

November 2013

# Sustainable Logistics Best Practices from the Global Compact

WWS Series 2





#### WWS Series 2

#### **SUSTAINABLE LOGISTICS**

### Best practices from the Global Compact

November 2013

(second edition)

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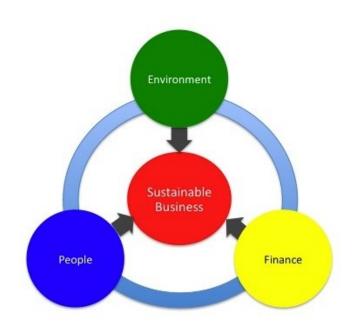
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#### INTRODUCTION

The term sustainability comes from forestry and describes the management of a forest's natural resources, not only for the benefit of the present generation, but also for the benefit of future generations. Applied to business operations, sustainability means the ability to sustain a business with a long-term perspective, taking into consideration economic, social, and

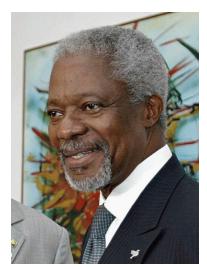
environmental issues, the so-called "Triple P": Profit, People, and Planet. This paper gives an overview of the international standards of sustainability as well as their implementation in the logistics industry. This overview summarizes the analysis of sustainability reports of the ten largest logistics companies, as well as of logistics firms that have participated at the United Nations Global Compact for at least four vears. The description sustainable practices includes a variety of issues in the areas of human rights, labor standards, environment, anticorruption, and philanthropy.



Sustainable logistics describes an economically viable business model that seeks to mitigate negative environmental and human rights impact by implementing high ethical standards throughout a company's operations, with respect to the relationships with clients, employees, and suppliers.

Good business conduct is neither a new concept, nor a strictly Western one. The ability to do business "on a handshake" has been crucial for the sustained operations of any business since the origins of exchanging goods and services. Many cultural and religious groups worldwide require responsible business conduct with high moral and ethical standards, including giving back to the community, especially to the poor and underprivileged.

Following the end of WWII, the United Nations created a set of universal rights and obligations, in the areas of human rights, labor standards, anticorruption, and the environment. Although almost every sovereign state has signed these conventions and regulations, their practical implementation is still lacking. The implementation of international treaties is a governmental responsibility. In the last two decades, however, civil society, the media, and academia have begun to expect businesses to respect these standards within their spheres of influence, even in the absence of governmental agencies to enforce them. Today, large companies with direct consumer contact are often in the focus of civil society or media attention, due to unfair labor practices or environmentally damaging operational practices. Therefore, companies attempt to focus on green procurement: valuing and engaging with suppliers that can offer sustainable solutions.



Former UN Secretary-General Kofi Annan

In 1999 at the World Economic Forum in Davos, Switzerland, then UN Secretary-General Kofi Annan called on the CEOs of some of the largest multinational corporations to commit to a global compact in order to mitigate the negative effects of globalization. Eighteen months later, the United Nations in New York launched the United Nations Global Compact. Today, the Global Compact is the largest corporate responsibility initiative in the world. More than 8,000 companies - including small and medium enterprises [SMEs][1] - from over 140 countries are committed to the ten Global Compact principles. These ten principles are based on international treaties in the areas of human rights, labor standards, anticorruption, and the environment. In order to operate a sustainable business, it is important to know what these standards are and how to incorporate them into everyday business operations.

The following overview summarizes best practices from the ten largest logistics companies and from other transportation businesses that have committed to the Global Compact principles for more than four years. It includes diverse experiences and practices from several countries such as Argentina, Brazil, Bulgaria, China, France, Germany, Indonesia, Japan, Jordan, the Netherlands, Panama, Switzerland, Syria, and the United States.

