier and more effective
- Carbon pricing, credits and trading continue to increase, internalizing emissions into the cost of business.
- Increased quantification of CO2 emissions benefits on financial return.
- CO2 Emission Reduction will become more important.
Motivation, Benefits and Trend for Reducing Transportation Emissions – Survey results

Table 13 – Importance of CO2 Emission Reduction

<table>
<thead>
<tr>
<th>Position on CO2 emission reduction in the next three years.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>It will become number one priority</td>
<td>3.4%</td>
</tr>
<tr>
<td>It will become more important</td>
<td>56.8%</td>
</tr>
<tr>
<td>It will remain the same</td>
<td>36.4%</td>
</tr>
<tr>
<td>It will be less important</td>
<td>3.4%</td>
</tr>
</tbody>
</table>
Final Remarks - Panel

• Will green transportation be more or less important in the future at your company?
• What final advice to you have for the shippers and carriers in the audience for meeting the green transportation challenge?
WHEELS FURTHER INSIGHTS
DEEP / REAL COLLABORATION

• “Mining” or Deep Collaboration
  – Level 1-basis consolidation in 1 business unit
  – Level 2-consol & possible match in & outbound
  – Level 3 – various company divisions matching
  – Deep Mining (PURE GOLD)!-various well matched shippers – even competitors.
Gordon Gekko was close....

GREEN
"GREEN IS GOOD"
Meeting the Green Transportation Challenge Requires A Process

1. Have a good reason to be sustainable – find your motivation
2. Translate the motivation into the vision that guides your strategic decisions
3. Establish commitment of company leadership
4. Set Goals to achieve
5. Identify and use relevant metrics
6. Take the appropriate emission reduction actions
Summary
Green Transportation Initiatives

• First choice of shippers to reduce emissions is to
  • reduce trips by maximizing loads,
  • reduce mileage through better routing,
  • choose mode efficient transport
• Minimizes conflict with ROI – profit objective
• Lean = Green
• Non-asset based TPLs play enabling role for both shippers and asset based carriers
Summary - Transportation Sourcing

• Great potential for emissions reduction
• Trends favoring greater utilization of sourcing as green transportation initiative
• Third party information providers such as SmartWay provides the performance metric
• Non Asset based Third party logistics facilitates implementation
• If firms (customers) give the incentive, suppliers will follow
Follow the leaders....

• From idling restrictions to scorecarding environmental compliance, manufacturers such as IBM, Ford, and Procter & Gamble, and retail channels including Walmart and Patagonia, are investing in, developing, and enforcing sustainability measures with the intention that transport, logistics, and supply partners will follow their lead.

Source: The Green Rule: Measuring Progress - Government, industry, and consumers are creating new standards for supply chain sustainability excellence. By Joseph O'Reilly, Inbound Logistics June 2010
The Question we are asking you....
FOLLOW UP

Leave us your card (or contact one of us) and we will send you a link to this slide presentation.

You can find the Green Shipper survey report, videos and case studies at: http://www.scmanational.ca/en/tools-a-resources/smartway/smartway-survey

For more information on SmartWay contact:

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- Eric Oostindie, General Manager, Blue Chip Logistics Inc. eric@bluechiplogistics.com, 604 591 5444
Questions?

Pytanie?

Shalot?

vrae?

Comments and questions: Garland.chow@sauder.ubc.ca
“We should all be concerned about the future because we will have to spend the rest of our lives there”

- Charles F. Kettering