

CARBON MANAGEMENT BENEFITS MORE THAN THE ENVIRONMENT

SUSTAINABILITY IS NOW AN INTEGRAL PART OF HOW ORGANIZATIONS RUN THEIR LOGISTICS OPERATIONS

Many organizations consider sustainability when developing their supply chain strategy. To be comprehensive, sustainability goes beyond considering emissions during the shipment of components from a supplier and the delivery of product to a customer.

APQC looked at how sustainability impacts logistics performance. The analysis looked at three areas specific to the logistics process:



DISTRIBUTION CENTERS
AND WAREHOUSING



THIRD-PARTY LOGISTICS
PROVIDER (3PLS)



TRANSPORTATION
ORGANIZATIONS

For all three areas, organizations focused on carbon management performed better on key logistics measures than other organizations.

DISTRIBUTION CENTERS AND WAREHOUSING



More than one-third of organizations have a **significant, ongoing low carbon design program** for their distribution centers and warehouses.

At the median, these organizations:

\$10.51



Spend \$10.51 less per \$1,000 revenue to manage logistics and warehousing,

70 fewer FTEs



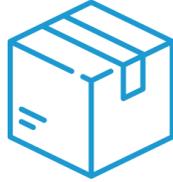
Need almost 70 fewer FTEs to manage logistics and warehousing, and

0.5 days shorter



Have a customer order cycle time one half day shorter than other organizations

THIRD-PARTY LOGISTICS PROVIDERS



About one-third of organizations report that **their contracts with 3PLs favor those with low direct and indirect carbon emissions.**

At the median, these organizations:

\$9.50



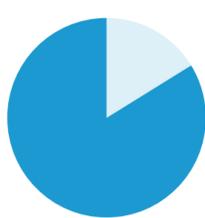
Spend \$9.50 less per \$1,000 revenue to manage logistics and warehousing and

32 fewer FTEs



Need almost 32 fewer FTEs to manage logistics and warehousing

TRANSPORTATION ORGANIZATIONS



80%

of organizations evaluate transportation companies on their carbon management practices to **at least some extent.**



29%

do so to a **significant extent or greater.**

At the median, those evaluating to a great or significant extent:

\$13.18



Spend \$13.18 less per \$1,000 revenue to manage logistics and warehousing and

65 fewer FTEs



Need 65 fewer FTEs to manage logistics and warehousing

USE SUSTAINABILITY TO SUPPORT STRATEGY

In addition to environmental and logistics performance, organizations focused on carbon management can develop strategic partnerships with logistics service providers. Creating these close relationships enables both organizations to identify areas for improvement and collaborate to adopt mutually beneficial solutions.