#### **HUMAN RIGHTS**

#### **Relevant International Treaties**

The principal international treaties and declarations concerning human rights are The Universal Declaration of Human Rights of 1948, as well as the International Covenant on Civil and Political Rights (1966) and the International Covenant on Economic, Social and Cultural Rights (1966). This so called International Bill of Human Rights - signed and ratified by almost every sovereign state - stresses independent rights for every individual that are also relevant for business operations.



United Nations in New York

#### Some articles from the Universal Declaration of Human Rights

- The right of life, liberty and security of person;
- The right to equal and just remuneration ensuring a dignified living standard;
- The right to leisure with reasonable limitation of working hours and periodic holidays with pay;
- The right to access to medical care and necessary social services;
- The right to special care during motherhood;
- The right to education;
- The right to safe and healthy work conditions.

Since 2005, Prof. John Ruggie, the UN Special Representative on Business and Human Rights had organized a long-term consultation process with several worldwide stakeholders on the topic of complicity in human rights abuses. The outcome of this process were the UN Guiding Principles on Business and Human Rights that provide a framework for the implementation of human rights throughout all the business operations. Furthermore, the International Code of Conduct for Security Service Provider and the UN Basic Principles on the Use of Force and Firearms<sup>[2]</sup> might be relevant for logistics companies that hire security guards to protect their cargo.

The two human rights principles of the Global Compact:

#### Businesses should

- support and respect the protection of internationally proclaimed human rights (principle 1);
- make sure that they are not complicit in human rights abuses (principle 2).

Violating international standards can result in losing the social license to operate a business and in litigations. One example is a lawsuit against the Canadian company Anvil Mining. Anvil Mining provided logistics support for a military operation of the Congolese army that resulted in a massacre. Another example is a lawsuit based on the *U.S. Alien Tort Claims Act* (ATCA) against Royal Dutch Shell, an energy conglomerate, for its involvement in the execution of nine political prisoners in Nigeria. The famous writer Ken Saro-Wiwa was among them<sup>[3]</sup>.

#### Relevant certifications

- OHSAS 18001 is a British standard recognized worldwide for health and safety.
- SA 8000 is an auditable certification program based on several ILO-Conventions, the <u>Universal Declaration of Human Rights</u> and the *United Nations Convention on the Rights of Children*. It is issued by *Social Accountability International*, a NGO based in the U.S.
- *Investors in People*, a British accreditation instrument recognized worldwide, focuses on transforming business performance through employees, targeting issues such as health and wellbeing.

#### **HUMAN RIGHTS**

#### **Best Practices from Logistics Companies Worldwide**

# FAINA

Somali pirates on the Faina before the rescue

#### Implementing safety measures

For logistics companies, one major concern is keeping employees safe while operating vehicles. Therefore, many companies intensively monitor the injury rate in their operations, perform safety training and organize safety programs in order to minimize or eliminate safety hazards<sup>[4]</sup>. One example is steamship lines whose routes lead through pirate-infested waters. These businesses have created safe cabins equipped with food supplies and communication tools whereby the crew is secure until their rescue (MOL 2012: 09; Cosco 2011: 300).

#### Training employees to avoid being complicit in human rights violations

If a company works in a country with low standards of human rights protection, it is crucial that the employees know how to handle abusive situations. The German helicopter charter company Helog (2009: 3), which operates in African conflict regions, encourages its employees to report any violation and uses daily meetings to discuss human rights challenges. Helog also refuses to transport passengers or goods in cases of a reasonable suspicion that the action could be in violation of rules and procedures concerning human rights. The Brazilian company Amara Brazil (2012: 8) trains truck drivers to report human rights violations that they encounter during their travels through Brazil.

#### Training security guards

One challenge for a transportation company is to ensure that employees and third-party security firms comply with human rights requirements while guarding cargo on land and on sea. Companies must organize training on the use of force and firearms, and regularly monitor operations to ensure compliance with all requirements (Express Group 2012: 6; Cosco 2011: 304f).

