



G25 INBOUND LOGISTICS' 25 GREEN SUPPLY CHAIN PARTNERS

In today's global business environment, it's not enough simply to be green. Companies need to be greener. Becoming sustainable requires a fluid process of constantly evaluating performance and efficiency, measuring inputs and outputs, and exploring better ways to produce and transport goods in a more earth-friendly manner. Otherwise, how can you benchmark progress and set goals if you don't know what you're capable of?

Inbound Logistics' inaugural 25 Green Supply Chain Partners (G25) presents a similar exercise in objectivity. Our list of sustainable supply chain visionaries offers a snapshot of what industry is doing to become more efficient and eco-friendly. This index

is by no means comprehensive, but there is no arguing the qualifications of these green leaders.

How did we select our G25? We picked companies that aren't just spinning green, they are living and breathing proof of the value sustainability brings to the enterprise. These companies aren't just creating carbon-less footprints; they're leaving a deep and indelible impression on industry and consumers alike.

The purpose of this index is twofold. We want to celebrate companies that are on the cutting edge of green; and we want to provide shippers with examples of how service providers are making the sustainability leap, and justification for why they are a cut above.



UPS

www.sustainability.ups.com

MISSION: UPS believes sound business practices and strategies can lead to a stronger, healthier environment. To that end, the company aggressively pursues technologies and processes that save energy and natural resources while reducing emissions and other waste products.

ACHIEVEMENTS: Selected to the 2008 Carbon Disclosure Leadership Index, released by the Carbon Disclosure Project. Also named to the Uptime Institute's Global Green 100 List.



Hybrid vehicle | UPS

NOTEWORTHY: UPS Worldport in Louisville, Ky., was designed to reduce the operation's environmental impact. Worldport's aircraft docks allow planes to park directly next to the facility, eliminating the need to run ground tugs, dollies, and other equipment required to load and unload aircraft parked on ramps.

BNSF Railway

www.bnsf.com

MISSION: BNSF lives by the belief that it is good business and good citizenship to minimize its impact on the planet, and contribute to the long-term sustainability of every community it serves.

ACHIEVEMENTS: BNSF is the only U.S. railroad to join the Global Environmental Management Initiative, a non-profit organization of 40 leading U.S. companies dedicated to fostering global environmental health and safety excellence.

NOTEWORTHY: In 2007, BNSF became the first railroad to pilot the use of low-emission, natural-gas hostler trucks to move containers at its Los Angeles Hobart Intermodal facility. The 10 new hostlers reduce nitrogen oxide and particulate emissions by 90 percent.

CHEP

www.chep.com

MISSION: Pooling—the combining and sharing of assets in a common effort—is by definition an environmentally sustainable concept because it maximizes asset utilization. CHEP has pooled pallets and containers since 1958. That's 51 years—and counting—of environmental stewardship.

ACHIEVEMENTS: CHEP was recently featured on an episode of the Discovery Channel's *Sustainable Planet's Eye on the Environment* series.

NOTEWORTHY: For 25 million CHEP pallets used annually at three trips each, an estimated 4.7 billion pounds of waste is removed from the system. If pooled pallets were used for all one-way and exchange pallet trips, disposal of wood pallets by burning or landfill would decrease by 6.1 million tons.



Pooled pallets | CHEP

CSX

www.csx.com

MISSION: "Safety and the protection of human health and the environment are fundamental to CSX's management principles and good business practices," says Michael J. Ward, chairman, president, and chief executive officer of CSX.

ACHIEVEMENTS: Since 2000, CSX has invested more than \$1 billion to upgrade its fleet with efficient, Tier II clean air locomotives. By 2009, an additional 1,200 CSX locomotives will be upgraded to further reduce emissions and lower fuel consumption by nearly 10 million gallons.

NOTEWORTHY: CSX's Environmental Crimes Unit (ECU) investigates and prosecutes environmental crimes conducted on company property. Since the ECU's inception, 300 incidents have been investigated; there have been 14 arrests with a 100-percent conviction record.

NYK Line

www.nyk.com

MISSION: More than 600 vessels operate in each of the seven oceans, day in and day out. It is impossible for NYK Line to complete its mission to be a successful logistics integrator without ensuring the safe transportation of its vessels and environmental protection.

