

CSCMP hottopics

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Opportunity Knocks: The Case for Logistics Organizations and Sustainable Leadership

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Sustainability as a Business
Imperative

Strategic Solutions

Sustainability in Action

About Gebrüder Weiss



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Supply Chain Professionals.™*

Sustainability is a driver for organizational growth and profitability. That statement may have seemed dichotomous at one point, but it's possible to thrive as a business while creating positive social and environmental impact. They aren't competing goals. In fact, an organized, authentic, and mission-driven approach to sustainability can improve an organization's balance sheet, day-to-day operations, ongoing consumer demand, and future longevity.

Logistics organizations are in a unique position to embrace a leadership role in sustainability for three key reasons:

Impact: Collectively, we have the opportunity to move the needle on metrics such as CO₂ emissions and the adoption of climate-neutral initiatives. The nature of transport means there's a built-in environmental footprint, and sustainable changes can yield positive results more quickly than in many other industries.

Connection: We connect companies and industries around the world. The pandemic highlighted how connected our global systems are and how a supply chain disruption in one link of the chain cascades across countries and industries. When logistics and transport operations run sustainably and efficiently, it helps other companies and industries follow suit. There's a domino effect.

Network Reach: We have large stakeholder networks. Stakeholders include customers, business partners, vendors, investors, and the communities in which we operate. It also includes our thousands of global employees and their families. Sustainable changes have far-reaching effects.

SUSTAINABILITY AS A BUSINESS IMPERATIVE

Since the 1970s, Gebrüder Weiss has viewed sustainability as a business imperative. It's a central part of our operations, not a separate, siloed initiative. As a logistics and global freight company, we take the same approach to working with our customers and focus on 'intelligent logistics.' We analyze our customer's entire system of procurement and distribution processes and identify ways to improve efficiencies. When logistics chains are optimized and aligned, the system can run smoothly from end to end. Streamlined operations can reduce costs and reduce CO₂ emissions as a result. There's an environmental benefit and a bottom-line benefit. It's a win across the board.

Sustainability is even more imperative today. It's foundational to supply chain organizations competing and growing successfully into the future, and it affects all operational areas, including:

Ability to operate: Climate change is becoming an increasing concern for many reasons, one of them being additional stress on the supply chain. Extreme weather events disrupt transportation routes, shut down warehouses and factories, and prevent employees from getting to their places of work. As a result, investors are also migrating to companies with sustainable operations. Global investment firm BlackRock noted that climate change impacts are a primary fixture in many company portfolios, and "In the near future—and sooner than most anticipate—there will be a significant reallocation of capital."

Consumer demand and expectations: The term "greenwashing" started decades ago when consumers became wise to organizations that touted sustainability on the surface but didn't change their own business operations or support sustainable practices in a meaningful way.



The corporate forest project in Togo, West Africa: one tree is planted for every 40 kilometers cycled. (Source: natureOffice)



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Vendors, consumers, partners, and investors are savvy regarding corporate messaging around sustainability and want to look under the hood to see a company's inner workings. Better yet, they want to be a part of an organization's sustainability efforts.

Adapt-or-die strategies: Transport is our core business, and the future of transportation is changing. The rise of electric vehicles is just one example. Jaguar, Volvo, and General Motors have stated they're shifting manufacturing to electric-only models within the next 10-15 years.

We're in the process of gradually converting the Gebrüder Weiss truck fleet to alternative drive technologies (i.e., hydrogen, electric, electrofuels – depending on available infrastructure).

STRATEGIC SOLUTIONS

Like any operating principle, sustainability works best when part of a well-defined framework and a long-term strategy. Our own business culture is based on three pillars of sustainability:

Economic: There are past perceptions that sustainability is an expense, but it can generate ongoing savings and even revenue. Sustainable economics is based on a long-term view (rather than increments of quarterly earnings) and proactive strategies.

Environmental: Protecting the environment is not only important for a sustainable future; it's a crucial part of risk management. Adopting resource-saving solutions, innovative transport alternatives, and reducing greenhouse gases work together to protect future generations as well as the future of our business.

Social: Social sustainability means supporting and acting responsibly toward the communities that are a part of our business footprint. Global organizations have global communities they affect, and corporate social responsibility extends beyond the borders of their physical businesses.

Opportunity is knocking on the doors of supply chain organizations – and those that take on leadership positions in the three pillars of sustainability can benefit their bottom lines while bettering the world.

SUSTAINABILITY IN ACTION

Gebrüder Weiss has two keystone sustainability initiatives that incorporate actions across economic, environmental, and social pillars.

Case Study: Zero Emissions

- Zero Emissions is a Gebrüder Weiss product add-on that offers customers the option of offsetting the CO₂ generated by transport.
- We compute and document the CO₂ output for every North American shipment carried worldwide by sea or air, and customers can offset the impact with a certified climate protection project.
- Customers were increasingly asking about their CO₂ footprint and ways to reduce it. The offsets allow customers to use the most efficient channels of transport and freight with a "climate-neutral" impact.
- Net Zero Emissions allows us to work toward our own goals of climate neutrality by 2030 while customers also meet their own sustainability goals. This alignment shows that it's possible to engage customers and other stakeholders in sustainability efforts without sacrificing core business goals.

Case Study: Cycling Around the World

- In April of 2022, we launched a bike campaign entitled "Cycling around the World," engaging cyclists around the world to track their cycled kilometers (km) toward a shared goal of 40,075 km – the length of the equator.

About CSCMP Hot Topics

Issues of *CSCMP Hot Topics* may include early results from ongoing research being conducted for CSCMP or other organizations; new supply chain practices, thought-provoking ideas, or emerging trends; discussions of changes in the broader business and regulatory environment that may impact the supply chain and logistics field.



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- The aims were two-fold: 1) to encourage biking as a form of transportation because of its health and climate benefits, and 2) to finance the reforestation of a forest in Togo, West Africa.
- Cyclists tracked their km in an app and collectively reached the 40,075 km target in just 45 days and then met the goal again by mid-June. As a result, we've reset the goal to virtually circle the equator for the third time.
- For every 40 kilometers cycled, we finance the planting of a tree in Togo, West Africa, in cooperation with our campaign partner, natureOffice. Two thousand trees will be planted now, and after covering enough kilometers to go around the world three times, the forest will grow by 3,000 trees.
- The enthusiastic participation exceeded our expectations and affirmed the power of engaging stakeholders in sustainable goals.

ABOUT GEBRÜDER WEISS

Gebrüder Weiss Holding AG, based in Lauterach, Austria, is a globally operative full-service logistics provider. The family-owned company employs nearly 8,000 people worldwide and boasts 180 company-owned locations. North American locations include headquarters in Chicago and offices in Atlanta, Boston, Dallas, El Paso, Los Angeles, New York, San Francisco, Montreal, Toronto, and Vancouver. Developing and changing with its customers' needs during its extensive history, Gebrüder Weiss is also a pioneer in sustainable business practices having implemented myriad ecological, economic, and social initiatives. Customized solutions with a single point of contact provide customers with an exceptional service experience focused on reliable and economical solutions. www.gw-world.com.



Gebrüder Weiss is investing in an array of low-emission trucks. Seen here, a hydrogen truck. (Source: Gebrüder Weiss / Scheutzow)



With its "Cycling around the World" campaign, Gebrüder Weiss wants to motivate people to exercise more and set an example for climate protection. (Source: Gebrüder Weiss)