#### Health insurance and health care

In addition to preventing accidents, some of the logistic companies actively promote healthy work environments. This goes beyond health insurance that most companies of the sample offer to their employees. It addresses work-related health concerns such as drivers experiencing back pain from heavy loads, administrators in sedentary working environments and general stress symptoms. Some logistics companies describe in their report the use of ergonomic equipment, regular fitness training, massage treatments, health information and/or regular health checks for physical and mental symptoms<sup>[5]</sup>.

#### Avoiding layoffs

During the financial crisis of 2008/2009 the German company Hellmann (2011: 33), despite the decline in business, decided against layoffs. Instead, Hellmann opted to implement reduced working hours, and executives accepted voluntary pay cuts. In 2010, at the end of the crisis when business activity rose sharply, the existing staff was able to handle the increased business. The company avoided costs from hiring and training new employees (not to mention the high costs that would have been incurred via layoffs, severance packages, and paperwork).

#### Promotion and training of employees

Most logistics companies that committed to the Global Compact describe in their reports how they provide training, promotion and bonus schemes to support employee personal growth and to become employers by choice [6].

#### Salaries that allow a life with dignity

One of the fundamental human rights is to receive a salary that meets the basic needs of employees and their families, and provides a base for developing their individual potentials. Some logistics companies pay salaries above the minimum wage that adjust automatically for inflation. Other companies offer profit sharing and other bonus programs (e.g. 13<sup>th</sup> month bonus), extra retirement provisions and graded anniversary bonuses. Other benefits include employee housing, low interest credit lines, life insurance and scholarships for employees' children<sup>[7]</sup>.

#### Work life balance

The logistics companies that signed the Global Compact principles typically offer a broad range of benefits to support work life balance. The Japanese transport company MOL (2012: 40) implemented several guidelines to reduce overtime work: no-overtime days, establishing specific days when all employees leave at a certain time, strengthening processes for approval of overtime work and introducing extra holidays ("refresh leave") for employees after 15 years of continuous service. In the context of childcare, companies allow extra maternity leave, flexible



working hours (increasingly for fathers), part-time positions for mothers and/or possibilities to nurse a child during the workday. Other companies finance childcare and/or accept extra leave to take care of sick family members. Some companies offer days off for birthdays<sup>[8]</sup>.

#### LABOR RIGHTS

#### **Relevant International Treaties**

The International Labour Organization (ILO) founded after World War I, acknowledged that social injustices were a driving factor of conflict and war. The ILO was incorporated into the newly established United Nations in 1945 and has since developed nearly 200 sets of rules and norms for labor standards. In 1998, the ILO summarized core labor standards in The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The four labor principles of the Global Compact:

#### Businesses should

- uphold the freedom of association and the right to collective bargaining (Principle 3);
- eliminate forced labor (Principle 4);
- abolish child labor (Principle 5);
- eliminate the discrimination regarding employment and occupation (Principle 6).

Three United Nations conventions in the area of labor rights are relevant for ship owners:

- International Convention for the Safety of Life at Sea (International Maritime Organization)
- International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (SAR) (*International Maritime Organization*)
- Maritime Labor Convention (MLC) (International Labour Organization)

#### **Relevant Certifications**

- SA 8000 (see Human Rights: relevant certifications);
- The Fairtrade certification is a product certification that specifies certain environmental and labor standards. The *International Fairtrade Certification Mark* is issued by the Germany-based Fairtrade International. The Fair Trade Certified Mark for North America is issued by Fair Trade USA/Canada.

#### LABOR RIGHTS

#### Best Practices from Logistics Companies Worldwide:

#### Continuous dialogue with employee's representations

Many companies that signed the Global Compact principles have established regular dialogue forums with employee representatives or workers' councils to discuss issues related to the work environment and working conditions such as safety, business strategy, economic performance, sustainability, health, salaries, and employee housing [9]. However, in some countries, unions are either illegal or inactive. The Jordanian company Aramex (2012: 35) points out that – without breaking local law – it respects all collective actions taken by employees and works to ensure that their needs are met. The company uses team meetings, intranet services and messaging systems to involve employees in decision-making processes.