ACHIEVEMENTS: NYK achieved a 10.8-percent reduction in CO₂ emitted at its offices in fiscal 2008, compared with the previous year. In 2009, the liner is aiming for a five-percent reduction through more efficient operation of head office facilities, such as optimizing air conditioning and continual CO₂ reduction campaigns.

NOTEWORTHY: NYK is targeting the achievement of "zero emissions" by 2050 and has designed the concept vessel *NYK Super Eco Ship 2030* as a milestone for meeting this objective.



8-Series clean lift truck | Toyota

American Airlines Cargo

www.aacargo.com

MISSION: American Airlines is committed to complying with environmental laws and regulations; safeguarding the environment by adopting sustainable business practices, technologies, and procedures that take pollution prevention and conservation of natural resources into account; and establishing programs to communicate appropriate environmental information to all parties.

ACHIEVEMENTS: American claims to be the first U.S. carrier to test next-generation technology and procedures—dubbed the Atlantic Interoperability Initiative to Reduce Emissions (AIRE). The goal of AIRE—a joint initiative between the U.S. Federal Aviation Administration, the European Commission, and major airlines—is to reduce carbon emissions and fuel consumption.

NOTEWORTHY: American's Fuel Smart program saves about 60 million to 70 million gallons of fuel each year.

GENCO Supply Chain Solutions

www.genco.com

MISSION: To GENCO, creating a green supply chain means both adding more green to the bottom line and doing business in an earth-friendly manner.

ACHIEVEMENTS: GENCO has introduced a product liquidation solution called R-Log that maximizes the value of returned products through multiple liquidation channels. Depending on the customer's priorities, GENCO offers a variety of green disposition methods, including returning product to the vendor for credit, online auctions, reselling into alternative channels, donating to charity, or disposal.

NOTEWORTHY: One of the easiest ways to green the supply chain is through reverse logistics. GENCO Marketplace offers product liquidation services that return unwanted, repaired, and refurbished merchandise back into the sales cycle.

Toyota Material Handling USA

www.toyotaforklift.com/environmental_focus/

MISSION: Toyota has made environmental accounting—a process that evaluates the effectiveness of environmental activities from the perspective of cost—a key aspect of corporate decision-making.

ACHIEVEMENTS: In 2006, Toyota introduced the 8-Series line, the world's cleanest internal combustion lift truck. The 8-Series features an exclusive emission system that not only surpasses 2007 federal EPA emission standards, but also meets California's stringent 2010 emission standards. The result: a lift truck that produces 70 percent less smog-forming emissions than the 2007 federal standard.

NOTEWORTHY: Toyota remains the only manufacturer to offer UL-listed, EPA, and CARB-certified Compressed Natural Gas-powered lift trucks.



Energy-efficient vessel | Maersk

Maersk Line

www.maerskgreen.com

MISSION: Maersk Line is committed to developing environmentally friendly solutions to environmental and climate change challenges. Not only does this commitment offer a competitive edge to Maersk's business, it also offers important benefits to the environment and climate.

ACHIEVEMENTS: From 2002 to 2007, Maersk reduced the average CO₂ emissions for container transport by 8.9 percent. Last year alone, the decrease was approximately three percent.

NOTEWORTHY: Maersk's Waste Heat Recovery System allows its vessels to save up to 10 percent of fuel at optimum conditions. The liner has implemented the technology on 30 ships, and has plans for 38 more. Combined with other efforts, Maersk is looking to cut up to 20 percent of fuel costs, which in 2007 were \$6 billion in the shipping business alone.