#### Being alert to human trafficking as a modern form of forced labor

Most states have abolished forced labor; therefore, companies are not openly confronted with this form of violation. However, a company might not be aware that its suppliers are involved in human trafficking by using migrant workers who live and work under deplorable conditions, preventing them from leaving their workplace.



The Seattle-based non-profit Businesses Ending Slavery & Trafficking (BEST) created a set of tools to prevent human trafficking.

#### Checking suppliers to avoid child labor

In certain countries, it may be necessary to add a section in the supplier's code of conduct that forbids child labor. Cosco Group, a Chinese shipping firm (2011: 303), has contracts that penalize any suppliers that illegally employ child and youth labor. Suppliers that violate this rule are reported to local labor management departments.

"The child shall have full opportunity for play and recreation...and shall not be permitted to employment before an appropriate minimum age." (from the *Declaration of the Rights of the Child 1959*)

# Pursuing a policy by including minorities and raising awareness of discrimination



Hiring and keeping the most talented individuals is a crucial competitive advantage for every company. This means that every employee has the right to be respected and included regardless of age, race, gender identity, ethnic origin, sexual orientation, physical challenges, and religious or political affiliation. In different countries, the particular focus of a company may vary. MIT, a Panamese container terminal operator (2012: 39), collaborates with Servicios Múltiples Kuna, S.A., owned and operated by the local indigenous tribe of the Kuna. TNT

Bulgaria (2012: 9), the Bulgarian subsidiary of TNT, a major international courier, integrates Roma into their workforce by offering internships with a possibility of long-term employment to members of this ethnic group. TNT Bulgaria founded also the TNT Pride Network to promote inclusion and support of gay, lesbian and bisexual issues. MRW (2011: 28), a Spanish courier, offers workspace for physically challenged employees above the quota that is prescribed by law.

#### **ENVIRONMENT**

#### **Relevant International Treaties**

In 1992, the *United Nations Conference on Environment and Development* in Rio de Janeiro ended with the non-binding Rio Declaration on Environment and Development that has become a point of reference for environmentally sustainable development. Furthermore, the *United Nations Partnership for Clean Fuels and Vehicles*, developed during the *World Summit on Sustainable Development* (2002) in Johannesburg, is relevant to logistics companies. It provides recommendations for the reduction of air pollution in the transportation sector (UNEP 2013).

The three environmental principles of the Global Compact:

#### Businesses should

- support a precautionary approach to environmental challenges (principle 7);
- undertake initiatives to promote greater environmental responsibility (principle 8);
- contribute to the development and diffusion of environmentally friendly technologies (principle 9).

Two conventions of the UN International Maritime Organization are relevant for ship owners:

- International Convention for the Prevention of Pollution from Ships (MARPOL) prescribes the Energy Efficiency Design Index (EEDI) for new ships; and
- International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM) (IMO 2013).

#### Relevant certifications (selection)

- ISO 14000 is a group of environmental management standards established by the *International Organization of Standardization*, based in Switzerland.
- Eco-Management and Audit Scheme (EMAS) is an environmental management system, developed by the European Union that integrates ISO 14001.
- Leadership in Energy and Environmental Design (LEED) is a rating system for the construction and operation of green buildings, developed by the U.S. Green Building Council.
- Greenhouse Gas Protocol Certification is an accounting tool to quantify and manage greenhouse gas emissions, initiated by the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI).

#### **ENVIRONMENT**

#### Best Practices from Logistics Companies Worldwide

#### Calculating CO2 and carbon offset

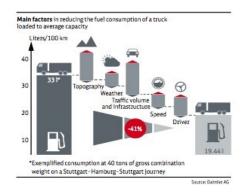


NYK GROUP CO2 e-calculator

One of the basic steps towards green logistics is to calculate how much CO<sub>2</sub> is emitted via certain modes of transportation. A *Life Cycle Assessment* (LCA) is an evaluation that shows the complete CO<sub>2</sub> emissions from vehicle manufacturing, vehicle use, and vehicle disposal<sup>[10]</sup>. Some companies (Austrian Post 2012: 12; Deutsche Post 2012: 9; UPS 2012: 90) purchase carbon offsets to compensate for all CO<sub>2</sub> emissions caused by their business operations, some of which cannot be reduced. A carbon offset is a financial instrument aimed at a reduction of greenhouse gas emissions. Its use is highly controversial (see Mukerjee 2009).

#### Route and load optimization

The first step for implementing cost and energy saving measures is the introduction of routing technology and telematics to optimize physical logistics processes such as more efficient packing, regrouping goods and route optimization (Schenker 2012: 28; Hellmann 2011: 19f; UPS 2012: 81).





A glimpse into the future? Google self-driving car in San Francisco.

#### Driver training

Driver training can reduce fuel consumption up to 10 percent. To maintain an eco-friendly driving style, it is crucial to install technical equipment showing variable fuel consumption at different speeds and monitoring the use of heating and air-cooling systems [11].

#### Preferring rail, and improving rail transportation



Route optimization means taking into consideration the environmental impact of different modes of transportation. Rail freight is the most environmentally friendly mode of land transportation, but some companies seek to further improve its efficiency. This might include more efficient utilization of trains, modernization of facilities, use of low-emission locomotive engines, installation of new particulate filters, introduction of noise reduction measures, training drivers, and equipping locomotives

with power systems that convert the kinetic energy of the train into electricity and feed it back into the overhead lines while braking<sup>[12]</sup>. Companies use efficiency improvement initiatives to mitigate negative environmental impact.

#### Low or zero emission vehicles for road transport

Companies can reduce the emissions of CO<sub>2</sub> and other air pollutants by replacing older vehicles with more efficient ones, such as hybrid cars, that use alternatives fuels and energy sources. In America, the *U.S. Department of Energy* is establishing the *Interstate Clean Transportation Corridor* which provides the necessary infrastructure for liquefied natural gas (LNG). Some companies have vehicles that use fuel from used animal fat and/or ethanol. Alternatives for intra-urban distribution that have zero pollution include electric vehicles (ideally charged via solar-powered stations) or (for smaller loads) electric bicycles or motorcycles<sup>[13]</sup>.



#### Green ships

Ships are one of the most efficient modes of transportation on sea and inland waterways. Reducing speed (slow steaming) is one of the most effective ways to reduce pollutant emittance, particularly those that cause acid rain and soil acidification. A 15 percent reduction of speed results in net savings of 30 percent of CO<sub>2</sub> emissions. Other methods to reduce emissions include route and trim optimization, and taking advantage of weather and sea conditions.

Some ports offer incentives for ships that rank high on the *Energy Efficiency Design Index* (EEDI). Newer generation ships have even more options for minimizing environmental effects: energy-efficient designs, modern machinery, low-pollution fuels, hydro and aerodynamic improvements, cargo volume maximization, reduced wind resistance and fewer wetted surfaces.

To preserve marine life, ocean freighters can use non-toxic instead of traditional paints and treat the ballast water according to international treaties, such as those promulgated by the IMO. Some companies designed fully recyclable ships such as the Maersk Triple E class ships. They avoid recycling facilities in countries like Bangladesh where ships are typically dismantled in violation of international environmental and labor standards [14].

MOL, Japanese steamship line, (2012: 11, 33) introduced the solar-powered hybrid car carrier Emerald Ace, with lithium-ion equipped batteries that are charged at sea by solar power generation systems. The ship uses this power while at berth and completely shuts off diesel power generators. MOL is working on another project that integrates liquefied natural gas (LNG) and waste heat. NYK Group, a Japanese shipping conglomerate, (2012: 13) aims to develop by 2050 a vessel with close to no CO<sub>2</sub> emissions.