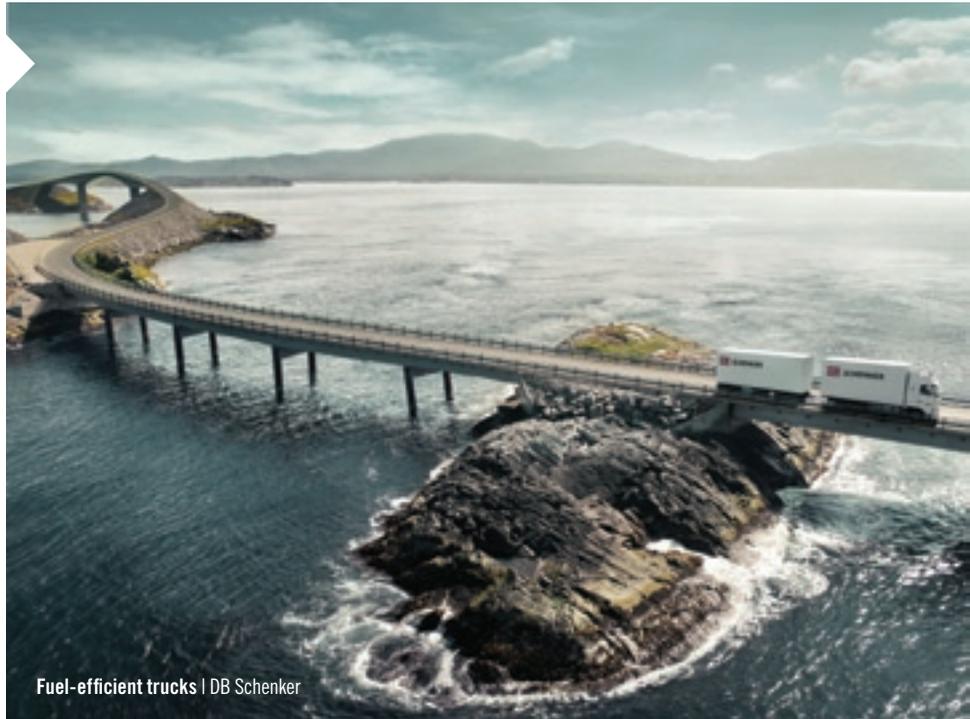
DB Schenker

www.dbschenker.com

MISSION: Acting responsibly and reducing carbon dioxide and environmentally harmful emissions are the cornerstones of DB Schenker's business strategy.

ACHIEVEMENTS: Between 1990 and 2007, DB Schenker reduced its specific rail transport carbon emissions—per passenger or ton of freight and kilometer—by nearly 40 percent. DB Schenker's specific rail freight transport carbon emissions have dropped by 44 percent since 1990.

NOTEWORTHY: DB Schenker offers a carbon-optimized transport chain under the umbrella of the lighthouse project "Green Logistics Networks." The aim is to reduce carbon emissions via an intelligent modal shift to less carbon-intensive transport modes, and by offering alternative transport services.



Fuel-efficient trucks | DB Schenker

C.H. Robinson

www.chrobinson.com

MISSION: For C.H. Robinson, sustainability represents an overall approach to business—a way to add value, improve efficiencies, and invest in the long-term success of customers, contract carriers, growers, employees, and communities.

ACHIEVEMENTS: C.H. Robinson develops transportation and network optimization strategies for customers who realize savings through consolidation, resulting in fewer shipments and fewer transportation miles—with fewer greenhouse gas emissions.

NOTEWORTHY: C.H. Robinson's proprietary Our World Organics brand donates a percentage of its net profits each year to organizations dedicated to sustainable initiatives.



Low-emissions vehicle | YRC Worldwide

YRC Worldwide

www.yrcw.com/green/index.html

MISSION: The transportation providers of YRC Worldwide effectively and aggressively promote greenhouse gas reduction strategies, waste reduction, and conservation across their daily operations.

ACHIEVEMENTS: YRC limits truck speeds to 62/63 mph, makes extensive use of intermodal service, set limits on daily idling with over-the-road and city operations, uses environmentally efficient longer combination vehicles where allowed, and practices an aggressive tire pressure inflation and monitoring program.

NOTEWORTHY: YRC estimates the strategies it deploys to increase fuel efficiency and decrease emissions result in a reduction of one million tons of CO₂ annually.

Con-way

www.con-way.com

MISSION: Con-way's goal is to make informed business decisions about sustainability that have a positive effect on the company, its operations, employees, and customers, while reducing its carbon footprint and improving the environment.

ACHIEVEMENTS: Con-way reduced the maximum governed speed of its 8,400-tractor fleet from 65 mph to 62 mph. This action is expected to reduce consumption of diesel fuel by nearly 3.2 million gallons annually while eliminating approximately 72 million pounds of carbon emissions.

NOTEWORTHY: Looking to the future, Con-way is implementing new recycling and waste reduction practices, has launched a major re-lamping project at its freight terminals to save electricity, and is piloting solar electric generating installations.



Fuel-saving lightweight container | Lufthansa

Hub Group

www.hubgroup.com

MISSION: Hub's primary areas of environmental focus are centered around education awareness and goal development and measurement.

ACHIEVEMENTS: Hub Group was one of only three logistics companies to receive an Environmental Excellence Award from the U.S. Environmental Protection Agency SmartWay Transport Partnership. The award cites Hub Group for its continued leadership in conserving energy and lowering greenhouse gas emissions in the environment through its transportation management activities.

NOTEWORTHY: Since 2006, Hub Group has increased its SmartWay carrier usage by 400 percent, from 122 to 509. Hub also provides monthly updates to current vendors on methods for reducing their CO₂ footprint.

FedEx

www.fedex.com/us/promo/sustainability

MISSION: To minimize its impact on the environment, FedEx has initiated a number of conservation measures to reduce the amount of energy it uses daily. The company has also teamed up with other leading organizations to develop green technologies that ensure trucks and offices operate as efficiently as possible.

ACHIEVEMENTS: Teaming up with BP, FedEx Freight installed solar-electric systems in two service centers in California. Combined, these systems are expected to reduce annual CO₂ emissions by 610 metric tons, or the equivalent of more than 69,000 gallons of gasoline.

NOTEWORTHY: FedEx Freight has worked in conjunction with the EnergyStar "Change the World" program to install energy-efficient lighting—including innovative LED lighting systems and compact fluorescent bulbs—in administrative offices and service centers across the country.

Lufthansa Cargo

www.lhcargo.com

MISSION: Striking a balance between economic interests and environmental responsibility remains Lufthansa's guiding principle. This is well illustrated by the substantial investments the airline makes in its fuel-efficient fleet.

ACHIEVEMENTS: Since 1991, Lufthansa has provided 50 percent of its additional transport services in a carbon-neutral manner. The airline's future goals are ambitious: By 2020, it aims to reduce specific CO₂ emissions by 25 percent compared to 2006 levels.

NOTEWORTHY: In February 2009, Lufthansa hosted its first Cargo Climate Care Award Conference in Frankfurt, Germany, to discuss green challenges and opportunities facing the transport industry.

Ryder

www.ryder.com/aboutus_greenctr.shtml

MISSION: Ryder is committed to supporting sustainable development, environmental protection, and pollution prevention in its global business.

ACHIEVEMENTS: Ryder recycled more than 3,800 tons of office paper and cardboard in 2008. Avoiding their manufacturing and disposal resulted in

Werner Enterprises

www.werner.com

MISSION: Werner Enterprises recognizes the important environmental role that transportation providers play in emission reductions. It is fully committed to investing in the technologies, strategies, and policies that increase fuel efficiency and decrease carbon footprints.

ACHIEVEMENTS: Through numerous sustainability initiatives and capital investments of more than \$100 million in emission-reduction technologies, Werner is making great strides in improving fuel mileage and reducing emissions. As a result, the company purchased 12.4 million fewer gallons of diesel fuel during the last six quarters compared to 2007.

NOTEWORTHY: Werner is currently testing and implementing trailer skirting technology, which has helped improve fuel economy by 3.4 percent.

a total reduction of more than 2,600 tons of greenhouse gas emissions.

NOTEWORTHY: Ryder performs remote monitoring at more than 400 locations, and compliance management for more than 1,800 storage tanks, 24 hours a day, 365 days a year through wholly owned subsidiary Ryder Fuel Compliance Services.



Energy Star building in Novi, Mich. | Ryder



Swift Transportation

www.swifttrans.com

MISSION: Swift is dedicated to running one of the most fuel-efficient truckload fleets in the United States.

ACHIEVEMENTS: Two-time SmartWay Excellence Award recipient Swift Transportation employs the latest technology to reduce the carbon footprint of its 1,000-tractor Clean Fleet. Utilizing 2009 tractors, the fleet is fully exempt from port dirty truck fees, cutting costs for shippers.

NOTEWORTHY: The carrier uses special software to track miles per gallon and idling rates, holding every level of the organization accountable for performance improvements. This tracking program has led to a 30-percent reduction in idling time fleet-wide. Innovative extra cab fairings, high-tech tracking of trailers to reduce empty miles, and driver training and incentives saved more than 1.8 million tons of CO₂ in 2007.