The NYK Super Eco Ship 2030 with close to no CO<sub>2</sub> emissions (Photo: NYK)

#### Fuel-efficient airplanes

Flight is the least energy-efficient mode of transport. Due to its speed advantage, there is no viable alternative for some transported goods. Cargo planes using a combination of light carbon fiber design, higher cargo volume, more economical engines, aerodynamically optimized winglets and environmentally friendly paint decrease the negative environmental impact of flight transportation. Take-offs and landings are particularly fuel-intensive. Air pollution is reduced by shifting air freight along the main trade routes on direct flights, lowering flight speeds, using single engines used to taxi, fuel-efficient towing tugs and alternative fuel for ground support equipment<sup>[15]</sup>.

#### Green office management.

Companies can introduce a whole range of measures to reduce environmental impacts and conserve resources. A principal precautionary measure is to save energy. Actions include replacing old appliances with newer, more energy-efficient ones, replacing printers and copiers with multi-functional devices, setting the default printing option as double-sided, installing LED lighting and automatic switches, procuring eco-friendly products and materials, encouraging online communication between companies and departments, using video and



E-learning screen for CSR at NYK

telephone conferences instead of business trips, supporting flex-workflow and work-at-home options, providing shuttle transportation for employees, encouraging employees to bike to work, introducing paperless office procedures such as electronic filing and invoicing, and scanning documents instead of printing. Internal campaigns, newsletters and e-learning raise awareness and knowledge concerning the environment and ensure the day to day application of newly introduced measures [16].

#### Protection of biodiversity

Shipping companies must avoid inadvertently spreading invasive species. UPS (2012: 101) describes the cooperation with the *Animal and Plant Health Inspection Service (APHIS)* of the *U.S. Department of Agriculture* in order to prevent the spread of the Japanese beetle via air transport. To preserve marine life, it is crucial that shipping companies carefully handle ballast water and choose nontoxic paint.

#### Green warehouse-management



There are numerous instruments reducing  $CO_2$ emissions. These include installation the of photovoltaic, wind and solar energy systems, the geothermal energy, installation of innovative lighting systems, motion detectors, utilizing daylight, installation of green roofs, using insulation and efficient heating systems, installing natural cooling systems, using electric or hydrogen powered

forklifts, using efficient conveying technology and recycled cardboard pallets, increasing space efficiency through higher stacks, installing fittings that save water, efficient washing machines, training on the use of water, collecting rainwater for use in washing machines, improved recycling and planting trees. The German Schenker (2012: 43) developed criteria for sustainable warehousing, and the Norwegian WWL (2012: 7) received input from people all over the world to design its green terminal [17].

#### **ANTICORRUPTION**

#### **Relevant International Treaties**

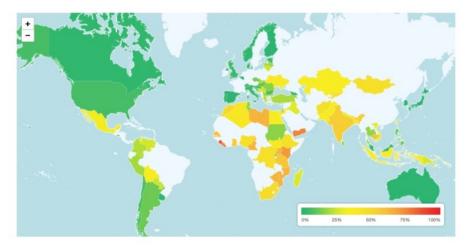
The Foreign Corrupt Practices Act of 1977 (FCPA) (15 U.S.C. 78dd-1, et seq.) forbids American companies from corruption in foreign countries. In many European countries "facilitation payments" were still tax-deductible until 1999. Only after 1999, most countries included the penalization of foreign corrupt practices into their legal systems in accordance with the OECD Convention on Combating Bribery of Foreign Public Officials and the 2003 United Nations Convention Against Corruption.

The anticorruption principle of the Global Compact:

#### Businesses should

• work against corruption in all its forms, including extortion and bribery (Principle 10).

## 2 PERCENTAGE OF RESPONDENTS PER COUNTRY/TERRITORY WHO PAID A BRIBE TO ONE OF EIGHT SERVICES IN THE LAST 12 MONTHS



The Berlin-based Non -Profit Transparency International provides information on every aspect of corruption in every country and how to prevent it.