Energy-efficient trucks | Schneider

Schneider National

www.schneider.com/sustainability/index.htm

MISSION: At the heart of Schneider National's daily decision-making process is the belief that environmental sustainability, conservation, and protection, along with community advancement, can only be achieved by sustained economic progress.

ACHIEVEMENTS: Schneider began focusing on energy efficiency in 1978 when it pioneered driver incentives for idle reduction and fuel management. The program evolved in 1985 when Schneider included performance metrics

and driver compensation incentives based on their ability to more effectively manage fuel consumption.

NOTEWORTHY: Schneider's corporate office in Green Bay, Wis., and 210 facilities around the world are designed to maximize energy efficiency. Schneider's headquarters are cooled using an eco-friendly ice storage system, which reduces energy needs during peak consumption hours. The system cuts energy use by 30 percent and helps prolong the need for incremental power plant construction in Northeast Wisconsin.



Wind turbine transport | TransGroup

TransGroup Worldwide Logistics

www.transgroup.com

MISSION: TransGroup continually enhances its green initiatives by adding asset recovery and disposition services, as well as providing carbon footprint metrics.

ACHIEVEMENTS: TransGroup's Asset Recovery and Reverse Logistics service helps companies go green by managing the recovery and proper disposition of equipment and other value assets that have reached their end-of-lease or product lifecycles.

NOTEWORTHY: The company's TransNeutral opt-in program enables users to "green" their shipments and make a positive difference in the collective environment with every pound shipped. For every ton of CO₂ a TransNeutral shipment produces, another ton is taken away, or prevented – permanently and transparently.

The Port of Long Beach

www.polb.com

MISSION: Guided by its award-winning Green Port Policy, the Port of Long Beach is reducing harmful air emissions from port-related operations, improving water quality in the harbor, protecting marine wildlife, and implementing environmentally sustainable practices throughout its facilities.

ACHIEVEMENTS: The Port of Long Beach has launched a Clean Trucks Program that will reduce air pollution from harbor trucks by more than 80 percent by 2012.

NOTEWORTHY: The ports of Long Beach and Los Angeles have joined to adopt the San Pedro Bay Ports Clean Air Action Plan, a sweeping program aimed at significantly reducing the health risks posed by air pollution from port-related ships, trains, trucks, terminal equipment, and harbor craft.



Hybrid tug | Port of Long Beach

Sealed Air

www.sealedair.com

MISSION: Sealed Air focuses on more efficiently managing natural resources and the impact its products have on the environment.

ACHIEVEMENTS: In 2008 alone, the packaging company proved its "greenness": Its package and design labs removed two million pounds of excess packaging, it introduced an improved line of high-performance shrink films that are 20 percent thinner, and it developed a new Jiffy Mailer product made from 100-percent recycled newspapers and kraft material.

NOTEWORTHY: Sealed Air is looking to reduce greenhouse gas emissions by 12 percent between 2006 and 2010.



Intermodal stack train | Norfolk Southern

Norfolk Southern

www.nscorp.com/footprints

MISSION: Norfolk Southern is committed to protecting the quality of the environment. The rail's Environmental Protection Department and Environmental Policy Council ensure that appropriate policies, procedures, and resources are in place to address environmental health and safety concerns across the system.

ACHIEVEMENTS: Norfolk Southern is investing more than \$100 million to upgrade its locomotive fleet. The company leads the rail industry with 73 percent of its locomotives already compliant with EPA emissions standards.

NOTEWORTHY: The railroad's Green Machine, a carbon footprint analyzer, allows businesses to estimate the emissions savings of choosing rail over other transportation modes.

The Port of Seattle

www.portseattle.org/community/environment/

MISSION: The Port of Seattle aims to be the cleanest, greenest, and most energy-efficient port in the nation.

ACHIEVEMENTS: One example of the Port's environmental record is its Pier 66 project. When the pier was redeveloped as a public-use area, concrete pilings replaced creosote-treated wooden ones and the structure was designed to provide more light and corridor improvements for salmon and other sea life. The project was awarded an Environmental Improvement Award from the American Association of Port Authorities.

NOTEWORTHY: The Port of Seattle and the Port of Dalian, China, have agreed to work with other public and private sector companies on an EcoPartnership to advance environmental and economic sustainability.