In the graphic, a lower percentage (green) means respondents paid few or no bribes, while a higher percentage means most or all paid bribes.

Hover on a country to see the precise percentage of respondents who paid a bribe to one or more of the following services in the prior 12 months: education system, judicial system, medical and health services, police, registry and permit services, utilities, tax, and land services.

Globally, one in four people report paying a bribe in the past year. Bribery not only costs the individual paying the bribe – it also undermines the efficient and equitable allocation of resources, people's respect for the rule of law and the overall integrity of a society.

#### **ANTICORRUPTION**

#### Best Practices from Logistics Companies Worldwide

#### Acceptance of gifts, giving of gifts

Some companies describe their explicit policies regarding the acceptance and giving of gifts, entertainment, and other forms of benefits in order to avoid conflicts of interest (MRW 2011: 4; TNT 2012: 4).

#### Anonymous compliance hotline

Employees might feel insecure as to how to address issues regarding the acceptance or giving of gifts. Through confidential, anonymous hotlines, some corporations create a protected environment where sensitive issues can be discussed (Transfesa 2011: 36; Deutsche Post 2012: 11).



#### Contribution to political parties and disclosure of lobbying activities

Some logistics companies explicitly state that they do not allow contributions to political parties and/or to unions (Rhenus 2012: 7; Express Group 2012: 53). This policy varies according to the political culture. In the USA, following the Supreme Court's decision in *Citizens United v. Federal Election Commission (2010)*, UPS (2012: 36), for example, voluntarily increased its disclosure related to accountability for corporate political spending and lobbying activities.

#### **PHILANTHROPY**

#### Best Practices from Logistics Companies Worldwide

Giving back to the community is part of running a successful and sustainable business. Logistics companies that engage in philanthropy often choose issues, such as mobility and transportation, that are related to their core business.

#### Logistical support in emergency situations

Some of the largest logistics companies provide storage capacity and/or transportation to assist the *International Federation of the Red Cross*, the *World Food Programme*, *World Vision International*, and other humanitarian aid organizations during emergency situations<sup>[18]</sup>.

#### Assist persons gaining back their mobility

Several shipping companies support those who are challenged due to amputation or paralysis. Some finance technical devices or software while others assist with transportation<sup>[19]</sup>.

#### Training, education and research on logistics

The Kuehne Foundation finances the *Kühne Logistics University*, several other logistics professorships and established a Research Center on Humanitarian Logistics (Kuehne Nagel 2012: 36). Geodis (2012: 15) awards prizes for different sustainable transportation initiatives.



#### Health support for mobile populations

TNT Express (2012: 36) created North Star Alliance (NSA), a public-private partnership with the *World Food Programme* that offers health support for highly mobile populations, such as long-distance truck drivers. The partnership provides access to basic health services through a network of health clinics called *Roadside Wellness Centers* that focus on HIV/AIDS and other infectious diseases.

#### CONCLUSION

The analysis of the sustainability reports gives a rough overview of how the ten largest logistics companies and dozens of other United Nations Global Compact signatories implement human rights, labor, environmental and anticorruption standards. The best

of these practices forerunners demonstrate varieties of broad approaches to create a sustainable logistics company. No matter, what innovation company plans implement, it is critical that it raises client awareness for "green" logistics, develop and market "green" logistic products, and encourage clients to switch to more ecological modes



transportation. Implementing sustainability standards is an ongoing process that requires constant dialogue with all stakeholders: clients, employees, suppliers, shareholders, community, civil organizations, governments, and business associations. Employee training, stakeholder engagement, overview of business activities concerning sustainability, elaborating a sustainability strategy, formulating and measuring sustainability goals, and implementing codes of conduct are important steps toward a sustainable business.

#### **INITIATIVES FOR SUSTAINABLE LOGISTICS (SELECTION)**

- Business for Social Responsibility (BSR): Working Group the Future of Fuels; Maritime Anti-Corruption Network; Clean Cargo working group (http://www.bsr.org)
- Carbon Disclosure Project (https://www.cdproject.net)
- Ecotransit (Energy and emission calculation free of charge: www.ecotransit.org)
- Global Reporting Initiative (GRI) (https://www.globalreporting.org)
- Green Logistics (https://www.greenlogistics.org)
- Green Shipping Summit (https://www.gssummit.org)
- North American Council on Freight Efficiency (NACFE) (http://nacfe.org)
- Smart green shipping alliance (https://www.smartgreenshippingalliance.com
- Sustainable Packaging Coalition (SPC) (http://www.sustainablepackaging.org/)
- Sustainable shipping: Online Forum (http://www.sustainableshipping.com)
- Sustainable Shipping Initiative (SSI) (https://www.ssi2040.org)
- United Nations Global Compact (http://www.unglobalcompact.org)
- U.S. Department of Energy: U.S. Clean Fleets Partnership (<a href="http://1.usa.gov/hYn7Mk">http://1.usa.gov/hYn7Mk</a>)
- World Resources Institute, (Greenhouse Gas Protocols for supply chain reporting) (www.wri.org/project/ghg-protocol)

#### **FOOTNOTES**

- [1] The Global Compact distinguishes between company (more than 250 employees) and small and medium enterprise (less than 250 employees) (UNGC 2013).
- [2] The UN High Commissioner for Human Rights developed theses principles that demand a very restrictive use of firearm making sure bystanders are not harmed and arrested person are treated according international habeas corpus. The U.S. and the British secretary/office for foreign affairs based the *Voluntary Principles on Security and Human Rights*[2] for mining, oil- and energy companies on them (U.S. Department of State 2013; OHCHR 2013).
- [3] MONUC 2005: 8; Business & Human Rights Resource Centre 2013
- [4] see for example: Deutsche Post 2012: 4f, TNT 2012:4; Transfesa 2011: 6; Covemat 2012: 3; Cosco 2011: 274; Geodis 2012: 13; NYK 2012: 35; MRW 2011: 8, Austrian Post 2012: 54.
- [5] Deutsche Post 2012: 4f; Geodis 2012: 14; ACP 2012: 41; Hellmann 2011: 37f; UPS 2012: 114; MTI 2012: 2; ACP 2012: 41; Bolloré 2012: 7ff; Cosco 2011: 300; CDN 2011: 4.
- [6] UPS 2012: 119; Unimasters Logistics 2011: 4; MOL 2012: 42; NYK Group 2012: 14; TNT Express 2012: 31, Kuehne + Nagel 2012: 34; Austrian Post 2012: 54
- [7] Helog 2009: 6; CDN 2011: 3f; Express group 2012: 17, 22; Hellmann 2011: 35; Korail 2012: 54; CDN 2011: 4; NYK Group 2012: 41
- [8] CDN 2011: 4; MRW 2011: 9, 21, 30; Unimasters Logistics 2011: 3; MOL 2012: 41; TNT Argentina 2012: 17; Hellmann 2011: 35; Korail 2012: 54; NYK Group 2012: 41.
- [9] See for example: Deutsche Post 2012: 7; Geodis 2012: 14; Cosco 2011: 268; ACP 2012: 40: TNT Argentina 2012: 13; Covemat 2012: 4; Rhenus 2012: 6; Translyne 2012: 5; TNT 2012: 9; MOL 2012: 41; Korail 2012: 55.
- [10] NYK Group 2012: 2; ACP 2012) 51; mti 2012: 2; Kuehne Nagel 2012: 40; Cosco 2011: 226
- [12] Schenker 2012: 21, 27; Korail 2012: 35; Bolloré 2012: 6
- [11] Schenker 2012: 27; TNT Express 2012: 33ff; Keolis 2011: 6f; Hellmann 2011: 19f
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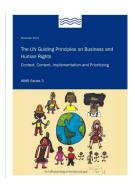
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